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OGDEN

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RECEIVED

JUN 21 2013

P[illegible] SERVICE
[illegible]ISSION

DEBORAH T. EVERSOLE
DIRECT DIAL: (502) 568-5770
DIRECT FAX: (502) 333-6099
Deborah Eversole@skofirm com

June 21, 2013

Jeffrey DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601

RE: Application of Amerigas Partners, L.P and Amerigas Propane, L.P. For Approval of the Acquisition of the Utility Assets of Heritage Operating, L.P. d/b/a Bright's Propane Service, Inc. and for Authority to Abandon the Pipeline System and Serve Customers by Other Means

Dear Mr. DeRouen:

Enclosed for filing please find an original and ten copies of the above-referenced application.

Please place your file stamp on the extra copy and return to me via our runner. Thank you very much for your attention to this matter.

Sincerely yours,

Deborah T. Eversole

Deborah T. Eversole

DTE: jms
Enclosures

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RECEIVED
JUN 21 2013
PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AMERIGAS PARTNERS, L.P. AND AMERIGAS PROPANE, L.P., FOR APPROVAL OF THE ACQUISITION OF THE UTILITY ASSETS OF HERITAGE OPERATING, L.P. D/B/A BRIGHT'S PROPANE SERVICE, INC. AND FOR AUTHORITY TO ABANDON THE PIPELINE SYSTEM AND SERVE CUSTOMERS BY OTHER MEANS	)))))))	**CASE NO. 2013-_____**

VERIFIED APPLICATION

AmeriGas Partners, L.P. ("AmeriGas") and AmeriGas Propane, L.P. ("AmeriGas Propane"), by counsel, pursuant to KRS 278.020(5) and (6), 807 KAR 5:001, and all other applicable statutes and regulations, for their Verified Application for approval of the acquisition of Heritage Operating, LP d/b/a Bright's Propane Service, Inc. ("Bright's"), to abandon the pipeline system, and to serve its 52 utility customers by the same means used to serve the remainder of AmeriGas's approximately 18,000 customers in Kentucky, state as follows:

INTRODUCTION

AmeriGas Partners, L.P. is a publicly traded Delaware master limited partnership that operates the nation's largest retail propane distribution business. The common units of AmeriGas Partners, L.P. are traded on the New York Stock Exchange under the symbol "APU." UGI Corporation, through subsidiaries, is the sole General Partner and owns 26% of the Partnership. An affiliate of Energy Transfer Partners, L.P. owns 32% of the Partnership and the public owns the remaining 42%.

AmeriGas distributes over one billion gallons of propane annually to over 2 million residential, commercial/industrial, motor fuel, agricultural and wholesale customers in all 50 states. Through the Partnership's AmeriGas Cylinder Exchange "ACE" program, ACE cylinders are available at more than 44,000 retail locations throughout the United States.

AmeriGas operates approximately 2,100 distribution locations staffed with over 9,000 dedicated employees focused on fulfilling AmeriGas's commitment to be the safest, most reliable, and most responsive propane company in the nation.

In 2012, AmeriGas had sales of $2.9 billion and total assets of $4.5 billion. A copy of AmeriGas's 2012 Annual Report is attached hereto as Exhibit **A**.

A certified copy of AmeriGas's limited partnership agreement with all amendments is attached hereto as Exhibit **B**. AmeriGas's principal office is 460 North Gulph Road, King of Prussia, PA, 19406. AmeriGas's contact person for utility matters in Kentucky is Rick Harris, District Manager, Bright's Bottle Gas, 103 Brooke Street, Burgin, Kentucky, 40310. Mr. Harris can be reached by telephone at (859) 748-5382 or by electronic mail at rick.harris@amerigas.com.

As this application demonstrates, AmeriGas possesses the technical, financial, and managerial capacity to operate a gas utility in the Commonwealth. However, based on the unusual facts at issue here, including the existence of numerous competitors in the immediate area and the realities of competitive propane service pricing, Bright's service by pipeline should cease. The public interest will be served by the Commission's approval of this application.

HISTORY OF THE UTILITY

Prior to 2008, Bright's Propane Service, Inc. ("Bright's") was a Kentucky corporation that owned and operated facilities used to distribute and sell manufactured gas to customers in Old Bridge Subdivision in Boyle County, Kentucky, and was a utility subject to the Commission's jurisdiction. Its distribution system consisted of an 18,000 gallon propane tank, approximately 11,925 feet of 2-inch plastic pipeline, and approximately 5,100 feet of 3/4-inch service lines. As of December 31, 2006, Bright's had a net utility plant valued at $37,541.

By order dated February 27, 2008, in Case No. 2007-00494, the Commission approved the purchase of Bright's utility assets by Heritage Operating L.P. ("Heritage"), a Delaware limited partnership.[1] Heritage continued to operate the utility assets under the name Bright's.

THE TRANSACTION

On October 15, 2011, AmeriGas Partners, L.P., Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., and Heritage ETC, L.P. entered into a Contribution and Redemption Agreement ("Purchase Agreement") under which AmeriGas Partners acquired the propane operations of Energy Transfer Partners, L.P. ("Energy Transfer") for total consideration of approximately $2.9 billion, including $1.5 billion in cash, AmeriGas Partners Common Units valued at approximately $1.3 billion at the time of the execution of the agreement, and the assumption of $71 million in debt. (A copy of the Purchase Agreement and all attachments is attached hereto as Exhibit C.)

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[1] *In the Matter of the Joint Application of Heritage Operating L.P. and Bright's Propane Service, Inc. for Approval of Transfer and Acquisition of Assets and Certificates of Public Convenience and Necessity*, Case No. 2007-00494, Order (Feb. 27, 2008).

On January 12, 2012,[2] AmeriGas Partners completed the acquisition of the subsidiaries of ETP that operated ETP's propane distribution business ("Heritage Propane"). The acquired business conducted its propane operations in 41 states through Heritage Operating L.P. and Titan Propane LLC. Effective August 1, 2012, Titan Propane LLC merged with and into AmeriGas Propane L.P. Pursuant to the ongoing consolidation, AmeriGas Propane, L.P., will directly operate Bright's. A certified copy of AmeriGas Propane L.P.'s limited partnership agreement is attached hereto as Exhibit D.

TECHNICAL, FINANCIAL, AND MANAGERIAL ABILITY

KRS 278.020(5) requires an acquirer of a utility to demonstrate the technical, financial, and managerial ability to provide service. That standard is met. Although Commission approval was, through inadvertence, not sought prior to the transfer of Bright's utility operations, the service provided to Bright's customers since AmeriGas began operating the system demonstrates AmeriGas's competence.

AmeriGas, a large and successful enterprise with years of experience in the propane business, stands behind the operations of Bright's and will ensure its continuing viability. As noted above, AmeriGas sells over one billion gallons of propane annually to over 2 million customers in all 50 states, resulting in 2012 sales of $2.9 billion and total assets of $4.5 billion. AmeriGas therefore has more than adequate financial resources

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[2] AmeriGas regrets that, through inadvertence, it did not seek Commission approval prior to the consummation of the transaction. However, the Commission has previously found, in a similar situation, that "except for the legal infirmity caused by the failure to obtain prior Commission approval," information filed subsequently by the acquirer demonstrated that the transfer was made "'in accordance with law, for a proper purpose and consistent with the public interest.'" *Joint Application of Automated Communications, Inc. and Phoenix Network, Inc. for Approval of the Transfer of Assets of Automated Communications, Inc., to Phoenix Network, Inc.*, Case No. 96-163 (Ky. PSC, June 27, 1996), at 3. As the Commission observed, "it does not appear that the transfer had any adverse impact on Kentucky customers." *Id.* This is, of course, the key issue, and the same is true here.

and expertise to provide service to all of Bright's customers, including the 51 residential customers and one commercial customer who currently receive service by pipeline rather than by delivery to onsite tanks.

Next, the employees responsible for the direction and day-to-day operations of Bright's are experienced and well-qualified. A list of those employees, their duties, and their qualifications is as follows:

> Rick Harris, District Manager, and Commission contact for utility-related matters. Mr. Harris has 21 years of experience in the propane business, and approximately 6 years in management positions. Documents demonstrating his qualifications are attached hereto as Exhibit E.
>
> Tommy Dishon, Service Technician. Mr. Dishon has 27 years of experience in the propane business, is trained in OPS systems, and has experience in pipeline systems. Documents demonstrating his qualifications are attached hereto as Exhibit F.
>
> Benny Day, Bulk Driver. Mr. Day has 18 years of experience in delivering bulk propane to the pipeline system.
>
> Kathy Caton, Customer Service Representative. Ms. Caton has 10 years of experience.
>
> Sherri Ward, Customer Service Representative. Ms. Ward has 8 years of experience.
>
> Heather Preston, Customer Service Representative. Ms. Preston has 18 months of experience.

The statutory standard is met.

PUBLIC INTEREST STANDARD

The public interest standard of KRS 278.020(6) is also met. The Commission has defined the "public interest" standard to require a showing either that the transfer will not adversely affect the existing level of service or rates *or* that any potentially adverse

effects can be avoided through the commission's imposition of reasonable conditions on the acquiring party.[3] The transfer has had, and will have, no adverse effect on Bright's customers.

The public interest standard is met.

THE PROPOSAL TO ABANDON SERVICE BY PIPELINE

The public interest also will not be adversely affected if, in addition to the transfer of ownership, the Commission approves AmeriGas's proposal to take the Bright's pipeline system out of service and serve the 52 customers currently served by the pipeline in the same way that AmeriGas serves its thousands of other customers in Kentucky: by delivery of propane to a tank on each customer's premises. Not only Bright's, but a number of competitors, some of which are already serving in the area of Bright's pipeline, stand ready to meet these customers' propane needs. The Commission has previously cited the availability of bottled gas in the area in approving an application to abandon service. *See* Case No. 8857,[4] at 3 ("Liquified petroleum (bottled) gas is available in the Price area, and natural gas appliances can readily be converted to the use of bottled gas"). The appliances at issue here do not even need conversion.

As the Affidavit of Rick Harris, Exhibit G hereto, explains in detail, continued operation of Bright's pipeline utility service is neither necessary nor reasonable. The customers currently served by pipeline have available to them several competing propane dealers. Some customers in the subdivision served by Bright's pipeline are, in fact,

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[3] *Application for Approval of the Transfer of Control of Kentucky-American Water Company to RWE Aktiengesellschaft and Thames Water Aqua Holdings GmbH,* PSC No. 2002-00018, at 9, *quoting* Final Order dated May 30, 2002 (Order on Rehearing dated July 10, 2002). The Commission went on in that Order, *id.* at 9-10, to note that while a public interest standard requiring a transfer to produce "readily quantifiable benefits" might be "achievable in limited instances, most transfers of control that are presented to this Commission would be unable to meet this standard."

[4] *Application of Paige Gas Company for Authority to Abandon Service* (Ky. PSC August 18, 1983).

already being served by propane delivery. At present, Bright's utility operations serve only an estimated 35% of the Old Bridge subdivision.

The Commission cannot protect Bright's pipeline business economically, for it has no jurisdiction over duplication of facilities by which Bright's competitors provide competing service. Some of these unregulated competitors offer lower prices than Bright's pipeline operations charge now, even as Bright's pipeline service operates at a loss.

Shutting down the pipeline service will not cause any interruption of propane service to the customers. They will be given the opportunity to obtain propane tanks from Bright's (or from Bright's competitors, for that matter) prior to closure of the pipeline, and will receive their service on the same terms and conditions provided to other propane customers in Kentucky.

The provision of propane by pipeline to these few customers has always been something of an anomaly. Under the circumstances, it should be discontinued. Bright's competitors do not incur the expense of pipeline maintenance or certain regulatory requirements. Bright's should not be required to incur these expenses either. It should be permitted to compete on a level playing field.

The Commission should grant authority to abandon the pipeline.

CONCLUSION

AmeriGas stands ready to provide the Commission with any additional information it requires related to both the acquisition and the unusual circumstances justifying abandonment of the pipeline. AmeriGas respectfully requests that the application be approved.

Respectfully submitted,

Deborah T. Eversole
W. Duncan Crosby III
STOLL KEENON OGDEN PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 333-6000
Fax: (502) 333-6099
Deborah.Eversole@skofirm.com
Duncan.Crosby@skofirm.com

Counsel for AmeriGas Partners, L.P.
And AmeriGas Propane, LP

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
) **SS.**
COUNTY OF MONTGOMERY)

The undersigned, **R. Paul Grady**, being duly sworn, deposes and says he is **Vice President and Chief Operating Officer** for AmeriGas Propane, L.P., dba Bright's Propane Service, and that he has personal knowledge of the matters set forth in the foregoing Verified Application, and that the content thereof is true and correct to the best of his information, knowledge, and belief.

AMERIGAS PROPANE, L.P.
By: AmeriGas Propane, Inc., its
general partner

BY:____________________
Name: R. Paul Grady
Title: Vice President and Chief Operating Officer

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of June 2013.

Susan Linkenhoker (SEAL)
Notary Public

My Commission Expires:

March 1, 2016

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Susan Linkenhoker, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 1, 2016
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

LIST OF EXHIBITS

A. ANNUAL REPORT OF AMERIGAS PARTNERS, LP

B. CERTIFIED COPY OF THE LIMITED PARTNERSHIP AGREEMENT AND ALL AMENDMENTS OF AMERIGAS PARTNERS, LP

C. PURCHASE AGREEMENT

D. CERTIFIED COPY OF THE LIMITED PARTNERSHIP AGREEMENT AND ALL AMENDMENTS OF AMERIGAS PROPANE, LP

E. DOCUMENTS DEMONSTRATING QUALIFICATIONS OF MR. RICK HARRIS

F. DOCUMENTS DEMONSTRATING QUALIFICATIONS OF MR. TOMMY DISHON

G. AFFIDAVIT OF RICK HARRIS

A

AmeriGas Partners, L.P.
2012 Annual Report

The New AmeriGas

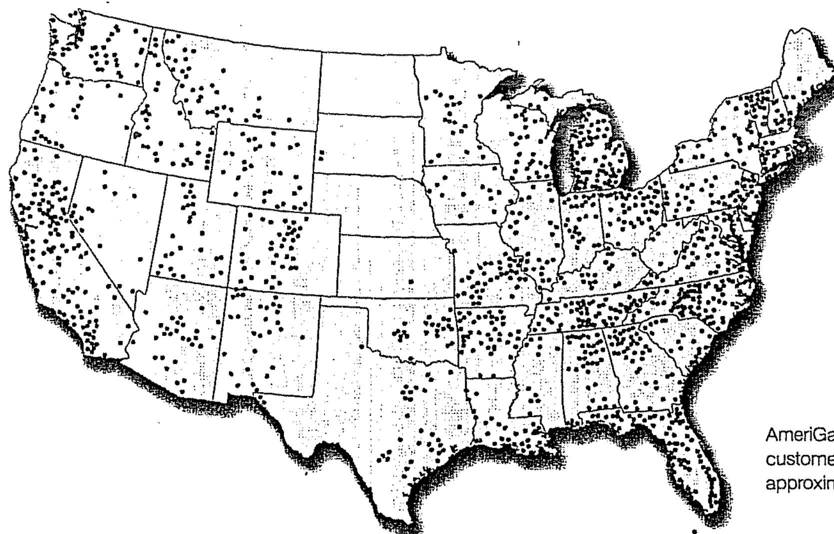
AmeriGas Partners, L.P. is a publicly traded master limited partnership that operates the nation's largest retail propane distribution business. The common units of AmeriGas Partners, L.P. are traded on the New York Stock Exchange under the symbol "APU." UGI Corporation, through subsidiaries, is the sole General Partner and owns 26% of the Partnership. An affiliate of Energy Transfer Partners, L.P. owns 32% of the Partnership and the public owns the remaining 42%.

As a clean versatile energy source, propane is used for a wide variety of applications. Residential and commercial customers use propane for space heating, water heating, cooking and drying while industrial customers use it to fire furnaces, as a cutting gas and in other process applications. Propane is also used to power over-the-road vehicles, forklifts and stationary engines. Agricultural applications include crop drying, tobacco curing and chicken brooding. Propane shows promise as an environmentally friendly fuel source for commercial lawnmowers, energy efficient combined heat and power generation, and liquid injection systems designed to enhance mileage on diesel-powered vehicles.

AmeriGas distributes over one billion gallons of propane annually to over 2 million residential, commercial/industrial, motor fuel, agricultural and wholesale customers in all 50 states. Through the Partnership's AmeriGas Cylinder Exchange "ACE" program, ACE cylinders are available at more than 44,000 retail locations throughout the United States.

AmeriGas operates approximately 2,100 distribution locations staffed with over 9,000 dedicated employees focused on fulfilling AmeriGas' commitment to be the most reliable, safest and most responsive propane company in the nation.

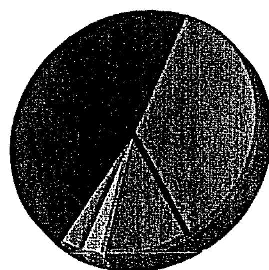
For more information about AmeriGas, visit www.amerigas.com.



AmeriGas serves over 2 million customers in all 50 states from approximately 2,100 locations.

Financial Highlights

Year Ended September 30,	2012	2011	2010
(Millions of dollars, except as noted)			
Retail gallons sold (millions)	**1,017.5**	874.2	893.4
Degree days – % (warmer) than normal (1)	**(18.6%)**	(1.0%)	(2.3%)
Revenues	**$ 2,921.6**	$ 2,538.0	$ 2,320.3
Operating income	**$ 170.6**	$ 242.9	$ 235.9
Net income attributable to AmeriGas Partners, L.P.	**$ 11.0**	$ 138.5	$ 165.2
Income tax expense	**2.0**	0.4	3.3
Interest expense	**142.6**	63.5	65.1
Depreciation and amortization	**169.1**	94.7	87.4
EBITDA (2)	**$ 324.7**	$ 297.1	$ 321.0
Units outstanding – end of year (millions)	**92.8**	57.1	57.1



National Retail Sales by Volume (3)

- Residential 47%
- Commercial/Industrial 36%
- Motor fuel 11%
- Transport 3%
- Agricultural 3%

(1) Deviation from average heating degree days for the 30-year period 1971 – 2000 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration for 335 airports in the United States, excluding Alaska.

(2) Earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") should not be considered as an alternative to net income attributable to AmeriGas Partners, L.P. (as an indicator of operating performance) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States ("GAAP"). Management believes EBITDA is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with other companies within the propane industry and (2) assess its ability to meet loan covenants. The Partnership's definition of EBITDA may be different from that used by other companies.

Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant years.

Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership. UGI Corporation discloses the Partnership's EBITDA as the profitability measure to comply with the GAAP requirement to provide profitability information about its domestic propane segment. EBITDA in Fiscal 2012 includes pre-tax losses of $13.3 million associated with the early extinguishments of debt and Heritage Propane acquisition and transition expenses of $46.2 million. EBITDA in Fiscal 2011 includes pre-tax losses of $38.1 million associated with the early extinguishments of debt. EBITDA in Fiscal 2010 includes a pre-tax loss of $12.2 million associated with the discontinuance of interest rate hedges and a pre-tax loss of $7 million associated with increased litigation reserves.

(3) Based upon combined AmeriGas and Heritage retail gallons sold for the 12 month period ended December 31, 2011.

Dear Fellow Unitholder,

Fiscal 2012 was highlighted by the largest acquisition and integration to date in the propane industry. Our acquisition of Heritage Propane from Energy Transfer Partners, L.P. in January 2012 was a transformational event for the partnership as we increased our size by nearly 50 percent and extended both our geographic reach and our management capability in field operations. By combining numerous field operations in overlapping geographies and consolidating the headquarters support functions, we are on pace to deliver synergies in excess of the $50 million target we established when we announced the acquisition.

All of the integration activities this year were completed amid the backdrop of the fourth warmest winter on record in the United States. Clearly, a winter that is nearly 19 percent warmer than normal had a negative effect on volume for the entire industry. We reacted by reducing variable operating expenses and by accelerating integration activities to best position the partnership for the fiscal 2013 heating season.

Much has been accomplished during the past year. A few of the highlights include:

- The closing of the Heritage Propane transaction in mid-January, in line with our expectations when we announced the transaction in October 2011.
- Completion of $1.55 billion in senior note offerings at an attractive all-in rate of below 7 percent to finance the Heritage Propane acquisition.
- Execution of a common unit offering following the transaction to pay down debt in line with our original acquisition assumptions.
- Completion of a rigorous management selection process across all field locations to ensure we had the best managers from the two companies moving forward.
- Completion of the migration of all back office functions of Heritage Propane to the AmeriGas headquarters.
- Consolidation of management across the country, eliminating redundancy and improving productivity.

In addition, during the last three months of fiscal 2012, we merged the cultures of two great companies that each approached the marketplace somewhat differently. AmeriGas goes to market as a premium national brand, while Heritage Propane operated as 160 different local brands across the country. We have adopted the best practices of both companies and shaped our business model to focus on safety, delighting the customer and enhancing productivity and processes in the field. We have slowed the integration process for the fiscal 2013 heating season and in the spring will complete the final system conversions. We expect to uncover further business benefits in the years to come, whether through additional consolidation opportunities or additional cash flow from divestiture of redundant properties and equipment.

Beyond the benefits of improved field talent and a stronger customer focused culture, the Heritage Propane acquisition will also bolster our core growth strategies. Our expanded geographic footprint will allow us greater potential in our National Accounts and AmeriGas Cylinder Exchange programs. In addition, our acquisition program will benefit from even greater opportunities as a result of an expanded geographic footprint.

John L. Walsh Lon R. Greenberg Jerry E. Sheridan

Within our three key growth thrusts, we made solid progress in 2012 as follows:

- AmeriGas Cylinder Exchange, our barbeque cylinder program, increased sales by 8.9 percent. We now sell over 13 million cylinders annually from over 44,000 convenient locations all across the country.
- We completed eleven small acquisitions adding 10 million gallons on an annual basis. Though we slowed our acquisition activity during the integration of Heritage Propane, this remains a core growth initiative.
- Our National Accounts program is taking advantage of our best-in-class national footprint. Customers seeking one national supplier can count on AmeriGas. In 2012, we added accounts representing 20 million gallons to the National Accounts program, which now serves over 200 customers at their 31,000 locations.

AmeriGas will now begin to take advantage of an improved cost structure, a new management team and an expanded geographic reach as we continue to deliver 3 percent to 4 percent annual EBITDA growth and 5 percent annual distribution increases.

AmeriGas is a business that spans the country, but our service goes door to door. Our 9,000 colleagues who take care of our 2 million customers each day from over 2,000 service points have shown significant commitment during the integration and there is a renewed energy among them to take the business forward as the New AmeriGas.

Thank you for your investment in AmeriGas.

Lon R. Greenberg
Chairman

John L. Walsh
Vice Chairman

Jerry E. Sheridan
President and
Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Commission file number 1-13692

AMERIGAS PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

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

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

(610) 337-7000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each Exchange on Which Registered
Common Units representing limited partner interests	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

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

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

The aggregate market value of AmeriGas Partners, L.P. Common Units held by non-affiliates of AmeriGas Partners, L.P. on March 31, 2012 was approximately $1,590,850,412. At November 13, 2012, there were outstanding 92,810,415 Common Units representing limited partner interests.

Business Strategy

On January 12, 2012, AmeriGas Partners completed the acquisition of the subsidiaries of ETP that operated ETP's propane distribution business ("Heritage Propane"). The acquired business conducted its propane operations in 41 states through HOLP and Titan Propane LLC. Effective August 1, 2012, Titan Propane LLC merged with and into AmeriGas OLP. According to LP-Gas Magazine rankings published on February 1, 2012, Heritage Propane was the third largest retail propane distributor in the United States, delivering over 500 million gallons to more than one million retail propane customers in 2011. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 4 to Consolidated Financial Statements.

In the short-term, AmeriGas Partners' focus will be to successfully integrate Heritage Propane and to capitalize on the benefits of the acquisition. In addition, we will continue our efforts to execute our strategy to grow by (i) pursuing opportunistic acquisitions, (ii) developing internal sales and marketing programs, (iii) leveraging our scale and driving productivity, and (iv) achieving world class safety performance. We regularly consider and evaluate opportunities for growth through the acquisition of local, regional and national propane distributors. We compete for acquisitions with others engaged in the propane distribution business. During Fiscal 2012, we completed the acquisition of 11 propane distribution businesses in addition to Heritage Propane. We expect that internal growth will be provided in part from the continued expansion of our AmeriGas Cylinder Exchange ("ACE") program through which consumers can purchase propane cylinders or exchange empty propane cylinders at various retail locations, and our National Accounts program, through which we encourage multi-location propane users to enter into a supply agreement with us rather than with many suppliers.

General Partner Information

The Partnership's website can be found at www.amerigas.com. Information on our website is not intended to be incorporated into this Report. The Partnership makes available free of charge at this website (under the tab "Investor Relations," caption "SEC Filings") copies of its reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, including its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. The General Partner's Principles of Corporate Governance, Code of Ethics for the Chief Executive Officer and Senior Financial Officers, Code of Business Conduct and Ethics for Directors, Officers and Employees, and charters of the Corporate Governance, Audit and Compensation/Pension Committees of the Board of Directors of the General Partner are also available on the Partnership's website (under the tab "Investor Relations," caption "Corporate Governance"). All of these documents are also available free of charge by writing to Hugh J. Gallagher, Treasurer, AmeriGas Propane, Inc., P.O. Box 965, Valley Forge, PA 19482.

Products, Services and Marketing

The Partnership serves approximately 2.3 million customers in all 50 states from approximately 2,100 propane distribution locations. In addition to distributing propane, the Partnership also sells, installs and services propane appliances, including heating systems. Typically, we are located in suburban and rural areas where natural gas is not readily available. Our district offices generally consist of a business office, appliance showroom, warehouse, and service facilities, with one or more 18,000 to 30,000 gallon storage tanks on the premises. As part of its overall transportation and distribution infrastructure, the Partnership operates as an interstate carrier in 48 states throughout the continental United States. It is also licensed as a carrier in the Canadian Provinces of Ontario, British Columbia and Quebec.

The Partnership sells propane primarily to residential, commercial/industrial, motor fuel, agricultural and wholesale customers. The Partnership distributed approximately 1.1 billion gallons of propane in Fiscal 2012. Approximately 91% of the Partnership's Fiscal 2012 sales (based on gallons sold) were to retail accounts and approximately 9% were to wholesale customers. Sales to residential customers in Fiscal 2012 represented approximately 40% of retail gallons sold; commercial/industrial customers 34%; motor fuel customers 14%; and agricultural customers 7%. Transport gallons, which are large-scale deliveries to retail customers other than residential, accounted for 5% of Fiscal 2012 retail gallons. No single customer represents, or is anticipated to represent, more than 5% of the Partnership's consolidated revenues.

The Partnership continues to expand its ACE program. At September 30, 2012, ACE cylinders were available at over 44,600 retail locations throughout the United States. Sales of our ACE cylinders to retailers are included in commercial/industrial sales. The ACE program enables consumers to purchase propane cylinders or exchange their empty propane cylinders at various retail locations such as home centers, gas stations, mass merchandisers and grocery and convenience stores. We also supply retailers with large propane tanks to enable retailers to replenish customers' propane cylinders directly at the retailer's location.

Residential customers use propane primarily for home heating, water heating and cooking purposes. Commercial users, which include hotels, restaurants, churches, warehouses and retail stores, generally use propane for the same purposes as residential customers. Industrial customers use propane to fire furnaces, as a cutting gas and in other process applications. Other industrial customers are large-scale heating accounts and local gas utility customers who use propane as a supplemental fuel to meet peak

load deliverability requirements. As a motor fuel, propane is burned in internal combustion engines that power over-the-road vehicles, forklifts and stationary engines. Agricultural uses include tobacco curing, chicken brooding and crop drying. In its wholesale operations, the Partnership principally sells propane to large industrial end-users and other propane distributors.

Retail deliveries of propane are usually made to customers by means of bobtail and rack trucks. Propane is pumped from the bobtail truck, which generally holds 2,400 to 3,000 gallons of propane, into a stationary storage tank on the customer's premises. The Partnership owns most of these storage tanks and leases them to its customers. The capacity of these tanks ranges from approximately 120 gallons to approximately 1,200 gallons. The Partnership also delivers propane in portable cylinders, including ACE cylinders. Some of these deliveries are made to the customer's location, where empty cylinders are either picked up or replenished in place.

Propane Supply and Storage

The Partnership has over 250 domestic and international sources of supply, including the spot market. Supplies of propane from the Partnership's sources historically have been readily available. During Fiscal 2012, approximately 90% of the Partnership's propane supply was purchased under supply agreements with terms of 1 to 3 years. The availability of propane supply is dependent upon, among other things, the severity of winter weather, the price and availability of competing fuels such as natural gas and crude oil, and the amount and availability of imported supply. Although no assurance can be given that supplies of propane will be readily available in the future, management currently expects to be able to secure adequate supplies during fiscal year 2013. If supply from major sources were interrupted, however, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short-term basis, margins could be adversely affected. Enterprise Products Partners, L.P. and Targa Midstream Services LP supplied approximately 36% of the Partnership's Fiscal 2012 propane supply. No other single supplier provided more than 10% of the Partnership's total propane supply in Fiscal 2012. In certain areas, however, a single supplier provides more than 50% of the Partnership's requirements. Disruptions in supply in these areas could also have an adverse impact on the Partnership's margins.

The Partnership's supply contracts typically provide for pricing based upon (i) index formulas using the current prices established at a major storage point such as Mont Belvieu, Texas, or Conway, Kansas, or (ii) posted prices at the time of delivery. In addition, some agreements provide maximum and minimum seasonal purchase volume guidelines. The percentage of contract purchases, and the amount of supply contracted for at fixed prices, will vary from year to year as determined by the General Partner. The Partnership uses a number of interstate pipelines, as well as railroad tank cars, delivery trucks and barges, to transport propane from suppliers to storage and distribution facilities. The Partnership stores propane at various storage facilities and terminals located in strategic areas across the United States.

Because the Partnership's profitability is sensitive to changes in wholesale propane costs, the Partnership generally seeks to pass on increases in the cost of propane to customers. There is no assurance, however, that the Partnership will always be able to pass on product cost increases fully, particularly when product costs rise rapidly. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities such as crude oil and natural gas, or other unforeseen events. The General Partner has adopted supply acquisition and product cost risk management practices to reduce the effect of volatility on selling prices. These practices currently include the use of summer storage, forward purchases and derivative commodity instruments, such as options and propane price swaps. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures."

The following graph shows the average prices of propane on the propane spot market during the last 5 fiscal years at Mont Belvieu, Texas, a major storage area.

operates. Management believes that the policies and procedures currently in effect at all of its facilities for the handling, storage and distribution of propane are consistent with industry standards and are in compliance in all material respects with applicable environmental, health and safety laws.

With respect to the transportation of propane by truck, the Partnership is subject to regulations promulgated under federal legislation, including the Federal Motor Carrier Safety Act and the Homeland Security Act of 2002. Regulations under these statutes cover the security and transportation of hazardous materials and are administered by the United States Department of Transportation ("DOT"), Pipeline and Hazardous Materials Safety Administration. The Natural Gas Safety Act of 1968 required the DOT to develop and enforce minimum safety regulations for the transportation of gases by pipeline. The DOT's pipeline safety regulations apply to, among other things, a propane gas system which supplies 10 or more residential customers or 2 or more commercial customers from a single source and to a propane gas system any portion of which is located in a public place. The DOT's pipeline safety regulations require operators of all gas systems to provide operator qualification standards and training and written instructions for employees and third party contractors working on covered pipelines and facilities, establish written procedures to minimize the hazards resulting from gas pipeline emergencies, and conduct and keep records of inspections and testing. Operators are subject to the Pipeline Safety Improvement Act of 2002, which, among other things, protects employees who provide information to their employers or to the federal government as to pipeline safety from adverse employment actions.

There continues to be concern, both nationally and internationally, about climate change and the contribution of greenhouse gas ("GHG") emissions, most notably carbon dioxide, to global warming. While some states have adopted laws and regulations regulating the emission of GHGs for some industry sectors, there is currently no federal or regional legislation mandating the reduction of GHG emissions in the United States. Because propane is considered a clean alternative fuel under the federal Clean Air Act Amendments of 1990, we anticipate that this will provide us with a competitive advantage over other sources of energy, such as fuel oil and coal, if new climate change regulations become effective.

Employees

The Partnership does not directly employ any persons responsible for managing or operating the Partnership. The General Partner provides these services and is reimbursed for its direct and indirect costs and expenses, including all compensation and benefit costs. At September 30, 2012, the General Partner had approximately 9,200 employees, including approximately 540 part-time, seasonal and temporary employees, working on behalf of the Partnership. UGI also performs certain financial and administrative services for the General Partner on behalf of the Partnership and is reimbursed by the Partnership.

ITEM 1A. RISK FACTORS

There are many factors that may affect our business and results of operations. Additional discussion regarding factors that may affect our businesses and operating results is included elsewhere in this Report.

Risks Related to Our Business

Decreases in the demand for propane because of warmer-than-normal heating season weather or unfavorable weather may adversely affect our results of operations.

Because many of our customers rely on propane as a heating fuel, our results of operations are adversely affected by warmer-than-normal heating season weather. Weather conditions have a significant impact on the demand for propane for both heating and agricultural purposes. Accordingly, the volume of propane sold is at its highest during the peak heating season of October through March and is directly affected by the severity of the winter weather. For example, historically approximately 65% to 70% of our annual retail propane volumes are sold during these months. There can be no assurance that normal winter weather in our service territories will occur in the future.

The agricultural demand for propane is also affected by weather, as dry or warm weather during the harvest season may reduce the demand for propane. Our ACE operations experience higher volumes in the spring and summer, mainly due to the grilling season. Sustained periods of unfavorable weather conditions can negatively affect our ACE revenues. Unfavorable weather conditions may also cause a reduction in the purchase and use of grills and other propane appliances which could reduce the demand for our ACE cylinders.

Our profitability is subject to propane pricing and inventory risk.

The retail propane business is a "margin-based" business in which gross profits are dependent upon the excess of the sales price over the propane supply costs. Propane is a commodity, and, as such, its unit price is subject to volatile fluctuations in response to changes in supply or other market conditions. We have no control over these market conditions. Consequently, the

unit price of the propane that we and other marketers purchase can change rapidly over a short period of time. Most of our propane product supply contracts permit suppliers to charge posted prices at the time of delivery or the current prices established at major storage points such as Mont Belvieu, Texas or Conway, Kansas. Because our profitability is sensitive to changes in wholesale propane supply costs, it will be adversely affected if we cannot pass on increases in the cost of propane to our customers. Due to competitive pricing in the industry, we may not be able to pass on product cost increases to our customers when product costs rise rapidly, or when our competitors do not raise their product prices. Finally, market volatility may cause us to sell inventory at less than the price we purchased it, which would adversely affect our operating results.

High propane prices can lead to customer conservation and attrition, resulting in reduced demand for our product.

Prices for propane are subject to volatile fluctuations in response to changes in supply and other market conditions. During periods of high propane costs our prices generally increase. High prices can lead to customer conservation and attrition, resulting in reduced demand for our product.

Volatility in credit and capital markets may restrict our ability to grow, increase the likelihood of defaults by our customers and counterparties and adversely affect our operating results.

The volatility in credit and capital markets may create additional risks to our business in the future. We are exposed to financial market risk (including refinancing risk) resulting from, among other things, changes in interest rates and conditions in the credit and capital markets. Developments in the credit markets during the past few years increase our possible exposure to the liquidity, default and credit risks of our suppliers, counterparties associated with derivative financial instruments and our customers. Although we believe that current financial market conditions, if they were to continue for the foreseeable future, will not have a significant impact on our ability to fund our existing operations, such market conditions could restrict our ability to grow through acquisitions, limit the scope of major capital projects if access to credit and capital markets is limited or could adversely affect our operating results.

Supplier defaults may have a negative effect on our operating results.

When we enter into fixed-price sales contracts with customers, we typically enter into fixed-price purchase contracts with suppliers. Depending on changes in the market prices of products compared to the prices secured in our contracts with suppliers of propane, a default of one or more of our suppliers under such contracts could cause us to purchase propane at higher prices which would have a negative impact on our operating results.

We are dependent on our principal propane suppliers, which increases the risks from an interruption in supply and transportation.

During Fiscal 2012, AmeriGas Propane purchased over 80% of its propane needs from fifteen suppliers. If supplies from these sources were interrupted, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short-term basis, our earnings could be affected. Additionally, in certain areas, a single supplier may provide more than 50% of our propane requirements. Disruptions in supply in these areas could also have an adverse impact on our earnings.

Changes in commodity market prices may have a negative effect on our liquidity.

Depending on the terms of our contracts with suppliers as well as our use of financial instruments to reduce volatility in the cost of propane, changes in the market price of propane can create margin payment obligations for us and expose us to an increased liquidity risk.

Our operations may be adversely affected by competition from other energy sources.

Propane competes with other sources of energy, some of which are less costly on an equivalent energy basis. In addition, we cannot predict the effect that the development of alternative energy sources might have on our operations. We compete for customers against suppliers of electricity, fuel oil and natural gas.

Electricity is a major competitor of propane and is currently more expensive than propane for space heating, water heating and cooking. Fuel oil is also a major competitor of propane and is comparable in price to propane. Furnaces and appliances that burn propane will not operate on fuel oil and vice versa, and, therefore, a conversion from one fuel to the other requires the installation of new equipment. Our customers generally have an incentive to switch to fuel oil only if fuel oil becomes significantly less expensive than propane. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas where natural gas pipelines already exist because natural gas is generally a less expensive source of energy than propane. As long as natural gas remains a less expensive energy source than propane, our business will lose customers in

each region into which natural gas distribution systems are expanded. The gradual expansion of the nation's natural gas distribution systems has resulted, and may continue to result, in the availability of natural gas in some areas that previously depended upon propane.

Our ability to increase revenues is adversely affected by the decline of the retail propane industry.

The retail propane industry has been declining over the past several years, with no or modest growth in total demand foreseen in the next several years. Accordingly, we expect that year-to-year industry volumes will be principally affected by weather patterns. Therefore, our ability to grow within the industry is dependent on our ability to acquire other retail distributors and to achieve internal growth, which includes expansion of our ACE and National Accounts programs, as well as the success of our sales and marketing programs designed to attract and retain customers. Any failure to retain and grow our customer base would have an adverse effect on our results.

Our ability to grow will be adversely affected if we are not successful in making acquisitions or integrating the acquisitions we have made.

We have historically expanded our propane business through acquisitions. We regularly consider and evaluate opportunities for growth through the acquisition of local, regional and national propane distributors. We may choose to finance future acquisitions with debt, equity, cash or a combination of the three. We can give no assurances that we will find attractive acquisition candidates in the future, that we will be able to acquire such candidates on economically acceptable terms, that we will be able to finance acquisitions on economically acceptable terms, that any acquisitions will not be dilutive to earnings and distributions or that any additional debt incurred to finance an acquisition will not affect our ability to make distributions.

To the extent we are successful in making acquisitions, such acquisitions involve a number of risks, including, but not limited to, the assumption of material liabilities, the diversion of management's attention from the management of daily operations to the integration of operations, difficulties in the assimilation and retention of employees and difficulties in the assimilation of different cultures and practices, as well as in the assimilation of broad and geographically dispersed personnel and operations. The failure to successfully integrate acquisitions, including Heritage Propane, could have an adverse effect on our business, financial condition and results of operations.

We are subject to operating and litigation risks that may not be covered by insurance.

Our operations are subject to all of the operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing combustible liquids such as propane for use by consumers. These risks could result in substantial losses due to personal injury and/or loss of life, and severe damage to and destruction of property and equipment arising from explosions and other catastrophic events, including acts of terrorism. As a result, we are often a defendant in legal proceedings and litigation arising in the ordinary course of business. There can be no assurance that our insurance will be adequate to protect us from all material expenses related to pending and future claims or that such levels of insurance will be available in the future at economical prices.

Our net income will decrease if we are required to incur additional costs to comply with new governmental safety, health, transportation, tax and environmental regulations.

We are subject to various federal, state and local safety, health, transportation, tax and environmental laws and regulations governing the storage, distribution and transportation of propane. We have implemented safety and environmental programs and policies designed to avoid potential liability and costs under applicable laws. It is possible, however, that we will incur increased costs as a result of complying with new safety, health, transportation and environmental regulations and such costs will reduce our net income. It is also possible that material environmental liabilities will be incurred, including those relating to claims for damages to property and persons.

Our operations, capital expenditures and financial results may be affected by regulatory changes and/or market responses to global climate change.

There continues to be concern, both nationally and internationally, about climate change and the contribution of greenhouse gas ("GHG") emissions, most notably carbon dioxide, to global climate change. While some states have adopted laws and regulations regulating the emission of GHGs for some industry sectors, there is currently no federal or regional legislation mandating the reduction of GHG emissions in the United States. In September 2009, the Environmental Protection Agency ("EPA") issued a final rule establishing a system for mandatory reporting of GHG emissions. Increased regulation of GHG emissions, especially in the transportation sector, could impose significant additional costs on us and our customers. The impact of legislation and regulations on us will depend on a number of factors, including (i) what industry sectors would be impacted, (ii) the timing of

required compliance, (iii) the overall GHG emissions cap level, (iv) the allocation of emission allowances to specific sources, and (v) the costs and opportunities associated with compliance. At this time, we cannot predict the effect that climate change regulation may have on our business, financial condition or results of operations in the future.

Unforeseen difficulties with the implementation or operation of our information systems could adversely affect our internal controls and our business.

We contracted with third-party consultants to assist us with the design and implementation of an information system that supports our Order-to-Cash business processes and such implementation is ongoing. The efficient execution of our business is dependent upon the proper functioning of our internal systems. Any significant failure or malfunction of our information system may result in disruptions of our operations. Our results of operations could be adversely affected if we encounter unforeseen problems with respect to the operation of this system.

We may not be able to successfully integrate Heritage Propane's operations with our operations, which could cause our business to suffer.

In order to obtain the anticipated benefits of the acquisition of Heritage Propane, we need to continue to combine and integrate the businesses and operations of Heritage Propane with ours. The combination of two large businesses is a complex and costly process. As a result, we are required to devote significant management attention and resources to integrating the business practices and operations of AmeriGas OLP and Heritage Propane. The integration process may divert the attention of our executive officers and management from day-to-day operations and disrupt the business of the Partnership and, if implemented ineffectively, preclude realization of the full benefits of the transaction expected by us.

Our failure to meet the challenges involved in successfully integrating Heritage Propane's operations with our operations or otherwise to realize any of the anticipated benefits of the combination could adversely affect our results of operations. In addition, the overall integration of AmeriGas OLP and Heritage Propane may result in unanticipated problems, expenses, liabilities, competitive responses and loss of customer relationships. We expect the difficulties of combining our operations to include, among others:

- preserving important strategic and customer relationships;
- maintaining employee morale and retaining key employees;
- developing and implementing employment polices to facilitate workforce integration;
- the diversion of management's attention from ongoing business concerns;
- the integration of multiple information systems;
- regulatory, legal, taxation and other unanticipated issues in integrating operating and financial systems;
- coordinating marketing functions;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations; and
- integrating the cultures of AmeriGas OLP and Heritage Propane.

In addition, even if we are able to successfully integrate our businesses and operations, we may not fully realize the expected benefits of the acquisition within the intended time frame, or at all. Further, our post-acquisition results of operations may be affected by factors different from those existing prior to the acquisition and may suffer as a result of the acquisition. As a result, we cannot assure you that the combination of our business and operations with Heritage Propane will result in the realization of the full benefits anticipated from the acquisition.

Risks Inherent in an Investment in Our Common Units

Cash distributions are not guaranteed and may fluctuate with our performance.

Although we distribute all of our available cash each quarter, the amount of cash that we generate each quarter fluctuates. As a result, we cannot guarantee that we will pay the current regular quarterly distribution each quarter. Available cash generally means, with respect to any fiscal quarter, all cash on hand at the end of each quarter, plus all additional cash on hand as of the date of the determination of available cash resulting from borrowings after the end of the quarter, less the amount of reserves established to provide for the proper conduct of our business, to comply with applicable law or agreements, or to provide funds for future distributions to partners. The actual amount of cash that is available to be distributed each quarter will depend upon numerous factors, including:

- our cash flow generated by operations;
- the weather in our areas of operation;
- our borrowing capacity under our bank credit facilities;
- required principal and interest payments on our debt;

- fluctuations in our working capital;
- our cost of acquisitions (including related debt service payments);
- restrictions contained in our debt instruments;
- our capital expenditures;
- our issuances of debt and equity securities;
- reserves made by our General Partner in its discretion;
- prevailing economic and industry conditions; and
- financial, business and other factors, a number of which are beyond our control.

Our General Partner has broad discretion to determine the amount of "available cash" for distribution to holders of our equity securities through the establishment and maintenance of cash reserves, thereby potentially lessening and limiting the amount of "available cash" eligible for distribution.

Our General Partner determines the timing and amount of our distributions and has broad discretion in determining the amount of funds that will be recognized as "available cash." Part of this discretion comes from the ability of our General Partner to establish reserves. Decisions as to amounts to be reserved have a direct impact on the amount of available cash for distributions because reserves are taken into account in computing available cash. Each fiscal quarter, our General Partner may, in its reasonable discretion, determine the amounts to be reserved, subject to restrictions on the purposes of the reserves. Reserves may be made, increased or decreased for any proper purpose, including, but not limited to, reserves:

- to comply with terms of any of our agreements or obligations, including the establishment of reserves to fund the future payment of interest and principal on our debt securities;
- to provide for level distributions of cash notwithstanding the seasonality of our business; and
- to provide for future capital expenditures and other payments deemed by our General Partner to be necessary or advisable.

The decision by our General Partner to establish reserves may limit the amount of cash available for distribution to holders of our equity securities. Holders of our equity securities will not receive payments unless we are able to first satisfy our own obligations and the establishment of any reserves.

Holders of Common Units may experience dilution of their interests.

We may issue an unlimited number of additional limited partner interests and other equity securities, including senior equity securities, for such consideration and on such terms and conditions as shall be established by our General Partner in its sole discretion, without the approval of any unitholders. We also may issue an unlimited number of partnership interests junior to the Common Units without a unitholder vote. When we issue additional equity securities, a unitholder's proportionate partnership interest will decrease and the amount of cash distributed on each unit and the market price of the Common Units could decrease. Issuance of additional Common Units will also diminish the relative limited voting power of each previously outstanding unit. Please read "Holders of Common Units have limited voting rights, management and control of us" below. The ultimate effect of any such issuance may be to dilute the interests of holders of units in AmeriGas Partners and to make it more difficult for a person or group to remove our General Partner or otherwise change our management.

The market price of the Common Units may be adversely affected by various change of management provisions.

Our Partnership Agreement contains certain provisions that are intended to discourage a person or group from attempting to remove our General Partner as general partner or otherwise change the management of AmeriGas Partners. If any person or group other than the General Partner or its affiliates acquires beneficial ownership of 20% or more of the Common Units, such person or group will lose its voting rights with respect to all of its Common Units. The effect of these provisions and the change of control provisions in our debt instruments may be to diminish the price at which the Common Units will trade under certain circumstances.

Restrictive covenants in the agreements governing our indebtedness and other financial obligations may reduce our operating flexibility.

The various agreements governing our and the Operating Partnership's indebtedness and other financing transactions restrict quarterly distributions. These agreements contain various negative and affirmative covenants applicable to us and the Operating Partnership and some of these agreements require us and the Operating Partnership to maintain specified financial ratios. If we or the Operating Partnership violate any of these covenants or requirements, a default may result and distributions would be limited. These covenants limit our and the Operating Partnership's ability to, among other things:

- incur additional indebtedness;

- engage in transactions with affiliates;
- create or incur liens;
- sell assets;
- make restricted payments, loans and investments;
- enter into business combinations and asset sale transactions; and
- engage in other lines of business.

Holders of Common Units have limited voting rights, management and control of us.

Our General Partner manages and operates AmeriGas Partners. Unlike the holders of common stock in a corporation, holders of outstanding Common Units have only limited voting rights on matters affecting our business. Holders of Common Units have no right to elect the general partner or its directors, and our General Partner generally may not be removed except pursuant to the vote of the holders of not less than two-thirds of the outstanding units. In addition, removal of the general partner may result in a default under our debt instruments and loan agreements. As a result, holders of Common Units have limited say in matters affecting our operations and others may find it difficult to attempt to gain control or influence our activities.

Holders of Common Units may be required to sell their Common Units against their will.

If at any time our General Partner and its affiliates hold 80% or more of the issued and outstanding Common Units, our General Partner will have the right (but not the obligation) to purchase all, but not less than all, of the remaining Common Units held by nonaffiliates at certain specified prices pursuant to the Partnership Agreement. Accordingly, under certain circumstances holders of Common Units may be required to sell their Common Units against their will and the price that they receive for those securities may be less than they would like to receive. They may also incur a tax liability upon a sale of their Common Units.

Holders of Common Units may not have limited liability in certain circumstances and may be liable for the return of distributions that cause our liabilities to exceed our assets.

The limitations on the liability of holders of Common Units for the obligations of a limited partnership have not been clearly established in some states. If it were determined that AmeriGas Partners had been conducting business in any state without compliance with the applicable limited partnership statute, or that the right or the exercise of the right by the holders of Common Units as a group to remove or replace our General Partner, to make certain amendments to our Partnership Agreement or to take other action pursuant to that Partnership Agreement constituted participation in the "control" of the business of AmeriGas Partners, then a holder of Common Units could be held liable under certain circumstances for our obligations to the same extent as our General Partner. We are not obligated to inform holders of Common Units about whether we are in compliance with the limited partnership statutes of any states.

Holders of Common Units may also have to repay AmeriGas Partners amounts wrongfully returned or distributed to them. Under Delaware law, we may not make a distribution to holders of Common Units if the distribution causes our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and nonrecourse liabilities are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that a limited partner who receives such a distribution and knew at the time of the distribution that the distribution violated Delaware law will be liable to the limited partnership for the distribution amount for three years from the distribution date.

Our General Partner has conflicts of interest and limited fiduciary responsibilities, which may permit our General Partner to favor its own interest to the detriment of holders of Common Units.

Conflicts of interest can arise as a result of the relationships between AmeriGas Partners, on the one hand, and the General Partner and its affiliates, on the other. The directors and officers of the General Partner have fiduciary duties to manage the General Partner in a manner beneficial to the General Partner's sole shareholder, AmeriGas, Inc., a wholly owned subsidiary of UGI Corporation. At the same time, the General Partner has fiduciary duties to manage AmeriGas Partners in a manner beneficial to both it and the unitholders. The duties of our General Partner to AmeriGas Partners and the unitholders, therefore, may come into conflict with the duties of the directors and officers of our General Partner to its sole shareholder, AmeriGas, Inc.

Such conflicts of interest might arise in the following situations, among others:

- Decisions of our General Partner with respect to the amount and timing of cash expenditures, borrowings, issuances of additional units and reserves in any quarter affect whether and the extent to which there is sufficient available cash from operating surplus to make quarterly distributions in a given quarter. In addition, actions by our General Partner may have the effect of enabling the General Partner to receive distributions that exceed 2% of total distributions.

- AmeriGas Partners does not have any employees and relies solely on employees of the General Partner and its affiliates.

- Under the terms of the Partnership Agreement, we reimburse our General Partner and its affiliates for costs incurred in managing and operating AmeriGas Partners, including costs incurred in rendering corporate staff and support services to us.

- Any agreements between us and our General Partner and its affiliates do not grant to the holders of Common Units, separate and apart from AmeriGas Partners, the right to enforce the obligations of our General Partner and such affiliates in our favor. Therefore, the General Partner, in its capacity as the general partner of AmeriGas Partners, is primarily responsible for enforcing such obligations.

- Under the terms of the Partnership Agreement, our General Partner is not restricted from causing us to pay the General Partner or its affiliates for any services rendered on terms that are fair and reasonable to us or entering into additional contractual arrangements with any of such entities on behalf of AmeriGas Partners. Neither the Partnership Agreement nor any of the other agreements, contracts and arrangements between us, on the one hand, and the General Partner and its affiliates, on the other, are or will be the result of arm's-length negotiations.

- Our General Partner may exercise its right to call for and purchase units as provided in the Partnership Agreement or assign such right to one of its affiliates or to us.

Our Partnership Agreement expressly permits our General Partner to resolve conflicts of interest between itself or its affiliates, on the one hand, and us or the unitholders, on the other, and to consider, in resolving such conflicts of interest, the interests of other parties in addition to the interests of the unitholders. In addition, the Partnership Agreement provides that a purchaser of Common Units is deemed to have consented to certain conflicts of interest and actions of our General Partner and its affiliates that might otherwise be prohibited and to have agreed that such conflicts of interest and actions do not constitute a breach by the General Partner of any duty stated or implied by law or equity. The General Partner is not in breach of its obligations under the Partnership Agreement or its duties to us or the unitholders if the resolution of such conflict is fair and reasonable to us. The latitude given in the Partnership Agreement to the General Partner in resolving conflicts of interest may significantly limit the ability of a unitholder to challenge what might otherwise be a breach of fiduciary duty.

Our Partnership Agreement expressly limits the liability of our General Partner by providing that the General Partner, its affiliates and its officers and directors are not liable for monetary damages to us, the limited partners or assignees for errors of judgment or for any actual omissions if the General Partner and other persons acted in good faith. In addition, we are required to indemnify our General Partner, its affiliates and their respective officers, directors, employees and agents to the fullest extent permitted by law, against liabilities, costs and expenses incurred by our General Partner or such other persons, if the General Partner or such persons acted in good faith and in a manner they reasonably believed to be in, or not opposed to, our best interests and, with respect to any criminal proceedings, had no reasonable cause to believe the conduct was unlawful.

Our General Partner may voluntarily withdraw or sell its general partner interest.

Our General Partner may withdraw as the general partner of AmeriGas Partners and the Operating Partnership without the approval of our unitholders. Our General Partner may also sell its general partner interest in AmeriGas Partners and the Operating Partnership without the approval of our unitholders. Any such withdrawal or sale could have a material adverse effect on us and could substantially change the management and resolutions of conflicts of interest, as described above.

Our substantial debt could impair our financial condition and our ability to make distributions to holders of Common Units and operate our business.

Our substantial debt and our ability to incur significant additional indebtedness, subject to the restrictions under AmeriGas OLP's bank credit agreement, the outstanding HOLP note agreements and the indentures governing our outstanding notes could adversely affect our ability to make distributions to holders of our common units and could limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and place us at a competitive disadvantage compared to our competitors that have proportionately less debt. If we are unable to meet our debt service obligations, we could be forced to restructure or refinance our indebtedness, seek additional equity capital or sell assets. We may be unable to obtain financing or sell assets on satisfactory terms, or at all.

Because we issued a significant number of Common Units in connection with the Heritage Acquisition, the holder of such units could attempt to sell a significant number of such units in the future upon the expiration of the applicable holding period, which could have a material adverse effect on the market price of our Common Units.

On January 12, 2012, in connection with the Partnership's acquisition of Heritage Propane, we issued 29,567,362 Common Units to ETP's subsidiary Heritage ETC, L.P. as equity consideration. On the same day, ETP entered into a unitholder agreement with us. The unitholder agreement restricts Heritage ETC, L.P. and any person who becomes a holder of Common Units under the agreement from transferring the Common Units until January 13, 2013. The agreement also provides ETP with registration rights related to the Common Units following such holding period. As a result, upon completion of the holding period, ETP could elect to cause us to register the offer and sale of all Common Units held by them.

If all or a substantial portion of the Common Units held by ETP were to be offered for sale, or there was a perception that such resales might occur, the market price of the Common Units could decrease and it may be more difficult for us to sell our equity securities in the future at a time and upon terms that we deem appropriate.

Our agreement with ETP may delay or prevent a change of control, which could adversely affect the price of our Common Units.

Various provisions in the Contingent Residual Support Agreement ("CRSA") that we entered into on January 12, 2012 with ETP and UGI Corporation may delay or prevent a change in control of AmeriGas Partners, which could adversely affect the price of our Common Units. These provisions may also make it more difficult for our unitholders to benefit from transactions, including an actual or threatened change in control of us, even though such a transaction may offer our unitholders the opportunity to sell their Common Units at a price above the prevailing market price. The CRSA provides that, during the five-year period following the effectiveness of the CRSA, UGI Corporation may not cease to control the General Partner without the consent of ETP (such consent not to be unreasonably withheld). Thereafter, until termination of the CRSA, which will occur on the earlier of (a) payment in full of the Supported Debt Principal Amount as defined in the CRSA and (b) payment by ETP of the maximum amount due by ETP under the CRSA, ETP will not have any consent right with respect to a change of control of the General Partner unless such change of control would result in a downgrade of the credit rating of the senior notes issued in connection with the Heritage Propane acquisition. Such provisions may prevent unitholders from realizing potential increases in the price of our Common Units from an actual or threatened change in control.

Our partnership agreement limits our General Partner's fiduciary duties of care to unitholders and restricts remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duties.

Our partnership agreement contains provisions that reduce the standards of care to which our General Partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement waives or limits, to the extent permitted by law, any standard of care and duty imposed under state law to act in accordance with the provisions of our partnership agreement so long as such action is reasonably believed by our General Partner to be in, or not inconsistent with, our best interest. Accordingly, you may not be entitled to the benefits of certain fiduciary duties imposed by statute or otherwise that would ordinarily apply to directors and senior officers of publicly traded corporations.

Tax Risks

Our tax treatment depends on our status as a partnership for federal income tax purposes. If the IRS were to treat us as a corporation, then our cash available for distribution to holders of Common Units would be substantially reduced.

The availability to a common unitholder of the federal income tax benefits of an investment in the Common Units depends, in large part, on our classification as a partnership for federal income tax purposes. No ruling from the IRS as to this status has been or is expected to be requested.

If we were classified as a corporation for federal income tax purposes (including, but not limited to, due to a change in our business or a change in current law), we would be required to pay tax on our income at corporate tax rates (currently a maximum 35% federal rate, in addition to state and local income taxes at varying rates), and distributions received by the Common Unitholders would generally be taxed a second time as corporate distributions. Because a tax would be imposed upon us as an entity, the cash available for distribution to the Common Unitholders would be substantially reduced. Treatment of us as a corporation would cause a material reduction in the anticipated cash flow and after-tax return to the Common Unitholders, likely causing a substantial reduction in the value of the Common Units.

The law could be changed so as to cause us to be treated as a corporation for federal income tax purposes or otherwise to be subject to entity-level taxation. For example, the Obama Administration and members of Congress have considered substantive changes to the existing federal income tax laws that would affect the tax treatment of certain publicly traded partnerships. Any modification to the federal income tax laws and interpretations thereof may or may not be applied retroactively. Although we are unable to predict whether any of these changes, or other proposals, will ultimately be enacted, any such changes could negatively impact the value of an investment in our units. In addition, if we become subject to widespread entity-level taxation for state tax

purposes, it could substantially reduce distributions to our unitholders. Our Partnership Agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, our Partnership distribution levels will change. These changes would include a decrease in the current regular quarterly distribution and the target distribution levels to reflect the impact of this law on us. Any such reductions could increase our General Partner's percentage of cash distributions and decrease our limited partners' percentage of cash distributions.

If federal or state tax treatment of partnerships changes to impose entity-level taxation, the amount of cash available to us for distributions may be lower and distribution levels may have to be decreased.

Current law may change, causing us to be treated as a corporation for federal income tax purposes or otherwise subjecting us to entity-level taxation. For example, members of Congress have recently considered substantive changes to the existing federal income tax laws that would have affected certain publicly traded partnerships. Specifically, federal income tax legislation has been considered that would have eliminated partnership tax treatment for certain publicly traded partnerships and recharacterized certain types of income received from partnerships. Similarly, several states currently impose entity-level taxes on partnerships, including us. If any additional states were to impose a tax upon us as an entity, our cash available for distribution would be reduced. We are unable to predict whether any such changes in state entity-level taxes will ultimately be enacted. Any such changes could negatively impact the value of an investment in our Common Units.

Holders of Common Units will likely be subject to state, local and other taxes in states where holders of Common Units live or as a result of an investment in the Common Units.

In addition to United States federal income taxes, unitholders will likely be subject to other taxes, such as state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which the unitholder resides or in which we do business or own property. A unitholder will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of the various jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. It is the responsibility of each unitholder to file all applicable United States federal, state and local tax returns.

A successful IRS contest of the federal income tax positions that we take may adversely affect the market for Common Units and the costs of any contest will be borne directly or indirectly by the unitholders and our General Partner.

We have not requested a ruling from the IRS with respect to our classification as a partnership for federal income tax purposes, the classification of any of the revenue from our propane operations as "qualifying income" under Section 7704 of the Internal Revenue Code, or any other matter affecting us. Accordingly, the IRS may adopt positions that differ from the conclusions expressed herein or the positions taken by us. It may be necessary to resort to administrative or court proceedings in an effort to sustain some or all of such conclusions or the positions taken by us. A court may not concur with some or all of our positions. Any contest with the IRS may materially and adversely impact the market for the Common Units and the prices at which they trade. In addition, the costs of any contest with the IRS will be borne directly or indirectly by the unitholders and our General Partner.

Holders of Common Units may be required to pay taxes on their allocable share of our taxable income even if they do not receive any cash distributions.

A unitholder will be required to pay federal income taxes and, in some cases, state and local income taxes on the unitholder's allocable share of our taxable income, even if the unitholder receives no cash distributions from us. We cannot guarantee that a unitholder will receive cash distributions equal to the unitholder's allocable share of our taxable income or even the tax liability to the unitholder resulting from that income.

Ownership of Common Units may have adverse tax consequences for tax-exempt organizations and certain other investors.

Investment in Common Units by certain tax-exempt entities, regulated investment companies and foreign persons raises issues unique to them. For example, virtually all of our taxable income allocated to organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, will be unrelated business taxable income and thus will be taxable to the unitholder. Distributions to foreign persons will be reduced by withholding taxes at the highest applicable effective tax rate, and foreign persons will be required to file U.S. federal income tax returns and pay tax on their share of our taxable income. Prospective unitholders who are tax-exempt organizations or foreign persons should consult their tax advisors before investing in Common Units.

There are limits on the deductibility of losses that may adversely affect holders of Common Units.

In the case of taxpayers subject to the passive loss rules (generally, individuals, closely-held corporations and regulated

investment companies), any losses generated by us will only be available to offset our future income and cannot be used to offset income from other activities, including other passive activities or investments. Unused losses may be deducted when the unitholder disposes of the unitholder's entire investment in us in a fully taxable transaction with an unrelated party. A unitholder's share of our net passive income may be offset by unused losses from us carried over from prior years, but not by losses from other passive activities, including losses from other publicly traded partnerships.

Tax gain or loss on disposition of Common Units could be different than expected.

A unitholder who sells Common Units will recognize the gain or loss equal to the difference between the amount realized, including the unitholder's share of our nonrecourse liabilities, and the unitholder's adjusted tax basis in the Common Units. Prior distributions in excess of cumulative net taxable income allocated for a Common Unit which decreased a unitholder's tax basis in that unit will, in effect, become taxable income if the Common Unit is sold at a price greater than the unitholder's tax basis in that Common Unit, even if the price is less than the unit's original cost. A portion of the amount realized, whether or not representing gain, may be ordinary income. Furthermore, should the IRS successfully contest some conventions used by us, a unitholder could recognize more gain on the sale of Common Units than would be the case under those conventions, without the benefit of decreased income in prior years.

The reporting of partnership tax information is complicated and subject to audits.

We will furnish each unitholder with a Schedule K-1 that sets forth the unitholder's share of our income, gains, losses and deductions. In preparing these schedules, we will use various accounting and reporting conventions and adopt various depreciation and amortization methods. We cannot guarantee that these schedules will yield a result that conforms to statutory or regulatory requirements or to administrative pronouncements of the IRS. Further, our tax return may be audited, which could result in an audit of a unitholder's individual tax return and increased liabilities for taxes because of adjustments resulting from the audit. The rights of a unitholder owning less than a 1% profits interest in us to participate in the income tax audit process are very limited. Further, any adjustments in our tax returns will lead to adjustments in the unitholders' tax returns and may lead to audits of unitholders' tax returns and adjustments of items unrelated to us. Each unitholder would bear the cost of any expenses incurred in connection with an examination of the unitholder's personal tax return.

There is a possibility of loss of tax benefits relating to nonconformity of Common Units and nonconforming depreciation conventions.

Because we cannot match transferors and transferees of Common Units, uniformity of the tax characteristics of the Common Units to a purchaser of Common Units of the same class must be maintained. To maintain uniformity and for other reasons, we have adopted certain depreciation and amortization conventions which we believe conform to Treasury Regulations under Section 743(b) of the Internal Revenue Code. A successful challenge to those conventions by the IRS could adversely affect the amount of tax benefits available to a purchaser of Common Units and could have a negative impact on the value of the Common Units.

Holders of Common Units may have negative tax consequences if we default on our debt or sell assets.

If we default on any of our debt, the lenders will have the right to sue us for non-payment. This could cause an investment loss and negative tax consequences for unitholders through the realization of taxable income by unitholders without a corresponding cash distribution. Likewise, if we were to dispose of assets and realize a taxable gain while there is substantial debt outstanding and proceeds of the sale were applied to the debt, our unitholders could have increased taxable income without a corresponding cash distribution.

The sale or exchange of 50% or more of our capital and profits interests during any twelve-month period will result in the termination of our partnership for federal income tax purposes.

We will be considered to have technically terminated for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a twelve-month period. Our termination would, among other things, result in the closing of our taxable year for all unitholders, which would result in us filing two tax returns (and our unitholders could receive two Schedules K-1) for one fiscal year and could result in a significant deferral of depreciation deductions allowable in computing our taxable income. In the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in his taxable income for the year of termination. Our termination would not affect our classification as a partnership for federal income tax purposes, but instead, we would be treated as a new partnership for tax purposes. If treated as a new partnership, we must make new tax elections and could be subject to penalties if we are unable to determine that a termination occurred. The IRS has recently announced a relief program whereby a publicly traded partnership that technically terminates may be allowed to

provide one Schedule K-1 to unitholders for the year notwithstanding two partnership tax years. In connection with the Heritage Acquisition, we issued 29,567,362 of our Common Units to Heritage ETC L.P., a Delaware limited partnership, as partial consideration for the contribution by Heritage ETC, L.P. to us of all the equity interests of Heritage Propane. ETP directly and indirectly owns 100% of the equity interests in Heritage ETC L.P. If ETP transfers our Common Units it beneficially received in the Heritage Acquisition to its owners, otherwise transfers such Common Units, or engages in certain other transactions with respect to such Common Units, these transactions may be treated for tax purposes as a sale or exchange of our Common Units. If there is a sale or exchange of our Common Units by any other unitholders within 12 months of such a transaction that would result in a sale or exchange of 50% or more of our Common Units in the aggregate, the we may be considered to have technically terminated for federal income tax purposes with the attendant consequences described above.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of September 30, 2012, the Partnership owned approximately 90% of its more than 900 district offices throughout the country. The transportation of propane requires specialized equipment. The trucks and railroad tank cars utilized for this purpose carry specialized steel tanks that maintain the propane in a liquefied state. As of September 30, 2012, the Partnership operated a transportation fleet with the following assets:

Approximate Quantity	& Equipment Type	% Owned	% Leased
2,200	Trailers	91%	9%
400	Tractors	38%	62%
350	Railroad tank cars	4%	96%
4,600	Bobtail trucks	65%	35%
300	Rack trucks	29%	71%
4,800	Service and delivery trucks	80%	20%

Other assets owned at September 30, 2012 included approximately 1.5 million stationary storage tanks with typical capacities of more than 120 gallons and approximately 4.6 million portable propane cylinders with typical capacities of 1 to 120 gallons.

ITEM 3. LEGAL PROCEEDINGS

With the exception of the matters set forth in Note 12 to Consolidated Financial Statements included in Item 8 of this Report, no material legal proceedings are pending involving the Partnership, any of its subsidiaries, or any of their properties, and no such proceedings are known to be contemplated by governmental authorities other than claims arising in the ordinary course of the Partnership's business.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Each Common Unit represents a limited partner interest in the Partnership. Common Units are listed on the New York Stock Exchange, which is the principal trading market for such securities, under the symbol "APU." The following table sets forth, for the periods indicated, the high and low sale prices per Common Unit, as reported on the New York Stock Exchange ("NYSE") Composite Transactions tape, and the amount of cash distributions paid per Common Unit.

2012 Fiscal Year	Price Range		Cash
	High	Low	Distribution
Fourth Quarter	$ 45.04	$ 39.22	$ 0.800
Third Quarter	40.89	37.00	$ 0.800
Second Quarter	46.46	39.60	$ 0.7625
First Quarter	46.47	41.69	$ 0.740

2011 Fiscal Year	Price Range		Cash
	High	Low	Distribution
Fourth Quarter	$ 46.03	$ 36.76	$ 0.740
Third Quarter	48.49	42.00	$ 0.740
Second Quarter	51.50	43.56	$ 0.705
First Quarter	49.29	44.55	$ 0.705

As of November 15, 2012, there were 950 record holders of the Partnership's Common Units.

The Partnership makes quarterly distributions to its partners in an aggregate amount equal to its Available Cash, as defined in the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. (the "Partnership Agreement"). Available Cash generally means, with respect to any fiscal quarter of the Partnership, all cash on hand at the end of such quarter, plus all additional cash on hand as of the date of determination resulting from borrowings subsequent to the end of such quarter, less the amount of cash reserves established by the General Partner in its reasonable discretion for future cash requirements. Reserves may be maintained to provide for (i) the proper conduct of the Partnership's business, (ii) distributions during the next four fiscal quarters and (iii) compliance with applicable law or any debt instrument or other agreement or obligation to which the Partnership is a party or its assets are subject. The information concerning restrictions on distributions required by Item 5 of this Report is incorporated herein by reference to Notes 5 and 6 to Consolidated Financial Statements which are incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

(Thousands of dollars, except per unit amounts)	Year Ended September 30, 2012 (a)	2011	2010	2009	2008
FOR THE PERIOD:					
Income statement data:					
Revenues	$ 2,921,616	$ 2,537,959	$ 2,320,342	$ 2,260,095	$ 2,815,189
Net income	$ 12,671	$ 140,924	$ 167,494	$ 227,610	$ 160,306
Less: net income attributable to noncontrolling interests	(1,646)	(2,401)	(2,281)	(2,967)	(2,287)
Net income attributable to AmeriGas Partners, L.P.	$ 11,025	$ 138,523	$ 165,213	$ 224,643	$ 158,019
Limited partners' interest in net income attributable to AmeriGas Partners, L.P.	$ (2,094)	$ 132,101	$ 160,522	$ 217,906	$ 155,741
(Loss) income per limited partner unit — basic and diluted (b)	$ (0.11)	$ 2.30	$ 2.80	$ 3.59	$ 2.70
Cash distributions declared per limited partner unit	$ 3.10	$ 2.89	$ 2.75	$ 2.79	$ 2.50
AT PERIOD END:					
Balance sheet data:					
Current assets	$ 523,368	$ 393,819	$ 325,858	$ 316,507	$ 425,096
Total assets	$ 4,517,331	$ 1,795,735	$ 1,696,219	$ 1,657,564	$ 1,725,073
Current liabilities (excluding debt)	$ 590,239	$ 350,829	$ 349,139	$ 338,380	$ 461,095
Total debt	$ 2,377,969	$ 1,029,022	$ 882,402	$ 865,644	$ 933,390
Partners' capital:					
AmeriGas Partners, L.P. partners' capital	$ 1,429,108	$ 338,656	$ 380,848	$ 364,459	$ 247,375
Noncontrolling interests	39,452	12,823	12,038	11,866	10,723
Total partners' capital	$ 1,468,560	$ 351,479	$ 392,886	$ 376,325	$ 258,098
OTHER DATA:					
Capital expenditures (including capital leases)	$ 103,140	$ 77,228	$ 83,170	$ 78,739	$ 62,756
Retail propane gallons sold (millions)	1,017.5	874.2	893.4	928.2	993.2
Degree days — % (warmer) than normal (c)	(18.6)%	(1.0)%	(2.3)%	(3.1)%	(3.0)%

(a) Reflects the Heritage Propane operations since January 12, 2012, and the impact of subsequent transition and integration activities.

(b) Calculated in accordance with accounting guidance regarding the application of the two-class method for determining earnings per share as it relates to master limited partnerships.

(c) Deviation from average heating degree days for the 30-year period of 1971-2000 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for 335 airports in the United States, excluding Alaska.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") discusses our results of operations and our financial condition. MD&A should be read in conjunction with our Items 1 "Business," 1A "Risk Factors,"

and 2 "Properties" and our Consolidated Financial Statements in Item 8 below.

Executive Overview

Our results in Fiscal 2012 were significantly affected by two major events. First, during Fiscal 2012 the Partnership experienced record-setting warm heating-season weather. The quarter ended March 31, 2012, which is the peak quarter for heating-related sales, was the warmest on record in the continental United States at nearly 22% warmer than normal. Although our service territory's national footprint typically tempers the effects of regional warm weather patterns, in Fiscal 2012 the persistent warm weather affected virtually all regions of the United States. Second, our results for Fiscal 2012 were significantly affected by the acquisition of Heritage Propane. On January 12, 2012, AmeriGas Partners completed the acquisition of the subsidiaries of ETP that operate ETP's propane distribution business for total consideration of approximately $2.6 billion comprising approximately $1.5 billion in cash and 29,567,362 AmeriGas Partners Common Units having a fair value of approximately $1.1 billion (the "Heritage Acquisition"). We financed the cash portion of the Heritage Acquisition through the issuance of $1.55 billion of AmeriGas Partners Senior Notes. Results for Fiscal 2012 reflect Heritage Propane from January 12, 2012. Fiscal 2012 results also include $46.2 million of acquisition and transition costs associated with the Heritage Acquisition.

Net income attributable to AmeriGas Partners for Fiscal 2012 was $11.0 million compared with net income attributable to AmeriGas Partners for Fiscal 2011 of $138.5 million. Net income attributable to AmeriGas Partners for Fiscal 2012 and Fiscal 2011 includes pre-tax losses of $13.3 million and $38.1 million, respectively, associated with extinguishments of debt. As previously mentioned, Fiscal 2012 was significantly affected by record-setting warm heating-season weather. Temperatures based upon heating-degree days were approximately 18.6% warmer than normal and 18.3% warmer than Fiscal 2011. The heating season came to an early end in Fiscal 2012 as temperatures in March averaged more than 38% warmer than normal. Retail propane gallons sold were higher than in the prior-year period reflecting the acquisition of Heritage Propane. However, the incremental volume effects from Heritage Propane were offset in part by the impact of the significantly warmer weather on volumes from our legacy operations.

Looking ahead, our results in Fiscal 2013 will be influenced by a number of factors including, among others, temperatures in our service territories during the peak heating-season, our ongoing integration activities associated with Heritage Propane, the level and volatility of commodity prices for propane, the strength of the economic recovery and customer conservation.

Analysis of Results of Operations

The following analyses compare the Partnership's results of operations for (1) Fiscal 2012 with Fiscal 2011 and (2) Fiscal 2011 with the year ended September 30, 2010 ("Fiscal 2010").

Fiscal 2012 Compared with Fiscal 2011

(Dollars in millions)	2012	2011	Increase (Decrease)	
Gallons sold (millions):				
Retail	1,017.5	874.2	143.3	16.4 %
Wholesale	105.6	124.8	(19.2)	(15.4)%
	1,123.1	999.0	124.1	12.4 %
Revenues:				
Retail propane	$ 2,536.3	$ 2,173.5	$ 362.8	16.7 %
Wholesale propane	141.3	187.0	(45.7)	(24.4)%
Other	244.0	177.5	66.5	37.5 %
	$ 2,921.6	$ 2,538.0	$ 383.6	15.1 %
Total margin (a)	$ 1,201.9	$ 932.7	$ 269.2	28.9 %
EBITDA (b)	$ 324.7	$ 297.1	$ 27.6	9.3 %
Operating income	$ 170.6	$ 242.9	$ (72.3)	(29.8)%
Net income attributable to AmeriGas Partners	$ 11.0	$ 138.5	$ (127.5)	(92.1)%
Heating degree days — % (warmer) than normal (c)	(18.6)%	(1.0)%	—	—

(a) Total margin represents total revenues less cost of sales — propane and cost of sales — other.

(b) Earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") should not be considered as an alternative to net income attributable to AmeriGas Partners (as an indicator of operating performance) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America ("GAAP"). Management believes EBITDA is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of EBITDA may be different from those used by other companies. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners for the relevant years. Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership which is one of UGI Corporation's industry segments. UGI Corporation discloses the Partnership's EBITDA in its disclosure about industry segments as the profitability measure for its domestic propane segment. EBITDA for Fiscal 2012 and Fiscal 2011 includes net pre-tax losses of $13.3 million and $38.1 million, respectively, associated with extinguishments of debt. EBITDA for Fiscal 2012 includes acquisition and transition expenses of $46.2 million associated with Heritage Propane.

The following table includes reconciliations of net income attributable to AmeriGas Partners to EBITDA for the periods presented:

	Fiscal	
	2012	2011
Net income attributable to AmeriGas Partners	$ 11.0	$ 138.5
Income tax expense	2.0	0.4
Interest expense	142.6	63.5
Depreciation	134.2	83.0
Amortization	34.9	11.7
EBITDA	$ 324.7	$ 297.1

(c) Deviation from average heating degree days for the 30-year period 1971-2000 based upon national weather statistics provided by NOAA for 335 airports in the United States, excluding Alaska.

Based upon heating degree-day data, temperatures in the Partnership's service territories during Fiscal 2012 averaged 18.6% warmer than normal and 18.3% warmer than Fiscal 2011. The winter heating season also came to an early end with temperatures in the month of March averaging 38% warmer than normal. Notwithstanding the record warm weather's impact on our legacy AmeriGas Propane volumes, retail propane gallons sold were 143.3 million gallons greater than in the prior year reflecting the impact of Heritage Propane.

Retail propane revenues increased $362.8 million during Fiscal 2012 primarily reflecting higher retail volumes sold. The higher retail volumes sold reflects incremental gallons sold associated with Heritage Propane partially offset by the effects of weather-reduced volumes in AmeriGas Propane's legacy operations. Wholesale propane revenues decreased $45.7 million principally reflecting lower wholesale volumes sold ($28.8 million) and lower average wholesale propane selling prices ($16.9 million). Average daily wholesale propane commodity prices during Fiscal 2012 at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 20% lower than such prices during Fiscal 2011. Total revenues from fee income and other ancillary sales and services in Fiscal 2012 were $66.5 million higher than Fiscal 2011 reflecting such revenues from Heritage Propane. Total cost of sales increased $114.4 million principally reflecting incremental cost of sales from Heritage Propane offset in part by both the previously mentioned lower retail and wholesale volumes sold by our legacy operations and the lower average propane commodity prices.

Total margin increased $269.2 million in Fiscal 2012 reflecting higher total propane margin ($220.7 million) and higher total margin from ancillary sales and services ($48.5 million). The increases principally reflect incremental margin from Heritage Propane partially offset by lower total propane margin from our legacy operations resulting from the significantly warmer weather.

EBITDA (which includes the losses on extinguishments of debt) in Fiscal 2012 increased $27.6 million principally reflecting the higher total margin ($269.2 million) and a $24.8 million lower loss from extinguishments of debt partially offset by higher operating and administrative expenses ($268.1 million) primarily attributable to Heritage Propane. Fiscal 2012 operating expenses include $46.2 million of acquisition and transition expenses associated with Heritage Propane. Operating income (which excludes the losses on extinguishments of debt) decreased $72.3 million in Fiscal 2012 principally reflecting the higher total margin ($269.2 million) more than offset by the increased operating and administrative costs ($268.1 million) and greater depreciation and amortization expense ($74.4 million) principally associated with Heritage Propane. Interest expense was $79.1 million higher in Fiscal 2012 principally reflecting interest on long-term debt used to fund the Heritage Propane Acquisition.

Fiscal 2011 Compared with Fiscal 2010

(Dollars in millions)		2011		2010		Increase (Decrease)	
Gallons sold (millions):							
Retail		874.2		893.4		(19.2)	(2.1)%
Wholesale		124.8		129.2		(4.4)	(3.4)%
		999.0		1,022.6		(23.6)	(2.3)%
Revenues:							
Retail propane	$	2,173.5	$	1,996.2	$	177.3	8.9 %
Wholesale propane		187.0		162.6		24.4	15.0 %
Other		177.5		161.5		16.0	9.9 %
	$	2,538.0	$	2,320.3	$	217.7	9.4 %
Total margin (a)	$	932.7	$	925.3	$	7.4	0.8 %
EBITDA (b)	$	297.1	$	321.0	$	(23.9)	(7.4)%
Operating income	$	242.9	$	235.9	$	7.0	3.0 %
Net income attributable to AmeriGas Partners	$	138.5	$	165.2	$	(26.7)	(16.2)%
Heating degree days — % (warmer) than normal (c)		(1.0)%		(2.3)%		—	—

(a) Total margin represents total revenues less cost of sales — propane and cost of sales — other.

(b) EBITDA should not be considered as an alternative to net income attributable to AmeriGas Partners (as an indicator of operating performance) and is not a measure of performance or financial condition under GAAP. Management believes EBITDA is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with other companies within the propane industry and (2) assess its ability to meet loan covenants. The Partnership's definition of EBITDA may be different from that used by other companies. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners for the relevant years. Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership. UGI Corporation discloses the Partnership's EBITDA as the profitability measure to comply with the GAAP requirement to provide profitability information about its domestic propane segment. EBITDA in Fiscal 2011 includes pre-tax losses of $38.1 million associated with extinguishments of debt. EBITDA in Fiscal 2010 includes a pre-tax loss of $12.2 million associated with the discontinuance of interest rate hedges and a pre-tax loss of $7 million associated with increased litigation reserves.

The following table includes reconciliations of net income attributable to AmeriGas Partners to EBITDA for the periods presented:

	Fiscal			
		2011		2010
Net income attributable to AmeriGas Partners	$	138.5	$	165.2
Income tax expense		0.4		3.3
Interest expense		63.5		65.1
Depreciation		83.0		79.7
Amortization		11.7		7.7
EBITDA	$	297.1	$	321.0

(c) Deviation from average heating degree days for the 30-year period 1971-2000 based upon national weather statistics provided by NOAA for 335 airports in the United States, excluding Alaska.

Based upon heating degree-day data, average temperatures in the Partnership's service territories were 1.0% warmer than

normal during Fiscal 2011 compared with weather that was approximately 2.3% warmer than normal in Fiscal 2010. Retail propane gallons sold declined principally due to the effects of an early end to the heating season in our southern regions, customer conservation and the impact on our prior-year volumes of a strong crop-drying season partially offset by volumes acquired through acquisitions.

Retail propane revenues increased $177.3 million during Fiscal 2011 reflecting higher average retail sales prices ($220.2 million) partially offset by lower retail volumes sold ($42.9 million). Wholesale propane revenues increased $24.4 million principally reflecting higher wholesale selling prices ($29.9 million) partially offset by slightly lower wholesale volumes sold ($5.5 million). Average wholesale propane prices at Mont Belvieu, Texas, a major supply location in the U.S., were approximately 27% higher in Fiscal 2011 compared with average wholesale propane prices during Fiscal 2010. Revenues from fee income and ancillary sales and services increased $16.0 million in Fiscal 2011. Total cost of sales increased $210.2 million, to $1,605.3 million, principally reflecting the higher Fiscal 2011 wholesale propane product costs.

Total margin was $7.4 million higher in Fiscal 2011 as higher non-propane margin from fee income and certain ancillary sales and services was offset in part by lower retail propane total margin ($2.9 million). The lower retail propane total margin reflects the effects of the lower retail volumes sold ($17.5 million) partially offset by the effects of slightly higher average retail unit margins ($14.6 million).

The $23.9 million decrease in EBITDA during Fiscal 2011 includes (1) loss on the extinguishments of Senior Notes ($38.1 million) and (2) modestly higher operating and administrative expenses ($10.9 million). The negative effects of these items on the change in EBITDA were partially offset by (1) the absence of a $12.2 million loss recorded in Fiscal 2010 resulting from the discontinuance of interest rate hedges; (2) higher other income ($5.7 million); and (3) the previously mentioned greater total margin ($7.4 million). The higher operating and administrative expenses in Fiscal 2011 principally include greater compensation and benefits expenses ($13.2 million) and vehicle fuel expenses ($8.3 million) partially offset by lower self-insured liability and casualty expenses ($6.3 million).

Operating income (which excludes the loss on extinguishments of debt) increased $7.0 million in Fiscal 2011 principally reflecting (1) the previously mentioned higher total margin ($7.4 million); (2) the absence of the loss on interest rate hedges recorded in Fiscal 2010 ($12.2 million); and (3) the higher other income ($5.7 million) partially offset by the higher operating and administrative expenses ($10.9 million) and greater depreciation and amortization ($7.3 million). Interest expense was $1.6 million lower in Fiscal 2011 principally reflecting lower average interest rates on long-term debt outstanding partially offset by higher interest expense on working capital borrowings.

Financial Condition and Liquidity

Capitalization and Liquidity

The Partnership's debt outstanding at September 30, 2012, totaled $2,378.0 million (including current maturities of long-term debt of $30.7 million and bank loans of $49.9 million). The Partnership's debt outstanding at September 30, 2011 totaled $1,029.0 million (including current maturities of long-term debt of $4.7 million and bank loans of $95.5 million). Total long-term debt outstanding at September 30, 2012, including current maturities, comprises $2,250.8 million of AmeriGas Partners' Senior Notes, $55.6 million of HOLP Senior Notes and $21.6 million of other long-term debt.

In order to finance the cash portion of the acquisition of Heritage Propane, on January 12, 2012, AmeriGas Finance Corp. and AmeriGas Finance LLC (the "Issuers") issued $550 million principal amount of 6.75% Notes due May 2020 and $1 billion principal amount of 7.00% Notes due May 2022. The 6.75% Notes and the 7.00% Notes are fully and unconditionally guaranteed on a senior unsecured basis by AmeriGas Partners. The 6.75% Notes and the 7.00% Notes and the guarantees rank equal in right of payment with all of AmeriGas Partners' existing Senior Notes. In connection with the Heritage Acquisition, AmeriGas Partners, AmeriGas Finance Corp., AmeriGas Finance LLC and UGI entered into a Contingent Residual Support Agreement ("CRSA") with ETP pursuant to which ETP will provide contingent, residual support of $1.5 billion of debt ("Supported Debt" as defined in the CRSA).

On March 28, 2012, AmeriGas Partners announced that holders of approximately $383.5 million in aggregate principal amount of outstanding 6.50% Senior Notes due May 2021 (the "6.50% Notes"), representing approximately 82% of the total $470 million principal amount outstanding, had validly tendered their notes in connection with the Partnership's March 14, 2012, offer to purchase for cash up to $200 million of the 6.50% Notes. Tendered 6.50% Notes in the amount of $200 million were redeemed on March 28, 2012, at an effective price of 105%. During June 2012, AmeriGas Partners repurchased $19.2 million aggregate principal amount of outstanding 7.00% Notes. The Partnership recorded a net loss on extinguishment of debt of $13.3 million associated with these transactions.

On March 21, 2012, AmeriGas Partners sold 7 million Common Units in an underwritten public offering at a public offering price of $41.25 per unit. The net proceeds of the public offering totaling $276.6 million and the associated capital contributions from the General Partner totaling $2.8 million were used to redeem the previously mentioned $200 million of the 6.50% Notes, to reduce Partnership bank loan borrowings and for general corporate purposes.

AmeriGas OLP's short-term borrowing needs are seasonal and are typically greatest during the fall and winter heating-season months due to the need to fund higher levels of working capital. At September 30, 2012, AmeriGas OLP had a $525 million unsecured credit agreement ("2011 Credit Agreement"). Concurrently with the acquisition of Heritage Propane, on January 12, 2012, the 2011 Credit Agreement was amended to, among other things, increase the total amount available to $525 million from $325 million previously, extend its expiration date to October 2016, and amend certain financial covenants for a limited time period as a result of the acquisition of Heritage Propane. In April 2012, the Credit Agreement was further amended to provide the Partnership greater flexibility in its financial leverage ratio.

At September 30, 2012 and 2011, there were $49.9 million and $95.5 million of borrowings outstanding under the 2011 Credit Agreement, respectively. The average interest rates on the 2011 Credit Agreement borrowings at September 30, 2012 and 2011, were 2.72% and 2.29%, respectively. Borrowings under the 2011 Credit Agreement are classified as bank loans on the Consolidated Balance Sheets. Issued and outstanding letters of credit under the 2011 Credit Agreement, which reduce the amounts available for borrowings, totaled $47.9 million and $35.7 million at September 30, 2012 and 2011, respectively. The average daily and peak bank loan borrowings outstanding under the 2011 Credit Agreement during Fiscal 2012 were $95.3 million and $239.5 million, respectively. The average daily and peak bank loan borrowings outstanding under credit agreements during Fiscal 2011 were $151.1 million and $235 million, respectively. At September 30, 2012, the Partnership's available borrowing capacity under the 2011 Credit Agreement was $427.2 million.

Based on existing cash balances, cash expected to be generated from operations, and borrowings available under the 2011 Credit Agreement, the Partnership's management believes that the Partnership will be able to meet its anticipated contractual commitments and projected cash needs during Fiscal 2013. For a more detailed discussion of the 2011 Credit Agreement, see Note 6 to Consolidated Financial Statements.

Partnership Distributions

The Partnership makes distributions to its partners approximately 45 days after the end of each fiscal quarter in a total amount equal to its Available Cash as defined in the Fourth Amended and Restated Agreement of Limited Partnership, as amended, (the "Partnership Agreement") for such quarter. Available Cash generally means:

1. cash on hand at the end of such quarter,

2. plus all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter,

3. less the amount of cash reserves established by the General Partner in its reasonable discretion.

The General Partner may establish reserves for the proper conduct of the Partnership's business and for distributions during the next four quarters.

Distributions of Available Cash are made 98% to limited partners and 2% to the General Partner (giving effect to the 1.01% interest of the General Partner in distributions of Available Cash from AmeriGas OLP to AmeriGas Partners) until Available Cash exceeds the Minimum Quarterly Distribution of $0.55 and the First Target Distribution of $0.055 per Common Unit (or a total of $0.605 per Common Unit). When Available Cash exceeds $0.605 per Common Unit in any quarter, the General Partner will receive a greater percentage of the total Partnership distribution but only with respect to the amount by which the distribution per Common Unit to limited partners exceeds $0.605.

Quarterly distributions of Available Cash per limited partner unit paid during Fiscal 2012, Fiscal 2011 and Fiscal 2010 were as follows:

	Fiscal		
	2012	2011	2010
1st Quarter	$0.7400	$0.705	$0.670
2nd Quarter	0.7625	0.705	0.670
3rd Quarter	0.8000	0.740	0.705
4th Quarter	0.8000	0.740	0.705

During Fiscal 2012, Fiscal 2011 and Fiscal 2010, the Partnership made quarterly distributions to Common Unitholders in excess of $0.605 per limited partner unit. As a result, the General Partner has received a greater percentage of the total Partnership distribution than its aggregate 2% general partner interest in AmeriGas OLP and AmeriGas Partners. The total amount of distributions received by the General Partner with respect to its aggregate 2% general partner ownership interests totaled $19.7 million in Fiscal 2012, $9.0 million in Fiscal 2011 and $6.9 million in Fiscal 2010. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2012, Fiscal 2011 and Fiscal 2010 of $13.0 million, $5.0 million and $3.0 million, respectively.

Cash Flows

Operating activities. Due to the seasonal nature of the Partnership's business, cash flows from operating activities are generally strongest 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 agreements to satisfy its seasonal operating cash flow needs.

Cash flow from operating activities was $344.4 million in Fiscal 2012, $188.9 million in Fiscal 2011 and $218.8 million in Fiscal 2010. Cash flow from operating activities before changes in operating working capital was $211.3 million in Fiscal 2012, $283.7 million in Fiscal 2011 and $269.5 million in Fiscal 2010. Cash provided by (used to) fund changes in operating working capital totaled $133.2 million in Fiscal 2012, $(94.9) million in Fiscal 2011 and $(50.7) million in Fiscal 2010. Cash flow from changes in operating working capital primarily reflects the impact of changes in propane product costs on cash receipts from customers and cash paid for propane as reflected in changes in accounts receivable, inventories and accounts payable. The greater cash provided by changes in working capital in Fiscal 2012 largely reflects the timing of the acquisition of Heritage Propane on cash receipts from Heritage Propane customers and the effects of lower volumes sold on changes in accounts receivable from our legacy operations.

Investing activities. Investing activity cash flow principally comprises expenditures for property, plant and equipment, cash paid for acquisitions of businesses and proceeds from sales of assets. Cash flow used in investing activities was $1,520.1 million in Fiscal 2012, $106.1 million in Fiscal 2011 and $114.9 million in Fiscal 2010. The significantly higher Fiscal 2012 cash flow used in Fiscal 2012 reflects the acquisition of Heritage Propane. We spent $103.1 million for property, plant and equipment (comprising $45.0 million of maintenance capital expenditures, $17.6 million of capital expenditures associated with Heritage Propane integration activities and $40.5 million of growth capital expenditures) in Fiscal 2012; $77.2 million for property, plant and equipment (comprising $38.2 million of maintenance capital expenditures and $39.0 million of growth capital expenditures) in Fiscal 2011; and $83.2 million for property, plant and equipment (comprising $41.1 million of maintenance capital expenditures and $42.1 million of growth capital expenditures) in Fiscal 2010.

Financing activities. Financing activity cash flow principally comprises distributions on AmeriGas Partners Common Units, issuances and repayments of long-term debt, borrowings under credit agreements, and issuances of AmeriGas Partners Common Units. Cash flow provided (used) by financing activities was $1,227.1 million in Fiscal 2012, $(81.8) million in Fiscal 2011 and $(155.4) million in Fiscal 2010. The greater distributions in Fiscal 2012 reflects a greater number of Common Units outstanding, due to the acquisition of Heritage Propane and the public Common Unit offering, and higher quarterly per-unit distribution rates in Fiscal 2012. In order to finance the cash portion of the acquisition of Heritage Propane, on January 12, 2012, AmeriGas Partners issued $550 million principal amount of the 6.75% Notes due 2020 and $1.0 billion principal amount of 7.00% Notes due 2022. During March 2012, AmeriGas Partners sold 7 million Common Units in an underwritten public offering and used a portion of the net proceeds to repay $200 million of outstanding 6.50% Senior Notes due 2021, to reduce bank loan borrowings and for general corporate purposes. During June 2012, AmeriGas Partners repurchased an additional $19.2 million of its 7.00% Notes.

During Fiscal 2011, AmeriGas Partners redeemed $415 million principal amount of 7.25% AmeriGas Partners Senior Notes due 2015 and $14.6 million principal amount of its 8.875% Senior Notes due 2011 with proceeds from the issuance of $470 million principal amount of 6.50% AmeriGas Partners Senior Notes due 2021. Also during Fiscal 2011, AmeriGas Partners redeemed $350 million principal amount of its 7 1/8% Senior Notes due 2016 with proceeds from the issuance of $450 million principal

amount of its 6.25% Senior Notes due 2019. A portion of the proceeds from the issuances of the senior Notes were also used to reduce AmeriGas OLP bank loan borrowings. Repayments of AmeriGas Partners debt includes $30.6 million of transaction fees and expenses associated with these extinguishments in Fiscal 2011.

Capital Expenditures

In the following table, we present capital expenditures (which exclude acquisitions) for Fiscal 2012, Fiscal 2011 and Fiscal 2010. We also provide amounts we expect to spend in Fiscal 2013. We expect to finance Fiscal 2013 capital expenditures principally from cash generated by operations and borrowings under our 2011 Credit Agreement.

Year Ended September 30,	2013	2012	2011	2010
(millions of dollars)	(estimate)			
Property, plant and equipment (a)	$ 130.0	$ 103.1	$ 77.2	$ 83.2

(a) Estimated Fiscal 2013 capital expenditures include $20.0 million related to Heritage Propane integration activities. Fiscal 2012 capital expenditures include $17.6 million of transition capital expenditures relating to Heritage Propane integration activities.

Contractual Cash Obligations and Commitments

The Partnership has certain contractual cash obligations that extend beyond Fiscal 2012 including scheduled repayments of long-term debt, interest on long-term fixed-rate debt, lease obligations, capital expenditures and propane supply contracts. The following table presents significant contractual cash obligations as of September 30, 2012:

	Payments Due by Period				
(millions of dollars)	Total	Fiscal 2013	Fiscal 2014 - 2015	Fiscal 2016 - 2017	Fiscal 2018 and thereafter
Long-term debt (a)	$ 2,323.7	$ 30.0	$ 19.7	$ 11.1	$ 2,262.9
Interest on long-term fixed-rate debt (b)	1,351.8	155.4	307.5	305.8	583.1
Operating leases	291.0	64.3	92.6	57.9	76.2
Propane supply contracts	319.3	141.4	174.7	3.2	—
Other purchase obligations (c)	29.0	29.0	—	—	—
Total	$ 4,314.8	$ 420.1	$ 594.5	$ 378.0	$ 2,922.2

(a) Based upon stated maturity dates.

(b) Based upon stated interest rates.

(c) Includes material capital expenditure obligations.

The components of other noncurrent liabilities included in our Consolidated Balance Sheet at September 30, 2012, principally consist of property and casualty liabilities and, to a much lesser extent, liabilities associated with executive compensation plans and employee post-employment benefit programs. These liabilities are not included in the table of Contractual Cash Obligations and Commitments because they are estimates of future payments and not contractually fixed as to timing or amount. Certain of our operating lease arrangements, primarily vehicle leases with remaining lease terms of one to ten years, have residual value guarantees. Although such fair values at the end of the leases have historically exceeded the guaranteed amount, at September 30, 2012, the maximum potential amount of future payments under lease guarantees, assuming the leased equipment was deemed worthless at the end of the lease term, was approximately $14 million.

Related Party Transactions

Pursuant to the Partnership Agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs, which totaled $374.9 million in Fiscal 2012, $363.4 million in Fiscal 2011, and $350.2 million in Fiscal 2010, include employee compensation and benefit expenses of employees of the General Partner and general and administrative expenses.

UGI provides certain financial and administrative services to the General Partner. UGI bills the General Partner monthly for all direct and indirect corporate expenses incurred in connection with providing these services and the General Partner is reimbursed by the Partnership for these expenses. The allocation of indirect UGI corporate expenses to the Partnership utilizes a

weighted, three-component formula based on the relative percentage of the Partnership's revenues, operating expenses and net assets employed to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. The General Partner believes that this allocation method is reasonable and equitable to the Partnership. Such corporate expenses totaled $10.1 million in Fiscal 2012, $10.8 million in Fiscal 2011 and $10.8 million in Fiscal 2010. In addition, UGI and certain of its subsidiaries provide office space, stop loss medical coverage and automobile liability insurance to the Partnership. The costs related to these items totaled $3.8 million in Fiscal 2012, $3.2 million in Fiscal 2011 and $2.3 million in Fiscal 2010.

From time to time, AmeriGas OLP purchases propane on an as needed basis from UGI Energy Services, Inc. ("Energy Services"). The price of the purchases are generally based on market price at the time of purchase. Purchases of propane by AmeriGas OLP from Energy Services totaled $0.4 million, $4.1 million and $39.8 million during Fiscal 2012, Fiscal 2011 and Fiscal 2010, respectively. Fiscal 2010 propane purchases also reflect purchases made from a former subsidiary of Energy Services under a propane sales agreement.

In addition, the Partnership sells propane to affiliates of UGI. Such amounts were not material in Fiscal 2012, Fiscal 2011 or Fiscal 2010.

Off-Balance-Sheet Arrangements

We do not have any off-balance-sheet arrangements that are expected to have an effect on the Partnership's financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Market Risk Disclosures

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

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership pays for propane is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. The Partnership's profitability is sensitive to changes in propane supply costs and the Partnership generally passes on increases in such costs to customers. The Partnership may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of the Partnership's propane market price risk, we use contracts for the forward purchase or sale of propane, propane fixed-price supply agreements, and over-the-counter derivative commodity instruments including price swap and option contracts. Over-the-counter derivative commodity instruments utilized by the Partnership to hedge forecasted purchases of propane are generally settled at expiration of the contract. These derivative financial instruments contain collateral provisions. The fair value of unsettled commodity price risk sensitive instruments at September 30, 2012 and 2011, were losses of $40.5 million and $6.4 million, respectively. A hypothetical 10% adverse change in the market price of propane would result in a decrease in such fair values of $20.7 million and $19.6 million, respectively.

Because the Partnership's propane derivative instruments generally qualify as hedges under GAAP, we expect that changes in the fair value of derivative instruments used to manage propane market price risk would be substantially offset by gains or losses on the associated anticipated transactions.

Interest Rate Risk

The Partnership has both fixed-rate and variable-rate debt. Changes in interest rates impact the cash flows of variable-rate debt but generally do not impact their fair value. Conversely, changes in interest rates impact the fair value of fixed-rate debt but do not impact their cash flows.

Our variable-rate debt includes borrowings under the 2011 Credit Agreement. This agreement has interest rates that are generally indexed to short-term market interest rates. At September 30, 2012, there were $49.9 million of borrowings outstanding under the 2011 Credit Agreement. Based upon the average level of borrowings outstanding under the 2011 Credit Agreement during Fiscal 2012, an increase in short-term interest rates of 100 basis points (1%) would have increased annual interest expense by approximately $1.0 million.

The remainder of our debt outstanding is subject to fixed rates of interest. A 100 basis point increase in market interest rates would result in decreases in the fair value of this fixed-rate debt of $122.1 million and $62.9 million at September 30, 2012 and 2011, respectively. A 100 basis point decrease in market interest rates would result in increases in the fair market value of this debt of $93.6 million and $49.3 million at September 30, 2012 and 2011, respectively.

Our long-term debt is typically issued at fixed rates of interest based upon market rates for debt having similar terms and credit ratings. As these long-term debt issues mature, we may refinance such debt with new debt having interest rates reflecting then-current market conditions. This debt may have an interest rate that is more or less than the refinanced debt. In order to reduce interest rate risk associated with forecasted issuances of fixed-rate debt, from time to time we may enter into interest rate protection agreements. There were no settled or unsettled amounts relating to interest rate protection agreements at September 30, 2012 or 2011.

Derivative Financial Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally consist of 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 form of letters of credit, parental guarantees or cash.

Critical Accounting Policies and Estimates

Accounting policies and estimates discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. Changes in these policies and estimates could have a material effect on the financial statements. The application of these accounting policies and estimates necessarily requires management's most subjective or complex judgments regarding estimates and projected outcomes of future events which could have a material impact on the financial statements. Management has reviewed these critical accounting policies, and the estimates and assumptions associated with them, with the General Partner's Audit Committee. In addition, management has reviewed the following disclosures regarding the application of these critical accounting policies and estimates with the Audit Committee. Also, see Note 2 to Consolidated Financial Statements which discusses the significant accounting policies that we have selected from acceptable alternatives.

Litigation Accruals and Environmental Liabilities. The Partnership is involved in litigation regarding pending claims and legal actions that arise in the normal course of its business and may own sites at which hazardous substances may be present. In accordance with GAAP, the Partnership establishes reserves for pending claims and legal actions or environmental remediation liabilities when it is probable that a liability exists and the amount or range of amounts can be reasonably estimated. Reasonable estimates involve management judgments based on a broad range of information and prior experience. These judgments are reviewed quarterly as more information is received and the amounts reserved are updated as necessary. Such estimated reserves may differ materially from the actual liability and such reserves may change materially as more information becomes available and estimated reserves are adjusted.

Depreciation and Amortization of Long-Lived assets. We compute depreciation on property, plant and equipment on a straight-line basis over estimated useful lives generally ranging from 2 to 40 years. We also use amortization methods and determine asset values of intangible assets subject to amortization using reasonable assumptions and projections. Changes in the estimated useful lives of property, plant and equipment and changes in intangible asset amortization methods or values could have a material effect on our results of operations. As of September 30, 2012, our net property, plant and equipment totaled $1,499.2 million and we recorded depreciation expense of $134.2 million during Fiscal 2012. As of September 30, 2012, our net intangible assets subject to amortization totaled $444.9 million and we recorded amortization expense on intangible assets subject to amortization of $30.6 million during Fiscal 2012.

Purchase Price Allocations. From time to time, we enter into material business combinations. In accordance with accounting guidance associated with business combinations, the purchase price is allocated to the various assets acquired and liabilities assumed at their estimated fair value. Fair values of assets acquired and liabilities assumed are based upon available information and may involve us engaging an independent third party to perform an appraisal. Estimating fair values can be complex and subject to significant business judgment. Estimates most commonly impact property, plant and equipment and intangible assets, including those with indefinite lives. Generally, we have, if necessary, up to one year from the acquisition date to finalize the purchase price allocation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

"Quantitative and Qualitative Disclosures About Market Risk" are contained in Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk Disclosures" and are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Annual Report on Internal Control Over Financial Reporting and the financial statements and financial statement schedules referred to in the Index contained on page F-2 of this Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

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

(b) For "Management's Annual Report on Internal Control Over Financial Reporting" see Item 8 of this Report (which information is incorporated herein by reference).

(c) During the most recent fiscal quarter, other than changes resulting from the acquisition of Heritage Propane discussed below, no change in the Partnership's internal control over financial reporting occurred that has materially affected, or is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

On January 12, 2012, AmeriGas Partners acquired Heritage Propane. The Partnership is currently in the process of integrating Heritage Propane's operations, processes and internal controls. See Note 4 to Consolidated Financial Statements for additional information on the acquisition of Heritage Propane.

ITEM 9B. OTHER INFORMATION

None.

PART III:

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We do not directly employ any persons responsible for managing or operating the Partnership. The General Partner and UGI provide such services and are reimbursed for direct and indirect costs and expenses including all compensation and benefit costs. See "Certain Relationships and Related Transactions, and Director Independence - Related Person Transactions" and Note 13 to Consolidated Financial Statements.

The Board of Directors of the General Partner has an Audit Committee, Compensation/Pension Committee, Corporate Governance Committee and an Executive Committee. The functions of and other information about these committees is summarized below.

The Audit Committee has the authority to (i) make determinations or review determinations made by management in transactions that require special approval by the Audit Committee under the terms of the Partnership Agreement and (ii) at the request of the General Partner, review specific matters as to which the General Partner believes there may be a conflict of interest, in order to determine if the resolution of such conflict is fair and reasonable to the Partnership. In addition, the Audit Committee acts on behalf of the Board of Directors in fulfilling its responsibility to:

- oversee the accounting and financial reporting processes and audits of the financial statements of the Partnership;
- monitor the independence of the Partnership's independent registered public accounting firm and the performance of the independent registered public accountants and internal audit staff;
- oversee the adequacy of the Partnership's controls relative to financial and business risk;

- provide a means for open communication among the independent registered public accountants, management, internal audit staff and the Board of Directors; and
- oversee compliance with applicable legal and regulatory requirements.

The Audit Committee has sole authority to appoint, retain, fix the compensation of and oversee the work of the Partnership's independent registered public accounting firm. A copy of the current charter of the Audit Committee is posted on the Partnership's website, www.amerigas.com; see "Investor Relations - Corporate Governance."

The Audit Committee members are Messrs. Pratt (Chairman), Marrazzo and Stoeckel. Each member of the Audit Committee is "independent" as defined by the New York Stock Exchange listing standards. In addition, the Board of Directors of the General Partner has determined that all members of the Audit Committee qualify as "audit committee financial experts" within the meaning of the Securities and Exchange Commission regulations.

The Compensation/Pension Committee members are Messrs. Schlanger (Chairman) and Marrazzo and Dr. Ban. The Committee establishes executive compensation policies and programs, confirms that executive compensation plans do not encourage unnecessary risk-taking; recommends to the independent members of the Board of Directors base salary, annual bonus target levels and long-term compensation awards for executives, approves corporate goals and objectives relating to the Chief Executive Officer's compensation, assists the Board in establishing a succession plan for the Chief Executive Officer, and reviews the General Partner's plans for senior management succession and management development. Each member of the Compensation/Pension Committee is independent as defined by the New York Stock Exchange listing standards.

The Executive Committee members are Messrs. Schlanger (Chairman) and Greenberg and Dr. Ban. The Committee has the full authority of the Board to act on matters between meetings of the Board, with specified limitations relating to major transactions.

The Corporate Governance Committee members are Messrs. Stoeckel (Chairman), Pratt and Schlanger. The Committee identifies nominees and reviews qualifications of persons eligible to stand for election as Directors and makes recommendations to the Board on these matters, advises the Board with respect to significant developments in corporate governance matters, reviews and assesses the performance of the Board and each Committee, and reviews and makes recommendations to the Board of Directors regarding director compensation. Each member of the Corporate Governance Committee is independent as defined by the New York Stock Exchange listing standards.

When considering whether the Board's Directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to satisfy the oversight responsibilities of the Board, the Corporate Governance Committee and the Board considered primarily the information about the backgrounds and experiences of the Directors contained under the section of this Report entitled "Directors, Executive Officers and Corporate Governance - Directors and Executive Officers of the General Partner." In particular, with regard to Mr. Greenberg, the Board considered his executive leadership and vision demonstrated in leading the Partnership's successful growth for more than 17 years, and his extensive industry knowledge and experience. With regard to Mr. Sheridan, the Board considered his senior management experience with the General Partner and another global company. With regard to Mr. Walsh, the Board considered his experience serving as Vice Chairman of the General Partner, his senior management experience with UGI Corporation and another global public company, and his broad industry knowledge and insight. With regard to Dr. Ban, the Board considered his extensive energy industry and emerging energy technologies knowledge and experience, including his experience as Chief Executive Officer of the Gas Research Institute, and his public company directorship and committee experience. With regard to Mr. Marrazzo, the Board considered his extensive experience as Chief Executive Officer of both non-profit and public companies, his city government leadership experience, and his public and private company directorship and committee experience. With regard to Mr. Pratt, the Board considered his extensive executive and financial management experience, his knowledge of the information technology field, and his public and private company directorship and committee experience. With regard to Mr. Schlanger, the Board considered his senior management experience as Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of Arco Chemical Company, a large public company, and his experience serving as chairman, director and committee member of the boards of directors of large public and private international companies, including his experience serving on boards of directors of public companies as a result of being nominated by a major shareholder. With regard to Mr. Stoeckel, the Board considered his management experience as Chief Executive Officer of a large private company sharing similarities with the Partnership, such as a similar workforce and a large number of geographically dispersed retail locations, and his private company directorship experience. With regard to Mr. Turner, the Board considered Mr. Turner's service on other boards of directors of public companies, including energy companies.

The General Partner has adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers that applies to the General Partner's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The Code of Ethics

is included as an exhibit to this Report and is posted on the Partnership's website, www.amerigas.com; see "Investor Relations - Corporate Governance." Copies of all corporate governance documents posted on the Partnership's website are available free of charge by writing to Hugh J. Gallagher, Treasurer, AmeriGas Propane, Inc., P. O. Box 965, Valley Forge, PA 19482.

Directors and Executive Officers of the General Partner

The following table sets forth certain information with respect to the directors and executive officers of the General Partner. AmeriGas, Inc., as the sole shareholder of the General Partner, elects directors annually. AmeriGas, Inc. is a wholly owned subsidiary of UGI. Executive officers are elected for one-year terms. There are no family relationships between any of the directors or any of the executive officers or between any of the executive officers and any of the directors.

Name	Age	Position with the General Partner
Lon R. Greenberg	62	Chairman and Director
Jerry E. Sheridan	47	President, Chief Executive Officer and Director
John L. Walsh	57	Vice Chairman and Director
Stephen D. Ban	71	Director
William J. Marrazzo	63	Director
Gregory A. Pratt	63	Director
Marvin O. Schlanger	64	Director
Howard B. Stoeckel	66	Director
K. Richard Turner	54	Director
John S. Iannarelli	48	Vice President - Finance and Chief Financial Officer
R. Paul Grady	58	Vice President and Chief Operating Officer
William D. Katz	59	Vice President - Human Resources
David L. Lugar	55	Vice President - Supply and Logistics
Andrew J. Peyton	44	Vice President - Corporate Development
Kathy L. Prigmore	49	Vice President - Operations Support and Customer Advocacy
Kevin Rumbelow	52	Vice President - Supply Chain
Steven A. Samuel	51	Vice President - Law and General Counsel
William J. Stanczak	57	Controller and Chief Accounting Officer

Mr. Greenberg is a director (since 1994) and Chairman of the Board of Directors of the General Partner. He previously served as President and Chief Executive Officer of the General Partner (1996 to 2000) and Vice Chairman (1995 to 1996). He is also a director (since 1994), Chairman (since 1996) and Chief Executive Officer (since 1995) of UGI Corporation, having previously been President (1994 to 2005) and Senior Vice President - Legal and Corporate Development of UGI (1989 to 1994). Mr. Greenberg previously served as Vice President and General Counsel of AmeriGas, Inc. (1984 to 1994). He also serves as a director of UGI Utilities, Inc., Aqua America, Inc. and Ameriprise Financial, Inc. As previously announced, Mr. Greenberg will retire from his position as Chief Executive Officer of UGI Corporation in the spring of 2013 and will serve as Non-Executive Chairman of the Board of Directors of the General Partner and UGI Corporation following his retirement.

Mr. Sheridan is President, Chief Executive Officer and a Director of the General Partner (since March 2012). Previously, he served as Vice President - Operations and Chief Operating Officer of the General Partner (2011 to 2012) and as Vice President - Finance and Chief Financial Officer (2005 to 2011). Mr. Sheridan served as President and Chief Executive Officer (2003 to 2005) of Potters Industries, Inc., a global manufacturer of engineered glass materials and a wholly-owned subsidiary of PQ Corporation. In addition, Mr. Sheridan served as Executive Vice President (2003 to 2005) and as Vice President and Chief Financial Officer (1999 to 2003) of PQ Corporation, a global producer of inorganic specialty chemicals. Mr. Sheridan also serves on the Management Board of the Engineered Materials Division of JM Huber, a privately held company (since 2012).

Mr. Walsh is a director and Vice Chairman of the General Partner (since 2005). He also serves as a director and President and Chief Operating Officer of UGI Corporation (since 2005). In addition, Mr. Walsh is a director and Vice Chairman of UGI Utilities, Inc. (since 2005). He served as President and Chief Executive Officer (2009 to 2011) of UGI Utilities, Inc. Previously, Mr. Walsh was the Chief Executive of the Industrial and Special Products division of the BOC Group plc, an industrial gases company, a position he assumed in 2001. He was also an Executive Director of BOC (2001 to 2005). He joined BOC in 1986 as Vice President-Special Gases and held various senior management positions in BOC, including President of Process Gas Solutions,

North America (2000 to 2001) and President of BOC Process Plants (1996 to 2000). As previously announced, Mr. Walsh will be named President and Chief Executive Officer of UGI Corporation upon Mr. Greenberg's retirement in the spring of 2013.

Dr. Ban was elected a director of the General Partner on February 22, 2006. He is currently working as a consultant to private industry. Dr. Ban retired as Director of the Technology Transfer Division of the Argonne National Laboratory (a science-based Department of Energy laboratory dedicated to advancing the frontiers of science in energy, environment, biosciences and materials) in 2010, having served in such role in 2001. He previously served as President and Chief Executive Officer of the Gas Research Institute (gas industry research and development funded by distributors, transporters, and producers of natural gas) (1987 to 1999). He also served as Executive Vice President. Prior to joining Gas Research Institute in 1981, he was Vice President, Research and Development and Quality Control of Bituminous Materials, Inc. Dr. Ban also serves as a Director of UGI Corporation, UGI Utilities, Inc. and Energen Corporation.

Mr. Marrazzo was elected a director of the General Partner on April 23, 2001. He is Chief Executive Officer and President of WHYY, Inc., a public television and radio company in the nation's fourth largest market (since 1997). Previously, he was Chief Executive Officer and President of Roy F. Weston, Inc. (1988 to 1997); Water Commissioner for the Philadelphia Water Department (1971 to 1988) and Managing Director for the City of Philadelphia (1983 to 1984). He also serves as a director of American Water Works Company, Inc.

Mr. Pratt was elected a director of the General Partner on May 24, 2005. He is Chairman of the Board of Carpenter Technology Corporation, a manufacturer and distributor of stainless steel and specialty alloys (since 2009). Mr. Pratt is a 2011 National Association of Corporate Directors (NACD) Board Leadership Fellow. Mr. Pratt previously served as interim Chief Executive Officer and President of Carpenter Technology Corporation (2009 to 2010). He is the former Vice Chairman and a director of OAO Technology Solutions, Inc. (OAOT), an information technology professional services company (2002 to 2010). He joined OAOT in 1998 as President and Chief Executive Officer after OAOT acquired Enterprise Technology Group, Inc., a software engineering firm founded by Mr. Pratt. Mr. Pratt also serves as President and a director of the Capital Area Chapter of the National Association of Corporate Directors, a non-profit organization. He previously served as a director, President and Chief Operating Officer of Intelligent Electronics, Inc. (1991 to 1996), and was co-founder, and served as Chief Financial Officer of Atari Corp. and President of Atari (US) Corp. (1984 to 1991).

Mr. Schlanger was elected a director of the General Partner on January 26, 2009. Mr. Schlanger is a Principal in the firm of Cherry Hill Chemical Investments, LLC (a management services and capital firm for chemical and allied industries) (since 1998). Mr. Schlanger also serves as Chief Executive Officer (since October 2012) and Chairman of the Board (since 2009) o CEVA Group, Plc (an international logistics supplier) and as Chairman of the Supervisory Board of LyondellBasell Industries N (since 2010). He was previously Chairman, Chief Executive Officer and President of Resolution Performance Products, LLC (manufacturer of specialty and intermediate chemicals) (2000 to 2005), Chairman of Covalence Specialty Materials Corp. (200 to 2007), Chairman of Resolution Specialty Materials, LLC (2004 to 2005) and Vice Chairman of Hexion Specialty Material LLC (2005 to 2010). Mr. Schlanger also serves as a Director of UGI Utilities, Inc., AmeriGas Propane, Inc., Taminco Glob Chemical Holdings, LLP and Momentive Specialty Chemicals Holdings, LLC.

Mr. Stoeckel was elected a director of the General Partner on September 30, 2006. Mr. Stoeckel is Chief Executive Offic of Wawa, Inc. and also serves as Vice Chairman of the Board of Directors of Wawa, Inc. Wawa, Inc. is a multi-state retailer food products and gasoline. He joined Wawa, Inc. in 1987 as Vice President - Human Resources and was promoted to vario positions, including Chief Operating Officer, Executive Vice President, Chief Retail Officer, and Vice President - Marketing.] also serves as a trustee for Rider University.

Mr. Turner became a director of AmeriGas Propane, Inc. on March 21, 2012. Mr. Turner retired in 2011 as a priv equity principal of the Stephens Group, LLC (a private, family-owned investment firm) (1990 to 2011). He currently serves a board member for the general partner of Energy Transfer Equity, L.P. (since 2002), North American Energy Partners Inc. (si 2003) and several private companies. He also has served on the Board of Directors of the general partner of Energy Tran Partners, L.P. ("ETP") (2004 to 2011). ETP designated Mr. Turner as its nominee to serve on the Board of Directors of the Gen Partner pursuant to its rights under the Contingent Residual Support Agreement by and among the Partnership, AmeriGas Fina LLC, AmeriGas Finance Corp., UGI Corporation and ETP dated as of January 12, 2012.

Mr. Grady is Vice President and Chief Operating Officer of AmeriGas Propane, Inc. (since March 2012), having se as Vice President - Operations of AmeriGas Propane, Inc. (January 2012 to March 2012). Previously, he served as President (2011 to January 2012) and Senior Vice President and Chief Operating Officer (2006 to 2011) of Heritage Operating, L.P. Grady served as Senior Vice President and Chief Operating Officer (2000 to 2003), Senior Vice President - Operations (19 2000) and Vice President - Sales and Operations (1995 to 1999) of AmeriGas Propane, Inc. Mr. Grady previously serv Director of Corporate Development of UGI Corporation (1990 to 1995).

Mr. Iannarelli is Vice President - Finance and Chief Financial Officer of the General Partner (since May 2011). He previously served as Vice President - Field Operations (2010 to 2011), Vice President - Midwest Operations (2009 to 2010) and Vice President - Business Reengineering (2006 to 2009). Prior to 2006, he held various positions of increasing responsibility with the General Partner, including Region Vice President West (2004 to 2006), Director of Region Operations (2001 to 2004), and Director of Corporate Development (2000 to 2001). He joined the General Partner in December 1987.

Mr. Katz is Vice President - Human Resources of the General Partner (since 1999), having served as Vice President - Corporate Development (1996 to 1999). Previously, he was Vice President - Corporate Development of UGI Corporation (1995 to 1996). Prior to joining UGI Corporation, Mr. Katz was Director of Corporate Development with Campbell Soup Company for over five years. He also practiced law for approximately 10 years, first with the firm of Jones, Day, Reavis & Pogue, and later in the Legal Department at Campbell Soup Company. As previously announced, Mr. Katz is planning to retire in the spring of 2013.

Mr. Lugar is Vice President - Supply and Logistics of the General Partner (since 2000). Previously, he served as Director - NGL Marketing for Conoco, Inc., where he spent 20 years in various positions of increasing responsibility in propane marketing, operations, and supply.

Ms. Prigmore is Vice President - Operations Support and Customer Advocacy of the General Partner (since March 2012). She previously served as General Manager of the Northeast Region (2006 to 2008 and 2010 to March 2012) and as a member of the team leading the development and roll-out of AmeriGas Propane, Inc.'s proprietary revenue system (2008 to 2010). Prior to 2006, Ms. Prigmore held various positions of increasing responsibility with AmeriGas Propane, Inc., including Vice President and General Manager of the former Mountain Central Region and Group Director, Process Improvement and Training since joining AmeriGas Propane, Inc. in 1983.

Mr. Peyton is Vice President - Corporate Development (since August 2012). Previously, he served as Vice President - Sales and Marketing (2010 to 2012), as General Manager, Southern Region and Northeast Region (2009 to 2010) and as General Manager, Southern Region (2006 to 2009). Prior to joining the General Partner, Mr. Peyton served in a variety of positions, including national accounts and product management, during his more than ten year tenure at Ryerson, Inc.

Mr. Rumbelow is Vice President - Supply Chain of the General Partner (since March 2012). Previously, Mr. Rumbelow served as Vice President - Operations Support of the General Partner (2006 to 2012). Prior to joining the General Partner, Mr. Rumbelow spent over 20 years at Rohm and Haas Company in Philadelphia, Pennsylvania and the United Kingdom, in positions of increasing responsibility, including Corporate Logistics/Supply Chain Director (2000 to 2006), North American Region Logistics Manager (1998 to 2000), and Inter Regional Logistics Manager (1996 to 1998).

Mr. Samuel is Vice President - Law and General Counsel of the General Partner (since 2011). Previously, Mr. Samuel served AmeriGas Propane, Inc. as Vice President - Law and Associate General Counsel (2008 to 2011); Group Counsel - Propane (2004 to 2007); Senior Counsel (1999 to 2004) and Counsel (1996 to 1999). He joined UGI Corporation as Associate Counsel in 1993.

Mr. Stanczak is Controller and Chief Accounting Officer of the General Partner (since 2004). Previously, he held the position of Director - Corporate Accounting and Reporting of UGI Corporation (2003 to 2004). Mr. Stanczak also served as Controller of the Gas Utility Division of UGI Utilities, Inc., a subsidiary of UGI Corporation (1991 to 2003). As previously announced, Mr. Stanczak is planning to retire in early calendar year 2013.

Director Independence

The Board of Directors of the General Partner has determined that, other than Messrs. Sheridan, Greenberg and Walsh, no director has a material relationship with the Partnership and each is an "independent director" as defined under the rules of the New York Stock Exchange. The Board of Directors has established the following guidelines to assist it in determining director independence:

(i) service by a director on the Board of Directors of UGI Corporation and its subsidiaries in and of itself will not be considered to result in a material relationship between such director and the Partnership;

(ii) if a director serves as an officer, director or trustee of a non-profit organization, charitable contributions to that organization by the Partnership and its affiliates in an amount up to $250,000 per year will not be considered to result in a material relationship between such director and the Partnership;

(iii) service by a director or his immediate family member as a non-management director of a company that does business

with the Partnership or an affiliate of the Partnership will not be considered to result in a material relationship between such director and the Partnership where the business is done in the ordinary course of the Partnership's or affiliate's business and on substantially the same terms and conditions as would be available to similarly situated customers; and

(iv) service by a director or his immediate family member as an executive officer or employee of a company that makes payments to, or receives payments from, the Partnership or its affiliates for property or services in an amount which, in any of the last three fiscal years, does not exceed the greater of $1 million or 2% of such other company's consolidated gross revenues, will not be considered to result in a material relationship between such director and the Partnership.

In making its determination of independence, the Board of Directors considered (i) charitable contributions and underwriting support given by the Partnership and its affiliates in prior years to WHYY, of which Mr. Marrazzo is the Chief Executive Officer, (ii) as ordinary course business transactions between the Partnership and its affiliates and Carpenter Technology Corporation, where Mr. Pratt serves as Chairman of the Board and (iii) Mr. Schlanger's service on the Board of CEVA Logistics, a customer of AmeriGas Propane, L.P. All such transactions were in compliance with the categorical standards set by the Board of Directors for determining director independence.

Non-management Directors

Non-management directors meet at regularly scheduled executive sessions without management present. These sessions are led by Mr. Schlanger, who currently holds the position of Presiding Director.

Communications with the Board of Directors and Non-management Directors

Interested persons wishing to communicate directly with the Board of Directors or the non-management directors as a group may do so by sending written communications addressed to them c/o AmeriGas Propane, Inc., P.O. Box 965, Valley Forge, PA 19482. Any communications directed to the Board of Directors or the non-management directors as a group from employees or others that concern complaints regarding accounting, internal controls or auditing matters will be handled in accordance with procedures adopted by the Audit Committee of the Board.

All other communications directed to the Board of Directors or the non-management directors as a group are initially reviewed by the General Counsel. The Chairman of the Corporate Governance Committee is advised promptly of any such communication that alleges misconduct on the part of management or raises legal, ethical or compliance concerns about the policies or practices of the General Partner.

On a periodic basis, the Chairman of the Corporate Governance Committee receives updates on other communications that raise issues related to the affairs of the Partnership but do not fall into the two prior categories. The Chairman of the Corporate Governance Committee determines which of these communications he would like to review. The Corporate Secretary maintains a log of all such communications that is available for review for one year upon request of any member of the Board.

Typically, the General Partner does not forward to the Board of Directors communications from Unitholders or other parties which are of a personal nature or are not related to the duties and responsibilities of the Board, including customer complaints, job inquiries, surveys and polls and business solicitations.

These procedures have been posted on the Partnership's website at www.amerigas.com (click the "Investor Relations and Corporate Governance" caption, then click on "Contact AmeriGas Propane, Inc. Board of Directors").

Section 16(a) — Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the directors and certain officers of the General Partner and any 10% beneficial owners of the Partnership to send reports of their beneficial ownership of Common Units and changes in beneficial ownership to the Securities and Exchange Commission. Based on our records, we believe that, during Fiscal 2012, all of such reporting persons complied with all Section 16(a) reporting requirements applicable to them, except for Mr. Lugar. Mr. Lugar was inadvertently late in filing one Form 4 relating to a May 7, 2012 disposition of 2,834 AmeriGas Partners, L.P. Common Units. Mr. Lugar filed a Form 4 on September 18, 2012 to correct the oversight.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation/Pension Committee of the General Partner are Messrs. Schlanger (Chairman) and Marrazzo and Dr. Ban. None of the members is a former or current officer or employee of the General Partner or any of its

subsidiaries. None of the members has any relationship required to be disclosed under this caption under the rules of the Securities and Exchange Commission.

REPORT OF THE COMPENSATION/PENSION COMMITTEE

The Compensation/Pension Committee has reviewed and discussed with management the *Compensation Discussion and Analysis*. Based on this review and discussion, the Committee recommended to the General Partner's Board of Directors, and the Board of Directors approved, the inclusion of the *Compensation Discussion and Analysis* in the Partnership's Annual Report on Form 10-K for the year ended September 30, 2012.

Compensation/Pension Committee

Marvin O. Schlanger, Chairman

Stephen D. Ban

William J. Marrazzo

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this Compensation Discussion and Analysis, we address the compensation paid or awarded to the following executive officers: Jerry E. Sheridan, our current President and Chief Executive Officer, since March 3, 2012, and our Vice President and Chief Operating Officer, through March 2, 2012; John S. Iannarelli, our Vice President-Finance and Chief Financial Officer; R. Paul Grady, our Vice President and Chief Operating Officer, since March 3, 2012; Lon R. Greenberg, our Chairman; John L. Walsh, our Vice Chairman; and Eugene V. N. Bissell, our former President and Chief Executive Officer, through March 2, 2012. We refer to these executive officers as our "named executive officers."

Compensation decisions for Messrs. Sheridan, Bissell, Iannarelli and Grady were made by the independent members of the Board of Directors of the General Partner after receiving the recommendation of its Compensation/Pension Committee. Compensation decisions for Messrs. Greenberg and Walsh were made by the independent members of the Board of Directors of UGI Corporation, after receiving the recommendations of its Compensation and Management Development Committee. For ease of understanding, we will use the term "we" to refer to AmeriGas Propane, Inc. and/or UGI Corporation and the term "Committee" or "Committees" to refer to the AmeriGas Propane, Inc. Compensation/Pension Committee and/or the UGI Corporation Compensation and Management Development Committee as appropriate in the relevant compensation decisions, unless the context indicates otherwise. We will use the term "Company" to refer to AmeriGas Propane, Inc.

Mr. Bissell retired as our President and Chief Executive Officer, effective March 2, 2012. Mr. Bissell received a prorated salary in Fiscal 2012 based on his retirement date. In addition, Mr. Bissell received a prorated annual bonus based on his target bonus award opportunity. Mr. Bissell also forfeited 9,334 of the performance units granted to him in Fiscal 2012 due to his retirement.

On September 27, 2012, UGI Corporation announced that Mr. Greenberg will retire in the spring of 2013 and that Mr. Walsh will be named President and Chief Executive Officer of UGI Corporation upon Mr. Greenberg's retirement. Following his retirement, Mr. Greenberg will continue to serve as Non-Executive Chairman of the Boards of Directors of AmeriGas Propane, Inc. and UGI Corporation.

Executive Summary

Objectives of Our Compensation Program

Our compensation program for named executive officers is designed to:

- provide a competitive level of total compensation;
- motivate and encourage our executives to contribute to our financial success; and
- reward our executives for leadership excellence and performance that promotes sustainable growth in unitholder value.

Components of Annual Fiscal 2012 Compensation Program

The following chart provides a brief summary of the principal elements of our executive compensation program for Fiscal 2012. We describe these elements, as well as retirement, severance and other benefits, in more detail later in this Compensation Discussion and Analysis.

Components of Compensation Paid to Named Executive Officers in Fiscal 2012

Compensation Element	Form	Compensation Objective	Relation to Performance	2012 Actions/Results
Base Salary	Fixed annual cash paid bi-weekly	Compensate executives for their level of responsibility and sustained individual performance based on market data.	Merit salary increases are based on subjective performance evaluations.	Merit salary increases ranged from 2.0% to 4.1%.
Annual Bonus Awards	Variable cash, paid on an annual basis.	Motivate executives to focus on achievement of our annual business objectives.	The amount of the annual bonus, if any, is entirely dependent on achievement of our goals relating to earnings per Common Unit, subject to adjustment for customer growth (for Messrs. Sheridan, Bissell, Iannarelli and Grady) and earnings per share (for Messrs. Greenberg and Walsh).	Target incentives ranged from 50% to 110% of salary. Actual bonuses earned were based on entity performance as follows: AmeriGas Propane, no payout. UGI Corporation, 62% of target.
Long-Term Compensation	Performance Units payable in Common Units or UGI stock	Align executive interests with unitholder and shareholder interests; create a strong financial incentive for achieving long-term performance goals by encouraging total AmeriGas common unitholder return that compares favorably to energy master limited partnerships or total UGI shareholder return that compares favorably to other utility companies.	The total unitholder return of AmeriGas Partners Common Units (or shareholder return of UGI stock) relative to entities in an industry index over a three year period.	Performance units constitute approximately 50% of our long-term compensation opportunity. The number of performance units awarded in Fiscal 2012 ranged from 2,400 to 65,000. The actual number of Common Units or shares to be awarded can range from 0% to 200% of performance units awarded, depending on comparative returns during the three-year period from January 1, 2012 through December 31, 2014.
Long-Term Compensation	UGI Stock Options	Align executive interests with shareholder interests; create a strong financial incentive for achieving or exceeding long-term performances goals, as the value of stock options is a function of the price of UGI stock.	The increase in value of stock options is dependent on increases in UGI's stock price.	Stock options constitute approximately 50% of our long-term compensation opportunity. The number of shares underlying option awards ranged from 20,000 shares to 300,000 shares.

Compensation Governance Practices

The Committee seeks to implement and maintain sound compensation and corporate governance practices, which include the following:

- The Committee is composed entirely of directors who are independent, as defined in the corporate governance listing standards of the New York Stock Exchange.
- The Committee utilizes the services of Pay Governance LLC ("Pay Governance"), an independent outside compensation consultant.

- AmeriGas Partners allocates a substantial portion of compensation to performance-based compensation. In Fiscal 2012, 74% of the principal compensation components, in the case of Mr. Bissell, and 57% to 80% of the principal compensation components, in the case of all other named executive officers, other than Mr. Grady who received a restricted unit award in connection with the commencement of his employment, were variable and tied to financial performance or total shareholder return.

- AmeriGas Partners awards a substantial portion of compensation in the form of long-term awards, namely stock options and performance units, so that executive officers' interests are aligned with unitholders and our long-term performance.

- Annual bonus opportunities for the named executive officers were based on key financial metrics. Similarly, long-term incentives were based on the relative performance of AmeriGas Partners Common Units (or, in the case of Messrs. Greenberg and Walsh, UGI Corporation common stock values and relative stock price performance).

- We require termination of employment for payment under our change in control agreements (referred to as a "double trigger"). We also have not entered into change in control agreements providing for tax gross-up payments under Section 280G of the Internal Revenue Code since 2010. See "Potential Payments Upon Termination of Employment or Change in Control - Change in Control Agreements."

- We have meaningful equity ownership guidelines. See "Equity Ownership Guidelines" in this Compensation Discussion and Analysis for information on equity ownership.

- During Fiscal 2012, we implemented a recoupment policy for incentive-based compensation paid or awarded to current and former executive officers in the event of a significant restatement of the Company's financial results.

The Compensation Committee believes that there was no conflict of interest between Pay Governance and the Compensation Committee during Fiscal 2012. In reaching this conclusion, the Compensation Committee considered the factors set forth by the SEC regarding compensation advisor independence. While the independence rules remain subject to further rulemaking by the New York Stock Exchange and approval by the SEC, the Compensation Committee believes that Pay Governance satisfies the independence requirements set forth in the SEC rule.

Compensation Philosophy and Objectives

Our compensation program for our named executive officers is designed to provide a competitive level of total compensation necessary to attract and retain talented and experienced executives. Additionally, our compensation program is intended to motivate and encourage our executives to contribute to our success and reward our executives for leadership excellence and performance that promotes sustainable growth in unitholder and shareholder value.

In Fiscal 2012, the components of our compensation program included salary, annual bonus awards, long-term incentive compensation (performance unit awards and UGI Corporation stock option grants), one-time discretionary equity grants, perquisites, retirement benefits and other benefits, all as described in greater detail in this Compensation Discussion and Analysis. We believe that the elements of our compensation program are essential components of a balanced and competitive compensation program to support our annual and long-term goals.

Determination of Competitive Compensation

In determining Fiscal 2012 compensation, the Committees engaged Pay Governance as their compensation consultant. The primary duties of Pay Governance were to:

- provide the Committees with independent and objective market data;

- conduct compensation analysis;

- review and advise on pay programs and salary, target bonus and long-term incentive levels applicable to our executives;

- review components of our compensation program as requested from time to time by the Committees and recommend plan design changes as appropriate; and

- provide general consulting services related to the fulfillment of the Committees' charters.

EPU, subject to adjustment based on achievement of our customer growth goal, as described below. We believe that annual bonus payments to our most senior executives should reflect our overall financial results for the fiscal year and EPU provides a straightforward, "bottom line" measure of the performance of an executive in a large, well-established business. In addition, we believe that customer growth for AmeriGas Partners is an important component of the bonus calculation because we foresee no or minimal growth in total demand for propane in the next several years, and, therefore, customer growth is an important factor in our ability to improve the Partnership's long-term financial performance. Additionally, the customer growth adjustment serves to balance the risk of achieving our short-term annual financial goals at the expense of our long-term goal to increase our customer base. As a result of Mr. Bissell's retirement on March 2, 2012, Mr. Bissell received a prorated bonus for Fiscal 2012 based solely on his target award opportunity.

Messrs. Greenberg and Walsh participate in the UGI Corporation Executive Annual Bonus Plan. For reasons similar to those underlying our use of EPU as a goal for Messrs. Sheridan, Bissell, Iannarelli and Grady the entire target award for Messrs. Greenberg and Walsh was based on UGI's earnings per share ("EPS"). We also believe that EPS is an appropriate measure for Messrs. Greenberg and Walsh, whose duties encompass UGI and its affiliated enterprises, including the General Partner and the Partnership. The EPS measure is not subject to adjustment based on customer growth or any other metric.

As noted above, each of Messrs. Sheridan's, Bissell's, Iannarelli's and Grady's target award opportunity was based on EPU of the Partnership, subject to modification based on customer growth. The targeted EPU for bonus purposes for Fiscal 2012 was established to be in the range of $2.97 to $3.13 per Common Unit. Under the target bonus criteria, no bonus would be paid if the EPU amount was less than approximately 80 percent of the EPU target, while 200 percent of the target bonus might be payable if EPU was approximately 120 percent or more of the target. The percentage of target bonus payable based on various levels of EPU is referred to as the "EPU Leverage Factor." The amount of the award determined by applying the EPU Leverage Factor is then adjusted to reflect the degree of achievement of a predetermined customer growth objective ("Customer Growth Leverage Factor"). For Fiscal 2012, the adjustment ranged from 90 percent if the growth target was not achieved, to a maximum of 110 percent if actual growth exceeded approximately 40 percent of the growth target. We believe the Customer Growth Leverage Factor for Fiscal 2012 represented an achievable but challenging growth target. Once the EPU Leverage Factor and Customer Growth Leverage Factor are determined, the EPU Leverage Factor is multiplied by the Customer Growth Leverage Factor to obtain an adjusted leverage factor. This adjusted leverage factor is then multiplied by the target bonus opportunity to arrive at the bonus award payable for the fiscal year.

For Fiscal 2012, targeted EPU was not achieved and Messrs. Sheridan, Iannarelli and Grady did not receive a bonus payout. As previously discussed, Mr. Bissell received a bonus payout equal to 100 percent of his target award prorated for the number of months he was employed by the Company in Fiscal 2012.

The bonus award opportunity for each of Messrs. Greenberg and Walsh was structured so that no amounts would be paid unless the Company's EPS was at least 80 percent of the target amount, with the target bonus award being paid out if the Company's EPS was 100 percent of the targeted EPS. The maximum award, equal to 200 percent of the target award, would be payable if EPS equaled or exceeded 120 percent of the EPS target. The targeted EPS for bonus purposes for Fiscal 2012 was established to be in the range of $2.35 to $2.45 per share. For Fiscal 2012, in calculating the EPS for bonus purposes, the Committee exercised its discretion under the bonus plan and excluded from the calculation of EPS the impact of the Heritage Propane acquisition, including acquisition and transition costs and early extinguishments of debt. As a result, Messrs. Greenberg and Walsh each received a bonus payout equal to 62 percent of his target award for Fiscal 2012.

The following annual bonus payments were made for Fiscal 2012:

Name	Percent of Target Bonus Paid	Amount of Bonus
J. E. Sheridan	0%	$0
J. S. Iannarelli	0%	$0
R. P. Grady	0%	$0
L.R. Greenberg	62%	$772,406
J. L. Walsh	62%	$413,478
E. V. N. Bissell[1]	100%	$204,942

(1) As noted above, Mr. Bissell received a bonus payout equal to 100 percent of his target award prorated for the number of months for which he was employed by the Company in Fiscal 2012.

Discretionary Equity Awards

On November 15, 2012, the Compensation/Pension Committee of AmeriGas Propane and the independent members of the AmeriGas Propane Board of Directors approved discretionary grants of AmeriGas Partners phantom units with distribution equivalents to Messrs. Sheridan, Iannarelli and Grady in recognition of their contributions and leadership with respect to the acquisition and integration of Heritage Propane during Fiscal 2012 to support the long-term best interests of the Company. The phantom units have a grant date of December 3, 2012. The grant date fair value of the awards will be $73,155 for Mr. Sheridan, $30,452 for Mr. Iannarelli and $41,250 for Mr. Grady, which are approximately 25 percent of each of their respective target bonus award opportunities for Fiscal 2012. The phantom units represent time-restricted AmeriGas Partners common units which will vest on December 3, 2014, subject to continued employment. In the event of termination of employment for any reason, other than retirement, death or disability, the unvested phantom units and dividend equivalents will be forfeited. In the event of retirement, death or disability during the initial year following the grant, one half of the number of units granted would immediately vest.

Long-Term Compensation — Fiscal 2012 Equity Awards

Our long-term incentive compensation is intended to create a strong financial incentive for achieving or exceeding long-term performance goals and to encourage executives to hold a significant equity stake in our Company in order to align the executives' interests with unitholder interests. Additionally, we believe our long-term incentives provide us the ability to attract and retain talented executives in a competitive market. We awarded our long-term compensation effective January 1, 2012 for Messrs. Sheridan, Bissell and Iannarelli under the 2010 AmeriGas Propane, Inc. Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. ("AmeriGas 2010 Plan"). Messrs. Greenberg and Walsh received long-term compensation awards under UGI Corporation's Amended and Restated 2004 Omnibus Equity Compensation Plan (the "2004 Plan"). Mr. Sheridan received additional awards under the AmeriGas 2010 Plan and the 2004 Plan in connection with his promotion, effective March 3, 2012. Mr. Grady received awards under the AmeriGas 2010 Plan and the 2004 Plan in connection with the commencement of his employment.

Our long-term compensation for Fiscal 2012 included UGI Corporation stock option grants and either AmeriGas Partners or UGI Corporation performance unit awards. In addition, Mr. Grady received AmeriGas Partners restricted units in connection with the commencement of his employment. Messrs. Sheridan, Bissell, Iannarelli and Grady were awarded AmeriGas Partners performance unit awards tied to the three-year total return performance of AmeriGas Partners Common Units relative to that of the limited partnerships in the Alerian MLP Index. Messrs. Greenberg and Walsh were each awarded UGI Corporation performance units tied to the three-year total return performance of UGI's common stock relative to that of the companies in the Russell MidCap Utilities Index (exclusive of telecommunications companies) ("Adjusted Russell MidCap Utilities Index"). Each performance unit represents the right of the recipient to receive a Common Unit or a share of common stock if specified performance goals and other conditions are met. Mr. Bissell forfeited two-thirds of his performance units in connection with his retirement.

As is the case with cash compensation and annual bonus awards, we referenced Pay Governance's analysis of executive compensation database information in establishing equity compensation for the named executive officers. In determining the total dollar value of the long-term compensation opportunity to be provided in Fiscal 2012, we initially referenced (i) median salary information and (ii) the percentage of the market median base salary for each position to be delivered as a long-term compensation opportunity, both as calculated by Pay Governance. Pay Governance developed the percentages of base salary used to determine the amount of equity compensation based on the applicable executive compensation databases and such percentages were targeted to produce a long-term compensation opportunity at the 50th percentile level.

We initially applied approximately 50 percent of the amount of the long-term incentive opportunity to stock options and approximately 50 percent to performance units. We have bifurcated long-term compensation in this manner since 2000 and believe it provides a good balance between two related, but discrete goals. Stock options are designed to align the executive's interests with shareholder interests, because the value of stock options is a function of the appreciation or depreciation of UGI's stock price. As explained in more detail below, the performance units are designed to encourage total unitholder or shareholder return that compares favorably relative to a competitive peer group.

For Fiscal 2012 equity awards, our compensation consultant provided the competitive market incentive levels based on its assessment of accounting values. The consultant then provided data for our long-term incentive values by utilizing similar accounting values. Accounting values are reported directly by companies to the survey databases and are determined in accordance with GAAP.

In providing award calculations, Pay Governance valued our stock options using UGI's accounting value approach. Using this value, Pay Governance provided the total number of UGI stock options calibrating to 50 percent of the total market median

long-term incentive value. As discussed below and consistent with past practice, management uses the Pay Governance calculations as a starting point and recommends adjustments to the Committee.

The remaining approximately 50 percent of the long-term compensation opportunity is awarded as performance units. In calculating the number of AmeriGas Partners performance units to be awarded to each of Messrs. Sheridan, Bissell and Iannarelli, Pay Governance established a value of $43.90 per performance unit using the accounting values approach. The number of UGI performance unit awards was computed in a similar fashion. In calculating the number of UGI performance units to be awarded to Messrs. Greenberg and Walsh, Pay Governance established a value of $28.84 per performance unit using the accounting values approach. Pay Governance determined the number of AmeriGas Partners and UGI Corporation performance units calibrating to 50 percent of the total market median long-term incentive value.

While management used the Pay Governance calculations as a starting point, in accordance with past practice, management recommended adjustments to the aggregate number of AmeriGas Partners' and UGI's performance units and UGI's stock options calculated by Pay Governance. The adjustments were designed to address historic grant practices, internal pay equity and the policy of UGI that the three-year average of the annual number of equity awards made under UGI's 2004 Plan for the fiscal years 2010 through 2012, expressed as a percentage of common shares outstanding at fiscal year-end, will not exceed 2 percent. For purposes of calculating the annual number of equity awards used in this calculation: (i) each stock option granted is deemed to equal one share, and (ii) each performance unit earned and paid in shares of stock and each stock unit granted and expected to be paid in shares of stock is deemed to equal four shares. The adjustments generally resulted in a significant decrease in the number of shares underlying options and a modest increase in the number of performance units awarded, in each case as compared to amounts calculated by Pay Governance using accounting values. In all cases, however, the overall value that was delivered to management was less than the total value recommended by Pay Governance.

As a result of the Committee's acceptance of management's recommendations, the named executive officers, excluding Messrs. Sheridan and Grady, received between approximately 80 percent and 95 percent of the total dollar value of long-term compensation opportunity recommended by Pay Governance using the accounting values approach. The actual grant amounts are set forth below:

Name	Shares Underlying Stock Options # Granted	Performance Units # Granted
J. E. Sheridan(1)	30,000	4,500
J. S. Iannarelli	20,000	2,400
R. P. Grady (2)	30,000	4,500
L. R. Greenberg	300,000	65,000(3)
J. L. Walsh	125,000	26,000(3)
E. V. N. Bissell(4)	80,000	14,000

(1) Mr. Sheridan was awarded an additional 42,000 UGI stock options and 8,000 AmeriGas Partners performance units in connection with his promotion to President and Chief Executive Officer of the General Partner in March 2012.

(2) In connection with the commencement of his employment, Mr. Grady was also awarded 14,000 AmeriGas Partners time-restricted units, 2,800 of which will vest January 12, 2013 and 11,200 of which will vest January 12, 2014.

(3) Constitutes UGI performance units.

(4) Mr. Bissell forfeited 9,334 performance units granted in Fiscal 2012 due to his retirement.

While the number of performance units awarded to the named executive officers was determined as described above, the actual number of Common Units or shares underlying performance units that are paid out at the expiration of the three-year performance period will be based upon comparative AmeriGas Partners' total unitholder return ("TUR") or UGI total shareholder return ("TSR") over the period from January 1, 2012 to December 31, 2014. In computing TUR, we use the average of the daily closing prices for our Common Units and those of each of the limited partnerships in the Alerian MLP Index for the 90 calendar days prior to January 1 of the beginning and end of a given three-year performance period. In addition, TUR gives effect to all distributions throughout the three-year performance period as if they had been reinvested. For the AmeriGas Partners performance units awarded to Messrs. Sheridan, Bissell, Iannarelli and Grady, we compare the TUR of AmeriGas Partners' Common Units to the TUR performance of each of the 49 other limited partnerships in the Alerian MLP Index. If a partnership is added to the Alerian

MLP Index during a three-year performance period, we do not include that partnership in our TUR analysis. We will only remove a partnership that was included in the Alerian MLP Index at the beginning of a performance period if such partnership ceases to exist during the applicable performance period. The limited partnerships comprising the Alerian MLP Index as of January 1, 2012 were as follows:

Alliance Holdings GP, L.P.
Alliance Resource Partners, L.P.
AmeriGas Partners, L.P.
Boardwalk Pipeline Partners, LP
Breitburn Energy Partners, L.P.
Buckeye Partners, L.P.
Calumet Specialty Products Partners, L.P.
Chesapeake Midstream Partners, L.P.
Copano Energy, L.L.C.
Crestwood Midstream Partners, L.P.
Crosstex Energy, L.P.
DCP Midstream Partners, LP
El Paso Pipeline Partners, L.P.
Enbridge Energy Partners, L.P.
Energy Transfer Equity, L.P.
Energy Transfer Partners, L.P.
Enterprise Products Partners L.P.
EV Energy Partners, L.P.
Exterran Partners, L.P
Ferrellgas Partners, L.P.
Genesis Energy, L.P.
Inergy, L.P.
Kinder Morgan Energy Partners, L.P.
Kinder Morgan Management, LLC
Legacy Reserves LP
Linn Energy, LLC
Magellan Midstream Partners, L.P.
Markwest Energy Partners, L.P.
Martin Midstream Partners L.P.
Natural Resource Partners L.P.
Navios Maritime Partners L.P.
NuStar Energy L.P.
Nustar GP Holdings, LLC
ONEOK Partners, L.P.
PAA Natural Gas Storage, L.P.
Penn Virginia Resource Partners, L.P.
Pioneer Southwest Energy Partners L.P.
Plains All American Pipeline, L.P.
QR Energy, LP
Regency Energy Partners LP
Spectra Energy Partners, LP
Suburban Propane Partners, L.P.
Sunoco Logistics Partners L.P.
TC PipeLines, LP
Targa Resources Partners LP
Teekay LNG Partners L.P.
Teekay Offshore Partners L.P.
Vanguard Natural Resources LLC
Western Gas Partners, LP
Williams Partners L.P.

In determining the number of UGI performance units to be paid out, UGI will compare the TSR of UGI common stock relative to the TSR performance of those companies comprising the Adjusted Russell MidCap Utilities Index as of the beginning of the performance period. In computing TSR, UGI uses the average of the daily closing prices for its common stock and the common stock of each company in the Adjusted Russell MidCap Utilities Index for the 90 calendar days prior to January 1 of the beginning and end of a given three-year performance period. In addition, TSR gives effect to all dividends throughout the three-year performance period as if they had been reinvested. If a company is added to the Adjusted Russell MidCap Utilities Index during a three-year performance period, we do not include that company in our TSR analysis. UGI will only remove a company that was included in the Adjusted Russell MidCap Utilities Index at the beginning of a performance period if such company ceases to exist during the applicable performance period. Those companies in the Adjusted Russell MidCap Utilities Index as of January 1, 2012 were as follows:

AGL Resources Inc.	Genon Energy Inc.	Pinnacle West Capital Corp.
Alliant Energy Corporation	Great Plains Energy Inc.	PPL Corporation
Ameren Corporation	Hawaiian Electric Industries, Inc.	Progress Energy, Inc.
American Water Works Company, Inc.	Integrys Energy Group, Inc.	Questar Corporation
Aqua America, Inc.	ITC Holdings Corp.	SCANA Corporation
Atmos Energy Corporation	MDU Resources Group, Inc.	Sempra Energy
Calpine Corporation	National Fuel Gas Company	Southern Union Company
Centerpoint Energy, Inc.	NiSource Inc.	TECO Energy, Inc.
CMS Energy Corporation	Northeast Utilities	The AES Corporation
Consolidated Edison, Inc.	NRG Energy, Inc.	UGI Corporation
Constellation Energy Group, Inc.	NSTAR	Vectren Corporation
DTE Energy Company	NV Energy; Inc.	Westar Energy, Inc.
Edison International	OGE Energy Corp.	Wisconsin Energy Corporation
Energen Corporation	ONEOK, Inc.	Xcel Energy Inc.
Entergy Corporation	Pepco Holdings, Inc.	Xylem Inc.

Beginning in Fiscal 2011, UGI changed the peer group used to measure TSR from the S&P Utilities Index to the Adjusted Russell MidCap Utilities Index. UGI management recommended, and the Committee approved, this change because the companies included in the Russell MidCap Utilities Index generally are more comparable to UGI in terms of market capitalization than the companies in the S&P Utilities Index. Moreover, UGI is included in the Russell MidCap Utilities Index and is not included in the S&P Utilities Index. Additionally, based on the analysis provided by Pay Governance, there was no significant difference in the Company's overall TSR ranking resulting from the change in index. UGI, with approval of the Committee, excluded telecommunications companies from the peer group because the nature of the telecommunications business is markedly different from that of other companies in the utilities industry.

For the Company's performance units, the minimum award, equivalent to 50 percent of the number of performance units, will be payable if the TUR or TSR rank is at the 40th percentile of the Alerian MLP Index or Adjusted Russell MidCap Utilities Index, as applicable. The target award, equivalent to 100 percent of the number of performance units, will be payable if the TUR or TSR rank is at the 50th percentile. The maximum award, equivalent to 200 percent of the number of performance units, will be payable if the TUR or TSR rank is the highest of all Alerian MLP Index limited partnerships or Adjusted Russell MidCap Utilities Index, as applicable.

Each award payable to the named executive officers provides a number of AmeriGas Partners' Common Units or UGI shares equal to the number of performance units earned. After the Committee has determined that the conditions for payment have been satisfied, management of the General Partner or UGI, as the case may be, has the authority to provide for a cash payment to the named executives in lieu of a limited number of the shares or Common Units payable. The cash payment is based on the value of the securities at the end of the performance period and is designed to meet minimum statutory tax withholding requirements. In the event that UGI executives earn shares in excess of the target award, the value of the shares earned in excess of target is paid entirely in cash.

All performance units have partnership distribution or dividend equivalent rights, as applicable. A distribution equivalent is an amount determined by multiplying the number of performance units credited to a recipient's account by the per-unit cash distribution or the per-unit fair market value of any non-cash distribution paid by AmeriGas Partners during the performance period on its Common Units on a distribution payment date. Accrued distribution and dividend (in the case of UGI performance units) equivalents are payable in cash based on the number of Common Units or common shares, if any, paid out at the end of the performance period.

Long-Term Compensation - Payout of Performance Units for 2009-2011 Period

During Fiscal 2012, there was no payout to those executives who received performance units in our 2009 fiscal year covering the period from January 1, 2009 to December 31, 2011. For that period, the Partnership's TUR ranked 12th relative to its peer group of 19 other partnerships, placing AmeriGas Partners at approximately the 39th percentile ranking, resulting in no payout of the target award. UGI's TSR ranked 24th relative to the 34 other companies in the S&P Utilities Index, placing UGI at approximately the 30th percentile ranking, resulting in no payout of the target award.

Perquisites and Other Compensation

We provide limited perquisite opportunities to our executive officers. We provide reimbursement for tax preparation services and limited spousal travel. Our named executive officers may also occasionally use UGI's tickets for sporting events for personal rather than business purposes. We discontinued reimbursement for tax preparation services in Fiscal 2011 for newly hired executives. The aggregate cost of perquisites for all named executive officers in Fiscal 2012 was less than $25,000. In connection with the commencement of Mr. Grady's employment, he received reimbursement for relocation expenses in the amount of approximately $60,000.

Other Benefits

Our named executive officers participate in various retirement, deferred compensation and severance plans which are described in greater detail in the "Ongoing Plans and Post-Employment Agreements" section of this Compensation Discussion and Analysis. We also provide employees, including the named executive officers, with a variety of other benefits, including medical and dental benefits, disability benefits, life insurance, and paid time off for holidays and vacations. These benefits generally are available to all of our full-time employees, although Messrs. Sheridan, Bissell, Iannarelli and Grady were provided certain enhanced disability and life insurance benefits having a total cost in Fiscal 2012 of less than $20,000.

Ongoing Plans and Post-Employment Agreements

We have several plans and agreements (described below) that enable our named executive officers to accrue retirement benefits as the executives continue to work for us, provide severance benefits upon certain types of termination of employment events or provide other forms of deferred compensation.

AmeriGas Propane, Inc. Savings Plan (the "AmeriGas Savings Plan")

This plan is a tax-qualified defined contribution plan for AmeriGas Propane employees. Subject to Internal Revenue Code (the "Code") limits, which are the same as described above with respect to the UGI Savings Plan, an employee may contribute, on a pre-tax basis, up to 50 percent of his or her eligible compensation, and AmeriGas Propane provides a matching contribution equal to 100 percent of the first 5 percent of eligible compensation contributed in any pay period. Amounts credited to an employee's account in the plan may be invested among a number of funds, including UGI's stock fund. Messrs. Sheridan, Bissell, Iannarelli and Grady are eligible to participate in the AmeriGas Savings Plan.

UGI Utilities, Inc. Savings Plan (the "UGI Savings Plan")

This plan is a tax-qualified defined contribution plan available to, among others, employees of UGI. Under the plan, an employee may contribute, subject to Code limitations (which, among other things, limited annual contributions in 2012 to $17,000), up to a maximum of 50 percent of his or her eligible compensation on a pre-tax basis and up to 20 percent of his or her eligible compensation on an after-tax basis. The combined maximum of pre-tax and after-tax contributions is 50 percent of his or her eligible compensation. UGI provides matching contributions targeted at 50 percent of the first 3 percent of eligible compensation contributed by the employee in any pay period, and 25 percent of the next 3 percent. For participants entering the UGI Savings Plan on or after January 1, 2009, who are not eligible to participate in the UGI Pension Plan, UGI provides matching contributions targeted at 100 percent of the first 5 percent of eligible compensation contributed by the employee in any pay period. Like the AmeriGas Savings Plan, participants in the UGI Savings Plan may invest amounts credited to their account among a number of funds, including the UGI stock fund. Messrs. Greenberg and Walsh are eligible to participate in the UGI Savings Plan.

Retirement Income Plan for Employees of UGI Utilities, Inc. (the "UGI Pension Plan")

This plan is a tax-qualified defined benefit plan available to, among others, employees of UGI and certain of its subsidiaries, but not including the General Partner. The UGI Pension Plan was closed to new participants as of January 1, 2009. The UGI Pension Plan provides an annual retirement benefit based on an employee's earnings and years of service, subject to maximum benefit limitations. Messrs. Greenberg and Walsh participate in the UGI Pension Plan; Mr. Bissell has a vested benefit, but he no longer participates. See Compensation of Executive Officers - Pension Benefits Table - Fiscal 2012 and accompanying narrative for additional information.

UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan

UGI Corporation Supplemental Executive Retirement Plan

This plan is a nonqualified defined benefit plan that provides retirement benefits that would otherwise be provided under the UGI Pension Plan to employees hired prior to January 1, 2009, but are prohibited from being paid from the UGI Pension Plan by Code limits. The plan also provides additional benefits in the event of certain terminations of employment covered by a change in control agreement. Messrs. Greenberg and Walsh participate in the UGI Corporation Supplemental Executive Retirement Plan. See Compensation of Executive Officers - Pension Benefits Table - Fiscal 2012 and accompanying narrative for additional information.

UGI Corporation Supplemental Savings Plan

This plan is a nonqualified deferred compensation plan that provides benefits that would be provided under the qualified UGI Savings Plan to employees hired prior to January 1, 2009 in the absence of Code limitations. The Supplemental Savings Plan is intended to pay an amount substantially equal to the difference between UGI matching contribution to the qualified UGI Savings Plan and the matching contribution that would have been made under the qualified UGI Savings Plan if the Code limitations were not in effect. At the end of each plan year, a participant's account is credited with earnings equal to the weighted average return on two indices: 60 percent on the total return of the Standard and Poor's 500 Index and 40 percent on the total return of the Barclays Capital U.S. Aggregate Bond Index. The plan also provides additional benefits in the event of certain terminations of employment covered by a change in control agreement. Messrs. Greenberg and Walsh are each eligible to participate in the UGI Corporation Supplemental Savings Plan. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2012 and accompanying narrative for additional information.

2009 UGI Corporation Supplemental Executive Retirement Plan for New Employees

The 2009 UGI Corporation Supplemental Executive Retirement Plan for New Employees (the "2009 UGI SERP") is a nonqualified deferred compensation plan that is intended to provide retirement benefits to executive officers who are not eligible to participate in the UGI Pension Plan, having commenced employment with UGI on or after January 1, 2009. Under the 2009 UGI SERP, UGI credits to each participant's account annually an amount equal to 5 percent of the participant's compensation (salary and annual bonus) up to the Code compensation limit ($245,000 in 2012) and 10 percent of compensation in excess of such limit. In addition, if any portion of UGI's matching contribution under the UGI Savings Plan is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to a participant's account. Participants direct the investment of their account balances among a number of mutual funds, which are generally the same funds available to participants in the UGI Savings Plan, other than the UGI stock fund. See Compensation of Executive Officers - Pension Benefits Table - Fiscal 2012 and accompanying narrative for additional information.

AmeriGas Propane, Inc. Supplemental Executive Retirement Plan

The General Partner maintains a supplemental executive retirement plan, which is a nonqualified deferred compensation plan for highly compensated employees of the General Partner. Under the plan, the General Partner credits to each participant's account annually an amount equal to 5 percent of the participant's compensation up to the Code compensation limits and 10 percent of compensation in excess of such limit. In addition, if any portion of the General Partner's matching contribution under the AmeriGas Savings Plan is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to a participant's account. Participants direct the investment of the amounts in their accounts among a number of mutual funds. Messrs. Sheridan, Bissell, Iannarelli and Grady participate in the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2012 and accompanying narrative for additional information.

AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan On Behalf of AmeriGas Partners, L.P.

Effective July 30, 2010, this plan succeeded the AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan On Behalf of AmeriGas Partners, L.P., which expired on December 31, 2009. The plan provides (i) designated employees of the General Partner and its affiliates and (ii) non-employee members of the Board of Directors of the General Partner with the opportunity to receive grants of options, phantom units, performance units, unit awards, unit appreciation rights, distribution equivalents and other unit-based awards. The plan also provides that if there is a change of control of AmeriGas Partners or UGI Corporation, then the following will generally occur: (i) AmeriGas Partners will provide the participant with written notification of the change of control, (ii) all outstanding options and unit appreciation rights will automatically vest and become exercisable, (iii) the restrictions and conditions on outstanding unit awards will lapse, (iv) phantom units and performance units will become payable in cash in an amount not less than their target amount or in a larger amount up to the maximum grant value, as determined by the Committee, and (v) distribution equivalents and other unit-based awards will become payable in full in cash, in amounts determined by the

Committee. Messrs. Sheridan, Bissell, Iannarelli and Grady are eligible to participate in the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan On Behalf of AmeriGas Partners, L.P.

AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan

AmeriGas Propane maintains a nonqualified deferred compensation plan under which participants may defer up to $10,000 of their annual compensation. Deferral elections are made annually by eligible participants in respect of compensation to be earned for the following year. Participants may direct the investment of deferred amounts into a number of mutual funds. Payment of amounts accrued for the account of a participant generally is made following the participant's termination of employment. Messrs. Sheridan, Bissell, Iannarelli and Grady are eligible to participate in the AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2012 and accompanying narrative for additional information.

UGI Corporation 2009 Deferral Plan, As Amended and Restated Effective June 1, 2010

This plan provides deferral options that comply with the requirements of Section 409A of the Code related to (i) all phantom units and stock units granted to the General Partner's and UGI's non-employee Directors, (ii) benefits payable under the UGI Corporation Supplemental Executive Retirement Plan, (iii) the 2009 UGI Corporation SERP and (iv) benefits payable under the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan. If an eligible participant elects to defer payment under the plan, the participant may receive future benefits after separation from service as (x) a lump sum payment, (y) annual installment payments over a period between two and ten years or (z) one to five retirement distribution amounts to be paid in a lump sum in the year specified by the individual. Deferred benefits, other than phantom units and stock units, will be deemed to be invested in investment funds selected by the participant from among a list of available funds. Messrs. Sheridan, Bissell, Iannarelli, Grady, Greenberg and Walsh elected to defer benefits under this plan. The plan also provides newly eligible participants with a deferral election that must be acted upon promptly.

Severance Pay Plans for Senior Executive Employees

The General Partner and UGI each maintain a severance pay plan that provides severance compensation to certain senior level employees. The plans are designed to alleviate the financial hardships that may be experienced by executive employee participants whose employment is terminated without just cause, other than in the event of death or disability. The General Partner's plan covers Messrs. Sheridan, Bissell, Iannarelli and Grady and UGI's plan covers Messrs. Greenberg and Walsh. See Compensation of Executive Officers - Potential Payments Upon Termination or Change in Control for further information regarding the severance plans.

Change in Control Agreements

The General Partner has change in control agreements with Messrs. Sheridan, Bissell, Iannarelli and Grady, and UGI has change in control agreements with Messrs. Greenberg and Walsh. The change in control agreements are designed to reinforce and encourage the continued attention and dedication of the executives without distraction in the face of potentially disturbing circumstances arising from the possibility of the change in control and to serve as an incentive to their continued employment with us. The agreements provide for payments and other benefits if we terminate an executive's employment without cause or if the executive terminates employment for good reason within two years following a change in control of UGI (and, in the case of Messrs. Sheridan, Bissell, Iannarelli and Grady, the General Partner or AmeriGas Partners). See Compensation of Executive Officers - Potential Payments Upon Termination of Employment or Change in Control for further information regarding the change in control agreements.

Equity Ownership Guidelines

We seek to align executives' interests with unitholder and shareholder interests through our equity ownership guidelines. We believe that by encouraging our executives to maintain a meaningful equity interest in AmeriGas Partners or, if applicable, UGI, we will enhance the link between our executives and unitholders or shareholders. Under our guidelines, an executive must meet 10 percent of the ownership requirement within one year from the date of employment or promotion and must use 10 percent of his gross annual bonus award to purchase Common Units or UGI stock (or, in the case of Messrs. Greenberg and Walsh, UGI stock) until his share ownership requirement is met. In addition, the guidelines require that 50 percent of the net proceeds from a "cashless exercise" of UGI stock options be used to purchase equity until the ownership requirement is met. The guidelines also require that, until the share ownership requirement is met, the executive retain all shares or Common Units received in connection with the payout of performance units. Up to 20 percent of the ownership requirement may be satisfied through holdings of UGI common stock in the executive's account in the relevant savings plan.

Messrs. Sheridan, Iannarelli, Grady and Bissell (as a former employee of the General Partner) are permitted to satisfy their requirements through ownership of Common Units, UGI common stock, or a combination of Common Units and UGI common stock, with each Common Unit equivalent to 1.5 shares of UGI common stock. The stock ownership guidelines further permit any UGI executive who was formerly employed by the General Partner to satisfy up to two-thirds of his or her stock ownership requirement with Common Units. The following table provides information regarding our equity ownership guidelines for, and the number of Common Units and shares held at September 30, 2012 by, our named executive officers:

Name	Required Ownership of AmeriGas Partners Common Units[1] or UGI Corporation Common Stock [2]	Number of AmeriGas Partners Common Units Held at 9/30/2012[3]	Number of Shares of UGI Corporation Stock Held at 9/30/2012[3]
J. E. Sheridan	40,000[1]	19,244	1,237
J. S. Iannarelli	10,000[1]	5,027	1,179
R. P. Grady	16,667[1]	3,072	4,788
L. R. Greenberg	250,000[2]	15,000	345,060
J. L. Walsh	100,000[2]	7,000	144,458

(1) Common Units of AmeriGas Partners.

(2) Shares of Common Stock of UGI Corporation.

(3) All named executive officers are in compliance with the stock ownership guidelines, which require the accumulation of shares or shares and Common Units over time.

Stock Option Grant Practices

The Committees approve annual stock option grants to executive officers in the last calendar quarter of each year, effective the following January 1. The exercise price per share of the options is equal to or greater than the closing share price of UGI common stock on the last trading day of December. A grant to a new employee is generally effective on the later of the date the employee commences employment with us or the date the Committee authorizes the grant. In either case the exercise price is equal to or greater than the closing price per share of UGI common stock on the effective date of grant. From time to time, management recommends stock option grants for non-executive employees, and the grants, if approved by the Committee, are effective on or after the date of Committee action and have an exercise price equal to or greater than the closing price per share of UGI common stock on the effective date of grant. We believe that our stock option grant practices are appropriate and effectively eliminate any question regarding "timing" of grants in anticipation of material events.

Role of Executive Officers in Determining Executive Compensation

In connection with Fiscal 2012 compensation, Mr. Greenberg, aided by our human resources personnel, provided statistical data and recommendations to the appropriate Committee to assist it in determining compensation levels. Mr. Greenberg did not make recommendations as to his own compensation and was excused from the Committee meeting when his compensation was discussed by the Committee. While the Committees utilized information provided by Mr. Greenberg, and valued Mr. Greenberg's observations with regard to other executive officers, the ultimate decisions regarding executive compensation were made by the independent members of the appropriate Board of Directors following Committee recommendations.

Tax Considerations

In Fiscal 2012, we paid salary and annual bonus compensation to named executive officers that were not fully deductible under U.S. federal tax law because it did not meet the statutory performance criteria. Section 162(m) of the Code precludes us

from deducting certain forms of compensation in excess of $1,000,000 paid to the named executive officers in any one year. Our policy generally is to preserve the federal income tax deductibility of equity compensation paid to our executives by making it performance-based. We will continue to consider and evaluate all of our compensation programs in light of federal tax law and regulations. Nevertheless, we believe that, in some circumstances, factors other than tax deductibility take precedence in determining the forms and amount of compensation, and we retain the flexibility to authorize compensation that may not be deductible if we believe it is in the best interests of our Company.

RISKS RELATED TO COMPENSATION POLICIES AND PRACTICES

Management conducted a risk assessment of our compensation policies and practices for Fiscal 2012. Based on its evaluation, management does not believe that any such policies or practices create risks that are reasonably likely to have a material adverse effect on the Partnership.

SUMMARY COMPENSATION TABLE

The following tables, narrative and footnotes provide information regarding the compensation of our Chief Executive Officers, Chief Financial Officer and our 3 other most highly compensated executive officers in Fiscal 2012.

Summary Compensation Table — Fiscal 2012

Name and Principal Position (a)	Fiscal Year (b)	Salary ($) (c)(1)	Bonus ($) (d)	Stock Awards ($) (2)(e)	Option Awards ($) (2) (f)	Non-Equity Incentive Plan Compensation ($) (3) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (4) (h)	All Other Compensation ($) (5) (i)	Total ($) (6) (j)
J. E. Sheridan	2012	410,220	0	603,500	305,110	0	0	48,587	1,367,417
President and	2011	337,759	0	174,432	148,418	125,000	0	47,479	833,088
Chief Executive Officer	2010	302,349	0	159,980	98,780	134,851	0	43,720	739,680
J. S. Iannarelli	2012	243,071	0	115,872	86,890	0	11,127	29,144	486,104
Vice President - Finance	2011	199,546	0	81,765	89,595	89,051	0	29,490	489,447
Chief Financial Officer									
L. R. Greenberg	2012	1,131,924	0	1,901,250	1,303,355	772,406	2,883,824	67,459	8,060,218
Chairman	2011	1,099,047	0	2,479,400	1,629,000	1,072,821	3,258,787	62,162	9,601,217
	2010	1,067,500	0	1,590,400	1,347,000	1,145,428	1,971,422	69,853	7,191,603
J. L. Walsh	2012	701,470	0	760,500	543,065	413,478	651,008	27,985	3,097,506
Vice Chairman	2011	674,040	50,000(8)	991,760	678,750	508,494	376,855	28,023	3,307,922
	2010	648,440	0	636,160	561,250	591,410	377,873	33,081	2,848,214
R. Paul Grady	2012	300,000	0	833,995	123,395	0	25,940	100,131	1,383,461
Vice President and									
Chief Operating Officer									
E. V.N. Bissell	2012	240,713	0	225,323	347,561	204,942	6,745	38,449	1,063,733
Former President and	2011	520,936	0	763,140	434,400	290,000	451	81,094	2,090,021
Executive Officer(7)	2010	490,006	0	715,700	359,200	349,664	3,778	85,475	2,003,823

(1) The amounts shown in column (c) represent salary payments actually received during the fiscal year shown based on the number of pay periods within such fiscal year.

(2) The amounts shown in columns (e) and (f) above represent the fair value of awards of performance units, stock units and stock options, as the case may be, on the date of grant. The assumptions used in the calculation of the amounts shown are included in Note 2 and Note 11 to our Consolidated Financial Statements for Fiscal 2012 and in Exhibit No. 99 to this Report.

(3) The amounts shown in this column represent payments made under the applicable performance-based annual bonus plan.

(4) The amounts shown in column (h) of the Summary Compensation Table - Fiscal 2012 reflect (i) for Messrs. Greenberg, Walsh, Iannarelli, Grady and Bissell, the change in the actuarial present value from September 30, 2011 to September 30, 2012 of the named executive officer's accumulated benefit under UGI's defined benefit pension plans, including, with respect to Messrs. Greenberg and Walsh, the UGI Corporation Supplemental Executive Retirement Plan, and (ii) the above-market portion of earnings, if any, on nonqualified deferred compensation accounts. The change in pension value from year to year as reported in this column is subject to market volatility and may not represent the value that a named

executive officer will actually accrue under the UGI pension plans during any given year. Messrs. Iannarelli, Grady and Bissell each have vested annual benefit amounts under the Retirement Income Plan for Employees of UGI Utilities, Inc. based on prior credited service of approximately $2,854, $12,695 and $3,300, respectively. None of Messrs. Iannarelli, Grady or Bissell is currently earning benefits under that plan. Mr. Sheridan is not eligible to participate in the UGI pension plan. The material terms of the pension plans and deferred compensation plans are described in the Pension Benefits Table - Fiscal 2012 and the Nonqualified Deferred Compensation Table - Fiscal 2012, and the related narratives to each. Earnings on deferred compensation are considered above-market to the extent that the rate of interest exceeds 120 percent of the applicable federal long-term rate. For purposes of the Summary Compensation Table - Fiscal 2012, the market rate on deferred compensation most analogous to the rate at the time the interest rate is set under the UGI plan for Fiscal 2012 was 3.37 percent, which is 120 percent of the federal long-term rate for December 2011. Messrs. Sheridan, Iannarelli, Grady and Bissell's earnings on deferred compensation are market-based, calculated by reference to externally managed mutual funds. The amounts included in column (h) of the Summary Compensation Table - Fiscal 2012 are itemized below.

Name	Change in Pension Value	Above-Market Earnings on Deferred Compensation
J. E. Sheridan	$ 0	$ 0
J. S. Iannarelli	$ 11,127	$ 0
L. R. Greenberg	$ 2,874,925	$ 8,899
J. L. Walsh	$ 649,306	$ 1,702
R. P. Grady	$ 25,940	$ 0
E. V.N. Bissell	$ 6,745	$ 0

(5) The table below shows the components of the amounts included for each named executive officer under the "All Other Compensation" column in the Summary Compensation Table - Fiscal 2012. Other than as set forth below, the named executive officers did not receive perquisites with an aggregate value of $10,000 or more.

Name	Employer Contribution to 401(k) Savings Plan	Employer Contribution to AmeriGas Supplemental Executive Retirement Plan/UGI Supplemental Savings Plan	Relocation Expense Reimbursement	Perquisites	Total
J. E. Sheridan	$ 12,500	$ 36,087	$ 0	$ 0	$ 48,587
J. S. Iannarelli	$ 14,042	$ 15,102	$ 0	$ 0	$ 29,144
L. R. Greenberg[(a)]	$ 5,625	$ 41,759	$ 0	$ 20,075	$ 67,459
J. L. Walsh	$ 5,625	$ 22,360	$ 0	$ 0	$ 27,985
R. P. Grady[(b)]	$ 16,231	$ 23,250	$ 60,650	$ 0	$ 100,131
E. V.N. Bissell	$ 6,133	$ 32,316	$ 0	$ 0	$ 38,449

(a) The perquisites shown for Mr. Greenberg include spousal travel expenses when attending industry-related events where it is customary that officers attend with their spouses, tax preparation fees and occasional use of UGI's tickets for sporting events for personal rather than business purposes. The incremental cost to UGI for these benefits are based on the actual costs or charges incurred by UGI for the benefits and are included in the totals above.

(b) In connection with the commencement of Mr. Grady's employment, he received reimbursement for relocation expenses in the amount of $60,650.

(6) The compensation reported for Messrs. Greenberg and Walsh is paid by UGI. For Fiscal 2012, UGI charged the Partnership 39 percent of the total compensation expense, other than the change in pension value, for Messrs. Greenberg and Walsh.

(7) Mr. Bissell received a prorated salary in Fiscal 2012 based on his retirement date of March 3, 2012. Mr. Bissell received a non-equity incentive compensation payout equal to 100% of his target award prorated for the number of months for

which he was employed by the Company in Fiscal 2012.

(8) Discretionary bonus awarded in recognition of Mr. Walsh's overall exceptional leadership, including serving as President and Chief Executive Officer of UGI Utilities, Inc.

Grants of Plan-Based Awards In Fiscal 2012

The following table and footnotes provide information regarding equity and non-equity plan grants to the named executive officers in Fiscal 2012.

Grants of Plan-Based Awards Table — Fiscal 2012

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards(3): Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#) (4)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards
Name	Grant Date	Board Action Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
J. E. Sheridan	10/1/2011	11/17/2011	158,014	292,618	585,236							
	1/1/2012	11/18/2011								30,000	29.40	130,336
	3/3/2012	1/17/2012								42,000	28.04	174,775
	1/1/2012	11/17/2011				2,250	4,500	9,000				217,260
	3/3/2012	1/17/2012				4,000	8,000	16,000				386,240
J. S. Iannarelli	10/1/2011	11/17/2011	65,777	121,810	243,620							
	1/1/2012	11/18/2011							0	20,000	29.40	86,890
	1/1/2012	11/17/2011				1,200	2,400	4,800				115,872
L. R. Greenberg	10/1/2011	11/18/2011	747,490	1,245,816	2,491,632							
	1/1/2012	11/18/2011							0	300,000	29.40	1,303,355
	1/1/2012	11/18/2011				32,500	65,000	130,000				1,901,250
J. L. Walsh	10/1/2011	11/18/2011	400,140	666,900	1,333,800							
	1/1/2012	11/18/2011							0	125,000	29.40	543,065
	1/1/2012	11/18/2011				13,000	26,000	52,000				760,500
R. P. Grady	1/17/2012	1/17/2012	118,800	220,000	440,000							
	1/17/2012	1/17/2012							0	30,000	28.03	123,395
	1/17/2012	1/17/2012				2,250	4,500	9,000				217,260
	1/17/2012	1/17/2012							14,000			616,735
E. V.N. Bissell	10/1/2011	11/17/2011		170,785								
	1/1/2012	11/18/2011								80,000	29.40	347,561
	1/1/2012	11/17/2011				2,333	4,666	9,332				225,323

(1) The amounts shown under this heading relate to bonus opportunities under the relevant company's annual bonus plan for Fiscal 2012. See "Compensation Discussion and Analysis" for a description of the annual bonus plans. Payments for these awards have already been determined and are included in the Non-Equity Incentive Plan Compensation column (column (g)) of the Summary Compensation Table - Fiscal 2012. For Fiscal 2012, there were no payouts to Messrs. Sheridan, Iannarelli and Grady under the AmeriGas Propane annual bonus plan. The threshold amount shown for Messrs. Sheridan and Iannarelli is based on achievement of 80 percent of the financial goal with the resulting amount reduced to the maximum extent provided for below-target achievement of customer growth objectives. The threshold amount shown for Messrs. Greenberg and Walsh is based on achievement of 80 percent of the UGI financial goal. The threshold amount shown for Mr. Grady is equal to 100 percent of his target award, prorated for Fiscal 2012 based on his date of hire. The threshold amount shown for Mr. Bissell is equal to his actual payout based on his target award, prorated for Fiscal 2012 based on

Fiscal 2012 based on his date of hire. The threshold amount shown for Mr. Bissell is equal to his actual payout based on his target award, prorated for Fiscal 2012 based on *his retirement date.*

(2) The awards shown for Messrs. Sheridan, Iannarelli, Grady and Bissell are performance units under the 2010 AmeriGas Long-Term Incentive Plan, as described in "Compensation Discussion and Analysis." Performance units are forfeitable until the end of the performance period in the event of termination of employment, with pro-rated forfeitures in the case of termination of employment due to retirement, death or disability. In the case of a change in control, outstanding performance units and distribution equivalents will be paid in cash in an amount equal to the greater of (i) the target award, or (ii) the award amount that would be paid as if the performance period ended on the date of the change in control, based on the Partnership's achievement of the performance goal as of the date of the change in control, as determined by the Compensation/ Pension Committee. The awards shown for Messrs. Greenberg and Walsh are performance units under the UGI Corporation 2004 Plan, as described in "Compensation Discussion and Analysis." Terms of these awards with respect to forfeitures and change in control, as defined in the UGI Corporation 2004 Plan, are analogous to the terms of the performance units granted under the 2010 AmeriGas Long-Term Incentive Plan. The awards shown for Mr. Bissell reflect the performance units forfeited by Mr. Bissell as a result of his retirement.

(3) The award shown for Mr. Grady are phantom units with distribution equivalents, 2,800 of which will vest January 12, 2013 and 11,200 of which will vest January 12, 2014. The phantom units represent time-restricted AmeriGas Partners Common Units. In the event of Mr. Grady's termination of employment for any reason, the unvested phantom units and distribution equivalents will be forfeited.

On November 15, 2012, the Compensation/Pension Committee of AmeriGas Propane and the independent members of the AmeriGas Propane Board of Directors approved discretionary grants of AmeriGas Partners phantom units with distribution equivalents to Messrs. Sheridan, Iannarelli and Grady in recognition of their contributions and leadership with respect to the acquisition and integration of Heritage Propane during Fiscal 2012 to support the long-term best interests of the Company. See "Compensation Discussion and Analysis - Discretionary Equity Awards" for additional information on the awards.

(4) Options are granted under the UGI Corporation 2004 Plan. Under this Plan, the option exercise price is not less than 100 percent of the fair market value of UGI's Common Stock on the effective date of the grant, which is either the date of the grant or a specified future date. The term of each option is generally 10 years, which is the maximum allowable term. The options become exercisable in three equal annual installments beginning on the first anniversary of the grant date. All options are nontransferable and generally exercisable only while the optionee is employed by the General Partner, UGI or an affiliate, with exceptions for exercise following termination without cause, retirement, disability and death. In the case of termination without cause, the option will be exercisable only to the extent that it has vested as of the date of termination of employment and the option will terminate upon the earlier of the expiration date of the option or the expiration of the 13-month period commencing on the date of termination of employment. If termination of employment occurs due to retirement, the option will thereafter become exercisable as if the optionee had continued to be employed by, or continued to provide service to, the Company, and the option will terminate upon the original expiration date of the option. If termination of employment occurs due to disability, the option term is shortened to the earlier of the third anniversary of the date of such termination of employment, or the original expiration date, and vesting continues in accordance with the original vesting schedule. In the event of death of the optionee while an employee, the option will become fully vested and the option term will be shortened to the earlier of the expiration of the 12-month period following the optionee's death, or the original expiration date. Options are subject to adjustment in the event of recapitalizations, stock splits, mergers, and other similar corporate transactions affecting UGI's common stock.

Outstanding Equity Awards at Year-End

The table below shows the outstanding equity awards as of September 30, 2012 for each of the named executive officers:

Outstanding Equity Awards at Year-End Table — Fiscal 2012

Option Awards	Stock Awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock/ Partnership Units that Have Not Vested (#)	Market Value of Shares or Units of Stock/ Partnership Units That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
J. E. Sheridan	15,000 (1)		27.57	8/14/2015	0	0	3,800	0 (17)
	18,000 (2)		20.48	12/31/2015			3,200 (18)	208,869
	18,000 (3)		27.28	12/31/2016			1,584 (19)	196,470
	17,000 (4)		27.25	12/31/2017			4,500 (20)	
	21,000 (5)		24.42	12/31/2018			8,000 (21)	
	14,666 (6)	7,334 (6)	24.19	12/31/2019				
	7,334 (7)	14,666 (7)	31.58	12/31/2020				
	1,778 (8)	3,555 (8)	32.52	5/8/2021				
		30,000 (9)	29.40	12/31/2021				
		42,000 (10)	28.04	3/2/2022				
J. S. Iannarelli	7,000 (4)		27.25	12/31/2017	0	0	1,500	0 (17)
	8,000 (5)		24.42	12/31/2018			150 (22)	
	5,333 (6)	2,667 (6)	24.19	12/31/2019			1,500 (18)	
	1,000 (7)	500 (11)	25.19	2/28/2020			1,067 (19)	
	3,166 (8)	6,334 (7)	31.58	12/31/2020			2,400 (20)	
	2,333	4,667 (8)	32.52	5/8/2021				
		20,000 (9)	29.40	12/31/2021				
L. R. Greenberg	215,000 (12)		20.47	12/31/2014	0	0	70,000	0 (23)
	250,000 (2)		20.48	12/31/2015			70,000 (24)	2,222,500
	280,000 (3)		27.28	12/31/2016			65,000 (25)	2,063,750
	300,000 (4)		27.25	12/31/2017				
	300,000 (5)		24.42	12/31/2018				
	200,000 (6)	100,000 (6)	24.19	12/31/2019				
	100,000 (7)	200,000 (7)	31.58	12/31/2020				
		300,000 (9)	29.40	12/31/2021				
J. L. Walsh	70,000 (13)		22.92	3/31/2015	0	0	28,000	0 (23)
	120,000 (3)		27.28	12/31/2016			28,000 (24)	889,000
	120,000 (4)		27.25	12/31/2017			26,000 (25)	825,500
	125,000 (5)		24.42	12/31/2018				
	83,334 (6)	41,666 (6)	24.19	12/31/2019				

	41,666 (7)	83,334 (7)	31.58	12/31/2020				
		125,000 (9)	29.40	12/31/2021				
R. P. Grady		30,000 (14)	28.03	1/16/2022	14,000 (15)	611,240 (16)	4,500 (26)	
E. V.N. Bissell	65,000 (4)		27.25	3/2/2015	0	0	17,000	0 (17)
	75,000 (5)		24.42	12/31/2018			14,000 (18)	611,240
	53,334 (6)	26,666 (6)	24.19	12/31/2019			4,666 (27)	611,240
	26,666 (7)	53,334 (7)	31.58	12/31/2020				
		80,000 (9)	29.40	12/31/2021				

Note: Column (d) was intentionally omitted.

(1) These options were granted effective August 15, 2005 and were fully vested on August 15, 2008.

(2) These options were granted effective January 1, 2006 and were fully vested on January 1, 2009.

(3) These options were granted effective January 1, 2007 and were fully vested on January 1, 2010.

(4) These options were granted effective January 1, 2008 and were fully vested on January 1, 2011.

(5) These options were granted effective January 1, 2009 and were fully vested on January 1, 2012.

(6) These options were granted effective January 1, 2010. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2013.

(7) These options were granted effective January 1, 2011. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2014.

(8) These options were granted effective May 9, 2011. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on May 9, 2014.

(9) These options were granted effective January 1, 2012. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2015.

(10) These options were granted effective March 3, 2012. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on March 3, 2015.

(11) These options were granted effective March 1, 2010. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on March 1, 2013.

(12) These options were granted effective January 1, 2005 and were fully vested on January 1, 2008.

(13) These options were granted effective April 1, 2005 and were fully vested on April 1, 2008.

(14) These options were granted effective January 17, 2012. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 17, 2015.

(15) This restricted unit award was granted effective January 17, 2012. This award will vest 20% on January 12, 2013 and 80% on January 12, 2014.

(16) The amount shown represents the closing price of AmeriGas Partners, L.P. Common Units on September 28, 2012 multiplied by the number of restricted units awarded.

(17) The amount shown relates to a target award of AmeriGas Partners, L.P. restricted units granted effective December 31, 2009. The performance measurement period for these restricted units is January 1, 2010 through December 31, 2012. The value of the number of restricted units which may be earned at the end of the performance period is based on the AmeriGas Partners' TUR relative to that of each of the master limited partnerships in the Alerian MLP Index as of the first day of the performance measurement period. The actual number of restricted units and accompanying distribution equivalents earned may be higher (up to 200% of the target award) or lower than the amount shown, based on TUR performance through the end of the performance period. The restricted units will be payable, if at all, on January 1, 2013. As of September 30, 2012, the AmeriGas Partners' TUR ranking qualified for no payout of the target number of restricted units originally granted. See "Compensation Discussion and Analysis - Long-Term Compensation - Fiscal 2012 Equity Awards" for more information on the TUR performance goal measurements.

(18) These performance units were awarded January 1, 2011. The measurement period for the performance goal is January 1, 2011 through December 31, 2013. The performance goal is the same as described in footnote 17, but it is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2014.

(19) These performance units were awarded May 9, 2011. The measurement period is the same as described in footnote 18 and the performance goal is the same as described in footnote 17. The performance units will be payable, if at all, on January 1, 2014.

(20) These performance units were awarded January 1, 2012. The measurement period for the performance goal is January

1, 2012 through December 31, 2014. The performance goal is the same as described in footnote 17, but it is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2015.

(21) These performance units were awarded March 3, 2012 in connection with Mr. Sheridan's promotion to Chief Executive Officer in 2012. The measurement period is the same as described in footnote 20 and the performance goal is the same as described in footnote 17. The performance units will be payable, if at all, on January 1, 2015.

(22) These performance units were awarded March 1, 2010 in connection with Mr. Iannarelli's promotion to Vice President-Field Operations. The measurement period and the performance goal is the same as described in footnote 17. The performance units will be payable, if at all, on January 1, 2013.

(23) The amount shown relates to a target award of performance units granted effective January 1, 2010. The performance measurement period for these performance units is January 1, 2010 through December 31, 2012. The value of the number of performance units which may be earned at the end of the performance period is based on UGI Corporation's TSR relative to that of each of the companies in the S&P Utilities Index as of the first day of the performance measurement period. The actual number of performance units and accompanying dividend equivalents earned may be higher (up to 200% of the target award) or lower than the amount shown, based on TSR performance through the end of the performance period. The performance units will be payable, if at all, on January 1, 2013. As of September 30, 2012, UGI Corporation's TSR ranking qualified for no payout of the target number of performance units originally granted. See "Compensation Discussion and Analysis - Long-Term Compensation - Fiscal 2012 Equity Awards" for more information on the TSR performance goal measurements.

(24) These UGI performance units were awarded January 1, 2011. The measurement period for the performance goal is January 1, 2011 through December 31, 2013. The performance goal is the same as described in footnote 24, but it is measured for a different three-year period and the Company's TSR is measured relative to the group of companies that comprise the Russell Midcap Utility Index, excluding telecommunications companies, as of the first day of the performance measurement period. The performance units will be payable, if at all, on January 1, 2014.

(25) These UGI performance units were awarded January 1, 2012. The measurement period for the performance goal is January 1, 2012 through December 31, 2014. The performance goal is the same as described in footnote 25, but it is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2015.

(26) These performance units were awarded January 17, 2012. The measurement period is the same as described in footnote 20 and the performance goal is the same as described in footnote 17. The performance units will be payable, if at all, on January 1, 2015.

(27) Mr. Bissell was awarded 14,000 performance units on January 1, 2012, of which 9,334 performance units were forfeited due to his retirement effective March 3, 2012.

Option Exercises and Stock Vested Table — Fiscal 2012

The following table sets forth (1) the number of shares of UGI common stock acquired by the named executive officers in Fiscal 2012 from the exercise of stock options, (2) the value realized by those officers upon the exercise of stock options based on the difference between the market price for UGI's common stock on the date of exercise and the exercise price for the options, (3) for Messrs. Greenberg, and Walsh, the number of UGI performance units previously granted that vested in Fiscal 2012, (4) for Messrs. Sheridan, Iannarelli, Grady and Bissell, the number of AmeriGas performance units previously granted that vested in Fiscal 2012, and (5) the value realized by those officers upon the vesting of such units based on the average of the high and low sales prices for AmeriGas Partners Common Units on the New York Stock Exchange ("NYSE"), or, for Messrs. Greenberg and Walsh, the closing price on the NYSE for shares of UGI common stock, on the vesting date.

Name (a)	Option Awards: Number of Shares Acquired on Exercise (#) (b)	Option Awards: Value Realized on Exercise ($) (c)	Stock/Unit Awards[1]: Number of Shares/Units Acquired on Vesting (#) (d)	Stock/Unit Awards[1]: Value Realized on Vesting ($) (e)
J. E. Sheridan	0	0	0	0
J. S. Iannarelli	0	0	0	0
L. R. Greenberg	150,000	1,700,700	0	0
J. L. Walsh	100,000	815,000	0	0
R. P. Grady	0	0	0	0
E. V.N. Bissell	70,000	273,000	0	0

(1) During Fiscal 2012, there was no payout to those executives who received performance units for the performance period from January 1, 2009 to December 31, 2011.

Retirement Benefits

The following table shows the number of years of credited service for the named executive officers under the UGI Utilities, Inc. Retirement Income Plan (which we refer to below as the "UGI Utilities Retirement Plan") and the UGI Corporation Supplemental Executive Retirement Plan (which we refer to below as the "UGI SERP") and the actuarial present value of accumulated benefits under those plans as of September 30, 2012 and any payments made to the named executive officers in Fiscal 2012 under those plans.

Pension Benefits Table — Fiscal 2012

Name(1) (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)	Payments During Last Fiscal Year ($) (e)
J. E. Sheridan(1)	None	0	0	0
J. S. Iannarelli(2)	UGI Utilities Retirement Plan	6	42,929	0
L. R. Greenberg	UGI SERP	32	20,003,980	0
	UGI Utilities Retirement Plan	32	1,894,143	0
J. L. Walsh	UGI SERP	7	1,871,500	0
	UGI Utilities Retirement Plan	7	354,065	0
R. Paul Grady(2)	UGI Utilities Retirement Plan	5	155,289	0
E. V.N. Bissell(2)	UGI Utilities Retirement Plan	6	40,031	0

(1) Mr. Sheridan does not participate in any defined benefit pension plan.

(2) Messrs. Iannarelli, Grady and Bissell each have vested annual benefit amounts under the UGI Utilities, Inc. Retirement Plan based on prior credited service of approximately $2,854, $12,695 and $3,300, respectively. Messrs. Iannarelli, Grady and Bissell are not currently earning benefits under that plan.

Retirement Income Plan for Employees of UGI Utilities, Inc.

UGI participates in the UGI Utilities Retirement Plan, a qualified defined benefit retirement plan ("Pension Plan") to provide retirement income to its employees hired prior to January 1, 2009. The Pension Plan pays benefits based upon final average earnings, consisting of base salary or wages and annual bonuses and years of credited service. Benefits vest after the participant completes five years of vesting service.

The Pension Plan provides normal annual retirement benefits at age 65, unreduced early retirement benefits at age 62 with ten years of service and reduced, but subsidized, early retirement benefits at age 55 with ten years of service. Employees terminating prior to early retirement eligibility are eligible to receive a benefit under the plan formula commencing at age 65 or an unsubsidized benefit as early as age 55, provided they had 10 years of service at termination. Employees who have attained age 50 with 15 years of service and are involuntarily terminated by UGI prior to age 55 are also eligible for subsidized early retirement benefits, beginning at age 55.

The Pension Plan's normal retirement benefit formula is (A) - (B) and is shown below:

A. = The minimum of (1) and (2), where
(1) = 1.9% of five-year final average earnings (as defined in the Pension Plan) multiplied by years of service;
(2) = 60% of the highest year of year of earnings; and
B. = 1% of the estimated primary Social Security benefit multiplied by years of service

The amount of the benefit produced by the formula will be reduced by an early retirement factor based on the employee's actual age in years and months as of his early retirement date. The reduction factors range from 65 percent at age 55 to 100 percent (no reduction) at age 62.

The normal form of benefit under the Pension Plan for a married employee is a 50 percent joint and survivor lifetime annuity. Regardless of marital status, a participant may choose from a number of lifetime annuity payments.

The Pension Plan is subject to qualified-plan Code limits on the amount of annual benefit that may be paid, and on the amount of compensation that may be taken into account in calculating retirement benefits under the plan. For 2012, the limit on the compensation that may be used is $250,000 and the limit on annual benefits payable for an employee retiring at age 65 in 2012 is $200,000. Benefits in excess of those permitted under the statutory limits are paid to certain employees under the UGI Corporation Supplemental Executive Retirement Plan, described below.

Messrs. Greenberg and Walsh are currently eligible for early retirement benefits under the Pension Plan.

UGI Corporation Supplemental Executive Retirement Plan

The UGI Corporation Supplemental Executive Retirement Plan ("UGI SERP") is a non-qualified defined benefit plan that provides retirement benefits that would otherwise be provided under the Pension Plan, but are prohibited from being paid from the Pension Plan by Code limits. The benefit paid by the UGI SERP is approximately equal to the difference between the benefits provided under the Pension Plan and benefits that would have been provided by the Pension Plan if not for the limitations of the Employee Retirement Income Security Act of 1974, as amended, and the Code. Benefits vest after the participant completes 5 years of vesting service. The benefits earned under the UGI SERP are payable in the form of a lump sum payment or rolled over to the company's nonqualified deferred compensation plan. For participants who attained age 50 prior to January 1, 2004, the lump sum payment is calculated using two interest rates. One rate is for the service prior to January 1, 2004 and the other is for service after January 1, 2004. The rate for pre-January 1, 2004 service is the daily average of Moody's Aaa bond yields for the month in which the participant's termination date occurs, plus 50 basis points, and tax-adjusted using the highest marginal federal tax rate. The interest rate for post-January 1, 2004 service is the daily average of ten-year Treasury Bond yields in effect for the month in which the participant's termination date occurs. The latter rate is used for calculating the lump sum payment for participants attaining age 50 on or after January 1, 2004. Payment is due within 60 days after the termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following "separation from service" as defined in the Code.

Actuarial assumptions used to determine values in the Pension Benefits Table

The amounts shown in the Pension Benefit Table above are actuarial present values of the benefits accumulated through September 30, 2012. An actuarial present value is calculated by estimating expected future payments starting at an assumed retirement age, weighting the estimated payments by the estimated probability of surviving to each post-retirement age, and discounting the weighted payments at an assumed discount rate to reflect the time value of money. The actuarial present value represents an estimate of the amount which, if invested today at the discount rate, would be sufficient on an average basis to provide estimated future payments based on the current accumulated benefit. The assumed retirement age for each named executive is age 62, which is the earliest age at which the executive could retire without any benefit reduction due to age. Actual benefit present values will vary from these estimates depending on many factors, including an executive's actual retirement age. The key

assumptions included in the calculations are as follows:

	September 30, 2012	September 30, 2011
Discount rate for Pension Plan for all purposes and for SERP, for pre-commencement calculations	4.20%	5.30%
SERP lump sum rate	2.60%	2.90%
Retirement age:	62	62
Postretirement mortality for Pension Plan	RP-2000, combined, healthy table projected to 2019 using Scale AA without collar adjustments	RP-2000, combined, healthy table projected to 2019 using Scale AA without collar adjustments
Postretirement Mortality for SERP	1994 GAR Unisex	1994 GAR Unisex
Preretirement Mortality	none	none
Termination and disability rates	none	none
Form of payment - qualified plan	Single life annuity	Single life annuity
Form of payment - nonqualified plan	Lump sum	Lump sum

Nonqualified Deferred Compensation

The following table shows the contributions, earnings, withdrawals and account balances for each of the named executive officers in the AmeriGas Propane, Inc. Supplemental Executive Retirement Plan ("AmeriGas SERP"), the AmeriGas Nonqualified Deferred Compensation Plan and the UGI Corporation Supplemental Savings Plan.

Nonqualified Deferred Compensation Table — Fiscal 2012

Name (a)	Plan Name	Executive Contributions in Last Fiscal Year ($) (b)	Employer Contributions in Last Fiscal Year ($) (c)	Aggregate Earnings in Last Fiscal Year ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last Fiscal Year ($)(2) (f)
J. E. Sheridan	AmeriGas SERP	0	36,087 (1)	40,854	0	238,022
J. S. Iannarelli	AmeriGas SERP	0	15,102 (1)	11,351	0	84,019
	AmeriGas Non-Qualified	0	0	0	0	0
	Deferred Compensation Plan	11,792	0	6,592	0	62,006
L. R. Greenberg	UGI Supplemental Savings Plan	0	41,759 (3)	34,655	0	864,028
J. L. Walsh	UGI Supplemental Savings Plan	0	22,360 (3)	6,024	0	165,287
R.Paul Grady	AmeriGas SERP	0	23,250 (1)	0	0	0
E. V.N. Bissell(4)	AmeriGas SERP	0	32,316 (1)	123,982	1,035,869	0
	AmeriGas Non-Qualified Deferred Compensation Plan	0	0	2,954	0	37,398
	UGI 2009 Deferral Plan	1,035,869	0	22,683	261,245	797,307

(1) This amount represents the employer contribution to the named executive officer under the AmeriGas SERP, which is also reported in the Summary Compensation Table - Fiscal 2012 in the "All Other Compensation" column.

(2) The aggregate balances include the following aggregate amounts previously reported in the Summary Compensation Table as compensation in prior years: Mr. Sheridan, $196,128; Mr. Iannarelli, $15,102; Mr. Greenberg, $737,236; Mr. Walsh, $141,748; and Mr. Bissell, $738,560.

(3) This amount represents the employer contribution to the named executive officer under the UGI Supplemental Savings Plan which is also reported in the Summary Compensation Table - Fiscal 2012 in the "All Other Compensation" column.

(4) Upon Mr. Bissell's retirement in March 2012, his AmeriGas SERP account balance was transferred to his account under the UGI Corporation 2009 Deferral Plan.

The AmeriGas Propane, Inc. Supplemental Executive Retirement Plan is a nonqualified deferred compensation plan that is intended to provide retirement benefits to certain AmeriGas executive officers. Under the plan, AmeriGas credits to each participant's account annually an amount equal to 5 percent of the participant's compensation (salary and annual bonus) up to the Code compensation limit ($245,000 for fiscal year 2012) and 10 percent of compensation in excess of such limit. In addition, if any portion of the General Partner's matching contribution under the AmeriGas Propane, Inc. qualified 401(k) Savings Plan is forfeited due to nondiscrimination requirements under the Code, the forfeited amount, adjusted for earnings and losses on the amount, will be credited to a participant's account. Benefits vest on the fifth anniversary of a participant's employment commencement date. Participants direct the investment of their account balances among a number of mutual funds, which are generally the same funds available to participants in the AmeriGas 401(k) Savings Plan, other than the UGI stock fund. Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following "separation from service" as defined in the Code. Amounts payable under the AmeriGas SERP may be deferred in accordance with the UGI Corporation 2009 Deferral Plan. See "Compensation Discussion and Analysis-UGI Corporation 2009 Deferral Plan."

The AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan is a nonqualified deferred compensation plan that provides benefits to certain named executive officers that would otherwise be provided under the AmeriGas 401(k) Savings Plan. The plan is intended to permit participants to defer up to $10,000 of annual compensation that would generally not be eligible for contribution to the AmeriGas 401(k) Savings Plan due to Code limitations and nondiscrimination requirements. Participants may direct the investment of deferred amounts into a number of funds. The funds available are the same funds available under the AmeriGas 401(k) Savings Plan, other than the UGI stock fund. Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following "separation from service" as defined in the Code.

The UGI Corporation Supplemental Savings Plan ("SSP") is a nonqualified deferred compensation plan that provides benefits to certain named executive officers that would otherwise be provided under UGI's qualified 401(k) Savings Plan in the absence of Code limitations. Benefits vest after the participant completes 5 years of service. The SSP is intended to pay an amount substantially equal to the difference between the UGI matching contribution that would have been made under the 401(k) Savings Plan if the Code limitations were not in effect, and the UGI match actually made under the 401(k) Savings Plan. The Code compensation limits for fiscal years 2010, 2011 and 2012 were each $245,000. The Code contribution limit for fiscal years 2010, 2011 and 2012 were each $49,000. Under the SSP, the participant is credited with a UGI match on compensation in excess of Code limits using the same formula applicable to contributions to the UGI Corporation 401(k) Savings Plan, which is a match of 50 percent of the first 3 percent of eligible compensation, and a match of 25 percent on the next 3 percent, assuming that the employee contributed to the 401(k) Savings Plan the lesser of 6 percent of eligible compensation or the maximum amount permissible under the Code. Amounts credited to the participant's account are credited with interest. The rate of interest currently in effect is the rate produced by blending the annual return on the S&P 500 Index (60 percent weighting) and the annual return on the Lehman Brothers Bond Index (40 percent weighting). Account balances are payable in a lump sum within 60 days after termination of employment, except as required by Section 409A of the Code. If payment is required to be delayed by Section 409A of the Code, payment is made within 15 days after expiration of a six-month postponement period following "separation from service" as defined in the Code.

Potential Payments Upon Termination of Employment or Change in Control

Severance Pay Plan for Senior Executive Employees

Named Executive Officers Employed by the General Partner. The AmeriGas Propane, Inc. Senior Executive Employee Severance Plan (the "AmeriGas Severance Plan") provides for payment to certain senior level employees of the General Partner, including Messrs. Sheridan, Iannarelli and Grady, in the event their employment is terminated without fault on their part. Specified benefits are payable to a senior executive covered by the AmeriGas Severance Plan if the senior executive's employment is involuntarily terminated for any reason other than for just cause or as a result of the senior executive's death or disability. Under the AmeriGas Severance Plan, "just cause" generally means (i) dismissal of an executive due to misappropriation of funds, (ii) substance abuse or habitual insobriety that adversely affects the executive's ability to perform his or her job, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties.

Except as provided herein, the AmeriGas Severance Plan provides for cash payments equal to a participant's compensation for a period of time ranging from 6 months to 18 months, depending on length of service (the "Continuation Period"). In the case of Mr. Sheridan, the Continuation Period ranges from 12 months to 24 months, depending on length of service. In addition, a participant receives the cash equivalent of his target bonus under the Annual Bonus Plan, pro-rated for the number of months

served in the fiscal year. However, if the termination occurs in the last 2 months of the fiscal year, we have discretion to determine whether the participant will receive a pro-rated target bonus, or the actual annual bonus which would have been paid after the end of the fiscal year, provided that the weighting to be applied to the participant's business/financial goals under the Annual Bonus Plan will be deemed to be 100 percent, pro-rated for the number of months served. The levels of severance payments were established by the Compensation/Pension Committee based on competitive practice and are reviewed by management and the Compensation/Pension Committee from time to time.

Under the AmeriGas Severance Plan, the participant also receives a payment equal to the cost he would have incurred to continue medical and dental coverage under the General Partner's plans for the Continuation Period (less the amount the participant would be required to contribute for such coverage if he were an active employee). This amount includes a tax gross-up payment equal to 75 percent of the payment relating to medical and dental coverage. The AmeriGas Severance Plan also provides for outplacement services for a period of 12 months following a participant's termination of employment. Participants are entitled to receive reimbursement for tax preparation services for the final year of employment. Provided that the participant is eligible to retire, all payments under the AmeriGas Severance Plan may be reduced by an amount equal to the fair market value of certain equity-based awards, other than stock options, payable to the participant after the termination of employment.

In order to receive benefits under the AmeriGas Severance Plan, a participant is required to execute a release which discharges the General Partner and its affiliates from liability for any claims the senior executive may have against any of them, other than claims for amounts or benefits due to the executive under any plan, program or contract provided by or entered into with the General Partner or its affiliates. Each senior executive is also required to ratify any existing post-employment activities agreement (which restricts the senior executive from competing with the Partnership and its affiliates following termination of employment) and to cooperate in attending to matters pending at the time of termination of employment.

Named Executive Officers Employed by UGI Corporation. The UGI Corporation Senior Executive Employee Severance Plan (the "UGI Severance Plan") provides for payment to certain senior level employees of UGI, including Messrs. Greenberg and Walsh, in the event their employment is terminated without fault on their part. Benefits are payable to a senior executive covered by the UGI Severance Plan if the senior executive's employment is involuntarily terminated for any reason other than for just cause or as a result of the senior executive's death or disability. Under the UGI Severance Plan, "just cause" generally means (i) dismissal of an executive due to misappropriation of funds, (ii) substance abuse or habitual insobriety that adversely affects the executive's ability to perform his or her job, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties.

Except as provided herein, the UGI Severance Plan provides for cash payments equal to a participant's compensation for a period of time ranging from 6 months to 18 months, depending on length of service (the "Continuation Period"). In the case of Mr. Greenberg, the Continuation Period is 30 months; for Mr. Walsh, the Continuation Period ranges from 12 months to 24 months, depending on the length of service. In addition, a participant receives the cash equivalent of his target bonus under the Annual Bonus Plan, pro-rated for the number of months served in the fiscal year prior to termination. However, if the termination occurs in the last 2 months of the fiscal year, UGI has the discretion to determine whether the participant will receive a pro-rated target bonus, or the actual annual bonus which would have been paid after the end of the fiscal year, assuming that the participant's entire bonus was contingent on meeting the applicable financial performance goal, pro-rated for the number of months served. The levels of severance payment were established by the Compensation and Management Development Committee based on competitive practice and are reviewed by management and the Compensation and Management Development Committee from time to time.

Under the UGI Severance Plan, the participant also receives a payment equal to the cost he would have incurred to continue medical and dental coverage under UGI's plans for the Continuation Period (less the amount the participant would be required to contribute for such coverage if the participant were an active employee). This amount includes a tax gross-up payment equal to 75 percent of the payment relating to medical and dental coverage. The UGI Severance Plan also provides for outplacement services for a period of 12 months following a participant's termination of employment. Participants are entitled to receive reimbursement for tax preparation services for their final year of employment under the UGI Severance Plan. Provided that the participant is eligible to retire, all payments under the Severance Plan may be reduced by an amount equal to the fair market value of certain equity-based awards, other than stock options, payable to the participant after the termination of employment.

In order to receive benefits under the UGI Severance Plan, a participant is required to execute a release which discharges UGI and its subsidiaries from liability for any claims the senior executive may have against any of them, other than claims for amounts or benefits due to the executive under any plan, program or contract provided by or entered into with UGI or its subsidiaries. Each senior executive is also required to ratify any existing post-employment activities agreement (which restricts the senior executive from competing with UGI and its affiliates following termination of employment) and to cooperate in attending to matters pending at the time of termination of employment.

Change in Control Arrangements

Named Executive Officers Employed by the General Partner. Messrs. Sheridan, Iannarelli and Grady each have an agreement with the General Partner that provides benefits in the event of a change in control. The agreements have a term of 3 years with automatic one-year extensions each year, unless in each case, prior to a change in control, the General Partner terminates an agreement. In the absence of a change in control or termination by the General Partner, each agreement will terminate when, for any reason, the executive terminates his or her employment with the General Partner. A change in control is generally deemed to occur in the following instances:

- any person (other than certain persons or entities affiliated with UGI), together with all affiliates and associates of such person, acquires securities representing 20 percent or more of either (i) the then outstanding shares of common stock, or (ii) the combined voting power of UGI's then outstanding voting securities;

- individuals, who at the beginning of any 24-month period constitute the UGI Board of Directors (the "Incumbent Board") and any new Director whose election by the Board of Directors, or nomination for election by UGI's shareholders, was approved by a vote of at least a majority of the Incumbent Board, cease for any reason to constitute a majority;

- UGI is reorganized, merged or consolidated with or into, or sells all or substantially all of its assets to, another corporation in a transaction in which former shareholders of UGI do not own more than 50 percent of, respectively, the outstanding common stock and the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation;

- the General Partner, Partnership or Operating Partnership is reorganized, merged or consolidated with or into, or sells all or substantially all of its assets to, another entity in a transaction with respect to which all of the individuals and entities who were owners of the General Partner's voting securities or of the outstanding units of the Partnership immediately prior to such transaction do not, following such transaction, own more than 50 percent of, respectively, the outstanding common stock and the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation, or if the resulting entity is a partnership, the former unitholders do not own more than 50 percent of the outstanding Common Units in substantially the same proportion as their ownership immediately prior to the transaction;

- UGI, the General Partner, the Partnership or the Operating Partnership is liquidated or dissolved;

- UGI fails to own more than 50 percent of the general partnership interests of the Partnership or the Operating Partnership;

- UGI fails to own more than 50 percent of the outstanding shares of common stock of the General Partner; or

- AmeriGas Propane, Inc. is removed as the general partner of the Partnership or the Operating Partnership.

The General Partner will provide Messrs. Sheridan, Iannarelli and Grady with cash benefits ("Benefits") if we terminate the executive's employment without "cause" or if the executive terminates employment for "good reason" at any time within 2 years following a change in control of the General Partner, AmeriGas Partners or UGI. "Cause" generally includes (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 General Partner. "Good reason" generally includes a material diminution in authority, duties, responsibilities or base compensation; a material breach by the General Partner of the terms of the agreement; and substantial relocation requirements. If the events trigger a payment following a change in control, the benefits payable to Messrs. Sheridan, Iannarelli and Grady will be as specified under his change in control agreement unless payments under the AmeriGas Severance Plan described above would be greater, in which case Benefits would be provided under the AmeriGas Severance Plan.

Benefits under this arrangement would be equal to 3 times Mr. Sheridan's base salary and annual bonus and 2 times the base salary and annual bonus of each of Messrs. Iannarelli and Grady. Each named executive officer would also receive the cash equivalent of his target bonus, prorated for the number of months served in the fiscal year. In addition, Messrs. Sheridan, Iannarelli and Grady are each entitled to receive a payment equal to the cost he would incur if he enrolled in the General Partner's medical and dental plans for 3 years in the case of Mr. Sheridan and 2 years in the case of the other AmeriGas executives (in each case less the amount he would be required to contribute for such coverage if he were an active employee). Messrs. Sheridan, Iannarelli and Grady would also receive their benefits under the AmeriGas Supplemental Executive Retirement Plan calculated as if he had continued in employment for 3 years or 2 years, respectively. In addition, outstanding performance units and distribution equivalents will be paid in cash based on the fair market value of Common Units in an amount equal to the greater of (i) the target

award or (ii) the award amount that would have been paid if the measurement period ended on the date of the change in control, as determined by the Compensation/Pension Committee. For treatment of stock options, see "Grants of Plan-Based Awards Table - Fiscal 2012."

AmeriGas Propane discontinued the use of a tax gross-up in November of 2010 and, as a result, the Benefits for Messrs. Sheridan, Iannarelli and Grady are not subject to a "conditional gross-up" for excise and related taxes in the event they would constitute "excess parachute payments," as defined in Section 280G of the Code.

In order to receive benefits under his change in control agreement, each named executive is required to execute a release which discharges the General Partner and its affiliates from liability for any claims he may have against any of them, other than claims for amounts or benefits due to the executive under any plan, program or contract provided by or entered into with the General Partner or its affiliates.

Named Executive Officers Employed By UGI Corporation. Messrs. Greenberg and Walsh each have an agreement with UGI which provides benefits in the event of a change in control. The agreements have a term of 3 years with automatic one-year extensions each year, unless in each case, prior to a change in control, UGI terminates an agreement. In the absence of a change in control or termination by UGI, each agreement will terminate when, for any reason, the executive terminates his or her employment with UGI. A change in control is generally deemed to occur in the following instances:

- any person (other than certain persons or entities affiliated with UGI), together with all affiliates and associates of such person, acquires securities representing 20 percent or more of either (i) the then outstanding shares of common stock, or (ii) the combined voting power of UGI's then outstanding voting securities;

- individuals, who at the beginning of any 24-month period constitute the UGI Board of Directors (the "Incumbent Board") and any new Director whose election by the Board of Directors, or nomination for election by UGI's shareholders, was approved by a vote of at least a majority of the Incumbent Board, cease for any reason to constitute a majority;

- UGI is reorganized, merged or consolidated with or into, or sells all or substantially all of its assets to, another corporation in a transaction in which former shareholders of UGI do not own more than 50 percent of, respectively, the outstanding common stock and the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation; or

- UGI Corporation is liquidated or dissolved.

UGI will provide Messrs. Greenberg and Walsh with cash benefits ("Benefits") if UGI terminates the executive's employment without "cause" or if the executive terminates employment for "good reason" at any time within 2 years following a change in control of UGI. "Cause" generally includes (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 UGI. "Good reason" generally includes material diminution in authority, duties, responsibilities or base compensation; a material breach by UGI of the terms of the agreement; and substantial relocation requirements. If the events trigger a payment following a change in control, the Benefits payable to each of Messrs. Greenberg and Walsh will be as specified under his change in control agreement unless payments under the UGI Severance Plan described above would be greater, in which case Benefits would be provided under the UGI Severance Plan.

Benefits under this arrangement would be equal to 3 times the executive officer's base salary and annual bonus. Each would also receive the cash equivalent of his target bonus, prorated for the number of months served in the fiscal year. In addition, Messrs. Greenberg and Walsh are each entitled to receive a payment equal to the cost he would incur if he enrolled in UGI's medical and dental plans for 3 years (less the amount he would be required to contribute for such coverage if he were an active employee). Messrs. Greenberg and Walsh would also have benefits under UGI's Supplemental Executive Retirement Plan calculated as if he had continued in employment for 3 years. In addition, outstanding performance units, stock units and dividend equivalents will be paid in cash based on the fair market value of UGI's common stock in an amount equal to the greater of (i) the target award or (ii) the award amount that would have been paid if the performance unit measurement period ended on the date of the change in control, as determined by UGI's Compensation and Management Development Committee. For treatment of stock options, see "Grants of Plan-Based Awards Table - Fiscal 2012."

The Benefits are subject to a "conditional gross up" for excise and related taxes in the event they would constitute "excess parachute payments," as defined in Section 280G of the Code. UGI will provide the tax gross-up if the aggregate parachute value of Benefits is greater than 110 percent of the maximum amount that may be paid under Section 280G of the Code without imposition

of an excise tax. If the parachute value does not exceed the 110 percent threshold, the Benefits for each of Messrs. Greenberg and Walsh will be reduced to the extent necessary to avoid imposition of the excise tax on "excess parachute payments." UGI Corporation discontinued the use of a tax gross-up in July of 2010 for executives who enter into change in control agreements subsequent thereto.

In order to receive benefits under his change in control agreement, each of Messrs. Greenberg and Walsh is required to execute a release which discharges UGI and its subsidiaries from liability for any claims the senior executive may have against any of them, other than claims for amounts or benefits due to the executive under any plan, program or contract provided by or entered into with UGI or its subsidiaries.

Potential Payments Upon Termination or Change in Control Table — Fiscal 2012

The amounts shown in the table below assume that each named executive officer's termination was effective as of September 30, 2012 and are merely estimates of the incremental amounts that would be paid out to the named executive officers upon their termination. The actual amounts to be paid out can only be determined at the time of such named executive officer's termination of employment. The amounts set forth in the table below do not include compensation to which each named executive officer would be entitled without regard to his termination of employment, including (i) base salary and short-term incentives that have been earned but not yet paid or (ii) amounts that have been earned, but not yet paid, under the terms of the plans listed under the "Pension Benefits Table - Fiscal 2012" and the "Nonqualified Deferred Compensation Table - Fiscal 2012." There are no incremental payments in the event of voluntary resignation, termination for cause, disability or upon retirement. Therefore, Mr. Bissell is not included in the table below because he retired during Fiscal 2012.

Potential Payments Upon Termination or Change in Control Table - Fiscal 2012

Name & Triggering Event	*Severance Pay ($)*	*Equity Awards with Accelerated Vesting($)(3)*	*Nonqualified Retirement Benefits($)(4)*	**Welfare & Other Benefits ($)(5)**	**Total($)**
J. E. Sheridan					
Death	0	771,324	0	0	771,324
Involuntary Termination Without Cause	1,280,871	0	0	48,074	1,328,945
Termination Following Change in Control	2,520,472	1,204,780	115,890	90,266	3,931,408
J. S. Iannarelli					
Death	0	253,201	0	0	253,201
Involuntary Termination Without Cause	669,955(1)	0	0	48,903	718,858
Termination Following Change in Control	852,670(2)	360,415	49,084	34,537	1,296,706
L. R. Greenberg					
Death	0	5,887,083	0	0	5,887,083
Involuntary Termination Without Cause	7,191,756(1)	0	0	70,115	7,261,871
Termination Following Change in Control	8,453,388(2)	8,690,979	3,486,313	56,537	20,687,217
J. L. Walsh					
Death	0	2,379,750	0	0	2,379,750
Involuntary Termination Without Cause	2,509,650(1)	0	0	48,442	2,558,092
Termination Following Change in Control	4,773,600(2)	3,501,309	2,279,930	3,503,362	14,058,201
R. P. Grady					
Death	0	788,330	0	0	788,330
Involuntary Termination Without Cause	551,462(1)	0	0	30,822	582,284
Termination Following Change in Control	1,460,000(2)	919,310	99,000	40,581	2,518,891

(1) Amounts shown under "Severance Pay" in the case of involuntary termination without cause are calculated under the terms of the UGI Severance Plan for Messrs. Greenberg and Walsh, and the AmeriGas Severance Plan for Messrs. Bissell, Grady, Iannarelli and Sheridan. We assumed that 100 percent of the target annual bonus was paid.

(2) Amounts shown under "Severance Pay" in the case of termination following a change in control are calculated under the officer's change in control agreement.

(3) In calculating the amounts shown under "Equity Awards with Accelerated Vesting," we assumed (i) the continuation of AmeriGas Partners' distribution (and UGI's dividend, as applicable) at the rate in effect on September 30, 2012; and (ii) performance at the greater of actual through September 30, 2012 or target levels with respect to performance units.

(4) Amounts shown under "Nonqualified Retirement Benefits" are in addition to amounts shown in the "Pension Benefits Table - Fiscal 2012" and "Non-Qualified Deferred Compensation Table - Fiscal 2012."

(5) Amounts shown under "Welfare and Other Benefits" include estimated payments for (i) medical and dental and life insurance premiums, (ii) outplacement services, (iii) tax preparation services, and (iv) an estimated Code Section 280G tax gross up payment of $3,446,825 for Mr. Walsh in the event of a change in control.

COMPENSATION OF DIRECTORS

The table below shows the components of director compensation for Fiscal 2012. A Director who is an officer or employee of the General Partner or its subsidiaries is not compensated for service on the Board of Directors or on any Committee of the Board.

Director Compensation Table — Fiscal 2012

Name (a)	Fees Earned or Paid in Cash ($)(1) (b)	Stock Awards ($)(2) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (f)	All Other Compensation ($) (g)	Total ($) (h)
S. D. Ban	65,000	21,910	0	0	0	0	86,910
W. J. Marrazzo	75,000	21,910	0	0	0	0	96,910
G. A. Pratt	80,000	21,910	0	0	0	0	101,910
M. O. Schlanger	65,000	21,910	0	0	0	0	86,910
H. B. Stoeckel	75,000	21,910	0	0	0	0	96,910
K. R. Turner	34,458	21,910	0	0	0	0	56,368

(1) In Fiscal 2012, the Partnership paid its non-management directors an annual retainer of $65,000 for Board service. It paid an additional annual retainer of $10,000 to members of the Audit Committee, other than the chairperson. The chairperson of the Audit Committee was paid an additional annual retainer of $15,000. The Partnership pays no meeting attendance fees to its directors. Mr. Turner received a pro-rated retainer fee for partial year service in Fiscal 2012. For Fiscal 2013, the annual retainer for the chairperson of each of the Committees will be as follows: Audit, $25,000; Compensation and Management Development, $7,500; and Corporate Governance, $7,500. The Company will also pay its Presiding Director a retainer of $15,000 in Fiscal 2013. The members of the Audit Committee, other than the chairperson, will receive an annual retainer of $20,000 in Fiscal 2013.

(2) All Directors named above received 500 Phantom Units in Fiscal 2012 as part of their annual compensation. Effective with the January 2013 grant of Phantom Units, non-employee Directors will receive 1,100 Phantom Units as part of their Fiscal 2013 annual compensation. The Phantom Units were awarded under the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. (the "2010 Plan") approved by the Partnership's Common Unitholders on July 30, 2010. Each Phantom Unit represents the right to receive an AmeriGas Partners, L.P. Common Unit and distribution equivalents when the Director ends his service on the Board. Phantom Units earn distribution equivalents on each record date for the payment of a distribution by the Partnership on its Common Units. Accrued distribution equivalents are converted to additional Phantom Units annually, on the last date of the calendar year, based on the closing price for the Partnership's Common Units on the last trading day of the year. All Phantom Units and distribution equivalents are fully vested when credited to the Director's account. Account balances become payable 65 percent in AmeriGas Partners, L.P. Common Units and 35 percent in cash, based on the value of a Common Unit, upon retirement or termination of service. In the case of a change in control of the Partnership, the Phantom Units and distribution equivalents will be paid in cash based on the fair market value of the Partnership's Common Units on the date of the change in control. The amounts shown in column (c) above represent the grant date fair value of the awards of Phantom Units. The assumptions used in the calculation of the amounts shown are included in Note 2 and Note 11 to our audited consolidated financial statements for Fiscal 2012. For the number of Phantom Units credited to each Director's account as of September 30, 2012, see Securities Ownership of certain beneficial owners and management and related security holder matters -

Beneficial Ownership of Partnership Common Units by the Directors and Named Executive Officers of the General Partner.

Following Mr. Greenberg's previously announced retirement as Chief Executive Officer of UGI Corporation in the spring of 2013, Mr. Greenberg will serve as Non-Executive Chairman of the General Partner's Board of Directors. In consideration for Mr. Greenberg's service as Non-Executive Chairman, the General Partner's Board of Directors approved an annual retainer, pro-rated for the number of months Mr. Greenberg serves as Non-Executive Chairman during Fiscal 2013, of $200,000. Mr. Greenberg will not receive any equity compensation for his service as Non-Executive Chairman.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SECURITY HOLDER MATTERS

Ownership of Limited Partnership Units by Certain Beneficial Owners

The following table sets forth certain information regarding each person known by the General Partner to have been the beneficial owner of more than 5 percent of the Partnership's voting securities representing limited partner interests as of October 1, 2012. AmeriGas Propane, Inc. is the sole general partner of the Partnership.

Title of Class	Name and Address (1) of Beneficial Owner	Amount and Nature of Beneficial Ownership of Partnership Units	Percent of Class
Common Units	UGI Corporation	23,756,882[(2)]	26%
	AmeriGas, Inc.	23,756,882[(3)]	26%
	AmeriGas Propane, Inc.	23,756,882[(4)]	26%
	Petrolane Incorporated	6,905,584[(4)]	7%
	Energy Transfer Partners, L.P.	29,567,362	32%

(1) The address of each of UGI and the General Partner is 460 North Gulph Road, King of Prussia, PA 19406. The address of each of AmeriGas, Inc. and Petrolane Incorporated ("Petrolane") is 2525 N. 12th Street, Suite 360, Reading, PA 19612. The address of Energy Transfer Partners, L.P. is 3738 Oak Lawn Avenue, Dallas, Texas 75219.

(2) Based on the number of units held by its indirect, wholly-owned subsidiaries, Petrolane and AmeriGas Propane, Inc.

(3) Based on the number of units held by its direct and indirect, wholly-owned subsidiaries, AmeriGas Propane, Inc. and Petrolane.

(4) AmeriGas Propane, Inc.'s beneficial ownership includes 6,905,584 Common Units held by its subsidiary, Petrolane. Beneficial ownership of those Common Units is shared with UGI and AmeriGas, Inc.

Ownership of Partnership Common Units by the Directors and Named Executive Officers of the General Partner

The table below sets forth, as of October 1, 2012, the beneficial ownership of Partnership Common Units by each director and each of the named executive officers, as well as by the directors and all of the executive officers of the General Partner as a group. No director, named executive officer or executive officer beneficially owns 1 percent or more of the Partnership's Common Units. The total number of Common Units beneficially owned by the directors and executive officers of the General Partner as a group represents less than 1 percent of the Partnership's outstanding Common Units.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership of Partnership Common Units (1)	Number of AmeriGas Partners Phantom Units (10)
J. E. Sheridan	19,244 (2)	0
J. S. Iannarelli	5,027	0
L. R. Greenberg	15,000	0
J. L. Walsh	7,000 (3)	0
R. P. Grady	3,072 (4)	0
E. V. N. Bissell	60,800 (5)	0
S. D. Ban	0	1,579
W. J. Marrazzo	1,000 (6)	1,579
G. A. Pratt	1,000	1,579
M. O. Schlanger	1,000 (7)	1,579
H. B. Stoeckel	13,000 (8)	1,579
K. R. Turner	4,000 (9)	500
Directors and executive officers as a group (19 persons)	176,204	8,395

(1) Sole voting and investment power unless otherwise specified.

(2) Mr. Sheridan's Units are held jointly with his spouse.

(3) Mr. Walsh's Units are held jointly with his spouse.

(4) Mr. Grady's Units are held jointly with his spouse.

(5) Mr. Bissell's Units are held jointly with his spouse.

(6) Mr. Marrazzo's Units are held jointly with his spouse.

(7) The Units shown are owned by Mr. Schlanger's spouse. Mr. Schlanger disclaims beneficial ownership of his spouse's Units.

(8) Mr. Stoeckel's Units are held jointly with his spouse.

(9) The Turner Family Partnership holds 1,000 of Mr. Turner's Units and Mr. Turner disclaims beneficial ownership of these Units, except to the extent of his interest as the general partner of the Turner Family Partnership.

(10) The 2010 Plan provides that Phantom Units will be converted to AmeriGas Partners Common Units and paid out to Directors upon termination of service.

The General Partner is a wholly owned subsidiary of AmeriGas, Inc. which is a wholly owned subsidiary of UGI. The table below sets forth, as of October 1, 2012, the beneficial ownership of UGI Common Stock by each director and each of the named executive officers, as well as by the directors and the executive officers of the General Partner as a group. Including the number of shares of stock underlying exercisable options, Mr. Greenberg is the beneficial owner of approximately 1.8 percent of UGI's Common Stock. All other directors and executive officers own less than 1 percent of UGI's outstanding shares. The total number of shares beneficially owned by the directors and executive officers as a group (including 2,978,777 shares subject to exercisable options and stock units held by directors under the 2004 plan) represents approximately 3.3 percent of UGI's outstanding shares.

Name of Beneficial Owner	Number of UGI Shares and Stock Units and Nature of Beneficial Ownership Excluding UGI Stock Options (1) (9)	Number of Exercisable UGI Stock Options
J. E. Sheridan	1,237 [2]	112,777
J. S. Iannarelli	1,179 [2]	26,833
L. R. Greenberg	345,060 [3]	1,645,000
J. L. Walsh	144,458 [4]	560,000
R. P. Grady	4,788 [5]	0
E. V. N. Bissell	67,297 [6]	220,000
S. D. Ban	84,706 [7]	76,500
W. J. Marrazzo	0	0
G. A. Pratt	0	0
M. O. Schlanger	67,387 [8]	76,500
H. B. Stoeckel	0	0
K. R. Turner	0	0
Directors and executive officers as a group (19 persons)	758,567	2,978,777

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(1) Sole voting and investment power unless otherwise specified.

(2) Messrs. Iannarelli and Sheridan each hold these shares in their respective 401(k) Savings Plan.

(3) Mr. Greenberg holds 218,474 shares jointly with his spouse and 66,977 shares in a charitable trust for which Mr. Greenberg and his spouse are co-trustees.

(4) Mr. Walsh holds these shares jointly with his spouse.

(5) Mr. Grady holds these shares jointly with his spouse.

(6) Mr. Bissell holds these shares jointly with his spouse.

(7) Dr. Ban's shares are held in a revocable trust and his stock units are held jointly with his spouse.

(8) Includes 2,000 shares owned by Mr. Schlanger's spouse. Mr. Schlanger disclaims beneficial ownership of his spouse's shares.

(9) Included in the number of shares shown are Stock Units ("Units") under the 2004 Plan. Each Unit will be paid out to the director upon retirement or termination of service from the UGI Board of Directors in the form of shares of UGI Common Stock (65 percent) and cash (35 percent). The number of Units included for the directors is as follows: Dr. Ban - 68,210 and Mr. Schlanger - 57,663.

Equity Compensation Plan Information

The following table sets forth information as of the end of Fiscal 2012 with respect to compensation plans under which equity securities of the Partnership are authorized for issuance.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)(2)	269,871	0	2,517,419(2)
Equity compensation plans not approved by security holders	0	0	0
Total	269,871	0	

(1) The AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan and the AmeriGas Propane, Inc. Discretionary Long-Term Incentive Plan for Non-Executive Key Employees were approved pursuant to Section 6.4 of the Partnership Agreement.

(2) The sole plan with securities remaining for future issuance is the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. ("2010 Plan"). The 2010 Plan was approved by security holders on July 30, 2010.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We do not have any employees. We are managed by our General Partner. Pursuant to the Partnership Agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. For information regarding our related person transactions in general, please read Note 13 to Consolidated Financial Statements included under Item 8 of this Report. The information summarizes our business relationships and related transactions with our General Partner and its affiliates, including UGI, during Fiscal 2012.

Interests of the General Partner in the Partnership

We make quarterly cash distributions of all of our Available Cash, generally defined as all cash on hand at the end of such quarter, plus all additional cash on hand as of the date of determination resulting from borrowings subsequent to the end of such quarter, less the amount of cash reserves established by the General Partner in its reasonable discretion for future cash requirements. According to the Partnership Agreement, the General Partner receives cash distributions as follows:

Distributions of Available Cash are made 98% to limited partners and 2% to the General Partner (giving effect to the 1.01% interest of the General Partner in distributions of Available Cash from AmeriGas OLP to the Partnership) until Available Cash exceeds the Minimum Quarterly Distribution of $0.55 and the First Target Distribution of $0.055 per Common Unit (or a total of $0.605 per Common Unit). When Available Cash exceeds $0.605 per Common Unit in any quarter, the General Partner will receive a greater percentage of the total Partnership distribution but only with respect to the amount by which the distribution per Common Unit to limited partners exceeds $0.605.

Related Person Transactions

The General Partner employs persons responsible for managing and operating the Partnership. The Partnership reimburses the General Partner for the direct and indirect costs of providing these services, including all compensation and benefit costs. For Fiscal 2012, these costs totaled approximately $374.9 million.

The Partnership and the General Partner also have extensive, ongoing relationships with UGI and its affiliates. UGI performs certain financial and administrative services for the General Partner on behalf of the Partnership. UGI does not receive

a fee for such services, but is reimbursed for all direct and indirect expenses incurred in connection with providing these services, including all compensation and benefit costs in accordance with an allocation formula. A wholly owned subsidiary of UGI provides the Partnership with automobile liability insurance with limits of $0.5 million per occurrence and, in the aggregate, $1.0 million in excess of the deductible, and stop loss medical coverage per occurrence in excess of $0.3 million per employee per year. Another wholly owned subsidiary of UGI leases office space to the General Partner for its headquarters staff. The Partnership is also covered by UGI master insurance policies that generally provide excess liability, property and other standard insurance coverages. In general, the coverage afforded by the UGI master policies is shared with other UGI operating subsidiaries. As discussed under "Business-Trade Names, Trade and Service Marks," UGI and the General Partner have licensed the trade names "AmeriGas" and "America's Propane Company" and the related service marks and trademark to the Partnership on a royalty-free basis in the U.S. The Partnership obtains management information services from the General Partner, and reimburses the General Partner for its direct and indirect expenses related to those services. For Fiscal 2012, the Partnership paid approximately $13.9 million for the services referred to in this paragraph.

AmeriGas OLP purchases propane from UGI Energy Services, Inc. and its subsidiaries ("Energy Services"), which are affiliates of UGI. Purchases of propane by AmeriGas OLP from Energy Services totaled approximately $0.4 million during Fiscal 2012. Amounts due to Energy Services at September 30, 2012 were not material.

The Partnership sold propane to certain affiliates of UGI which totaled approximately $1.4 million in Fiscal 2012. The highest amounts due from affiliates of the Partnership during Fiscal 2012 and at November 1, 2012 were $1.5 million and $1.2 million, respectively.

Policies Regarding Transactions with Related Persons

The Partnership Agreement, the Audit Committee Charter and the Codes of Conduct set forth policies and procedures for the review and approval of certain transactions with persons affiliated with the Partnership.

Pursuant to the Audit Committee Charter, the Audit Committee has responsibility to review, and if acceptable, approve any transactions involving the Partnership or the General Partner in which a director or executive officer has a material interest. The Audit Committee also has authority to review and approve any transaction involving a potential conflict of interest between the General Partner and any of its affiliates, on the one hand, or the Partnership or any partner or assignee, on the other hand, based on the provisions of the Partnership Agreement for determining that a transaction is fair and reasonable to the Partnership. Such determinations are made at the request of the General Partner. In addition, the Audit Committee conducts an annual review of all "related person transactions," as defined by applicable rules of the SEC.

Director Independence

For a discussion of director independence, see Item 10 "Directors, Executive Officers and Corporate Governance - Director Independence."

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed by PricewaterhouseCoopers LLP, the Partnership's independent registered public accounting firm, in Fiscal 2012 and Fiscal 2011 were as follows:

	2012	2011
Audit Fees(1)	$ 1,942,500	$ 1,087,500
Audit-Related Fees	35,000	0
Tax Fees(2)	625,000	600,000
All Other Fees	0	0
Total Fees for Services Provided	**$ 2,602,500**	**$ 1,687,500**

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(1) Audit Fees were for audit services, including (i) the annual audit of the consolidated financial statements of the Partnership (including Heritage Propane), (ii) subsidiary audits, (iii) review of the interim financial statements included in the Quarterly Reports on Form 10-Q of the Partnership, and (iv) services that only the independent registered public accounting firm can reasonably be expected to provide, such as services associated with SEC registration statements, and documents issued in connection with securities offerings.

(2) Tax Fees were for the preparation of Substitute Schedule K-1 forms for unitholders of the Partnership.

In the course of its meetings, the Audit Committee considered whether the provision by PricewaterhouseCoopers LLP of the professional services described under "Tax Fees" was compatible with PricewaterhouseCoopers LLP's independence. The Committee concluded that the independent auditor is independent from the Partnership and its management.

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the Partnership's independent accountants. In recognition of this responsibility, the Audit Committee has a policy of pre-approving all audit and permissible non-audit services provided by the independent accountants.

Prior to engagement of the Partnership's independent accountants for the next year's audit, management submits to the Audit Committee for approval a list of services expected to be rendered during that year and fees related thereto for approval.

PART IV:

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) **Documents filed as part of this report:**

(1) **Financial Statements:**

Included under Item 8 are the following financial statements and supplementary data:

Management's Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of September 30, 2012 and 2011

Consolidated Statements of Operations for the years ended September 30, 2012, 2011 and 2010

Consolidated Statements of Comprehensive Income for the years ended September 30, 2012, 2011 and 2010

Consolidated Statements of Cash Flows for the years ended September 30, 2012, 2011 and 2010

Consolidated Statements of Partners' Capital for the years ended September 30, 2012, 2011 and 2010

Notes to Consolidated Financial Statements

Quarterly Data for the years ended September 30, 2012 and 2011

(2) **Financial Statement Schedules:**

I — Condensed Financial Information of Registrant (Parent Company)

II — Valuation and Qualifying Accounts for the years ended September 30, 2012, 2011 and 2010

We have omitted all other financial statement schedules because the required information is (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or notes thereto contained in this report.

(3) **List of Exhibits:**

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

		Incorporation by Reference		
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
1.1	Underwriting Agreement, dated January 5, 2012, by and among the Partnership, the Issuers, AmeriGas Propane, Inc., AmeriGas Propane L.P., Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as representatives of the several underwriters named therein.	AmeriGas Partners, L.P.	Form 8-K (1/5/2012)	1.1
1.2	Underwriting Agreement, dated March 15, 2012, by and among the Partnership, AmeriGas Propane, Inc., AmeriGas Propane, L.P., Wells Fargo Securities, LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC, as representatives of the several underwriters named therein.	AmeriGas Partners, L.P.	Form 8-K (3/15/2012)	1.1
2.1	Merger and Contribution Agreement among AmeriGas Partners, L.P., AmeriGas Propane, L.P., New AmeriGas Propane, Inc., AmeriGas Propane, Inc., AmeriGas Propane-2, Inc., Cal Gas Corporation of America, Propane Transport, Inc. and NORCO Transportation Company	AmeriGas Partners, L.P.	Registration Statement on Form S-4 (No. 33-92734)	10.21

Incorporation by Reference				
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
2.2	Conveyance and Contribution Agreement among AmeriGas Partners, L.P., AmeriGas Propane, L.P. and Petrolane Incorporated	AmeriGas Partners, L.P.	Registration Statement on Form S-4 (No. 33-92734)	10.22
2.3	Contribution and Redemption Agreement, dated October 15, 2011, by and among AmeriGas Partners, L.P., Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P. and Heritage ETC, L.P.	AmeriGas Partners, L.P.	Form 8-K (10/15/11)	2.1
2.4	Amendment No. 1, dated as of December 1, 2011, to the Contribution and Redemption Agreement, dated as of October 15, 2011, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P.	AmeriGas Partners, L.P.	Form 8-K (12/1/11)	2.1
2.5	Amendment No. 2, dated as of January 11, 2012, to the Contribution and Redemption Agreement, dated as of October 15, 2012, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	2.1
2.6	Letter Agreement, dated as of January 11, 2012, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	2.1
3.1	Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. dated as of July 27, 2009	AmeriGas Partners, L.P.	Form 10-Q (6/30/09)	3.1
3.2	Amendment No. 1 to Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. dated as of March 13, 2012.	AmeriGas Partners, L.P.	Form 8-K (3/14/12)	3.1
3.3	Second Amended and Restated Agreement of Limited Partnership of AmeriGas Propane, L.P. dated as of December 1, 2004	AmeriGas Partners, L.P.	Form 10-K (9/30/04)	3.1(a)
4.1	Instruments defining the rights of security holders, including indentures. (The Partnership agrees to furnish to the Commission upon request a copy of any instrument defining the rights of holders of long-term debt not required to be filed pursuant to Item 601(b)(4) of Regulation S-K)			
4.2	Indenture, dated as of January 20, 2011, by and among AmeriGas Partners, L.P., AmeriGas Finance Corp. and U.S. Bank National Association, as trustee	AmeriGas Partners, L.P.	Form 10-Q (12/31/10)	4.1
4.3	First Supplemental Indenture, dated as of January 20, 2011, to Indenture dated as of January 20, 2011, by and among AmeriGas Partners, L.P., AmeriGas Finance Corp. and U.S. Bank National Association, as trustee	AmeriGas Partners, L.P.	Form 8-K (1/19/11)	4.1
4.4	Second Supplemental Indenture, dated as of August 10, 2011, to Indenture dated as of January 20, 2011, by and among AmeriGas Partners, L.P., AmeriGas Finance Corp. and U.S. Bank National Association, as trustee	AmeriGas Partners, L.P.	Form 8-K (8/10/11)	4.1
4.5	Indenture, dated as of January 12, 2012, among AmeriGas Finance Corp., AmeriGas Finance LLC, AmeriGas Partners, L.P., as guarantor, and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 8-K (1/12/12)	4.1
4.6	First Supplemental Indenture, dated as of January 12, 2012, among AmeriGas Finance Corp., AmeriGas Finance LLC, AmeriGas Partners, L.P., as guarantor, and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 8-K (1/12/12)	4.2

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
	Incorporation by Reference			
10.1**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006	UGI	Form 8-K (2/27/07)	10.1
10.2**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 - Terms and Conditions as amended and restated effective July 30, 2012.	UGI	Form 10-K (9/30/11)	10.2
10.3**	UGI Corporation 1997 Stock Option and Dividend Equivalent Plan Amended and Restated as of May 24, 2005	UGI	Form 10-K (9/30/10)	10.7
10.4**	UGI Corporation 2000 Stock Incentive Plan Amended and Restated as of May 24, 2005	UGI	Form 10-K (9/30/06)	10.14
10.5**	UGI Corporation 2009 Deferral Plan As Amended and Restated Effective June 1, 2010	UGI	Form 10-Q (6/30/10)	10.1
10.6**	UGI Corporation Senior Executive Employee Severance Plan as in effect as of January 1, 2008	UGI	Form 10-Q (3/31/08)	10.1
10.7**	UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan, as Amended and Restated effective January 1, 2009	UGI	Form 10-K (9/30/09)	10.11
10.8**	Amendment 2009-1 to the UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan as Amended and Restated effective January 1, 2009	UGI	Form 10-Q (12/31/09)	10.1
10.9**	UGI Corporation 2009 Supplemental Executive Retirement Plan For New Employees as Amended and Restated as of October 1, 2010	UGI	Form 10-Q (12/31/09)	10.2
10.10**	UGI Corporation Executive Annual Bonus Plan effective as of October 1, 2006	UGI	Form 10-K (9/30/07)	10.8
10.11**	AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., as Amended and Restated effective January 1, 2005	AmeriGas Partners, L.P.	Form 10-K (9/30/08)	10.7
10.12**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. effective July 30, 2010	AmeriGas Partners, L.P.	Form 8-K (7/30/10)	10.2
10.13**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. effective July 30, 2010 - Terms and Conditions	AmeriGas Partners, L.P.	Form 10-K (9/30/10)	10.10
10.14**	AmeriGas Propane, Inc. Non-Qualified Deferred Compensation Plan, as Amended and Restated effective January 1, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.5
10.15**	AmeriGas Propane, Inc. Senior Executive Employee Severance Plan, as in effect January 1, 2008	AmeriGas Partners, L.P.	Form 10-K (9/30/09)	10.12
10.16**	AmeriGas Propane, Inc. Executive Employee Severance Plan, as in effect January 1, 2008	AmeriGas Partners, L.P.	Form 10-K (9/30/08)	10.4
10.17**	AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as Amended and Restated effective January 1, 2009	AmeriGas Partners, L.P.	Form 10-Q (12/31/09)	10.1
10.18**	AmeriGas Propane, Inc. Executive Annual Bonus Plan, effective as of October 1, 2006	AmeriGas Partners, L.P.	Form 10-K (9/30/07)	10.19
10.19**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Mr. Grady dated January 17, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.9

	Incorporation by Reference			
Exhibit No.	**Exhibit**	**Registrant**	**Filing**	**Exhibit**
10.20**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter for Mr. Grady dated as of January 17, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.7
10.21**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter for Mr. Grady dated January 17, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.8
10.22**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. Performance Unit Grant Letter for Employees dated January 1, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.11
10.23**	UGI Corporation 2004 Omnibus Equity Compensation Plan Stock Unit Grant Letter for Non Employee Directors, dated January 9, 2012.	UGI	Form 10-Q (3/31/12)	10.16
10.24**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Non Employee Directors, dated January 9, 2012.	UGI	Form 10-Q (3/31/12)	10.10
10.25**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for UGI Employees, dated January 1, 2012.	UGI	Form 10-Q (3/31/12)	10.11
10.26**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for AmeriGas Employees, dated January 1, 2012.	UGI	Form 10-Q (3/31/12)	10.12
10.27**	UGI Corporation 2004 Omnibus Equity Compensation Plan Performance Unit Grant Letter for UGI Employees, dated January 1, 2012.	UGI	Form 10-Q (3/31/12)	10.14
10.28**	Description of oral compensation arrangements for Messrs. Greenberg and Walsh	UGI	Form 10-K (9/30/12)	10.37
*10.29**	Description of oral compensation arrangement for Messrs. Jerry E. Sheridan, John S. Iannarelli and R. Paul Grady			
10.30**	AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., as amended and restated effective January 1, 2005, Restricted Unit Grant Letter dated as of December 31, 2009	AmeriGas Partners, L.P.	Form 10-Q (3/31/10)	10.2
*10.31**	Summary of Director Compensation of AmeriGas Propane, Inc. dated October 1, 2012.			
10.32**	Form of Change in Control Agreement Amended and Restated as of May 12, 2008 for Messrs. Greenberg and Walsh.	UGI	Form 10-Q (6/30/08)	10.3
10.33**	Change in Control Agreement for Mr. Sheridan Amended and Restated as of March 3, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.6
10.34**	Change in Control Agreement for R. Paul Grady dated as of January 12, 2012.	AmeriGas Partners, L.P.	Form 10-Q (6/30/12)	10.1
10.35**	Form of Change in Control Agreement for Mr. Iannarelli dated May 9, 2011	AmeriGas Partners, L.P.	Form 10-Q (6/30/11)	10.1
10.36**	Form of Confidentiality and Post-Employment Activities Agreement with AmeriGas Propane, Inc. for Messrs. Iannarelli, Grady and Sheridan.	AmeriGas Partners, L.P.	Form 10-K (9/30/09)	10.29
10.37	Trademark License Agreement dated April 19, 1995 among UGI Corporation, AmeriGas, Inc., AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.	UGI	Form 10-K (9/30/10)	10.37

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
	Incorporation by Reference			
10.38	Trademark License Agreement, dated April 19, 1995 among AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.	AmeriGas Partners, L.P.	Form 10-Q (12/31/10)	10.1
*10.39	Credit Agreement dated as of June 21, 2011, as amended through and including Amendment No. 4 thereto dated April 18, 2012, by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as a Guarantor, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender ("Agent"), Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Book Manager and the financial institutions from time to time party thereto.			
10.40	Release of Liens and Termination of Security Documents dated as of November 6, 2006 by and among AmeriGas Propane, Inc., Petrolane Incorporated, AmeriGas Propane, L.P., AmeriGas Propane Parts & Service, Inc. and Wachovia Bank, National Association, as Collateral Agent for the Secured Creditors, pursuant to the Intercreditor and Agency Agreement dated as of April 19, 1995	AmeriGas Partners, L.P.	Form 10-K (9/30/06)	10.3
10.41	Contingent Residential Support Agreement dated as of January 12, 2012, among Energy Transfer Partners, L.P., AmeriGas Finance LLC, AmeriGas Finance Corp., AmeriGas Partners, L.P., and for certain limited purposes only, UGI Corporation.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	10.1
10.42	Unitholder Agreement, dated as of January 12, 2012, by and among Heritage ETC, L.P., AmeriGas Partners, L.P., and, for limited purposes, Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., and Energy Transfer Equity, L.P.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	10.2
14	Code of Ethics for principal executive, financial and accounting officers	UGI	Form 10-K (9/30/03)	14
*21	Subsidiaries of the Registrant			
*23	Consent of PricewaterhouseCoopers LLP			
*31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2012 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
*31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2012 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
*32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2012, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
*99	UGI Corporation Equity-Based Compensation Information			
*101.INS***	XBRL Instance			
*101.SCH***	XBRL Taxonomy Extension Schema			
*101.CAL***	XBRL Taxonomy Extension Calculation Linkbase			
*101.DEF***	XBRL Taxonomy Extension Definition Linkbase			
*101.LAB***	XBRL Taxonomy Extension Labels Linkbase			

Exhibit No.	Exhibit	Incorporation by Reference Registrant	Filing	Exhibit
*101.PRE***	XBRL Taxonomy Extension Presentation Linkbase			

* Filed herewith.

** As required by Item 14(a)(3), this exhibit is identified as a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERIGAS PARTNERS, L.P.

By: AmeriGas Propane, Inc.,
Its General Partner

Date: November 20, 2012

By: /s/ John S. Iannarelli
John S. Iannarelli
Vice President — Finance and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on November 20, 2012, by the following persons on behalf of the Registrant in the capacities indicated.

Signature	Title
/s/ Jerry E. Sheridan Jerry E. Sheridan	President and Chief Executive Officer (Principal Executive Officer) and Director
/s/ Lon R. Greenberg Lon R. Greenberg	Chairman and Director
/s/ John L. Walsh John L. Walsh	Vice Chairman and Director
/s/ John S. Iannarelli John S. Iannarelli	Vice President — Finance and Chief Financial Officer (Principal Financial Officer)
/s/ William J. Stanczak William J. Stanczak	Controller and Chief Accounting Officer (Principal Accounting Officer)
/s/ R. Paul Grady R. Paul Grady	Vice President and Chief Operating Officer
/s/ Stephen D. Ban Stephen D. Ban	Director
/s/ William J. Marrazzo William J. Marrazzo	Director
/s/ Gregory A. Pratt Gregory A. Pratt	Director
/s/ Marvin O. Schlanger Marvin O. Schlanger	Director
/s/ Howard B. Stoeckel Howard B. Stoeckel	Director
/s/ K. Richard Turner K. Richard Turner	Director

AMERIGAS PARTNERS, L.P.

FINANCIAL INFORMATION

FOR INCLUSION IN ANNUAL REPORT ON FORM 10-K

YEAR ENDED SEPTEMBER 30, 2012

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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Financial Statements Schedules:	
For the years ended September 30, 2012, 2011 and 2010:	
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We have omitted all other financial statement schedules because the required information is either (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or related notes.

General Partner's Report

Financial Statements

The Partnership's consolidated financial statements and other financial information contained in this Annual Report are prepared by the management of the General Partner, AmeriGas Propane, Inc., which is responsible for their fairness, integrity and objectivity. The consolidated financial statements and related information were prepared in accordance with accounting principles generally accepted in the United States of America and include amounts that are based on management's best judgments and estimates.

The Audit Committee of the Board of Directors of the General Partner is composed of three members, none of whom is an employee of the General Partner. This Committee is responsible for overseeing the financial reporting process and the adequacy of controls, and for monitoring the independence and performance of the Partnership's independent registered public accounting firm and internal auditors. The Committee is also responsible for maintaining direct channels of communication among the Board of Directors, management and both the independent registered public accounting firm and internal auditors.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, is engaged to perform audits of our consolidated financial statements. These audits are performed in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our independent registered public accounting firm was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and committees of the Board. The Partnership believes that all representations made to the independent registered public accounting firm during their audits were valid and appropriate.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Partnership. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002, management has conducted an assessment, including testing, of the Partnership's internal control over financial reporting using the criteria in *Internal Control — Integrated Framework,* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework").

Internal control over financial reporting refers to the process designed under the supervision and participation of management including our Chief Executive Officer and Chief Financial Officer, to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes policies and procedures that, among other things, provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of reliable financial information. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changing conditions, or the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment, management has concluded that the Partnership's internal control over financial reporting was effective as of September 30, 2012, based on the COSO Framework. PricewaterhouseCoopers LLP, our independent registered public accounting firm, audited the effectiveness of the Partnership's internal control over financial reporting as of September 30, 2012, as stated in their report, which appears herein.

/s/ Jerry E. Sheridan
Chief Executive Officer

/s/ John S. Iannarelli
Chief Financial Officer

/s/ William J. Stanczak
Chief Accounting Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors of AmeriGas Propane, Inc. and the
Partners of AmeriGas Partners, L.P.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of partners' capital and of cash flows present fairly, in all material respects, the financial position of AmeriGas Partners, L.P. and its subsidiaries at September 30, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2012 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15 (a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of September 30, 2012 based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Partnership's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Partnership's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 20, 2012

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)

	September 30, 2012	September 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 60,102	$ 8,632
Accounts receivable (less allowances for doubtful accounts of $17,217 and $17,181, respectively)	266,677	233,335
Accounts receivable — related parties	970	1,299
Inventories	163,746	135,815
Derivative financial instruments	1,478	864
Prepaid expenses and other current assets	30,395	13,874
Total current assets	523,368	393,819
Property, plant and equipment (less accumulated depreciation and amortization of $1,075,528 and $943,127, respectively)	1,499,225	645,755
Goodwill	1,914,808	691,910
Intangible assets	535,996	41,542
Other assets	43,934	22,709
Total assets	$ 4,517,331	$ 1,795,735
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Current maturities of long-term debt	$ 30,706	$ 4,664
Bank loans	49,900	95,500
Accounts payable — trade	170,424	158,554
Accounts payable — related parties	2,012	62
Employee compensation and benefits accrued	48,894	29,433
Interest accrued	49,714	15,458
Customer deposits and advances	167,614	74,979
Derivative financial instruments	42,347	7,248
Other current liabilities	109,234	65,095
Total current liabilities	670,845	450,993
Long-term debt	2,297,363	928,858
Other noncurrent liabilities	80,563	64,405
Total liabilities	3,048,771	1,444,256
Commitments and contingencies (Note 12)		
Partners' capital:		
AmeriGas Partners, L.P. partners' capital:		
Common unitholders (units issued — 92,801,347 and 57,124,296, respectively)	1,455,702	340,180
General partner	16,975	3,436
Accumulated other comprehensive loss	(43,569)	(4,960)
Total AmeriGas Partners, L.P. partners' capital	1,429,108	338,656
Noncontrolling interests	39,452	12,823
Total partners' capital	1,468,560	351,479
Total liabilities and partners' capital	$ 4,517,331	$ 1,795,735

See accompanying notes to consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	Year Ended September 30,		
	2012	2011	2010
Revenues:			
Propane	$ 2,677,631	$ 2,360,439	$ 2,158,800
Other	243,985	177,520	161,542
	2,921,616	2,537,959	2,320,342
Costs and expenses:			
Cost of sales — propane (excluding depreciation shown below)	1,642,658	1,546,161	1,340,615
Cost of sales — other (excluding depreciation shown below)	77,071	59,126	54,456
Operating and administrative expenses	888,693	620,576	609,710
Depreciation	134,225	82,977	79,679
Amortization	34,898	11,733	7,721
Other income, net	(26,521)	(25,563)	(7,704)
	2,751,024	2,295,010	2,084,477
Operating income	170,592	242,949	235,865
Loss on extinguishments of debt	(13,349)	(38,117)	—
Interest expense	(142,641)	(63,518)	(65,106)
Income before income taxes	14,602	141,314	170,759
Income tax expense	(1,931)	(390)	(3,265)
Net income	12,671	140,924	167,494
Less: net income attributable to noncontrolling interests	(1,646)	(2,401)	(2,281)
Net income attributable to AmeriGas Partners, L.P.	$ 11,025	$ 138,523	$ 165,213
General partner's interest in net income attributable to AmeriGas Partners, L.P.	$ 13,119	$ 6,422	$ 4,691
Limited partners' interest in net income attributable to AmeriGas Partners, L.P.	$ (2,094)	$ 132,101	$ 160,522
(Loss) income per limited partner unit — basic (Note 2)	$ (0.11)	$ 2.30	$ 2.80
(Loss) income per limited partner unit — diluted (Note 2)	$ (0.11)	$ 2.30	$ 2.80
Average limited partner units outstanding (thousands):			
Basic	81,433	57,119	57,076
Diluted	81,433	57,170	57,123

See accompanying notes to consolidated financial statements.

AMERIGAS PARTNERS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Thousands of dollars)

	Year Ended September 30,		
	2012	2011	2010
Net income	$ 12,671	$ 140,924	$ 167,494
Net (losses) gains on derivative instruments	(86,573)	22,275	37,568
Reclassifications of net losses (gains) on derivative instruments	47,569	(32,243)	(25,629)
Comprehensive (loss) income	(26,333)	130,956	179,433
Less: comprehensive income attributable to noncontrolling interests	(1,251)	(2,270)	(2,396)
Comprehensive (loss) income attributable to AmeriGas Partners, L.P.	$ (27,584)	$ 128,686	$ 177,037

See accompanying notes to consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)

	Year Ended September 30,		
	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 12,671	$ 140,924	$ 167,494
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	169,123	94,710	87,400
Provision for uncollectible accounts	15,088	12,807	12,459
Loss on extinguishments of debt	13,349	38,117	—
Other, net	1,019	(2,812)	2,146
Net change in:			
Accounts receivable	78,703	(65,578)	(47,865)
Inventories	53,061	(20,532)	(24,600)
Accounts payable	(34,577)	25,690	15,637
Other current assets	11,863	2,912	(4,378)
Other current liabilities	24,129	(37,387)	10,523
Net cash provided by operating activities	344,429	188,851	218,816
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditures for property, plant and equipment	(103,140)	(77,228)	(83,170)
Proceeds from disposals of assets	8,082	5,131	2,586
Acquisitions of businesses, net of cash acquired	(1,425,002)	(34,032)	(34,345)
Net cash used by investing activities	(1,520,060)	(106,129)	(114,929)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions	(271,839)	(171,821)	(161,626)
Proceeds from issuance of Common Units	276,562	—	—
Noncontrolling interest activity	(2,979)	(1,485)	(2,224)
(Decrease) increase in bank loans	(45,600)	4,500	91,000
Issuance of long-term debt	1,524,174	904,332	—
Repayment of long-term debt	(256,992)	(817,976)	(83,107)
Proceeds associated with equity based compensation plans, net of tax withheld	951	616	566
Capital contributions from General Partner	2,824	18	17
Net cash provided (used) by financing activities	1,227,101	(81,816)	(155,374)
Cash and cash equivalents increase (decrease)	$ 51,470	$ 906	$ (51,487)
CASH AND CASH EQUIVALENTS:			
End of year	$ 60,102	$ 8,632	$ 7,726
Beginning of year	8,632	7,726	59,213
Increase (decrease)	$ 51,470	$ 906	$ (51,487)
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest	$ 104,248	$ 66,269	$ 65,147

See accompanying notes to consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(Thousands of dollars, except unit data)

	Number of Common Units	Common	General partner	Accumulated other comprehensive income (loss)	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling Interests	Total partners' capital
Balance September 30, 2009	57,046,388	$ 367,708	$ 3,698	$ (6,947)	$ 364,459	$ 11,866	$ 376,325
Net income		160,522	4,691		165,213	2,281	167,494
Net losses on derivative instruments				37,189	37,189	379	37,568
Reclassification of net losses on derivative instruments				(25,365)	(25,365)	(264)	(25,629)
Distributions		(156,971)	(4,655)		(161,626)	(2,224)	(163,850)
Unit-based compensation expense		1,312			1,312		1,312
Common Units issued in connection with employee plans, net of tax withheld	42,121	(351)	17		(334)		(334)
Balance September 30, 2010	57,088,509	372,220	3,751	4,877	380,848	12,038	392,886
Net income		132,101	6,422		138,523	2,401	140,924
Net gains on derivative instruments				22,050	22,050	225	22,275
Reclassification of net gains on derivative instruments				(31,887)	(31,887)	(356)	(32,243)
Distributions		(165,066)	(6,755)		(171,821)	(2,272)	(174,093)
Unit-based compensation expense		1,497			1,497		1,497
Common Units issued in connection with employee plans, net of tax withheld	35,787	(572)	18		(554)	787	233
Balance September 30, 2011	57,124,296	340,180	3,436	(4,960)	338,656	12,823	351,479
Net income		(2,094)	13,119		11,025	1,646	12,671
Net losses on derivative instruments				(85,699)	(85,699)	(874)	(86,573)
Reclassification of net losses on derivative instruments				47,090	47,090	479	47,569
Distributions		(256,112)	(15,727)		(271,839)	(3,992)	(275,831)
Unit-based compensation expense		6,832			6,832		6,832
Common Units issued in connection with the Heritage Acquisition	29,567,362	1,132,628			1,132,628		1,132,628
General Partner contribution of Common Units to AmeriGas OLP in connection with the Heritage Acquisition	(635,667)	(28,357)			(28,357)	28,357	—
General Partner contribution of Common Units to AmeriGas Partners, L.P. in connection with the Heritage Acquisition	(298,660)	(13,323)	13,323				
Common Units issued in connection with public offering	7,000,000	276,562	2,800		279,362		279,362
General Partner contribution to AmeriGas Propane, L.P.						1,013	1,013
Common Units issued in connection with employee and director plans, net of tax withheld	44,016	(614)	24		(590)		(590)
Balance September 30, 2012	92,801,347	$ 1,455,702	$ 16,975	$ (43,569)	$ 1,429,108	$ 39,452	$ 1,468,560

See accompanying notes to consolidated financial statements.

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Note 1 — Nature of Operations

AmeriGas Partners, L.P. ("AmeriGas Partners") is a publicly traded limited partnership that conducts a national propane distribution business through its principal operating subsidiary AmeriGas Propane, L.P. ("AmeriGas OLP") and, as a result of the January 12, 2012, acquisition of Heritage Propane from Energy Transfer Partners, L.P. ("ETP") (see Note 4), also through AmeriGas OLP's principal operating subsidiaries Heritage Operating, L.P. ("HOLP") and Titan Propane LLC ("Titan LLC") through the date of Titan LLC's merger with and into AmeriGas OLP in August 2012 (the "Titan Merger"). AmeriGas OLP, HOLP, and Titan LLC (through the date of the Titan Merger) are collectively referred to herein as the "Operating Partnerships." AmeriGas Partners, AmeriGas OLP and HOLP are Delaware limited partnerships. AmeriGas Partners, the Operating Partnerships and all of their subsidiaries are collectively referred to herein as "the Partnership" or "we."

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

At September 30, 2012, AmeriGas Propane, Inc. (the "General Partner"), an indirect wholly owned subsidiary of UGI Corporation ("UGI"), held a 1% general partner interest in AmeriGas Partners and a 1.01% general partner interest in AmeriGas OLP. The General Partner and its wholly owned subsidiary, Petrolane Incorporated ("Petrolane," a predecessor company of the Partnership), also owned 23,756,882 AmeriGas Partners Common Units ("Common Units"). The remaining Common Units outstanding comprise 39,477,103 publicly held Common Units and 29,567,362 Common Units held by ETP as a result of the acquisition of Heritage Propane. The Common Units represent limited partner interests in AmeriGas Partners. AmeriGas Partners holds a 99% limited partner interest in AmeriGas OLP.

AmeriGas Partners and the Operating Partnerships have no employees. Employees of the General Partner conduct, direct and manage our operations. The General Partner is reimbursed monthly for all direct and indirect expenses it incurs on our behalf (see Note 13).

Note 2 — Significant Accounting Policies

Basis of Presentation. Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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.

Principles of Consolidation. The consolidated financial statements include the accounts of AmeriGas Partners and its majority-owned subsidiaries. We eliminate all significant intercompany accounts and transactions when we consolidate. We account for the General Partner's 1.01% interest in AmeriGas OLP as noncontrolling interest in the consolidated financial statements.

Finance Corps. AmeriGas Finance Corp., AP Eagle Finance Corp. and AmeriGas Finance LLC are 100%-owned finance subsidiaries of AmeriGas Partners. Their sole purpose is to serve as issuers or co-obligors for debt securities issued or guaranteed by AmeriGas Partners.

Fair Value Measurements. We apply fair value measurements to certain assets and liabilities, principally our commodity and interest rate derivative instruments. Fair value in GAAP is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Fair value is based upon assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and risks inherent in valuation techniques and inputs to valuations. This includes not only the credit standing of counterparties and credit enhancements but also the impact of our own nonperformance risk on our liabilities. Fair value measurements require that we assume that the transaction occurs in the principal market for the asset or liability or in the absence of a principal market, the most advantageous market for the asset or liability (the market for which the reporting entity would be able to maximize the amount received or minimize the amount paid). We evaluate the need for credit adjustments to our derivative instrument fair values in accordance with the requirements noted above. Such adjustments were not material to the fair values of our derivative instruments.

We use the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets and liabilities that we have the ability to access at the measurement date. We did not have any derivative financial instruments categorized as Level 1 at September 30, 2012 or 2011.
- Level 2 — Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 include non-exchange traded derivatives such as over-the-counter commodity price swap and option contracts and interest rate protection agreements.
- Level 3 — Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability. We did not have any derivative financial instruments categorized as Level 3 at September 30, 2012 or 2011.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs to measure fair value might fall into different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. See Note 15 for additional information on fair value measurements.

Derivative Instruments. We account for derivative instruments and hedging activities in accordance with guidance provided by the Financial Accounting Standards Board ("FASB") which requires that all derivative instruments be recognized as either assets or liabilities and measured at fair value. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is designated and qualifies for hedge accounting.

A substantial portion of our derivative financial instruments are designated and qualify as cash flow hedges. For cash flow hedges, changes in the fair value of the derivative financial instruments are recorded in accumulated other comprehensive income ("AOCI") or noncontrolling interests, to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. We discontinue cash flow hedge accounting if the occurrence of the forecasted transaction is determined to be no longer probable. Cash flows from derivative financial instruments are included in cash flows from operating activities.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and related supplemental information required by GAAP, see Note 16.

Revenue Recognition. Revenues from the sale of propane are recognized principally upon delivery. Revenues from the sale of appliances and equipment are recognized at the later of sale or installation. Revenues from repair or maintenance services are recognized upon completion of services. Revenues from annually billed fees are recorded on a straight-line basis over one year. We present revenue-related taxes collected from customers and remitted to taxing authorities, principally sales and use taxes, on a net basis.

Delivery Expenses. Expenses associated with the delivery of propane to customers (including vehicle expenses, expenses of delivery personnel, vehicle repair and maintenance and general liability expenses) are classified as operating and administrative expenses on the Consolidated Statements of Operations. Depreciation expense associated with delivery vehicles is classified in depreciation on the Consolidated Statements of Operations.

Income Taxes. AmeriGas Partners and the Operating Partnerships are not directly subject to federal income taxes. Instead, their taxable income or loss is allocated to their individual partners. The Operating Partnerships have corporate subsidiaries which are directly subject to federal and state income taxes. Accordingly, our consolidated financial statements reflect income taxes related to these corporate subsidiaries. Legislation in certain states allows for taxation of partnerships' income and the accompanying financial statements reflect state income taxes resulting from such legislation. Net income for financial statement purposes may differ significantly from taxable income reportable to unitholders. This is a result of (1) differences between the tax basis and financial reporting basis of assets and liabilities and (2) the taxable income allocation requirements of the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., as amended ("Partnership Agreement") and the Internal Revenue Code.

Comprehensive Income (Loss). Comprehensive income (loss) comprises net income and other comprehensive income (loss). Other comprehensive income (loss) results from gains and losses on derivative instruments qualifying as cash flow hedges.

Cash and Cash Equivalents. All highly liquid investments with maturities of three months or less when purchased are classified as cash equivalents.

Inventories. Our inventories are stated at the lower of cost or market. We determine cost using an average cost method for propane, specific identification for appliances and the first-in, first-out ("FIFO") method for all other inventories.

Property, Plant and Equipment and Related Depreciation. We record property, plant and equipment at cost. The amounts we assign to property, plant and equipment of acquired businesses are based upon estimated fair value at date of acquisition.

We compute depreciation expense on plant and equipment using the straight-line method over estimated service lives generally ranging from 15 to 40 years for buildings and improvements; 7 to 30 years for storage and customer tanks and cylinders; and 2 to 10 years for vehicles, equipment and office furniture and fixtures. Costs to install Partnership-owned tanks at customer locations, net of amounts billed to customers, are capitalized and depreciated over the estimated period of benefit not exceeding ten years.

We include in property, plant and equipment costs associated with computer software we develop or obtain for use in our business. We amortize computer software costs on a straight-line basis over expected periods of benefit not exceeding 10 years once the installed software is ready for its intended use.

No depreciation expense is included in cost of sales on the Consolidated Statements of Operations.

Goodwill and Intangible Assets. In accordance with GAAP relating to intangible assets, we amortize intangible assets over their estimated useful lives unless we determine their lives to be indefinite. We review identifiable intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that the associated carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. Intangible assets with indefinite lives are not amortized but are tested annually for impairment and written down to fair value as required.

We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is the operating segment, or a business one level below the operating segment (a component) if discrete financial information is prepared and regularly reviewed by segment management. We are required to recognize an impairment charge under GAAP if the carrying amount of the reporting unit exceeds its fair value and the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill. Fair value is estimated using a market value approach taking into account the market price of AmeriGas Partners Common Units. The Partnership adopted new accounting guidance regarding goodwill impairment during Fiscal 2012

which permits us, in certain circumstances, to perform a qualitative approach to determine if it is more likely than not that the carrying value of a reporting unit is greater than its fair value (see Note 3).

No provisions for goodwill or other intangible asset impairments were recorded during Fiscal 2012, Fiscal 2011 or Fiscal 2010. No amortization expense of intangible assets is included in cost of sales in the Consolidated Statements of Income. For further information, see Note 10.

Impairment of Long-Lived Assets. We evaluate the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We evaluate recoverability based upon undiscounted future cash flows expected to be generated by such assets. No provisions for impairments were recorded during Fiscal 2012, Fiscal 2011 or Fiscal 2010.

Deferred Debt Issuance Costs. Included in other assets are net deferred debt issuance costs of $37,020 and $17,751 at September 30, 2012 and 2011, respectively. We are amortizing these costs over the terms of the related debt. The increase in deferred debt issuance costs during Fiscal 2012 largely resulted from the Partnership's issuance of debt to fund the acquisition of Heritage Propane (see Notes 4 and 6).

Customer Deposits. We offer certain of our customers prepayment programs which require customers to pay a fixed periodic amount or to otherwise prepay a portion of their anticipated propane purchases. Customer prepayments, in excess of associated billings, are classified as customer deposits and advances on the Consolidated Balance Sheets.

Equity-Based Compensation. The General Partner may grant Common Unit awards (as further described in Note 11) to employees and non-employee Directors under its Common Unit plans, and employees of the General Partner may be granted stock options for UGI Common Stock. All of our equity-based compensation is measured at fair value on the grant date, date of modification or end of the period, as applicable, and recognized in earnings over the requisite service period. Depending upon the settlement terms of the awards, all or a portion of the fair value of equity-based awards may be presented as a liability or as equity in our Consolidated Balance Sheets. Equity-based compensation costs associated with the portion of Common Unit awards classified as equity are measured based upon their estimated fair value on the date of grant or modification. Equity-based compensation costs associated with the portion of Common Unit awards classified as liabilities are measured based upon their estimated fair value at the grant date and remeasured as of the end of each period. For a further description of our equity-based compensation plans and related disclosures, see Note 11.

Environmental Matters. We are subject to environmental laws and regulations intended to mitigate or remove the effect of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current or former operating sites.

Environmental reserves are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can reasonably be estimated. Amounts recorded as environmental liabilities on the balance sheets represent our best estimate of costs expected to be incurred or, if no best estimate can be made, the minimum liability associated with a range of expected environmental investigation and remediation costs. Our estimated liability for environmental contamination is reduced to reflect anticipated participation of other responsible parties but is not reduced for possible recovery from insurance carriers. We do not discount to present value the costs of future expenditures for environmental liabilities. At September 30, 2012, the Partnership's accrued liability for environmental investigation and cleanup costs was not material.

Allocation of Net Income. Net income attributable to AmeriGas Partners, L.P. for partners' capital and statement of operations presentation purposes is allocated to the General Partner and the limited partners in accordance with their respective ownership percentages after giving effect to amounts distributed to the General Partner in excess of its 1% general partner interest in AmeriGas Partners based on its incentive distribution rights ("IDRs") under the Partnership Agreement (see Note 5).

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

Partners, the calculation according to the two-class method results in an allocation of earnings to the General Partner greater than its relative ownership interest in the Partnership (or in the case of a net loss attributable to AmeriGas Partners, an allocation of such net loss to the Common Unitholders greater than their relative ownership interest in the Partnership).

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

	2012	2011	2010
Common Unitholders' interest in net income attributable to AmeriGas Partners under the two-class method for MLPs	$ (9,156)	$ 131,482	$ 160,037
Weighted average Common Units outstanding — basic (thousands)	81,433	57,119	57,076
Potentially dilutive Common Units (thousands)	—	51	47
Weighted average Common Units outstanding — diluted (thousands)	81,433	57,170	57,123

Theoretical distributions of net income attributable to AmeriGas Partners, L.P. in accordance with the two-class method for Fiscal 2012, Fiscal 2011 and Fiscal 2010 resulted in an increased allocation of net income attributable to AmeriGas Partners, L.P. to the General Partner in the computation of income per limited partner unit which had the effect of decreasing earnings per limited partner unit by $0.09, $0.01, and $0.01, respectively.

Segment Information. We have determined that we have a single reportable operating segment that engages in the distribution of propane and related equipment and supplies. No single customer represents ten percent or more of consolidated revenues on an accrual basis. In addition, substantially all of our revenues are derived from sources within the United States and substantially all of our long-lived assets are located in the United States.

Note 3 — Accounting Changes

Adoption of New Accounting Standards

Indefinite-Lived Intangible Asset Impairment. In July 2012, the FASB issued guidance on testing indefinite-lived intangible assets, other than goodwill, for impairment. The new guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. If the entity determines on the basis of qualitative factors that the fair value of the indefinite-lived intangible asset is not more likely than not impaired, the entity would not need to calculate the fair value of the asset. The new guidance does not revise the requirement to test indefinite-lived intangible assets annually for impairment. In addition, the new guidance does not amend the requirement to test these assets for impairment between annual tests if there is a change in events or circumstances. We adopted the new guidance in the fourth quarter of Fiscal 2012.

Goodwill Impairment. In September 2011, the FASB issued guidance on testing goodwill for impairment. The new guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test in GAAP. Previous guidance required an entity to test goodwill for impairment at least annually by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit is less than the carrying amount, then the second step of the test must be performed to measure the amount of the impairment loss, if any. Under the new guidance, an entity is not required to calculate fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. The new guidance does not change how goodwill is calculated or assigned to reporting units, nor does it revise the requirements to test goodwill annually for impairment. We adopted the new guidance for Fiscal 2012.

Fair Value Measurements. In May 2011, the FASB issued new guidance on fair value measurements and related disclosure requirements. The new guidance results in common fair value measurement and disclosure requirements in GAAP and International Financial Reporting Standards ("IFRS"). The new guidance applies to all reporting entities that are required or permitted to measure or disclose the fair value of an asset, liability or an instrument classified in shareholders' equity. Among other things, the new guidance requires quantitative information about unobservable inputs, valuation processes and sensitivity analysis associated with fair value measurements categorized within Level 3 of the fair value hierarchy. The new guidance became effective for our interim period ending March 31, 2012, and is required to be applied prospectively. The adoption of this accounting guidance did not have a material impact on our financial statements.

New Accounting Standard Not Yet Adopted

Disclosures about Offsetting Assets and Liabilities. In December 2011, the FASB issued new accounting guidance regarding disclosures about offsetting assets and liabilities. The new guidance requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position. The amendments will enhance disclosures by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with other GAAP or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in the balance sheet. The new guidance is effective for annual reporting periods beginning on or after January 1, 2013 (Fiscal 2014) and interim periods within those annual periods. We are currently evaluating the impact of the new guidance on our future disclosures.

Note 4 — Acquisitions

On January 12, 2012 (the "Acquisition Date"), AmeriGas Partners completed the acquisition of Heritage Propane from ETP for total consideration of $2,598,234, comprising $1,465,606 in cash and 29,567,362 AmeriGas Partners Common Units with a fair value of $1,132,628 (the "Heritage Acquisition"). The Acquisition Date cash consideration for the Heritage Acquisition was subject to purchase price adjustments based on working capital, cash and the amount of indebtedness of Heritage Propane ("Working Capital Adjustment") and certain excess sales proceeds resulting from ETP's sale of HOLP's former cylinder exchange business ("HPX"). In April 2012, AmeriGas Partners paid $25,504 of additional cash consideration as a result of the Working Capital Adjustment and in June 2012, AmeriGas Partners received $18,911 in cash representing the excess cash proceeds from the sale of HPX. The Heritage Acquisition was consummated pursuant to a Contribution and Redemption Agreement dated October 15, 2011, as amended (the "Contribution Agreement"), by and among AmeriGas Partners, ETP, Energy Transfer Partners GP, L.P., the general partner of ETP ("ETP GP"), and Heritage ETC, L.P. (the "Contributor"). The acquired business conducted its propane operations in 41 states through HOLP and Titan LLC. According to LP-Gas Magazine rankings published on February 1, 2012, Heritage Propane was the third largest retail propane distributor in the United States, delivering over 500 million gallons to more than one million retail propane customers in 2011. The Heritage Acquisition is consistent with our growth strategies, one of which is to grow our core business through acquisitions.

Pursuant to the Contribution Agreement, the Contributor contributed to AmeriGas Partners a 99.999% limited partner interest in HOLP; a 100% membership interest in Heritage Operating GP, LLC, a Delaware limited liability company and holder of a 0.001% general partner interest in HOLP; a 99.99% limited partner interest in Titan Energy Partners, L.P., a Delaware limited partnership and the sole member of Titan LLC; and a 100% membership interest in Titan Energy GP, L.L.C., a Delaware limited liability company and holder of a 0.01% general partner interest in Titan Energy Partners, L.P. As a result of the Heritage Acquisition, the General Partner, in order to maintain its general partner interests in AmeriGas Partners and AmeriGas OLP, contributed 934,327 Common Units to the Partnership having a fair value of $41,680. These Common Units were subsequently cancelled.

The cash portion of the Heritage Acquisition was financed by the issuance by AmeriGas Finance Corp. and AmeriGas Finance LLC, wholly owned finance subsidiaries of AmeriGas Partners (the "Issuers"), of $550,000 principal amount of 6.75% Senior Notes due May 2020 (the "6.75% Notes") and $1,000,000 principal amount of 7.00% Senior Notes due May 2022 (the "7.00% Notes"). For further information on the 6.75% Notes and the 7.00% Notes, see Note 6.

The Consolidated Balance Sheet at September 30, 2012, reflects the final allocation of the purchase price to the assets acquired and liabilities assumed for the Heritage Propane business combination. The purchase price paid comprises AmeriGas Partners Common Units issued having a fair value of $1,132,628 and total net cash consideration of $1,472,199 including cash acquired of $60,748. The fair value of the AmeriGas Partners Common Units issued to ETP was based on the closing price on the Acquisition Date subject to a discount to reflect certain contractual transfer restrictions for a period of approximately twelve months. The purchase price allocation is as follows:

Assets acquired:		
Current assets	$	301,372
Property, plant & equipment		890,215
Customer relationships (estimated useful life of 15 years)		418,900
Trademarks and tradenames		91,100
Goodwill		1,217,717
Other assets		9,947
Total assets acquired	$	2,929,251
Liabilities assumed:		
Current liabilities	$	(238,016)
Long-term debt		(62,927)
Other noncurrent liabilities		(23,481)
Total liabilities assumed	$	(324,424)
Total	$	2,604,827

Goodwill associated with the Heritage Acquisition principally results from synergies expected from combining the operations and from assembled workforce. We allocated the purchase price of the acquisition to identifiable intangible assets based on estimated fair values. Tradenames and trademarks were valued using the relief from royalty method and customer relationships were valued using a discounted cash flow method. The relief from royalty method estimates our theoretical royalty savings from ownership of the tradenames and trademarks. Key assumptions used in this method include discount rates, royalty rates, growth rates and sales projections and are the assumptions most sensitive and susceptible to change as they require significant management judgment. The key assumptions used in the customer relationship discounted cash flow method include discount rates, growth rates and cash flow projections and are the assumptions most sensitive and susceptible to change as they require significant management judgment. We allocated the purchase price of the acquisition to property, plant and equipment based on estimated fair values primarily using replacement cost and market value methods.

Transaction expenses associated with the Heritage Acquisition, which are included in operating and administrative expenses on the Consolidated Statements of Operations, totaled $5,252 for Fiscal 2012. The results of operations of Heritage Propane are included in the Partnership's Consolidated Statements of Operations since the Acquisition Date. As a result of achieving planned strategic operating and marketing milestones, it is impracticable to determine the impact of the Heritage Propane operations on the revenues and earnings of the Partnership.

The following presents unaudited pro forma income statement and income per unit data as if the Heritage Acquisition had occurred on October 1, 2010:

	2012	2011
Revenues	$ 3,413,331	$ 3,968,695
Net income attributable to AmeriGas Partners	$ 30,977	$ 149,743
Income per limited partner unit:		
Basic	$ 0.17	$ 1.07
Diluted	$ 0.17	$ 1.07

The unaudited pro forma results of operations reflect Heritage Propane's historical operating results after giving effect to adjustments directly attributable to the transaction that are expected to have a continuing effect. The unaudited pro forma consolidated results of operations are not necessarily indicative of the results that would have occurred had the Heritage Acquisition occurred on the date indicated nor are they necessarily indicative of future operating results.

In accordance with the Contribution Agreement, ETP and the Partnership entered into a transition services agreement and ETP, HPX and the Partnership also entered into a transition services agreement, (collectively, the "TSA") whereby each party may be a provider and receiver of certain services to the other. The principal services include general business continuity, information technology, accounting, tax and administrative services. Services under the TSA will be provided through the expiration of the term relating to each service or until such time as mutually agreed by the parties. Amounts associated with such services were not material.

Also, during Fiscal 2012, Fiscal 2011 and Fiscal 2010, AmeriGas OLP acquired a number of smaller domestic retail propane distribution businesses for total net cash consideration of $13,518, $34,032 and $34,345, respectively. In conjunction with these acquisitions, liabilities of $4,844 in Fiscal 2012, $9,487 in Fiscal 2011 and $8,956 in Fiscal 2010 were incurred. The operating results of these businesses have been included in our operating results from their respective dates of acquisitions. The total purchase price of these acquisitions has been allocated to the assets acquired and liabilities assumed as follows:

	2012	2011	2010
Net current assets	$ 1,590	$ 2,462	$ 3,578
Property, plant and equipment	6,175	15,998	15,812
Goodwill	5,363	13,053	12,930
Customer relationships and noncompete agreements (estimated useful life of 10 and 5 years, respectively)	5,234	12,006	10,981
Total	$ 18,362	$ 43,519	$ 43,301

The goodwill above is primarily the result of synergies between the acquired businesses and our existing propane businesses. The pro forma effects of these transactions were not material.

Note 5 — Quarterly Distributions of Available Cash

The Partnership makes distributions to its partners approximately 45 days after the end of each fiscal quarter in a total amount equal to its Available Cash (as defined in the Partnership Agreement) for such quarter. Available Cash generally means:

1. all cash on hand at the end of such quarter,
2. plus all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter,
3. less the amount of cash reserves established by the General Partner in its reasonable discretion.

The General Partner may establish reserves for the proper conduct of the Partnership's business and for distributions during the next four quarters.

Distributions of Available Cash are made 98% to limited partners and 2% to the General Partner (giving effect to the 1.01% interest of the General Partner in distributions of Available Cash from AmeriGas OLP to AmeriGas Partners) until Available Cash exceeds the Minimum Quarterly Distribution of $0.55 and the First Target Distribution of $0.055 per Common Unit (or a total of $0.605 per Common Unit). When Available Cash exceeds $0.605 per Common Unit in any quarter, the General Partner will receive a greater percentage of the total Partnership distribution (the "incentive distribution") but only with respect to the amount by which the distribution per Common Unit to limited partners exceeds $0.605.

Quarterly distributions of Available Cash per limited partner unit during Fiscal 2012, Fiscal 2011 and Fiscal 2010 were as follows:

	2012	2011	2010
1st Quarter	$ 0.7400	$ 0.705	$ 0.670
2nd Quarter	0.7625	0.705	0.670
3rd Quarter	0.8000	0.740	0.705
4th Quarter	0.8000	0.740	0.705

During Fiscal 2012, Fiscal 2011 and Fiscal 2010, the Partnership made quarterly distributions to Common Unitholders in excess of $0.605 per limited partner unit. As a result, the General Partner has received a greater percentage of the total Partnership distribution than its aggregate 2% general partner interest in AmeriGas OLP and AmeriGas Partners. The total amount of distributions received by the General Partner with respect to its aggregate 2% general partner ownership interests totaled $19,719 in Fiscal 2012, $9,027 in Fiscal 2011 and $6,879 in Fiscal 2010. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2012, Fiscal 2011 and Fiscal 2010 of $13,008, $5,037 and $3,038, respectively.

Note 6 — Debt

Long-term debt comprises the following at September 30:

	2012	2011
AmeriGas Partners Senior Notes:		
7.00%, due May 2022	$ 980,844	$ —
6.75%, due May 2020	550,000	—
6.50%, due May 2021	270,001	470,000
6.25%, due August 2019	450,000	450,000
HOLP Senior Secured Notes	55,587	—
Other	21,637	13,522
Total long-term debt	2,328,069	933,522
Less: current maturities	(30,706)	(4,664)
Total long-term debt due after one year	$ 2,297,363	$ 928,858

Scheduled principal repayments of long-term debt for each of the next five fiscal years ending September 30 are as follows: Fiscal 2013 — $30,038; Fiscal 2014 — $10,850; Fiscal 2015 — $8,867; Fiscal 2016 — $6,498; Fiscal 2017 — $4,555.

AmeriGas Partners Senior Notes. In order to finance the cash portion of the Heritage Acquisition, on January 12, 2012, AmeriGas Finance Corp. and AmeriGas Finance LLC (the "Issuers") issued $550,000 principal amount of 6.75% Notes due May 2020 and $1,000,000 principal amount of 7.00% Notes due May 2022. The 6.75% Notes and the 7.00% Notes are fully and unconditionally guaranteed on a senior unsecured basis by AmeriGas Partners. The Issuers have the right to redeem the 6.75% Notes, in whole or in part, at any time on or after May 20, 2016 and to redeem the 7.00% Notes, in whole or in part, at any time on or after May 20, 2017, subject to certain restrictions. A premium applies to redemptions of the 6.75% Notes and 7.00% Notes through May 2018 and May 2020, respectively. On or prior to May 20, 2015, the Issuers may also redeem, at a premium and subject to certain restrictions, up to 35% of each of the 6.75% Notes and the 7.00% Notes with the proceeds of a registered public equity offering. The 6.75% Notes and the 7.00% Notes and the guarantees rank equal in right of payment with all of AmeriGas Partners' existing senior notes. In connection with the Heritage Acquisition, AmeriGas Partners, AmeriGas Finance Corp., AmeriGas Finance LLC and UGI entered into a Contingent Residual Support Agreement ("CRSA") with ETP pursuant to which ETP will provide contingent, residual support of $1,500,000 of debt ("Supported Debt" as defined in the CRSA).

On March 28, 2012, AmeriGas Partners announced that holders of approximately $383,455 in aggregate principal amount of outstanding 6.50% Senior Notes due May 2021 (the "6.50% Notes"), representing approximately 82% of the total $470,000 principal amount outstanding, had validly tendered their notes in connection with the Partnership's March 14, 2012, offer to purchase for cash up to $200,000 of the 6.50% Notes. Tendered 6.50% Notes in the amount of $199,999 were redeemed on March 28, 2012, at an effective price of 105% using an approximate proration factor of 52.3% of total notes tendered. During June 2012, AmeriGas Partners repurchased $19,156 aggregate principal amount of outstanding 7.00% Notes. The Partnership recorded a net loss of $13,349 on these extinguishments of debt which amount is reflected on the Fiscal 2012 Consolidated Statement of Operations under the caption loss on extinguishments of debt.

In January 2011, AmeriGas Partners issued $470,000 principal amount of 6.50% Senior Notes due May 2021. The proceeds from the issuance of the 6.50% Senior Notes were used in February 2011 to repay AmeriGas Partners' $415,000 principal amount of its 7.25% Senior Notes due May 15, 2015 pursuant to a tender offer and subsequent redemption. In addition, in February 2011, AmeriGas Partners redeemed the outstanding $14,640 principal amount of its 8.875% Senior Notes due May 2011. The Partnership incurred a loss of $18,801 on these extinguishments of debt which amount is reflected on the Fiscal 2011 Consolidated Statement of Operations under the caption loss on extinguishments of debt.

In August 2011, AmeriGas Partners issued $450,000 principal amount of 6.25% Senior Notes due August 2019. The proceeds from the issuance of the 6.25% Senior Notes were used to repay $350,000 principal amount of AmeriGas Partners 7.125% Senior Notes due May 2016 pursuant to a tender offer and subsequent redemption. The Partnership incurred a loss of $19,316 on this extinguishment of debt which amount is reflected on the Fiscal 2011 Consolidated Statements of Operations under the caption loss on extinguishments of debt.

The 6.50% and 6.25% Senior Notes generally may be redeemed at our option (pursuant to a tender offer). A redemption

premium applies through May 20, 2019 (with respect to the 6.50% Notes) and through August 20, 2017 (with respect to the 6.25% Notes). In addition, in the event that AmeriGas Partners completes a registered public offering of Common Units, the Partnership may, at its option, redeem up to 35% of the outstanding 6.50% Notes (through May 20, 2014) or 35% of the outstanding 6.25% Notes (through August 20, 2014), each at a premium. AmeriGas Partners may, under certain circumstances involving excess sales proceeds from the disposition of assets not reinvested in the business or a change of control, be required to offer to prepay its 6.50% and 6.25% Senior Notes.

HOLP Senior Secured Notes. As a result of the Heritage Acquisition, the Partnership's total long-term debt at September 30, 2012, includes $62,509 of Heritage Propane long-term debt including $55,587 of HOLP senior secured notes (including unamortized premium of $4,405). The face interest rates on the HOLP Notes range from 7.26% to 8.87% with an effective interest rate of 6.75%. The HOLP Senior Secured Notes are collateralized by HOLP's receivables, contracts, equipment, inventory, general intangibles, cash and HOLP capital stock.

AmeriGas OLP Credit Agreement. In June 2011, AmeriGas OLP entered into an unsecured credit agreement (the "2011 Credit Agreement") with a group of banks providing for borrowings up to $325,000 (including a $100,000 sublimit for letters of credit). During Fiscal 2012, the 2011 Credit Agreement was amended to, among other things, increase the total amount available to $525,000, extend its expiration date to October 2016, and amend certain financial covenants as a result of the Heritage Acquisition.

The 2011 Credit Agreement permits AmeriGas OLP to borrow at prevailing interest rates, including the base rate, defined as the higher of the Federal Funds rate plus 0.50% or the agent bank's prime rate, or at a two-week, one-, two-, three-, or six-month Eurodollar Rate, as defined in the 2011 Credit Agreement, plus a margin. The margin on base rate borrowings (which ranges from 0.75% to 1.75%), Eurodollar Rate borrowings (which ranges from 1.75% to 2.75%, and the 2011 Credit Agreement facility fee rate (which ranges from 0.30% to 0.50%) are dependent upon AmeriGas Partners' ratio of debt to earnings before interest expense, income taxes, depreciation and amortization ("EBITDA"), each as defined in the 2011 Credit Agreement.

At September 30, 2012 and 2011, there were $49,900 and $95,500 of borrowings outstanding under the 2011 Credit Agreement, respectively, which amounts are reflected as bank loans on the Consolidated Balance Sheets. The weighted-average interest rates on borrowings under the 2011 Credit Agreement at September 30, 2012 and 2011 were 2.72% and 2.29%, respectively. Issued and outstanding letters of credit, which reduce available borrowings under the 2011 Credit Agreement totaled $47,906 and $35,678 at September 30, 2012 and 2011, respectively.

Restrictive Covenants. The AmeriGas Partners Senior Notes restrict the ability of the Partnership and AmeriGas OLP to, among other things, incur additional indebtedness, make investments, incur liens, issue preferred interests, prepay subordinated indebtedness, and effect mergers, consolidations and sales of assets. Under the Senior Notes indentures, AmeriGas Partners is generally permitted to make cash distributions equal to available cash, as defined, as of the end of the immediately preceding quarter, if certain conditions are met. These conditions include:

1. no event of default exists or would exist upon making such distributions and

2. the Partnership's consolidated fixed charge coverage ratio, as defined, is greater than 1.75-to-1.

If the ratio in item 2 above is less than or equal to 1.75-to-1, the Partnership may make cash distributions in a total amount not to exceed $75,000 less the total amount of distributions made during the immediately preceding 16 Fiscal quarters. At September 30, 2012, the Partnership was not restricted by the consolidated fixed charge coverage ratio from making cash distributions. See the provisions of the Partnership Agreement relating to distributions of Available Cash in Note 5.

The HOLP Senior Secured Notes contain restrictive covenants including the maintenance of financial covenants and limitations on the disposition of assets, changes in ownership, additional indebtedness, restrictive payments and the creation of liens. The financial covenants require HOLP to maintain a ratio of combined Funded Indebtedness to combined EBITDA (as defined) below certain thresholds and to maintain a minimum ratio of combined EBITDA to combined Interest Expense (as defined).

The 2011 Credit Agreement restricts the incurrence of additional indebtedness and also restricts certain liens, guarantees, investments, loans and advances, payments, mergers, consolidations, asset transfers, transactions with affiliates, sales of assets, acquisitions and other transactions. The 2011 Credit Agreement requires that AmeriGas OLP and AmeriGas Partners maintain ratios of total indebtedness to EBITDA, as defined, below certain thresholds. In addition, the Partnership must maintain a minimum ratio of EBITDA to interest expense, as defined and as calculated on a rolling four-quarter basis. Generally, as long as no default exists or would result, AmeriGas OLP is permitted to make cash distributions not more frequently than quarterly in an amount not to exceed available cash, as defined, for the immediately preceding calendar quarter.

At September 30, 2012, the amount of net assets of the Partnership's subsidiaries that was restricted from transfer as a result of the amount of Available Cash, computed in accordance with the Partnership Agreement, applicable debt agreements and the partnership agreements of the Partnership's subsidiaries, totaled approximately $3,200,000.

Note 7 — Employee Retirement Plans

The General Partner sponsors a 401(k) savings plan for eligible employees. Participants in the savings plan may contribute a portion of their compensation on a before-tax basis. Generally, employee contributions are matched on a dollar-for-dollar (100%) basis up to 5% of eligible compensation. The cost of benefits under our savings plan was $10,716 in Fiscal 2012, $7,421 in Fiscal 2011 and $7,517 in Fiscal 2010.

The General Partner also sponsors a nonqualified deferred compensation plan and a nonqualified supplemental executive retirement plan. These plans provide benefits to executives that would otherwise be provided under the Partnership's retirement plans but are prohibited due to limitations imposed by the Internal Revenue Service. Costs associated with these plans were not material in Fiscal 2012, Fiscal 2011 and Fiscal 2010.

Note 8 — Inventories

Inventories comprise the following at September 30:

	2012	2011
Propane gas	$ 131,990	$ 115,211
Materials, supplies and other	24,259	17,552
Appliances for sale	7,497	3,052
Total inventories	$ 163,746	$ 135,815

In addition to inventories on hand, we also enter into contracts to purchase propane to meet a portion of our supply requirements. Generally, these contracts are one- to three-year agreements subject to annual price and quantity adjustments.

Note 9 — Property, Plant and Equipment

Property, plant and equipment comprise the following at September 30:

	2012	2011
Land	$ 148,068	$ 68,793
Buildings and improvements	168,250	103,735
Transportation equipment	213,762	80,012
Storage facilities	230,181	141,680
Equipment, primarily cylinders and tanks	1,778,690	1,171,418
Other, including construction in process	35,802	23,244
Gross property, plant and equipment	2,574,753	1,588,882
Less accumulated depreciation and amortization	(1,075,528)	(943,127)
Net property, plant and equipment	$ 1,499,225	$ 645,755

Note 10 — Goodwill and Intangible Assets

The Partnership's goodwill and intangible assets comprise the following at September 30:

	2012	2011
Goodwill (not subject to amortization)	$ 1,914,808	$ 691,910
Intangible assets:		
Customer relationships and noncompete agreements	$ 505,367	$ 77,213
Trademarks and tradenames (not subject to amortization)	91,100	—
Gross carrying amount	596,467	77,213
Accumulated amortization	(60,471)	(35,671)
Intangible assets, net	$ 535,996	$ 41,542

Changes in the carrying amount of goodwill are as follows:

Balance September 30, 2010	$ 678,721
Goodwill acquired	13,053
Purchase accounting adjustments	136
Balance September 30, 2011	691,910
Goodwill acquired	1,223,080
Purchase accounting adjustments	(182)
Balance September 30, 2012	$ 1,914,808

We amortize customer relationships and noncompete intangibles over their estimated period of benefit which do not exceed 15 years. Amortization expense of intangible assets was $30,649 in Fiscal 2012, $8,055 in Fiscal 2011 and $6,016 in Fiscal 2010. Estimated amortization expense of intangible assets during the next five fiscal years is as follows: Fiscal 2013 — $38,855; Fiscal 2014 — $37,554; Fiscal 2015 — $35,362; Fiscal 2016 — $34,190; Fiscal 2017 — $32,111. There were no accumulated impairment losses at September 30, 2012.

Note 11 — Partners' Capital and Incentive Compensation Plans

In accordance with the Partnership Agreement, the General Partner may, in its sole discretion, cause the Partnership to issue an unlimited number of additional Common Units and other equity securities of the Partnership ranking on a parity with the Common Units.

On March 21, 2012, AmeriGas Partners sold 7,000,000 Common Units in an underwritten public offering at a public offering price of $41.25 per unit. The net proceeds of the public offering totaling $276,562 and the associated capital contributions from the General Partner totaling $2,800 were used to redeem $199,999 of the 6.50% Notes pursuant to a tender offer (see Note 6), to reduce Partnership bank loan borrowings and for general corporate purposes.

The General Partner grants equity-based awards to employees and non-employee directors comprising grants of AmeriGas Partners equity instruments as further described below. We recognized total pre-tax equity-based compensation expense of $8,373, $3,257 and $3,127 in Fiscal 2012, Fiscal 2011 and Fiscal 2010, respectively.

Under the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. ("2010 Propane Plan"), the General Partner may award to employees and non-employee directors grants of Common Units (comprising AmeriGas Performance Units and AmeriGas Stock Units), options, phantom units, unit appreciation rights and other Common Unit-based awards. The total aggregate number of Common Units that may be issued under the Plan is 2,800,000. The exercise price for options may not be less than the fair market value on the date of grant. Awards granted under the 2010 Propane Plan may vest immediately or ratably over a period of years, and options can be exercised no later than ten years from the grant date. In addition, the 2010 Propane Plan provides that Common Unit-based awards may also provide for the crediting of Common Unit distribution equivalents to participants' accounts.

The 2010 Propane Plan succeeded the AmeriGas Propane, Inc. 2000 Long-Term Incentive Plan ("2000 Propane Plan"),

which expired on December 31, 2009, and replaced the AmeriGas Propane, Inc. Discretionary Long-Term Incentive Plan for Non-Executive Key Employees ("Nonexecutive Propane Plan"). Under the 2000 Propane Plan, the General Partner could award to key employees the right to receive AmeriGas Performance Units or cash equivalent to the fair market value of such AmeriGas Performance Units. In addition, the 2000 Propane Plan authorizes the crediting of Common Unit distribution equivalents to participants' accounts. Under the Nonexecutive Propane Plan, the General Partner could grant awards to key employees who did not participate in the 2000 Propane Plan. Generally, awards under the Nonexecutive Propane Plan vest at the end of a three-year period and are paid in Common Units and cash. No additional grants will be made under the 2000 Propane Plan and the Nonexecutive Propane Plan.

Recipients of AmeriGas Performance Units are awarded a target number of AmeriGas Performance Units. The number of AmeriGas Performance Units ultimately paid at the end of the performance period (generally three years) may be higher or lower than the target number based upon AmeriGas Partners' Total Unitholder Return ("TUR") percentile rank relative to entities in a peer group. Grantees of AmeriGas Performance Units will not be paid if AmeriGas Partners' TUR is below the 40th percentile of the peer group. At the 40th percentile, the grantee will be paid an award equal to 50% of the target award; at the 50th percentile, 100%; and at the 100th percentile, 200%. The actual amount of the award is interpolated between these percentile rankings. Any Common Unit distribution equivalents earned are paid in cash. Generally, except in the event of retirement, death or disability, each grant, unless paid, will terminate when the participant ceases to be employed by the General Partner. There are certain change of control and retirement eligibility conditions that, if met, generally result in accelerated vesting or elimination of further service requirements.

As a result of the Heritage Acquisition, certain Heritage Propane employees were awarded AmeriGas Performance Units, AmeriGas Stock Units (in the form of phantom units), or a combination of AmeriGas Performance Units and AmeriGas Stock Units. The terms of the Performance Unit awards granted to Heritage Propane employees are generally the same as those described above. The AmeriGas Stock Units awards granted to Heritage employees vest in tranches with certain awards beginning to vest in January 2013 through January 2016. Certain of the AmeriGas Stock Unit awards provide for accelerated vesting under certain conditions. Under certain conditions, all or a portion of these awards could be forfeited. The AmeriGas Stock Unit awards granted to Heritage Propane employees provide for the crediting of distribution equivalents to participants' accounts.

Under GAAP relating to equity-based compensation plans, AmeriGas Performance Units are equity awards with a market-based condition, which, if settled in Common Units, results in the recognition of compensation cost over the requisite employee service period regardless of whether the market-based condition is satisfied. The fair values of AmeriGas Performance Units are estimated using a Monte Carlo valuation model. The fair value associated with the target award and the award above the target, if any, which will be paid in Common Units, is accounted for as equity and the fair value of all Common Unit distribution equivalents, which will be paid in cash, is accounted for as a liability. The expected term of the AmeriGas Performance Unit awards is three years based on the performance period. Expected volatility is based on the historical volatility of Common Units over a three-year period. The risk-free interest rate is based on rates on U.S. Treasury bonds at the time of grant. Volatility for all entities in the peer group is based on historical volatility.

The following table summarizes the weighted-average assumptions used to determine the fair value of AmeriGas Performance Unit awards and related compensation costs:

	Grants Awarded in Fiscal Year		
	2012	2011	2010
Risk-free rate	0.4%	1.0%	1.7%
Expected life	3 years	3 years	3 years
Expected volatility	23.0%	34.6%	35.0%
Dividend Yield	6.4%	5.8%	6.8%

The General Partner granted awards under the 2010 Propane Plan representing 248,818, 49,287 and 57,750 Common Units in Fiscal 2012, Fiscal 2011 and Fiscal 2010, respectively, having weighted-average grant date fair values per Common Unit subject to award of $43.22, $53.19 and $41.39, respectively. At September 30, 2012, 2,517,419 Common Units were available for future award grants under the 2010 Propane Plan.

The following table summarizes AmeriGas Common Unit-based award activity for Fiscal 2012:

	Total		Vested		Non-Vested	
	Number of Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)	Number of Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)	Number of Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)
September 30, 2011	155,356	$ 41.79	62,638	$ 38.20	92,718	$ 44.22
AmeriGas Performance Units:						
Granted	55,150	$ 48.28	8,665	$ 48.28	46,485	$ 48.28
Forfeited	(15,068)	$ 50.37	—	$ —	(15,068)	$ 50.37
Vested	—	$ —	36,833	$ 39.28	(36,833)	$ 39.28
Performance criteria not met	(48,633)	$ 32.17	(48,633)	$ 32.17	—	$ —
AmeriGas Stock Units:						
Granted	193,668	$ 41.77	66,244	$ 41.81	127,424	$ 41.76
Forfeited	(10,360)	$ 41.42	—	$ —	(10,360)	$ 41.42
Vested	—	$ —	6,050	$ 35.05	(6,050)	$ 35.05
Awards paid	(66,146)	$ 40.72	(66,146)	$ 40.72	—	$ —
September 30, 2012	263,967	$ 44.70	65,651	$ 45.42	198,316	$ 44.47

During Fiscal 2012, Fiscal 2011 and Fiscal 2010, the Partnership paid AmeriGas Common Unit-based awards in Common Units and cash as follows:

	2012 (a)	2011	2010
Number of Common Units subject to original Awards granted	60,200	41,064	49,650
Fiscal year granted	2009	2008	2007
Payment of Awards:			
AmeriGas Partners Common Units issued	3,500	35,787	42,121
Cash paid	$ 87	$ 1,196	$ 1,219

(a) In addition, 40,516 AmeriGas Stock Units and $893 in cash were paid to Heritage Propane employees associated with awards granted in Fiscal 2012.

As of September 30, 2012, there was $1,037 of unrecognized equity-based compensation expense related to non-vested UGI stock options that is expected to be recognized over a weighted-average period of 1.9 years. As of September 30, 2012, there was a total of approximately $3,015 of unrecognized compensation cost associated with 263,967 Common Units subject to award that is expected to be recognized over a weighted-average period of 2.0 years. The total fair value of Common Unit-based awards that vested during Fiscal 2012, Fiscal 2011 and Fiscal 2010 was $5,090, $2,049 and $1,978, respectively. As of September 30, 2012 and 2011, total liabilities of $1,148 and $1,198 associated with Common Unit-based awards are reflected in employee compensation and benefits accrued and other noncurrent liabilities in the Consolidated Balance Sheets. It is the Partnership's practice to issue new AmeriGas Partners Common Units for the portion of any Common Unit-based awards paid out in AmeriGas Partners Common Units.

Note 12 — Commitments and Contingencies

Commitments

We lease various buildings and other facilities and vehicles, computer and office equipment under operating leases. Certain of the leases contain renewal and purchase options and also contain step-rent provisions. Our aggregate rental expense for such leases was $61,075 in Fiscal 2012, $55,533 in Fiscal 2011 and $54,513 in Fiscal 2010.

Minimum future payments under noncancelable operating leases are as follows:

Year Ending September 30,		
2013	$	64,261
2014		51,007
2015		41,609
2016		32,526
2017		25,332
Thereafter		76,171
Total minimum operating lease payments	$	290,906

Certain of our operating lease arrangements, primarily vehicle leases with remaining lease terms of one to ten years, have residual value guarantees. At the end of the lease term, we guarantee that the fair value of the equipment will equal or exceed the guaranteed amount or we will pay the lessors the difference. Although such fair values at the end of the leases have historically exceeded the guaranteed amount, at September 30, 2012, the maximum potential amount of future payments under lease guarantees, assuming the leased equipment was deemed worthless at the end of the lease term, was approximately $14,000. The fair values of residual lease guarantees were not material at September 30, 2012.

The Partnership enters into fixed-price and variable-price contracts with suppliers to purchase a portion of its propane supply requirements. Obligations under these contracts existing at September 30, 2012, are: Fiscal 2013 - $141,402; Fiscal 2014 - $87,043; Fiscal 2015 - $87,692; Fiscal 2016 - $3,162.

The Partnership also enters into contracts to purchase propane to meet additional supply requirements. Generally, these contracts are one- to three-year agreements subject to annual price and quantity adjustments.

Contingencies

Environmental Matters

Saranac Lake. By letter dated March 6, 2008, the New York State Department of Environmental Conservation ("DEC") notified AmeriGas OLP that DEC had placed property owned by the Partnership in Saranac Lake, New York, on its Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by DEC disclosed contamination related to former manufactured gas plant ("MGP") operations on the site. DEC has classified the site as a significant threat to public health or environment with further action required. The Partnership has researched the history of the site and its ownership interest in the site. The Partnership has reviewed the preliminary site characterization study prepared by DEC, the extent of the contamination, and the possible existence of other potentially responsible parties. The Partnership communicated the results of its research to DEC in January 2009 and is awaiting a response before doing any additional investigation. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

San Bernardino. In July 2001, HOLP acquired a company that had previously received a request for information from the U.S. Environmental Protection Agency (the "EPA") regarding potential contribution to a widespread groundwater contamination problem in San Bernardino, California, known as the Newmark Groundwater Contamination. Although the EPA has indicated that the groundwater contamination may be attributable to releases of solvents from a former military base located within the subject area that occurred long before the facility acquired by HOLP was constructed, it is possible that the EPA may seek to recover all or a portion of groundwater remediation costs from private parties under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). No follow-up correspondence has been received from the EPA on the matter since HOLP's acquisition of the predecessor company in 2001. Based upon information currently available to HOLP, it is believed that HOLP's liability if such action were to be taken by the EPA would not have a material adverse effect on our financial condition or results of operations.

Titan LLC Claremont, Chestertown and Bennington. In connection with the Heritage Acquisition on January 12, 2012, a predecessor of Titan LLC is purportedly the beneficial holder of title with respect to three former MGPs discussed below. The Contribution Agreement provides for indemnification from ETP for certain expenses associated with remediation of these sites.

Claremont, New Hampshire and Chestertown, Maryland. By letter dated September 30, 2010, the EPA notified Titan LLC that it may be a potentially responsible party ("PRP") for cleanup costs associated with contamination at a former MGP in Claremont, New Hampshire. In June 2010, the Maryland Attorney General ("MAG") identified Titan LLC as a PRP in connection with

contamination at a former MGP in Chestertown, Maryland, and requested that Titan LLC participate in characterization and remediation activities. Titan LLC has supplied the EPA and MAG with corporate and bankruptcy information for its predecessors to support its claim that it is not liable for any remediation costs at the sites. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

Bennington, Vermont. In 1996, a predecessor company of Titan LLC performed an environmental assessment of its property in Bennington, Vermont and discovered that the site was a former MGP. At that time, Titan LLC's predecessor informed the company that previously owned and operated the MGP of potential liability under CERCLA. Titan LLC has not received any requests to remediate or provide costs associated with the site. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

Other Matters

Cylinder Investigation. On or about October 21, 2009, the General Partner received a notice that the Offices of the District Attorneys of Santa Clara, Sonoma, Ventura, San Joaquin and Fresno Counties and the City Attorney of San Diego (the "District Attorneys") have commenced an investigation into AmeriGas OLP's cylinder labeling and filling practices in California as a result of the Partnership's decision in 2008 to reduce the volume of propane in cylinders it sells to consumers from 17 pounds to 15 pounds. At that time, the District Attorneys issued an administrative subpoena seeking documents and information relating to those practices. We have responded to the administrative subpoena. On or about July 20, 2011, the General Partner received a second subpoena from the District Attorneys. The subpoena sought additional information and documents regarding AmeriGas OLP's cylinder exchange program and we responded to that subpoena. In connection with this matter, the District Attorneys have alleged potential violations of California's antitrust laws, California's slack-fill law, and California's principal false advertising statute. We believe we have strong defenses to these allegations.

Federal Trade Commission Investigation of Propane Grill Cylinder Filling Practices. On or about November 4, 2011, the General Partner received notice that the Federal Trade Commission ("FTC") is conducting an antitrust and consumer protection investigation into certain practices of the Partnership which relate to the filling of portable propane cylinders. On February 2, 2012, the Partnership received a Civil Investigative Demand from the FTC that requests documents and information concerning, among other things, (i) the Partnership's decision, in 2008, to reduce the volume of propane in cylinders it sells to consumers from 17 pounds to 15 pounds and (ii) cross-filling, related service arrangements and communications regarding the foregoing with competitors. The Partnership believes that it will have good defenses to any claims that may result from this investigation. We are not able to assess the financial impact this investigation or any related claims may have on the Partnership.

Purported Class Action Lawsuit. In 2005, Samuel and Brenda Swiger (the "Swigers") filed what purports to be a class action in the Circuit Court of Harrison County, West Virginia, against UGI, an insurance subsidiary of UGI, certain officers of UGI and the General Partner, and their insurance carriers and insurance adjusters. In this lawsuit, the Swigers are seeking compensatory and punitive damages on behalf of the putative class for alleged violations of the West Virginia Insurance Unfair Trade Practice Act, negligence, intentional misconduct, and civil conspiracy. The Court has not certified the class and, in October 2008, stayed the lawsuit pending resolution of a separate, but related class action lawsuit filed against AmeriGas OLP in Monongalia County, which was settled in Fiscal 2011. We believe we have good defenses to the claims in this action.

BP America Production Company v. Amerigas Propane, L.P. On July 15, 2011, BP America Production Company ("BP") filed a complaint against AmeriGas OLP in the District Court of Denver County, Colorado, alleging, among other things, breach of contract and breach of the covenant of good faith and fair dealing relating to amounts billed for certain goods and services provided to BP since 2005 (the "Services"). The Services relate to the installation of propane-fueled equipment and appliances, and the supply of propane, to approximately 400 residential customers at the request of and for the account of BP. The complaint seeks an unspecified amount of direct, indirect, consequential, special and compensatory damages, including attorneys' fees, costs and interest and other appropriate relief. It also seeks an accounting to determine the amount of the alleged overcharges related to the Services. We have substantially completed our investigation of this matter and, based upon the results of that investigation, we believe we have good defenses to the claims set forth in the complaint and the amount of loss will not have a material impact on our results of operations and financial condition.

We cannot predict the final results of any of the environmental or other pending claims or legal actions described above. However, it is reasonably possible that some of them could be resolved unfavorably to us and result in losses in excess of recorded amounts. We are unable to estimate any possible losses in excess of recorded amounts. Although we currently believe, 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, damages or settlements 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. In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. We believe, after consultation with counsel, the final outcome of such other matters

will not have a material effect on our consolidated financial position, results of operations or cash flows.

Note 13 — Related Party Transactions

Pursuant to the Partnership Agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs, which totaled $374,899 in Fiscal 2012, $363,392 in Fiscal 2011, and $350,246 in Fiscal 2010, include employee compensation and benefit expenses of employees of the General Partner and general and administrative expenses.

UGI provides certain financial and administrative services to the General Partner. UGI bills the General Partner monthly for all direct and indirect corporate expenses incurred in connection with providing these services and the General Partner is reimbursed by the Partnership for these expenses. The allocation of indirect UGI corporate expenses to the Partnership utilizes a weighted, three-component formula based on the relative percentage of the Partnership's revenues, operating expenses and net assets employed to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. The General Partner believes that this allocation method is reasonable and equitable to the Partnership. Such corporate expenses totaled $10,138 in Fiscal 2012, $10,805 in Fiscal 2011 and $10,757 in Fiscal 2010. In addition, UGI and certain of its subsidiaries provide office space, stop loss medical coverage and automobile liability insurance to the Partnership. The costs related to these items totaled $3,760 in Fiscal 2012, $3,184 in Fiscal 2011 and $2,296 in Fiscal 2010.

From time to time, AmeriGas OLP purchases propane on an as needed basis from UGI Energy Services, Inc. ("Energy Services"). The price of the purchases are generally based on market price at the time of purchase. Purchases of propane by AmeriGas OLP from Energy Services totaled $359, $4,073 and $39,807 during Fiscal 2012, Fiscal 2011 and Fiscal 2010, respectively. Fiscal 2010 propane purchases also reflect purchases made from a former subsidiary of Energy Services under a propane sales agreement.

In addition, the Partnership sells propane to affiliates of UGI. Such amounts were not material in Fiscal 2012, Fiscal 2011 or Fiscal 2010.

Note 14 — Other Current Liabilities

Other current liabilities comprise the following at September 30:

	2012	2011
Litigation, property and casualty liabilities	$ 38,581	$ 8,515
Taxes other than income taxes	16,737	8,918
Propane exchange liabilities	13,404	20,346
Deferred tank fee revenue	24,296	14,371
Other	16,216	12,945
Total other current liabilities	$ 109,234	$ 65,095

Note 15 — Fair Value Measurements

Derivative Financial Instruments

The following table presents our financial assets and financial liabilities that are measured at fair value on a recurring basis for each of the fair value hierarchy levels, including both current and noncurrent portions, as of September 30, 2012 and 2011:

	Asset (Liability)			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
September 30, 2012:				
Assets:				
Derivative financial instruments:				
Commodity contracts	$ —	$ 2,089	$ —	$ 2,089
Liabilities:				
Derivative financial instruments:				
Commodity contracts	$ —	$ (42,598)	$ —	$ (42,598)
September 30, 2011:				
Assets:				
Derivative financial instruments:				
Commodity contracts	$ —	$ 864	$ —	$ 864
Liabilities:				
Derivative financial instruments:				
Commodity contracts	$ —	$ (7,248)	$ —	$ (7,248)

The fair values of our non-exchange traded commodity derivative contracts are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. For commodity option contracts we use a Black Scholes option pricing model that considers time value and volatility of the underlying commodity.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. At September 30, 2012, the carrying amount and estimated fair value of our long-term debt (including current maturities) were $2,328,069 and $2,493,053, respectively. At September 30, 2011, the carrying amount and estimated fair value of our long-term debt (including current maturities) were $933,522 and $900,297, respectively. We estimate the fair value of long-term debt by using current market prices and by discounting future cash flows using rates available for similar type debt (Level 2).

We have other financial instruments such as short-term investments and trade accounts receivable which could expose us to concentrations of credit risk. We limit our credit risk from short-term investments by investing only in investment-grade commercial paper and U.S. Government securities. The credit risk from trade accounts receivable is limited because we have a large customer base which extends across many different U.S. markets.

Note 16 — Disclosures About Derivative Instruments and Hedging Activities

The Partnership is exposed to certain market risks related to its ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are commodity price risk and interest rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for

speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments the Partnership can use, counterparty credit limits and contract authorization limits. Because our derivative instruments generally qualify as hedges under GAAP, we expect that changes in the fair value of derivative instruments used to manage commodity or interest rate market risk would be substantially offset by gains or losses on the associated anticipated transactions.

Commodity Price Risk

In order to manage market risk associated with the Partnership's fixed-price programs which permit customers to lock in the prices they pay for propane principally during the months of October through March, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. At September 30, 2012 and 2011, there were 231.4 million gallons and 138.0 million gallons, respectively, of propane hedged with over-the-counter price swap and option contracts. At September 30, 2012, the maximum period over which we are hedging propane market price risk is 26 months with a weighted average of 5 months. In addition, the Partnership from time to time enters into price swap agreements to reduce short-term commodity price volatility and to provide market price risk support to a limited number of its wholesale customers.

We account for a significant portion of our commodity price risk contracts as cash flow hedges. Changes in the fair values of contracts qualifying for cash flow hedge accounting are recorded in AOCI and noncontrolling interests, to the extent effective in offsetting changes in the underlying commodity price risk, until earnings are affected by the hedged item. At September 30, 2012, the amount of net losses associated with commodity price risk hedges expected to be reclassified into earnings during the next twelve months based upon current fair values is $43,740.

Interest Rate Risk

Our long-term debt is typically issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). We account for IRPAs as cash flow hedges. Changes in the fair values of IRPAs are recorded in AOCI, to the extent effective in offsetting changes in the underlying interest rate risk, until earnings are affected by the hedged interest expense. There were no settled or unsettled amounts relating to IRPAs at September 30, 2012.

Derivative Financial Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally consist of major energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative financial instruments held by certain derivative financial instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative financial instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at September 30, 2012. 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 September 30, 2012, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

The following table provides information regarding the fair values and balance sheet locations of our derivative assets and liabilities existing as of September 30, 2012 and 2011:

	Derivative Assets			Derivative (Liabilities)		
	Balance Sheet Location	Fair Value September 30, 2012	2011	Balance Sheet Location	Fair Value September 30, 2012	2011
Derivatives Designated as Hedging Instruments:						
Propane contracts	Derivative financial instruments and Other assets	$ 2,089	$ 864	Derivative financial instruments and Other noncurrent liabilities	$(42,598)	$(7,248)
Derivatives Not Designated as Hedging Instruments:						
Propane contracts	Derivative financial instruments and Other assets	—	—		—	—
Total Derivatives		$ 2,089	$ 864		(42,598)	(7,248)

The following table provides information on the effects of derivative instruments on the Consolidated Statements of Operations and changes in AOCI and noncontrolling interest for Fiscal 2012, Fiscal 2011 and Fiscal 2010:

	Gain (Loss) Recognized in AOCI and Noncontrolling Interest			Gain (Loss) Reclassified from AOCI and Noncontrolling Interest into Income			Location of Gain (Loss) Reclassified from AOCI and Noncontrolling Interest into Income
	2012	2011	2010	2012	2011	2010	
Cash Flow Hedges:							
Propane contracts	$ (86,573)	$ 22,275	$ 35,829	$ (47,569)	$ 35,292	$ 38,360	Cost of sales
Interest rate contracts	—	—	1,739	—	(3,049)	(12,731)	Interest expense
Total	$ (86,573)	$ 22,275	$ 37,568	$ (47,569)	$ 32,243	$ 25,629	

	Loss Recognized in Income			Location of Loss Recognized in Income
Derivatives Not Designated as Hedging Instruments:	2012	2011	2010	
Propane contracts	$ (14,883)	$ —	$ —	Cost of sales

The amounts of derivative gains or losses representing ineffectiveness, and the amounts of gains or losses recognized in income as a result of excluding derivatives from ineffectiveness testing, were not material for Fiscal 2012, Fiscal 2011 or Fiscal 2010. During Fiscal 2012, the Partnership entered into propane swap and put option contracts to reduce short-term volatility in propane prices associated with a portion of its forecasted propane purchases during the months of April 2012 to August 2012. These contracts did not qualify for hedge accounting treatment and the change in fair value was recorded through cost of sales in the Consolidated Statements of Income. Net realized losses recognized in income related to these contracts are included in the table above under the caption "derivatives not designated as hedging instruments."

As a result of the Partnership's refinancing of its 7.125% Senior Notes (see Note 7), during the three months ended September

30, 2011, the Partnership discontinued cash flow hedge accounting for settled but unamortized IRPA losses associated with the 7.125% Senior Notes and recorded a loss of $2,556 which amount is included in loss on extinguishments of debt on the Fiscal 2011 Consolidated Statement of Operations. During the three months ended March 31, 2010, the Partnership's management determined that it was likely that it would not issue $150,000 of long-term debt during the summer of 2010 due to the Partnership's strong cash flow and anticipated extension of its then-existing credit agreement. As a result, the Partnership discontinued cash flow hedge accounting treatment for interest rate protection agreements associated with this previously anticipated long-term debt issuance and recorded a $12,193 loss which is reflected in other income, net, on the Fiscal 2010 Consolidated Statement of Operations.

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

17 — Other Income, Net

Other income, net, comprises the following:

	2012	2011	2010
Gains on sales of fixed assets	$ 3,169	$ 2,222	$ 1,470
Finance charges	18,841	15,111	11,346
Losses on IRPAs	—	—	(12,193)
Other	4,511	8,230	7,081
Total other income, net	$ 26,521	$ 25,563	$ 7,704

Note 18 — Quarterly Data (Unaudited)

The following unaudited quarterly data includes all adjustments (consisting only of normal recurring adjustments with the exception of those indicated below) which we consider necessary for a fair presentation. Our quarterly results fluctuate because of the seasonal nature of our propane business.

	December 31,		March 31,		June 30,		September 30,	
	2011	2010	2012 (a)	2011 (b)	2012	2011	2012	2011 (c)
Revenues	$683,812	$700,220	$1,155,574	$906,776	$571,945	$470,830	$510,285	$460,133
Operating income (loss)	$ 60,096	$ 91,575	$ 195,047	$154,626	$ (48,288)	$ 6,681	$ (36,263)	$ (9,933)
Gain (loss) on extinguishments of debt	$ —	$ —	$ (13,379)	$ (18,801)	$ 30	$ —	$ —	$ (19,316)
Net income (loss)	$ 43,113	$ 75,781	$ 135,859	$119,549	$ (89,903)	$ (9,101)	$ (76,398)	$ (45,305)
Net income (loss) attributable to AmeriGas Partners, L.P.	$ 42,525	$ 74,868	$ 133,885	$118,002	$ (89,382)	$ (9,152)	$ (76,003)	$ (45,195)
Income (loss) per limited partner unit (d):								
Basic	$ 0.55	$ 1.07	$ 1.26	$ 1.45	$ (1.00)	$ (0.19)	$ (0.86)	$ (0.81)
Diluted	$ 0.55	$ 1.06	$ 1.26	$ 1.45	$ (1.00)	$ (0.19)	$ (0.86)	$ (0.81)

(a) Includes loss on extinguishment of debt which decreased net income and net income attributable to AmeriGas Partners, L.P. by $13,379 (see Note 6).

(b) Includes loss on extinguishment of debt which decreased net income and net income attributable to AmeriGas Partners, L.P. by $18,801 (see Note 6).

(c) Includes loss on extinguishment of debt which increased net loss and net loss attributable to AmeriGas Partners, L.P. by $19,316 (see Note 6).

(d) Theoretical distributions of net income (loss) attributable to AmeriGas Partners, L.P. in accordance with accounting guidance regarding the application of the two-class method for determining earnings per share resulted in a different allocation of net income attributable to AmeriGas Partners, L.P. to the General Partner and the limited partners in the computation of income per limited partner unit which had the effect of decreasing quarterly earnings per limited partner unit for the quarters ended December 31 and March 31 as follows:

	December 31,		March 31,	
Quarter ended:	2011	2010	2012	2011
Decrease in income per limited partner unit	$ (0.16)	$ (0.22)	$ (0.30)	$ (0.58)

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

BALANCE SHEETS
(Thousands of dollars)

	September 30,	
	2012	2011
ASSETS		
Current assets:		
Cash	$ 708	$ 2,481
Accounts receivable — related party	3,108	179
Prepaids and other current assets	1,154	1,078
Total current assets	4,970	3,738
Investment in AmeriGas Propane, L.P.	3,693,018	1,254,840
Other assets	31,198	15,087
Total assets	$ 3,729,186	$ 1,273,665
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Current maturities of long-term debt	$ —	$ —
Accounts payable and other liabilities	503	97
Accrued interest	48,730	14,912
Total current liabilities	49,233	15,009
Long-term debt	2,250,845	920,000
Commitments and contingencies		
Partners' capital:		
Common unitholders	1,455,702	340,180
General partner	16,975	3,436
Accumulated other comprehensive loss	(43,569)	(4,960)
Total partners' capital	1,429,108	338,656
Total liabilities and partners' capital	$ 3,729,186	$ 1,273,665

Commitments and Contingencies:

There are no scheduled principal repayments of long-term debt during the next five fiscal years.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

STATEMENTS OF OPERATIONS
(Thousands of dollars)

	Year Ended September 30,		
	2012	2011	2010
Operating (expenses) income, net	$ (3,568)	$ 75	$ (280)
Loss on extinguishments of debt	(13,349)	(38,117)	—
Interest expense	(133,372)	(58,701)	(58,003)
Loss before income taxes	(150,289)	(96,743)	(58,283)
Income tax expense	3	7	30
Loss before equity in income of AmeriGas Propane, L.P.	(150,292)	(96,750)	(58,313)
Equity in income of AmeriGas Propane, L.P.	161,317	235,273	223,526
Net income	$ 11,025	$ 138,523	$ 165,213
General partner's interest in net income	$ 13,119	$ 6,422	$ 4,691
Limited partners' interest in net income	$ (2,094)	$ 132,101	$ 160,522
(Loss) income per limited partner unit — basic and diluted:	$ (0.11)	$ 2.30	$ 2.80
Average limited partner units outstanding — basic (thousands)	81,433	57,119	57,076
Average limited partner units outstanding — diluted (thousands)	81,433	57,170	57,123

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

STATEMENTS OF CASH FLOWS
(Thousands of dollars)

	Year Ended September 30,		
	2012	2011	2010
NET CASH PROVIDED BY OPERATING ACTIVITIES (a)	$ 170,598	$ 156,523	$ 160,380
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of businesses, net of cash acquired	(1,411,451)	—	—
Contributions to AmeriGas Propane, L.P.	(60,748)	(77,135)	—
Net cash used by investing activities	(1,472,199)	(77,135)	—
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions	(271,839)	(171,821)	(161,626)
Issuance of long-term debt	1,524,174	904,210	—
Repayments of long-term debt	(232,844)	(810,232)	—
Proceeds from issuance of Common Units in public unit offering	276,562	—	—
Proceeds associated with equity based compensation plans, net of tax withheld	951	616	566
Capital contribution from General Partner	2,824	18	17
Net cash provided (used) by financing activities	1,299,828	(77,209)	(161,043)
(Decrease) increase in cash and cash equivalents	$ (1,773)	$ 2,179	$ (663)
CASH AND CASH EQUIVALENTS:			
End of year	$ 708	$ 2,481	$ 302
Beginning of year	2,481	302	965
(Decrease) increase	$ (1,773)	$ 2,179	$ (663)

(a) Includes cash distributions received from AmeriGas Propane, L.P. of $334,527, $222,635 and $217,950 for the years ended September 30, 2012, 2011 and 2010, respectively.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

(Thousands of dollars)

	Balance at beginning of year	Charged (credited) to costs and expenses	Other	Balance at end of year	
Year Ended September 30, 2012					
Reserves deducted from assets in the consolidated balance sheet:					
Allowance for doubtful accounts	$ 17,181	$ 15,088	$ (15,052) (1)	$ 17,217	
Other reserves:					
Property and casualty liability	$ 52,449	$ 25,423	$ (24,776) (3)	$ 85,575	(5)
			32,479 (2)		
Environmental, litigation and other	$ 11,944	$ 1,192	$ (2,450) (3)	$ 22,911	
			12,566 (2)		
			(341) (4)		
Year Ended September 30, 2011					
Reserves deducted from assets in the consolidated balance sheet:					
Allowance for doubtful accounts	$ 15,290	$ 12,807	$ (10,916) (1)	$ 17,181	
Other reserves:					
Property and casualty liability	$ 57,708	$ 7,364	$ (16,242) (3)	$ 52,449	(5)
			3,619 (4)		
Environmental, litigation and other	$ 26,597	$ 4,512	$ (20,960) (3)	$ 11,944	
			1,795 (4)		

	Balance at beginning of year	Charged (credited) to costs and expenses	Other	Balance at end of year	
Year Ended September 30, 2010					
Reserves deducted from assets in the consolidated balance sheet:					
Allowance for doubtful accounts	$ 13,239	$ 12,459	$ (10,408) (1)	$ 15,290	
Other reserves:					
Property and casualty liability	$ 62,658	$ 12,308	$ (22,866) (3)	$ 57,708	(5)
			5,608 (4)		
Environmental, litigation and other	$ 21,660	$ 6,213	$ (1,183) (3)	$ 26,597	
			(93) (4)		

(1) Uncollectible accounts written off, net of recoveries.

(2) Acquisitions

(3) Payments, net of any refunds

(4) Other adjustments, primarily reclassifications and refunds

(5) At September 30, 2012, 2011, and 2010, the Partnership had insurance indemnification receivables associated with its property and casualty liabilities totaling $14,589, $3,129, and $6,329, respectively.

EXHIBIT INDEX

Exhibit No.	Description
10.29	Description of oral compensation arrangement for Messrs. Jerry E. Sheridan, John S. Iannarelli and R. Paul Grady
10.31	Summary of Director Compensation of AmeriGas Propane, Inc. dated October 1, 2012
10.39	Credit Agreement dated as of June 21, 2011, as amended through and including Amendment No. 4 thereto dated April 18, 2012, by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as a Guarantor, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender ("Agent"), Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Book Manager and the financial institutions from time to time party thereto.
21	Subsidiaries of the Registrant
23	Consent of PricewaterhouseCoopers LLP
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
31.2	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act
32	Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act
99	UGI Corporation Equity-Based Compensation Information
101.INS	XBRL.Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

EXHIBIT 31.1

CERTIFICATION

I, Jerry E. Sheridan, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 20, 2012

/s/ Jerry E. Sheridan

Jerry E. Sheridan

President and Chief Executive Officer of AmeriGas Propane, Inc.

EXHIBIT 31.2

CERTIFICATION

I, John S. Iannarelli, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 20, 2012

/s/ John S. Iannarelli

John S. Iannarelli

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

EXHIBIT 32

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

I, Jerry E. Sheridan, Chief Executive Officer, and I, John S. Iannarelli, 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 annual report on Form 10-K for the period ended September 30, 2012 (the "Form 10-K") fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, as amended; and

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

* * *

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER
/s/ Jerry E. Sheridan	/s/ John S. Iannarelli
Jerry E. Sheridan	John S. Iannarelli
Date: November 20, 2012	Date: November 20, 2012

Partnership Information

Investor Services

Transfer Agent and Registrar

Unitholder communications regarding transfer of units, lost certificates, lost distribution checks or changes of address should be directed to:

By Mail:
Computershare Investor Services
P.O. Box 43078
Providence, RI 02940-3078

By Overnight Delivery:
Computershare Investor Services
250 Royall Street
Canton, MA 02021

800-254-5196 (U.S. and Canada)
312-360-5100 (other countries)

Unitholders can also view real-time account information and request transfer agent services online at the Computershare Investor Services website: www.computershare.com/investor. Computershare Investor Services can be accessed through telecommunications devices for the hearing impaired by calling:
800-822-2794 (U.S. and Canada)
312-588-4110 (other countries)

Investor Relations

Securities analysts, portfolio managers and other members of the professional investment community should direct inquiries about the Partnership to:
Hugh J. Gallagher
Treasurer
AmeriGas Propane, Inc.
P.O. Box 965
Valley Forge, PA 19482
610-337-7000

News, Earnings, Financial Reports and Governance Documents

Comprehensive news, webcast events and other information about AmeriGas Partners, L.P. and UGI Corporation are available via the internet at: www.amerigas.com.

You can also request reports filed with the SEC and corporate governance documents, including the General Partner's Codes of Ethics and Principles of Corporate Governance, free of charge, by writing to Hugh J. Gallagher, Treasurer at the address above.

Tax Information

AmeriGas Partners, L.P. is a publicly traded master limited partnership. All unitholders are limited partners eligible to receive cash distributions.

A partnership has different tax implications for its owners than a corporation has for its shareholders. The annual income, gains, losses, deductions or credits of a partnership flow through to its unitholders, or limited partners, who are required to report their allocated share of these amounts on their own income tax returns.

By March 15, 2013, tax information in the form of a Schedule K-1, which will summarize each unitholder's allocated share of the Partnership's reportable tax items for the calendar year ended December 31, 2012, will be mailed to each unitholder of AmeriGas Partners, L.P. The Schedule K-1 will also be available via the internet by accessing the Investor Relations section at www.amerigas.com.

For additional information regarding taxes, unitholders should consult with their personal tax adviser. AmeriGas Tax Information Services, at 800-310-9145, is available for questions regarding the Schedule K-1.

Board of Directors

Lon R. Greenberg [2]
Chairman

John L. Walsh
Vice Chairman

Jerry E. Sheridan
President and Chief Executive Officer

Stephen D. Ban [2,3]
Retired, former President and Chief Executive Officer of the Gas Research Institute (gas industry research and development institute)

William J. Marrazzo [1,3]
Chief Executive Officer and President, WHYY, Inc. (public television and radio)

Gregory A. Pratt [1,4]
Chairman of the Board, Carpenter Technology Corporation (manufacturer of specialty metals)

Marvin O. Schlanger (Presiding Director) [2,3,4]
Principal, Cherry Hill Chemical Investments, LLC (management and capital services)

Howard B. Stoeckel [1,4]
Vice Chairman and Chief Executive Officer, Wawa, Inc. (retailer of food products and gasoline)

K. Rick Turner
Retired private equity principal of the Stephens Group, LLC (private, family-owned investment firm)

[1] Audit Committee
[2] Executive Committee
[3] Compensation/Pension Committee
[4] Corporate Governance Committee

Officers

Lon R. Greenberg, Chairman

John L. Walsh, Vice Chairman

Jerry E. Sheridan, President and Chief Executive Officer

Richard W. Fabrizio, Vice President and Chief Information Officer

Hugh J. Gallagher, Treasurer

Monica M. Gaudiosi, Vice President and Secretary

R. Paul Grady, Vice President and Chief Operating Officer

John S. Iannarelli, Vice President – Finance and Chief Financial Officer

William D. Katz, Vice President – Human Resources

David L. Lugar, Vice President – Supply and Logistics

Warren J. Patterson, Vice President – Sales

Andrew J. Peyton, Vice President – Corporate Development

Kathy Prigmore, Vice President – Operations Support and Customer Advocacy

Kevin Rumbelow, Vice President – Supply Chain

Steven A. Samuel, Vice President – Law and General Counsel

William J. Stanczak, Controller and Chief Accounting Officer

AmeriGas

AmeriGas Partners, L.P.
P.O. Box 965
Valley Forge, PA 19482

You can obtain news and other information about AmeriGas Partners, L.P. at www.amerigas.com

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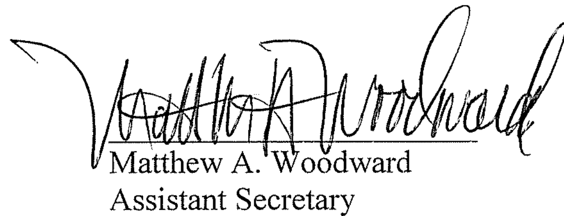
AMERIGAS PARTNERS, L.P.

ASSISTANT SECRETARY'S CERTIFICATE

I, Matthew A. Woodward, do hereby certify that I am the duly elected and acting Assistant Secretary of AmeriGas Propane, Inc., a Pennsylvania corporation (the "Company") and the General Partner of AmeriGas Partners, L.P., a Delaware limited partnership, and as such I am duly authorized to execute and deliver this Certificate on behalf of the Company, and I do further certify in said capacity as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., dated as of July 27, 2009.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 28th day of May, 2013.



Matthew A. Woodward
Assistant Secretary

Corporate Seal

Exhibit A

Fourth Amended and Restated Agreement
Of
Limited Partnership
Of
AmeriGas Partners, L.P.
Dated as of July 27, 2009

FOURTH AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
AMERIGAS PARTNERS, L.P.

DATED AS OF JULY 27, 2009

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FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF AMERIGAS PARTNERS, L.P.

THIS FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF AMERIGAS PARTNERS, L.P., dated as of July 27, 2009 is entered into by and among AmeriGas Propane, Inc., a Pennsylvania corporation, as the General Partner, and those persons who become Partners in the Partnership or parties hereto as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
ORGANIZATIONAL MATTERS

1.1 FORMATION. The General Partner and the Organizational Limited Partner have previously formed the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. The General Partner hereby amends and restates the Third Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., dated as of December 1, 2004, as amended, in its entirety. Except as expressly provided to the contrary in this Agreement, the rights and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act. All Partnership Interests shall constitute personal property of the owner thereof for all purposes.

1.2 NAME. The name of the Partnership shall be "AmeriGas Partners, L.P." The Partnership's business may be conducted under any other name or names deemed necessary or appropriate by the General Partner, including the name of the General Partner. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole discretion may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

1.3 REGISTERED OFFICE; PRINCIPAL OFFICE. Unless and until changed by the General Partner, the registered office of the Partnership in the State of Delaware shall be located at 2711 Centreville road, Suite 400, Wilmington, Delaware 19808, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be The Prentice-Hall Corporation System, Inc. The principal office of the Partnership shall be located at, and the address of the General Partner shall be, 460 North Gulph Road, King of Prussia, Pennsylvania 19406, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems necessary or appropriate.

1.4 POWER OF ATTORNEY. (a) Each Limited Partner and each Assignee hereby constitutes and appoints each of the General Partner and, if a Liquidator shall have been selected pursuant to Section 14.3, the Liquidator severally (and any successor to either thereof by merger, transfer,

assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements thereof) that the General Partner or the Liquidator deems necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the General Partner or the Liquidator deems necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner or the Liquidator deems necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article XI, XII, XIII or XIV; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Partnership Securities issued pursuant to Section 4.4; and (F) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger or consolidation of the Partnership pursuant to Article XVI; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or is necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to effectuate the terms or intent of this Agreement; provided, that when required by Section 15.3 or any other provision of this Agreement that establishes a percentage of the Limited Partners or of the Limited Partners of any class or series required to take any action, the General Partner or the Liquidator may exercise the power of attorney made in this Section 1.4(a)(ii) only after the necessary vote, consent or approval of the Limited Partners or of the Limited Partners of such class or series, as applicable.

Nothing contained in this Section 1.4(a) shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article XV or as may be otherwise expressly provided for in this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Interest and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any

representation made by the General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator deems necessary to effectuate this Agreement and the purposes of the Partnership.

1.5 TERM. The Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue in existence until the close of Partnership business on December 31, 2093, or until the earlier dissolution of the Partnership in accordance with the provisions of Article XIV.

1.6 POSSIBLE RESTRICTIONS ON TRANSFER. The General Partner may impose restrictions on the transfer of Partnership Interests if a subsequent Opinion of Counsel determines that such restrictions are necessary to avoid a substantial risk of the Partnership's becoming taxable as a corporation or otherwise as an entity for federal income tax purposes. The restrictions may be imposed by making such amendments to this Agreement as the General Partner in its sole discretion may determine to be necessary or appropriate to impose such restrictions; provided, however, that any amendment that the General Partner believes, in the exercise of its reasonable discretion, could result in the delisting or suspension of trading of any class of Units on any National Securities Exchange on which such class of Units is then traded must be approved by the holders of at least a majority of the Outstanding Units of such class.

ARTICLE II
DEFINITIONS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"ACQUISITION" means any transaction in which any Group Member acquires (through an asset acquisition, merger, stock acquisition or other form of investment) control over all or a portion of the assets, properties or business of another Person for the purpose of increasing the operating capacity of the Partnership Group from the operating capacity of the Partnership Group existing immediately prior to such transaction.

"ADDITIONAL LIMITED PARTNER" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 12.4 and who is shown as such on the books and records of the Partnership.

"ADJUSTED OPERATING SURPLUS" for any period means Operating Surplus generated during such period as adjusted to (a) exclude Operating Surplus attributable to (i) any net increase in working capital borrowings during such period and (ii) any net reduction in cash reserves during such period, and (b) include any net increases in reserves to provide funds for distributions resulting from Operating Surplus generated during such period. Adjusted Operating

Surplus does not include that portion of Operating Surplus included in clause (a)(i) of the definition of Operating Surplus.

"AFFILIATE" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"AGREEMENT" means this Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., as it may be amended, supplemented or restated from time to time.

"AMERIGAS" means AmeriGas Propane, Inc., a Pennsylvania corporation and a wholly owned subsidiary of AmeriGas, Inc., a Pennsylvania corporation.

"ARREARAGE BALANCE" means, as to each Common Unit as of the end of a Quarter, the excess of the sum of the Minimum Quarterly Distribution for an Initial Common Unit for each prior Quarter over the sum of the amounts distributed pursuant to Sections 5.3(a) and 5.3(b) for such prior Quarter and all prior Quarters in respect of an Initial Common Unit; except that no increases shall be made after the Subordination Period and all Arrearage Balances shall in all events be zero if the General Partner is removed as general partner of the Partnership upon the requisite vote by Limited Partners under circumstances where Cause does not exist.

"ASSIGNEE" means a Non-citizen Assignee or a Person to whom one or more Units have been transferred in a manner permitted under this Agreement and who has executed and delivered a Transfer Application as required by this Agreement, but who has not become a Substituted Limited Partner.

"ASSOCIATE" means, when used to indicate a relationship with any Person,
(a) any corporation or organization of which such Person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person.

"AUDIT COMMITTEE" means a committee of the Board of Directors of the General Partner composed entirely of two or more directors who are neither officers nor employees of the General Partner or any of its Affiliates.

"AVAILABLE CASH," as to any Quarter ending before the Liquidation Date, means

(a) the sum of (i) all cash of the Partnership Group on hand at the end of such Quarter and (ii) all additional cash of the Partnership Group on hand on the date of determination of Available Cash with respect to such Quarter resulting from borrowings subsequent to the end of such Quarter, less

(b) the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the General Partner to (i) provide for the proper conduct of the business of the Partnership Group (including reserves for future capital expenditures) subsequent to such Quarter, (ii) provide funds for distributions under Sections 5.3(a), (b) and (c) or 5.4(a) in respect of any one or more of the next four Quarters, or (iii) comply with applicable law or any debt instrument or other agreement or obligation to which any member of the Partnership Group is a party or its assets are subject.

"BOOK-ENTRY SYSTEM" means a direct registration system operated by a securities depository, which system meets the requirements of any National Securities Exchange on which the Common Units or any other Units are, at the time in question, listed for trading.

"BUSINESS DAY" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States or the states of New York or Pennsylvania shall not be regarded as a Business Day.

"CAPITAL IMPROVEMENTS" means (a) additions or improvements to the capital assets owned by any Group Member or (b) the acquisition of existing or the construction of new capital assets (including retail distribution outlets, propane tanks, pipeline systems, storage facilities and related assets), made to increase the operating capacity of the Partnership Group from the operating capacity of the Partnership Group existing immediately prior to such addition, improvement, acquisition or construction.

"CAPITAL SURPLUS" has the meaning assigned to such term in Section 5.5.

"CAUSE" means a court of competent jurisdiction has entered a final, non-appealable judgment finding the General Partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as general partner of the Partnership.

"CERTIFICATE" means a certificate, substantially in the form of Exhibit A to this Agreement or in such other form as may be adopted by the General Partner in its sole discretion, issued by the Partnership evidencing ownership of one or more Common Units, or a certificate, in such form as may be adopted by the General Partner in its sole discretion, issued by the Partnership evidencing ownership of one or more other Units.

"CERTIFICATE OF LIMITED PARTNERSHIP" means the Certificate of Limited Partnership filed with the Secretary of State of the State of Delaware as referenced in Section 6.2, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

"CITIZENSHIP CERTIFICATION" means a properly completed certificate in such form as may be specified by the General Partner by which an Assignee or a Limited Partner certifies that he (and if he is a nominee holding for the account of another Person, that to the best of his knowledge such other Person) is an Eligible Citizen.

"CLAIM" has the meaning assigned to such term in Section 6.13(c).

"CLOSING DATE" means the first date on which Common Units are sold by the Partnership to the Underwriters pursuant to the provisions of the Underwriting Agreement.

"CLOSING PRICE" has the meaning assigned to such term in Section 17.1(a).

"CODE" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"COMBINED INTEREST" has the meaning assigned to such term in Section 13.3(a).

"COMMISSION" means the Securities and Exchange Commission.

"COMMON UNIT" means a Unit representing a fractional part of the Partnership Interests of all Limited Partners and Assignees and having the rights and obligations specified with respect to Common Units in this Agreement.

"CONTRIBUTION" means any cash, cash equivalents or the Net Agreed Value of any other property or asset that a Partner contributes to the Partnership pursuant to the Conveyance and Contribution Agreement, the Merger and Contribution Agreement, Article IV or Section 13.3(c).

"CONVEYANCE AND CONTRIBUTION AGREEMENT" means that certain Conveyance and Contribution Agreement, dated as of the Closing Date, between Petrolane, the Partnership, the Operating Partnership and certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"CURRENT MARKET PRICE" has the meaning assigned to such term in Section 17.1(a).

"DELAWARE ACT" means the Delaware Revised Uniform Limited Partnership Act, 6 Del C. ss. 17-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"DEPARTING PARTNER" means a former General Partner from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 13.1 or 13.2.

"DISTRIBUTION LEVELS" means the levels of distribution provided in Section 5.2.

"ELIGIBLE CITIZEN" means a Person qualified to own interests in real property in jurisdictions in which any Group Member does business or proposes to do business from time to time, and whose status as a Limited Partner or Assignee does not or would not subject such Group Member to a substantial risk of cancellation or forfeiture of any of its properties or any interest therein.

"EVENT OF WITHDRAWAL" has the meaning assigned to such term in Section 13.1(a).

"FIRST TARGET DISTRIBUTION" has the meaning assigned to such term in Section 5.2.

"GENERAL PARTNER" means AmeriGas and its successor as general partner of the Partnership.

"GROUP" means a Person that with or through any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent given to such Person in response to a proxy or consent solicitation made to 10 or more Persons) or disposing of any Partnership Securities with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, Partnership Interests.

"GROUP MEMBER" means a member of the Partnership Group.

"HOLDER" has the meaning assigned to such term in Section 6.13(a).

"INCLUDES" means includes, without limitation, and "INCLUDING" means including, without limitation.

"INDEMNIFIED PERSONS" has the meaning assigned to such term in Section 6.13(c).

"INDEMNITEE" means (a) the General Partner, any Departing Partner, any Person who is or was an Affiliate of the General Partner or any Departing Partner, (b) any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing Partner or any such Affiliate, or (c) any Person who is or was serving at the request of the General Partner or any Departing Partner or any such Affiliate as a director, officer, employee, partner, agent, fiduciary or trustee of another Person; provided, that a Person shall not be an Indemnitee pursuant to this clause (c) by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services.

"INITIAL COMMON UNITS" means the Common Units sold in the Initial Offering.

"INITIAL LIMITED PARTNERS" means AmeriGas and Petrolane (with respect to the Common Units and Subordinated Units received by them pursuant to Section 4.2) and the Underwriters, in each case upon being admitted to the

Partnership in accordance with Section 12.1.

"INITIAL OFFERING" means the initial offering and sale of Common Units to the public, as described in the Registration Statement.

"INITIAL UNIT PRICE" means (a) the initial public offering price per Common Unit at which the Underwriters offered the Common Units to the public for sale as set forth on the cover page of the prospectus first issued at or after the time the Registration Statement first became effective

or (b) with respect to any other class or series of Units, the price per Unit at which such class or series of Units is initially sold by the Partnership, as determined by the General Partner.

"INTERIM CAPITAL TRANSACTIONS" means the following transactions if they occur prior to the Liquidation Date: (a) borrowings, refinancings or refundings of indebtedness and sales of debt securities (other than for working capital purposes and other than for items purchased on open account in the ordinary course of business) by any Group Member; (b) sales of equity interests (including Common Units sold to the Underwriters pursuant to the exercise of the Overallotment Option) by any Group Member; and (c) sales or other voluntary or involuntary dispositions of any assets of any Group Member other than (x) sales or other dispositions of inventory in the ordinary course of business, (y) sales or other dispositions of other current assets, including receivables and accounts, and (z) sales or other dispositions of assets as part of normal retirements or replacements.

"INVESTMENT BALANCE" means, as to each Unit at the end of each Quarter, the Initial Unit Price for each Initial Common Unit reduced (but not below zero) by distributions of Capital Surplus under Section 5.5 and by liquidating distributions under Sections 5.6 or 5.7.

"ISSUE PRICE" means the price at which a Unit is purchased from the Partnership, after taking into account any sales commission or underwriting discount charged to the Partnership.

"LIMITED PARTNER" means, unless the context otherwise requires, (a) the Organizational Limited Partner, each Initial Limited Partner, each Substituted Limited Partner, each Additional Limited Partner and any Departing Partner upon the change of its status from General Partner to Limited Partner pursuant to
Section 13.3; and (b) solely for purposes of Articles IV, V, VI and IX and Sections 14.3 and 14.4, each Assignee.

"LIQUIDATION DATE" means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 14.2, the date on which the applicable time period during which the holders of Outstanding Units have the right to elect to reconstitute the Partnership and continue its business has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

"LIQUIDATOR" means the General Partner or other Person approved pursuant to Section 14.3 who performs the functions described therein.

"MAINTENANCE CAPITAL EXPENDITURES" means cash capital expenditures made to maintain, up to the level thereof that existed at the time of such expenditure, the operating capacity of the capital assets of the Partnership Group, as such assets existed at the time of such expenditure and shall, therefore, not include cash capital expenditures made in respect of Acquisitions and Capital Improvements. Where cash capital expenditures are made in part to maintain the operating capacity level referred to in the immediately preceding sentence and in part for other purposes, the General Partner's good faith allocation thereof between the portion

used to maintain such operating capacity level and the portion used for other purposes shall be conclusive.

"MERGER AGREEMENT" has the meaning assigned to such term in Section 16.1.

"MERGER AND CONTRIBUTION AGREEMENT" means that certain Merger and Contribution Agreement, dated as of the Closing Date, between AmeriGas, the Partnership, the Operating Partnership and certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"MINIMUM QUARTERLY DISTRIBUTION" has the meaning assigned to such term in Section 5.2.

"NATIONAL SECURITIES EXCHANGE" means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute, or the NASDAQ Stock Market or any successor thereto.

"NET AGREED VALUE" means the fair market value of any asset or property contributed to the Partnership reduced by any liabilities either assumed by the Partnership upon such contribution or to which the asset or property is subject when contributed, in each case as determined by the General Partner using such reasonable method of valuation as it may adopt.

"NET LIQUIDATION GAIN" means the excess of all the gains realized after the Liquidation Date from the sale or other disposition of Partnership assets over all the losses realized from such dispositions, determined separately for each asset in accordance with generally accepted accounting principles, except that the initial basis of each contributed property shall be deemed to equal its fair market value when contributed, and each intangible asset shall be amortized only if and at the rate amortizable for federal income tax purposes.

"1989 CUSTOMER LIST" means a customer list established in 1989 on the books of Petrolane Gas Services LP, a partnership which was merged into Petrolane on July 15, 1993.

"NON-CITIZEN ASSIGNEE" means a Person whom the General Partner has determined in its sole discretion does not constitute an Eligible Citizen and as to whose Partnership Interest the General Partner has become the Substituted Limited Partner, pursuant to Section 11.5.

"NOTICE OF ELECTION TO PURCHASE" has the meaning assigned to such term in Section 17.1(b).

"OPERATING EXPENDITURES" means all Partnership Group expenditures, including taxes, reimbursements of the General Partner, debt service payments, and capital expenditures, subject to the following:

(a) Payments (including prepayments) of principal and premium on a debt shall not be an Operating Expenditure if the payment is (i) required in connection with the sale or other

disposition of assets or (ii) made in connection with the refinancing or refunding of indebtedness with the proceeds from new indebtedness or from the sale of equity interests. For purposes of the foregoing, at the election and in the reasonable discretion of the General Partner, any payment of principal or premium shall be deemed to be refunded or refinanced by any indebtedness incurred or to be incurred by the Partnership Group within 180 days before or after such payment to the extent of the principal amount of such indebtedness.

(b) Operating Expenditures shall not include (i) capital expenditures made for Acquisitions or for Capital Improvements or (ii) payment of transaction expenses relating to Interim Capital Transactions. Where capital expenditures are made in part for Acquisitions or Capital Improvements and in part for other purposes, the General Partner's good faith allocation between the amounts paid for each shall be conclusive.

"OPERATING PARTNERSHIP" means AmeriGas Propane, L.P., a Delaware limited partnership, and any successors thereto.

"OPERATING PARTNERSHIP AGREEMENT" means the Agreement of Limited Partnership of the Operating Partnership, as it may be amended, supplemented or restated from time to time.

"OPERATING SURPLUS," as to any Quarter ending before the Liquidation Date, means

(a) the sum of (i) $40 million plus all cash of the Partnership Group on hand as of the close of business on the Closing Date, (ii) all the cash receipts of the Partnership Group for the period beginning on the Closing Date and ending with the last day of such Quarter, other than cash receipts from Interim Capital Transactions and (iii) all cash receipts of the Partnership Group after the end of such period but on or before the date of determination of Operating Surplus with respect to such period resulting from working capital borrowings, less

(b) the sum of (i) Operating Expenditures for the period beginning on the Closing Date and ending with the last day of such Quarter, (ii) all distributions made pursuant to Sections 5.3 or 5.4 in respect of all prior Quarters, and (iii) the amount of cash reserves that is necessary or advisable in the reasonable discretion of the General Partner to provide funds for future Operating Expenditures.

"OPINION OF COUNSEL" means a written opinion of counsel (who may be regular counsel to AmeriGas, any Affiliate of AmeriGas, the Partnership or the General Partner) acceptable to the General Partner in its reasonable discretion.

"ORGANIZATIONAL LIMITED PARTNER" means Barton D. Whitman, in his capacity as the organizational limited partner of the Partnership pursuant to this Agreement.

"OUTSTANDING" means, with respect to Partnership Securities, all Partnership Securities that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination; provided that, if at any time any Person or Group (other than AmeriGas and its Affiliates) owns beneficially 20% or more of all Common Units, such Common Units so owned shall not be voted on any matter and shall not be considered to be

Outstanding when sending notices of a meeting of Limited Partners (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement, except that such Common Units shall be considered to be Outstanding for purposes of Section 13.1(b)(iv) (such Common Units shall not, however, be treated as a separate class of Partnership Securities for purposes of this Agreement).

"OVERALLOTMENT OPTION" means the overallotment option granted to the Underwriters by the Partnership pursuant to the Underwriting Agreement.

"PARITY UNITS" means Common Units and all other Units having rights to distributions or in liquidation ranking on a parity with the Common Units.

"PARTNERS" means the General Partner and the Limited Partners.

"PARTNERSHIP" means AmeriGas Partners, L.P., a Delaware limited partnership, and any successors thereto.

"PARTNERSHIP GROUP" means the Partnership, the Operating Partnership and any partnership Subsidiary of either such entity, treated as a single consolidated partnership.

"PARTNERSHIP INTEREST" means an interest in the Partnership, which shall include general partner interests, Common Units, Subordinated Units or other Partnership Securities, or a combination thereof or interest therein, as the case may be.

"PARTNERSHIP SECURITY" means any class or series of Unit, any option, right, warrant or appreciation rights relating thereto, or any other type of equity interest that the Partnership may lawfully issue, or any unsecured or secured debt obligation of the Partnership that is convertible into any class or series of equity interests of the Partnership.

"PERCENTAGE INTEREST" means as of the date of such determination (a) as to the General Partner, 1%, (b) as to any

Limited Partner or Assignee holding Units, the product of (i) 99% less the percentage applicable to paragraph (c) multiplied by (ii) the quotient of the number of Units held by such Limited Partner or Assignee divided by the total number of all Outstanding Units, and (c) as to the holders of additional Partnership Securities issued by the Partnership in accordance with Section 4.3, the percentage established as a part of such issuance.

"PERSON" means an individual or a corporation, partnership, trust, unincorporated organization, association or other entity.

"PETROLANE" means Petrolane Incorporated, a California corporation.

"PRO RATA", when modifying Units or any class thereof, means apportioned equally among all designated Units, and when modifying Partners means 1% to the General Partner and 99% to the Unitholders Pro Rata.

"PURCHASE DATE" means the date determined by the General Partner as the date for purchase of all Outstanding Units (other than Units owned by the General Partner and its Affiliates) pursuant to Article XVII.

"QUARTER" means, unless the context requires otherwise, a three-month period of time ending on March 31, June 30, September 30, or December 31.

"RECORD DATE" means the date established by the General Partner for determining (a) the identity of the Record Holder entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution.

"RECORD HOLDER" means the Person in whose name a Unit is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day, or with respect to a holder of a general partner interest, the Person in whose name such general partner interest is registered on the books of the General Partner as of the opening of business on such Business Day.

"REDEEMABLE UNITS" means any Units for which a redemption notice has been given, and has not been withdrawn, pursuant to Section 11.6.

"REGISTRATION STATEMENT" means the Registration Statement on Form S-1 (Registration No. 33-86028), as it has been or as it may be amended or supplemented from time to time, filed by the Partnership with the Commission under the Securities Act to register the offering and sale of the Common Units in the Initial Offering.

"RESTRICTED ACTIVITIES" means the retail sales of propane to end users in the continental United States in the manner engaged in by AmeriGas and Petrolane immediately prior to the Closing Date.

"SECOND TARGET DISTRIBUTION" has the meaning assigned to such term in Section 5.2.

"SECURITIES ACT" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

"SPECIAL APPROVAL" means approval by the Audit Committee.

"SPECIAL PROPANE CORPORATION" means any corporation that is engaged in Restricted Activities, is not an S Corporation within the meaning of Section 1361 of the Code, and whose tax basis in its assets is in the aggregate substantially less than the fair market value of such assets.

"SUBORDINATED UNIT" means a Unit representing a fractional part of the Partnership Interests of all Limited Partners and Assignees and having the rights and obligations specified with respect to Subordinated Units in this Agreement.

"SUBORDINATION PERIOD" means the period commencing on the Closing Date and ending on the first to occur of the following dates:

(a) the first day of any Quarter beginning on or after April 1, 2000 in respect of which (i) distributions of Available Cash from Operating Surplus on each of the Common Units and Subordinated Units equaled or exceeded the Minimum Quarterly Distribution for each of the four consecutive non-overlapping four-Quarter periods immediately preceding such date, (ii) the Adjusted Operating Surplus generated during both (A) each of the two immediately preceding non-overlapping four-Quarter periods and (B) the immediately preceding sixteen-Quarter period equaled or exceeded the Minimum Quarterly Distribution on each of the Common Units and Subordinated Units during such periods, and (iii) there are no Arrearage Balances on the Common Units; and

(b) the date on which the General Partner is removed as general partner of the Partnership upon the requisite vote by Limited Partners under circumstances where Cause does not exist.

"SUBSIDIARY" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned or controlled, directly or indirectly, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"SUBSTITUTED LIMITED PARTNER" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 12.2 in place of and with all the rights of a Limited Partner and who is shown as a Limited Partner on the books and records of the Partnership.

"SURVIVING BUSINESS ENTITY" has the meaning assigned to such term in Section 16.2(b).

"THIRD TARGET DISTRIBUTION" has the meaning assigned to such term in Section 5.2.

"TRADING DAY" has the meaning assigned to such term in Section 17.1(a).

"TRANSFER" has the meaning assigned to such term in Section 11.1(a).

"TRANSFER AGENT" means such bank, trust company or other Person (including the General Partner or one of its Affiliates) as shall be appointed from time to time by the Partnership to act as registrar and transfer agent for the Units.

"TRANSFER APPLICATION" means an application and agreement for transfer of Units in the form set forth on the back of a Certificate or in a form substantially to the same effect in a separate instrument.

"UNDERWRITER" means each Person named as an underwriter in Schedule 1 to the Underwriting Agreement who purchases Common Units pursuant thereto.

"UNDERWRITING AGREEMENT" means the Underwriting Agreement dated April 12, 1995, among the Underwriters, the Partnership and other parties providing for the purchase of Common Units by such Underwriters.

"UNIT" means a Partnership Interest of a Limited Partner or Assignee in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and Assignees and shall include, without limitation, Common Units and Subordinated Units; provided, that each Common Unit at any time Outstanding shall represent the same fractional part of the Partnership Interests of all Limited Partners and Assignees holding Common Units as each other Common Unit and each Subordinated Unit at any time Outstanding shall represent the same fractional part of the Partnership Interests of all Limited Partners and Assignees holding Subordinated Units as each other Subordinated Unit.

"UNIT MAJORITY" means, during the Subordination Period, at least a majority of the Outstanding Units of each class and, thereafter, at least a majority of the Outstanding Units.

"WITHDRAWAL OPINION OF COUNSEL" has the meaning assigned to such term in Section 13.1(b).

ARTICLE III
PURPOSE

3.1 PURPOSE AND BUSINESS. The purpose and nature of the business to be conducted by the Partnership shall be to (a) serve as a limited partner in the Operating Partnership and, in connection therewith, to exercise all the rights and powers conferred upon the Partnership as a limited partner in the Operating Partnership pursuant to the Operating Partnership Agreement or otherwise, (b) engage directly in, or to enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that the Operating Partnership is permitted to engage in by the Operating Partnership Agreement and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, (c) engage directly in, or to enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the General Partner and which lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, and (d) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to the Operating Partnership. The General Partner has no obligation or duty to the Partnership, the Limited Partners, or the Assignees to propose or approve, and in

its sole discretion may decline to propose or approve, the conduct by the Partnership of any business.

3.2 POWERS. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 3.1 and for the protection and benefit of the Partnership.

ARTICLE IV
CONTRIBUTIONS AND UNITS

4.1 ORGANIZATION CONTRIBUTIONS AND RETURN. In connection with the formation of the Partnership under the Delaware Act, the General Partner made a Contribution to the Partnership in the amount of $10 for an interest in the Partnership and has been admitted as the general partner of the Partnership, and the Organizational Limited Partner made a Contribution to the Partnership in the amount of $990 for an interest in the Partnership and has been admitted as a limited partner of the Partnership. As of the Closing Date, after giving effect to the transactions contemplated by Sections 4.2 and 4.3, the interest of the Organizational Limited Partner shall be terminated; the Contributions of each partner shall be refunded; and the Organizational Limited Partner shall cease to be a Limited Partner of the Partnership. Ninety-nine percent of any interest or other profit that may have resulted from the investment or other use of such initial Contributions shall be allocated and distributed to the Organizational Limited Partner, and the balance thereof shall be allocated and distributed to the General Partner.

4.2 GENERAL PARTNER AND PETROLANE CONTRIBUTIONS. (a) On the Closing Date and pursuant to the Merger and Contribution Agreement, the General Partner shall contribute to the Partnership a limited partner interest in the Operating Partnership in exchange for (i) the continuation of its Partnership Interest as general partner in the Partnership, (ii) 2,922,235 Common Units, and (iii) 13,350,146 Subordinated Units. On the Closing Date and pursuant to the Conveyance and Contribution Agreement, Petrolane, or Petrolane and one of its Subsidiaries, shall contribute to the Partnership limited partner interests in the Operating Partnership in exchange for an aggregate of 1,407,911 Common Units and 6,432,000 Subordinated Units. The limited partner interests in the Operating Partnership contributed by the General Partner and Petrolane, together with the interest previously held by the Partnership, will represent a 98.9899% Percentage Interest (as defined in the Operating Partnership Agreement) in the Operating Partnership.

(b) Upon the making of any Contribution to the Partnership by any person, the General Partner shall be required to make an additional Contribution in an amount equal to 1/99th of the Net Agreed Value of the additional Contribution made by such Person.

4.3 CONTRIBUTIONS BY INITIAL LIMITED PARTNERS. On the Closing Date, subject to completion of the Contributions referred to in Section 4.2, each Underwriter shall contribute to the Partnership cash in an amount equal to the Issue Price per Common Unit, multiplied by the number of Common Units specified in the Underwriting Agreement to be purchased by such Underwriter at the "First Closing Date," as such term is defined in the Underwriting Agreement.

In exchange for such Contributions by the Underwriters, the Partnership shall issue Common Units to each Underwriter on whose behalf such Contribution is made in an amount equal to the quotient obtained by dividing (i) the cash contribution to the Partnership by or on behalf of such Underwriter by (ii) the Issue Price per Common Unit.

4.4 ISSUANCES OF ADDITIONAL PARTNERSHIP SECURITIES. (a) Subject to Section 4.5, the General Partner is authorized to cause the Partnership to issue additional Partnership Securities for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as shall be established by the General Partner in its sole discretion, all without the approval of any Limited Partners.

(b) Each additional Partnership Security authorized to be issued by the Partnership pursuant to Section 4.4(a) may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of Partnership Securities), as shall be fixed by the General Partner in the exercise of its sole discretion, including (i) the right to share Partnership profit and losses or items thereof; (ii) the right to share in Partnership distributions; (iii) the rights upon dissolution and liquidation of the Partnership; (iv) whether, and the terms and conditions upon which, the Partnership may redeem the Partnership Security; (v) whether such Partnership Security is issued with the privilege of conversion and, if so, the terms and conditions of such conversion; (vi) the terms and conditions upon which each Partnership Security will be issued, evidenced by certificates and assigned or transferred; and (vii) the right, if any, of each such Partnership Security to vote on Partnership matters, including matters relating to the relative rights, preferences and privileges of such Partnership Security.

(c) The General Partner is hereby authorized and directed to take all actions that it deems necessary or appropriate in connection with each issuance of Partnership Securities pursuant to Section 4.4 and to amend this Agreement in any manner that it deems necessary or appropriate to provide for each such issuance, to admit Additional Limited Partners in connection therewith and to specify the relative rights, powers and duties of the holders of the Units or other Partnership Securities being so issued. The General Partner shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things it deems to be necessary or advisable in connection with any future issuance of Partnership Securities, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any National Securities Exchange on which the Units or other Partnership Securities are listed for trading.

4.5 LIMITATIONS ON ISSUANCE OF ADDITIONAL PARTNERSHIP SECURITIES. The issuance of Partnership Securities pursuant to Section 4.4 shall be subject to the following restrictions and limitations:

(a) During the Subordination Period, the Partnership shall not issue an aggregate of more than 9,400,000 additional Parity Units without the prior approval of holders of at least a majority of the Outstanding Common Units, except as provided in Sections 4.5(b) and (c). In applying this limitation, there shall be excluded Common Units issued in connection with (i) the exercise of the Overallotment Option, (ii) conversion of Subordinated Units pursuant to

Section 4.6, and (iii) any employee benefit plan, employee program or employee practice maintained or sponsored by the Partnership or the General Partner or any of its Affiliates as provided in Section 6.4(c).

(b) The Partnership may also issue an unlimited number of Parity Units prior to the end of the Subordination Period and without the approval of the Unitholders if such issuance occurs (i) in connection with an Acquisition or a Capital Improvement or (ii) within 270 days of, and the net proceeds from such issuance are used to repay debt incurred in connection with, an Acquisition or a Capital Improvement, in each case where such Acquisition or Capital Improvement involves assets that, if acquired by the Partnership as of the date that is one year prior to the first day of the Quarter in which such Acquisition is to be consummated or such Capital Improvement is to be completed, would have resulted in an increase in

(i) the amount of Adjusted Operating Surplus generated by the Partnership on a per-Unit basis (for all Outstanding Units) with respect to each of the four most recently completed Quarters over

(ii) the actual amount of Adjusted Operating Surplus generated by the Partnership on a per-Unit basis (for all Outstanding Units) with respect to each of such four Quarters.

The amount in clause (i) shall be determined on a pro forma basis assuming that (A) all of the Parity Units to be issued in connection with or within 270 days of such Acquisition or Capital Addition and Improvement had been issued and outstanding, (B) all indebtedness for borrowed money to be incurred or assumed in connection with such Acquisition or Capital Improvement (other than any such indebtedness that is to be repaid with the proceeds of such offering) had been incurred or assumed, in each case as of the commencement of such four-Quarter period, (C) the personnel expenses that would have been incurred by the Partnership in the operation of the acquired assets are the personnel expenses for employees to be retained by the Partnership in the operation of the acquired assets, and (D) the non-personnel costs and expenses are computed on the same basis as those incurred by the Partnership in the operation of the Partnership's business at similarly situated Partnership facilities.

(c) The Partnership may also issue an unlimited number of Parity Units prior to the end of the Subordination Period and without the approval of the Unitholders if the use of proceeds from such issuance is exclusively to repay up to an aggregate of $150,000,000 of long-term indebtedness of the Partnership or the Operating Partnership, in each case only where the aggregate amount of distributions that would have been paid with respect to such newly issued Units and the related additional distributions that would have been made to the General Partner in respect of the four-Quarter period ending prior to the first day of the Quarter in which the issuance is to be consummated (assuming such Units had been outstanding throughout such period and that distributions equal to the distributions that were actually paid on the outstanding Units during the period were paid on such Units) did not exceed the interest costs actually incurred during such period on the indebtedness that is to be repaid (or, if such indebtedness was not outstanding throughout the entire period, would have been incurred had such indebtedness been outstanding for the entire period).

(d) During the Subordination Period, the Partnership shall not issue additional Partnership Securities having rights to distributions or in liquidation ranking prior or senior to the Common Units, without the prior approval of holders of at least a majority of the Outstanding Common Units.

(e) No fractional Units shall be issued by the Partnership.

4.6 CONVERSION OF SUBORDINATED UNITS. (a) A total of 4,945,537 Subordinated Units will convert into Common Units on the first day after the Record Date for distribution in respect of any Quarter ending on or after March 31, 1998, and an additional 4,945,537 Subordinated Units will convert into Common Units on the first day after the Record Date for distributions in respect of any Quarter ending on or after March 31, 1999, in respect of which

(i) for each of the three consecutive non-overlapping four-Quarter periods immediately preceding such date, distributions under Section 5.3 at least equal the sum of the Minimum Quarterly Distributions for each Quarter (as prorated for the actual length of the period from the Closing Date through March 30, 1996) on all Outstanding Common Units and Subordinated Units during such period;

(ii) the Adjusted Operating Surplus generated during the immediately preceding twelve-Quarter period at least equals the sum of the Minimum Quarterly Distributions for each Quarter (as prorated for the actual length of the period from the Closing Date through March 30, 1996) on all Outstanding Common Units and Subordinated Units during such period;

(iii) the Arrearages Balances on the Common Units are zero;

(iv) the General Partner makes a good faith estimate (in connection with which the General Partner shall be entitled to make such assumptions as in its sole discretion it believes are reasonable) that the Partnership will, with respect to the four-Quarter period commencing with such date, generate Adjusted Operating Surplus in an amount at least equal to the sum of the Minimum Quarterly Distributions on all Outstanding Common Units and Subordinated Units; and

(v) the General Partner shall obtain Special Approval that it has complied with the provisions of Section 4.6(a)(iv).

In the event less than all of the Outstanding Subordinated Units shall convert into Common Units pursuant to this Section 4.6(a) at a time when there shall be more than one holder of Subordinated Units, then, unless all of the holders of Subordinated Units shall agree to a different allocation, the Subordinated Units that are to be converted into Common Units shall be allocated among the holders of Subordinated Units pro rata in respect of the number of Subordinated Units held by each such holder.

(b) The remaining Subordinated Units shall convert into Common Units on the first day following the Record Date for distributions in respect of the final quarter of the Subordination Period.

(c) On the date a Subordination Unit is converted, it shall possess all the rights and obligations of Common Units. Prior to such time, a Subordinated Unit shall have all of the rights and obligations of a Common Unit, except with respect to the right to vote on or approve matters requiring the vote or approval of a percentage of the holders of Outstanding Common Units and the right to participate in distributions made with respect to Common Units.

4.7 LIMITED PREEMPTIVE RIGHTS. No Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Security, whether unissued, held in the treasury or hereafter created, except that the General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Securities from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Securities to Persons other than the General Partner and its Affiliates, to the extent necessary to maintain the Percentage Interests of the General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Securities.

4.8 SPLITS AND COMBINATIONS. (a) Subject to Sections 4.8(d) and 5.8 (dealing with adjustments of distribution levels), the General Partner may make a pro rata distribution of Partnership Securities to all Record Holders or may effect a subdivision or combination of Partnership Securities so long as, after any such event, each Partner shall have the same Percentage Interest in the Partnership as before such event, and the Investment Balance, Arrearage Balance, Initial Unit Price and other amounts calculated on a per Unit basis are proportionately adjusted retroactive to the beginning of the Partnership.

(b) Whenever such a distribution, subdivision or combination of Partnership Securities is declared, the General Partner shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of the date not less than 10 days prior to the date of such notice. The General Partner also may cause a firm of independent public accountants selected by it to calculate the number of Units to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The General Partner shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such distribution, subdivision or combination, the General Partner may cause Certificates to be issued to the Record Holders of Units as of the applicable Record Date representing the new number of Units held by such Record Holders, or the General Partner may adopt such other procedures as it may deem appropriate to reflect such changes. If any such combination results in a smaller total number of Units Outstanding, the General Partner shall require, as a condition to the delivery to a Record Holder of such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not issue fractional Units upon any distribution, subdivision or combination of Units. If a distribution, subdivision or combination of Units would result in the issuance of fractional Units but for the provisions this Section 4.8(d), each fractional Unit shall be rounded to the nearest whole Unit (and a 0.5 Unit shall be rounded to the next higher Unit).

4.9 INTEREST AND WITHDRAWAL. No interest shall be paid by the Partnership on Contributions, and no Partner shall be entitled to withdraw any part of its Contributions or otherwise to receive any distribution from the Partnership, except as provided in Section 4.1 and Articles V, VII, XIII and XIV.

ARTICLE V
DISTRIBUTIONS

5.1 GENERAL PROVISIONS. The General Partner shall determine each date on which a distribution will be made, the Available Cash or other applicable amount to be distributed on such date, and the Record Holders for such distribution, subject to the following:

(a) Amount of Available Cash and Operating Surplus. The General Partner shall determine the amount of Available Cash and Operating Surplus with respect to each Quarter ending before the Liquidation Date within 45 days following the end of such Quarter. Such determination shall be made by reference to the books and records of the Partnership Group and, if made in good faith, shall be conclusive. Promptly following such determination, the amount distributable pursuant to Section 5.3, 5.4 or 5.5 hereof with respect to such prior Quarter shall be distributed to the Partners.

(b) Source of Distributions. All distributions for each Quarter prior to the Liquidation Date shall be deemed to be out of Operating Surplus until such surplus is reduced to zero. Available Cash in excess of Operating Surplus shall be distributed as provided in Section 5.5.

(c) Payments Other Than Distributions. Amounts payable as compensation or reimbursement to the General Partner, or amounts payable to any person other than in his capacity as a Partner, such as for goods or services, shall not be treated as distributions.

(d) Record Holder Identification. Any amount otherwise distributable to a Record Holder may be withheld without interest until ten days after such Record Holder has provided the Partnership with his taxpayer identification number (and if such Record Holder is a nominee holding for the account of another Person, the taxpayer identification number of such other Person).

(e) Gross Income Limitation. Distributions for a Quarter shall be made other than to the Partners Pro Rata only if and to the extent that the Partnership has gross income for such Quarter equal to the amount that is not being distributed to the Partners Pro Rata. Any amount not distributed for a Quarter because of the foregoing limitation shall be distributed in the next succeeding Quarter(s) in which gross income exceeds non-Pro Rata distributions.

(f) Entity-Level Tax Payments. The General Partner is authorized to take any action it determines in its sole discretion to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under the Code or any other law. Whether or not pursuant to any withholding requirement, if the Partnership is required or elects to pay any tax on behalf of the General Partner, current Unitholder, or former Unitholder that is attributable to the Partnership, the General Partner is authorized to pay such taxes from Partnership funds. To the extent feasible, each such payment shall be treated as a distribution pursuant to Article V in

respect of the person on whose behalf the payment was made. If the payment is made on behalf of a person whose identity cannot be determined, the General Partner is authorized to treat the payment as a distribution to current Unitholders of the same class as the obligor, or if the class is not known, to all Unitholders. Alternatively, the General Partner may elect to treat an amount paid on behalf of the General Partner and Unitholders as an expenditure of the Partnership if the amount paid on behalf of the General Partner is not substantially greater per Percentage Interest than that paid on behalf of Unitholders.

5.2 DISTRIBUTION LEVELS. Subject to the adjustments provided in Section 5.8, each defined distribution level ("Distribution Level") for a Quarter means the following:

(a) Minimum Quarterly Distribution means $.550 per Unit.

(b) First Target Distribution means $.055 per Unit.

(c) Second Target Distribution means $.091 per Unit.

(d) Third Target Distribution means $.208 per Unit.

5.3 OPERATING DISTRIBUTIONS DURING SUBORDINATION PERIOD. Subject to Section 5.1, for each Quarter during the Subordination Period and prior to the Liquidation Date, Available Cash not in excess of Operating Surplus shall be distributed in the following priorities:

(a) first, 1% to the General Partner and 99% in respect of Common Units Pro Rata until the amount distributed per Common Unit equals the Minimum Quarterly Distribution;

(b) then, 1% to the General Partner and 99% in respect of Common Units Pro Rata until the amount distributed for each Common Unit equals its Arrearage Balance as of the end of such Quarter;

(c) then, 1% to the General Partner and 99% in respect of Subordinated Units until the amount distributed per Subordinated Unit equals the Minimum Quarterly Distribution; and

(d) thereafter, in the percentages, priorities and amounts provided in Sections 5.4(b) through (e).

5.4 OPERATING DISTRIBUTIONS AFTER SUBORDINATION PERIOD. Subject to Section 5.1, for each Quarter after the Subordination Period and before the Liquidation Date, Available Cash not in excess of Operating Surplus shall be distributed in the following priorities:

(a) first, 1% to the General Partner and 99% in respect of all Units Pro Rata until the amount distributed per Unit equals the Minimum Quarterly Distribution;

(b) then, 1% to the General Partner and 99% in respect of all Units Pro Rata until the amount distributed per Unit pursuant to this Section 5.4(b) equals the First Target Distribution;

(c) then, 14.1327% to the General Partner and 85.8673% in respect of all Units Pro Rata until the amount distributed per Unit pursuant to this Section 5.4(c) equals the Second Target Distribution;

(d) then, 24.2347% to the General Partner and 75.7653% in respect of all Units Pro Rata until the amount distributed per Unit pursuant to this Section 5.4(d) equals the Third Target Distribution; and

(e) then, 49.4898% to the General Partner and 50.5102% in respect of all Units Pro Rata.

5.5 CAPITAL DISTRIBUTIONS. Available Cash in excess of Operating Surplus as of the end of a Quarter ending prior to the Liquidation Date ("Capital Surplus") shall be distributed to the Partners Pro Rata until the aggregate amount distributed under this Section 5.5 with respect to an Initial Common Unit equals the Initial Unit Price. Thereafter, all Available Cash shall be distributed pursuant to Sections 5.3 and 5.4, as applicable.

5.6 LIQUIDATING DISTRIBUTIONS DURING SUBORDINATION PERIOD. If the Liquidation Date occurs before the end of the Subordination Period, the amounts available for distribution pursuant to Section 14.4(c) shall be distributed after the Liquidation Date in the following priorities:

(a) first, 1% to the General Partner and 99% in respect of Common Units Pro Rata until the amounts distributed for all Quarters after the Liquidation Date in respect of each Common Unit equals

(i) the sum of its Investment Balance, Arrearage Balance, and Minimum Quarterly Distribution for the current Quarter, or, if less,

(ii) the sum of (A) the amount that would be distributable in respect of a Common Unit if 99% of all distributions were made in respect of all Units Pro Rata, plus (B) the amount that would be allocable to a Common Unit if 99% of the Net Liquidation Gain were allocated to all Common Units Pro Rata;

(b) then, 1% to the General Partner and 99% in respect of Subordinated Units Pro Rata until the amounts distributed in respect of each Subordinated Unit equals the amount distributed to each Common Unit under Section 5.6(a) to the extent of the Common Unit's Investment Balance and the Minimum Quarterly Distribution for such Quarter; and

(c) thereafter, in the percentages, priorities and amounts provided in Sections 5.7(c) through (f).

5.7 LIQUIDATING DISTRIBUTIONS AFTER SUBORDINATION PERIOD. If the Liquidation Date occurs after the Subordination Period, the amounts available for distribution pursuant to Section 14.4(c) shall be distributed after the Liquidation Date in the following priorities:

(a) first, 1% to the General Partner and 99% in respect of all Units Pro Rata until the amounts distributed in respect of each Common Unit equals its Investment Balance;

(b) then, 1% to the General Partner and 99% in respect of all Units Pro Rata until the aggregate amount distributed in respect of all Units outstanding on the Liquidation Date equals the sum of the Minimum Quarterly Distribution for each Quarter that each such Unit has been outstanding, less the amounts previously distributed pursuant to Section 5.3(a) or (b) or Section 5.4(a) (Minimum Quarterly Distributions and Arrearage Balances) or this Section 5.7(b) in respect of all such Units for all such Quarters;

(c) then, 1% to the General Partner and 99% in respect of all Units Pro Rata until the aggregate amount distributed in respect of all Units outstanding on the Liquidation Date equals the sum of the First Target Distribution for each Quarter that each such Unit has been outstanding, less the amounts previously distributed pursuant to Section 5.4(b) (First Target Distributions) or this Section 5.7(c) in respect of all such Units for all such Quarters;

(d) then, 14.1327% to the General Partner and 85.8673% in respect of all Units Pro Rata until the aggregate amount distributed in respect of all Units outstanding on the Liquidation Date equals the sum of the Second Target Distribution for each Quarter that each such Unit has been outstanding, less the amounts previously distributed pursuant to Section 5.4(c) (Second Target Distributions) or this Section 5.7(d) in respect of all such Units for all such Quarters;

(e) then, 24.2347% to the General Partner and 75.7653% in respect of all Units Pro Rata until the aggregate amount distributed in respect of all Units outstanding on the Liquidation Date equals the sum of the Third Target Distribution for each Quarter that each such Unit has been outstanding, less the amounts previously distributed pursuant to Section 5.4(d) (Third Target Distributions) or this Section 5.7(e) in respect of all such Units for all such Quarters; and

(f) then, 49.4898% to the General Partner and 50.5102% in respect of all Units Pro Rata.

5.8 ADJUSTMENTS TO DISTRIBUTION LEVELS.

(a) First Quarter Proration. For the period commencing on the Closing Date and ending on June 30, 1995, the stated amount for each Distribution Level shall be multiplied by a fraction whose numerator is the number of days in such period and whose denominator is 90.

(b) Capital Distribution Adjustment. Upon a distribution under Section 5.5, each Distribution Level shall be multiplied by a fraction whose numerator is the Investment Balance of the Common Units immediately after giving effect to such distribution and whose denominator is such Investment Balance immediately before giving effect to such distribution. Each reduction shall apply to the Quarter following the Quarter in which the distribution is made and to each Quarter thereafter until further adjusted, but shall not reduce the level applicable to any prior Quarter.

(c) Splits and Combinations. Upon any distribution, split or combination of Units provided under Section 4.8, each Distribution Level shall be proportionately adjusted retroactive to the beginning of the Partnership.

(d) Entity Level Taxation. If any federal, state or local income tax is at any time imposed on the Partnership as a result of the enactment of legislation or a modification in the interpretation by the relevant governmental authority of existing language, then, beginning with the Quarter for which such tax is first imposed, each Distribution Level will be multiplied by a percentage equal to one minus the sum of (i) the maximum marginal federal income tax rate to which the Partnership is subject as an entity plus (ii) any increase in the effective overall state and local income tax rate to which the Partnership is subject as a result of the new imposition of the entity level tax (after taking into account the benefit of any deduction allowable for federal income tax purposes with respect to the payment of state and local income taxes).

ARTICLE VI
MANAGEMENT AND OPERATION OF BUSINESS

6.1 MANAGEMENT. (a) The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no Limited Partner or Assignee shall have any management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Section 6.3, shall have full power and authority to do all things and on such terms as it, in its sole discretion, may deem necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 and to effectuate the purposes set forth in Section 3.1, including the following:

(i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness and the incurring of any other obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person;

(iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership or the Operating Partnership, the lending of funds to other Persons (including the Operating Partnership, the General Partner and its Affiliates), the repayment of obligations of the Partnership and the Operating Partnership and the making of capital contributions to the Operating Partnership;

(v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the Partnership, even if same results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);

(vi) the distribution of Partnership cash;

(vii) the selection and dismissal of employees (including employees having titles such as "president," "vice president," "secretary" and "treasurer") and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of such insurance for the benefit of the Partnership Group and the Partners as it deems necessary or appropriate;

(ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations or other relationships (including the acquisition of interests in, and the contributions of property to, the Operating Partnership from time to time);

(x) the control of any matters affecting the rights and obligations of the Partnership, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation;

(xi) the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xii) the entering into of listing agreements with The New York Stock Exchange, Inc. and any other National Securities Exchange and the delisting of some or all of the Units from, or requesting that trading be suspended on, any such exchange (subject to any prior approval that may be required under Section 1.6);

(xiii) the purchase, sale or other acquisition or disposition of Units; and

(xiv) the undertaking of any action in connection with the Partnership's participation in the Operating Partnership as the limited partner.

(b) Notwithstanding any other provision of this Agreement, the Operating Partnership Agreement, the Delaware Act or any applicable law, rule or regulation, each of the Partners and Assignees and each other Person who may acquire an interest in Units hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of the Operating Partnership Agreement, the Underwriting Agreement, the Conveyance and Contribution Agreement, the Merger and Contribution Agreement, the agreements and other documents filed as exhibits to the Registration Statement, and the other agreements described in

or filed as a part of the Registration Statement; (ii) agrees that the General Partner (on its own or through any officer of the Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statement on behalf of the Partnership without any further act, approval or vote of the Partners or the Assignees or the other Persons who may acquire an interest in Units; and (iii) agrees that the execution, delivery or performance by the General Partner, any Group Member or any Affiliate of any of them, of this Agreement or any agreement authorized or permitted under this Agreement (including the exercise by the General Partner or any Affiliate of the General Partner of the rights accorded pursuant to Article XVII), shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or the Assignees or any other Persons under this Agreement (or any other agreements) or of any duty stated or implied by law or equity.

6.2 CERTIFICATE OF LIMITED PARTNERSHIP. The General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act and shall use all reasonable efforts to cause to be filed such other certificates or documents as may be determined by the General Partner in its sole discretion to be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. To the extent that such action is determined by the General Partner in its sole discretion to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 7.5(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Limited Partner or Assignee.

6.3 RESTRICTIONS ON GENERAL PARTNER'S AUTHORITY. (a) The General Partner may not, without written approval of the specific act by all of the Outstanding Units or by other written instrument executed and delivered by all of the Outstanding Units subsequent to the date of this Agreement, take any action in contravention of this Agreement, including, except as otherwise provided in this Agreement, (i) committing any act that would make it impossible to carry on the ordinary business of the Partnership; (ii) possessing Partnership property, or assigning any rights in specific Partnership property, for other than a Partnership purpose; (iii) admitting a Person as a Partner; (iv) amending this Agreement in any manner; or (v) transferring its interest as general partner of the Partnership.

(b) Except as provided in Articles XIV and XVI, the General Partner may not sell, exchange or otherwise dispose of all or substantially all of the Partnership's assets in a single transaction or a series of related transactions or approve on behalf of the Partnership the sale, exchange or other disposition of all or substantially all of the assets of the Operating Partnership, without the approval of holders of at least a Unit Majority; provided, however, that this provision shall not

preclude or limit the General Partner's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the Partnership's assets and shall not apply to any forced sale of any or all of the Partnership's assets pursuant to the foreclosure of, or other realization upon, any such encumbrance. Without the approval of holders of at least a Unit Majority, the General Partner shall not, on behalf of the Partnership, (i) consent to any amendment to the Operating Partnership Agreement or, except as expressly permitted by Section 6.9(d), take any action permitted to be taken by a partner of the Operating Partnership, in either case, that would have a material adverse effect on the Partnership as a partner of the Operating Partnership or (ii) except as permitted under Sections 11.2, 13.1 and 13.2, elect or cause the Partnership to elect a successor general partner of the Operating Partnership.

(c) At all times while serving as the general partner of the Partnership, the General Partner shall not make any dividend or distribution on, or repurchase any shares of, its stock or take any other action within its control if the effect of such action would cause its net worth, independent of its interest in the Partnership Group, to be less than $10 million.

6.4 REIMBURSEMENT OF THE GENERAL PARTNER. (a) Except as provided in this Section 6.4 and elsewhere in this Agreement or in the Operating Partnership Agreement, the General Partner shall not be compensated for its services as general partner of any Group Member.

(b) The General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole discretion, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership (including salary, bonus, incentive compensation and other amounts paid to any Person to perform services for the Partnership or for the General Partner in the discharge of its duties to the Partnership), and (ii) all other necessary or appropriate expenses allocable to the Partnership or otherwise reasonably incurred by the General Partner in connection with operating the Partnership's business (including expenses allocated to the General Partner by its Affiliates). The General Partner shall determine the expenses that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Reimbursements pursuant to this Section 6.4 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 6.7.

(c) Subject to Section 4.5, the General Partner, in its sole discretion and without the approval of the Limited Partners (who shall have no right to vote in respect thereof), may propose and adopt on behalf of the Partnership employee benefit plans, employee programs and employee practices (including plans, programs and practices involving the issuance of Units), or issue Partnership Securities pursuant to any employee benefit plan, employee program or employee practice maintained or sponsored by the General Partner or any of its Affiliates, in each case for the benefit of employees of the General Partner, any Group Member or any Affiliate, or any of them, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. The Partnership agrees to issue and sell to the General Partner or any of its Affiliates any Units or other Partnership Securities that the General Partner or such Affiliate is obligated to provide to any employees pursuant to any such employee benefit plans, employee programs or employee practices. Expenses incurred by the General Partner in connection with any such plans, programs

and practices (including the net cost to the General Partner or such Affiliate of Units or other Partnership Securities purchased by the General Partner or such Affiliate from the Partnership to fulfill options or awards under such plans, programs and practices) shall be reimbursed in accordance with Section 6.4(b). Any and all obligations of the General Partner under any employee benefit plans, employee programs or employee practices adopted by the General Partner as permitted by this Section 6.4(c) shall constitute obligations of the General Partner hereunder and shall be assumed by any successor General Partner approved pursuant to Section 13.1 or 13.2 or the transferee of or successor to all of the General Partner's Partnership Interest as a general partner in the Partnership pursuant to Section 11.2.

6.5 OUTSIDE ACTIVITIES. (a) After the Closing Date, the General Partner, for so long as it is the general partner of the Partnership, shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (i) its performance as general partner of one or more Group Members or as described in or contemplated by the Registration Statement, (ii) the acquiring, owning or disposing of debt or equity securities in any Group Member, (iii) engaging in an activity permitted by Section 6.5(b), and (iv) permitting its employees to perform services for its Affiliates, including Affiliates engaging in an activity permitted by Section 6.5(b).

(b) The General Partner or any of its Affiliates may engage in an activity that is a Restricted Activity only if

(i) the General Partner determines, prior to commencing such activity, that it is inadvisable for the Partnership to engage in such activity either because (A) of the financial commitments associated with such activity or (B) such activity is not consistent with the Partnership's business strategy or cannot otherwise be integrated with the Partnership's operations on a beneficial basis, and such determination is approved by Special Approval;

(ii) such activity arises as a result of an acquisition utilizing primarily equity securities of a corporate Affiliate of the Partnership, and the aggregate consideration paid in connection with such acquisition and all other acquisitions of then-owned entities made pursuant to the exception provided by this Section 6.5(b)(ii) does not exceed $50 million; or

(iii) such activity arises as a result of an acquisition of stock of one or more Special Propane Corporations, and the aggregate total assets of all then-owned Special Propane Corporations acquired pursuant to the exception provided by this Section 6.5(b)(iii) and owned for more than 24 months does not exceed 10% of the total assets of the Partnership (in each case as such assets shall be determined in accordance with generally accepted accounting principles).

Subject to the restrictions of Section 6.5(c), the General Partner or its Affiliates may engage in the activity described in Section 6.5(b), either through the direct ownership of the assets of a business or indirectly through the ownership of equity interests in a business, may sell or otherwise transfer such assets or equity interests to any Group Member or any third person, and may retain all the profits derived from any of the foregoing.

(c) During the period the activity being undertaken pursuant to Section 6.5(b), is being carried on directly or indirectly by the General Partner or an Affiliate, the personnel engaged in such activity shall not (A) attempt to sell propane to persons to whom any Group Member is selling propane or (B) seek new customers in geographical areas in which any Group Member is engaged in the retail propane business and in which the business was not engaged at the time it was acquired by the General Partner or an Affiliate.

(d) Except as restricted by Sections 6.5(a), (b) or (c), each Indemnitee shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member, and none of the same shall constitute a breach of this Agreement or any duty to any Group Member or any Partner or Assignee. Neither any Group Member, any Limited Partner nor any other Person shall have any rights by virtue of this Agreement, the Operating Partnership Agreement or the partnership relationship established hereby or thereby in any business ventures of any Indemnitee.

(e) Notwithstanding anything to the contrary in this Agreement, (i) the engaging in competitive activities by any Indemnitees in accordance with the provisions of this Section 6.5 is hereby approved by the Partnership and all Partners and (ii) it shall be deemed not to be a breach of the General Partner's fiduciary duty or any other obligation of any type whatsoever of the General Partner for the Indemnitees to engage in such business interests and activities in preference to or to the exclusion of the Partnership.

(f) The General Partner and any of its Affiliates may acquire Units or other Partnership Securities in addition to those acquired on the Closing Date and, except as otherwise provided in this Agreement, shall be entitled to exercise all rights of an Assignee or Limited Partner, as applicable, relating to such Units or Partnership Securities.

(g) The term "Affiliates" when used in Section 6.5(b) or (c) with respect to the General Partner shall not include any Group Member or any Subsidiary of the Group Member.

6.6 LOANS TO AND FROM THE GENERAL PARTNER; CONTRACTS WITH AFFILIATES. (a) The General Partner or any Affiliate thereof may lend to any Group Member, and any Group Member may borrow, funds needed or desired by the Group Member for such periods of time as the General Partner may determine, and the General Partner or any Affiliate thereof may borrow from any Group Member, and any Group Member may lend to the General Partner or such Affiliate, excess funds of the Group Member for such periods of time and in such amounts as the General Partner may determine; provided, however, that in either such case the lending party may not charge the borrowing party interest at a rate greater than the rate that would be charged the borrowing party (without reference to the lending party's financial abilities or guarantees), by the unrelated lenders on comparable loans. The borrowing party shall reimburse the lending party for any costs (other than any additional interest costs) incurred by the lending party in connection with the borrowing of such funds. For purposes of this Section

6.6(a) and Section 6.6(b), the term "Group Member" shall include any Affiliate of the Group Member that is controlled by the Group Member.

(b) The Partnership may lend or contribute to any Group Member, and any Group Member may borrow, funds on terms and conditions established in the sole discretion of the General Partner; provided, however, that the Partnership may not charge the Group Member interest at a rate greater than the rate that would be charged to the Group Member (without reference to the General Partner's financial abilities or guarantees), by unrelated lenders on comparable loans. The foregoing authority shall be exercised by the General Partner in its sole discretion and shall not create any right or benefit in favor of any Group Member or any other Person.

(c) The General Partner may itself, or may enter into an agreement with any of its Affiliates to, render services to the Partnership or to the General Partner in the discharge of its duties as general partner of the Partnership. Any services rendered to the Partnership by the General Partner or any of its Affiliates shall be on terms that are fair and reasonable to the Partnership; provided, however, that the requirements of this Section 6.6(c) shall be deemed satisfied as to (i) any transaction approved by Special Approval, (ii) any transaction, the terms of which are no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iii) any transaction that, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership), is equitable to the Partnership. The provisions of Section 6.4 shall apply to the rendering of services described in this Section 6.6(c).

(d) The Partnership may transfer assets to joint ventures, other partnerships, corporations, limited liability companies or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions as are consistent with this Agreement and applicable law.

(e) Neither the General Partner nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, except pursuant to transactions that are fair and reasonable to the Partnership; provided, however, that the requirements of this Section 6.6(e) shall be deemed to be satisfied as to (i) the transactions effected pursuant to Sections 4.1, 4.2 and 4.3, the Conveyance and Contribution Agreement, the Merger and Contribution Agreement and any other transactions described in or contemplated by the Registration Statement, (ii) any transaction approved by Special Approval, (iii) any transaction, the terms of which are no less favorable to the Partnership than those generally being provided to or available from unrelated third parties, or (iv) any transaction that, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership), is equitable to the Partnership. With respect to any contribution of assets to the Partnership in exchange for Units, the Audit Committee, in determining whether the appropriate number of Units are being issued, should take into account, among other things, the fair market value of the assets, the liquidated and contingent liabilities assumed, the tax basis in the assets, the extent to which tax-only allocations to the transferor will protect the existing partners of the Partnership against a low tax basis, and such other factors as the Audit Committee deems relevant under the circumstances.

(f) The General Partner and its Affiliates will have no obligation to permit any Group Member to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use and except as set forth in the Registration Statement with respect to the "FAST" propane purchase optimization and fuel accounting system, nor shall there be any obligation on the part of the General Partner or its Affiliates to enter into such contracts.

(g) Without limitation of Sections 6.6(a) through 6.6(f), and notwithstanding anything to the contrary in this Agreement, the existence of the conflicts of interest described in the Registration Statement are hereby approved by all Partners.

6.7 INDEMNIFICATION. (a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee, provided, that in each case the Indemnitee acted in good faith and in a manner that such Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Partnership and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful; provided, further, no indemnification pursuant to this Section 6.7 shall be available to the General Partner with respect to its obligations incurred pursuant to the Underwriting Agreement or the Merger and Contribution Agreement (other than obligations incurred by the General Partner on behalf of the Partnership or the Operating Partnership), or to Petrolane with respect to its obligations incurred pursuant to the Conveyance and Contribution Agreement. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Section 6.7 shall be made only out of the assets of the Partnership, it being agreed that the General Partner shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 6.7(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of any undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 6.7.

(c) The indemnification provided by this Section 6.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the holders of Outstanding Units, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity (including any capacity under

the Underwriting Agreement), and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of the General Partner and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 6.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 6.7(a); and action taken or omitted by it with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is in, or not opposed to, the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 6.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 6.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section 6.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

6.8 LIABILITY OF INDEMNITEES. (a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Limited Partners, the Assignees or any other Persons who have acquired interests in the Units, for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith.

(b) Subject to its obligations and duties as General Partner set forth in Section 6.1(a), the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(c) Any amendment, modification or repeal of this Section 6.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability to the Partnership and the Limited Partners of the General Partner, its directors, officers and employees and any other Indemnitees under this Section 6.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

6.9 RESOLUTION OF CONFLICTS OF INTEREST. (a) Unless otherwise expressly provided in this Agreement or the Operating Partnership Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, the Operating Partnership, any Partner or any Assignee, on the other, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, of the Operating Partnership Agreement, of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action is, or by operation of this Agreement is deemed to be, fair and reasonable to the Partnership. The General Partner shall resolve such conflict and be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval of a resolution of such conflict or course of action. Any conflict of interest and any resolution of such conflict of interest shall be conclusively deemed fair and reasonable to the Partnership if such conflict of interest or resolution is (i) approved by Special Approval, (ii) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iii) fair to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership). The General Partner may also adopt a resolution or course of action that has not received Special Approval. The General Partner (including the Audit Committee in connection with Special Approval) shall be authorized in connection with its determination of what is "fair and reasonable" to the Partnership and in connection with its resolution of any conflict of interest to consider (A) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (B) any customary or accepted industry practices and any customary or historical dealings with a particular Person; (C) any applicable generally accepted accounting or engineering practices or principles; and (D) such additional factors as the General Partner (including the Audit Committee) determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner (including the Audit Committee) to consider the interests of any Person other than the Partnership. In the absence of bad faith by the General Partner, the resolution, action or terms so made, taken or provided by the General Partner with respect to such matter shall not constitute a breach of this Agreement or any other agreement contemplated herein or a breach of any

standard of care or duty imposed herein or therein or, to the extent permitted by law, under the Delaware Act or any other law, rule or regulation.

(b) Whenever this Agreement or any other agreement contemplated hereby provides that the General Partner or any of its Affiliates is permitted or required to make a decision (i) in its "sole discretion" or "discretion," that it deems "necessary or appropriate" or "necessary or advisable" or under a grant of similar authority or latitude, the General Partner or such Affiliate shall be entitled to consider only such interests and factors as it desires and shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Partnership, the Operating Partnership, any Limited Partner or any Assignee, (ii) it may make such decision in its sole discretion (regardless of whether there is a reference to "sole discretion" or "discretion") unless another express standard is provided for, or (iii) in "good faith" or under another express standard, the General Partner or such Affiliate shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement, the Operating Partnership Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation. In addition, any actions taken by the General Partner or such Affiliate consistent with the standards of "reasonable discretion" set forth in the definitions of Available Cash or Operating Surplus shall not constitute a breach of any duty of the General Partner to the Partnership or the Limited Partners. The General Partner shall have no duty, express or implied, to sell or otherwise dispose of any asset of the Partnership Group, other than in the ordinary course of business. No borrowing by any Group Member or the approval thereof by the General Partner shall be deemed to constitute a breach of any duty of the General Partner to the Partnership or the Limited Partners by reason of the fact that the purpose or effect of such borrowing is directly or indirectly to (A) enable distributions in respect of the general partner interest to exceed 1% of the total amount distributed or (B) hasten the expiration of the Subordination Period or the conversion of any Subordinated Units into Common Units.

(c) Whenever a particular transaction, arrangement or resolution of a conflict of interest is required under this Agreement to be "fair and reasonable" to any Person, the fair and reasonable nature of such transaction, arrangement or resolution shall be considered in the context of all similar or related transactions.

(d) The Limited Partners hereby authorize the General Partner, on behalf of the Partnership as a partner of a Group Member, to approve of actions by the general partner of such Group Member similar to those actions permitted to be taken by the General Partner pursuant to this Section 6.9.

6.10 OTHER MATTERS CONCERNING THE GENERAL PARTNER. (a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such

Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of the Partnership.

(d) Any standard of care and duty imposed by this Agreement or under the Delaware Act or any applicable law, rule or regulation shall be modified, waived or limited, to the extent permitted by law, as required to permit the General Partner to act under this Agreement or any other agreement contemplated by this Agreement and to make any decision pursuant to the authority prescribed in this Agreement, so long as such action is reasonably believed by the General Partner to be in, or not inconsistent with, the best interests of the Partnership.

6.11 TITLE TO PARTNERSHIP ASSETS. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner or Assignee, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner, one or more of its Affiliates or one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner or one or more of its Affiliates or one or more nominees shall be held by the General Partner or such Affiliate or nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its reasonable efforts to cause record title to such assets (other than those assets in respect of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; provided that, prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer of record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the Partnership. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held. The General Partner covenants and agrees that at the Closing Date, the Partnership Group shall have all licenses, permits, certificates, franchises, or other governmental authorizations or permits necessary for the ownership of their properties or for the conduct of their businesses, except for such licenses, permits, certificates, franchises, or other governmental authorizations or permits, failure to have obtained which will not, individually or in the aggregate, have a material adverse effect on the Partnership Group.

6.12 PURCHASE OR SALE OF UNITS. The General Partner may cause the Partnership to purchase or otherwise acquire Units; provided that, except as permitted pursuant to Section 11.6, the General Partner may not cause the Partnership to purchase Subordinated Units during the Subordination Period. As long as Units are held by any Group Member, such Units shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may also purchase or otherwise acquire and sell or otherwise dispose of Units for its own account, subject to the provisions of Articles XI and XII.

6.13 REGISTRATION RIGHTS OF AMERIGAS AND ITS AFFILIATES. (a) If (i) AmeriGas or any Affiliate of AmeriGas (including for purposes of this Section 6.13, any Person that is an Affiliate of AmeriGas at the date hereof notwithstanding that it may later cease to be an Affiliate of AmeriGas) holds Units or other Partnership Securities that it desires to sell and (ii) Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) or another exemption from registration is not available to enable such holder of Units (the "HOLDER") to dispose of the number of Units or other securities it desires to sell at the time it desires to do so without registration under the Securities Act, then upon the request of AmeriGas or any of its Affiliates, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use all reasonable efforts to cause to become effective and remain effective for a period of not less than six months following its effective date or such shorter period as shall terminate when all Units or other Partnership Securities covered by such registration statement have been sold, a registration statement under the Securities Act registering the offering and sale of the number of Units or other securities specified by the Holder; provided, however, that the Partnership shall not be required to effect more than three registrations pursuant to this Section 6.13(a); and provided further, however, that if the Audit Committee determines in its good faith judgment that a postponement of the requested registration for up to six months would be in the best interests of the Partnership and its Partners due to a pending transaction, investigation or other event, the filing of such registration statement or the effectiveness thereof may be deferred for up to six months, but not thereafter. In connection with any registration pursuant to the immediately preceding sentence, the Partnership shall promptly prepare and file (x) such documents as may be necessary to register or qualify the securities subject to such registration under the securities laws of such states as the Holder shall reasonably request; provided, however, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation or partnership doing business in such jurisdiction, and (y) such documents as may be necessary to apply for listing or to list the securities subject to such registration on such National Securities Exchange as the Holder shall reasonably request, and do any and all other acts and things that may reasonably be necessary or advisable to enable the Holder to consummate a public sale of such Units in such states. Except as set forth in Section 6.13(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(b) If the Partnership shall at any time propose to file a registration statement under the Securities Act for an offering of equity securities of the Partnership for cash (other than an offering relating solely to an employee benefit plan), the Partnership shall use all reasonable efforts to include such number or amount of securities held by the Holder in such registration statement as the Holder shall request. If the proposed offering pursuant to this Section 6.13(b) shall be an underwritten offering, then, in the event that the managing underwriter of such offering advises the Partnership and the Holder in writing that in its opinion the inclusion of all or some of the Holder's securities would adversely and materially affect the success of the offering, the Partnership shall include in such offering only that number or amount, if any, of securities held by the Holder which, in the opinion of the managing underwriter, will not so adversely and materially affect the offering. Except as set forth in Section 6.13(c), all costs and expenses of any

such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(c) If underwriters are engaged in connection with any registration referred to in this Section 6.13, the Partnership shall provide indemnification, representations, covenants, opinions and other assurance to the underwriters in form and substance reasonably satisfactory to such underwriters. Further, in addition to and not in limitation of the Partnership's obligation under Section 6.7, the Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless the Holder, its officers, directors and each Person who controls the Holder (within the meaning of the Securities Act) and any agent thereof (collectively, "INDEMNIFIED PERSONS") against any losses, claims, demands, actions, causes of action, assessments, damages, liabilities (joint or several), costs and expenses (including interest, penalties and reasonable attorneys' fees and disbursements), resulting to, imposed upon, or incurred by the Indemnified Persons, directly or indirectly, under the Securities Act or otherwise (hereinafter referred to in this Section 6.13(c) as a "CLAIM" and in the plural as "CLAIMS"), based upon, arising out of, or resulting from any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which any Units were registered under the Securities Act or any state securities or Blue Sky laws, in any preliminary prospectus (if used prior to the effective date of such registration statement), or in any summary or final prospectus or in any amendment or supplement thereto (if used during the period the Partnership is required to keep the registration statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that the Partnership shall not be liable to any Indemnified Person to the extent that any such claim arises out of, is based upon or results from an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, such preliminary, summary or final prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Partnership by or on behalf of such Indemnified Person specifically for use in the preparation thereof.

(d) The provisions of Section 6.13(a) and 6.13(b) shall continue to be applicable with respect to AmeriGas (and any of AmeriGas' Affiliates) after it ceases to be a Partner of the Partnership, during a period of two years subsequent to the effective date of such cessation and for so long thereafter as is required for the Holder to sell all of the Units or other securities of the Partnership with respect to which it has requested during such two-year period that a registration statement be filed; provided, however, that the Partnership shall not be required to file successive registration statements covering the same securities for which registration was demanded during such two-year period. The provisions of Section 6.13(c) shall continue in effect thereafter.

(e) Any request to register Partnership Securities pursuant to this Section 6.13 shall (i) specify the Partnership Securities intended to be offered and sold by the Person making the request, (ii) express such Person's present intent to offer such shares for distribution, (iii) describe the nature or method of the proposed offer and sale of Partnership Securities, and (iv) contain the undertaking of such Person to provide all such information and materials and take all action as may be required in order to permit the Partnership to comply with all applicable requirements in connection with the registration of such Partnership Securities.

6.14 RELIANCE BY THIRD PARTIES. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner and any officer of the Partnership authorized by the General Partner to act on behalf and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner or any such officer as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner or any such officer in connection with any such dealing. In no event shall any Person dealing with the General Partner or any such officer or its representatives be obligated to ascertain that the terms of the Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or any such officer or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VII
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

7.1 LIMITATION OF LIABILITY. The Limited Partners, the Organizational Limited Partner and the Assignees shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

7.2 MANAGEMENT OF BUSINESS. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner or any of its Affiliates, in its capacity as such, if such Person shall also be a Limited Partner or Assignee) shall participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner or any of its Affiliates, in its capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

7.3 OUTSIDE ACTIVITIES. Subject to the provisions of Section 6.5, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners or Assignees, any Limited Partner or Assignee shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership

Group. Neither the Partnership nor any of the other Partners or Assignees shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee.

7.4 RETURN OF CAPITAL. No Limited Partner or Assignee shall be entitled to the withdrawal or return of its Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent provided by Article V or as otherwise expressly provided in this Agreement, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Partners and Assignees agree within the meaning of Section 17-502(b) of the Delaware Act.

7.5 RIGHTS OF LIMITED PARTNERS TO THE PARTNERSHIP. (a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 7.5(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon reasonable demand and at such Limited Partner's own expense:

(i) to obtain true and full information regarding the status of the business and financial condition of the Partnership;

(ii) promptly after becoming available, to obtain a copy of the Partnership's federal, state and local tax returns for each year;

(iii) to have furnished to him, upon notification of the General Partner, a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to have furnished to him, upon notification to the General Partner, a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with a copy of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed;

(v) to obtain true and full information regarding the amount of cash and a description and statement of the Net Agreed Value of any other Contribution by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and

(vi) to obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) The General Partner may keep confidential from the Limited Partners and Assignees, for such period of time as the General Partner deems reasonable, (i) any information that the General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the General Partner in good faith believes (A) is not in the best interests of the Partnership Group, (B) could damage the Partnership Group or (C) that any Group Member is required by law or by agreements with third parties to keep confidential (other than

agreements with Affiliates the primary purpose of which is to circumvent the obligations set forth in this Section 7.5).

ARTICLE VIII
BOOKS, RECORDS, ACCOUNTING AND REPORTS

8.1 RECORDS AND ACCOUNTING. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partners any information required to be provided pursuant to Section 7.5(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including the record of the Record Holders and Assignees of Units or other Partnership Securities, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device, provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

8.2 FISCAL YEAR. The fiscal year of the Partnership for financial accounting purposes shall be October 1 to September 30.

8.3 REPORTS. (a) As soon as practicable, but in no event later than 120 days after the close of each fiscal year of the Partnership, the General Partner shall cause to be furnished or made available to each Record Holder of a Unit as of a date selected by the General Partner in its sole discretion, in a manner (including posting on or accessible through the Partnership's website) permitted by applicable law, rule or regulation of the Securities and Exchange Commission or of any National Securities Exchange on which the Units are listed for trading, an annual report containing financial statements of the Partnership for such fiscal year of the Partnership, presented in accordance with generally accepted accounting principles, including a balance sheet and statements of operations, Partners' equity and cash flows, such statements to be audited by a firm of independent public accountants selected by the General Partner.

(b) As soon as practicable, but in no event later than 90 days after the close of each Quarter, except the last Quarter of each fiscal year, the General Partner shall cause to be furnished or made available to each Record Holder of a Unit as of a date selected by the General Partner in its sole discretion, in a manner (including posting on or accessible through the Partnership's website) permitted by applicable law, rule or regulation of the Securities and Exchange Commission or of any National Securities Exchange on which the Units are listed for trading, unaudited selected summary financial information of the Partnership for such Quarter and such other information as the General Partner determines to be necessary or appropriate.

ARTICLE IX
TAX MATTERS

9.1 TAX ALLOCATIONS. The Partnership shall allocate all taxable items of income, deduction, and credit of the Partnership among the Partners Pro Rata at the time such items are taken into account by the Partnership, subject to the following:

(a) Non-Pro Rata Operating Distributions. For any quarter in which the per-Unit amount to be distributed in respect of Common Units as of a Record Date exceeds the per-Unit amount to be distributed in respect of Subordinated Units as of such Record Date, income of the Partnership for such Quarter otherwise allocable to Unitholders Pro Rata shall be allocated in respect of the Common Units in an amount equal to such excess.

(b) Non-Pro Rata Liquidating Distributions. If the per-Unit amounts distributable in liquidation pursuant to Section 5.6 in respect of the Common Units exceeds the per-Unit amount distributable in respect of the Subordinated Units, income shall be allocated to the Common Units, and deductions shall be allocated to the Subordinated Units until the net income per-Unit allocated to the Common Units exceeds the net income per-Unit allocated to the Subordinated Units by an amount equal to such excess.

(c) Incentive General Partner Distributions. For any Quarter in respect of which the amount distributed to the General Partner exceeds 1% of total distributions, income of the Partnership for such Quarter and any subsequent Quarter that would otherwise be allocated to the Partners Pro Rata shall be allocated to the General Partner in an amount equal to such excess.

(d) Special Intangibles Allocation. There shall be allocated to the General Partner all deductions attributable to the ownership of, and any gain or loss on the distribution or other disposition of, the 1989 Customer List and the rights of the Partnership Group to use without cost the "FAST" propane purchase optimization and fuel accounting system, the trademark, trade name, or similar intangible rights of Petrolane, the General Partner or its other Affiliates.

(e) Section 754 Election. Income and deductions of the Partnership that are attributable to the Section 754 Election ("754 allocations") shall be allocated to the Partners entitled thereto. However, if the amounts allocable to the Unitholder depend on the person from whom he bought his Units, the Unitholder will be responsible for tracing Unit ownership. Otherwise, the General Partner may make such assumption as it decides is appropriate in computing the Unitholder's 754 allocations.

(f) Assignor-Assignee Allocations. Taxable items attributable to a Unit that is assigned during a year shall be allocated between the assignor and assignee of such Unit in accordance with the method selected from time to time by the General Partner.

(g) Contributed Property. Income and deductions attributable to each property contributed to the Partnership shall be shared among the Partners so as to take into account the variation between the tax basis of such property to the Partnership at the time of contribution and its fair market value at such time ("704(c) allocations"). In addition, the General Partner will make curative

allocations permitted by the Code with respect to the assets contributed to the Partnership on the Closing Date to the extent that the General Partner determines, as of the Closing Date and in light of the General Partner's estimates of its other income and deductions and its expected distributions, are necessary to cause the cumulative taxable income allocated in respect of the Common Units during the first four taxable years of the Partnership not to exceed 30% of the cumulative distributions in respect of such Units during such period. Subject to the foregoing, the General Partner will from time to time make curative, remedial, or reverse 704(c) allocations that are permitted but not required by the Code only if and to the extent that the General Partner determines that one or more such allocations are in the best interest of the Partnership and will not cause material adverse tax consequences to the General Partner. In any event, the General Partner may change the method if necessary to avoid or settle a controversy with the Internal Revenue Service.

(h) General Partner Authority. The General Partner may change any of the above allocations if and to the extent it determines that such change is required by the Code. Moreover, if, as to one or more classes of tax items, the General Partner determines that more than one method is permitted or that the correct method is uncertain, the General Partner may adopt such method for reporting purposes that it thinks is in the best interest of the Partnership, taking into account ease of administration, the desire to match taxable income and deductions with economic income and deductions, the economic interests of the Partners in the Partnership, and the risk of proposed adjustments by the Internal Revenue Service and the consequences thereof.

9.2 TAX RETURNS AND INFORMATION. The General Partner shall timely file all returns of the Partnership that are required for federal, state and local income tax purposes on the basis of the accrual method and a taxable year ending on December 31. The General Partner shall use all reasonable efforts to furnish all Record Holders the tax information reasonably required by them for federal and state income tax reporting purposes with respect to a taxable year within 90 days of the close of the calendar year in which the Partnership's taxable year ends.

9.3 TAX ELECTIONS.

(a) The Partnership shall make the Section 754 Election in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the General Partner's determination that such revocation is in the best interests of the Limited Partners.

(b) The Partnership shall elect to deduct expenses incurred in organizing the Partnership ratably over a sixty-month period as provided in Section 709 of the Code.

(c) Except as otherwise provided herein, the General Partner shall determine whether the Partnership should make any other elections permitted by the Code.

9.4 TAX CONTROVERSIES. Subject to the provisions hereof, the General Partner is designated as the Tax Matters Partner (as defined in the Code) and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial

proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner to conduct such proceedings.

ARTICLE X
CERTIFICATES

10.1 CERTIFICATES. Upon the Partnership's issuance of Common Units or Subordinated Units to any Person, the Partnership shall issue, upon the request of such Person, one or more Certificates in the name of such Person evidencing the number of such Units being so issued. Certificates shall be executed on behalf of the Partnership by the General Partner. No Common Unit Certificate shall be valid for any purpose until it has been countersigned by the Transfer Agent; provided, however, that if the General Partner elects to issue Common Units in global form, the Common Unit Certificates shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Common Units have been duly registered in accordance with the directions of the Partnership. The Partners holding Certificates evidencing Subordinated Units may exchange such Certificates for Certificates evidencing Common Units on or after the date on which such Subordinated Units are converted into Common Units pursuant to the terms of Section 4.6. Notwithstanding anything to the contrary in this Section 10.1 or any other provision of this Agreement, the Partnership may allow interests in Common Units and any other Units listed for trading on a National Securities Exchange to be recorded and maintained in a Book-Entry System without the issuance of a Certificate.

10.2 REGISTRATION, REGISTRATION OF TRANSFER AND EXCHANGE. (a) The General Partner shall cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 10.2(b), the General Partner will provide for the registration and transfer of Units. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Units and transfers of such Units as herein provided. The Partnership shall not recognize transfers of Certificates representing Units, or transfers of Units recorded in a Book-Entry System, unless such transfers are effected in the manner described in this Section 10.2. Upon surrender for registration of transfer of any Units evidenced by a Certificate, and subject to the provisions of Section 10.2(b), the General Partner on behalf of the Partnership shall execute, and the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, if and as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number of Units as was evidenced by the Certificate so surrendered.

(b) Except as otherwise provided in Section 11.5, the Partnership shall not recognize any transfer of Units until the Certificates evidencing such Units, if any, are surrendered for registration of transfer and such Certificates, or a request for transfer of such Units made in accordance with the rules of the Book-Entry System, are accompanied by a Transfer Application duly executed by the transferee (or the transferee's attorney-in-fact duly authorized in writing). No charge shall be imposed by the Partnership for such transfer; provided, that as a condition to the issuance of any new Certificate or to a transfer of Units recorded in a Book-Entry System under this Section 10.2, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto.

10.3 MUTILATED, DESTROYED, LOST OR STOLEN CERTIFICATES. (a) If any mutilated Certificate is surrendered to the Transfer Agent, the General Partner on behalf of the Partnership shall execute, and upon its request the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number of Units as the Certificate so surrendered.

(b) The General Partner on behalf of the Partnership shall execute, and upon its request the Transfer Agent shall countersign and deliver a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the General Partner, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the Partnership has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the General Partner, delivers to the Partnership a bond, in form and substance satisfactory to the General Partner, with surety or sureties and with fixed or open penalty as the General Partner may reasonably direct, in its sole discretion, to indemnify the Partnership, the General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the General Partner.

If a Limited Partner or Assignee fails to notify the Partnership within a reasonable time after he has notice of the loss, destruction or theft of a Certificate, and a transfer of the Units represented by the Certificate is registered before the Partnership, the General Partner or the Transfer Agent receives such notification, the Limited Partner or Assignee shall be precluded from making any claim against the Partnership, the General Partner or the Transfer Agent for such transfer or for a new Certificate.

(c) As a condition to the issuance of any new Certificate under this Section 10.3, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent) reasonably connected therewith.

10.4 RECORD HOLDER. In accordance with Section 10.2(b), the Partnership shall be entitled to recognize the Record Holder as the Limited Partner or Assignee with respect to any Units and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Units on the part of any other Person, regardless of whether the Partnership shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Units, as

between the Partnership on the one hand, and such other Persons, on the other, such representative Person (a) shall be the Limited Partner or Assignee (as the case may be) of record and beneficially, (b) must execute and deliver a Transfer Application and (c) shall be bound by this Agreement and shall have the rights and obligations of a Limited Partner or Assignee (as the case may be) hereunder and as provided for herein.

ARTICLE XI
TRANSFER OF INTERESTS

11.1 TRANSFER. (a) The term "transfer," when used in this Article XI with respect to a Partnership Interest, shall be deemed to refer to a transaction by which the General Partner assigns its Partnership Interest as a general partner in the Partnership to another Person or by which the holder of a Unit assigns such Unit to another Person who is or becomes an Assignee, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article XI. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article XI shall be null and void.

(c) Nothing contained in this Article XI shall be construed to prevent a disposition by the parent entity of the General Partner of any or all of the issued and outstanding capital stock of the General Partner.

(d) Nothing contained in this Article XI, or elsewhere in this Partnership Agreement, shall preclude the settlement of any transactions involving Common Units entered into through the facilities of any National Securities Exchange on which the Units listed for trading.

11.2 TRANSFER OF A GENERAL PARTNER'S PARTNERSHIP INTEREST. Except for a transfer by the General Partner of all, but not less than all, of its Partnership Interest as a general partner in the Partnership to (a) an Affiliate of the General Partner or (b) another Person in connection with the merger or consolidation of the General Partner with or into another Person, the transfer by the General Partner of all or any part of its Partnership Interest as a general partner in the Partnership to a Person prior to December 31, 2004 shall be subject to the prior approval of holders of at least a Unit Majority. Notwithstanding anything herein to the contrary, no transfer by the General Partner of all or any part of its Partnership Interest as a general partner in the Partnership to another Person shall be permitted unless (i) the transferee agrees to assume the rights and duties of the General Partner under this Agreement and the Operating Partnership Agreement and to be bound by the provisions of this Agreement and the Operating Partnership Agreement, (ii) the Partnership receives an Opinion of Counsel that such transfer would not result in the loss of limited liability of any Limited Partner or of any limited partner of any Group Member or cause any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes and (iii) such transferee also agrees to purchase all (or the appropriate portion thereof, if applicable) of the partnership interest of the General Partner as the general partner of each Group Member. In the case of a transfer pursuant to and in compliance with this Section 11.2, the transferee or successor (as the case may

be) shall, subject to compliance with the terms of Section 12.3, be admitted to the Partnership as a General Partner immediately prior to the transfer of the Partnership Interest, and the business of the Partnership shall continue without dissolution.

11.3 TRANSFER OF UNITS. (a) Units may be transferred only in the manner described in Section 10.2. The transfer of any Units and the admission of any new Partner shall not constitute an amendment to this Agreement.

(b) Until admitted as a Substituted Limited Partner pursuant to Article XII, the Record Holder of a Unit shall be an Assignee in respect of such Unit. Limited Partners may include custodians, nominees, or any other individual or entity in its own or any representative capacity.

(c) Each distribution in respect of Units shall be paid by the Partnership, directly or through the Transfer Agent or through any other Person or agent, only to the Record Holders thereof as of the Record Date set for the distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

(d) A transferee who has completed and delivered a Transfer Application shall be deemed to have (i) requested admission as a Substituted Limited Partner, (ii) agreed to comply with and be bound by and to have executed this Agreement, (iii) represented and warranted that such transferee has the right, power and authority and, if an individual, the capacity to enter into this Agreement, (iv) granted the powers of attorney set forth in this Agreement and (v) given the consents and approvals and made the waivers contained in this Agreement.

11.4 RESTRICTIONS ON TRANSFERS. Notwithstanding the other provisions of this Article XI, no transfer of any Unit or interest therein of any Limited Partner or Assignee shall be made if such transfer would (a) violate the then applicable federal or state securities laws or rules and regulations of the Securities and Exchange Commission, any state securities commission or any other governmental authorities with jurisdiction over such transfer, (b) affect any Group Member's existence or qualification as a limited partnership under the laws of the jurisdiction of its formation, or (c) result in entity-level taxation for federal income tax purposes of the Partnership or the Operating Partnership.

11.5 CITIZENSHIP CERTIFICATES; NON-CITIZEN ASSIGNEES. (a) If any Group Member is or becomes subject to any federal, state or local law or regulation that, in the reasonable determination of the General Partner, creates a substantial risk of cancellation or forfeiture of any property in which the Group Member has an interest based on the nationality, citizenship or other related status of a Limited Partner or Assignee, the General Partner may request any Limited Partner or Assignee to furnish to the General Partner, within 30 days after receipt of such request, an executed Citizenship Certification or such other information concerning his nationality, citizenship or other related status (or, if the Limited Partner or Assignee is a nominee holding for the account of another Person, the nationality, citizenship or other related status of such Person) as the General Partner may request. If a Limited Partner or Assignee fails to furnish to the General Partner within the aforementioned 30-day period such Citizenship Certification or other requested information or if upon receipt of such Citizenship Certification or other

requested information the General Partner determines, with the advice of counsel, that a Limited Partner or Assignee is not an Eligible Citizen, the Units owned by such Limited Partner or Assignee shall be subject to redemption in accordance with the provisions of Section 11.6. In addition, the General Partner may require that the status of any such Limited Partner or Assignee be changed to that of a Non-citizen Assignee and, thereupon, the General Partner shall be substituted for such Non-citizen Assignee as the Limited Partner in respect of his Units.

(b) The General Partner shall, in exercising voting rights in respect of Units held by it on behalf of Non-citizen Assignees, distribute the votes in the same ratios as the votes of Limited Partners in respect of Units other than those of Non-citizen Assignees are cast, either for, against or abstaining as to the matter.

(c) Upon dissolution of the Partnership, a Non-citizen Assignee shall have no right to receive a distribution in kind pursuant to Section 14.4 but shall be entitled to the cash equivalent thereof, and the General Partner shall provide cash in exchange for an assignment of the Non-citizen Assignee's share of the distribution in kind. Such payment and assignment shall be treated for Partnership purposes as a purchase by the General Partner from the Non-citizen Assignee of his Partnership Interest (representing his right to receive his share of such distribution in kind).

(d) At any time after he can and does certify that he has become an Eligible Citizen, a Non-citizen Assignee may, upon application to the General Partner, request admission as a Substituted Limited Partner with respect to any Units of such Non-citizen Assignee not redeemed pursuant to Section 11.6, and upon his admission pursuant to Section 12.2, the General Partner shall cease to be deemed to be the Limited Partner in respect of the Non-citizen Assignee's Units.

11.6 REDEMPTION OF INTERESTS. (a) If at any time a Limited Partner or Assignee fails to furnish a Citizenship Certification or other information requested within the 30-day period specified in Section 11.5(a), or if upon receipt of such Citizenship Certification or other information the General Partner determines, with the advice of counsel, that a Limited Partner or Assignee is not an Eligible Citizen, the Partnership may, unless the Limited Partner or Assignee establishes to the satisfaction of the General Partner that such Limited Partner or Assignee is an Eligible Citizen or has transferred his Units to a Person who furnishes a Citizenship Certification to the General Partner prior to the date fixed for redemption as provided below, redeem the Partnership Interest of such Limited Partner or Assignee as follows:

(i) The General Partner shall, not later than the 30th day before the date fixed for redemption, give notice of redemption to the Limited Partner or Assignee, at his last address designated on the records of the Partnership or the Transfer Agent, by registered or certified mail, postage prepaid. The notice shall be deemed to have been given when so mailed. The notice shall specify the Redeemable Units, the date fixed for redemption, the place of payment, that payment of the redemption price will be made upon the transfer of the Redeemable Units being reflected in the register of the Partnership or upon surrender of the Certificate evidencing the Redeemable Units (if such Redeemable Units are evidenced by a Certificate) and that on and after the date fixed for redemption no further allocations or distributions to which the Limited Partner or Assignee would otherwise be entitled in respect of the Redeemable Units will accrue or be made.

(ii) The aggregate redemption price for Redeemable Units shall be an amount equal to the Current Market Price (the date of determination of which shall be the date fixed for redemption) of Units of the class to be so redeemed multiplied by the number of Units of each such class included among the Redeemable Units. The redemption price shall be paid, in the sole discretion of the General Partner, in cash or by delivery of a promissory note of the Partnership in the principal amount of the redemption price, bearing interest at the rate of 10% annually and payable in three equal annual installments of principal together with accrued interest, commencing one year after the redemption date.

(iii) Upon surrender by or on behalf of the Limited Partner or Assignee, at the place specified in the notice of redemption, of the Certificate, if any, evidencing the Redeemable Units, duly endorsed in blank or accompanied by an assignment duly executed in blank, or upon the reflection of the redemption in the register of the Partnership, the Limited Partner or Assignee or his duly authorized representative shall be entitled to receive the payment therefor.

(iv) After the redemption date, Redeemable Units shall no longer constitute issued and Outstanding Units.

(b) The provisions of this Section 11.6 shall also be applicable to Units held by a Limited Partner or Assignee as nominee of a Person determined to be other than an Eligible Citizen.

(c) Nothing in this Section 11.6 shall prevent the recipient of a notice of redemption from transferring his Units before the redemption date if such transfer is otherwise permitted under this Agreement. Upon receipt of notice of such a transfer, the General Partner shall withdraw the notice of redemption, provided the transferee of such Units certifies in the Transfer Application that he is an Eligible Citizen. If the transferee fails to make such certification, such redemption shall be effected from the transferee on the original redemption date.

ARTICLE XII
ADMISSION OF PARTNERS

12.1 ADMISSION OF INITIAL LIMITED PARTNERS. Upon the issuance by the Partnership of Common Units and Subordinated Units to the General Partner and Petrolane as described in Section 4.2, the General Partner and Petrolane shall each be deemed to have been admitted to the Partnership as a Limited Partner in respect of the Common Units and the Subordinated Units issued to it. Upon the issuance by the Partnership of Common Units to the Underwriters as described in Section 4.2 in connection with the Initial Offering and the execution by each Underwriter of a Transfer Application, the General Partner shall admit the Underwriters to the Partnership as Initial Limited Partners in respect of the Common Units purchased by them.

12.2 ADMISSION OF SUBSTITUTED LIMITED PARTNERS. By transfer of a Unit in accordance with Article XI, the transferor shall be deemed to have given the transferee the right to seek admission as a Substituted Limited Partner subject to the conditions of, and in the manner permitted under, this Agreement. A transferor of a Certificate shall, however, only have the authority to convey to a purchaser or other transferee who does not execute and deliver a Transfer Application (a) the right to negotiate such Certificate to a purchaser or other transferee

and (b) the right to transfer the right to request admission as a Substituted Limited Partner to such purchaser or other transferee in respect of the transferred Units. Each transferee of a Unit (including any nominee holder or an agent acquiring such Unit for the account of another Person) who executes and delivers a Transfer Application shall, by virtue of such execution and delivery, be an Assignee and be deemed to have applied to become a Substituted Limited Partner with respect to the Units so transferred to such Person. Such Assignee shall become a Substituted Limited Partner (x) at such time as the General Partner consents thereto, which consent may be given or withheld in the General Partner's sole discretion, and (y) when any such admission is shown on the books and records of the Partnership. If such consent is withheld, such transferee shall be an Assignee. An Assignee shall have an interest in the Partnership equivalent to that of a Limited Partner with respect to allocations and distributions, including liquidating distributions, of the Partnership. With respect to voting rights attributable to Units that are held by Assignees, the General Partner shall be deemed to be the Limited Partner with respect thereto and shall, in exercising the voting rights in respect of such Units on any matter, vote such Units at the written direction of the Assignee who is the Record Holder of such Units. If no such written direction is received, such Units will not be voted. An Assignee shall have no other rights of a Limited Partner.

12.3 ADMISSION OF SUCCESSOR GENERAL PARTNER. A successor General Partner approved pursuant to Section 13.1 or 13.2 or the transferee of or successor to all of the General Partner's Partnership Interest as a general partner in the Partnership pursuant to Section 11.2 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to the withdrawal or removal of the General Partner pursuant to Section 13.1 or 13.2 or the transfer of the General Partner's Partnership Interest as a general partner in the Partnership pursuant to Section 11.2; provided, however, that no such successor shall be admitted to the Partnership until compliance with the terms of Section 11.2 has occurred and such successor has executed and delivered such other documents or instruments as may be required to effect such admission. Any such successor shall, subject to the terms hereof, carry on the business of the Partnership and Operating Partnership without dissolution.

12.4 ADMISSION OF ADDITIONAL LIMITED PARTNERS. (a) A Person (other than the General Partner, an Initial Limited Partner or a Substituted Limited Partner) who makes a Contribution to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including the power of attorney granted in Section 1.4, and (ii) such other documents or instruments as may be required in the discretion of the General Partner to effect such Person's admission as an Additional Limited Partner.

(b) Notwithstanding anything to the contrary in this Section 12.4, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent may be given or withheld in the General Partner's sole discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded as such in the books and records of the Partnership, following the consent of the General Partner to such admission.

12.5 AMENDMENT OF AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP. To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Delaware Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practical an amendment of this Agreement and, if required by law, to prepare and file an amendment to the Certificate of Limited Partnership, and the General Partner may for this purpose, among others, exercise the power of attorney granted pursuant to Section 1.4.

ARTICLE XIII
WITHDRAWAL OR REMOVAL OF PARTNERS

13.1 WITHDRAWAL OF THE GENERAL PARTNER. (a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an "EVENT OF WITHDRAWAL");

(i) the General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners (and it shall be deemed that the General Partner has withdrawn pursuant to this Section 13.1(a)(i) if the General Partner voluntarily withdraws as general partner of the Operating Partnership);

(ii) the General Partner transfers all of its rights as General Partner pursuant to Section 11.2;

(iii) the General Partner is removed pursuant to Section 13.2;

(iv) the General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (A)-(C) of this Section 13.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor in possession), receiver or liquidator of the General Partner or of all or any substantial part of its properties;

(v) a final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the General Partner; or

(vi) a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation.

If an Event of Withdrawal specified in Section 13.1(a)(iv), (v) or (vi) occurs, the withdrawing General Partner shall give notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 13.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 12:00 midnight, Eastern Standard Time, on December 31, 2004, the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners, provided that prior to the effective date of such withdrawal, the withdrawal is approved by Limited Partners holding at least a Unit Majority and the General Partner delivers to the Partnership an Opinion of Counsel ("WITHDRAWAL OPINION OF COUNSEL") that such withdrawal (following the selection of the successor General Partner) would not result in the loss of the limited liability of any Limited Partner or of the limited partner of any Group Member or cause any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes; (ii) at any time after 12:00 midnight, Eastern Standard Time, on December 31, 2004, the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Limited Partners, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the General Partner ceases to be a General Partner pursuant to Section 13.1(a)(ii) or is removed pursuant to Section 13.2; or (iv) notwithstanding clause (i) of this sentence, at any time that the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners, such withdrawal to take effect on the date specified in the notice, if at the time such notice is given one Person and its Affiliates (other than the General Partner and its Affiliates) own beneficially or of record or control at least 50% of the Outstanding Units. The withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall also constitute the withdrawal of the General Partner as general partner of the other Group Members. If the General Partner gives a notice of withdrawal pursuant to Section 13.1(a)(i), holders of at least a majority of the Outstanding Units (excluding for purposes of such determination Units owned by the General Partner and its Affiliates) may, prior to the effective date of such withdrawal, elect a successor General Partner. The Person so elected as successor General Partner shall automatically become the successor general partner of the other Group Members. If, prior to the effective date of the General Partner's withdrawal, a successor is not selected by the Limited Partners as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 14.1. Any successor General Partner elected in accordance with the terms of this Section 13.1 shall be subject to the provisions of Section 12.3.

13.2 REMOVAL OF THE GENERAL PARTNER. The General Partner may be removed if such removal is approved by Limited Partners holding at least two-thirds of the Outstanding Units. Any such action by such Limited Partners for removal of the General Partner must also provide for the election of a successor General Partner by Limited Partners holding at least a majority of the Outstanding Units. Such removal shall be effective immediately following the admission of a successor General Partner pursuant to Article XII. The removal of the General Partner shall also automatically constitute the removal of the General Partner as general partner of the other Group Members. If a person is elected as a successor General Partner in accordance with the terms of this Section 13.2, such person shall, upon admission pursuant to Article XII, automatically become the successor general partner of the other Group Members. The right of the Limited Partners holding Outstanding Units to remove the General Partner shall not exist or be exercised unless the Partnership has received an opinion opining as to the matters covered by a Withdrawal

Opinion of Counsel. Any successor General Partner elected in accordance with the terms of this Section 13.2 shall be subject to the provisions of Section 12.3.

13.3 INTEREST OF DEPARTING PARTNER AND SUCCESSOR GENERAL PARTNER. (a) In the event of (i) withdrawal of the General Partner under circumstances where such withdrawal does not violate this Agreement or (ii) removal of the General Partner by the Limited Partners under circumstances where Cause does not exist, if a successor General Partner is elected in accordance with the terms of Section 13.1 or 13.2, the Departing Partner shall have the option exercisable prior to the effective date of the departure of such Departing Partner to require its successor to purchase its Partnership Interest as a general partner in the Partnership and its partnership interest as the general partner in the other Group Members (collectively, the "COMBINED INTEREST") in exchange for an amount in cash equal to the fair market value of such Combined Interest, such amount to be determined and payable as of the effective date of its departure. If the General Partner is removed by the Limited Partners under circumstances where Cause exists or if the General Partner withdraws under circumstances where such withdrawal violates this agreement, and if a successor General Partner is elected in accordance with the terms of Section 13.1 or 13.2, such successor shall have the option, exercisable prior to the effective date of the departure of such Departing Partner, to purchase the Combined Interest of the Departing Partner for such fair market value of such Combined Interest. In either event, the Departing Partner shall be entitled to receive all reimbursements due such Departing Partner pursuant to Section 6.4, including any employee-related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by the General Partner for the benefit of the Partnership or the other Group Members.

For purposes of this Section 13.3(a), the fair market value of the Departing Partner's Combined Interest shall be determined by agreement between the Departing Partner and its successor or, failing agreement within 30 days after the effective date of such Departing Partner's departure, by an independent investment banking firm or other independent expert selected by the Departing Partner and its successor, which, in turn, may rely on other experts, and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then the Departing Partner shall designate an independent investment banking firm or other independent expert, the Departing Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which shall determine the fair market value of the Combined Interest. In making its determination, such independent investment banking firm or other independent expert shall consider the then current trading price of Units on any National Securities Exchange on which Units are then listed, the value of the Partnership's assets, the rights and obligations of the General Partner and other factors it may deem relevant.

(b) If the Combined Interest is not purchased in the manner set forth in Section 13.3(a), the Departing Partner shall become a Limited Partner and the Combined Interest shall be converted into Common Units pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 13.3(a), without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor). Any

successor General Partner shall indemnify the Departing Partner as to all debts and liabilities of the Partnership arising on or after the date on which the Departing Partner becomes a Limited Partner. For purposes of this Agreement, conversion of the General Partner's Combined Interest to Common Units will be characterized as if the General Partner contributed its Combined Interest to the Partnership in exchange for the newly issued Common Units.

(c) If a successor General Partner is elected in accordance with the terms of Section 13.1 or 13.2 and the option described in Section 13.3(a) is not exercised by the party entitled to do so, the successor General Partner shall, at the effective date of its admission to the Partnership, contribute to the Partnership cash in an amount equal to 1.01% of the Net Agreed Value of the Partnership's assets on such date. In such event, such successor General Partner shall, subject to the following sentence, be entitled to such Percentage Interest of all Partnership allocations and distributions and any other allocations and distributions to which the Departing Partner was entitled. In addition, such successor General Partner shall cause this Agreement to be amended to reflect that, from and after the date of such successor General Partner's admission, the successor General Partner's interest in all Partnership distributions and allocations shall be 1%, and that of the holders of Outstanding Unit shall be 99%.

(d) If the General Partner is removed as general partner of the Partnership under circumstances where Cause does not exist, the General Partner will, at the option of the Partnership, license its proprietary propane purchase optimization and fuel accounting system, known as "FAST" (and any successor technology of a similar nature utilized in the day-to-day operations of the Partnership) to the Partnership on a royalty-free basis for a nine-month period. If the General Partner ceases to serve as the general partner of the Partnership for any other reason, such royalty-free licensing period will be increased to 36 months and thereafter the Partnership will have the option to continue licensing such technology upon payment of a fee equal to the fair market value of the license.

13.4 WITHDRAWAL OF LIMITED PARTNERS. No Limited Partner shall have any right to withdraw from the Partnership; provided, however, that when a transferee of a Limited Partner's Units becomes a Record Holder, such transferring Limited Partner shall cease to be a Limited Partner with respect to the Units so transferred.

ARTICLE XIV
DISSOLUTION AND LIQUIDATION

14.1 DISSOLUTION. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, if a successor General Partner is elected pursuant to Section 13.1 or 13.2, the Partnership shall not be dissolved and such successor General Partner shall continue the business of the Partnership. The Partnership shall dissolve, and (subject to Section 14.2) its affairs shall be wound up, upon:

(a) the expiration of its term as provided in Section 1.5;

(b) an Event of Withdrawal of the General Partner as provided in Section 13.1(a) (other than Section 13.1(a)(ii)), unless a successor is elected and an Opinion of Counsel is received as provided in Section 13.1(b) or 13.2 and such successor is admitted to the Partnership pursuant to Section 12.3;

(c) an election to dissolve the Partnership by the General Partner that is approved by holders of at least a Unit Majority;

(d) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act; or

(e) the sale of all or substantially all of the assets and properties of the Partnership Group.

14.2 CONTINUATION OF THE BUSINESS OF THE PARTNERSHIP AFTER DISSOLUTION. Upon (a) dissolution of the Partnership following an Event of Withdrawal caused by the withdrawal or removal of the General Partner as provided in Section 13.1(a)(i) or (iii) and the failure of the Partners to select a successor to such Departing Partner pursuant to Section 13.1 or 13.2, then within 90 days thereafter, or (b) dissolution of the Partnership upon an event constituting an Event of Withdrawal as defined in Section 13.1(a)(iv), (v) or (vi), then within 180 days thereafter, holders of at least a majority of the Outstanding Units may elect to reconstitute the Partnership and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited partnership on terms identical to those set forth in this Agreement and having as the successor general partner a Person approved by holders of at least a majority of the Outstanding Units. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the reconstituted Partnership shall continue until the end of the term set forth in Section 1.5 unless earlier dissolved in accordance with this Article XIV;

(ii) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be dealt with in the manner provided in Section 13.3(b); and

(iii) all necessary steps shall be taken to cancel this Agreement and the Certificate of Limited Partnership and to enter into and, as necessary, to file a new partnership agreement and certificate of limited partnership, and the successor general partner may for this purpose exercise the powers of attorney granted the General Partner pursuant to Section 1.4; provided, that the right of holders of at least a majority of Outstanding Units to approve a successor General Partner and to reconstitute and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability of any Limited Partner and (y) neither the Partnership, the reconstituted limited partnership nor any other Group Member would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of such right to continue.

14.3 LIQUIDATOR. Upon dissolution of the Partnership, unless the Partnership is continued under an election to reconstitute and continue the Partnership pursuant to Section 14.2, the General Partner, or in the event the dissolution is the result of an Event of Withdrawal, a liquidator or liquidating committee approved by holders of at least a majority of the Outstanding Units, shall be the Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by holders of at least a majority of the Outstanding Units. The Liquidator shall agree not to resign at any time without 15 days' prior notice and (if other than the General Partner) may be removed at any time, with or without cause, by notice of removal approved by holders of at least a majority of the Outstanding Units. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by holders of at least a majority of the Outstanding Units. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XIV, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 6.3(b)) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding up and liquidation of the Partnership as provided for herein.

14.4 LIQUIDATION. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as the Liquidator determines to be in the best interest of the Partners, subject to the following:

(a) Disposition of Assets. The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and the receiving Partner may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 14.4(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners. For purposes of computing Net Liquidation Gain, gain or loss on distributed property shall be recognized as if such property had been sold for its fair market value.

(b) Discharge of Liabilities. Liabilities of the Partnership include amounts owed to Partners otherwise in respect of their distribution rights under Article V. With respect to any liability that is contingent or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) Liquidation Distributions. The Liquidator shall reassign the 1989 Customer List and other assets described in Section 9.1(d) to the General Partner. Subject to Section 14.4(a), all other property and all cash in excess of that required to discharge liabilities as provided in Section

14.4(b) shall be distributed to the Partners in the priorities provided in Section 5.6 or Section 5.7, as applicable. The distribution may be made in one or more Quarters, but the amount distributed in respect of each priority shall be determined on a cumulative basis.

14.5 CANCELLATION OF CERTIFICATE OF LIMITED PARTNERSHIP. Upon the completion of the distribution of Partnership cash and property as provided in Sections 14.3 and 14.4 in connection with the liquidation of the Partnership, the Partnership shall be terminated and the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be cancelled and such other actions as may be necessary to terminate the Partnership shall be taken.

14.6 RETURN OF CONTRIBUTIONS. The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Contributions of the Limited Partners, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

14.7 WAIVER OF PARTITION. Each Partner hereby waives any right to partition of the Partnership property.

ARTICLE XV
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE

15.1 AMENDMENT TO BE ADOPTED SOLELY BY GENERAL PARTNER. Each Limited Partner agrees that the General Partner (pursuant to its powers of attorney from the Limited Partners and Assignees), without the approval of any Limited Partner or Assignee, may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that, in the sole discretion of the General Partner, is necessary or advisable to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that the Partnership and the Operating Partnership will not be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;

(d) a change that, in the sole discretion of the General Partner, (i) does not adversely affect the Limited Partners in any material respect, (ii) is necessary or advisable to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state

statute (including the Delaware Act) or (B) facilitate the trading of the Units (including the division of Outstanding Units into different classes to facilitate uniformity of tax consequences within such classes of Units) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are or will be listed for trading, compliance with any of which the General Partner determines in its sole discretion to be in the best interests of the Partnership and the Limited Partners, (iii) is necessary or advisable in connection with action taken by the General Partner pursuant to Section 4.8, or (iv) is required to effect the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the fiscal year and taxable year of the Partnership and any changes that, in the sole discretion of the General Partner, are necessary or advisable as a result of a change in the fiscal year and taxable year of the Partnership including, if the General Partner shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership or the General Partner or its directors or officers from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) subject to the terms of Section 4.4, an amendment that, in the sole discretion of the General Partner, is necessary or advisable in connection with the authorization of issuance of any class or series of Partnership Securities pursuant to Section 4.4;

(h) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 16.3;

(j) an amendment that, in the sole discretion of the General Partner, is necessary or advisable to reflect, account for and deal with appropriately the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity other than the Operating Partnership, in connection with the conduct by the Partnership of activities permitted by the terms of Section 3.1; or

(k) any other amendments substantially similar to the foregoing.

15.2 AMENDMENT PROCEDURES. Except as provided in Sections 15.1 and 15.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed only by or with the consent of the General Partner. A proposed amendment shall be effective upon its approval by the holders of at least a Unit Majority, unless a greater or different percentage is required under this Agreement. Each proposed amendment that requires the approval of the holders of a specified percentage of

Outstanding Units shall be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, the General Partner shall seek the written approval of the requisite percentage of Outstanding Units or call a meeting of the Limited Partners to consider and vote on such proposed amendment. The General Partner shall notify all Record Holders upon final adoption of any such proposed amendments.

15.3 AMENDMENT REQUIREMENTS. (a) Notwithstanding the provisions of Sections 15.1 and 15.2, no provision of this Agreement that establishes a percentage of Outstanding Units required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting requirement unless such amendment is approved by the written consent or the affirmative vote of holders of Outstanding Units whose aggregate Outstanding Units constitute not less than the voting requirement sought to be reduced.

(b) Notwithstanding the provisions of Sections 15.1 and 15.2, no amendment to this Agreement may (i) enlarge the obligations of any Limited Partner without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 15.3(c), (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, the General Partner without its consent, which may be given or withheld in its sole discretion, (iii) change Section 14.1(a) or (c), or (iv) change the term of the Partnership or, except as set forth in Section 14.1(c), give any Person the right to dissolve the Partnership.

(c) Except as otherwise provided, and without limitation of the General Partner's authority to adopt amendments to this Agreement as contemplated in Section 15.1, any amendment that would have a material adverse effect on the rights or preferences of any class of Outstanding Units in relation to other classes of Units must be approved by the holders of not less than a majority of the Outstanding Units of the class affected (excluding, during the Subordination Period, Common Units owned by the General Partner and its Affiliates).

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 6.3 or 15.1 and except as otherwise provided by Section 16.3(b), no amendments shall become effective without the approval of the holders of at least 90% of the Outstanding Units unless the Partnership obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any Limited Partner or any limited partner of the other Group Members under applicable law.

(e) This Section 15.3 shall only be amended with the approval of the holders of at least 90% of the Outstanding Units.

15.4 MEETINGS. All acts of Limited Partners to be taken pursuant to this Agreement shall be taken in the manner provided in this Article XV. Meetings of the Limited Partners may be called by the General Partner or by Limited Partners owning 20% or more of the Outstanding Units of the class or classes for which a meeting is proposed. Limited Partners shall call a meeting by delivering to the General Partner one or more requests in writing stating that the signing Limited Partners wish to call a meeting and indicating the general or specific purposes for which the meeting is to be called. Within 60 days after receipt of such a call from Limited Partners or

within such greater time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the General Partner shall send a notice of the meeting to the Limited Partners either directly or indirectly through the Transfer Agent. A meeting shall be held at a time and place determined by the General Partner on a date not more than 60 days after notice of the meeting has been given or made pursuant to Section 18.1. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Delaware Act or the law of any other state in which the Partnership is qualified to do business.

15.5 NOTICE OF A MEETING. Notice of a meeting called pursuant to Section 15.4 shall be given to the Record Holders pursuant to Section 18.1. The notice shall be deemed to have been given at the time when deposited in the mail or when given or made pursuant to Section 18.1.

15.6 RECORD DATE. For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 15.11, the General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed for trading, in which case the rule, regulation, guideline or requirement of such exchange shall govern) or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to give such approvals.

15.7 ADJOURNMENT. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XV.

15.8 WAIVER OF NOTICE; APPROVAL OF MEETING; APPROVAL OF MINUTES. The transactions of any meeting of Limited Partners, however called and noticed, and whenever held, shall be as valid as if had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, Limited Partners representing such quorum who were present in person or by proxy and entitled to vote, sign a written waiver of notice or an approval of the holding of the meeting or an approval of the minutes thereof. All waivers and approvals shall be filed with the Partnership records or made a part of the minutes of the meeting. Attendance of a Limited Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Limited Partner does not approve, at the beginning of the meeting, of the transaction of any business because the meeting is not lawfully called or convened; and except that attendance at a meeting is not a waiver of any right to disapprove the consideration of matters required to be included in the notice of the meeting, but not so included, if the disapproval is expressly made at the meeting.

15.9 QUORUM. The holders of a majority of the Outstanding Units of the class or classes for which a meeting has been called represented in person or by proxy shall constitute a quorum at a meeting of Limited Partners of such class or classes unless any such action by the Limited Partners requires approval by holders of a greater percentage of such Units, in which case the quorum shall be such greater percentage (excluding, in either case, if such are to be excluded from the vote, Outstanding Units owned by the General Partner and its Affiliates). At any meeting of the Limited Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Limited Partners holding Outstanding Units that in the aggregate represent a majority of the Outstanding Units entitled to vote and be present in person or by proxy at such meeting shall be deemed to constitute the act of all Limited Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Limited Partners holding Outstanding Units that in the aggregate represent at least such greater or different percentage shall be required. The Limited Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Limited Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of Outstanding Units specified in this Agreement. In the absence of a quorum, any meeting of Limited Partners may be adjourned from time to time by the affirmative vote of holders of at least a majority of the Outstanding Units represented either in person or by proxy, but no other business may be transacted, except as provided in Section 15.7.

15.10 CONDUCT OF MEETING. The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 15.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with the applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

15.11 ACTION WITHOUT A MEETING. Any action that may be taken at a meeting of the Limited Partners may be taken without a meeting if an approval in writing setting forth the action so taken is signed by Limited Partners owning not less than the minimum percentage of the Outstanding Units that would be necessary to authorize or take such action at a meeting at which all the Limited Partners were present and voted. Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Units held by the Limited Partner, the Partnership shall be

deemed to have failed to receive a ballot for the Units that were not voted. If approval of the taking of any action by the Limited Partners is solicited by any Person other than by or on behalf of the General Partner, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the General Partner, (b) approvals sufficient to take the action proposed are dated as of a date not more than 90 days prior to the date sufficient approvals are deposited with the Partnership and (c) an Opinion of Counsel is delivered to the General Partner to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability, and (ii) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Partners.

15.12 VOTING AND OTHER RIGHTS. (a) Only those Record Holders of the Units on the Record Date set pursuant to Section 15.6 (and also subject to the limitations contained in the definition of "Outstanding") shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which the holders of the Outstanding Units have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the Outstanding Units shall be deemed to be references to the votes or acts of the Record Holders of such Outstanding Units.

(b) With respect to Units that are held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Units are registered, such other Person shall, in exercising the voting rights in respect of such Units on any matter, and unless the arrangement between such Persons provides otherwise, vote such Units in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The provisions of this Section 15.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 10.4.

ARTICLE XVI
MERGER

16.1 AUTHORITY. The Partnership may merge or consolidate with one or more corporations, business trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a general partnership or limited partnership, formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger or consolidation ("MERGER AGREEMENT") in accordance with this Article XVI.

16.2 PROCEDURE FOR MERGER OR CONSOLIDATION. Merger or consolidation of the Partnership pursuant to this Article XVI requires the prior approval of the General Partner. If the General Partner shall determine, in the exercise of its sole discretion, to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which shall set forth:

(a) The names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(b) The name and jurisdictions of formation or organization of the business entity that is to survive the proposed merger or consolidation (the "SURVIVING BUSINESS ENTITY");

(c) The terms and conditions of the proposed merger or consolidation;

(d) The manner and basis of exchanging or converting the equity securities of each constituent business entity for, or into, cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partner interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partner interests, rights, securities or obligations of any limited partnership, corporation, trust or other entity (other than the Surviving Business Entity) which the holders of such general or limited partner interests, securities or rights are to receive in exchange for, or upon conversion of, their general or limited partner interests, securities or rights, and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(e) A statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(f) The effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 16.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of the certificate of merger, the effective time shall be fixed no later than the time of the filing of the certificate of merger and stated therein); and

(g) Such other provisions with respect to the proposed merger or consolidation as are deemed necessary or appropriate by the General Partner.

16.3 APPROVAL BY LIMITED PARTNERS OF MERGER OR CONSOLIDATION. (a) The General Partner, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Limited Partners, whether at a meeting or by written consent, in either case in accordance with the requirements of Article XV. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the written consent.

(b) The Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of at least a Unit Majority unless the Merger Agreement contains any provision that, if contained in an amendment to this Agreement, the provisions of this Agreement or the Delaware Act would require the vote or consent of a greater percentage of the Outstanding Units

or of any class of Limited Partners, in which case such greater percentage vote or consent shall be required for approval of the Merger Agreement.

(c) After such approval by vote or consent of the Limited Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 16.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

16.4 CERTIFICATE OF MERGER. Upon the required approval by the General Partner and the Limited Partners of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

16.5 EFFECT OF MERGER. (a) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity, and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

(b) A merger or consolidation effected pursuant to this Article shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another having occurred.

ARTICLE XVII
RIGHT TO ACQUIRE UNITS

17.1 RIGHT TO ACQUIRE UNITS. (a) Notwithstanding any other provision of this Agreement, if at any time not more than 20% of the total Units of any class then Outstanding are held by Persons other than the General Partner and its Affiliates, the General Partner shall then have the right, which right it may assign and transfer to the Partnership or any Affiliate of the General Partner, exercisable in its sole discretion, to purchase all, but not less than all, of the Units of such class then Outstanding held by Persons other than the General Partner and its Affiliates, at the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 17.1(b) is mailed, and (y) the highest cash price paid by the General Partner or any of its Affiliates for any such Unit purchased during the 90-day period preceding

the date that the notice described in Section 17.1(b) is mailed. As used in this Agreement, (i) "CURRENT MARKET PRICE" as of any date of any class of Units listed or admitted to trading on any National Securities Exchange means the average of the daily Closing Prices (as hereinafter defined) per Unit of such class for the 20 consecutive Trading Days (as hereinafter defined) immediately prior to such date; (ii) "CLOSING PRICE" for any day means the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal National Securities Exchange on which the Units of such class are listed or admitted to trading or, if the Units of such class are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted, the average of the high bid and low asked prices on such day in the over the counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or such other system then in use, or, if on any such day the Units of such class are not quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in the Units of such class selected by the Board of Directors of the General Partner, or if on any such day no market maker is making a market in the Units of such class, the fair value of such Units on such day as determined reasonably and in good faith by the Board of Directors of the General Partner; and (iii) "TRADING DAY" means a day on which the principal National Securities Exchange on which the Units of any class are listed or admitted to trading is open for the transaction of business or, if Units of a class are not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

(b) If the General Partner, any Affiliate of the General Partner or the Partnership elects to exercise the right to purchase Units granted pursuant to Section 17.1(a), the General Partner shall deliver to the Transfer Agent notice of such election to purchase (the "NOTICE OF ELECTION TO PURCHASE") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of Units (as of a Record Date selected by the General Partner) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and published in the Borough of Manhattan, New York. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 17.1(a)) at which Units will be purchased and state that the General Partner, its Affiliate or the Partnership, as the case may be, elects to purchase such Units, upon surrender of Certificates, if any, representing such Units in exchange for payment, at such office or offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which the Units are listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder of Units at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the General Partner, its Affiliate or the Partnership, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of the Units to be purchased in accordance with this Section 17.1. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding

sentence has been made for the benefit of the holders of Units subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of the holders of such Units (including any rights pursuant to Articles IV, V and XIV) shall thereupon cease, except the right to receive the purchase price (determined in accordance with Section 17.1(a)) for Units therefore, without interest, upon surrender to the Transfer Agent of the Certificates, if any, representing such Units, and such Units shall thereupon be deemed to be transferred to the General Partner, its Affiliate or the Partnership, as the case may be, on the record books of the Transfer Agent and the Partnership, and the General Partner or any Affiliate of the General Partner, or the Partnership, as the case may be, shall be deemed to be the owner of all such Units from and after the Purchase Date and shall have all rights as the owner of such Units (including all rights as owner of such Units pursuant to Articles IV, V and XIV).

(c) At any time from and after the Purchase Date, a holder of an Outstanding Unit subject to purchase as provided in this Section 17.1 may surrender the Certificate, if any, evidencing such Unit to the Transfer Agent in exchange for payment of the amount described in Section 17.1(a), therefor, without interest thereon.

ARTICLE XVIII
GENERAL PROVISIONS

18.1 ADDRESSES AND NOTICES. Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered to the Partner or Assignee in person or when sent by first class United States mail or by any manner (including posting on or accessible through the Partnership's website) permitted for such notice, demand, request, report or proxy materials by applicable law, rule or regulation of the Securities and Exchange Commission or any National Securities Exchange on which the Units are listed for trading. Any notice, payment or report to be given or made to a Partner or Assignee hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Unit at the address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Unit or the Partnership Interest of a General Partner by reason of any assignment or otherwise. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 18.1 executed by the General Partner, the Transfer Agent or the mailing organization shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report addressed to a Record Holder at the address of such Record Holder appearing on the books and records of the Transfer Agent or the Partnership is returned by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver it, such notice, payment or report and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in address) if they are available for the Partner or Assignee at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the

other Partners and Assignees. Any notice to the Partnership shall be deemed given if received by the General Partner at the principal office of the Partnership designated pursuant to Section 1.3. The General Partner may rely and shall be protected in relying on any notice or other document from a Partner, Assignee or other Person if believed by it to be genuine.

18.2 REFERENCES. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

18.3 PRONOUNS AND PLURALS. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

18.4 FURTHER ACTION. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

18.5 BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

18.6 INTEGRATION. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

18.7 CREDITORS. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

18.8 WAIVER. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

18.9 COUNTERPARTS. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Unit, upon accepting the certificate evidencing such Unit or executing and delivering a Transfer Application as herein described, independently of the signature of any other party.

18.10 APPLICABLE LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

18.11 INVALIDITY OF PROVISIONS. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

18.12 CONSENT OF PARTNERS. Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be bound by the results of such action.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:
AMERIGAS PROPANE, INC.

By: ______________________

Robert H. Knauss
Title: Vice President Law and General Counsel

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted as limited partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and granted and delivered to, the General Partner.

By: AMERIGAS PROPANE, INC. General
Partner, as attorney-in-fact for all Limited Partners pursuant to the Powers of Attorney granted pursuant to Section 1.4.

By: ______________________

Name: Robert H. Knauss
Title: Vice President Law and General Counsel

EXHIBIT A

TO THE FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF AMERIGAS PARTNERS, L.P. CERTIFICATE EVIDENCING COMMON UNITS REPRESENTING LIMITED PARTNER INTERESTS AMERIGAS PARTNERS, L.P.

No. Common Units

AMERIGAS PROPANE, INC., a Pennsylvania corporation, as the General Partner of AMERIGAS PARTNERS, L.P., a Delaware limited partnership (the "Partnership"), hereby certifies that (the "Holder") is the registered owner of Common Units representing limited partner interests in the Partnership (the "Common Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed and accompanied by a properly executed application for transfer of the Common Units represented by this Certificate. The rights, preferences and limitations of the Common Units are set forth in, and this Certificate and the Common Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Fourth Amended and Restated Agreement of Limited Partnership of AMERIGAS PARTNERS, L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"). Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at, the principal office of the Partnership located at 460 North Gulph Road, King of Prussia, Pennsylvania, 19406. Capitalized terms used herein but not defined shall have the meaning given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (i) requested admission as, and agreed to become, a Limited Partner and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (ii) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (iii) granted the powers of attorney provided for in the Partnership Agreement and (iv) made the waivers and given the consents and approvals contained in the Partnership Agreement.

This Certificate shall not be valid for any purpose unless it has been countersigned and registered by the Transfer Agent and Registrar. Witness the facsimile signatures of the duly authorized officers of the General Partner of the Partnership.

Dated: ______________________________

AMERIGAS PROPANE, INC.,
as General Partner

Countersigned and Registered by:

By:___________________________
President

Computershare Trust Company, N.A.

By:___________________________

as Transfer Agent and Registrar

Treasurer

By: _________________________________
Authorized Signature

[REVERSE OF CERTIFICATE]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as follows according to applicable laws or regulations:

TEN COM- as tenants in common
TEN ENT- as tenants by the entireties
JT TEN- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT- Custodian
(Cust) (Minor)
under Uniform Gifts to Minors Act
State

Additional abbreviations, though not in the above list, may also be used.

ASSIGNMENT OF COMMON UNITS
IN
AMERIGAS PARTNERS, L.P.
IMPORTANT NOTICE REGARDING INVESTOR RESPONSIBILITIES
DUE TO TAX SHELTER STATUS OF AMERIGAS PARTNERS, L.P.

You have acquired an interest in AmeriGas Partners, L.P., 460 North Gulph Road, King of Prussia, Pennsylvania, 19406, whose taxpayer identification number is 23-2787918. The Internal Revenue Service has issued AmeriGas Partners, L.P. the following tax shelter registration number:

YOU MUST REPORT THIS REGISTRATION NUMBER TO THE INTERNAL REVENUE SERVICE IF YOU CLAIM ANY DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN AMERIGAS PARTNERS, L.P.

You must report the registration number as well as the name and taxpayer identification number of AmeriGas Partners, L.P., on Form 8271. FORM 8271 MUST BE ATTACHED TO THE RETURN ON WHICH YOU CLAIM THE DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN AMERIGAS PARTNERS, L.P.

If you transfer your interest in AmeriGas Partners, L.P. to another person, you are required by the Internal Revenue Service to keep a list containing (a) that person's name, address and taxpayer identification number, (b) the date on which you transferred the interest and (c) the name, address and tax shelter registration number of AmeriGas Partners, L.P. If you do not want to keep such a list, you must (1) send the information specified above to the Partnership, which will keep the list for this tax shelter, and (2) give a copy of this notice to the person to whom you transfer your interest. Your failure to comply with any of the above-described responsibilities could result in the imposition of a penalty under Section 6707(b) or 6708(a) of the Internal Revenue Service Code of 1986, as amended, unless such failure is shown to be due to reasonable cause.

ISSUANCE OF A REGISTRATION NUMBER DOES NOT INDICATE THAT THIS INVESTMENT OR THE CLAIMED TAX BENEFITS HAVE BEEN REVIEWED, EXAMINED, OR APPROVED BY THE INTERNAL REVENUE SERVICE.

FOR VALUE RECEIVED, ______________________ hereby assigns, conveys, sells and transfers unto

(Please print or typewrite name and address of Assignee)	(Please insert Social Security or other identifying number of Assignee)

Common Units representing limited partner interests evidenced by this Certificate, subject to the Partnership Agreement, and does hereby irrevocably constitute and appoint ___________ as its attorney-in-fact with full power of substitution to transfer the same on the books of AmeriGas Partners, L.P.

Date:

NOTE: The signature to any endorsement hereon must correspond with the name as written upon the face of this Certificate in every particular, without alteration, enlargement or change.

SIGNATURE(S) MUST BE GUARANTEED BY A MEMBER FIRM OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. OR BY A COMMERCIAL BANK OR TRUST COMPANY

(Signature)

(Signature)

SIGNATURE(S) GUARANTEED

No transfer of the Common Units evidenced hereby will be registered on the books of the Partnership, unless the Certificate evidencing the Common Units to be transferred is surrendered for registration or transfer and an Application for Transfer of Common Units has been executed by a transferee either (a) on the form set forth below or (b) on a separate application that the Partnership will furnish on request without charge. A transferor of the Common Units shall have no duty to the transferee with respect to execution of the transfer application in order for such transferee to obtain registration of the transfer of the Common Units.

APPLICATION FOR TRANSFER OF COMMON UNITS

The undersigned ("Assignee") hereby applies for transfer to the name of the Assignee of the Common Units evidenced hereby.

The Assignee (a) requests admission as a Substituted Limited Partner and agrees to comply with and be bound by, and hereby executes, the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. (the "Partnership"), as amended, supplemented or restated to the date hereof (the "Partnership Agreement"), (b) represents and warrants that the Assignee has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) grants the powers of attorney provided for in the Partnership Agreement and (d) makes the waivers and gives the consents and approvals contained in the Partnership Agreement.

Capitalized terms not defined herein have the meanings assigned to such terms in the Partnership Agreement.

Date:

Signature of Assignee

Social Security or other Name and Address of Assignee identifying number of Assignee

Purchase Price including
commissions, if any

Type of Entity (check one)

_____________ Individual _____________ Partnership _____________Corporation

_____________ Trust _________________ Other (specify)

Nationality (Check One)

___________________ U.S. Citizen, Resident or Domestic Entity

___________ Foreign Corporation, or ______________________ Non-resident alien

If the U.S. Citizen, Resident or Domestic Entity box is checked, the following certification must be completed.

Under Section 1445(e) of the Internal Revenue Code of 1986, as amended (the "Code"), the Partnership must withhold tax with respect to certain transfers of property if a holder of an interest in the Partnership is a foreign person. To inform the Partnership that no withholding is required with respect to the undersigned interest holder's interest in it, the undersigned hereby certifies the following (or, if applicable, certifies the following on behalf of the interest holder).

Complete Either A or B:

A. Individual Interest Holder

1. I am not a non-resident alien for purposes of U.S. income taxation.

____

2. My U.S. taxpayer identification number (Social Security Number) is

____

3. My home address is

____

B. Partnership, Corporate or Other Interest-Holder

1. ______________________ is not a foreign corporation, foreign partnership, foreign trust
(Name of Interest-Holder)

or foreign estate (as those terms are defined in the Code and Treasury Regulations).

2. The interest-holder's U.S. employer identification number is

____

3. The interest-holder's office address and place of incorporation (if applicable) is

____

The interest-holder agrees to notify the Partnership within 60 days of the date the interest-holder becomes a foreign person.

The interest-holder understands that this certificate may be disclosed to the Internal Revenue Service by the Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete and, if applicable, I further declare that I have authority to sign this document on behalf of

____

(Name of Interest-Holder)

____

Signature and Date

____

Title (if applicable)

Note: If the Assignee is a broker, dealer, bank, trust company, clearing corporation, other nominee holder or an agent of any of the foregoing, and is holding for the account of any other person, this application should be completed by an officer thereof or, in the case of a broker or dealer, by a registered representative who is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or, in the case of any other nominee holder, a person performing a similar function. If the Assignee is a broker, dealer, bank, trust company, clearing corporation, other nominee owner or an agent of any of the foregoing, the above certification as to any person for whom the Assignee will hold the Common Units shall be made to the best of the Assignee's knowledge.

Exhibit 3.1

AMENDMENT NO. 1 TO
FOURTH AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
AMERIGAS PARTNERS, L.P.

This Amendment No. 1 to the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. (the "Partnership"), dated as of March 13, 2012 (this "Amendment"), is entered into by AmeriGas Propane, Inc., a Pennsylvania corporation, as the General Partner, pursuant to authority granted to the General Partner in Section 15.1 of the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., dated as of July 27, 2009 (the "Partnership Agreement"). Capitalized terms used herein and not otherwise defined herein are used as defined in the Partnership Agreement.

WHEREAS, pursuant to Section 15.1(d) of the Partnership Agreement, each Limited Partner agreed that the General Partner, without the approval of any Limited Partner or Assignee, may amend any provision of the Partnership Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect a change that, in the sole discretion of the General Partner, (i) does not adversely affect the Limited Partners in any material respect or (ii) is required to effect the intent of the provisions of the Partnership Agreement; and

WHEREAS, the General Partner has determined that the change reflected in this Amendment does not adversely affect the Limited Partners in any material respect, and is required to effect the intent of the provisions of the Partnership Agreement.

NOW, THEREFORE, the Partnership Agreement is hereby amended as follows:

1. A new Section 9.5 is added to read as follows:

   9.5 TAX MATTERS OVERRIDE

   Notwithstanding anything to the contrary in this Agreement, it is the intention of the Partners that the allocations to the Partners required by Section 9.1 of this Agreement be respected pursuant to Section 704 of the Code and the Treasury Regulations promulgated thereunder (the "Regulations") and this Agreement is hereby modified as necessary to achieve such a result. More specifically, this Agreement is hereby modified to meet the "alternative test for economic effect" set forth in Regulation Section 1.704-1(b)(2)(ii)(d). For the avoidance of doubt, this test requires and shall be applied so that (i) the Partnership maintains capital accounts for the Partners in accordance with Regulation Section 1.704-1(b)(2), (ii) liquidating distributions to the Partners are made in accordance with their positive capital account balances in the manner required by Regulation Section 1.704-1(b)(2)(ii)(b)(2) (the "Tax Liquidation Requirement"), (iii) no Partner is obligated to restore an adjusted deficit capital account balance other than the General Partner and

only then as required by the Delaware Act, and (iv) a qualified income offset is provided for as required by Regulation Section 1.704-1(b)(2)(ii)(d)(3). This Agreement is hereby further modified to comply with the nonrecourse liability related allocation rules of Regulation Section 1.704-2 (including the minimum gain and partner minimum gain chargeback requirements of such Regulations). In applying this Section 9.5, the General Partner shall make such allocations of "Section 704(b) book" items as are necessary to as closely produce the tax allocations described in Section 9.1 of this Agreement taking into account adjustments for the application of Section 704(c) of the Code and certain customary conventions used by master limited partnerships to achieve "economic uniformity" of Partnership Units. Immediately prior to an event triggering the Tax Liquidation Requirement, the General Partner shall make such allocations of income, gain, loss and deduction, as well as change the characterization of distribution rights to Section 707(c) guaranteed payments, as it deems necessary to achieve Partner capital account balances that will permit, to the fullest extent possible, distributions that are equal to the distributions that would have been made to the Partners pursuant to Section 5.7 of the Agreement had the Tax Liquidation Requirement not been part of this Agreement. In making such allocations, the General Partner shall seek to produce economic uniformity among Common Units in a manner that is customary and necessary for such Common Units to be freely tradable on a securities exchange.

A. Applicable Law. This Amendment will be governed by and construed in accordance with the laws of the State of Delaware.

[signature page follows]

IN WITNESS WHEREOF, the General Partner has executed this Amendment as of the date first set forth above.

GENERAL PARTNER:

AMERIGAS PROPANE, INC.

By: /s/ John S. Iannarelli
Name: John S. Iannarelli
Title: Vice President-Finance and Chief Financial Officer

SIGNATURE PAGE
AMERIGAS PARTNERS L.P.
AMENDMENT NO. 1 TO FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

Execution Copy

CONTRIBUTION AND REDEMPTION AGREEMENT

BY AND AMONG

ENERGY TRANSFER PARTNERS, L.P.

ENERGY TRANSFER PARTNERS GP, L.P.,

HERITAGE ETC, L.P.

AND

AMERIGAS PARTNERS, L.P.

October 15, 2011

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CONTRIBUTION AND REDEMPTION AGREEMENT

This **CONTRIBUTION AND REDEMPTION AGREEMENT** (this "***Agreement***"), dated as of October 15, 2011 (the "***Execution Date***"), is made and entered into by and among Energy Transfer Partners, L.P., a Delaware limited partnership ("***ETP***"), Energy Transfer Partners GP, L.P., a Delaware limited partnership and the general partner of ETP ("***ETP GP***") Heritage ETC, L.P., a Delaware limited partnership ("***Contributor***"), and AmeriGas Partners, L.P., a Delaware limited partnership ("***Acquirer***").

ETP, ETP GP and Contributor are sometimes referred to individually in this Agreement as a "***Contributor Party***" and are sometimes collectively referred to in this Agreement as the "***Contributor Parties***."

Each of the parties to this Agreement is sometimes referred to individually in this Agreement as a "***Party***" and all of the parties to this Agreement are sometimes collectively referred to in this Agreement as the "***Parties***."

RECITALS

WHEREAS, ETP owns (i) 100% of the membership interests in Heritage ETC GP, LLC, a Delaware limited liability company and the general partner of Contributor ("***Contributor GP***"), and (ii) a 99.99% limited partner interest in Contributor;

WHEREAS, ETP GP owns a 0.0% general partner interest in Heritage Operating L.P., a Delaware limited partnership ("***HOLP***");

WHEREAS, Contributor GP owns a 0.01% general partner interest in Contributor;

WHEREAS, immediately following the Pre-Contribution Closing Transactions (as defined below) and immediately prior to the Contribution Closing (as defined below), Contributor will own the following interests (collectively, the "***Acquired Interests***"):

(i) a 99.999% limited partner interest in HOLP;

(ii) a 100% membership interest in Heritage GP, LLC, a Delaware limited liability company ("***HOLP GP***"), and the holder of a 0.001% general partner interest in HOLP;

(iii) a 99.99% limited partner interest in Titan Energy Partners, L.P., a Delaware limited partnership ("***Titan***"); and

(iv) a 100% membership interest in Titan Energy GP, L.L.C., a Delaware limited liability company ("***Titan GP***"), and the holder of a 0.01% general partner interest in Titan;

WHEREAS, Contributor desires to contribute, assign, transfer and deliver to Acquirer, and Acquirer desires to acquire from Contributor, the Acquired Interests, and in

exchange Acquirer desires to issue to ETP the Equity Consideration (as defined below) and the Cash Consideration (as defined below), as applicable, on the terms and subject to the conditions set forth in this Agreement (the "***Contribution***");

WHEREAS, in connection with the Parties' entry into this Agreement, HOLP will offer to prepay the borrowings incurred by HOLP under the HOLP Notes (as defined below), in accordance with the prepayment terms of the HOLP Note Purchase Agreements (as defined below);

WHEREAS, immediately following the closing of the Contribution (the "***Contribution Closing***"), ETP may distribute to its unitholders, pro rata, the Spin-Off Units (as defined below), for no consideration (the "***Spin-Off***"); and

WHEREAS, if ETP decides to consummate the Spin-Off, immediately following the Spin-Off, Acquirer desires to purchase and redeem for cash from ETP the Redemption Units (as defined below), on the terms and subject to the conditions set forth in this Agreement.

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions. Capitalized terms used in this Agreement but not defined in the body of this Agreement shall have the meanings ascribed to them in Exhibit A. Capitalized terms defined in the body of this Agreement are listed in Exhibit A with reference to the location of the definitions of such terms in the body of this Agreement.

Section 1.2 Interpretations. In this Agreement, unless a clear contrary intention appears: (a) the singular includes the plural and vice versa; (b) reference to a Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) reference to any gender includes each other gender; (d) references to any Exhibit, Schedule, Section, Article, Annex, subsection and other subdivision refer to the corresponding Exhibits, Schedules, Sections, Articles, Annexes, subsections and other subdivisions of this Agreement unless expressly provided otherwise; (e) references in any Section or Article or definition to any clause means such clause of such Section, Article or definition; (f) "hereunder," "hereof," "hereto" and words of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement; (g) the word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation"; (h) each accounting term not otherwise defined in this Agreement has the meaning commonly applied to it in accordance with GAAP; (i) references to "days" are to calendar days; and (j) all references to money refer to the lawful currency of the United States. The Table of Contents and the Article and Section titles and headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

ARTICLE II

CONTRIBUTION; SPIN-OFF; REDEMPTION

Section 2.1 Pre-Contribution Closing Transactions. Immediately prior to the Contribution Closing, Contributor will cause (a) Heritage LP Inc., a Delaware corporation and a wholly-owned subsidiary of Contributor, to merge with and into HOLP GP, (b) HOLP GP to survive as the general partner of HOLP and (c) the 0.0% general partner interest in HOLP held by ETP GP, to be cancelled. The transactions described in this Section 2.1 are collectively referred to as the "***Pre-Contribution Closing Transactions***."

Section 2.2 Acquisition of the Acquired Interests. Upon the terms and subject to the satisfaction or written waiver of the conditions contained in this Agreement, at the Contribution Closing, (a) Contributor shall contribute, assign, transfer and deliver to Acquirer, and Acquirer shall acquire from Contributor, the Acquired Interests and (b) Acquirer shall issue and deliver to ETP the Equity Consideration and the Cash Consideration (in each case, as may be adjusted pursuant to Section 2.5, Section 5.14(e) and Section 5.29(c)), as applicable.

Section 2.3 Time and Place of Contribution Closing. The Contribution Closing will take place at the offices of Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York 10022, on the fifth (5th) Business Day after all of the conditions set forth in Article VI (other than those conditions which by their terms are only capable of being satisfied at the Contribution Closing or the Redemption Closing, as applicable, but subject to the satisfaction or written waiver of those conditions) have been satisfied or waived by the Party or Parties entitled to waive such conditions, unless another time, date and place are agreed to in writing by the Parties; provided, however, that notwithstanding the satisfaction or waiver of the conditions set forth in Article VI, Acquirer shall not be required to effect the Contribution Closing until the earlier to occur of (i) a date during the Marketing Period specified by Acquirer on no less than three (3) Business Days' advance written notice to ETP and (ii) the final day of the Marketing Period. The date of the Contribution Closing is referred to in this Agreement as the "***Contribution Closing Date***." The Contribution Closing will be deemed effective as of 12:01 a.m., Houston, Texas time, on the Contribution Closing Date.

Section 2.4 Deliveries and Actions at Contribution Closing.

(a) At the Contribution Closing, the Contributor Parties shall deliver, or shall cause to be delivered, the following to Acquirer:

(i) Assignment of Interests. A counterpart of an assignment (the "***Assignment of Interests***"), a form of which is attached hereto as Annex A, evidencing the contribution, assignment, transfer and delivery to Acquirer of the Acquired Interests, duly executed by Contributor;

(ii) FIRPTA Certificate. A certificate of Contributor (or, if Contributor is disregarded as a separate entity for U.S. federal income tax purposes, a certificate of ETP) in the form specified in Treasury Regulation Section 1.1445-2(b)(2)(iv) that Contributor (or, if applicable, ETP) is not a "foreign person" within the

meaning of Section 1445 of the Code, duly executed by Contributor (or, if applicable, ETP);

(iii) Contribution Closing Certificate. The certificate contemplated by Section 6.2(c);

(iv) Required Consents. The consents, approvals and waivers set forth on Schedule 2.4(a)(iv);

(v) Transition Services Agreement. A counterpart of a transition services agreement, a form of which is attached hereto as Annex B (the "***Transition Services Agreement***"), duly executed by ETP;

(vi) Assignment of Redemption Units. If ETP delivers a written notice in accordance with Section 2.6 indicating it intends to consummate the Spin-Off, a counterpart of an assignment, a form of which is attached hereto as Annex C (the "***Assignment of Redemption Units***"), evidencing the contribution, assignment, transfer and delivery to Acquirer of the Redemption Units, duly executed by ETP, which shall be held in escrow and automatically released at the Redemption Closing;

(vii) ETP CRSA Documents. A contingent residual support agreement for the Intercompany Financing (the "***ETP CRSA***") on the terms and conditions described on Annex H and such other ancillary documents as may reasonably be required by AmeriGas Finance to evidence the ETP CRSA, duly executed by ETP (or which shall be held in escrow and automatically released at the Redemption Closing if ETP elects to consummate the Spin-Off);

(viii) Unitholder Agreement. Counterparts of a unitholder agreement, a form of which is attached hereto as Annex D (the "***Unitholder Agreement***"), duly executed by each of ETP, ETP GP, Energy Transfer Equity, L.P. and any other Affiliate of ETP that holds AmeriGas Common Units following the Contribution Closing; and

(ix) Legal Opinion. An opinion from Vinson & Elkins L.L.P., counsel to the Contributor Parties, dated as of the Contribution Closing Date and reasonably satisfactory to Acquirer, and the Contributor Parties with respect to the matters set forth on Annex E.

(b) At the Contribution Closing, Acquirer shall deliver, or shall cause to be delivered, the following to the Contributor Parties:

(i) Equity Consideration. The Equity Consideration (as may be adjusted pursuant to Section 2.5, Section 5.14(e) and Section 5.29(c)), issued to ETP and recorded on the books and records of Acquirer's transfer agent, and an executed certificate of Acquirer's transfer agent, in a form acceptable to ETP, certifying as to the book entry issuance of the AmeriGas Common Units comprising the Equity Consideration;

(ii) Cash Consideration. If ETP delivers a written notice in accordance with Section 2.6 indicating it does not intend to consummate the Spin-Off, then the Equity Consideration (as may be adjusted pursuant to Section 2.5, Section 5.14(e) and Section 5.29(c)) delivered to ETP pursuant to Section 2.4(b)(i) will be reduced by the number of AmeriGas Common Units equal to the Redemption Units, and the Redemption Cash Consideration (as may be adjusted pursuant to Section 2.5, Section 5.14(e) and Section 5.29(c)) will be paid to ETP at the Contribution Closing in cash in lieu of AmeriGas Common Units by wire transfer of immediately available funds using the cash proceeds from the Intercompany Financing (the "***Cash Consideration***");

(iii) Change of Control Offer. An amount sufficient to fund the Change of Control Offer in accordance with Section 5.25;

(iv) Assignment of Interests. A counterpart of the Assignment of Interests duly executed by Acquirer;

(v) Contribution Closing Certificate. The certificate contemplated by Section 6.3(c);

(vi) Required Consents. The consents, approvals and waivers set forth on Schedule 2.4(b)(vi);

(vii) Legal Opinion. An opinion from Shearman & Sterling LLP, counsel to Acquirer, dated as of the Contribution Closing Date and reasonably satisfactory to the Contributor Parties and Acquirer with respect to the matters set forth on Annex F;

(viii) Comfort Letter. If ETP delivers a written notice in accordance with Section 2.6 indicating it intends to consummate the Spin-Off and provides PricewaterhouseCoopers LLP with any required written acknowledgment of ETP's potential underwriter status, a letter from PricewaterhouseCoopers LLP, independent accountant of Acquirer, dated as of the Contribution Closing Date, in form and substance satisfactory to ETP, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to financial statements and certain financial information contained in the Form S-3; provided, however, that Acquirer shall only be required to use its reasonable best efforts to obtain such comfort letter;

(ix) Transition Services Agreement. A counterpart of the Transition Services Agreement, duly executed by Acquirer;

(x) Unitholder Agreement. A counterpart of the Unitholder Agreement, duly executed by Acquirer;

(xi) ETP CRSA Documents. The ETP CRSA on the terms and conditions described on Annex H, duly executed by Acquirer (or which shall be held in escrow and automatically released at the Redemption Closing if ETP elects to consummate the Spin-Off);

(xii) Assignment of Redemption Units. If ETP delivers a written notice in accordance with Section 2.6 indicating it intends to consummate the Spin-Off, a counterpart of the Assignment of Redemption Units duly executed by Acquirer, which shall be held in escrow and automatically released at the Redemption Closing.

Section 2.5 Adjustments to Purchase Price.

(a) Each of the Contributor Parties and Acquirer acknowledges that the amount of the Purchase Price has been based in part on the Propane Group Entities having Net Working Capital as of the Contribution Closing Date in an amount equal to $38,000,000 (the "***Net Working Capital Target***") and Net Cash as of the Contribution Closing Date in an amount equal to $10,000,000 (the "***Net Cash Target***"). Contributor shall prepare and deliver, or cause to be prepared and delivered, to Acquirer for its review not less than three (3) Business Days prior to the Contribution Closing, an estimated consolidated balance sheet for each of HOLP and Titan and each of their respective Subsidiaries as of the Contribution Closing Date, which consolidated balance sheets shall be prepared in accordance with GAAP and, except as set forth in Schedule 2.5(a) of the Contributor Disclosure Schedule, the historical accounting policies and practices of the Propane Group Entities; provided, however, that even if inconsistent with such accounting policies and practices or GAAP, such consolidated balance sheets shall not take into account the transactions contemplated hereby; provided, further, that the Parties acknowledge and agree that all accounts receivable, accounts payable and other Indebtedness between the Contributor Parties and their Affiliates (other than the Propane Group Entities), on the one hand, and the Propane Group Entities, on the other hand ("***Intercompany Indebtedness***"), shall be cancelled in connection with the Contribution Closing and such cancelled amounts shall be charged or credited to equity accounts, as the case may be, and shall not be taken into consideration in the calculation of Net Working Capital or Net Cash. The consolidated balance sheets prepared in accordance with the foregoing are referred to as the "***Estimated Closing Date Balance Sheets***." The Net Working Capital and Net Cash of each of HOLP and Titan and each of their respective Subsidiaries will be added together (or netted against one another, as the case may be) to calculate the combined Net Working Capital and Net Cash of the Propane Group Entities for purposes of this Section 2.5. Contributor shall also prepare, or cause to be prepared, a worksheet showing the difference, if any, between (i) the combined Net Working Capital of the Propane Group Entities as derived from the Estimated Closing Date Balance Sheets (the "***Estimated Net Working Capital***") and the Net Working Capital Target and (ii) the combined Net Cash of the Propane Group Entities as derived from the Estimated Closing Date Balance Sheets (the "***Estimated Net Cash***") and the Net Cash Target.

(b) If the Net Working Capital Target exceeds the Estimated Net Working Capital (such excess, the "***Estimated Contributor Working Capital Payment***"), then (i) the Purchase Price and (ii) either (A) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (B) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, shall be reduced by an amount equal to the Estimated Contributor Working Capital Payment.

(c) If the Estimated Net Working Capital exceeds the Net Working Capital Target (such excess, the "***Estimated Acquirer Working Capital Payment***"), then (i) the Purchase Price and (ii) either (A) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (B) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, shall be increased by an amount equal to the Estimated Acquirer Working Capital Payment.

(d) If the Net Cash Target exceeds the Estimated Net Cash (such difference, the "***Estimated Contributor Net Cash Payment***"), then (i) the Purchase Price and (ii) either (A) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (B) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, shall be reduced by an amount equal to the Estimated Contributor Net Cash Payment.

(e) If the Estimated Net Cash exceeds the Net Cash Target (such excess, the "***Estimated Acquirer Net Cash Payment***"), then (i) the Purchase Price and (ii) either (A) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (B) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, shall be increased by an amount equal to the Estimated Acquirer Net Cash Payment.

(f) For the purpose of confirming the Estimated Contributor Working Capital Payment or Estimated Acquirer Working Capital Payment, as the case may be, and the Estimated Contributor Net Cash Payment or Estimated Acquirer Net Cash Payment, as the case may be, Acquirer shall prepare, or cause to be prepared, a consolidated balance sheet of each of HOLP and Titan and each of their respective Subsidiaries as of the Contribution Closing Date, which consolidated balance sheets will be prepared consistent with the accounting principles and exceptions set forth in Section 2.5(a) with respect to the Estimated Closing Date Balance Sheets. The consolidated balance sheets prepared in accordance with the foregoing are referred to as the "***Final Closing Date Balance Sheets***."

(g) No later than forty-five (45) days after the Contribution Closing Date, Acquirer shall deliver to Contributor the Final Closing Date Balance Sheets together with a worksheet showing the difference, if any, between (i) the combined Net Working Capital of the Propane Group Entities as derived from the Final Closing Date Balance Sheets (the "***Final Net Working Capital***") and the Estimated Net Working Capital and (ii) the combined Net Cash of the Propane Group Entities as derived from the Final Closing Date Balance Sheets (the "***Final Net Cash***") and the Estimated Net Cash. Following the delivery by Acquirer of the Final Closing Date Balance Sheets and the worksheets showing the calculations of the Final Net Working Capital and the Final Net Cash, Acquirer shall provide Contributor with reasonable access to the books and records and accounting personnel of the Propane Group Entities to

review such calculations. Contributor shall have the right for thirty (30) days following the date of delivery to Contributor of the Final Closing Date Balance Sheets and the worksheets showing the calculations of the Final Net Working Capital and Final Net Cash to object to any portion of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and Final Net Cash (the disputed items being the "***Disputed Items***"), by delivering a written notice (a "***Dispute Notice***") to Acquirer within such thirty (30) day period, which Dispute Notice shall: (A) set forth Contributor's proposed resolution of the Disputed Items, (B) specify in reasonable detail Contributor's basis for disagreement with the Disputed Items and (C) include materials showing in reasonable detail Contributor's support for such position. Any matters set forth in the Final Closing Date Balance Sheets that are not included as Disputed Items in a timely delivered Dispute Notice shall be deemed accepted by Contributor and shall be binding and final for all purposes of this Agreement, and (1) the failure by Contributor to provide a Dispute Notice within such thirty (30) day period or (2) the delivery by Contributor to Acquirer during such thirty (30) day period of a written notice stating that Contributor has elected not to deliver a Dispute Notice, will constitute a full and complete acceptance of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash, each as determined by Acquirer, and such Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and Final Net Cash shall be binding and final for all purposes of this Agreement. Acquirer and Contributor shall meet to resolve any differences in their respective positions with respect to the Disputed Items. If Acquirer and Contributor are unable to agree upon the Disputed Items within thirty (30) days after the delivery of a Dispute Notice by Contributor to Acquirer, then the Disputed Items (but no others) may be referred by Acquirer or Contributor for determination to KPMG LLP ("***KPMG***") (or, if KPMG is unable or unwilling to serve or if Acquirer and Contributor otherwise agree, another nationally recognized accounting firm that has not had a material engagement with Acquirer, Contributor or the Propane Group Entities during the one (1) year prior to the date of the Dispute Notice, that is mutually selected by Acquirer and Contributor); provided, however, that KPMG shall be deemed to be not independent for purposes of this Section 2.5(g) if KPMG has had a material engagement with either Contributor or any of its Affiliates, on the one hand, or Acquirer or any of its Affiliates, on the other hand, during the one (1) year period prior to the date of the Dispute Notice. If Contributor and Acquirer are unable to select a nationally recognized accounting firm within ten (10) Business Days of KPMG declining to accept such engagement or because KPMG is not independent as described in the prior sentence, either Acquirer or Contributor may thereafter request that the American Arbitration Association make such selection (as applicable, KPMG, the firm selected by Contributor and the Acquirer or the firm mutually selected by the American Arbitration Association is referred to herein as the "***Independent Accountant***"). Acquirer and Contributor shall provide the Independent Accountant and the other Party with a statement of its position as to the amount for each Disputed Item within fifteen (15) days from the date of the appointment of the Independent Accountant. The Independent Accountant shall make a written determination as promptly as practicable, but in any event within thirty (30) days after the date on which the dispute is referred to the Independent Accountant, by selecting from the position of either Acquirer or Contributor as to each Disputed Item. The Independent Accountant shall be authorized to select only the position as to each Disputed Item as presented by either Acquirer or Contributor. If at any time Acquirer and Contributor resolve their dispute, then, notwithstanding the preceding provisions of this Section 2.5(g), the Independent Accountant's involvement promptly shall be discontinued and the Final Closing Date Balance Sheets and the calculations of

the Final Net Working Capital and the Final Net Cash shall be revised, if necessary, to reflect such resolution and thereupon shall be final and binding for all purposes of this Agreement. The Parties shall make readily available to the Independent Accountant all relevant books and records relating to the Closing Date Balance Sheets, the calculation of the Final Net Working Capital and the Final Net Cash and all other items reasonably requested by the Independent Accountant in connection with resolving the Disputed Items. The costs and expenses of the Independent Accountant shall be allocated between Acquirer, on the one hand, and Contributor, on the other hand, in the same proportion that the aggregate amount of Disputed Items so submitted to the Independent Accountant that are ultimately unsuccessfully disputed by each such Party (as finally determined by the Independent Accountant) bears to the total amount of Disputed Items so submitted. The decision of the Independent Accountant shall be final and binding for all purposes of this Agreement, and the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and Final Net Cash shall be revised, if necessary, to reflect such decision and thereupon shall be final and binding for all purposes of this Agreement.

(h) Following the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash in accordance with Section 2.5(f) and Section 2.5(g), if the Estimated Net Working Capital exceeds the Final Net Working Capital (such excess, the "***Final Contributor Working Capital Payment***"), Contributor shall promptly (but in any event within ten (10) Business Days of the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash) wire transfer to Acquirer, in accordance with the wire transfer instructions provided by Acquirer, cash in an amount equal to the Final Contributor Working Capital Payment.

(i) Following the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash in accordance with Section 2.5(f) and Section 2.5(g), if the Final Net Working Capital exceeds the Estimated Net Working Capital (such excess, the "***Final Acquirer Working Capital Payment***"), Acquirer shall promptly (but in any event within ten (10) Business Days of the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash) wire transfer to Contributor, in accordance with the wire transfer instructions provided by Contributor, cash in an amount equal to the Final Acquirer Working Capital Payment.

(j) Following the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash in accordance with Section 2.5(f) and Section 2.5(g), if the Estimated Net Cash exceeds the Final Net Cash (such excess, the "***Final Contributor Net Cash Payment***"), Contributor shall promptly (but in any event within ten (10) Business Days of the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash) wire transfer to Acquirer, in accordance with the wire transfer instructions provided by Acquirer, cash in an amount equal to the Final Contributor Net Cash Payment.

(k) Following the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash as set forth in Section 2.5(f) and Section 2.5(g), if the Final Net Cash exceeds the Estimated Net Cash (such

excess, the "***Final Acquirer Net Cash Payment***"). Acquirer shall promptly (but in any event within ten (10) Business Days of the final determination of the Final Closing Date Balance Sheets and the calculations of the Final Net Working Capital and the Final Net Cash) wire transfer to Contributor, in accordance with the wire transfer instructions provided by Contributor, cash in an amount equal to the Final Acquirer Net Cash Payment.

(l) In addition to any adjustments to the Purchase Price pursuant to Section 2.5(a) through Section 2.5(k), (i) the Purchase Price and (ii) either (A) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (B) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, shall be reduced by the Estimated Unearned Distribution Amount.

(m) If the Contribution Closing Date occurs prior to the public announcement of the Previous Quarter Distribution, then following the public announcement of the Previous Quarter Distribution:

(i) if the amount of the Previous Quarter Distribution is greater than the amount of the Last Declared Distribution, then Contributor shall promptly (but in any event within ten (10) Business Days of the date of the public announcement of the Previous Quarter Distribution) wire transfer to Acquirer, in accordance with the wire transfer instructions provided by Acquirer, cash in an amount equal to the excess of the actual aggregate distribution amount declared on the Distribution Units with respect to the Previous Quarter over the Estimated Unearned Previous Quarter Distribution Amount; and

(ii) if the amount of the Previous Quarter Distribution is less than the amount of the Last Declared Distribution, then Acquirer shall promptly (but in any event within ten (10) Business Days of the date of the public announcement of the Previous Quarter Distribution) wire transfer to Contributor, in accordance with wire transfer instructions provided by Contributor, cash in an amount equal to the excess of the Estimated Unearned Previous Quarter Distribution Amount over the actual aggregate distribution amount declared on the Distribution Units with respect to the Previous Quarter.

(n) Following the public announcement of the Closing Quarter Distribution:

(i) if the amount of the Closing Quarter Distribution is greater than the amount of the Previous Quarter Distribution (or, if such Previous Quarter Distribution has not been publicly announced as of the Contribution Closing Date, the Last Declared Distribution), then Contributor shall promptly (but in any event within ten (10) Business Days of the date of the public announcement of the Closing Quarter Distribution) wire transfer to Acquirer, in accordance with the wire transfer instructions provided by Acquirer, cash in an amount equal to the excess of the Actual Unearned Pro Rata Distribution Amount over the Estimated Unearned Pro Rata Distribution Amount; and

(ii) if the amount of the Closing Quarter Distribution is less than the amount of the Previous Quarter Distribution (or, if such Previous Quarter Distribution has not been publicly announced as of the Contribution Closing Date, the Last Declared Distribution), then Acquirer shall promptly (but in any event within ten (10) Business Days of the date of the public announcement of the Closing Quarter Distribution) wire transfer to Contributor, in accordance with wire transfer instructions provided by Contributor, cash in an amount equal to the excess of the Estimated Unearned Pro Rata Distribution Amount over the Actual Unearned Pro Rata Distribution Amount.

(o) All amounts to be paid under this Section 2.5 shall be deemed to be adjustments to (i) the Purchase Price and (ii) either (A) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (B) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing.

Section 2.6 Spin-Off. Within ten (10) Business Days after the Execution Date, ETP will deliver a written notice to Acquirer as to whether or not it intends to consummate the Spin-Off immediately following the Contribution Closing. If ETP delivers such written notice indicating its intent to consummate the Spin-Off, then immediately following the Contribution Closing, ETP shall consummate the Spin-Off as a registered distribution of the Spin-Off Units on the terms pursuant to the Form S-3. If ETP delivers such written notice indicating it does not intend to consummate the Spin-Off, then the Equity Consideration shall be adjusted in accordance with Section 2.4(b)(ii) and a portion of the Purchase Price will be paid in cash in accordance with Section 2.4(b)(ii), the Redemption shall not occur and the Parties shall have no further obligations with respect to the Redemption.

Section 2.7 Redemption Closing. If ETP delivers a written notice in accordance with Section 2.6 indicating it intends to consummate the Spin-Off immediately following the Contribution Closing, then immediately following the Spin-Off and on the terms and subject to the conditions of this Agreement, ETP will convey, transfer, assign and deliver to Acquirer, and Acquirer will redeem from ETP, the Redemption Units, in exchange for the distribution of the Redemption Cash Consideration to ETP (the "***Redemption***"). The Redemption Cash Consideration shall be paid using the cash proceeds from the Intercompany Financing.

Section 2.8 Deliveries and Actions at Redemption Closing. If ETP delivers a written notice in accordance with Section 2.6 indicating it intends to consummate the Spin-Off immediately following the Contribution Closing, then at the time of the closing of the Redemption (the "***Redemption Closing***"), the deliverables set forth in Section 2.4(a)(vi), Section 2.4(a)(vii), Section 2.4(b)(xi) and Section 2.4(b)(xii) shall be automatically released and Acquirer shall deliver, or shall cause to be delivered, to ETP the Redemption Cash Consideration by wire transfer of immediately available funds to an account designated by ETP.

Section 2.9 Tax Treatment of Contribution and Redemption. The Parties intend that (i) the Contribution shall be treated as a contribution by ETP to Acquirer of the Acquired Interests in exchange for the Equity Consideration in a transaction consistent with the

requirements of Section 721(a) of the Code; (ii) the distribution of the Redemption Cash Consideration or Cash Consideration, as applicable, shall be treated as a distribution to ETP by Acquirer under Section 731 of the Code; (iii) the distribution of the Redemption Cash Consideration or Cash Consideration, as applicable, to ETP shall be made out of proceeds of the Intercompany Financing, and such portion of the Redemption Cash Consideration or Cash Consideration, as applicable, shall qualify as a "debt-financed transfer" under Section 1.707-5(b) of the Treasury Regulations; and (iv) ETP's share of the Debt Financing under Sections 1.752-2 and 1.707-5(a)(2)(i) of the Treasury Regulations shall be the entire amount of the Intercompany Financing. Unless otherwise required by a change in applicable Law, the Parties agree to file all Tax Returns and otherwise act at all times in a manner consistent with this intended treatment set forth in this Section 2.9, including disclosing the distribution of the Redemption Cash Consideration or Cash Consideration, as applicable, in accordance with the requirements of Section 1.707-3(c)(2) of the Treasury Regulations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF CONTRIBUTOR PARTIES

The Contributor Parties hereby, jointly and severally, represent and warrant to Acquirer as follows:

Section 3.1 Organization; Qualification. Each of the Contributor Parties and each Target Entity are entities duly formed, validly existing and in good standing under the laws of the state of their formation and have all requisite corporate, limited partnership or limited liability company power and authority to own, lease and operate their properties and assets and to carry on their business as it is now being conducted, and are duly qualified, registered or licensed to do business as a foreign entity and are in good standing in each jurisdiction in which the property or assets owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to (i) have a Propane Group Material Adverse Effect, (ii) prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements or (iii) materially impair any Contributor Party's ability to perform its obligations under the Transaction Agreements. Contributor has made available to Acquirer true and complete copies of the Organizational Documents of each Contributor Party and each Target Entity, as in effect on the Execution Date.

Section 3.2 Subsidiaries. (a) Schedule 3.2(a) of the Contributor Disclosure Schedule sets forth a true and complete list of all Subsidiaries of the Target Entities, listing for each such Subsidiary its name, type of entity, the jurisdiction of its incorporation or organization, its authorized capital stock, partnership capital or equivalent, the number and type of its issued and outstanding shares of capital stock, partnership interests or similar ownership interests and the current ownership of such shares, partnership interests or similar ownership interests.

(b) Other than the Subsidiaries set forth on Schedule 3.2(a) of the Contributor Disclosure Schedule, there are no other corporations, companies, partnerships, joint ventures, associations or other entities in which any Propane Group Entity owns, of record or beneficially, any direct or indirect equity or other interest or any right (contingent or otherwise) to acquire the

same. Other than the Subsidiaries set forth on Schedule 3.2(a) of the Contributor Disclosure Schedule, no Propane Group Entity is a member of (nor is any part of the Propane Business conducted through) any partnership nor is any Propane Group Entity a participant in any joint venture or similar arrangement.

(c) Except as set forth on Schedule 3.2(c), each of the Subsidiaries of the Target Entities: (i) is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization; (ii) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such Subsidiary and to carry on its business as it has been and is currently conducted by such Subsidiary; and (iii) is duly licensed, registered or qualified to do business and is in good standing in each jurisdiction in which the properties or assets owned or leased by it or the operation of its business makes such licensing, registration or qualification necessary or desirable, except to the extent that the failure to be so licensed, registered or qualified and in good standing would not reasonably be expected to (A) have a Propane Group Material Adverse Effect or (B) prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements.

(d) Contributor has made available to Acquirer true and complete copies of the Organizational Documents of each of the Subsidiaries of the Target Entities as in effect on the Execution Date.

Section 3.3 Authority; Enforceability.

(a) Each of the Contributor Parties has the requisite partnership power and authority to execute and deliver this Agreement and any other Transaction Agreements to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each Contributor Party of this Agreement and any other Transaction Agreements to which it is a party, the performance by each Contributor Party of its obligations hereunder and thereunder and the consummation by each Contributor Party of the transactions contemplated hereby and thereby have been duly and validly authorized by such Contributor Party, and no other partnership proceedings on the part of any Contributor Party is necessary to authorize this Agreement or any other Transaction Agreement to which any Contributor Party is a party or to consummate the transactions contemplated hereby and thereby.

(b) This Agreement has been, and, upon their execution, the other Transaction Agreements to which any Contributor Party is a party shall have been, duly executed and delivered by each applicable Contributor Party, and, assuming the due authorization, execution and delivery by Acquirer, this Agreement constitutes and, upon their execution, the other Transaction Agreements to which any Contributor Party is a party shall constitute, legal valid and binding agreements of each applicable Contributor Party, enforceable against each applicable Contributor Party in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to legal principles of general applicability governing the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law) (collectively, "***Creditors' Rights***").

Section 3.4 Non-Contravention. Except as set forth on Schedule 3.4 of the Contributor Disclosure Schedule, the execution, delivery and performance of the Transaction Agreements and the consummation by the Contributor Parties of the transactions contemplated hereby and thereby does not and will not: (a) violate, conflict with or result in any breach of any provision of the Organizational Documents of any Contributor Party or any Propane Group Entity; (b) conflict with, result in any breach of (including the failure to obtain a consent or waiver), constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, require any consent under, or give rise to any right of termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which any Contributor Party or any Propane Group Entity is a party or by which any property or asset of any Contributor Party or any Propane Group Entity is bound or affected; (c) assuming compliance with the matters referred to in Section 3.5, conflict with or violate any Law to which any Contributor Party or any Propane Group Entity is subject or by which any of any Contributor Party's or any Propane Group Entity's properties or assets is bound; or (d) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on the Acquired Interests, the Redemption Units or any asset of any Propane Group Entity, except, in the cases of clauses (b), (c) and (d) for such conflicts, breaches, violations, Liens, defaults or rights of termination, cancellation, amendment or acceleration, as would not reasonably be expected to (i) have a Propane Group Material Adverse Effect, (ii) prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements or (iii) materially impair the Contributor Parties' ability to perform their respective obligations under the Transaction Agreements. Each Propane Group Entity is in compliance with, and has been in compliance with, its respective Organizational Documents.

Section 3.5 Governmental Approvals. Except as set forth on Schedule 3.5 of the Contributor Disclosure Schedule, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the execution, delivery and performance of this Agreement and any other Transaction Agreements to which any Contributor Party is a party by any Contributor Party or for the consummation by any Contributor Party of the transactions contemplated hereby and thereby, other than compliance with, and filings under, the HSR Act and such declarations, filings, registrations, notices, authorizations, consents and approvals the failure of which to receive or provide would not reasonably be expected to have a Propane Group Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair any Contributor Party's ability to perform its respective obligations under this Agreement.

Section 3.6 Capitalization.

(a) Schedule 3.6(a) of the Contributor Disclosure Schedule sets forth, as of the time immediately following the completion of the Pre-Contribution Closing Transactions and before the Contribution Closing, a correct and complete description of the following: (i) all of the issued and outstanding equity interests in each of the Target Entities; and (ii) the record owners of each of the outstanding equity interests in each of the Target Entities. Except as set forth on Schedule 3.6(a) of the Contributor Disclosure Schedule, immediately following the

completion of the Pre-Contribution Closing Transactions and before the Contribution Closing, there will be no other outstanding equity interests of any Target Entity. All of the issued and outstanding equity interests in each of the Propane Group Entities have been duly authorized, validly issued and fully paid and are nonassessable (except as such nonassessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act or Section 18-607 of the Delaware LLC Act) and have not been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. Following the completion of the Pre-Contribution Closing Transactions and before the Contribution Closing, all of the issued and outstanding equity interests in each of the Target Entities are owned by the Persons set forth on Schedule 3.6(a) of the Contributor Disclosure Schedule named as owning such interests free and clear of all Liens other than (A) transfer restrictions imposed by federal and state securities Laws and (B) any transfer restrictions contained in the Organizational Documents of the Target Entities. Following the completion of the Pre-Contribution Closing Transactions and before the Contribution Closing, the Target Entities will own, directly or indirectly, all of the outstanding equity interests in each Propane Group Entity (other than the Target Entities) free and clear of all Liens other than (1) transfer restrictions imposed by federal and state securities Laws, (2) any transfer restrictions contained in the Organizational Documents of the Propane Group Entities and (3) any Liens on the equity interests of a Propane Group Entity (other than the Target Entities) existing under the HOLP Note Purchase Agreements and related security agreements.

(b) At the Contribution Closing, the Acquired Interests will constitute (i) 100% of the issued and outstanding membership interests in HOLP GP, (ii) a 99.999% limited partner interest in HOLP, (iii) 100% of the issued and outstanding membership interests in Titan GP and (iv) a 99.99% limited partner interest in Titan. At the Contribution Closing, HOLP GP will own a 0.001% general partner interest in, and serve as the sole general partner of, HOLP, and Titan GP will own a 0.01% general partner interest in, and serve as the sole general partner of, Titan.

(c) There are no preemptive rights or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate any of the Propane Group Entities to issue or sell any equity interests or any securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in any of the Propane Group Entities, and no securities or obligations evidencing such rights are authorized, issued or outstanding. There are no outstanding contractual obligations of any Propane Group Entity to repurchase, redeem or otherwise acquire any equity interests in any of the Propane Group Entities or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other Person.

(d) No Propane Group Entity has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in any Propane Group Entity on any matter.

(e) Except with respect to the ownership of any equity or long-term debt securities between or among the Propane Group Entities, none of the Propane Group Entities owns, directly or indirectly, any equity or debt securities of any Person.

Section 3.7 Ownership of Acquired Interests.

(a) Upon the consummation of the transactions contemplated by this Agreement, Contributor will contribute, assign, transfer and deliver to Acquirer, and Acquirer shall have, good and valid title to the Acquired Interests free and clear of all Liens other than (i) any transfer restrictions imposed by federal and state securities Laws, (ii) any transfer restrictions contained in the Organizational Documents of the applicable Target Entity and (iii) any Liens on the Acquired Interests as a result of actions by Acquirer.

(b) No Contributor Party is a party to any agreements, arrangements or commitments obligating such Contributor Party to grant, deliver or sell, or cause to be granted, delivered or sold, the Acquired Interests, by sale, lease, license or otherwise, other than this Agreement.

(c) There are no voting trusts, unitholder agreements, proxies or other agreements or understandings with respect to the voting or transfer of any equity interests in any of the Propane Group Entities.

(d) At the Redemption Closing, if applicable, Contributor will assign, convey, transfer and deliver to Acquirer, and Acquirer will have, good and valid title to the Redemption Units free and clear of all Liens, other than (i) any transfer restrictions imposed by federal and state securities Laws, (ii) any transfer restrictions contained in the Organizational Documents of Acquirer or (iii) any Liens on the Redemption Units as a result of actions by Acquirer.

Section 3.8 Compliance with Law. Except for Environmental Laws, Laws requiring the obtaining or maintenance of a Permit, Tax matters and Laws relating to employee benefits, employment and labor matters which are the subject of Section 3.14, Section 3.17, Section 3.18, and Section 3.19, respectively, (a) each Propane Group Entity is in compliance in all material respects with all applicable Laws, (b) no Propane Group Entity has received written notice of any violation in any material respect of any applicable Law, and (c) none of the Propane Group Entities has received written notice that it is under investigation by any Governmental Authority for potential non-compliance in any material respect with any Law. No Propane Group Entity is subject to any material outstanding judgment, order or decree of any Governmental Authority.

Section 3.9 ETP SEC Reports; Financial Statements.

(a) ETP has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by ETP with the Securities and Exchange Commission ("*SEC*") since January 1, 2011 (such documents being collectively referred to as the "***ETP SEC Documents***"). Each ETP SEC Document (i) at the time filed or, if amended, as of the date of such amendment, complied in all material respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder

applicable to such ETP SEC Document and (ii) did not, at the time it was filed (or, if amended or superseded by a filing or amendment prior to the Execution Date, then at the time of such filing or amendment) contain any untrue statement of a material fact related to the Propane Business or omit to state a material fact related to the Propane Business required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The Contributor Parties have provided Acquirer with true and complete copies of the HOLP Financial Statements. The HOLP Financial Statements (i) have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby, and (ii) fairly present, in all material respects, the consolidated financial position and operating results, equity and cash flows of HOLP and its Subsidiaries, on a consolidated basis, as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments.

(c) The Contributor Parties have provided Acquirer with true and complete copies of the Titan Unaudited Financial Statements. The Titan Unaudited Financial Statements (i) have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby, and (ii) fairly present in all material respects the consolidated financial position and operating results, equity and cash flows of Titan and its Subsidiaries, on a consolidated basis, as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments. The Titan Audited Financial Statements, when delivered pursuant to Section 5.13(a), (A) will not differ in any material respect from the Titan Unaudited Financial Statements, (B) will be prepared in accordance with (1) GAAP, applied on a consistent basis throughout the periods presented thereby, and (2) Regulation S-X and (C) will fairly present in all material respects the consolidated financial position and operating results, equity and cash flows of Titan and its Subsidiaries, on a consolidated basis, as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments.

(d) The Required Financial Information, when delivered pursuant to Section 5.13(b), will (i) be prepared in accordance with (A) GAAP, applied on a consistent basis throughout the periods presented thereby, and (B) Regulation S-X and (ii) fairly present, in all material respects, the consolidated financial position and operating results, equity and cash flows of each of HOLP and Titan and each of their respective Subsidiaries, in each case on a consolidated basis, as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments.

(e) None of the Propane Group Entities has any Liability that would be required to be included in the financial statements of the Propane Group Entities under GAAP except for (i) Liabilities reflected or reserved against on the consolidated balance sheet dated as of June 30, 2011 or the notes thereto contained in the Propane Business Financial Statements, (ii) Liabilities that have arisen since June 30, 2011 in the ordinary course of business, and (iii) Liabilities which would not reasonably be expected to have a Propane Group Material Adverse Effect.

(f) Schedule 3.9(f) of the Contributor Disclosure Schedule contains a list of all Indebtedness of the Propane Group Entities as of the Execution Date.

(g) The books of account and other financial records of the Propane Group Entities: (i) were prepared in accordance with GAAP applied on a basis consistent with the past practices of the Propane Group Entities and (ii) are in all material respects true and correct, and do not contain or reflect any material inaccuracies or discrepancies.

(h) ETP, including with respect to the Propane Group Entities, has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) as required by Rule 13a-15 under the Exchange Act. Such disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by ETP with respect to the Propane Group Entities in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to ETP's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***").

(i) The Propane Group Entities maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary: (A) to permit preparation of financial statements in conformity with GAAP or any other criteria applicable to such statements as contemplated by Section 13(b)(2)(B) of the Exchange Act and (B) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Section 3.10 Absence of Certain Changes. From and after January 1, 2011, (a) the Propane Business has been operated only in the ordinary course of business and consistent with past practice; (b) there has not been any Propane Group Material Adverse Effect; and (c) there has not been any increase or decrease in the compensation (including salary, bonus and other incentive compensation) payable by or to become payable by any Propane Group Entity to any of the officers, key employees or agents of the Propane Business, or change in any insurance, pension or other benefit plan, payment or arrangement (including rights to retention, severance or termination pay) made to, for or with any of such officers, key employees or agents or any commission or bonus paid to any of such officers, key employees or agents, except such increases or decreases in the ordinary course of business for such Propane Group Entity and consistent with past practice or as required by applicable Law. From and after June 30, 2011, except as set forth on Schedule 3.10(d) of the Contributor Disclosure Schedule, no Propane Group Entity has taken any action that, if taken after the Execution Date, would constitute a breach of any of the covenants set forth in Section 5.1(b).

Section 3.11 Real Property.

(a) The Leased Real Property shown on Schedule 3.11(a) of the Contributor Disclosure Schedule is all the Leased Real Property (including leased propane storage facilities and terminals) of the Propane Group Entities for which the monthly rent exceeds $1,800. Schedule 3.11(a) of the Contributor Disclosure Schedule shows for each such Leased Real Property (i) the street address and (ii) the current use of such parcel of Leased Real Property.

(b) The Owned Real Property shown on Schedule 3.11(b) of the Contributor Disclosure Schedule is all the Owned Real Property (including owned propane storage facilities and terminals) of the Propane Group Entities valued by the applicable Propane Group Entity at more than $750,000. Schedule 3.11(b) of the Contributor Disclosure Schedule shows for each such Owned Real Property (i) the street address and (ii) the current use of such parcel of Owned Real Property.

(c) All of the Owned Real Property is owned by a Propane Group Entity, free and clear of all Liens, other than Permitted Liens.

(d) Assuming good fee title vested in the applicable landlord, a Propane Group Entity has a valid and binding leasehold interest in each Leased Real Property, free and clear of all Liens, other than Permitted Liens. True and complete copies of all leases for the Leased Real Property identified on Schedule 3.11(a) of the Contributor Disclosure Schedule have been made available to Acquirer.

(e) Schedule 3.11(e) of the Contributor Disclosure Schedule lists all of the written lease agreements pursuant to which a Propane Group Entity is a landlord or sublandlord under a lease with monthly rental payments greater than $1,800 per month at any of the material Owned Real Property or Leased Real Property. As of the Execution Date, to the Contributor Parties' Knowledge, no such Propane Group Entity has received any written notice of default from the tenant or subtenant under any such lease or sublease nor, to the Contributor Parties' Knowledge, is the tenant or subtenant under any such lease or sublease in default beyond all applicable grace, notice and cure periods.

(f) There is no pending or, to the Contributor Parties' Knowledge, threatened condemnation, expropriation, requisition (temporary or permanent) or similar proceeding with respect to any Transferred Site as of the Execution Date, or, to the Contributor Parties' Knowledge, has been threatened in writing.

(g) The Propane Group Entities have made available to Acquirer true, legible and complete copies of each deed for each parcel of Owned Real Property and to the extent such documents are in the possession or control of the Contributor Parties, all the title insurance policies, title reports, surveys, certificates of occupancy, environmental reports and audits, appraisals, permits, other Liens, title documents related to the Real Property. To the Knowledge of the Contributor Parties, (i) a Propane Group Entity is in peaceful and undisturbed possession of each parcel of Real Property, (ii) there are no contractual restrictions that preclude or restrict the ability to use the Real Property for the purposes for which it is being used as of the Execution Date, and (iii) all existing water, sewer, steam, gas, electricity, telephone, cable, fiber optic cable, internet access and other utilities required for the construction, use, occupancy, operation and maintenance of the Real Property are adequate for the conduct of the business as it is conducted

as of the Execution Date. To the Knowledge of the Contributor Parties, there are no material latent defects or material adverse physical conditions affecting the Real Property or any of the facilities, buildings, structures, erections, improvements, fixtures, fixed assets and personalty of a permanent nature annexed, affixed or attached to, located on or forming part of the Real Property. Except as shown on Schedule 3.11(e) of the Contributor Disclosure Schedule, (i) the Propane Group Entities have not leased any parcel or any portion of any parcel of Owned Real Property to any other Person and no other Person has any rights to the use, occupancy or enjoyment thereof pursuant to any lease, license, occupancy or other agreement for which the monthly rental payments exceed $1,800, and (ii) no Propane Group Entity has assigned its interest under any lease listed in Schedule 3.11(a) of the Contributor Disclosure Schedule to any third party.

Section 3.12 Sufficiency of Assets; Title to Tangible Property.

(a) After giving effect to the contribution of the Acquired Interests pursuant to this Agreement, the services to be provided, any licenses to be granted and the other arrangements contemplated by the Transaction Agreements, the properties, assets, personnel and rights of the Propane Group Entities will constitute all the properties, assets, personnel and rights used, or intended to be used in, and all such properties, assets, personnel and rights as are necessary in the conduct in all material respects of, the Propane Business by Acquirer and the Propane Group Entities immediately after the Contribution Closing in substantially the same manner as currently conducted by ETP and the Propane Group Entities except with respect to items included in the calculation of Net Working Capital and Net Cash (and the levels thereof), which the Parties acknowledge are addressed in Section 2.5.

(b) After giving effect to the transactions contemplated by the Transaction Agreements, the Propane Group Entities will have good title to, or a valid and binding leasehold or license interest in, all Tangible Property, free and clear of any Liens other than Permitted Liens. As of the Execution Date, all of the Tangible Property is in good operating condition and in a state of good maintenance and repair, in all material respects, in each case ordinary wear and tear excepted and subject to scheduled maintenance and turnarounds. Except as set forth on Schedule 3.12(b) of the Contributor Disclosure Schedule, no Contributor Party or any Affiliate thereof (other than the Propane Group Entities) owns any assets, including Tangible Property, used primarily in the Propane Business.

Section 3.13 Intellectual Property.

(a) Schedule 3.13(a) of the Contributor Disclosure Schedule sets forth a true and complete list of all (i) Registered Owned Intellectual Property and (ii) unregistered material trademarks and service marks included in the Owned Intellectual Property. Each item of Registered Owned Intellectual Property (A) is subsisting and enforceable, (B) has not been adjudged invalid by any Governmental Authority and (C) is exclusively owned by a Propane Group Entity, free and clear of any Liens other than Permitted Liens.

(b) To the Knowledge of the Contributor Parties, the Propane Group Entities own or have the valid right to use pursuant to a license, sublicense, or agreement all items of Intellectual Property required in the operation of the Propane Business as presently conducted.

(c) To the Knowledge of the Contributor Parties, the Propane Group Entities and the operation of the Propane Business does not infringe upon, misappropriate or otherwise violate any Intellectual Property of any third party. No third party has asserted in writing delivered to ETP or any of its Subsidiaries a notice or a claim that any of the Propane Group Entities is infringing, misappropriating or otherwise violating the Intellectual Property of such third party and no such claim is pending or, to the Knowledge of the Contributor Parties, threatened in writing, against ETP or any of its Subsidiaries concerning the foregoing or concerning the ownership, validity, registerability or enforceability of any Owned Intellectual Property.

(d) To the Knowledge of the Contributor Parties, no third party is infringing, misappropriating or otherwise violating the Owned Intellectual Property or any Intellectual Property exclusively licensed to any of the Propane Group Entities.

(e) Each of the Propane Group Entities has taken commercially reasonable steps to maintain in confidence all material trade secrets and confidential information owned or used by the Propane Group Entities.

(f) HOLP jointly owns with Fuel Delivery Systems, Inc. pursuant to the Development and License Agreement the software system known as "Fuelscape." The Propane Group Entities have a license or right to use the software/hardware mobile application known as "HPMobile" as licensed under the Master Customer Agreement. HOLP has a license or right to use the software known as "RIS" software. The Propane Group Entities' rights in RIS and under the Development and License Agreement and Master Customer Agreement shall survive unchanged the consummation of the transactions contemplated by the Transaction Agreements.

(g) The Company IT Assets have not materially malfunctioned or failed within the past three (3) years. The Propane Group Entities have implemented commercially reasonable backup, security and disaster recovery measures and technology consistent with industry practices.

Section 3.14 Environmental Matters.

(a) Except for matters set forth on Schedule 3.14 of the Contributor Disclosure Schedule and except for matters that would not reasonably be expected to have a Propane Group Material Adverse Effect:

(i) each of the Propane Group Entities is in compliance with all applicable Environmental Laws, and each of the Propane Group Entities has been in compliance with all applicable Environmental Laws except for any noncompliance that has been fully resolved without any ongoing, pending or future fines, penalties or obligations (other than ordinary course obligations required to maintain compliance with Environmental Laws);

(ii) each of the Propane Group Entities possesses all Permits required under Environmental Laws for its operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(iii) none of the Propane Group Entities nor any of their properties or operations are subject to any pending or, to the Knowledge of the Contributor Parties, threatened Proceeding arising under any Environmental Law, nor has any of the Propane Group Entities received any written notice, order or complaint from any Governmental Authority, or written notice or complaint from any other Person, alleging a violation of or liability arising under any Environmental Law;

(iv) none of the Propane Group Entities is a party to or subject to any settlement, order or decree relating to any violation of or Liability under any Environmental Law;

(v) there has been no Release of Hazardous Substances on, at, under, to, or from any of the current or, to the Knowledge of the Contributor Parties, former properties of the Propane Group Entities, from or in connection with the Propane Group Entities' operations, or by any Propane Group Entity in a manner that has given or would reasonably be expected to give rise to any Liability pursuant to any Environmental Law or that requires any Remedial Action under any Environmental Law; and

(vi) none of the Propane Group Entities is conducting or funding any Remedial Action.

(b) The Contributor has provided Acquirer copies of any material environmental assessments, audits, studies or other reports relating to the Propane Group Entities or their properties or operations that are in the possession or control of the Contributor or the Propane Group Entities.

Section 3.15 Material Contracts.

(a) Schedule 3.15(a) of the Contributor Disclosure Schedule lists the following Contracts of the Propane Group Entities as of the Execution Date (such Contracts, collectively, the "***Propane Group Material Contracts***"):

(i) any Contract between any Propane Group Entity and ETP or any Affiliate of ETP (other than the Propane Group Entities);

(ii) any Contract that contains any provision or covenant which materially restricts any Propane Group Entity or any Affiliate thereof from engaging in any lawful business activity or competing in any line of business or with any Person or in any geographic area or during any period of time after the Execution Date;

(iii) any Contract that relates to the creation, incurrence, assumption, or guarantee of any Indebtedness by any Propane Group Entity with an aggregate principal amount exceeding $100,000;

(iv) any Contract in respect of the formation of any partnership or joint venture or that otherwise relates to the joint ownership or operation of the assets owned by any of the Propane Group Entities;

(v) any Contract that includes the acquisition or sale of assets (other than Contracts for Inventory entered into in the ordinary course of business) (A) with a value in excess of $250,000 or (B) pursuant to which any Propane Group Entity has continuing "earn-out" or similar obligations (in either case, whether by merger, sale of stock, sale of assets or otherwise);

(vi) any Contract or commitment that involves a sharing of profits, losses, costs or liabilities by any Propane Group Entity with any other Person;

(vii) any Contract that otherwise involves the annual payment or sale by or to any of the Propane Group Entities of more than $550,000 or 250,000 gallons of propane, respectively, and cannot be terminated by the Propane Group Entities on ninety (90) days' or less notice without payment by the Propane Group Entities of any material penalty;

(viii) all Contracts with independent contractors or consultants (or similar arrangements) to which any Propane Group Entity is a party involving annual payments in excess of $100,000 and that cannot be cancelled by such Propane Group Entity without penalty or further payment and without more than thirty (30) days' notice;

(ix) all Contracts with any Governmental Authority pursuant to which a Propane Group Entity has an obligation to sell propane in quantities that are in excess of 250,000 gallons;

(x) any Contract involving annual payments in excess of $100,000 that contains most favored nations provisions or grants any exclusive rights, rights of first refusal, rights of first negotiation, participation or similar rights to any Person with respect to any assets or business opportunity of any Propane Group Entity;

(xi) any lease of personal property under which any Propane Group Entity is lessee (A) providing for the payment by such Propane Group Entity of annual rent of $50,000 or more that cannot be terminated by such Propane Group Entity on less than ninety (90) days' notice;

(xii) any agreement for the purchase by any Propane Group Entity of materials, supplies, goods, services, equipment or other assets with a value in excess of $200,000 that cannot be terminated by such Propane Group Entity on less than ninety (90) days' notice with payment by such entity of a penalty not in excess of $25,000;

(xiii) any Contract relating to the transportation, storage, sale or purchase of propane or the products therefrom, or the provision of services related thereto (including any operation, operation servicing or maintenance Contract) in each case pursuant to which any Propane Group Entity receives annual revenues or makes annual payments in excess of $200,000;

(xiv) any collective bargaining agreement;

(xv) any Contract under which any Propane Group Entity is obligated to purchase or sell a specified volume of propane in excess of 250,000 gallons, including any requirements contracts, "take-or-pay" or "ship-or-pay" Contracts;

(xvi) any Hedging Agreement;

(xvii) all licenses of Intellectual Property (A) from a Propane Group Entity to any third party and (B) to a Propane Group Entity from any third party, in each case, (1) pursuant to which any Propane Group Entity receives annual revenues or makes annual payments in excess of $200,000 and (2) excluding licenses associated with off-the-shelf software; and

(xviii) any Contract between any of the Propane Group Entities and any officer, director or Affiliate of any of the Propane Group Entities (other than ETP and the ETP Entities) or any immediate family member of any of the foregoing.

(b) Except as set forth on Schedule 3.15(b) of the Contributor Disclosure Schedule, each Propane Group Material Contract has been made available to Acquirer and (i) is a valid and binding obligation of the parties thereto and (ii) is in full force and effect and enforceable in accordance with its terms against such Propane Group Entity and, to the Knowledge of Contributor, the other parties thereto, except in each case, as enforcement may be limited by Creditors' Rights.

(c) None of the Propane Group Entities nor, to the Knowledge of the Contributor Parties, any other party to any Propane Group Material Contract is in default thereof or breach, in any material respect, thereunder and no event has occurred that with the giving of notice or the passage of time or both would constitute a breach or default in any material respect by such Propane Group Entity or, to the Knowledge of Contributor, any other party to any Propane Group Material Contract, or would permit termination, modification or acceleration under any Propane Group Material Contract.

Section 3.16 Legal Proceedings. Other than with respect to Proceedings arising under Environmental Laws or employee benefits, employment and labor matters which are the subject of Section 3.14 and Section 3.19, respectively, or as is set forth on Schedule 3.16 of the Contributor Disclosure Schedule, there are no Proceedings pending or, to the Knowledge of the Contributor Parties, threatened against (a) any Contributor Party with respect to the Propane Group Entities or the Propane Business or (b) the Propane Group Entities pursuant to which a party is seeking (i) damages in excess of $500,000 or (ii) injunctive, remedial or other equitable relief.

Section 3.17 Permits. Schedule 3.17 of the Contributor Disclosure Schedule sets forth a list of all the material Permits that are necessary to use, own and operate the assets of the Propane Group Entities or that otherwise relate to the operation of the Propane Business as currently conducted. Each of the Permits listed on Schedule 3.17 of the Contributor Disclosure Schedule are held by one of the Propane Group Entities. The Propane Group Entities are in compliance in all material respects with the terms of all such Permits and no suspension or cancellation of any of the Permits is pending or, to the Knowledge of the Contributor Parties,

threatened, except as such non-compliance, suspension or cancellation as would not have a Propane Business Material Adverse Effect. Assuming compliance with the matters referred to in Section 3.5, none of the Permits on Schedule 3.17 of the Contributor Disclosure Schedule will be suspended or cancelled as a result of the consummation of the transactions contemplated by the Transaction Agreements.

Section 3.18 Taxes.

(a) All Tax Returns required to be filed with respect to the Propane Group Entities have been timely filed and all Tax Returns with respect to the Propane Group Entities are true, complete and correct in all material respects and all material Taxes due relating to the Propane Group Entities have been paid in full. All Taxes with respect to the Propane Group Entities not yet due and payable for any taxable period (or portion thereof) ending on or before the Contribution Closing Date have been (or will be on or prior to the Contribution Closing Date) accrued and adequately disclosed and fully provided for with adequate reserves in accordance with GAAP on the Propane Business Financial Statements. Except as disclosed on Schedule 3.18 of Contributor Disclosure Schedule, there is no claim (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against any Propane Group Entity for any material Taxes, and no material assessment, deficiency, or adjustment has been asserted or proposed in writing with respect to any material amount of Taxes or material Tax Returns of or with respect to any Propane Group Entity.

(b) Except as set forth on Schedule 3.18 of the Contributor Disclosure Schedule, no material Tax audits or administrative or judicial proceedings are being conducted, are pending or, to the Contributor Parties' Knowledge, have been threatened with respect to any Propane Group Entity.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to any Propane Group Entity have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitation for any material Tax of, or any material Taxes associated with the ownership or operation of the assets of, any Propane Group Entity.

(e) No Propane Group Entity is a party to any Tax sharing, allocation indemnification or similar agreement.

(f) No Propane Group Entity, has engaged in a transaction that would be reportable by or with respect to any Propane Group Entity pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(g) Except as set forth on Schedule 3.18 of the Contributor Disclosure Schedule, each of the Propane Group Entities has been treated as a partnership or as an entity disregarded as separate from its owner for U.S. federal income tax purposes at all times since its formation and none of the Target Entities has elected to be treated as a corporation for U.S. federal, state or local Tax purposes.

(h) There are no Tax liens on any of the assets of the Propane Group Entities (other than Permitted Liens).

(i) To the Contributor Parties' Knowledge, no claim has ever been made by a Governmental Authority in any jurisdiction where the Propane Group Entities do not file Tax Returns that any of the Propane Group Entities is or may be subject to taxation by such jurisdiction.

(j) Except as set forth on Schedule 3.18 of the Contributor Disclosure Schedule, none of the Propane Group Entities has been included in any consolidated, unitary or combined Tax Return provided for under Law with respect to Taxes for any taxable period for which the statute of limitations has not expired (other than a group of which the Propane Group Entities are the only members).

(k) Acquirer will not be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Contribution Closing Date as a result of any of the following that occurred or exists on or prior to the Contribution Closing Date: (i) a "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of any Tax Law), (ii) an installment sale or open transaction, (iii) a prepaid amount or (iv) change in the accounting method of any Propane Group Entity pursuant to Section 481 of the Code or any similar provision of the Code or the corresponding Tax Laws of any nation, state or locality.

(l) For the most recent four (4) complete calendar quarters for which the necessary financial information is available, at least 90% of the combined gross income of the Target Entities has been income which is "qualifying income" within the meaning of Section 7704(d) of the Code.

Section 3.19 Employee Benefits; Employment and Labor Matters.

(a) Except as set forth on Schedule 3.19(a) of the Contributor Disclosure Schedule, no Propane Group Entity (i) is a party to, (ii) has any material liability with respect to or (iii) sponsors, maintains or contributes to, or has sponsored, maintained or contributed to, for the benefit of any current or former employee, officer, director or independent contractor of any Propane Group Entity, any of the following:

(i) any "employee benefit plan," as such term is defined in Section 3(3) of ERISA (including employee benefit plans, such as foreign plans, which are not subject to the provisions of ERISA), but excluding any multiemployer plan within the meaning of Sections 3(37) and 4001(a)(3) of ERISA; or

(ii) any material equity-based compensation plan (including stock option plans, stock purchase plans, stock appreciation rights, restricted stock and phantom stock plans), bonus plan or arrangement, incentive award plan or arrangement, vacation policy, severance pay plan or arrangement, change in control policy or agreement, deferred compensation agreement or arrangement, executive compensation or supplemental income arrangement, retiree medical or life insurance, supplemental retirement, consulting agreement, employment or termination or other similar agreement

provide any person with medical, dental, disability, hospitalization, life insurance or similar benefits (whether insured or self-insured) to any current or former employee, officer, director or independent contractor upon retirement or termination of employment, other than as required by the provisions of Section 601 through 608 of ERISA and Section 4980B of the Code. Additionally, each Select Propane Benefit Plan which is an "employee welfare benefit plan," as such term is defined in Section 3(1) of ERISA, may be unilaterally amended or terminated in its entirety without liability except as to benefits accrued thereunder prior to such amendment or termination. Each of the Select Propane Benefit Plans is subject only to the Laws of the United States or a political subdivision thereof.

(j) Each Select Propane Benefit Plan that is or forms part of a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code has been established or timely amended to comply and has been operated in compliance with the requirements of Section 409A. Each relevant Propane Group Entity's federal income tax return is not under examination by the IRS with respect to nonqualified deferred compensation. The Propane Group Entities have not maintained, sponsored, been a party to, participated in, or contributed to any plan, agreement or arrangement subject to the provisions of Section 457A of the Code.

(k) Except as set forth on Schedule 3.19(k) of the Contributor Disclosure Schedule, (a) each of the Propane Group Entities is currently in material compliance in all material respects with all applicable labor and employment Laws including all Laws relating to employment discrimination, payment of wages, overtime compensation, the payment and withholding of income or employment Taxes, collective bargaining, immigration, occupational health and safety, and wrongful discharge; (b) no action, suit, complaint, charge, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority, brought by or on behalf of any employee, prospective or former employee or labor organization or other representative of the employees or of any prospective or former employees of any of the Propane Group Entities is pending or to the Knowledge of the Contributor Parties, threatened against any of the Propane Group Entities or any present or former director or employee (including with respect to alleged sexual harassment, unfair labor practices or discrimination); (c) to the Knowledge of the Contributor Parties, none of the Propane Group Entities has misclassified any person as an independent contractor, temporary employee, leased employee, volunteer or any other servant or agent compensated other than through reportable wages as an employee of the applicable Propane Group Entities (each a "***Contingent Worker***") and no Contingent Worker has been improperly excluded from any Select Propane Benefit Plan; (d) none of the Propane Group Entities has breached or otherwise failed to comply in any respect with the material provisions of any collective bargaining, trade union or other labor union contract, and no material grievance is pending or to the Knowledge of the Contributor Parties, threatened against any of the Propane Group Entities under any such agreement or contract; and (e) none of the Propane Group Entities is subject to or otherwise bound by, any consent, decree, order, or agreement with, any Governmental Authority, or labor union or any other employee representative body relating to employees or former employees of any of the Propane Group Entities. Except as set forth on Schedule 3.19(k) of the Contributor Disclosure Schedule, none of the Propane Group Entities is a signatory party to or otherwise subject to any collective bargaining agreements, and there is no material labor dispute, strike, slowdown, controversy, work stoppage or other labor trouble between any of the Propane Group Entities and any of their respective employees pending or to

the Knowledge of the Contributor Parties, threatened, and none of the Propane Group Entities has experienced any such material labor dispute, strike, slowdown, controversy, work stoppage or other labor trouble within the past five (5) years. To the Knowledge of the Contributor Parties, no Propane Group Employee is in any respect in material violation of any material term of any employment agreement, nondisclosure agreement, common law nondisclosure obligation, fiduciary duty, noncompetition agreement, restrictive covenant or other obligation to a former employer or other employee relating to (i) the right of any such employee to be employed by the Propane Group Entities; or (ii) knowledge or use of trade secrets or proprietary information.

(l) All quarterly cash distribution payment obligations under outstanding awards under the ETP LTIP held by Propane Group Employees have been paid when due.

Section 3.20 Brokers' Fee. Except for the fee and related expenses payable to Credit Suisse Securities (USA) LLC (the "***CS Fee***"), no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by the Transaction Agreements based upon arrangements made by or on behalf of any Contributor Party.

Section 3.21 Matters Relating to Acquisition of the Equity Consideration.

(a) ETP has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of their investment in the Equity Consideration and is capable of bearing the economic risk of such investment. ETP is an "accredited investor" as that term is defined in Rule 501 of Regulation D (without regard to Rule 501(a)(4)) promulgated under the Securities Act. ETP is acquiring the Equity Consideration for investment for its own account and not with a view toward or for sale in connection with any distribution thereof, other than the Spin-Off, if applicable, or with any present intention of distributing or selling the Equity Consideration in violation of applicable state and federal securities Laws. ETP is not a party to any Contract or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to the Equity Consideration. Contributor acknowledges and understands that (i) the acquisition of the Equity Consideration has not been registered under the Securities Act in reliance on an exemption therefrom and (ii) that the AmeriGas Common Units comprising the Equity Consideration will, upon their sale by ETP, be characterized as "restricted securities" under state and federal securities Laws. ETP agrees that the AmeriGas Common Units comprising the Equity Consideration may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with other applicable state and federal securities Laws.

(b) ETP has undertaken such investigation as it deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Equity Consideration. ETP has had an opportunity to ask questions and receive answers from Acquirer regarding the terms and conditions of the offering of the Equity Consideration and the business, properties, prospects, and financial condition of Acquirer. The foregoing investigation and inquiry by ETP, however, does not modify the representations and warranties of Acquirer in Article IV and such

representations and warranties constitute the sole and exclusive representations and warranties of Acquirer to the Contributor Parties in connection with the transactions contemplated by this Agreement.

Section 3.22 Insurance. Schedule 3.22 of the Contributor Disclosure Schedule lists all insurance policies of ETP or any of its Affiliates and any of ETP's self-insured programs covering the Propane Group Entities and the operation of the Propane Business as of the Execution Date. Each such policy is in full force and effect, all premiums due thereon have been paid by the applicable Contributor Party or such Affiliate, and the applicable Contributor Party or Affiliate has complied in all material respects with the provisions of such policy and has not received written notice from any of its insurance brokers or carriers that such broker or carrier will not be willing or able to renew its existing coverage.

Section 3.23 Suppliers. Schedule 3.23 of the Contributor Disclosure Schedule sets forth a complete and correct list of the twenty (20) largest suppliers (measured by dollar volume of revenue) of the Propane Business during each of the twelve (12) month periods ended September 30, 2010 and 2011 and the amount of such business done (by volumes of gallons of propane) with each such supplier during such periods. Since January 1, 2011, no such supplier (i) has provided written notice of any material complaint concerning products or services of the Propane Business or (ii) has terminated or adversely modified its business relationship with the Propane Business. No such supplier has provided written notice since January 1, 2011, of any material modification or change in its business relationship with the Propane Business.

Section 3.24 Information Supplied. None of the information furnished in writing by the Contributor Parties or to be furnished in writing by the Contributor Parties specifically for inclusion (or incorporation by reference) in the Form S-3 or any registration statement, prospectus or other related document in connection with the Debt Financing will, at the time the Form S-3 or such registration statement, prospectus or other related document becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. The Contributor Parties make no representation or warranty with respect to any information supplied by Acquirer for inclusion in the foregoing documents.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF ACQUIRER

Acquirer hereby represents and warrants to the Contributor Parties as follows:

Section 4.1 Organization; Qualification. Acquirer is an entity duly formed, validly existing and in good standing under the laws of the state of Delaware and has all requisite partnership power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted, and is duly qualified, registered or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the property or assets owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified, registered or licensed and in good standing would not reasonably be expected to (i) have an AmeriGas Material

Adverse Effect, (ii) prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements or (iii) materially impair the ability of Acquirer to perform its obligations under the Transaction Agreements. Acquirer has made available to the Contributor Parties true and complete copies of the Organizational Documents of Acquirer, as in effect on the Execution Date.

Section 4.2 Authority; Enforceability; Valid Issuance.

(a) Acquirer has the requisite partnership power and authority to execute and deliver this Agreement and any other Transaction Agreements to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Acquirer of this Agreement and any other Transaction Agreements to which it is a party, the performance by Acquirer of its obligations hereunder and thereunder and the consummation by Acquirer of the transactions contemplated hereby and thereby have been duly and validly authorized by Acquirer, and no other partnership proceedings on the part of Acquirer is necessary to authorize this Agreement or any other Transaction Agreements to which it is a party or to consummate the transactions contemplated hereby and thereby.

(b) This Agreement has been, and, upon their execution, any other Transaction Agreements to which it is a party shall have been, duly executed and delivered by Acquirer and, assuming the due authorization, execution and delivery by the Contributor Parties, this Agreement constitutes and, upon their execution, any other Transaction Agreements to which it is a party shall constitute, legal valid and binding agreements of Acquirer, enforceable against Acquirer in accordance with their respective terms, except as such enforceability may be limited by Creditors' Rights.

(c) The issuance of the AmeriGas Common Units comprising the Equity Consideration has been duly authorized in accordance with the Organizational Documents of Acquirer. The AmeriGas Common Units comprising the Equity Consideration, when issued and delivered to ETP in accordance with the terms of this Agreement, will be validly issued, fully paid and nonassessable (except to the extent nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the Delaware LP Act) and free of any Lien or restrictions upon voting or transfer thereof pursuant to any Contract to which any of the AmeriGas Entities is a party or by which any property or asset of any such Person is bound or affected, other than (i) pursuant to the Organizational Documents of Acquirer and (ii) any restrictions in the Unitholder Agreement. Upon issuance and delivery of the AmeriGas Common Units comprising the Equity Consideration, ETP will be duly admitted to Acquirer as an additional limited partner.

Section 4.3 Non-Contravention. Except as set forth on Schedule 4.3 of the Acquirer Disclosure Schedule, the execution, delivery and performance of the Transaction Agreements and the consummation by Acquirer of the transactions contemplated hereby and thereby does not and will not: (a) violate, conflict with or result in any breach of any provision of the Organizational Documents of Acquirer; (b) assuming that Acquirer receives the proceeds of the Intercompany Financing, conflict with, result in any breach of (including the failure to obtain a consent or waiver), constitute a default (or an event that with notice or passage of time or both would give rise to a default) under, require any consent under, or give rise to any right of

termination, cancellation, amendment or acceleration (with or without the giving of notice, or the passage of time or both) under any of the terms, conditions or provisions of any Contract to which Acquirer is a party or by which any property or asset of Acquirer is bound or affected; (c) assuming compliance with the matters referred to in Section 4.4, conflict with or violate any Law to which Acquirer is subject or by which any of Acquirer's properties or assets is bound; or (d) constitute (with or without the giving of notice or the passage of time or both) an event which would result in the creation of any Lien (other than Permitted Liens) on any asset of Acquirer, except, in the cases of clauses (b), (c) and (d), for such conflicts, breaches, violations, Liens, defaults or rights of termination, cancellation, amendment or acceleration as would not reasonably be expected to (i) have an AmeriGas Material Adverse Effect, (ii) prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements or (iii) materially impair Acquirer's ability to perform its obligations under the Transaction Agreements.

Section 4.4 Governmental Approvals. Except as set forth on Schedule 4.4 of the Acquirer Disclosure Schedule, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the execution, delivery and performance of this Agreement, and any other Transaction Agreements to which it is a party, by Acquirer or for the consummation by Acquirer of the transactions contemplated hereby and thereby, other than compliance with, and filings under, the HSR Act and such declarations, filings, registrations, notices, authorizations, consents and approvals the failure of which to receive or provide would not reasonably be expected to have an AmeriGas Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to materially impair Acquirer's ability to perform its obligations under this Agreement.

Section 4.5 Capitalization.

(a) As of the Execution Date: (i) 57,124,296 AmeriGas Common Units were issued and outstanding and (ii) 2,742,349 AmeriGas Common Units were reserved for issuance under Acquirer's employee benefit plans and equity compensation plans, of which no AmeriGas Common Units were subject to issuance upon exercise of outstanding AmeriGas options and 161,456 AmeriGas Common Units were subject to issuance upon the vesting of outstanding phantom units.

(b) All of the limited partner interests in Acquirer are duly authorized and validly issued in accordance with the Organizational Documents of Acquirer, and are fully paid and nonassessable (except as nonassessability may be affected by Sections 17-303 and 17-607 of the Delaware LP Act) and were not issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person.

(c) Except as set forth in the Organizational Documents of Acquirer or Schedule 4.5(c) of the Acquirer Disclosure Schedule and except as otherwise provided in Section 4.5(a), there are no preemptive rights or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, subscription agreements, commitments or rights of any kind that obligate Acquirer to issue or sell any equity interests of Acquirer or any securities or obligations

convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any equity interests in Acquirer, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(d) Acquirer does not have any outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the holders of equity interests in Acquirer on any matter.

(e) AmeriGas Propane, Inc., a Pennsylvania corporation ("***AmeriGas GP***") is the sole general partner of Acquirer with a 1.0% general partner interest in Acquirer and the sole general partner of AmeriGas Operating, with a 1.0101% general partner interest in AmeriGas Operating (such interests, collectively, the "***AmeriGas GP Interests***"). The AmeriGas GP Interests have been duly authorized and validly issued in accordance with the AmeriGas Partnership Agreement or the AmeriGas Operating Partnership Agreement, as applicable, and have not been issued in violation of any preemptive rights, rights of first refusal or other similar rights of any Person. The AmeriGas GP Interests are owned by AmeriGas GP free and clear of all Liens, other than (i) transfer restrictions imposed by federal and state securities Laws and (ii) any transfer restrictions contained in the AmeriGas Partnership Agreement or the AmeriGas Operating Partnership Agreement.

(f) Acquirer holds a 98.8899% limited partner interest in AmeriGas Operating and AmeriGas Eagle Holdings, Inc., a wholly owned subsidiary of AmeriGas Operating, holds a 0.1% limited partner interest in AmeriGas Operating and Acquirer and Amerigas Eagle Holdings, Inc. own such interests free and clear of all Liens other than (i) transfer restrictions imposed by federal and state securities Laws and (ii) any transfer restrictions contained in the Organizational Documents of AmeriGas Operating.

Section 4.6 Compliance with Law. Except as to specific matters disclosed in the AmeriGas SEC Documents filed or furnished on or after January 1, 2011 and prior to the Execution Date (excluding any disclosures included in any "risk factor" section of such AmeriGas SEC Documents or any other disclosures in such AmeriGas SEC Documents to the extent they are predictive or forward looking and general in nature), and except for Environmental Laws, Tax matters which are the subject of Section 4.9 and Section 4.11, respectively, (a) each AmeriGas Entity is in compliance in all material respects with all applicable Laws, (b) none of the AmeriGas Entities has received written notice of any violation in any material respect of any applicable Law, and (c) none of the AmeriGas Entities has received written notice that it is under investigation by any Governmental Authority for potential non-compliance in any material respect with any Law. No AmeriGas Entity is subject to any material outstanding judgment, order or decree of any Governmental Authority.

Section 4.7 AmeriGas SEC Reports; Financial Statements.

(a) Acquirer has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by Acquirer with the SEC since October 1, 2010 (such documents being collectively referred to as the "***AmeriGas SEC Documents***"). Each AmeriGas SEC Document (i) at the time filed or, if amended, as of the date of such amendment, complied in all material

respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such AmeriGas SEC Document and (ii) did not, at the time it was filed (or, if amended or superseded by a filing or amendment prior to the Execution Date, then at the time of such filing or amendment) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) Each of the financial statements of Acquirer included in the AmeriGas SEC Documents complied at the time it was filed as to form in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, has been prepared in accordance with GAAP, applied on a consistent basis throughout the periods presented thereby, and fairly present in all material respects the consolidated financial position and operating results, equity and cash flows of Acquirer as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments and accruals and the absence of notes and other textual disclosures as permitted by Form 10-Q of the SEC.

(c) None of the AmeriGas Entities has any Liability that would be required to be included in the financial statements of Acquirer under GAAP except for (i) Liabilities reflected or reserved against on the consolidated balance sheet of Acquirer dated as of June 30, 2011 or the notes thereto, (ii) Liabilities that have arisen since June 30, 2011 in the ordinary course of business and (iii) Liabilities which would not reasonably be expected to have an AmeriGas Material Adverse Effect.

(d) The books of account and other financial records of Acquirer: (i) meet the requirements of Regulation S-X and were prepared in accordance with GAAP applied on a basis consistent with the past practices of Acquirer and (ii) are in all material respects true and correct, and do not contain or reflect any material inaccuracies or discrepancies.

(e) Acquirer has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) as required by Rule 13a-15 under the Exchange Act. Acquirer's disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by Acquirer in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to Acquirer's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act.

Section 4.8 Absence of Certain Changes. Except as to specific matters disclosed in the AmeriGas SEC Documents filed or furnished on or after October 1, 2010 and prior to the Execution Date (excluding any disclosures included in any "risk factor" section of such AmeriGas SEC Documents or any other disclosures in such AmeriGas SEC Documents to the extent they are predictive or forward looking and general in nature) and except as set forth on Schedule 4.8 of the Acquirer Disclosure Schedule or as expressly contemplated by this

Agreement, from and after October 1, 2010, there has not been any event, occurrence or development which has had an AmeriGas Material Adverse Effect.

Section 4.9 Environmental Matters. Except as to specific matters disclosed in the AmeriGas SEC Documents filed or furnished on or after January 1, 2011 and prior to the Execution Date (excluding any disclosures included in any "risk factor" section of such AmeriGas SEC Documents or any other disclosures in such AmeriGas SEC Documents to the extent they are predictive or forward looking and general in nature), except as to matters set forth on Schedule 4.9 of the Acquirer Disclosure Schedule and except as to matters that would not reasonably be expected to have an AmeriGas Material Adverse Effect:

(a) each of the AmeriGas Entities is in compliance with all applicable Environmental Laws, and each of the AmeriGas Entities has been in compliance with all applicable Environmental Laws except for any noncompliance that has been fully resolved;

(b) each of the AmeriGas Entities possesses all Permits required under Environmental Laws for their operations as currently conducted and is in compliance with the terms of such Permits, and such Permits are in full force and effect;

(c) none of the AmeriGas Entities nor any of their properties or operations are subject to any pending or, to the Knowledge of Acquirer, threatened Proceeding arising under any Environmental Law, nor has any of the AmeriGas Entities received any written and pending notice, order or complaint from any Governmental Authority, or written notice or complaint from any other Person, alleging a violation of or Liability under any Environmental Law; and

(d) there has been no Release of Hazardous Substances on, at, under, to, or from any of the current properties of the AmeriGas Entities, or from or in connection with the AmeriGas Entities' operations in a manner that would reasonably be expected to give rise to any Liability pursuant to any Environmental Law or that requires any Remedial Action under any Environmental Law.

Section 4.10 Legal Proceedings. Except as to specific matters disclosed in the AmeriGas SEC Documents filed or furnished on or after October 1, 2010 and prior to the Execution Date (excluding any disclosures included in any "risk factor" section of such AmeriGas SEC Documents or any other disclosures in such AmeriGas SEC Documents to the extent they are predictive or forward looking and general in nature) and other than as is set forth on Schedule 4.10 of the Acquirer Disclosure Schedule, there are no Proceedings pending or, to the Knowledge of Acquirer, threatened against the AmeriGas Entities, except such Proceedings as would not (a) have an AmeriGas Material Adverse Effect, (b) prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements or (c) materially impair Acquirer's ability to perform its obligations thereunder.

Section 4.11 Taxes.

(a) All material Tax Returns required to be filed with respect to the AmeriGas Entities have been timely filed and all the Tax Returns of the AmeriGas Entities are true,

complete and correct in all material respects and all material Taxes due relating to the AmeriGas Entities have been paid in full. All Taxes with respect to the AmeriGas Entities not yet due and payable for any taxable period (or portion thereof) ending on or before the Contribution Closing Date have been (or will be on or prior to the Contribution Closing Date) accrued and adequately disclosed and fully provided for with adequate reserves in accordance with GAAP on the financial statements of the AmeriGas Entities. Except as disclosed on Schedule 4.11 of the Acquirer Disclosure Schedule, there is no claim (other than claims being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP) against any AmeriGas Entities for any material Taxes, and no material assessment, deficiency, or adjustment has been asserted or proposed in writing with respect to any material amount of Taxes or material Tax Returns of or with respect to the AmeriGas Entities.

(b) Except as set forth on Schedule 4.11 of the Acquirer Disclosure Schedule, no material Tax audits or administrative or judicial proceedings are being conducted, are pending or, to the Acquirer Parties' Knowledge, have been threatened with respect to the AmeriGas Entities.

(c) All material Taxes required to be withheld, collected or deposited by or with respect to the AmeriGas Entities have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority.

(d) There are no outstanding agreements or waivers extending the applicable statutory periods of limitation for any material Tax of, or any material Taxes associated with the ownership or operation of the assets of, any AmeriGas Entity.

(e) None of the AmeriGas Entities is a party to any Tax sharing, allocation, indemnification or similar agreement.

(f) None of the AmeriGas Entities has engaged in a transaction that would be reportable by or with respect to any AmeriGas Entity pursuant to Treasury Regulation § 1.6011-4 or any predecessor thereto.

(g) Acquirer has not elected to be treated as a corporation for U.S. federal income tax purposes. Acquirer qualifies as a "publicly traded partnership" within the meaning of Section 7704(b) of the Code and has met the "gross income requirements" (within the meaning of Section 7704(c) of the Code) in each Tax year since its formation. Acquirer has filed a U.S. federal income tax return that has in effect an election pursuant to Section 754 of the Code.

Section 4.12 Brokers' Fee. Except for the fee payable to J.P. Morgan Securities LLC which, together with any related expenses, shall be paid by Acquirer, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by the Transaction Agreements based upon arrangements made by or on behalf of Acquirer.

Section 4.13 Matters Relating to Acquisition of the Acquired Interests.

(a) Acquirer has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Acquired

Interests and is capable of bearing the economic risk of such investment. Acquirer is an "accredited investor" as that term is defined in Rule 501 of Regulation D (without regard to Rule 501(a)(4)) promulgated under the Securities Act. Acquirer is acquiring the Acquired Interests for investment for its own account and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling the Acquired Interests in violation of applicable state and federal securities Laws. Except for Acquirer's Organizational Documents, Acquirer does not have any Contract or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to the Acquired Interests. Acquirer acknowledges and understands that (i) the acquisition of the Acquired Interests has not been registered under the Securities Act in reliance on an exemption therefrom and (ii) that the Acquired Interests will, upon their sale by Contributor, be characterized as "restricted securities" under state and federal securities Laws. Acquirer agrees that the Acquired Interests may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of except pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with other applicable state and federal securities Laws.

(b) Acquirer has undertaken such investigation as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the acquisition of the Acquired Interests. Acquirer has had an opportunity to ask questions and receive answers from Contributor regarding the terms and conditions of the offering of the Acquired Interests and the business, properties, prospects, and financial condition of the Propane Group Entities. The foregoing investigation and inquiry by Acquirer, however, does not modify the representations and warranties of the Contributor Parties in Article III and such representations and warranties constitute the sole and exclusive representations and warranties of the Contributor Parties to Acquirer in connection with the transactions contemplated by this Agreement.

Section 4.14 Form S-3. Neither the Form S-3 nor any registration statement, prospectus or other related document in connection with the Debt Financing will, at the time the Form S-3 or such registration statement, prospectus or other related document becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. Notwithstanding the foregoing, Acquirer makes no representation or warranty with respect to any information supplied in writing by the Contributor Parties specifically for inclusion in any of the foregoing documents.

ARTICLE V

COVENANTS OF THE PARTIES

Section 5.1 Conduct of Business.

(a) From the Execution Date through the Contribution Closing, except as described in Schedule 5.1(a) of the Contributor Disclosure Schedule, and except as required by this Agreement, as required by applicable Law or consented to or approved in writing by

Acquirer (which shall not be unreasonably withheld, conditioned or delayed), the Contributor Parties shall cause each Propane Group Entity to:

(i) conduct its business and activities in the ordinary course of business consistent with past practice;

(ii) use reasonable best efforts to preserve intact their goodwill and relationships with customers, suppliers and others having business dealings with them with respect thereto;

(iii) use reasonable best efforts to keep available the services of the key employees of the Propane Group Entities;

(iv) comply in all material respects with all applicable Laws relating to them;

(v) use reasonable best efforts to maintain in full force without interruption its present insurance policies or comparable insurance coverage of the Propane Group Entities;

(vi) amend its severance plans, if any, to provide that (A) employees who become employed by AmeriGas GP or any other AmeriGas Entity after the Contribution Closing on the terms specified in this Agreement will not be entitled to severance and (B) the transfer of employment from the Target Entities to AmeriGas GP or any other AmeriGas Entity after the Contribution Closing will not be deemed or treated as a termination of employment so long as the terms specified in this Agreement have been satisfied;

(vii) fund collateral calls under any Hedging Agreement; and

(viii) make growth and maintenance capital expenditures (other than capital expenditures associated with purchases of any securities or ownership interests of, or acquisitions of assets of, or investments in, any Person) in the ordinary course of business consistent with past practice and the Propane Group Budget.

(b) Without limiting the generality of Section 5.1(a), and, except as described in Schedule 5.1(b) of the Contributor Disclosure Schedule, as required by this Agreement or consented to or approved in writing by Acquirer (which shall not be unreasonably withheld, conditioned or delayed), the Contributor Parties shall not authorize or permit the Propane Group Entities to:

(i) amend or restate its Organizational Documents;

(ii) purchase any securities or ownership interests of, or make any investment in, any Person, other than (A) ordinary course overnight investments consistent with the cash management policies of such Person, (B) investments in wholly owned Subsidiaries (C) purchases of entities engaged in businesses similar to the Propane Business in connection with those transactions described on Schedule 5.1(b)(ii)(C) of the

Contributor Disclosure Schedule, or (D) purchases of entities engaged in businesses similar to the Propane Business in addition to those contemplated by clause (C) not to exceed $15,000,000 in the aggregate;

(iii) make any capital expenditure or purchase any properties or assets, other than expenditures or purchases (A) in accordance with the Propane Group Budget, (B) contemplated by sub-clause (C) or sub-clause (D) of Section 5.1(b)(ii) or (C) required on an emergency basis for the safety of individuals or the environment;

(iv) make any material Tax election that could effect any Propane Group Entity following the Contribution Closing; adopt or change any accounting or Tax accounting method (other than as required by Law or GAAP); enter into any closing agreement; settle, compromise or consent to any Tax Liability, claim or assessment; surrender any right to claim a refund of Taxes or take any similar action relating to the filing of any Tax Return or the payment of any Tax;

(v) except as required under its Organizational Documents, declare or pay any distributions in respect of any of its equity securities or partnership units except the declaration and payment of cash distributions;

(vi) split, combine or reclassify any of its equity securities or partnership units or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, its equity securities or partnership units;

(vii) repurchase, redeem or otherwise acquire any of its equity securities or partnership units or any securities convertible into or exercisable for any equity securities or partnership units;

(viii) issue, deliver, sell, pledge or dispose of, or authorize the issuance, delivery, sale, pledge or disposition of, any (A) equity securities or partnership units of any class, (B) debt securities having the right to vote on any matters on which holders of capital stock or members or partners of the same issuer may vote or (C) securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such securities;

(ix) transfer, license, lease, sell or otherwise dispose of any properties or assets (including any general partner or limited partner interest or any other equity interests in any other Person) with a value exceeding $1,000,000 individually or $5,000,000 in the aggregate, other than sales of Inventory in the ordinary course of business consistent with past practice;

(x) abandon, assign, license, sell, transfer or grant any security interest in, to or under any Owned Intellectual Property;

(xi) create, incur, guarantee or assume any Indebtedness, other than trade credit issued to customers in the ordinary course of business consistent with past practice and Intercompany Indebtedness incurred from ETP consistent with past practice

for purposes of funding working capital or cash collateral calls under Hedging Agreements;

(xii) enter into any joint venture or similar arrangement with a third party;

(xiii) (A) settle any claims, demands, lawsuits or state or federal regulatory proceedings for damages to the extent (1) such settlements assess or seek to assess damages in excess of $5,000,000 in the aggregate (excluding damages against which the Propane Group Entities are insured) or (2) such claims, demands, lawsuits or state or federal regulatory proceedings are insured (net of deductibles), reserved against the Propane Business Financial Statements or covered by an indemnity obligation not subject to dispute or adjustment from a solvent indemnitor, or (B) settle any claims, demands, lawsuits or state or federal regulatory proceedings seeking an injunction or other equitable relief against the Propane Group Entities;

(xiv) merge with or into, or consolidate with, any other Person or acquire all or substantially all of the business or assets of any other Person;

(xv) take any action with respect to or in contemplation of any liquidation, dissolution, recapitalization, reorganization, or other winding up;

(xvi) change or modify any accounting policies, except for changes thereto required by GAAP;

(xvii) except as required by applicable Law, (A) and other than as is reasonably consistent with past practice and in accordance with the Propane Group Budget, approve or make modifications of the base salaries, bonuses or other compensation (including incentive compensation) payable to any Propane Group Employee; provided, however, with respect to modifications not reasonably consistent with past practice and in accordance with the Propane Group Budget, on the Contribution Closing Date the base salary shall revert to the level in effect on October 1, 2011; or (B) adopt or make any amendment to any Select Propane Benefit Plan;

(xviii) terminate any, or hire any new, Propane Group Employee other than in the ordinary course of business;

(xix) except as required by applicable Law, grant any rights to retention pay, severance pay (other than in the ordinary course of business and which severance shall not exceed three (3) months base pay to an individual employee) or termination pay to, or enter into any new (or, other than is required by this Agreement or applicable Law, amend any existing) employment, retention, severance or other agreement or arrangement with any Propane Group Employee other than as required by an existing contract listed on Schedule 3.19(a) of the Contributor Disclosure Schedule;

(xx) permit or allow any of the assets of the Propane Group Entities to be subject to any Liens, other than Permitted Liens and Liens that will be released at or prior to the Contribution Closing Date;

(xxi) fail to pay any creditor any amount owed to such creditor when due, except to the extent being contested by such member of the Propane Group in good faith;

(xxii) accelerate the collection of any accounts receivable or delay the payment of any accounts payable, in each case, compared to the past practices of the Propane Group Entities;

(xxiii) (A) terminate, discontinue, close or dispose of any satellite propane storage facility, underground propane storage facility or propane terminal related to the Propane Business or (B) terminate, discontinue, close or dispose of any branch location, plant or business operation related to the Propane Business, other than those properties valued by the applicable Propane Group Entity at less than $1,000,000 individually or $3,000,000 in the aggregate;

(xxiv) unless entered into in the ordinary course of business consistent with past practice, enter into any Contract that would have been a Propane Group Material Contract if it was entered into prior to the Execution Date;

(xxv) other than in the ordinary course of business consistent with past practice, modify, amend or voluntarily terminate, prior to the expiration date thereof, any Propane Group Material Contract or waive any default by, or release, settle or compromise any claim against, any other party thereto;

(xxvi) take any action which would (A) materially adversely affect the ability of the Parties to consummate the transactions contemplated by the Transaction Agreements, (B) be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements, or (C) have a Propane Group Material Adverse Effect; or

(xxvii) agree, or commit to take any of the actions described above.

(c) From the Execution Date through the Contribution Closing, except as described in Schedule 5.1(c) of the Acquirer Disclosure Schedule, and except as required by this Agreement, as required by applicable Law or consented to or approved in writing by the Contributor Parties (which shall not be unreasonably withheld, conditioned or delayed), Acquirer shall, and shall cause each of its Subsidiaries to:

(i) conduct its business and activities in the ordinary course of business consistent with past practice;

(ii) use reasonable best efforts to preserve intact their goodwill and relationships with customers, suppliers and others having business dealings with them with respect thereto; and

(iii) comply in all material respects with all applicable Laws relating to them.

(d) Without limiting the generality of Section 5.1(c), and, except as described in Schedule 5.1(d) of the Acquirer Disclosure Schedule, as required by this Agreement or consented to or approved in writing by the Contributor Parties (which shall not be unreasonably withheld, conditioned or delayed), Acquirer shall not and shall not authorize or permit any of its Subsidiaries to:

(i) except as required under its Organizational Documents, declare or pay any distributions in respect of any of its equity securities or partnership units except (A) the declaration and payment of distributions from any direct or indirect Subsidiary of Acquirer in the ordinary course of business and (B) with respect to Acquirer, regular quarterly cash distributions made pursuant to applicable AmeriGas GP board approvals in accordance with past practices;

(ii) create, incur, guarantee or assume any Indebtedness other than (A) trade credit issued to customers in the ordinary course of business consistent with past practice, (B) Indebtedness of less than $50,000,000 in the aggregate, (C) Indebtedness under the Credit Agreement, (D) the Intercompany Financing, (E) the Debt Financing, and (F) the guarantee, if any, of the senior notes issued in the Debt Financing;

(iii) adopt a plan of complete or partial liquidation of dissolution or enter into a letter of intent or agreement in principle with respect thereto;

(iv) split, combine or reclassify any of its equity securities or issue or propose the issuance of any other securities in respect of, in lieu of or in substitution for its equity securities, except for (A) any such transaction by a Subsidiary of Acquirer which remains a Subsidiary after consummation of such transaction, (B) the issuance or authorization of the issuance of up to 300,000 AmeriGas Common Units, (C) issuances of AmeriGas Common Units in connection with Acquirer's employee benefit plans and equity compensation plans;

(v) amend or restate the Organizational Documents of Acquirer in any manner that would require the consent of the unitholders of Acquirer;

(vi) take any other action which would (A) materially adversely affect the ability of the Parties to consummate the transactions contemplated by the Transaction Agreements, (B) be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements, or (C) be reasonably expected to have an AmeriGas Material Adverse Effect; or

(vii) agree, or commit to take one of the actions described above.

Section 5.2 Notice of Certain Events.

(a) Subject to applicable Law, each Party shall promptly notify the other Parties of:

(i) any event, condition or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained

in this Agreement made by or to be complied with by such notifying Party at any time during the term hereof and that would reasonably be expected to result in any of the conditions set forth in Article VI not to be satisfied and which notice shall identify the applicable representation or warranty, covenant or agreement and disclosure schedule, if any, for which such breach or inaccuracy relates; provided, however, that no such notification shall be deemed to cure any such breach of or inaccuracy in such notifying Party's representations and warranties or covenants and agreements or in the Contributor Disclosure Schedule or the Acquirer Disclosure Schedule, as the case may be, for any purpose under this Agreement and no such notification shall limit or otherwise affect the remedies available to the other Parties;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by the Transaction Agreements;

(iii) subject to Section 5.4, any notice or other communication from any Governmental Authority in connection with the transactions contemplated by the Transaction Agreements; or

(iv) any Proceedings commenced that would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by the Transaction Agreements or materially impair the notifying Party's ability to perform its obligations thereunder.

Section 5.3 Access to Information. From the Execution Date until the Contribution Closing Date, upon reasonable notice, Contributor will, subject to compliance with Law governing the use of such information, (a) give Acquirer and its counsel, financial advisors, auditors and other authorized representatives (collectively, "***Representatives***") reasonable access to the offices, properties, books and records of the Propane Group Entities, and permit Acquirer to make copies thereof, in each case during normal business hours and (b) furnish such financial and operating data and other information relating to the Propane Group Entities, as such Persons may reasonably request. In order to facilitate the resolution of any claims made against or incurred by Acquirer or the Propane Group Entities after the Contribution Closing or for any other reasonable purpose, for a period of five (5) years after the Contribution Closing Date, the Contributor Parties shall (i) retain the books and records of the Contributor Parties which relate to the Propane Business, the Propane Group Entities and their operations for periods prior to the Contribution Closing and which shall not otherwise have been delivered to Acquirer or the Propane Group Entities and (ii) upon reasonable notice, afford Acquirer and its Affiliates and Representatives reasonable access during normal business hours to the offices, properties, books and records of the Contributor Parties. In order to facilitate the resolution of any claims made against or incurred by the Contributor Parties prior to the Contribution Closing, for a period of five (5) years after the Contribution Closing Date, Acquirer and the Propane Group Entities shall (i) retain the books and records relating to the Propane Business and the Propane Group Entities in their possession as of the Contribution Closing Date relating to periods prior to the Contribution Closing in a manner reasonably consistent with the prior practice of Propane Group Entities and (ii) upon reasonable notice, afford the Contributor Parties and their respective Representatives reasonable access during normal business hours to such books and records. Any

investigation pursuant to this Section 5.3 shall be conducted in such manner as not to interfere with the conduct of the business of the party providing such access. Notwithstanding the foregoing, no Party shall be entitled to perform any intrusive or subsurface investigation or other sampling of, on or under any of the properties of another Party without the prior written consent of such Party. Notwithstanding the foregoing provisions of this Section 5.3, no Party shall be required to grant access or furnish information to the extent that such information is subject to an attorney/client or attorney work product privilege or that such access or the furnishing of such information is prohibited by Law or an existing Contract. To the extent practicable, such Party shall make reasonable and appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply, including the execution of a joint defense agreement to allow the parties to exchange information protected by the attorney client privilege or work product doctrine. To the fullest extent permitted by Law, no party nor any of its Representatives or Affiliates shall be responsible or liable to another party for personal injuries sustained in connection with the access provided pursuant to this Section 5.3 and such party shall be indemnified and held harmless by the visiting party for any losses suffered by any such Persons in connection with any such personal injuries; provided, however, that such personal injuries are not caused by the gross negligence or willful misconduct of the hosting party. The Parties agree that they will not, and will cause their Representatives not to, use any information obtained pursuant to this Section 5.3 for any purpose unrelated to the consummation of the transactions contemplated by the Transaction Agreements.

Section 5.4 Governmental Approvals.

(a) The Parties will cooperate with each other and use reasonable best efforts to obtain from any Governmental Authorities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained and to make or cause to be made any filings with or notifications or submissions to any Governmental Authority that are necessary in order to consummate the transactions contemplated by the Transaction Agreements and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such matters. Each of the Parties agrees to cooperate and use reasonable best efforts to resolve such objections, if any, as may be asserted by any Governmental Authority or other Person, to contest and resist, any Proceeding, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) of any Governmental Authority that is in effect and that restricts, prevents or prohibits the consummation of the transactions contemplated by the Transaction Agreements.

(b) In furtherance and not in limitation of the foregoing, the Parties agree to cooperate with each other and use reasonable best efforts to submit any required filings of Notification and Report Forms pursuant to the HSR Act within a reasonable period of time but in no event later than October 28, 2011, and to respond to any requests for additional information made by any Governmental Authority, to cause the waiting period under the HSR Act to expire or terminate.

(c) Nothing in this Agreement shall require, or be construed to require, that the Parties become subject to, or consent or agree to any requirement, condition, understanding, agreement or order where the consummation or effectiveness of such requirement, condition, understanding, agreement or order is not conditioned upon the Contribution Closing or would be

binding on the AmeriGas Entities or Propane Group Entities in the event that the Contribution Closing does not occur.

(d) With regard to any Governmental Authority or any proceeding by a private party under any Regulatory Law regarding any of the transactions contemplated by the Transaction Agreements, neither the Contributor Parties nor any of their Affiliates, without Acquirer's advance written consent, shall: (i) discuss or commit to any divestiture or consent decree; (ii) discuss or commit to alter their businesses or commercial practices in any way; or (iii) otherwise take or commit to take any action that would limit Acquirer's freedom of action with respect to the Propane Group Entities or any assets or businesses of the Propane Group Entities or Acquirer after the Contribution Closing Date, Acquirer's ability to retain any assets, licenses, operations, rights, product lines, businesses or interest therein that are part of the Propane Group Entities or Acquirer's ability to receive the full benefits of the Transaction Agreements.

(e) Notwithstanding anything to the contrary in this Agreement, Acquirer shall have the right to direct all discussions, matters, proceedings or negotiations (collectively, the "***Negotiations***") with any Governmental Authority or other Person regarding any of the transactions contemplated hereby, provided that it shall keep the Contributor Parties informed about the Negotiations, shall make reasonable efforts to consult with the Contributor Parties and shall afford the Contributor Parties a reasonable opportunity to participate in the Negotiations. The Contributor Parties agree to take such actions as are deemed prudent by Acquirer to meet the conditions to the Contribution Closing under any Regulatory Law.

Section 5.5 Expenses. Subject to Acquirer's obligation to pay a portion of the CS Fee as described below, all costs and expenses incurred by the Contributor Parties or the Propane Group Entities in connection with the Transaction Agreements and the transactions contemplated thereby, shall be paid by the Contributor Parties, and all costs and expenses incurred by Acquirer in connection with the Transaction Agreements and the transactions contemplated thereby shall be paid by Acquirer. Acquirer shall reimburse ETP for one-half (1/2) of the CS Fee; provided, however, that Acquirer's obligation with respect thereto shall not exceed $7,500,000.

Section 5.6 Further Assurances. Subject to the terms and conditions of this Agreement, each of the Parties shall use its reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Law to consummate the transactions contemplated by the Transaction Agreements. Without limiting the generality of the foregoing, each Party will use its reasonable best efforts to obtain timely all authorizations, consents and approvals of all third parties (a) necessary in connection with the consummation of the transactions contemplated by the Transaction Agreements or (b) as are required to comply with the terms and conditions of the Contracts set forth on Schedule 5.6 of the Contributor Disclosure Schedule, in each case prior to the Contribution Closing. The Parties will coordinate and cooperate with each other in exchanging such information and assistance as any of the Parties may reasonably request in connection with the foregoing.

Section 5.7 Public Statements. The Parties shall use their reasonable best efforts to consult with each other prior to issuing any other public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated hereby and neither Contributor or its Affiliates, on the one hand, nor Acquirer or its Affiliates, on the other hand, shall issue any such public announcement, statement or other disclosure without having first notified Contributor, on the one hand, or Acquirer, on the other hand; provided, however, that any of Contributor and its Affiliates, on the one hand, and any of Acquirer and its Affiliates, on the other hand, may make any public disclosure without first so consulting with or notifying the other Party or Parties if such disclosing Party believes that it is required to do so by Law or by any stock exchange listing requirement or trading agreement concerning the publicly traded securities of Contributor or its Affiliates, on the one hand, or Acquirer or any of its Affiliates, on the other hand.

Section 5.8 Equity Consideration; Legends. ETP agrees to the recording, so long as the restrictions described in the legend are applicable, of the following legend on any book entry notation or certificate evidencing all or any portion of any AmeriGas Common Units constituting the Equity Consideration:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***"), AND ARE SUBJECT TO THE TERMS OF THE FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF AMERIGAS PARTNERS, L.P., AS AMENDED. THE HOLDER OF THIS SECURITY ACKNOWLEDGES FOR THE BENEFIT OF AMERIGAS PARTNERS, L.P. THAT THIS SECURITY MAY NOT BE SOLD, OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IF SUCH TRANSFER WOULD (A) VIOLATE THE THEN APPLICABLE FEDERAL OR STATE SECURITIES LAWS OR RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER GOVERNMENTAL AUTHORITY WITH JURISDICTION OVER SUCH TRANSFER, (B) TERMINATE THE EXISTENCE OR QUALIFICATION OF AMERIGAS PARTNERS, L.P. UNDER THE LAWS OF THE STATE OF DELAWARE, OR (C) CAUSE AMERIGAS PARTNERS, L.P. TO BE TREATED AS AN ASSOCIATION TAXABLE AS A CORPORATION OR OTHERWISE TO BE TAXED AS AN ENTITY FOR U.S. FEDERAL INCOME TAX PURPOSES (TO THE EXTENT NOT ALREADY SO TREATED OR TAXED). AMERIGAS PROPANE, INC., THE GENERAL PARTNER OF AMERIGAS PARTNERS, L.P., MAY IMPOSE ADDITIONAL RESTRICTIONS ON THE TRANSFER OF THIS SECURITY IF IT RECEIVES AN OPINION OF COUNSEL THAT SUCH RESTRICTIONS ARE NECESSARY TO AVOID A SIGNIFICANT RISK OF AMERIGAS PARTNERS, L.P. BECOMING TAXABLE AS A CORPORATION OR OTHERWISE BECOMING TAXABLE AS AN ENTITY FOR U.S. FEDERAL INCOME TAX PURPOSES.

Section 5.9 Confidential Information.

(a) Effective upon, and only upon, the Contribution Closing, the Confidentiality Agreement shall terminate with respect to the Information. Acquirer

acknowledges that any and all other information provided or made available to it by the Contributor Parties (or their Representatives) concerning the Contributor Parties or their Affiliates (other than the Propane Group Entities) will remain subject to the terms and conditions of such Confidentiality Agreement after the Contribution Closing. The Contributor Parties acknowledge that any and all information provided or made available to them by Acquirer (or its Representatives) concerning Acquirer or its Affiliates will remain subject to the terms and conditions of the Confidentiality Agreement after the Contribution Closing.

(b) For a period of two (2) years after the Contribution Closing, the Contributor Parties and their respective Affiliates shall not, directly or indirectly, disclose to any Person any trade secret, confidential or proprietary business information, data or material developed by, or on behalf of, any Propane Group Entity relating to the business and operations of the Propane Group Entities, including the Propane Business (collectively, the "***Information***"), whether acquired prior to or after the Contribution Closing Date, which has not become generally available to the public (other than as a result of a breach of this Section 5.9).

(c) Notwithstanding the foregoing, in the event that the Contributor Parties or any of their respective Affiliates are required by Law or applicable stock exchange rules to disclose any Information, such party shall (i) notify Acquirer as promptly as practicable of the existence, terms and circumstances surrounding such a request, so that Acquirer may either waive such party's compliance with the terms of this Section 5.9 or seek an appropriate protective order or other remedy and (ii) if Acquirer seeks such a protective order, to provide such cooperation as Acquirer may reasonably request (at Acquirer's sole expense). In the event that Acquirer waives compliance (in whole or in part) with the terms of this Section 5.9, or such protective order or other remedy is denied, as a result of which such Contributor Party or its Affiliate is nonetheless legally compelled to disclose such Information, the Contributor Party or its Affiliate, as the case may be, shall furnish only that portion of the Information that its legal counsel advises is legally required, and the Contributor Party or its Affiliate shall exercise its reasonable best efforts to preserve the confidentiality of the remainder of the Information. In no event shall a Contributor Party or its Affiliate oppose action by Acquirer to obtain a protective order or other relief to prevent the disclosure of Information or to obtain reliable assurance that confidential treatment will be afforded the Information.

Section 5.10 No Hire. From the Execution Date until the second (2nd) anniversary of the Contribution Closing Date, the Contributor Parties shall not, and shall cause their respective Affiliates (other than the Propane Group Entities) to not, solicit for employment or hire any executive officers, management level employees or district manager level employees of the Propane Group Entities, Acquirer or AmeriGas GP or any of their respective Subsidiaries. From the Contribution Closing Date until the second (2nd) anniversary of the Contribution Closing Date, the Acquirer shall not, and shall cause its respective Affiliates to not, solicit for employment or hire any executive officers, management level employees or district manager level employees of the Contributor Parties or any of their Subsidiaries (other than the Propane Group Entities) with whom Acquirer first came into initial contact as a result of the negotiation of this Agreement and the consummation of the transactions contemplated by the Transaction Agreements. The restrictions in this Section 5.10 regarding the prohibition on solicitations (as opposed to hires) shall not apply to (i) any solicitation by way of general advertising, including general solicitations in any local, regional or national newspapers or other publications or

circulars or on internet sites or any search firm engagement which is not directed or focused on employees of the Contributor Parties, or Acquirer or their respective Affiliates, as applicable, or (ii) the hiring of a person whose employment was terminated by his or her respective employer (or its Affiliates) and who was not solicited by the other Party (or its Affiliates) in violation of this Section 5.10. The Parties each agree that the other Party may seek to enforce the provisions of this Section 5.10 by seeking to obtain injunctions, restraining orders and other equitable actions pursuant to Section 9.4.

Section 5.11 Non-Competition. (a) Except as otherwise provided in this Agreement, for a period of five (5) years after the Contribution Closing Date, the Contributor Parties shall not, and shall cause each of their respective Subsidiaries to not, directly or indirectly, engage in, or acquire an equity interest in, or provide debt financing to any Person who is engaged in, the Restricted Business in the United States (the "***Restricted Territory***"). Nothing in this Agreement or in the definition of Restricted Business shall prohibit or in any way restrict any ETP Entity from:

(i) acquiring or owning equity securities in Acquirer or otherwise entering into or exercising any rights of such ETP Entity pursuant to the ETP CRSA or acquiring or owning less than 5% of the outstanding voting power of any other publicly traded Person, including if such Person is a Restricted Business;

(ii) performing its obligations under the Transaction Agreements; or

(iii) acquiring the assets or capital stock or other equity interests of any Person which is engaged in the Restricted Business ("***Acquired Company***") if, in its last full fiscal year prior to such acquisition, the consolidated revenues of such Acquired Company from the Restricted Business in the Restricted Territory was less than twenty-five percent (25%) of the aggregate consolidated revenues of such Acquired Company; provided, however, that if an ETP Entity acquires an Acquired Company with consolidated revenues from the Restricted Business in the Restricted Territory greater than ten percent (10%) of the aggregate consolidated revenues of such Acquired Company, such ETP entity shall (A) provide Acquirer the exclusive opportunity, for a period of forty-five (45) days following the closing of such acquisition, to negotiate the purchase of such portion of such business that is engaged in the Restricted Business and (B) if such ETP Entity and Acquirer do not enter into an agreement with respect to Acquirer's purchase of such portion of such business within such forty-five (45)-day period, divest such portion of such business within nine (9) months of the acquisition.

(iv) owning or operating Propane Group Assets retained by an ETP Entity in connection with the exercise of the ETP Retention Option in accordance with Section 5.29(b); provided, however, that such ETP Entity agrees to divest such Propane Group Assets within two (2) years of the Contribution Closing Date (or such lesser time that may be required pursuant to an order by a Governmental Authority under any Regulatory Law).

(b) The Contributor Parties agree that the duration and geographic scope of the non-competition provision set forth in this Section 5.11 are reasonable. In the event that any

court determines that the duration or geographic scope of the restrictions set forth in this Section 5.11, or both, is unreasonable and that such provision is to that extent unenforceable, the Parties agree that the provision shall remain in full force and effect for the greatest time period and in the greatest area that would not render it unenforceable. The Parties intend that this non-competition provision shall be deemed to be a series of separate covenants, one for each and every county of each and every state of the United States of America. Additionally, because of the difficulty of measuring economic losses to Acquirer as a result of a breach of this Section 5.11, and because of the immediate and irreparable damage that could be caused to Acquirer for which it may not have any other adequate remedy, the Contributor Parties agree that Acquirer may seek to enforce the provisions of this Section 5.11 by seeking to obtain injunctions, restraining orders and other equitable actions pursuant to Section 9.4.

Section 5.12 Tax Matters.

(a) Post-Contribution Closing Tax Returns. Acquirer shall cause the Propane Group Entities to prepare all Tax Returns relating to the Propane Group Entities for periods beginning on or before the Contribution Closing Date and ending after the Contribution Closing Date. With respect to any such Tax Returns, Acquirer shall determine (by an interim closing of the books as of the Contribution Closing Date except for ad valorem and property taxes owed or owing by the Propane Group Entities, which shall be prorated on a daily basis) the Taxes that would have been due with respect to the period covered by such Tax Return if such taxable period ended on and included the Contribution Closing Date (the "***Pre-Contribution Closing Tax***").

(i) Not later than ten (10) days prior to the due date of any estimated Tax payment relating to any Pre-Contribution Closing Tax, Acquirer shall deliver to Contributor for its review a statement calculating the excess, if any, of the Pre-Contribution Closing Tax included in such payment over the amount set up as a liability for such Tax on the financial statements of the Propane Group Entities. Acquirer shall make or cause to be made such changes in such statement as Contributor may reasonably request, which changes shall be subject to Acquirer's approval, which shall not be unreasonably withheld. Thereafter, and not later than five (5) days prior to the due date of such estimated Tax payment, Contributor shall pay to Acquirer the amount of such excess.

(ii) Not later than twenty (20) days prior to the due date of any Tax Return covering a Pre-Contribution Closing Tax, Acquirer shall deliver to ETP for its review a copy of such Tax Return and a statement calculating the amount by which the Pre-Contribution Closing Tax reflected on such Tax Return is greater than or less than the amount set up as a liability for such Tax on the financial statements of the Propane Group Entities and the amount of any payments paid by Contributor to Acquirer with respect to estimated Tax payments of such Pre-Contribution Closing Tax pursuant to Section 5.12(a)(i), which amount of estimated Tax payments shall be treated as a credit against Pre-Contribution Closing Tax owed to Acquirer by the Contributor Parties. Acquirer shall make or cause to be made such changes in such Tax Returns or such statement as Contributor may reasonably request, which changes shall be subject to Acquirer's approval, which shall not be unreasonably withheld. Not later than five (5)

days prior to the due date of such Tax Return, ETP shall pay to Acquirer (or Acquirer shall pay to ETP, if appropriate) the amount of such difference. Upon receipt thereof, Acquirer shall file or cause to be filed such Tax Return and shall pay all Taxes shown to be due thereon.

(b) Transfer Taxes. All excise, sales, use, transfer (including real property transfer or gains), stamp, documentary, filing, recordation and other similar taxes, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, resulting directly from the transactions contemplated by this Agreement (the "***Transfer Taxes***"), shall be borne 50% by Acquirer and 50% by Contributor. Notwithstanding anything to the contrary in this Section 5.12, any Tax Returns that must be filed in connection with Transfer Taxes shall be prepared and filed when due by the Party primarily or customarily responsible under the applicable local Law for filing such Tax Returns, and such party will use reasonable best efforts to provide such Tax Returns to the other Party at least ten (10) days prior to the due date for such Tax Returns. Upon the filing of Tax Returns in connection with Transfer Taxes, the filing Party shall provide the other Party with evidence satisfactory to the other Party that such Transfer Taxes have been filed and paid. Any amounts owed by Contributor pursuant to this Section 5.12(b) shall be paid within five (5) days of receipt of such evidence that such Transfer Taxes have been filed and paid.

(c) Cooperation on Tax Matters.

(i) Acquirer and the Contributor Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes for taxable periods beginning on or before the Contribution Closing Date. Such cooperation shall include the retention until the later of (A) six (6) years from the Contribution Closing Date or (B) the expiration of the relevant statute of limitations and (upon the other Party's request) the provision of records and information in such Party's possession that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on the basis of reasonable best efforts to provide additional information and explanation of any material provided hereunder. Prior to the destruction or discarding of any books and records with respect to Tax matters pertinent to the Propane Group Entities relating to any taxable period beginning on or before the Contribution Closing Date, each Party shall give the other Party reasonable written notice and, if the other Party so requests, shall itself allow, or cause the Propane Group Entities to allow the other Party to take, possession of such books and records. In connection with any audit, litigation or other proceeding with respect to Taxes for taxable periods beginning on or before the Contribution Closing Date, Acquirer and Contributor shall promptly notify each other upon receipt by such party of written notice of any inquiries, claims, assessments, audits, or similar events. Except as provided below, Acquirer shall have sole control of the conduct of all such audit, litigation or other proceedings with respect to Taxes for periods beginning on or before the Contribution Closing Date, including any settlement or compromise thereof; provided, however, Acquirer shall keep the Contributor Parties reasonably informed of the progress of any such audit, litigation or other proceeding and shall not effect any such settlement or compromise with respect to which any Contributor Party is liable without obtaining such Contributor Party's prior

written consent thereto, which shall not be unreasonably withheld. With respect to any such audit, litigation or other proceedings with respect to Taxes for which the Contributor Parties may be required to indemnify Acquirer pursuant to Section 8.1(b), the Contributor Parties shall be entitled, at the expense of the Contributor Parties, to attend and participate in all conferences, meetings and proceedings relating to such Tax claim and may control and assume the defense of such Tax claim in accordance with and subject to the conditions set forth in Section 8.4(b); provided, however, that the Contributor Parties shall not effect any settlement or compromise of such Tax claim if such settlement or compromise could adversely affect Acquirer without Acquirer's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(ii) Acquirer and Contributor Parties further agree, upon request, to use their reasonable best efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed as a result of the transactions contemplated hereby or for any taxable period beginning on or before the Contribution Closing Date.

(d) Tax Statements and Information.

(i) On or before the fifteenth (15th) day of March of each year that the Contributor (or one of its Affiliates) is a partner in Acquirer, Acquirer shall cause Contributor (or its Affiliates and designees) to be furnished with all information reasonably necessary or appropriate to file such Person's respective tax reports, including its Schedules K-1, apportionment schedules and a schedule of Acquirer's book-tax differences for the immediately preceding tax year. In addition, Acquirer will provide Contributor (or its Affiliates) with good faith estimates of all such information on or before the fourth (4th) day of February of each year.

(ii) From time to time, for any taxable period that the Contributor (or one of its Affiliates) is a partner in Acquirer, Acquirer shall furnish the Contributor with financial or tax information regarding the Acquirer that is reasonably requested by the Contributor (or its Affiliates and designees), including, (A) book and tax basis information for Acquirer's assets sufficient to allow Contributor to satisfy its own obligations and make its own computations, allocations and adjustments under Sections 704(b), 704(c) and 754 of the Code, (B) reports of Acquirer's gross income broken down by activity, and (C) access to service providers (including Acquirer's accountants) of Acquirer.

Section 5.13 Books and Records; Financial Statements; Litigation Support.

(a) The Contributor Parties shall use their reasonable best efforts to, as soon as practicable, but in no event more than thirty-five (35) days after the Execution Date, provide to Acquirer the Titan Audited Financial Statements. The Contributor Parties have retained Grant Thornton LLP in connection with the preparation of the Titan Audited Financial Statements, and the Contributor Parties shall provide Grant Thornton LLP with all information in their possession or control, including access at all reasonable times to all books and records of the ETP Entities, and all cooperation and assistance (including participation by the boards of directors and similar

governing bodies, their respective audit committees, management and employees of ETP and the Propane Group Entities in meetings and the execution of documents and instruments reasonably requested by Grant Thornton LLP in connection therewith) as may in any such case reasonably be required to enable (i) the Contributor Parties to prepare the Titan Audited Financial Statements; and (ii) Grant Thornton LLP to audit the Titan Audited Financial Statements in accordance with the auditing standards of the U.S. Public Company Accounting Oversight Board.

(b) The Contributor Parties shall use their reasonable best efforts to, as soon as practicable after the Execution Date and at least seven (7) days prior to the commencement of the Marketing Period, provide to Acquirer the financial statements and other financial data and financial information of the Propane Group Entities set forth on Schedule 5.13(b) of the Contributor Disclosure Schedule (the "***Required Financial Information***").

(c) The Contributor Parties hereby consent to the inclusion or incorporation by reference of the Required Financial Information in any registration statement, offering memorandum, report or other filing of Acquirer or any of its Affiliates as to which Acquirer or any of its Affiliates reasonably determines that such financial statements are required to be included or incorporated by reference to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act. The Contributor Parties shall use reasonable best efforts to cause its independent accountants to consent to the inclusion or incorporation by reference of its audit opinion with respect to any of the financial statements of the Propane Group Entities in any such registration statement, report or other filing of Acquirer or its Affiliates, and the Contributor Parties shall use their reasonable best efforts to cause representation letters, in form and substance reasonably satisfactory to its independent accountants, to be executed and delivered to its independent accountants in connection with obtaining any such consent from its independent accountants.

(d) The Contributor Parties shall use their reasonable best efforts to cooperate with Acquirer in connection with the preparation by Acquirer of any pro forma financial statements of Acquirer or any of its Affiliates that are derived in part from the financial statements of the Propane Group Entities that Acquirer or its Affiliates reasonably determines are required to be included or incorporated by reference in any registration statement, report or other filing of Acquirer or its Affiliates to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act.

(e) The Contributor Parties shall provide access to their respective books and records as may be reasonably necessary for Acquirer or any of its Affiliates, or any of their respective advisors or Representatives, to conduct customary due diligence with respect to the financial statements of the Contributor Parties in connection with any offering of securities by Acquirer or any of its Affiliates or to enable an accounting firm to prepare and deliver a customary comfort letter with respect to financial information relating to the Contributor Parties.

(f) In the event and for so long as any Party actively is contesting or defending against any third-party Proceeding (other than any Proceedings in which Acquirer or any of its Affiliates and the Contributor Parties or any of their Affiliates are adverse parties) in connection with (i) the transactions contemplated by the Transaction Agreements or (ii) any fact,

situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Contribution Closing Date involving the Propane Group Entities, each of the other Parties will cooperate with it and its counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as shall be reasonably requested and necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party; provided, however, that nothing in this Section 5.13(f) shall limit in any respect any rights a Party may have with respect to discovery or the production of documents or other information in connection with any such litigation.

Section 5.14 AmeriGas Finance Notes; Debt Financing.

(a) Acquirer shall use reasonable best efforts to take, or cause to be taken, all actions and use reasonable best efforts to do, or cause to be done, all things necessary, proper and advisable to cause AmeriGas Finance to (i) obtain debt financing supported by Acquirer that is on terms and conditions no less favorable to AmeriGas Finance and Acquirer than those set forth on Annex G-1 or such other terms as may be acceptable to Acquirer and AmeriGas Finance, the net proceeds of which (A) are greater than or equal to the amount of Redemption Cash Consideration or the Cash Consideration, as applicable, (the "***Debt Financing***"), and (B) will be loaned by AmeriGas Finance to Acquirer in the Intercompany Financing and (ii)(A) negotiate and execute definitive agreements with respect to the Debt Financing and the Intercompany Financing (the "***Financing Agreements***") on terms and conditions contained therein, which terms and conditions shall not be in violation of any of the covenants or agreements of Acquirer contained herein, and delivering to the Contributor Parties a copy thereof as promptly as practicable (and no later than four (4) Business Days) after such execution (but in any event, prior to the Contribution Closing); (B) satisfy on a timely basis, or obtain a timely waiver of, all conditions in the Financing Agreements that are within the control of Acquirer or AmeriGas Finance; (C) comply with the obligations of Acquirer or AmeriGas Finance under the Financing Agreements; and (D) consummate the Debt Financing and the Intercompany Financing at or prior to the Contribution Closing. Acquirer's obligations under this Section 5.14 shall include using reasonable best efforts to seek the Debt Financing from alternative financing sources in the event any financing sources that may be initially contacted by Acquirer and AmeriGas Finance are unable to provide the Debt Financing.

(b) Acquirer shall keep ETP informed with respect to all material activity concerning the status of the Debt Financing and shall give ETP prompt notice of (i) any material adverse change with respect to such Debt Financing and (ii) any Negative Market Notice or Positive Market Notice received pursuant to Section 5.14(d).

(c) Without limiting Acquirer's obligations set forth in this Section 5.14, prior to the Contribution Closing, each of Acquirer and the Contributor Parties shall cooperate, and shall use its reasonable best efforts to cause its respective officers, employees, Representatives, auditors, and advisors, including legal and accounting advisors, to cooperate, in connection with the arrangement of the Debt Financing (provided, that such requested cooperation does not unreasonably interfere with the ongoing operations of business of the Parties or their respective Affiliates), including (i) participation in meetings, drafting sessions, rating agency presentations, due diligence sessions, and "road show" and other customary marketing presentations; (ii)

furnishing in writing any financing sources as promptly as practicable with pertinent information regarding the Propane Group Entities and the Propane Business as is reasonably requested in connection with the Debt Financing; (iii) assisting any financing sources in the preparation of (A) one or more customary offering documents and documents to be filed with the SEC in connection with the Debt Financing and (B) materials for rating agency presentations; (iv) using reasonable best efforts to obtain surveys and title insurance reasonably requested by financing sources; (v) taking all reasonably required corporate actions, subject to the consummation of the Contribution Closing, to permit the consummation of the Debt Financing and to permit the proceeds thereof to be made available to AmeriGas Finance; (vi) providing authorization letters to any financing sources authorizing the distribution of information to prospective lenders and containing a customary representation to the arranger of any financing that the information contained in any offering document or information memorandum relating to the Propane Group Entities or the Propane Business does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (vii) cooperating reasonably with the financing sources' due diligence of the Propane Group Entities and the Propane Business, to the extent customary and reasonable and to the extent not unreasonably interfering with the business of the Parties and their respective Affiliates. Any information provided by the Parties in connection with seeking the Debt Financing (which must be furnished in writing) shall be prepared in good faith and shall be free of any material misstatements or omissions.

(d) If, not later than the Business Day immediately prior to the date on which the Marketing Period would otherwise commence, the Lead Underwriter, after jointly consulting with Acquirer and ETP, advises Acquirer and ETP (orally or in writing) (a "***Negative Market Notice***") that the Lead Underwriter believes it is more likely than not that the Debt Financing could not reasonably be consummated if the Marketing Period were to commence as of the date of such Negative Market Notice on terms at least as favorable to AmeriGas Finance as those set forth on Annex G-2 (a "***Qualified Debt Financing***"), then the Marketing Period shall not commence until the earlier of (i) a date not later than 90 days following the delivery of the Negative Market Notice or (ii) the date on which the Lead Underwriter advises Acquirer and ETP (orally or in writing) (a "***Positive Market Notice***") that the Lead Underwriter believes it is more likely than not that a Qualified Debt Financing could reasonably be consummated if the Marketing Period were to commence on the date of such Positive Market Notice. During the Marketing Period, Acquirer shall cause AmeriGas Finance to Launch the Debt Financing and use reasonable best efforts to obtain a Pricing Offer.

(e) (i) If the Debt Financing is consummated at a Weighted Average Interest Rate within the range of Weighted Average Interests Rates set forth on Annex G-2, then the Purchase Price shall be adjusted to (A) decrease the amount of either (1) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (2) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, by $75,000,000 and (B) a corresponding decrease in the number of Redemption Units and increase in the number of Distribution Units in an amount equal to $75,000,000 divided by the Issue Price; or (ii) if the Debt Financing is consummated at a Weighted Average Interest Rate within or greater than the range of Weighted Average Interests Rates set forth on Annex G-1,

then the Purchase Price shall be adjusted to (A) decrease the value of either (1) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (2) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, by $175,000,000 and (B) a corresponding decrease in the number of Redemption Units and increase in the number of Distribution Units in an amount equal to $175,000,000 divided by the Issue Price.

(f) In addition, the Contributor shall: (i) use its reasonable best efforts to cause Grant Thornton LLP, independent accountants of the Contributor Parties', to provide a letter or letters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to financial statements and certain financial information used in connection with the Debt Financing; (ii) use its reasonable best efforts to provide customary representation letters and other authorizations or information to Grant Thornton LLP, to enable them to provide the foregoing "comfort letters"; (iii) use its reasonable best efforts to obtain the consent of Grant Thornton LLP for the inclusion of its reports on the Propane Group Entities in any document or documents to be used in connection with the Debt Financing; and (iv) cause the appropriate Representatives of the applicable members of the Propane Group Entities to execute and deliver any definitive financing documents or other certificates or documents as may be reasonably requested by Acquirer for delivery at the consummation of the Debt Financing; provided, however, that the Contributor Parties shall not be required to pay any commitment or other similar fee or incur any other liability (other than pursuant to this Agreement or the ETP CRSA) in connection with the Debt Financing; provided, further, that the effectiveness of any documentation executed by any Propane Group Entity shall be subject to the consummation of the Contribution Closing.

(g) Acquirer shall, and shall cause its Affiliates to, (i) promptly upon request by the Contributor Parties, reimburse the Contributor Parties for all reasonable and documented out-of-pocket costs incurred by the Contributor Parties in connection with the cooperation provided for in Section 5.14(c) and Section 5.14(f) (such reimbursement to be made promptly and in any event within seven (7) Business Days of delivery of reasonably acceptable documentation evidencing such expenses); and (ii) indemnify and hold harmless the Contributor Parties and their respective Affiliates and Representatives from and against any and all Losses suffered or incurred by them in connection with the arrangement of the Debt Financing and any information utilized in connection therewith (other than information provided by the Contributor Parties). All non-public or otherwise confidential information regarding the Propane Business obtained by Acquirer, its Affiliates or their respective Representatives pursuant to this Section 5.14 shall be kept confidential in accordance with the Confidentiality Agreement, except that Acquirer shall be permitted to disclose such information to potential sources of capital, to underwriters and rating agencies to the extent necessary to consummate the Debt Financing.

Section 5.15 Post-Redemption Closing Covenants Related to Intercompany Financing. From and after the Redemption Closing (or the Contribution Closing if ETP elects not to consummate the Spin-Off), Acquirer shall comply with the covenants set forth in the ETP CRSA.

Section 5.16 Resignations. At or prior to the Contribution Closing, the Contributor Parties will use reasonable best efforts to cause the officers and directors of the Propane Group Entities that have been designated in writing by Acquirer at least three (3) Business Days prior to the Contribution Closing, to resign or be removed from the officer and director positions indicated in such notification.

Section 5.17 Retained Names and Marks.

(a) Acquirer hereby acknowledges that all right, title and interest in and to the "ENERGY TRANSFER PARTNERS" and "ENERGY TRANSFER" names, together with all variations and acronyms thereof and all trademarks, service marks, Internet domain names, trade names, trade dress, company names and other identifiers of source or goodwill containing, incorporating or associated with any of the foregoing (collectively, the "***Retained Names and Marks***") are owned exclusively by the Contributor Parties or their respective Affiliates, and that, except as expressly provided below, any and all right of Acquirer or the Propane Group Entities to use the Retained Names and Marks shall terminate as of the Contribution Closing and shall immediately revert to the Contributor Parties, along with any and all goodwill associated therewith. Acquirer further acknowledges that none of Acquirer, the Propane Group Entities, or their respective Subsidiaries shall have any rights, or is acquiring any rights, to use the Retained Names and Marks, except for the rights expressly provided herein.

(b) The Propane Group Entities shall, for a period of three hundred-sixty (360) days after the date of the Contribution Closing, be entitled to use, solely in connection with the operation of the Propane Business as operated immediately prior to the Contribution Closing, all of its existing signage and stocks of signs, letterheads, invoice stock, advertisements and promotional materials, inventory and other documents and materials that contain the Retained Names and Marks ("***Existing Stock***"), after which period Acquirer shall, and shall cause the Propane Group Entities to, remove or obliterate all Retained Names and Marks from such Existing Stock or cease using such Existing Stock.

(c) Except as expressly provided in this Section 5.17 no other right to use the Retained Names and Marks is granted by ETP to Acquirer, its Affiliates or the Propane Group Entities whether by implication or otherwise, and nothing hereunder permits Acquirer, the Propane Group Entities or their respective Affiliates to use the Retained Names and Marks in any manner other than in connection with Existing Stock for three hundred-sixty (360) days as set forth in Section 5.17(b). Acquirer shall ensure that all uses of the Retained Names and Marks as provided in this Section 5.17 shall be only with respect to goods and services of a level of quality equal to or greater than the quality of goods and services with respect to which the Retained Names and Marks were used in the Propane Business prior to the Contribution Closing. Any and all goodwill generated by the use of the Retained Names and Marks under this Section 5.17 shall inure solely to the benefit of ETP. In no event shall Acquirer, the Propane Group Entities or their respective Affiliates use the Retained Names and Marks in any manner that may reasonably be expected to damage or tarnish the reputation of ETP or the goodwill associated with the Retained Names and Marks.

(d) Acquirer agrees that the Contributor Parties shall have no responsibility for claims by third parties arising out of, or relating to, the use by Acquirer, the Propane Group

Entities or any of their respective Affiliates of any Retained Names and Marks after the Contribution Closing except for any claims that the Retained Names and Marks infringe the Intellectual Property rights of any third party. In addition to any and all other available remedies, Acquirer shall indemnify and hold harmless the Contributor Parties and their respective officers, directors, employees, agents, successors and assigns, from and against any and all such claims that may arise out of the use of the Retained Names and Marks by Acquirer, the Propane Group Entities or any of their respective Affiliates (i) in accordance with the terms and conditions of this Section 5.17, other than such claims that the Retained Names and Marks infringe the Intellectual Property rights of any third party; or (ii) in violation of or outside the scope permitted by this Section 5.17. Notwithstanding anything in this Agreement to the contrary, Acquirer hereby acknowledges that in the event of any breach or threatened breach of this Section 5.17, the Contributor Parties, in addition to any other remedies available to it, shall be entitled to a preliminary injunction, temporary restraining order or other equivalent relief restraining Acquirer, the Propane Group Entities or any of their respective Affiliates from any such breach or threatened breach.

(e) Notwithstanding anything to the contrary in this Agreement, Acquirer shall have the right to: (i) keep records and other historical or archived documents containing or referencing the Retained Names and Marks, and (ii) refer to the historical fact that the Propane Business was previously conducted under the Retained Names and Marks; provided, however, that with respect to any such reference, Acquirer shall not use the Retained Names and Marks to promote any products or services and Acquirer shall make explicit that the Propane Group Entities are no longer affiliated with Contributor Parties.

Section 5.18 Updates. The Contributor Parties, on the one hand, and Acquirer, on the other hand, may, prior to the Contribution Closing Date, deliver to the other Parties modifications, changes or updates to the Contributor Disclosure Schedule or the Acquirer Disclosure Schedule, as applicable, in order to disclose or take into account facts, matters or circumstances which arise or occur between the Execution Date and the Contribution Closing Date and which, if existing or occurring as of the Execution Date, would have been required to be set forth or described in such Disclosure Schedule. Such updated information provided to Acquirer in accordance with this Section 5.18 (a) shall not be deemed to modify any representation, warranty or covenant made in this Agreement for purposes of Section 6.2, Section 6.3 or Article VIII, (b) shall not be deemed to cure any breach of representation, warranty or covenant made in this Agreement and (c) shall not reduce any indemnification obligations arising under Article VIII.

Section 5.19 Insurance. From and after the Contribution Closing Date, the Propane Group Entities shall cease to be insured by the insurance policies of ETP or its Affiliates or by any of ETP's self-insured programs. For the avoidance of doubt, ETP shall retain all rights to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy back or otherwise resolve disputes with respect to any of its insurance policies and programs, notwithstanding whether any such policies or programs apply to any liabilities of Acquirer or the Propane Group Entities; provided, however, that ETP shall not amend, terminate or eliminate any of its insurance policies or programs with respect to which any claim has been made, but not settled, with respect to any Propane Group Entity on or prior to the Contribution Closing Date. The Contributor Parties shall provide, at the sole cost and expense of Acquirer,

such assistance as Acquirer may reasonably request between the Execution Date and the Contribution Closing to assist the Propane Group Entities in obtaining insurance policies and programs with respect to the Propane Business at the Contribution Closing. Prior to the Contribution Closing, ETP shall, and shall cause its Affiliates to, notify its insurance carriers of any claims or potential claims that, to the Knowledge of the Contributor Parties, the Propane Group Entities have with respect to incidents occurring on or prior to the Contribution Closing Date.

Section 5.20 Commitment Regarding Indemnification Provisions. Acquirer covenants and agrees that during the period that commences on the Contribution Closing Date and ends on the sixth (6th) anniversary of the Contribution Closing Date, Acquirer shall not cause any amendment, modification, waiver or termination of any provision of any Organizational Document of a Propane Group Entity the effect of which would be to affect adversely the rights of any person serving as a member of the board of directors, board of managers or other governing body, or as an officer of such Propane Group Entity existing as of the Execution Date under such provisions; provided, however, that the foregoing restriction shall not apply to any such amendment, modification, waiver or termination to the extent required to cause such provisions (or any portion thereof) to comply with applicable Law.

Section 5.21 Release from Credit Support Instruments. At or prior to the Contribution Closing, Acquirer shall use reasonable best efforts to, and shall cause its Affiliates to use reasonable best efforts to, secure the unconditional release, as of the Contribution Closing Date, of any ETP Entity from the credit support instruments set forth in Schedule 5.21 of the Contributor Disclosure Schedule (the "***Credit Support Instruments***"), including effecting such release by providing guarantees or other credit support, and Acquirer shall use reasonable best efforts to, and shall cause its Affiliates to use reasonable best efforts to, be substituted in all respects for each ETP Entity that is party to the Credit Support Instrument, so that the AmeriGas Entities shall be solely responsible for the obligations of such Credit Support Instrument; provided, however, that in no event shall reasonable best efforts require Acquirer or its Affiliates to agree (a) to make any payment to obtain such release (other than ordinary processing or administrative fees), (b) to change the terms of any Contract to which such credit support applies in any manner that is adverse to Acquirer or any of its Affiliates or (c) to any restriction in the operations of their respective businesses. All costs and expenses incurred in connection with the release or substitution of the Credit Support Instruments shall be borne by the Acquirer. To the extent Acquirer is unable to obtain release for any Credit Support Instrument prior to the Contribution Closing, Acquirer shall indemnify the ETP Entities for any and all Losses arising from or relating to the Credit Support Instruments. In the event that any Credit Support Instrument has not been terminated and the applicable ETP Entity has not been released as of the Contribution Closing Date, such ETP Entity shall be permitted to terminate such Credit Support Instrument as promptly as possible under the terms of such Credit Support Instrument; provided, however, that the termination of such Credit Support Instrument does not result in termination or a material change to the Contract to which such credit support applies, except in connection with the end of any primary or renewal term of any such Contract or Credit Support Instrument.

Section 5.22 Filing of S-3; Other Actions.

(a) If ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off, as promptly as reasonably practicable following receipt of such notice and the Titan Audited Financial Statements from the Contributor Parties, Acquirer shall prepare and file with the SEC a Form S-3 relating to the distribution of AmeriGas Common Units by ETP in the Spin-Off (including any amendments or supplements thereto, the "***Form S-3***"). The Parties shall use reasonable best efforts to have the Form S-3 declared effective under the Securities Act at the Contribution Closing and to keep the Form S-3 effective as long as necessary to consummate the Spin-Off and the other transactions contemplated hereby. Acquirer shall also take any action required to be taken under any applicable state or provincial securities Laws in connection with the Spin-Off, and ETP shall furnish all information concerning ETP and the holders of ETP Common Units as may be reasonably requested in connection with any such action; provided, however, that Acquirer shall not be required to qualify or register as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or registered or where it would be subject to taxation as a foreign corporation. No filing of, or amendment or supplement to, the Form S-3 will be made by Acquirer without ETP's prior consent (which shall not be unreasonably withheld, delayed or conditioned) and without providing ETP a reasonable opportunity to review and comment thereon. Acquirer or ETP, as applicable, will advise the other promptly after it receives oral or written notice of the time when the Form S-3 has become effective or any supplement or amendment has been filed, the issuance of any stop order, the suspension of the qualification of the AmeriGas Common Units for offering or sale in any jurisdiction, or any oral or written request by the SEC for amendment of the Form S-3 or comments thereon and responses thereto or requests by the SEC for additional information, and will promptly provide the other with copies of any written communication from the SEC or any state securities commission. If at any time prior to the Spin-Off any information relating to Acquirer or ETP, or any of their respective affiliates, officers or directors, is discovered by Acquirer or ETP which should be set forth in an amendment or supplement to the Form S-3, so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Party that discovers such information shall promptly notify the other Parties and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC.

(b) Acquirer shall provide access to their respective books and records as may be reasonably necessary for the Contributor Parties or any of their Affiliates, or any of their respective advisors or Representatives, to conduct customary due diligence with respect to the financial statements of the AmeriGas Entities and other information concerning the AmeriGas Entities contained in or incorporated by reference into the Form S-3 or to enable an accounting firm to prepare and deliver a customary comfort letter with respect to financial information relating to the AmeriGas Entities. Acquirer shall use reasonable best efforts to cause their independent accountants to provide any consent necessary to the filing of the Form S-3 and to deliver a customary comfort letter to ETP with respect to financial information relating to the AmeriGas Entities contained in the Form S-3. Acquirer shall provide such customary representation letters as are necessary in connection therewith.

(c) The Contributor Parties shall use reasonable best efforts to (i) promptly provide Acquirer with such information about the Propane Group Entities as may be required to

be included in the Form S-3 (by furnishing such information in writing), (ii) provide, and shall cause their respective Subsidiaries, officers and employees to provide, reasonable cooperation in connection with the preparation of the Form S-3, including by permitting reasonable access to the auditors, auditor work papers, employees books and records and any financial data reasonably requested by Acquirer in connection therewith and (iii) cause their independent public accountants to provide any consent necessary for the filing of the Form S-3 and to deliver a customary comfort letter to Acquirer with respect to financial information relating to the Propane Group Entities contained in the Form S-3.

(d) If ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off, ETP shall take all action necessary in accordance with applicable Laws, the rules of the NYSE and the Organizational Documents of ETP to duly give notice of the Spin-Off, and to declare a record date for such Spin-Off to occur as promptly as practicable after the Form S-3 is declared effective under the Securities Act.

Section 5.23 NYSE Listing. Acquirer shall use its reasonable best efforts to cause the AmeriGas Common Units comprising the Equity Consideration to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Contribution Closing Date.

Section 5.24 Employees and Benefits.

(a) Except to the extent otherwise required by applicable Law, for a period of at least one (1) year following the Contribution Closing Date, Acquirer shall provide, or cause the Propane Group Entities or AmeriGas GP to provide, each Propane Group Employee with a salary or wage that is no less than the base salary (or the base wage rate) applicable with respect to such Propane Group Employee on the Contribution Closing Date.

(b) Except to the extent otherwise required by applicable Law, effective as of the Contribution Closing Date, the Propane Group Entities shall take the required actions, if any, to ensure that the Propane Group Employees shall cease to participate in all Propane Group Benefit Plans sponsored by ETP or ETP GP. From and after the Contribution Closing Date, each Propane Group Employee shall be eligible to participate in the AmeriGas Benefit Plans on the same terms and conditions as similarly situated employees of AmeriGas GP and its Affiliates. The Propane Group Employees shall receive credit for service with the Propane Group Entities and their Affiliates prior to the Contribution Closing Date for purposes of eligibility, vesting and benefit accruals under all AmeriGas Benefit Plans made available to the Propane Group Employees to the same extent such credit would be recognized under any comparable AmeriGas Benefit Plan; provided, however, that in no event shall such credit result in the duplication of benefits or the funding thereof.

(c) ETP shall cause the ETP 401(k) Plan to fully vest each Propane Group Employee as of the Contribution Closing Date. Each Propane Group Employee participating in the ETP 401(k) Plan as of the Contribution Closing Date shall cease such participation and shall become a participant in the AmeriGas 401(k) plan (the "***AmeriGas 401(k) Plan***"), effective as of the Contribution Closing Date. As soon as reasonably practicable on or following the Contribution Closing Date that Acquirer is reasonably satisfied that the ETP 401(k) Plan meets

the requirements for qualification under Section 401(a) of the Code, ETP shall cause the ETP 401(k) Plan to transfer to the AmeriGas 401(k) Plan, and Acquirer shall cause the AmeriGas 401(k) Plan to accept, all account balances (which shall include any employer contributions accrued through the Contribution Closing Date) and related liabilities (including all outstanding loans and subject to any qualified domestic relations orders pursuant to Section 414(p) of the Code) under the ETP 401(k) Plan for Propane Group Employees as of the valuation date immediately preceding such transfer.

(d) Acquirer shall use reasonable best efforts to cause the welfare benefit plans covering the Propane Group Employees after the Contribution Closing Date (the "***AmeriGas Welfare Benefit Plans***") to recognize any out-of-pocket medical and dental expenses incurred by each of the Propane Group Employees and their eligible dependents prior to the Contribution Closing Date and during the calendar year in which the Contribution Closing Date occurs for purposes of determining copayments, deductibles and out-of-pocket maximums under the AmeriGas Welfare Benefit Plans. As soon as practicable after, but no later than ten (10) days following, the Contribution Closing Date, ETP shall, or shall cause its third-party benefits administrator to, provide Acquirer a schedule in writing detailing each Propane Group Employee's copayments, deductibles and out-of-pocket maximums paid as of the Contribution Closing Date. In addition, Acquirer shall use reasonable best efforts to cause the AmeriGas Welfare Benefit Plans to waive all preexisting condition limitations with respect to the Propane Group Employees and their eligible dependents. Notwithstanding anything herein to the contrary, the Propane Group Entities shall remain responsible for any incurred claims (whether or not reported) that arose prior to the Contribution Closing Date with respect to any Propane Group Employee on or prior to the Contribution Closing Date.

(e) Except to the extent otherwise required by applicable Law, Acquirer shall assume and honor, or shall cause its relevant Affiliates to assume and honor, all liabilities for all earned or accrued but unused vacation benefits of the Propane Group Employees with the Propane Group Entities as of the Contribution Closing Date. During the balance of the calendar year 2011 following the Contribution Closing Date, if any, and each year thereafter, the Propane Group Employees shall be eligible for vacation benefits under the terms of the vacation benefit policies of Acquirer applicable to similarly situated employees of Acquirer, in each case after giving credit for each Propane Group Employee's service with ETP in accordance with Section 5.24(b).

(f) ETP shall be responsible for and discharge, and shall cause its relevant Affiliates to be responsible for and discharge, any workers' compensation liabilities in respect of any Propane Group Employees arising as a result of any action, omission, failure to act or other matter or thing that occurred or occurs on or prior to the Contribution Closing Date. Effective as of the Contribution Closing Date, Acquirer shall be responsible for and discharge, and shall cause its relevant Affiliates to be responsible for and discharge, all workers' compensation liabilities in respect of Propane Group Employees arising as a result of any action, omission, failure to act or other matter or thing that occurs after the Contribution Closing Date.

(g) ETP and Acquirer agree to coordinate the transition of ETP's health care flexible spending account plan with respect to the Propane Group Employees as described in Situation 2 of IRS Revenue Ruling 2002-32. Acquirer agrees to establish and maintain, or make

provision for, the establishment of a health care flexible spending account plan applicable to the Propane Group Employees and the election by any Propane Group Employee under the welfare benefit plans covering the Propane Group Employees immediately prior to the Contribution Closing Date shall be continued as an election as if made under Acquirer's health care flexible spending account plan from the beginning of ETP's plan year. Acquirer's health care flexible spending account plan shall provide for reimbursement of medical care expenses incurred by the Propane Group Employees at any time during ETP's plan year, including claims incurred prior to the Contribution Closing Date, up to the amount of the Propane Group Employees' election and reduced by amounts previously reimbursed by ETP. As soon as reasonably practicable after, but no later than ten (10) Business Days following, the Contribution Closing Date, ETP shall provide Acquirer a schedule in writing with each Propane Group Employee's health care flexible spending account election for the plan year that includes the Contribution Closing Date and the amount of each Propane Group Employee's periodic salary reductions and expense reimbursements, if any, as of the Contribution Closing Date.

(h) Effective as of the Contribution Closing Date, Acquirer shall assume all responsibilities and obligations for continuation coverage under COBRA ("***COBRA Obligations***") and any state continuation coverage requirements with respect to the Propane Group Employees and their qualified beneficiaries; provided, however, that ETP agrees that it shall retain responsibility for COBRA Obligations to all Propane Group Employees and qualified beneficiaries of the Propane Group Employees for whom a "qualifying event" under COBRA occurs on or prior to the Contribution Closing Date.

(i) ETP shall or shall cause the Propane Group Entities to pay out to the Propane Group Employees any distribution payment obligations pursuant to any outstanding awards under the ETP LTIP on the date such distributions are due and payable for periods prior to the Contribution Closing Date that are due and payable (and have not been previously paid) as of the Contribution Closing Date.

(j) ETP shall be responsible for and discharge, and shall cause its relevant Affiliates to be responsible for and discharge, any severance liabilities (other than any severance liabilities under any AmeriGas Benefit Plan or Acquirer severance program) in respect of any Propane Group Employees arising as a result of any action, omission, failure to act or other matter or thing that occurred or occurs on or prior to the Contribution Closing Date as a consequence of the transactions contemplated by this Agreement. From and after the Contribution Closing Date, each full-time (as determined by applying ETP's standards for such a determination), non-seasonal Propane Group Employee shall be eligible to participate in the Acquirer severance programs maintained for similarly situated employees of AmeriGas GP and its Affiliates, which such programs shall (i) be amended, in a manner reasonably acceptable to the Contributor Parties, to provide enhanced benefits to the full-time (as determined by applying ETP's standards for such a determination), non-seasonal Propane Group Employees and (ii) recognize credit for each full-time (as determined by applying ETP's standards for such a determination), non-seasonal Propane Group Employee's service with the Propane Group Entities, ETP and their respective Affiliates; provided, however, for the period of two (2) years following the Contribution Closing Date, any full-time (as determined by applying ETP's standards for such a determination), non-seasonal Propane Group Employee severed as a consequence of the transactions contemplated by this Agreement or the integration plan shall be

eligible under the Acquirer severance programs to receive a minimum amount of cash severance equivalent to not less than eight (8) weeks' compensation for hourly employees and twelve (12) weeks' compensation for salaried employees.

(k) The Contributor Parties shall use their commercially reasonable efforts to provide the information necessary for the AmeriGas Entities to carry out their obligations under this Section 5.24. Without limiting the foregoing sentence, to the extent permitted by applicable Law, ETP shall, as soon as practicable following the date hereof, provide the AmeriGas Entities with all employee benefit plan participation information and other related access and data as may be reasonably required by the AmeriGas Entities to implement the provisions of this Section 5.24 and the Contributor Parties shall use their commercially reasonable efforts to enable the AmeriGas Entities to solicit benefit plan elections from the Propane Group Employees sufficiently in advance of the Contribution Closing Date to permit their implementation as of the Contribution Closing.

(l) Nothing herein express or implied by this Agreement shall (i) confer upon any Propane Group Employee, dependent or beneficiary, or legal representative thereof, any rights or remedies, including any right to employment or benefits for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement, or (ii) be deemed to amend or restrict any authority to amend any employee benefit plan of ETP, the Propane Group Entities, AmeriGas GP or any of their respective Affiliates. From and after the Contribution Closing Date, Acquirer shall comply, and cause the Propane Group Entities and AmeriGas GP to comply with the terms of the collective bargaining agreements set forth on Schedule 3.19(k) of the Contributor Disclosure Schedule such that, notwithstanding the other provisions of this Section 5.24, no action shall be taken with respect to a Propane Group Employee who is subject to a collective bargaining agreement if such action is inconsistent with the applicable collective bargaining agreement or applicable Law.

Section 5.25 HOLP Notes Offer. As promptly as practicable, but in any event no later than ten (10) Business Days after the Execution Date, Contributor shall cause HOLP to provide the notice to the holders of the outstanding HOLP Notes and take all other actions required pursuant to Section 4C(iii) and Section 4D of the HOLP Note Purchase Agreements in order to make the Change of Control prepayment offer (the "***Change of Control Offer***") and otherwise comply with all requirements of Section 4C(iii) and Section 4D of the HOLP Note Purchase Agreements. Consummation of the Change of Control Offer shall be conditioned on consummation of the Contribution Closing. At the Contribution Closing, Acquirer shall provide HOLP with sufficient funds to acquire all of the HOLP Notes to be acquired pursuant to the Change of Control Offer. Contributor hereby acknowledges and agrees that it shall allow Acquirer to cooperate in making the Change of Control Offer, including by (i) giving Acquirer the opportunity to review and comment on all documents related to the Change of Control Offer, (ii) providing Acquirer with regular updates as to the status of the Change of Control Offer and (iii) not amending the terms of the Change of Control Offer or extending the term thereof without the prior written consent of Acquirer, which consent shall not be unreasonably withheld or delayed.

Section 5.26 Intercompany Arrangements.

(a) Except as set forth in Schedule 5.26(a) of the Contributor Disclosure Schedule, prior to the Contribution Closing, the Contributor Parties shall cause any Contract that is disclosed (or should have been disclosed) in Schedule 3.15(a) of the Contributor Disclosure Schedule, to be terminated or otherwise amended to exclude any of the Propane Group Entities as a party thereto.

(b) At or prior to the Contribution Closing, all Intercompany Indebtedness between the Propane Group Entities, on the one hand, and the Contributor Parties and their Affiliates (other than the Propane Group Entities), on the other hand, shall be cancelled and any such amounts shall be credited to or charged against equity of the applicable Propane Group Entity.

Section 5.27 Consent to Credit Agreement. At or prior to the Contribution Closing, Acquirer shall use reasonable best efforts to take, or cause to be taken, all actions and use reasonable best efforts to do, or cause to be done, all things necessary, proper and advisable to obtain any consent necessary pursuant to the terms of the Credit Agreement in order to consummate the transactions contemplated by this Agreement and the other Transaction Agreements.

Section 5.28 Release. From and after the Contribution Closing Date, each Contributor Party, on behalf of itself and each of its Affiliates (excluding the Propane Group Entities) hereby releases and forever discharges the Propane Group Entities, and each of their respective individual, joint or mutual, past, present and future officers, directors, employees, representatives and agents, successors and assigns (collectively, the "***Releasees***") from any and all claims, demands, actions, obligations, contracts, agreements, debts and Liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which any of the Contributor Parties or any of their respective Affiliates (other than the Propane Group Entities) now has, have ever had or may hereafter have against the respective Releasees arising prior to or contemporaneously with the Contribution Date Closing or on account of or arising out of any matter, cause or event occurring contemporaneously with or prior to the Contribution Date Closing, whether pursuant to their respective Organizational Documents, contract or otherwise and whether or not relating to claims pending on, or asserted after, the Contribution Closing Date. Notwithstanding anything to the foregoing, nothing in this Section 5.28 shall in any way (a) limit or otherwise restrict any rights the Contributor Parties may have against Acquirer arising out of, relating to or in connection with this Agreement or the Transaction Agreements and the transactions contemplated hereby or thereby or (b) affect Acquirer's obligations under Section 5.20.

Section 5.29 Further Assurances.

(a) Notwithstanding anything to the contrary in this Agreement, in order to resolve any impediments under any Regulatory Laws as necessary to permit the Contribution Closing by the End Date as it may be extended, none of the AmeriGas Entities shall be required to accept, propose or agree to any requirement to divest or hold separate or in trust (or the imposition of any other condition or restriction with respect to) (the "***Divestiture***") (i) any assets, businesses, product lines or operations of the Propane Group Entities if or to the extent that the revenue attributable to any such assets, businesses, product lines or operations in the aggregate

was greater than $85,000,000 (the "***Divestiture Cap***") for the twelve (12) months ended June 30, 2011 or (ii) any assets, businesses, product lines or operations of the AmeriGas Entities.

(b) In the event that any Governmental Authority requires the Divestiture of any assets, business, product lines or operations (the "***Propane Operations***") with attributable revenue in the aggregate greater than the Divestiture Cap, but not exceeding the Divestiture Cap by more than $30 million of aggregate attributable revenue, the ETP Entities shall have the option, if Acquirer otherwise declines to make a Divestiture above the Divestiture Cap, and subject to any necessary Governmental Authority approval or consent, to retain a portion of the assets of the Propane Group Entities (the "***Propane Group Assets***"), as mutually selected by ETP and Acquirer (the "***Retained Propane Group Assets***"), which ETP and Acquirer reasonably determine is the smallest portion of Propane Group Assets which is both (i) sufficient to bring the attributable aggregate revenue of those Propane Operations subject to the Divestiture below or equal to the Divestiture Cap and (ii) reasonably suited to be operated by ETP as a stand-alone business (the "***ETP Retention Option***"). If ETP chooses to exercise the ETP Retention Option: (x) ETP shall give Acquirer written notice of its intention to exercise the ETP Retention Option within five (5) Business Days of receiving notice from Acquirer of its decision that it will satisfy its obligations under Section 5.4 by divesting a portion of the Propane Operations in accordance with a Divestiture; (y) the value of the proposed Retained Propane Group Assets shall be calculated using the methodology set forth on Schedule 5.29(b) of the Contributor Disclosure Schedule; and (z) subject to any Regulatory Law and mutual agreement by ETP and Acquirer as to the composition of the Retained Propane Group Assets, the Retained Propane Group Assets shall be excluded from the assets to be transferred at the Contribution Closing. The Parties shall use commercially reasonable efforts to structure any retention of the Retained Propane Group Assets by ETP and any other Divestiture imposed on Acquirer in a manner which is tax efficient for each of the Parties.

(c) In the event that ETP elects to exercise the ETP Retention Option, then both the Purchase Price and (i) the Redemption Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it intends to consummate the Spin-Off immediately following the Contribution Closing, or (ii) the Cash Consideration, if ETP delivers a written notice in accordance with Section 2.6 indicating that it does not intend to consummate the Spin-Off immediately following the Contribution Closing, shall be decreased by an amount equal to the value of the Propane Group Assets to be retained by ETP calculated in accordance with Section 5.29(b).

(d) Acquirer shall consult with the Contributor Parties as to the scope of any Divestiture, including the composition of the Propane Group Assets, or undertakings to be taken, or the conduct to be restricted, in order to meet any obligations of Section 5.4 related to any Regulatory Law; provided, however, Acquirer shall have sole discretion in determining the scope of undertakings to be taken, or the conduct to be restricted, in order to meet any obligations of Section 5.4 related to any Regulatory Law. Further, with regard to any obligations under Section 5.4 related to any Regulatory Law, Acquirer shall have the right to take (or decline to take) any and all steps or actions to avoid or to minimize the extent or effect of any Divestiture, restriction, condition or other relief that may be sought in relation to the contemplated transactions, and the Parties shall fully cooperate with and fully assist each other with regard to the foregoing. Nothing in Section 5.4 shall limit or restrict the option or right of the Parties to

defend through litigation any claim that serves to or threatens to restrain, prevent or delay the consummation of the transactions contemplated hereby, and the Parties shall use their reasonable best efforts to cooperate and assist in any such litigation; provided, however, that any such action shall not extend the End Date beyond the last extension of the End Date provided in Section 7.1(c) without the written consent of all Parties.

ARTICLE VI

CONDITIONS TO CONTRIBUTION CLOSING

Section 6.1 Conditions to Obligations of Each Party. The respective obligation of each Party to consummate the Contribution Closing is subject to the satisfaction, on or prior to the Contribution Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, as to a Party by such Party (in such Party's sole discretion):

(a) Approvals. All authorizations, consents, orders, approvals, declarations or filings set forth on Schedule 6.1(a) shall have been obtained or made.

(b) Governmental Restraints. No order, decree, judgment, injunction or other legal restraint or prohibition of any Governmental Authority shall be in effect, and no Law shall have been enacted or adopted that enjoins, prohibits or makes illegal the consummation of the transactions contemplated by the Transaction Agreements and no Proceeding by any Governmental Authority with respect to the transactions contemplated by the Transaction Agreements shall be pending that seeks to restrain, enjoin, prohibit or delay the transactions contemplated thereby.

(c) HSR Act. Any applicable waiting period (and any extension thereof) under the HSR Act applicable to the transactions contemplated by the Transaction Agreements shall have expired or shall have been terminated.

(d) Bank Consent. AmeriGas Operating shall have received all necessary consents or waivers from the requisite lenders under the Credit Agreement to consummate the transactions contemplated by this Agreement and the other Transaction Agreements, including an increase of the commitments for the revolving facility under the Credit Agreement to at least $500,000,000.

(e) Effectiveness of Form S-3. If ETP delivers a written notice in accordance with Section 2.6 indicating it intends to consummate the Spin-Off, the Form S-3 shall have been declared effective by the SEC under the Securities Act and no stop order suspending the effectiveness of the Form S-3 shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or threatened by the SEC.

(f) NYSE Listing. The AmeriGas Common Units comprising the Equity Consideration shall have been approved for listing on the NYSE, subject to official notice of issuance.

Section 6.2 Conditions to Obligations of Acquirer. The obligation of Acquirer to consummate the Contribution Closing is subject to the satisfaction, on or prior to the Contribution Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by Acquirer (in Acquirer's sole discretion):

(a) Representations and Warranties of Contributor Parties. The representations and warranties of the Contributor Parties (i) in Article III (other than those contained in Section 3.6, Section 3.7(d) and Section 3.10(b)) shall be true and correct in all respects as of the Contribution Closing Date as if remade on the Contribution Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all respects as of such specific date), with only such failures to be so true and correct as had not had a Propane Group Material Adverse Effect, (ii) in Section 3.6 shall be true and correct in all material respects as of the Contribution Closing Date as if remade on the Contribution Closing Date (except for representations and warranties contained therein made as of a specific date, which shall be true and correct in all material respects as of such specific date) and (iii) in Section 3.7(d) and Section 3.10(b) shall be true and correct in all respects.

(b) Performance. Each Contributor Party shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by such Contributor Party on or prior to the Contribution Closing Date.

(c) Contribution Closing Certificate. Acquirer shall have received from the Contributor Parties a certificate, dated as of the Contribution Closing Date, signed by a Responsible Officer of the Contributor Parties certifying that, to the best of such Responsible Officer's knowledge, the conditions set forth in Section 6.2(a) and Section 6.2(b) have been satisfied.

(d) Contribution Closing Deliverables. The Contributor Parties shall have delivered or caused to be delivered all of the Contribution Closing deliveries set forth in Section 2.4(a) and in the other documents contemplated by this Agreement.

(e) Titan Financial Statements. The Contributor Parties shall have delivered or caused to be delivered to Acquirer the Titan Audited Financial Statements.

(f) Debt Financing. AmeriGas Finance shall have consummated the Debt Financing.

Section 6.3 Conditions to Obligations of Contributor Parties. The obligation of the Contributor Parties to consummate the Contribution Closing is subject to the satisfaction, on or prior to the Contribution Closing Date, of each of the following conditions, any one or more of which may be waived in writing, in whole or in part, by the Contributor Parties (in the Contributor Parties' sole discretion):

(a) Representations and Warranties of Acquirer. The representations and warranties of Acquirer (i) in Article IV (other than those contained in Section 4.2(c), Section 4.5 and Section 4.8 shall be true and correct in all respects as of the Contribution

Closing Date as if remade on the Contribution Closing Date (except for representations and warranties made as of a specific date, which shall be true and correct in all respects as of such specific date), with only such failures to be so true and correct as had not had, and would not reasonably be expected to have, an AmeriGas Material Adverse Effect, (ii) in Section 4.2(c) and Section 4.5 shall be true and correct in all material respects as of the Contribution Closing Date as if remade on the Contribution Closing Date (except for representations and warranties contained therein made as of a specific date, which shall be true and correct in all material respects as of such specific date) and (iii) in Section 4.8 shall be true and correct in all respects.

(b) Performance. Acquirer shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Acquirer on or prior to the Contribution Closing Date.

(c) Contribution Closing Certificate. The Contributor Parties shall have received a certificate, dated as of the Contribution Closing Date, signed by a Responsible Officer of Acquirer certifying that, to the best of such Responsible Officer's knowledge, the conditions set forth in Section 6.3(a) and Section 6.3(b) have been satisfied.

(d) Contribution Closing Deliverables. Acquirer shall have delivered or caused to be delivered all of the Contribution Closing deliveries set forth in Section 2.4(b) and in the other documents contemplated by this Agreement.

(e) Intercompany Financing. AmeriGas Finance and Acquirer shall have negotiated and agreed to definitive documents related to the Intercompany Financing and stand prepared to consummate the Intercompany Financing.

ARTICLE VII
TERMINATION RIGHTS

Section 7.1 Termination Rights. This Agreement may be terminated at any time prior to the Contribution Closing as follows:

(a) By mutual written consent of ETP, on behalf of the Contributor Parties, and Acquirer;

(b) By either ETP, on behalf of the Contributor Parties, or Acquirer if any Governmental Authority of competent jurisdiction shall have issued a final and non-appealable order, decree, injunction or judgment prohibiting the consummation of the transactions contemplated by this Agreement;

(c) By either ETP, on behalf of the Contributor Parties, or Acquirer in the event that the Contribution Closing has not occurred on or prior to December 31, 2011 (the "***End Date***"); provided, however, that, if by December 31, 2011, (i) the Contribution Closing has not occurred and (ii) the conditions set forth in Section 6.1(b) and Section 6.1(c) have not been satisfied or the Marketing Period has not commenced, the End Date shall be extended by ninety (90) days, upon the election of ETP, on behalf of the Contributor Parties, or by Acquirer, in its sole discretion; provided, further, that, if as of

the End Date (as extended pursuant to the first proviso of this Section 7.1(c)), the conditions set forth in Section 6.1(b) and Section 6.1(c) have not been satisfied or the Marketing Period has not commenced, the End Date shall be extended by an additional ninety (90) days, upon the election of ETP, on behalf of the Contributor Parties, or upon the election of Acquirer but in each case such election by either ETP, on behalf of the Contributor Parties, or by Acquirer may only be made if (A) the board of directors of the general partner of ETP determines in good faith (after consultation with Acquirer), that there is a reasonable probability that the conditions set forth in Section 6.1(b) and Section 6.1(c) will be met, and (B) the Lead Underwriter has determined that there is a reasonable probability that the Debt Financing will be consummated, in each case within such subsequent ninety (90) day period (it being understood and agreed by the Parties that any decision by the board of directors of ETP GP to not extend the End Date as provided in this second proviso shall in no way relieve Acquirer of any Liabilities relating to any breach under Section 5.4 prior to such decision); provided, further, that (1) ETP may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Contribution Closing to occur is due to the failure of any Contributor Party to perform and comply in all material respects with the covenants and agreements in this Agreement to be performed or complied with by such Contributor Party and (2) Acquirer may not terminate this Agreement pursuant to this Section 7.1(c) if such failure of the Contribution Closing to occur is due to the failure of Acquirer to perform and comply in all material respects with the covenants and agreements in this Agreement to be performed or complied with by Acquirer; provided, further, that if the Marketing Period either (x) has not commenced and the End Date (as extended pursuant to the first or second proviso of this Section 7.1(c)) occurs during the extension period for the commencement of the Marketing Period provided in Section 5.14(d) or (y) has commenced prior to the End Date (as extended pursuant to the first or second proviso of this Section 7.1(c)) and has not been completed by the End Date (as so extended), then the End Date (as so extended) shall be extended to the sixth (6th) Business Day after the date on which the Marketing Period is completed;

(d) By Acquirer if there shall have been a breach or inaccuracy of the Contributor Parties' representations and warranties in this Agreement or a failure by Contributor Party to perform its covenants and agreements in this Agreement, in any such case in a manner that would result in, if occurring and continuing on the Contribution Closing Date, the failure of the conditions to the Contribution Closing set forth in Section 6.2(a) or Section 6.2(b), and such breach or failure cannot be cured or has not been cured within thirty (30) days of the receipt by ETP of written notice thereof from Acquirer; provided, however, that Acquirer may not terminate this Agreement pursuant to this Section 7.1(d) if (i) any of Acquirer's representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.3(a) not to be satisfied or (ii) there has been, and continues to be, a failure by Acquirer to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.3(b) not to be satisfied;

(e) By ETP, on behalf of the Contributor Parties, if there shall have been a breach or inaccuracy of Acquirer's representations and warranties in this Agreement or a failure by Acquirer to perform its covenants and agreements in this Agreement, in any

such case in a manner that would result in, if occurring and continuing on the Contribution Closing Date, the failure of the conditions to the Contribution Closing set forth in Section 6.3(a) or Section 6.3(b) and such breach or failure cannot be cured or has not been cured within thirty (30) days of the receipt by Acquirer of written notice thereof from ETP, on behalf of the Contributor Parties; provided, however, that ETP, on behalf of the Contributor Parties, may not terminate this Agreement pursuant to this Section 7.1(e) if (i) any of the Contributor Parties' representations and warranties shall have become and continue to be untrue in a manner that would cause the condition set forth in Section 6.2(a) not to be satisfied or (ii) there has been, and continues to be, a failure by any Contributor Party to perform its covenants and agreements in such a manner as would cause the condition set forth in Section 6.2(b) not to be satisfied; or

(f) By either ETP, on behalf of the Contributor Parties, or Acquirer if, upon the expiration of the Marketing Period, AmeriGas Finance has either (i) not entered into a binding agreement to consummate the Debt Financing providing for consummation of the Debt Financing on or before the fifth (5th) Business Day following the last day of the Marketing Period or (ii) does not consummate such Debt Financing on or prior to the fifth (5th) Business Day following the last day of the Marketing Period; provided, however, that Acquirer may not terminate this Agreement pursuant to this Section 7.1(f) if the failure to consummate the Debt Financing is as a result of the failure by Acquirer or AmeriGas Finance to perform and comply with the covenants and agreements set forth in Section 5.14.

Section 7.2 Effect of Termination.

(a) In the event of the termination of this Agreement pursuant to Section 7.1, all rights and obligations of the Parties under this Agreement shall terminate, except for the provisions of this Section 7.2, Article IX, Article X and Section 5.5 and Section 5.7; provided, however, that no termination of this Agreement shall relieve any Party from any liability for any willful and intentional breach of this Agreement by such Party or for Fraud by such Party and all rights and remedies of a non-breaching Party under this Agreement in the case of any such willful and intentional breach or Fraud, at law and in equity, shall be preserved, including the right to recover reasonable attorneys' fees and expenses. In the event of the termination of this Agreement, pursuant to Section 7.1, the Parties agree that for a period of one (1) year from and after the Execution Date, neither the Contributor Parties and their respective Affiliates, on the one hand, nor Acquirer and its Affiliates, on the other hand, shall solicit for employment or hire any executive officers, management level employees or district manager level employees of the Propane Group Entities, in the case of Acquirer and its Affiliates, and of Acquirer, AmeriGas GP and their respective Subsidiaries, in the case of the Contributor Parties and their respective Affiliates, (a) who were employed by such party within six (6) months prior to the Execution Date and (b) with whom the Contributor Parties or Acquirer, as applicable, first came into initial contact as a result of negotiation of this Agreement. The restrictions in the preceding sentence regarding the prohibition on solicitations (as opposed to hires) shall not apply to (i) any solicitation by way of general advertising, including general solicitations in any local, regional or national newspapers or other publications or circulars or on internet sites or any search firm engagement which is not directed or focused on employees of the Contributor Parties, Acquirer, AmeriGas GP or their respective Affiliates, as applicable, or (ii) the hiring of a person whose

employment was terminated by his or her respective employer (or its Subsidiaries) and who was not solicited by the other Party (or its Affiliates) in violation of this Section 7.2. Except to the extent otherwise provided in this Section 7.2, the Parties agree that, if this Agreement is terminated, the Parties shall have no liability to each other under or relating to this Agreement. If this Agreement and the transactions contemplated hereby are terminated pursuant to Section 7.1, each Party shall return all documents and other materials received from the other Parties relating to this Agreement and the transactions contemplated hereby, and all confidential information received by each Party with respect to any other Party shall be subject to the terms of the Confidentiality Agreement which shall survive the termination of this Agreement.

(b) In the event this Agreement is terminated pursuant to Section 7.1(f), then Acquirer shall, pay or cause to be paid to ETP a termination fee in immediately available funds in the amount of (i) $125,000,000, if the Available Interest Rate was (or was otherwise deemed to be) within the range of Weighted Average Interests Rates set forth on Annex G-3 or (ii) $75,000,000, if the Available Interest Rate was within the range of Weighted Average Interests Rates set forth on Annex G-1 or Annex G-2 (any such termination fee hereinafter referred to as a "***Termination Fee***"), each in accordance with Section 10.5. Acquirer shall not be required to pay a termination fee to ETP in any circumstances other than as described in the immediately preceding sentence. Acquirer and the Contributor Parties acknowledge and agree that Acquirer's payment of the Termination Fee will be considered liquidated damages and in the event of such payment, Acquirer shall have no other liability for any breach by it of any of the representations, warranties, covenants or agreements set forth in this Agreement. If the Termination Fee is paid, or if the Termination Fee is payable and the Acquirer has not failed to satisfy its obligations under Section 10.5, in no event will the Contributor Parties seek to recover any other money damages or seek any other remedy (including specific performance under Section 9.4) from Acquirer (or its respective Affiliates) pursuant to this Agreement with respect to Acquirer's failure to secure the Debt Financing, regardless of whether such monetary damages or other remedies are based on a claim in law or equity, and all such claims are hereby waived.

(c) The Acquirer and the Contributor Parties acknowledge and agree that the agreements contained in this Section 7.2 are an integral part of this Agreement, and that, without these agreements, neither Acquirer or the Contributor Parties would enter into this Agreement. Accordingly, if the Acquirer fails promptly to pay the amount due pursuant to Section 7.2(b), and, in order to obtain such payment, the Contributor Parties commence a suit that results in a judgment in their favor for the Termination Fee, the Acquirer shall pay to the Contributor Parties their costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on Termination Fee from the date such payment was required to be made until the date of payment at eight percent (8%) per annum.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Indemnification by the Contributor Parties. Subject to the terms of this Article VIII, from and after the Contribution Closing, the Contributor Parties shall jointly and severally indemnify and hold harmless Acquirer and its partners, members, managers, directors, officers, employees, consultants and permitted assigns (each, an "*Acquirer*

Indemnitee") from and against any losses, claims, damages, Liabilities and costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "***Losses***") incurred, arising out of or relating to:

(a) any breach or inaccuracy of the representations and warranties set forth in Article III;

(b) Excluded Taxes;

(c) any Liability relating to or arising from (i) any Release of Hazardous Substances prior to the Contribution Closing at, on, under, to or from any site included in Item 1, Item 2, Item 4 or Item 5 of Schedule 8.1(c) of the Contributor Disclosure Schedule, and any migration or leaching of, or Remedial Action conducted in connection with, such Hazardous Substances, including any such migration, leaching or Remedial Action that occurs or is conducted subsequent to the Contribution Closing, (ii) any Hazardous Substance sent to any site included in Item 3 of Schedule 8.1(c) of the Contributor Disclosure Schedule prior to the Contribution Closing, including any Release of, or Remedial Action conducted in connection with, such Hazardous Substance prior to, on or subsequent to the Contribution Closing, provided, however, for the sake of clarity the parties acknowledge that the Contributor Parties shall have no obligation to indemnify and hold harmless the Acquirer Indemnitees with respect to any Hazardous Substance that was sent to a site included in Item 3 of Schedule 8.1(c) of the Contributor Disclosure Schedule by Acquirer or any Affiliate of the Acquirer (that is not a Propane Group Entity) prior to the Contribution Closing; and (iii) any claim, action, demand, notice, proceeding, investigation, suit, arbitration or litigation, whether brought prior to, on or subsequent to the Contribution Closing, relating to or arising from any of the foregoing; or

(d) any breach of any covenants or agreements of the Contributor Parties set forth in this Agreement.

Section 8.2 Indemnification by Acquirer. Subject to the terms of this Article VIII, from and after the Contribution Closing, Acquirer shall indemnify and hold harmless the Contributor Parties and their respective directors, officers, employees, consultants and permitted assigns (each, a "***Contributor Indemnitee***" and, together with the Acquirer Indemnitees, the "***Indemnitees***") from and against Losses incurred, arising out of or relating to:

(a) any breach or inaccuracy of the representations and warranties set forth in Article IV; and

(b) any breach of any of the covenants or agreements of Acquirer set forth in this Agreement.

Section 8.3 Limitations and Other Indemnity Claim Matters. Notwithstanding anything to the contrary in this Article VIII or elsewhere in this Agreement, the following terms shall apply to any claim for monetary damages arising out of this Agreement or related to the transactions contemplated hereby:

(a) Survival; Claims Period.

(i) The representations, warranties, covenants and agreements of the Parties under this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until fifteen (15) months after the Contribution Closing Date; provided, however, that (A) the representations and warranties set forth in Section 3.1 (Organization; Qualification), Section 3.2 (Subsidiaries), Section 3.3 (Authority; Enforceability), Section 3.6 (Capitalization), Section 3.7 (Ownership of Acquired Interests), Section 3.20 (Brokers' Fee), Section 4.1 (Organization; Qualification), Section 4.2 (Authority; Enforceability; Valid Issuance), Section 4.5 (Capitalization) and Section 4.12 (Brokers' Fee) (collectively, the "***Fundamental Representations***") shall survive indefinitely, (B) the representations and warranties set forth in Section 3.18 and Section 4.11 and the indemnification set forth in Section 8.1(b) shall survive until ninety (90) days after the expiration of the applicable statute of limitations, (C) the representations and warranties set forth in Section 3.14 and Section 4.9 shall survive for three (3) years after the Contribution Closing Date, and (D) any covenants or agreements contained in this Agreement that by their terms are to be performed after the Contribution Closing Date shall survive until fully discharged. The date on which any such representation, warranty, covenant or agreement no longer survives in accordance with this Section 8.3(a)(i) is referred to herein as the "***Expiration Date***".

(ii) No action for a breach of any representation, warranty, covenant or agreement contained herein (other than the Fundamental Representations) shall be brought after the Expiration Date, except for claims of which a Party has received a Claim Notice setting forth in reasonable detail the claimed misrepresentation or breach of representation, warranty, covenant or agreement with reasonable detail, prior to the Expiration Date.

(b) Materiality. In determining whether a breach or inaccuracy of any representation or warranty made hereunder exists and in calculating the amount of indemnifiable Losses incurred by any Indemnified Party arising out of or relating to any such breach or inaccuracy, all qualifications relating to "materiality," "material," "Material Adverse Effect" (other than in Section 3.10(b), Section 4.8 and Section 5.1(b)(xxvi)(C)) or any similar qualification, shall be disregarded.

(c) Limits on Indemnification. Notwithstanding anything to the contrary contained in this Agreement:

(i) (A) An Indemnifying Party shall not be liable for any Losses pursuant to Section 8.1(a) or Section 8.2(a) (as the case may be) unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Indemnifying Party exceeds an amount equal to $30,000,000 (the "***Basket***"), after which the Indemnifying Party shall be liable only for those Losses in excess the Basket and (B) the maximum aggregate amount of indemnifiable Losses which may be recovered from an Indemnifying Party under Section 8.1(a) or Section 8.2(a) (as the case may be) shall

be an amount equal to $280,000,000; provided, however, that the limitations set forth in this Section 8.3(c) shall not apply to Losses arising out of the breach of any of the Fundamental Representations.

(ii) An Indemnifying Party shall not be liable for any Losses pursuant to any of the items set forth on Schedule 8.1(c) of the Contributor Disclosure Schedule unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Indemnifying Party with respect to such Losses exceeds an amount equal to $2,600,000 (the "***Environmental Sub-Basket***"). Any Losses included in the Environmental Sub-Basket shall also be applied to, and included in, the Basket.

(d) Minimum Claim. If any claim or group of related claims for indemnification by an Indemnified Party that is indemnifiable under Section 8.1(a) or Section 8.2(a) results in respective aggregate Losses to such Indemnified Party that do not exceed $500,000, such Losses shall not be deemed to be Losses under this Agreement, shall not be eligible for indemnification under this Article VIII and shall not be included in the calculations of limitation of Losses set forth in Section 8.3(c); provided, however, that no minimum claim amount shall apply with respect to (i) Losses arising out of the breach of any of the Fundamental Representations or (ii) Losses relating to any breaches of the representations and warranties included in Section 3.18 and Section 4.11.

(e) Calculation of Losses. In calculating amounts payable to any Contributor Indemnitee or Acquirer Indemnitee (each such person, an "***Indemnified Party***") for a claim for indemnification hereunder, the amount of any indemnified Losses shall be determined without duplication of any other Loss for which an indemnification claim has been made or could be made under any other representation, warranty, covenant, or agreement and shall be computed net of (i) payments actually recovered by the Indemnified Party under any insurance policy with respect to such Losses, net of any associated costs of expenses of recovery, and (ii) any prior actual recovery by the Indemnified Party from any Person with respect to such Losses. To the extent any amount that would be subject to indemnification pursuant to Section 8.1 has been taken into account in determining (*i.e.*, actually used in the computation of) Net Working Capital or Net Cash, such as liabilities, expenses, reserves and other asset contra-accounts, such amount shall not otherwise be recoverable as a Loss as that would constitute an unintended "double-recovery."

(f) Waiver of Certain Damages. Notwithstanding any other provision of this Agreement, in no event shall any Party be liable for punitive, remote, speculative or lost profits damages of any kind or nature, regardless of the form of action through which such damages are sought, except for any such damages recovered by any third party against an Indemnified Party in respect of which such Indemnified Party would otherwise be entitled to indemnification pursuant to the terms hereof.

(g) Sole and Exclusive Remedy. Except for the assertion of any Claim based on Fraud or breaches of any covenants or agreements contained in this Agreement that by their terms are to be performed after the Contribution Closing Date, including Section

5.10 or Section 5.11, the remedies provided in this Article VIII shall be the sole and exclusive legal remedies of the Parties, from and after the Contribution Closing, with respect to this Agreement and the transactions contemplated hereby.

Section 8.4 Indemnification Procedures.

(a) Each Indemnitee agrees that promptly after it becomes aware of facts giving rise to a claim by it for indemnification pursuant to this Article VIII, such Indemnitee must assert its claim for indemnification under this Article VIII (each, a "***Claim***") by providing a written notice (a "***Claim Notice***") to the indemnifying party (the "***Indemnifying Party***") allegedly required to provide indemnification protection under this Article VIII specifying, in reasonable detail, the nature and basis for such Claim (e.g., the underlying representation, warranty, covenant or agreement alleged to have been breached) and the amount (to the extent that the nature and amount of such Claim is known or reasonably ascertainable at such time; provided, however, that such amount or estimated amount shall not be conclusive of the final amount, if any, of such Claim). Notwithstanding the foregoing, an Indemnitee's failure to send or delay in sending a third party Claim Notice will not relieve the Indemnifying Party from liability hereunder with respect to such Claim except to the extent the Indemnifying Party is materially prejudiced by such failure or delay and except as is otherwise provided herein, including in Section 8.3(f).

(b) If the Indemnifying Party acknowledges in writing its obligation to indemnify an Indemnitee hereunder against any Losses that may result from a third party Claim, then the Indemnifying Party will have the right, at such Indemnifying Party's expense, to assume the defense of same including the appointment and selection of counsel on behalf of the Indemnitee so long as such counsel is reasonably acceptable to the Indemnitee; provided, however, that the Indemnifying Party shall not be entitled to assume such defense if the third party Claim is seeking injunctive relief. If the Indemnifying Party elects to assume the defense of any such third party Claim, it shall within thirty (30) days of its receipt of the Claim Notice, notify the Indemnitee in writing of its intent to do so. The Indemnifying Party will have the right to settle or compromise or take any corrective or remediation action with respect to any such Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnifying Party to a final conclusion or settled at the discretion of the Indemnifying Party. The Indemnitee will be entitled, at its own cost, to participate with the Indemnifying Party in the defense of any such Claim; provided, however, that the Indemnitee shall have the right to employ its own separate counsel, at the cost and expense of the Indemnifying Party, if the Indemnitee has available to it one or more defenses or counterclaims that are inconsistent with one or more of the defenses or counterclaims alleged by the Indemnifying Party and which could be materially adverse to the Indemnifying Party, and in any such event the fees and expenses of such separate counsel shall be paid by the Indemnitor. If the Indemnifying Party assumes the defense of any such third-party Claim but fails to diligently prosecute such Claim, or if the Indemnifying Party does not assume the defense of any such Claim, the Indemnitee may assume control of such defense and in the event it is determined pursuant to the procedures set forth in Article IX that the Claim was a matter for which the Indemnifying Party is required to provide indemnification under the terms of this Article VIII, the Indemnifying Party will bear the reasonable costs and expenses of such defense (including reasonable attorneys' fees and expenses). Notwithstanding the foregoing, the Indemnifying Party may not assume the defense

of the third-party Claim (but will be entitled at its own cost to participate with the Indemnified Party in the defense of any such Claim) if the potential damages under the third-party Claim could reasonably and in good faith be expected to exceed, in the aggregate when combined with all claims previously made by the Indemnified Party to the Indemnifying Party under this Article VIII, the maximum amount the Indemnifying Party may be liable pursuant to Section 8.3(c); provided, however, that to the extent the Parties are not in agreement with respect to the calculation of potential damages, the Indemnifying Party shall have the right to assume the defense of the third-party Claim in accordance herewith until the Parties have agreed or a final non-appealable judgment has been entered into, with respect to the determination of the potential damages. The Parties shall render to each other such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such Claim, including making employees available on a mutually convenient basis to provide additional information and explanation of any relevant materials or to testify at any Proceedings relating to such Claim.

(c) Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party will not be permitted to settle, compromise, take any corrective or remedial action or enter into an agreed judgment or consent decree, in each case, that subjects the Indemnified Party to any injunctive or other non-monetary relief or any criminal liability, requires an admission of guilt or wrongdoing on the part of the Indemnified Party or imposes any continuing obligation on or requires any payment from the Indemnified Party without the Indemnified Party's prior written consent.

Section 8.5 No Reliance.

(a) THE REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTOR PARTIES CONTAINED IN ARTICLE III CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTOR PARTIES TO ACQUIRER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. THE REPRESENTATIONS OF ACQUIRER CONTAINED IN ARTICLE IV CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF ACQUIRER TO THE CONTRIBUTOR PARTIES IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, NO PARTY NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO SUCH PARTY OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND EACH PARTY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY SUCH PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING WITH RESPECT TO THE DISTRIBUTION OF, OR ANY PERSON'S RELIANCE ON, ANY INFORMATION, DISCLOSURE OR OTHER DOCUMENT OR OTHER MATERIAL MADE AVAILABLE TO ANY PARTY IN ANY DATA ROOM, ELECTRONIC DATA ROOM, MANAGEMENT PRESENTATION OR IN ANY OTHER FORM IN EXPECTATION OF, OR IN CONNECTION WITH, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT). EXCEPT FOR SUCH REPRESENTATIONS AND WARRANTIES, EACH PARTY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR

INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO ANY OTHER PARTY OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES (INCLUDING OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO ANY PARTY OR ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR REPRESENTATIVE OF SUCH PARTY OR ANY OF ITS AFFILIATES).

(b) Except as provided in Section 7.2, Section 8.1, Section 8.2 and Section 8.3(f), no Party nor any Affiliate of a Party shall assert or threaten, and each Party hereby waives and shall cause such Affiliates to waive, any claim or other method of recovery, in contract, in tort or under applicable Law, against any Person that is not a Party (or a successor to a Party) relating to the transactions contemplated by this Agreement.

ARTICLE IX

GOVERNING LAW AND CONSENT TO JURISDICTION

Section 9.1 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, without giving effect to the conflicts of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

Section 9.2 Consent to Jurisdiction. Except as to the resolution of Disputed Items in accordance with Section 2.5, the Parties irrevocably submit to the exclusive jurisdiction of (a) the Delaware Court of Chancery, and (b) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the purposes of any Proceeding arising out of this Agreement or the transactions contemplated hereby (and each agrees that no such Proceeding relating to this Agreement or the transactions contemplated hereby shall be brought by it except in such courts). The Parties irrevocably and unconditionally waive (and agree not to plead or claim) any objection to the laying of venue of any Proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the Delaware Court of Chancery, or (ii) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or that any such Proceeding brought in any such court has been brought in an inconvenient forum. Each of the Parties also agrees that any final and non appealable judgment against a Party in connection with any Proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

Section 9.3 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY ACTION OR PROCEEDING TO ENFORCE OR TO DEFEND ANY RIGHTS UNDER THIS AGREEMENT SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 9.4 Specific Enforcement. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed, or were threatened to be not performed, in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, in addition to any other remedy that may be available to it, including monetary damages, except as otherwise provided by Section 7.2(b), each of the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the jurisdiction provided in Section 9.2, and all such rights and remedies at law or in equity may be cumulative, except as may be limited by Article VIII. The Parties further agree that no Party shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 9.4 and each Party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of the Parties.

Section 10.2 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the Party or Parties entitled to the benefits thereof only by a written instrument signed by the Party or Parties granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 10.3 Notices. Any notice, demand or communication required or permitted under this Agreement shall be in writing and delivered personally, by reputable overnight delivery service or other courier or by certified mail, postage prepaid, return receipt requested, and shall be deemed to have been duly given (a) as of the date of delivery if delivered personally or by overnight delivery service or other courier or (b) on the date receipt is acknowledged if delivered by certified mail, addressed as follows; provided, however, that a notice of a change of address shall be effective only upon receipt thereof:

If to any Contributor Party to:

Energy Transfer Partners, L.P.
3738 Oak Lawn
Dallas, TX 72519
Telephone: (832) 668-1210 or (214) 981-0763
Facsimile: (832) 668-1127
Attention: General Counsel

And a copy to:

Vinson & Elkins LLP
2500 First City Tower
1001 Fannin, Suite 2500
Houston, Texas 77007
Telephone: (713) 758-3708
Facsimile: (713) 615-5861

Attention: David P. Oelman

If to Acquirer to:
AmeriGas Partners, L.P.
460 No. Gulph Road
King of Prussia, Pennsylvania 19406
Telephone: (610) 337-1000
Facsimile: (610) 992-3258
Attention: General Counsel

And a copy to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
Telephone: (212) 848-4000
Facsimile: (212) 848-7179
Attention: Stephen M. Besen
Attention: David P. Connolly

Section 10.4 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. No Party may assign or transfer this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties; provided, however, that (a) Acquirer may assign this Agreement or any of its rights or obligations hereunder to a Subsidiary of Acquirer that is disregarded as an entity separate from Acquirer for U.S. federal income tax purposes without the consent of the Contributor Parties; provided, further, that any such assignment by Acquirer shall not relieve Acquirer of any liability or obligation hereunder and (b) ETP may assign any of its rights under Section 7.2 (but not delegate any of its obligations) under this Agreement to one or more wholly owned direct or indirect Subsidiaries of ETP without the prior consent of Acquirer. Any attempted assignment or transfer in violation of this Agreement shall be null, void and ineffective.

Section 10.5 Certain Tax Matters. Notwithstanding the provisions of Section 7.2, Acquirer shall not pay to ETP all or any portion of the Termination Fee unless such payment is consistent with this Section 10.5. If Acquirer is obligated to pay a Termination Fee to ETP pursuant to Section 7.2(b), then Acquirer shall pay to ETP an amount up to the Termination Fee calculated as follows and shall have no further liability with regard to the Termination Fee:

(a) Prior to the end of the calendar year in which this Agreement is terminated pursuant to Section 7.1(f) and within five (5) Business Days from the date on which ETP provides Acquirer with a notice setting forth the estimated maximum remaining amount which may still be taken into the gross income of ETP without exceeding the permissible non-qualifying income limits for a publicly traded partnership for purposes of Section 7704 of the Code, after taking into consideration all other sources of non-qualifying income (such estimated maximum remaining amount of non-qualifying income, the "***Estimated Non-Qualifying Income Cushion***"), Acquirer shall pay to ETP the lesser of (i) the Termination Fee and (ii) a portion of the Termination Fee equal to an amount no greater than 70% of the Estimated Non-Qualifying Income Cushion (the "***Preliminary Amount***").

(b) During the calendar year following the date that the Preliminary Amount was paid to ETP but prior to the passage of thirty (30) Business Days following the filing of the IRS Form 1065 for the prior year, ETP shall submit to Acquirer a certificate (the "***Final Non-Qualifying Income Cushion Certificate***") identifying the actual maximum remaining amount which may still be taken into the gross income of ETP without exceeding the permissible non-qualifying income limits for a publicly traded partnership (for purposes of Section 7704 of the Code), after taking into consideration all other sources of non-qualifying income from the prior year other than the Preliminary Amount (the "***Final Non-Qualifying Income Cushion***"). If the Preliminary Amount was (i) less than 90% of the Final Non-Qualifying Income Cushion, then Acquirer shall pay to ETP an amount which, when combined with the Preliminary Amount, will equal 90% of the Final Non-Qualifying Income Cushion, and (ii) greater than 90% of the Final Non-Qualifying Income Cushion, then ETP shall return to Acquirer an amount equal to the excess of the Preliminary Amount over 90% of the Final Non-Qualifying Income Cushion. Any payment under this clause (b) shall be made by ETP or Acquirer, as applicable, by wire transfer of immediately available funds to an account designated by ETP or Acquirer, as applicable, within five (5) Business Days following the delivery of the Final Non-Qualifying Income Cushion Certificate.

Section 10.6 Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and assigns. Except as provided in Section 8.1 and Section 8.2, none of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including any creditor of any Party or any of their Affiliates. No such third party shall obtain any right under any provision of this Agreement or shall by reasons of any such provision make any claim in respect of any liability (or otherwise) against any other Party.

Section 10.7 Entire Agreement. Except for the Confidentiality Agreement which shall survive the execution of this Agreement, this Agreement and the other Transaction Agreements constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both oral and written, among the Parties or between any of them with respect to such subject matter.

Section 10.8 Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law in any jurisdiction,

such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 10.9 Representation by Counsel. Each of the Parties agrees that it has been represented by independent counsel of its choice during the negotiation and execution of this Agreement and the documents referred to herein, and that it has executed the same upon the advice of such independent counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the Parties and may not be construed against any Party by reason of its preparation. Therefore, the Parties waive the application of any Law providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

Section 10.10 Disclosure Schedules. The inclusion of any information (including dollar amounts) in any section of the Contributor Disclosure Schedule or the Acquirer Disclosure Schedule shall not be deemed to be an admission or acknowledgment by a Party that such information is required to be listed on such section of the Contributor Disclosure Schedule or the Acquirer Disclosure Schedule or is material to or outside the ordinary course of the business of such Party or the Person to which such disclosure relates. The information contained in this Agreement, the Exhibits and the Schedules is disclosed solely for purposes of this Agreement, and no information contained in this Agreement, the Exhibits or the Schedules shall be deemed to be an admission by any Party to any third Person of any matter whatsoever (including any violation of a legal requirement or breach of contract). The disclosure contained in one disclosure schedule contained in the Contributor Disclosure Schedule or Acquirer Disclosure Schedule may be incorporated by reference into any other disclosure schedule contained therein, and shall be deemed to have been so incorporated into any other disclosure schedule so long as it is readily apparent on its face that the disclosure is applicable to such other disclosure schedule.

Section 10.11 Facsimiles; Counterparts. This Agreement may be executed by facsimile signatures by any Party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required. This Agreement may be executed in counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

[*Signature page follows.*]

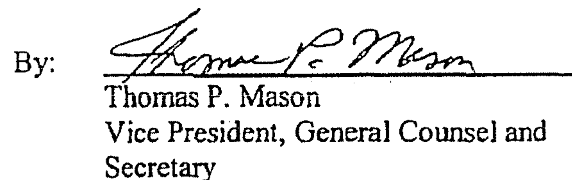
IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its respective duly authorized officers as of the date first above written.

CONTRIBUTOR PARTIES:

ENERGY TRANSFER PARTNERS, L.P.

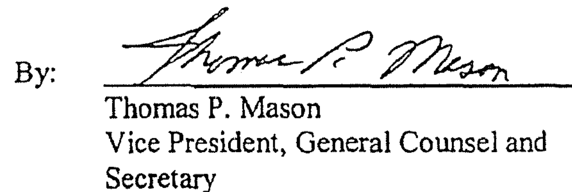
By: Energy Transfer Partners GP, L.P., its general partner

By: Energy Transfer Partners, L.L.C., its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

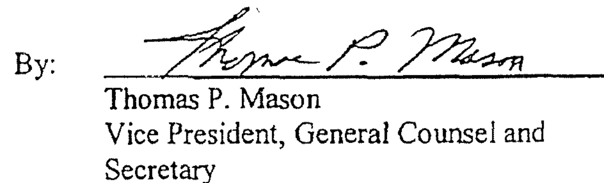
ENERGY TRANSFER PARTNERS GP, L.P.

By: Energy Transfer Partners, L.L.C., its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

HERITAGE ETC, LP

By: Heritage ETC GP, LLC, its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

ACQUIRER:

AMERIGAS PARTNERS, L.P.

By: AmeriGas Propane, Inc., its general partner

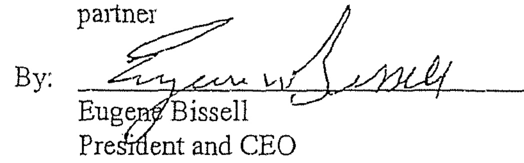
By: 
Eugene Bissell
President and CEO

EXHIBIT A

"*Acquired Company*" is defined in Section 5.11(a)(iv).

"*Acquired Interests*" is defined in the recitals to this Agreement.

"*Acquirer*" is defined in the preamble to this Agreement.

"*Acquirer Disclosure Schedule*" means the disclosure schedule to this Agreement prepared by Acquirer and delivered to the Contributor Parties on the Execution Date, as it may be updated from time to time pursuant to Section 5.18.

"*Acquirer Indemnitiee*" is defined in Section 8.1.

"*Actual Unearned Pro Rata Distribution Amount*" means an amount in cash equal to the product of (i) the product of (x) the Closing Quarter Distribution, and (y) the number of Distribution Units, multiplied by (ii) a fraction, the numerator of which is the number of days in the Closing Quarter which precede the Contribution Closing Date (not including the Contribution Closing Date), and the denominator of which is the number of days in such Closing Quarter.

"*Additional Underwriter*" means an investment banking firm selected by Acquirer and subject to the approval of ETP, such approval not to be unreasonably withheld or delayed.

"*Affiliate*" means a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, a specified Person.

"*Agreement*" is defined in the preamble to this Agreement.

"*AmeriGas 401(k) Plan*" is defined in Section 5.24(c) of this Agreement.

"*AmeriGas Benefit Plans*" means (a) any "employee benefit plan," as such term is defined in Section 3(3) of ERISA (including employee benefit plans, such as foreign plans, which are not subject to the provisions of ERISA, but excluding any multiemployer plan within the meaning of Section 3(37) of ERISA or multiple employer plan within the meaning of Section 4063(a) of ERISA), or (b) any material equity-based compensation plan (including stock option plans, stock purchase plans, stock appreciation rights, restricted stock and phantom stock plans), bonus plan or arrangement, incentive award plan or arrangement, vacation policy, severance pay plan or arrangement, change in control policy or agreement, deferred compensation agreement or arrangement, executive compensation or supplemental income arrangement, retiree medical or life insurance, supplemental retirement, consulting agreement, employment or termination or other similar agreement and each other employee benefit plan, agreement, arrangement, program, practice or understanding, sponsored, maintained or contributed by Acquirer or any of its Affiliates for the benefit of any current or former employee, officer, director or independent contractor.

"***AmeriGas Common Units***" means the common units representing limited partner interests of Acquirer.

"***AmeriGas Entities***" means Acquirer and all Subsidiaries of Acquirer.

"***AmeriGas Finance***" means AmeriGas Finance LLC, a Delaware limited liability company.

"***AmeriGas GP***" is defined in Section 4.5(e).

"***AmeriGas GP Interests***" is defined in Section 4.5(e).

"***AmeriGas Material Adverse Effect***" means any Material Adverse Effect in respect to the AmeriGas Entities taken as a whole.

"***AmeriGas Operating***" is AmeriGas Propane, L.P., a Delaware limited partnership.

"***AmeriGas Operating Partnership Agreement***" means the Amended and Restated Agreement of Limited Partnership of AmeriGas Operating, as amended from time to time.

"***AmeriGas Partnership Agreement***" means the Fourth Amended and Restated Agreement of Limited Partnership of Acquirer, as amended from time to time.

"***AmeriGas SEC Documents***" is defined in Section 4.7(a).

"***AmeriGas Welfare Benefit Plans***" is defined in Section 5.24(d).

"***Assignment of Interests***" is defined in Section 2.4(a)(i).

"***Assignment of Redemption Units***" is defined in Section 2.4(a)(vi).

"***Available Interest Rate***" means the lowest Weighted Average Interest Rate offered to AmeriGas Finance during the Marketing Period by the Lead Underwriter at a time when it was prepared to enter into an underwriting commitment or purchase agreement to provide for the Debt Financing on terms at least as favorable (excluding interest rate) to AmeriGas Finance as those set forth on Annex G-1, Annex G-2 or Annex G-3, as applicable, as evidenced by a Debt Financing pricing sheet, term sheet or other customary indicia (whether orally or in writing) of terms offered in connection with debt financings similar to the Debt Financing (a "***Pricing Offer***"). If, during the Marketing Period, AmeriGas Finance either (a) does not commence the marketing of a public underwritten offering or private placement of the Debt Financing, as evidenced by the filing of a preliminary prospectus with the SEC pursuant to Rule 424 promulgated under the Securities Act, in the case of a registered offering, or the circulation of a preliminary offering memorandum to one or more initial purchasers for the purpose of distribution to potential purchasers of the notes constituting the Debt Financing, in the case of a private placement (the commencement of such public or private offering, a "***Launch***" of the Debt Financing) or (b) following a Launch of the Debt Offering, does not receive any

Pricing Offers, then the Available Interest Rate shall be deemed for purposes of this Agreement to be within the range of Weighted Average Interests Rates set forth on Annex G-3; provided, however, that the Available Interest Rate shall be deemed for purposes of this Agreement to be in excess of the range of Weighted Average Interests Rates set forth on Annex G-1 if (i) in the event that AmeriGas Finance does Launch the Debt Financing but no Pricing Offer is made during the Marketing Period, either (A) the Lead Underwriter, after jointly consulting with Acquirer and ETP, advises that, in its opinion, no Pricing Offer was made during the Marketing Period because the market for the issuance of "high yield" debt securities was insufficient to provide for the entire Debt Financing on terms at least as favorable to AmeriGas Finance as those set forth on Annex G-1, or (B) Acquirer otherwise demonstrates to the reasonable satisfaction of ETP that no Pricing Offer was made during the Marketing Period because the market for "high yield" debt securities was insufficinet to provide for the entire Debt Financing on terms at least as favorable to AmeriGas Finance as those set forth on Annex G-1, (ii) the Lead Underwriter, after jointly consulting with Acquirer and ETP, demonstrates to the reasonable satisfaction of ETP that AmeriGas Finance should not Launch the Debt Financing based upon the opinion of the Lead Underwriter that the market for "high yield" debt securities is insufficient during the entire Marketing Period to allow AmeriGas Finance to obtain the Debt Financing on terms at least as favorable to AmeriGas Finance as those set forth on Annex G-1 or (iii) both the Lead Underwriter and an Additional Underwriter, after jointly consulting with Acquirer and ETP, advise that, in each of their respective opinions, AmeriGas Finance should not Launch the Debt Financing because the market for "high yield" debt securities is insufficient during the entire Marketing Period to allow AmeriGas Finance to obtain the Debt Financing on terms at least as favorable to AmeriGas Finance as those set forth on Annex G-1.

"***Basket***" is defined in Section 8.3(c)(i).

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or obligated to be closed by applicable Laws.

"***Capital Lease***" means, with respect to any Person, any lease of, or other arrangement conveying the right to use, property by such Person as lessee that would be accounted for as a capital lease on a balance sheet of such Person prepared in accordance with GAAP.

"***Cash***" means cash held by the Propane Group Entities.

"***Cash Consideration***" is defined in Section 2.4(b)(ii).

"***Change of Control Offer***" is defined in Section 5.25.

"***Claim***" is defined in Section 8.4(a).

"***Claim Notice***" is defined in Section 8.4(a).

"***Closing Quarter***" means the AmeriGas fiscal quarter in which the Contribution Closing Date occurs.

"*Closing Quarter Distribution*" means the per unit distribution on AmeriGas Common Units declared by the board of directors of AmeriGas GP with respect to the Closing Quarter.

"*COBRA*" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"*COBRA Obligations*" is defined in Section 5.24(h).

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

"*Company IT Assets*" means the computer systems, networks, hardware and computer software and all other information technology equipment used and owned or held for use by the Propane Group Entities in connection with the Propane Business.

"*Compliant*" means, with respect to the Required Financial Information, that (a) such Required Financial Information does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make such Required Financial Information not misleading, (b) such Required Financial Information is, and remains throughout the Marketing Period, compliant in all material respects with all applicable requirements of Regulation S-X under the Securities Act for offerings of debt securities on a registration statement on Form S-3, (c) the Contributor Parties' auditors shall not have withdrawn any audit opinion with respect to any audited financial statements contained in the Required Financial Information and (d) the Contributor Parties' auditors have delivered drafts of customary comfort letters, including customary negative assurance comfort with respect to periods following the end of the latest fiscal year or fiscal quarter for which historical financial statements are included in the offering documents, and such auditors have confirmed they are prepared to issue any such comfort letter upon pricing throughout the Marketing Period.

"*Confidentiality Agreement*" means that certain Mutual Confidentiality Agreement, dated as of August 18, 2011, by and among ETP and Acquirer.

"*Contingent Worker*" is defined in Section 3.19(k).

"*Contract*" means any written agreement, lease, license, note, evidence of indebtedness, mortgage, security agreement, understanding, instrument or other legally binding arrangement.

"*Contribution*" is defined in the recitals to this Agreement.

"*Contribution Closing*" is defined in the recitals to this Agreement.

"*Contribution Closing Date*" is defined in Section 2.3.

"*Contributor*" is defined in the preamble to this Agreement.

"*Contributor Disclosure Schedule*" means the disclosure schedule to this Agreement prepared by the Contributor Parties and delivered to Acquirer on the Execution Date.

"*Contributor GP*" is defined in the recitals to this Agreement.

"*Contributor Indemnitees*" is defined in Section 8.2.

"*Contributor Party*" and "*Contributor Parties*" are defined in the preamble to this Agreement.

"*Control*" means, where used with respect to any Person, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of such Person, whether through ownership of Voting Interests, by contract or otherwise, and the terms "*Controlling*" and "*Controlled*" have correlative meanings.

"*Credit Agreement*" means that certain Credit Agreement dated as of June 21, 2011 by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as a guarantor, Wells Fargo Bank, National Association, as administrative agent, swingline lender and issuing lender, Wells Fargo Securities, LLC, as sole lead arranger and sole book manager and Wells Fargo Bank, National Association, Branch Banking and Trust Company, Citibank, N.A., JPMorgan Chase Bank, N.A., PNC Bank, National Association, Citizens Bank of Pennsylvania, The Bank of New York Mellon, Compass Bank, Manufacturers and Traders Trust Company, Sovereign Bank, TD Bank, N.A. and the other financial institutions from time to time party thereto.

"*Credit Support Instruments*" is defined in Section 5.21.

"*Creditors' Rights*" is defined in Section 3.3(b).

"*CS Fee*" is defined in Section 3.20.

"*Debt Financing*" is defined in Section 5.14(a).

"*Delaware LLC Act*" means the Delaware Limited Liability Company Act, as amended from time to time.

"*Delaware LP Act*" means the Delaware Revised Uniform Limited Partnership Act, as amended from time to time.

"*Development and License Agreement*" means that certain Development and License Agreement, dated as of September 25, 2008, by and between HOLP and Fuel Data Systems, Inc., as amended by that certain First Amendment to the Development and License Agreement between HOLP and Fuel Data Systems, Inc., dated as of November 16, 2009.

"*Dispute Notice*" is defined in Section 2.5(g).

"*Disputed Items*" is defined in Section 2.5(g).

"*Distribution Units*" means a number of AmeriGas Common Units equal to (x) the number of AmeriGas Common Units comprising the Equity Consideration less (y) the number of Redemption Units, if any.

"*Divestiture*" is defined in Section 5.29(a).

"*Divestiture Cap*" is defined in Section 5.29(a).

"*End Date*" is defined in Section 7.1(c).

"*Environmental Laws*" means any and all Laws pertaining to pollution, climate change, protection of the environment (including natural resources), workplace or employee health and safety, and the Release, storage, disposal, treatment, transportation, handling or Remedial Action of, or exposure to, Hazardous Substances.

"*Environmental Sub-Basket*" is defined in Section 8.3(c)(ii).

"*Equity Consideration*" means a number of AmeriGas Common Units derived by dividing (a) the Purchase Price by (b) the Issue Price, rounded to the nearest whole AmeriGas Common Unit, as may be reduced pursuant to Section 2.4(b)(ii) or increased pursuant to Section 5.14(e).

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended.

"*ERISA Affiliate*" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b),(c), (m) or (o) of the Code or Section 4001(b)(l) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to section 4001(a)(14) of ERISA.

"*Estimated Acquirer Net Cash Payment*" is defined in Section 2.5(e).

"*Estimated Acquirer Working Capital Payment*" is defined in Section 2.5(c).

"*Estimated Closing Date Balance Sheets*" is defined in Section 2.5(a).

"*Estimated Contributor Net Cash Payment*" is defined in Section 2.5(d).

"*Estimated Contributor Working Capital Payment*" is defined in Section 2.5(b).

"*Estimated Net Cash*" is defined in Section 2.5(a).

"*Estimated Net Working Capital*" is defined in Section 2.5(a).

"*Estimated Non-Qualifying Income Cushion*" is defined in Section 10.5(a).

"*Estimated Unearned Distribution Amount*" means the aggregate of the Estimated Unearned Pro Rata Distribution Amount and the Estimated Unearned Previous Quarter Distribution Amount.

"*Estimated Unearned Previous Quarter Distribution Amount*" means (i) in the event the Contribution Closing Date occurs on or before the record date relating to the Previous

Quarter Distribution, an amount in cash equal to the product of (x) the Previous Quarter Distribution (or, if such Previous Quarter Distribution has not been publicly announced as of the Contribution Closing Date, the Last Declared Distribution), and (y) the number of Distribution Units and (ii) in the event the Contribution Closing Date occurs after the record date relating to the Previous Quarter distribution, $0.

"*Estimated Unearned Pro Rata Distribution Amount*" means an amount in cash equal to the product of (i) the product of (x) the Previous Quarter Distribution (or, if such Previous Quarter Distribution has not been publicly announced as of the Contribution Closing Date, the Last Declared Distribution), and (y) the number of Distribution Units, multiplied by (ii) a fraction, the numerator of which is the number of days in the quarter in which the Contribution Closing Date occurs which precede the Contribution Closing Date (not including the Contribution Closing Date), and the denominator of which is the number of days in such quarter. For the avoidance of doubt, if the Contribution Closing Date is the first day of an AmeriGas fiscal quarter, the Estimated Unearned Pro Rata Distribution Amount shall be $0.

"*ETP*" is defined in the preamble to this Agreement.

"*ETP 401(k) Plan*" is defined in Section 3.19(b).

"*ETP Common Units*" means the common units representing limited partner interests of ETP.

"*ETP CRSA*" is defined in Section 2.4(a)(vii).

"*ETP Entities*" means ETP and each of its Subsidiaries (excluding the Propane Group Entities).

"*ETP GP*" is defined in the preamble to this Agreement.

"*ETP LTIP*" means the Energy Transfer Partners, L.P. Amended and Restated 2004 Unit Plan, as amended, or the Energy Transfer Partners, L.P. 2008 Long-Term Incentive Plan, as amended.

"*ETP Retention Option*" is defined in Section 5.29(b).

"*ETP SEC Documents*" is defined in Section 3.9(a).

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"*Execution Date*" is defined in the preamble to this Agreement.

"*Excluded Taxes*" means (a) Taxes owed by the Contributor Parties and any of their Affiliates (other than the Propane Group Entities) for any taxable period; (b) Taxes imposed with respect to or relating to the Propane Group Entities for any taxable period (or portion thereof) ending on or before the Contribution Closing Date; (c) Taxes imposed on Acquirer or any of its Affiliates (including, after the Contribution Closing Date, the Propane Group Entities)

as a result of any breach of warranty or misrepresentation under Section 3.18, or breach by the Contributing Parties of any covenant relating to Taxes; (d) Taxes resulting from, or in connection with, the Pre-Contribution Closing Transactions; (e) Taxes for which the Propane Group Entities are held liable (i) as a transferee or otherwise through operation of law by reason of a transaction occurring prior to the Contribution Closing, or (ii) as a result of any tax sharing, tax indemnity or tax allocation agreement or any express agreement to indemnify any other person entered into prior to the Contribution Closing; and (f) Taxes imposed as a result of the Propane Group Entities having filed any Tax Return on a combined, consolidated, unitary, affiliated or similar basis with another person. In the case of Taxes that are payable with respect to a taxable period beginning on or prior to the Contribution Closing Date and ending after the Contribution Closing Date, the portion of any such Tax that is allocable to the portion of the taxable period ending on the Contribution Closing Date shall be (A) in the case of Taxes that are either (1) based upon or related to income or receipts, or (2) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible) (other than Transfer Taxes pursuant to this Agreement, as provided under Section 5.12(b)), deemed equal to the amount which would be payable if the taxable year ended on the Contribution Closing Date; and (B) in the case of all other Taxes, deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction the numerator of which is the number of days in the period ending on the Contribution Closing Date and the denominator of which is the number of days in the entire taxable period.

"***Existing Stock***" is defined in Section 5.17(b).

"***Expiration Date***" is defined in Section 8.3(a)(i).

"***Final Acquirer Net Cash Payment***" is defined in Section 2.5(k).

"***Final Acquirer Working Capital Payment***" is defined in Section 2.5(i).

"***Final Closing Date Balance Sheets***" is defined in Section 2.5(f).

"***Final Contributor Net Cash Payment***" is defined in Section 2.5(j).

"***Final Contributor Working Capital Payment***" is defined in Section 2.5(h).

"***Final Net Cash***" is defined in Section 2.5(g).

"***Final Net Working Capital***" is defined in Section 2.5(g).

"***Final Non-Qualifying Income Cushion***" is defined in Section 10.5(b).

"***Final Non-Qualifying Income Cushion Certificate***" is defined in Section 10.5(b).

"***Financing Agreements***" is defined in Section 5.14(a).

"***Form S-3***" is defined in Section 5.22(a).

"*Fraud*" means actual fraud involving a knowing and intentional misrepresentation of a material fact.

"*Fundamental Representations*" is defined in Section 8.3(a)(i).

"*GAAP*" means generally accepted accounting principles in the United States of America.

"*Governmental Authority*" means any governmental, executive, legislative, judicial, regulatory or administrative agency, body, commission, department, board, court, tribunal, arbitrating body or authority of the United States or any foreign country, or any state, local or other governmental subdivision thereof.

"*Hazardous Substances*" means any (a) substance, waste or material regulated, defined, designated or classified as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law and (b) any petroleum or petroleum products or by-products, asbestos, poly-chlorinated biphenyls, toxic mold, or radioactive, flammable or explosive material.

"*Hedging Agreement*" means any Contract, option, forward contract, fuel exchange swap, derivative or other financial instrument to which any Propane Group Entity is a party which is designed to reduce exposure to market risks.

"*HOLP*" is defined in the recitals to this Agreement.

"*HOLP Financial Statements*" means (a) the audited balance sheets of HOLP and its consolidated Subsidiaries as of December 31, 2009 and 2010 and audited income statements and statements of cash flows of HOLP and its subsidiaries for the twelve (12) month periods ended December 31, 2008, 2009 and 2010 and (b) the unaudited balance sheet of HOLP and its consolidated Subsidiaries as of June 30, 2011 and the unaudited income statements and statements of cash flows for HOLP and its consolidated Subsidiaries for the six (6) month period ended June 30, 2011.

"*HOLP GP*" is defined in the recitals to this Agreement.

"*HOLP Note Purchase Agreements*" means the Note Purchase Agreement, dated as of November 19, 1997, by and among HOLP and the Initial Purchasers named therein, as amended, and the Note Purchase Agreement, dated as of August 10, 2000, by and among HOLP and the Initial Purchasers named therein, as amended.

"*HOLP Notes*" means the notes issued pursuant to the HOLP Note Purchase Agreements which remain outstanding as of the Execution Date.

"*HSR Act*" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"*Indebtedness*" means all indebtedness, liabilities, letters of credit and obligations, including (a) any interest thereon, (b) deferred purchase price and non-compete

payments associated with the acquisition of any property or assets and (c) net amounts due upon settlement pursuant to any Hedging Agreements, now existing or hereafter arising for money borrowed (excluding any Capital Lease) by a Person, or any contingent liability for or guaranty by a Person of any obligation of any other Person for money borrowed (including the pledge of any collateral or grant of any security interest by a Person in any property as security for any such liability, guaranty or obligation) whether or not any of the foregoing is evidenced by any note, indenture, guaranty or agreement.

"***Indemnified Party***" is defined in Section 8.3(e).

"***Indemnifying Party***" is defined in Section 8.4(a).

"***Indemnitees***" is defined in Section 8.2.

"***Independent Accountant***" is defined in Section 2.5(g).

"***Information***" is defined in Section 5.9(b).

"***Intellectual Property***" means, in any and all jurisdictions throughout the world, any and all (a) patents (including all reissues, divisionals, continuations and extensions thereof) and patent applications; (b) trademarks, trademark applications, service marks, logos, trade dress, trade names, Internet domain names, other identifiers of source or goodwill, and the goodwill associated therewith; (c) works of authorship (including software), copyrights, copyright registrations; and (d) trade secrets and confidential information, including confidential information regarding know-how, software, inventions and discoveries.

"***Intercompany Financing***" means a new and separate borrowing by Acquirer from AmeriGas Finance in an amount equal to the Redemption Cash Consideration or the Cash Consideration, as the case may be, on terms and conditions substantially similar to the Debt Financing and in accordance with the terms set forth on Annex H.

"***Intercompany Indebtedness***" is defined in Section 2.5(a).

"***Inventory***" means propane and all stock in trade, merchandise, goods, supplies and other products, raw materials, work in process and finished products related primarily to the Propane Business, together with all rights against suppliers of such inventories (including claims receivable for rejected inventory), and all prepayments and amounts paid on deposit with respect to the same.

"***IRS***" means the Internal Revenue Service of the United States.

"***Issue Price***" means $44.61.

"***Knowledge***" means (a) with respect to the Contributor Parties, the actual knowledge after due inquiry of Paul Grady, Jim Hamilton, Steve Sheffield, Dean Summers, Karen Hicks, Eric Beatty, Peggy Harrison, Peter Swift and George Tiblier, and (b) with respect to Acquirer, the actual knowledge after due inquiry of Eugene V.N. Bissell, Jerry E. Sheridan, John S. Iannarelli, Steven A. Samuel and Samuel R. Mauriello.

"*KPMG*" is defined in Section 2.5(g).

"*Last Declared Distribution*" means the per unit distribution on AmeriGas Common Units declared by the board of directors of AmeriGas GP with respect to the fiscal quarter ending immediately prior to the Previous Quarter.

"*Launch*" is defined in the definition of "Available Interest Rate."

"*Law*" means any law, statute, code, ordinance, order, rule, rule of common law, regulation, judgment, decree, injunction, writ, franchise, permit, requirement, certificate, license or authorization of any Governmental Authority, including NFPA 54 and NFPA 58.

"*Lead Underwriter*" means an investment banking firm selected by Acquirer and subject to the approval of ETP, such approval not to be unreasonably withheld or delayed, to serve as the lead book running manager for the Debt Financing.

"*Leased Real Property*" means the real property leased, licensed or otherwise occupied by any Propane Group Entity as tenant, licensee or occupier together with, to the extent so occupied by any Propane Group Entity, all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Propane Group Entities attached or appurtenant thereto and all material easements, licenses, rights and appurtenances relating to the foregoing.

"*Liabilities*" means any and all debts, losses, awards, judgments, liabilities, claims, damages, or obligations of any nature, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law (including any Environmental Law) or Proceeding and those arising under any Contract, commitment or undertaking.

"*Lien*" means, with respect to any property or asset, (a) any mortgage, pledge, security interest, lien (including environmental tax lien), hypothecation or other similar property interest or encumbrance, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership in respect of such property or asset, and (b) any easements, rights-of-way, restrictions, restrictive covenants, rights, leases, licenses, violation, reverter and other encumbrances on title to real or personal property (whether or not of record).

"*Losses*" is defined in Section 8.1.

"*Marketing Period*" means, subject to Section 5.14(d) the first period of fifteen (15) consecutive Business Days (subject to being tolled as described below) after the date of this Agreement, but commencing no earlier than (1) seven (7) days following the date Acquirer receives the Required Financial Information pursuant to Section 5.13(b) and (2) November 21, 2011, throughout which (a) Acquirer shall have the Required Financial Information that the Contributor Parties are required to provide to Acquirer pursuant to Section 5.13(b), and (b) the conditions set forth in Section 6.1, Section 6.2 and Section 6.3 (other than the conditions in Section 6.1(e), Section 6.2(f) and Section 6.3(e) and those conditions which have been satisfied subject only to the occurrence of the Contribution Closing or which by their terms are only capable of being satisfied at the Contribution Closing or the Redemption Closing, as applicable)

shall be satisfied; provided, however, that the Marketing Period (i) shall be tolled during any period that includes any of the periods from and including (A) November 23, 2011 until November 25, 2011 or (B) December 22, 2011 until January 2, 2012, in which case the Marketing Period shall be extended such that it contains fifteen (15) Business Days excluding any such tolled period, (ii) shall not include any period during which the Required Financial Information which has been provided to Acquirer would not be Compliant at any time during such fifteen (15) Business Day period, in which case a new fifteen (15) Business Day period shall commence seven (7) days following the date that Acquirer and its financing sources receive updated Required Financial Information that would be Compliant, and the requirements in clauses (a) and (b) above would be satisfied on the first (1st) day, throughout and on the last day of such new fifteen (15) Business Day period (for the avoidance of doubt, it being understood that if at any time during the Marketing Period the Required Financial Information provided at the commencement of the Marketing Period ceases to be Compliant, then the Marketing Period shall be deemed not to have occurred) and (iii) shall, notwithstanding any of the foregoing to the contrary, be deemed to have commenced on the first (1st) Business Day that AmeriGas Finance Launches the Debt Offering; provided, further, that the Marketing Period shall end on any earlier date that is the date on which AmeriGas Finance has entered into a definitive underwriting commitment or purchase agreement to consummate the Debt Financing.

"*Master Customer Agreement*" means that certain Master Customer Agreement, dated as of March 27, 2009, by and between Heritage Propane, Inc., and Agentek, Inc.

"*Material Adverse Effect*" means, with respect to any Person, any change, event circumstance, effect or development that, considered together with all other changes, events, circumstances, effects and developments is, or is reasonably likely to be, materially adverse to the business, assets, liabilities, financial condition, or operations of such Person and its Subsidiaries, taken as a whole; provided, however, that, a Material Adverse Effect shall not be deemed to have occurred as a result of any of the following changes, events or developments (either alone or in combination): (a) any change in general economic, political or business conditions (including any effects on the economy arising as a result of acts of terrorism), but which does not have a materially disproportionate impact on the business of such Person and its Subsidiaries relative to other competitors in such Person's industry; (b) any change in propane commodity prices; (c) any change affecting the propane storage, transportation and distribution industry generally but which does not have a materially disproportionate impact on the business of such Person and its Subsidiaries relative to other competitors in such Person's industry; (d) any change in accounting requirements or principles imposed by GAAP or any change in Law after the Execution Date but which does not, in each case, have a materially disproportionate impact on the business of such Person and its Subsidiaries relative to other competitors in such Person's industry; (e) any change resulting from the execution of this Agreement or the announcement of the transactions contemplated hereby; or (f) any change resulting from taking any action required to be taken to obtain any approval or authorization under any applicable Regulatory Law in accordance with this Agreement.

"*Negative Market Notice*" is defined in Section 5.14(d).

"*Negotiations*" is defined in Section 5.4(e).

"*Net Cash*" means, with respect with respect to each of HOLP and Titan and their respective Subsidiaries, on a consolidated basis, Cash minus Indebtedness of the Propane Group Entities (inclusive of the current and long-term portions of such Indebtedness), excluding (i) Indebtedness of $71,000,000 outstanding under the HOLP Notes, but not any amounts in excess of $71,000,000 and (ii) any Intercompany Indebtedness to the extent such Intercompany Indebtedness is cancelled at the Contribution Closing.

"*Net Cash Target*" is defined in Section 2.5(a).

"*Net Working Capital*" means, with respect to each of HOLP and Titan and their respective Subsidiaries, on a consolidated basis, (i) accounts receivable (including trade receivables, unbilled receivables, claims and other receivables), net of applicable reserves, plus (ii) inventory, plus (iii) prepaid expenses, minus (iv) accounts payable, minus (v) accrued liabilities, minus (vi) any other short term liabilities or accruals, including any unpaid compensation due and payable to employees of the Propane Group Entities as of the Contribution Closing Date; provided, however, Net Working Capital shall not include (i) Cash, (ii) any Indebtedness of the Propane Group Entities (inclusive of the current and long-term portions of such Indebtedness) or (iii) any obligations for non-compete payments associated with the acquisition of any property or assets.

"*Net Working Capital Target*" is defined in Section 2.5(a).

"*NYSE*" means the New York Stock Exchange.

"*Organizational Documents*" means, with respect to any Person, the articles of incorporation, certificate of incorporation, certificate of formation, certificate of limited partnership, bylaws, limited liability company agreement, operating agreement, partnership agreement, stockholders' agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of such Person, including any amendments thereto.

"*Owned Intellectual Property*" means all Intellectual Property owned by, purported to be owned by or under obligation of assignment to any of the Propane Group Entities.

"*Owned Real Property*" means the real property in which any Propane Group Entity has fee title (or equivalent) interest, together with all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems and equipment of the Propane Group Entities attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

"*Party*" and "*Parties*" are defined in the preamble of this Agreement.

"*Permits*" means all permits, approvals, certifications, consents, licenses, franchises, exemptions and other authorizations, consents and approvals of or from Governmental Authorities.

"*Permitted Liens*" means, with respect to any Person, (a) statutory Liens for current Taxes applicable to the assets of such Person or assessments not yet delinquent or the amount or validity of which is being contested in good faith and for which adequate reserves have been established in accordance with, and to the extent required by, GAAP; (b) Liens imposed by Law, including mechanics', carriers', workers', repairers', landlords' and other similar liens arising or incurred in the ordinary course of business of such Person relating to obligations as to which there is no default on the part of such Person and for which adequate reserves have been established in accordance with GAAP, (c) any state of facts which an accurate on the ground survey of any real property of such Person would show, and any easements, rights-of-way, restrictions, restrictive covenants, rights, leases, and other encumbrances on title to real or personal property filed of record that do not materially interfere with the use and operation of any of the assets of such Person or the conduct of the business of such Person; (d) Liens encumbering the fee interest of those tracts of real property encumbered by rights-of-way; provided, however, that the same do not materially interfere with the use of the asset in the ordinary course of business; (e) legal highways, zoning and building laws, ordinances and regulations, that do not materially interfere with the use of the assets of such Person in the ordinary course of business; and (f) Liens with respect to the assets of such Person, which together with all other Liens, do not materially detract from the value of such Person or materially interfere with the present use of the assets owned by such Person or the conduct of the business of such Person.

"*Person*" means any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any Governmental Authority.

"*Positive Market Notice*" is defined in Section 5.14(d).

"*Pre-Contribution Closing Tax*" is defined in Section 5.12(a).

"*Pre-Contribution Closing Transactions*" is defined in Section 2.1.

"*Preliminary Amount*" is defined in Section 10.5(a).

"*Previous Quarter*" means the AmeriGas fiscal quarter immediately preceding the AmeriGas fiscal quarter during which the Contribution Closing Date occurs.

"*Previous Quarter Distribution*" means the per unit distribution on AmeriGas Common Units declared by the board of directors of AmeriGas GP with respect to the Previous Quarter.

"*Pricing Offer*" is defined in the definition of "Available Interest Rate."

"*Proceeding*" means any civil, criminal or administrative actions, arbitrations, inquiries, complaints, suits, investigations or other proceedings.

"*Propane Business*" means the business of the Propane Group Entities with respect to the following: (a) marketing, distributing, storing, transporting and selling propane gas on a retail or wholesale basis; (b) selling, servicing and installing parts, appliances, supplies and equipment related to propane gas on a retail basis, including heating and cooking appliances; (c) marketing, distributing, leasing, storing, transporting and selling bottled water and water conditioning equipment; (d) marketing, distributing, storing, transporting and selling heating oil and other distillates, but only to the extent such activities are carried on by assets reported in the Propane Business Financial Statements; and (e) performing services ancillary to those described in clauses (a), (b), (c) or (d).

"*Propane Business Financial Statements*" means the HOLP Financial Statements and the Titan Unaudited Financial Statements.

"*Propane Group Assets*" is defined in Section 5.29(b).

"*Propane Group Benefit Plans*" is defined in Section 3.19(a)(ii).

"*Propane Group Budget*" means the Propane Group Entities' 2011 budget and, with respect to 2012, its 2012 budget, in each case, as in effect as of the Execution Date, a true and correct copy of which has been provided to Acquirer as of the Execution Date.

"*Propane Group Employees*" means the employees that are actively employed by the Propane Group Entities immediately prior to the Contribution Closing Date.

"*Propane Group Entities*" means each of the Target Entities and their respective Subsidiaries, collectively, with each such entity a "*Propane Group Entity*."

"*Propane Group Material Adverse Effect*" means any Material Adverse Effect in respect of the Propane Group Entities taken as a whole.

"*Propane Group Material Contracts*" is defined in Section 3.15(a).

"*Propane Operations*" is defined in Section 5.29(b).

"*Purchase Price*" means $2,819,000,000, as such amount shall be adjusted pursuant to Section 2.5, Section 5.14(e) and Section 5.29(c).

"*Qualified Debt Financing*" is defined in Section 5.14(d).

"*Real Property*" means the Owned Real Property and the Leased Real Property.

"*Redemption*" is defined in Section 2.7.

"*Redemption Cash Consideration*" means $1,500,000,000, as such amount shall be adjusted pursuant to Section 2.5, Section 5.14(e) and Section 5.29(c).

"*Redemption Closing*" is defined in Section 2.8.

"***Redemption Units***" means a number of AmeriGas Common Units equal to the number derived by dividing (a) the Redemption Cash Consideration by (b) the Issue Price, rounded to the nearest whole AmeriGas Common Unit.

"***Registered***" means issued by, registered, recorded or filed with, renewed by or the subject of a pending application before any Governmental Authority or Internet domain name registrar.

"***Regulation S-X***" means Regulation S-X of the General Rules and Regulations promulgated by the SEC.

"***Regulatory Law***" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other federal, state or foreign administrative and judicial doctrines and other Laws, including any antitrust, competition or trade regulation Laws, that are designed or intended to (a) prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening competition through merger or acquisition or (b) protect the national security or the national economy of any nation.

"***Release***" means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

"***Releasees***" is defined in Section 5.28.

"***Remedial Action***" means all action to (a) clean up, remove or treat Hazardous Substances in the environment; (b) restore or reclaim the environment or natural resources; (c) prevent the Release of Hazardous Substances so that they do not migrate, endanger or threaten to endanger public health or the environment; (d) remove or abate Hazardous Substances in building materials or equipment; or (e) perform remedial investigations, feasibility studies, corrective actions, closures and post-remedial or post-closure studies, investigations, operations, maintenance or monitoring.

"***Representatives***" is defined in Section 5.3.

"***Required Financial Information***" is defined in Section 5.13(b).

"***Responsible Officer***" means, with respect to any Person, any vice-president or more senior officer of such Person.

"***Restricted Business***" means any business anywhere in the United States that provides products and/or services of the kind provided by the Propane Business as of the Contribution Closing. For purposes of clarity, the Parties agree that Restricted Business shall not include any activities related to the marketing, trading or transportation of hydrocarbons or refined products, limited, in the case of propane, to the wholesale marketing, trading and transportation of propane.

"***Restricted Territory***" is defined in Section 5.11(a).

"*Retained Names and Marks*" is defined in Section 5.17(a).

"*Sarbanes-Oxley Act*" is defined in Section 3.9(h).

"*SEC*" is defined in Section 3.9(a).

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"*Select Propane Benefit Plans*" is defined in Section 3.19(b).

"*Site*" is defined in Section 8.1(c).

"*Spin-Off*" is defined in the recitals of this Agreement.

"*Spin-Off Units*" means a number of AmeriGas Common Units equal to the Equity Consideration less the sum of (a) the Redemption Units and (b) any AmeriGas Common Units to be retained by ETP following the Spin-Off.

"*Subsidiary*" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which a majority of the Voting Interests are at the time owned or Controlled directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"*Tangible Property*" means the tangible assets, storage tanks, vehicles, railroad tank cars, trailers and other delivery and service vehicles tools, spare and repair parts, pipelines, and other tangible property of the Propane Business, and, in the case of (a) below, fixtures, but excluding the real property (other than fixtures), in each case owned or leased by ETP or any of its Subsidiaries and (a) used primarily by the Propane Business at the Transferred Sites; or (b) used exclusively by the Propane Business and related to the storage and transportation of propane to the extent not falling within (a).

"*Target Entities*" means HOLP, HOLP GP, Titan and Titan GP, with each such entity a "*Target Entity*."

"*Tax*" means (a) any tax, charge, fee, levy, penalty or other assessment imposed by any U.S. federal, state, local or foreign taxing authority, including any excise, property, income, sales, transfer, margin, franchise, payroll, withholding, social security or other tax, including any interest, penalties or additions attributable thereto, whether disputed or not and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of being a member of a consolidated, combined or unitary group for any period.

"*Tax Return*" means any return, report, information return, declaration, claim for refund or other document (including any related or supporting information or schedules) supplied or required to be supplied to any authority with respect to Taxes and including any supplement or amendment thereof.

"*Termination Fee*" is defined in Section 7.2(b).

"*Titan*" is defined in the recitals to this Agreement.

"*Titan GP*" is defined in the recitals to this Agreement.

"*Titan Audited Financial Statements*" means (a) the audited balance sheets of Titan and its consolidated Subsidiaries as of December 31, 2009 and 2010 and audited income statements and statements of cash flows of Titan and its subsidiaries for the twelve (12) month periods ended December 31, 2008, 2009 and 2010 and (b) the unaudited balance sheet of Titan and its consolidated Subsidiaries as of September 30, 2011 and 2010 and the unaudited income statements and statements of cash flows for Titan and its consolidated Subsidiaries for the three (3) and nine (9) month periods ended September 30, 2011 and 2010.

"*Titan Unaudited Financial Statements*" means the unaudited balance sheets of Titan and its consolidated Subsidiaries as of December 31, 2009 and 2010 and unaudited income statements and statements of cash flows of Titan and its Subsidiaries for the twelve (12) month periods ended December 31, 2008, 2009 and 2010.

"*Transaction Agreements*" means, collectively, this Agreement, the Transition Services Agreement and the Unitholder Agreement.

"*Transfer Taxes*" is defined in Section 5.12(b).

"*Transferred Sites*" means the Owned Real Property and the Leased Real Property.

"*Transition Services Agreement*" is defined in Section 2.4(a)(v).

"*Treasury Regulations*" means the regulations (including temporary regulations) promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, similar or substitute, temporary or final Treasury Regulations.

"*Unitholder Agreement*" is defined in Section 2.4(a)(viii).

"*Voting Interests*" of any Person as of any date means the equity interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of such Person (regardless of whether, at the time, equity interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency) or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.

"*Weighted Average Interest Rate*" means the average effective interest rate of the tranches of notes comprising the Debt Financing (taking into account original issue discount with respect to such notes, if any), weighted in proportion to the principal amount of notes comprising such tranche.

AMENDMENT NO. 1 TO

CONTRIBUTION AND REDEMPTION AGREEMENT

This **AMENDMENT NO. 1**, dated as of December 1, 2011 (this "***Amendment***"), to the Contribution and Redemption Agreement, dated as of October 15, 2011 (the "***Contribution Agreement***"), is made and entered into by and among Energy Transfer Partners, L.P., a Delaware limited partnership ("***ETP***"), Energy Transfer Partners GP, L.P., a Delaware limited partnership and the general partner of ETP ("***ETP GP***"), Heritage ETC, L.P., a Delaware limited partnership ("***Contributor***"), and AmeriGas Partners, L.P., a Delaware limited partnership ("***Acquirer***").

ETP, ETP GP and Contributor are sometimes referred to individually in this Amendment as a "***Contributor Party***" and are sometimes collectively referred to in this Amendment as the "***Contributor Parties***." Each of the parties to this Amendment is sometimes referred to individually in this Agreement as a "***Party***" and all of the parties to this Amendment are sometimes collectively referred to in this Amendment as the "***Parties***."

RECITALS

WHEREAS, the Parties are parties to the Contribution Agreement, pursuant to which, upon the terms and subject to the conditions set forth therein, Contributor will contribute to Acquirer, and Acquirer will acquire from Contributor, the Acquired Interests, and in exchange Acquirer will issue to ETP the Equity Consideration and the Cash Consideration; and

WHEREAS, the Parties wish to amend the Contribution Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and of the covenants and agreements contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree that, effective as of the date of this Amendment, the Contribution Agreement shall be amended as follows:

ARTICLE I

DEFINITIONS; REFERENCES

Section 1.1 Definitions: References. Unless otherwise specifically defined herein, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Contribution Agreement. On and after the date hereof, each reference in the Contribution Agreement to "this Agreement," "herein," "hereunder" or words of similar import shall mean and be a reference to the Contribution Agreement as amended by this Amendment. Each reference herein to "the date of this Amendment" shall refer to the date set forth above and, except as otherwise expressly provided in this Amendment, each reference in the Contribution Agreement to the "date of this Agreement" or "date hereof" or similar references shall refer to October 15, 2011.

ARTICLE II

AMENDMENTS

Section 2.1 Amendment to Section 3.9(c). Section 3.9(c) of the Contribution Agreement is hereby amended by deleting the last sentence thereof and replacing it in its entirety with the following: "The Propane Group Audited Financial Statements, when delivered pursuant to Section 5.13(a), (A) will not differ in any material respect from the HOLP Financial Statements and the Titan Unaudited Financial Statements, except for any differences required by GAAP in presenting HOLP and its Subsidiaries and Titan and its Subsidiaries on a combined basis, (B) will be prepared in accordance with (1) GAAP, applied on a consistent basis throughout the periods presented thereby, and (2) Regulation S-X and (C) will fairly present in all material respects the combined financial position and operating results, equity and cash flows of HOLP and its Subsidiaries and Titan and its Subsidiaries, on a combined basis, as of, and for the periods ended on, the respective dates thereof, subject, however, in the case of unaudited financial statements, to normal year-end audit adjustments."

Section 2.2 Amendments to Section 5.13(a), Section 5.22(a) and Section 6.2(e).

(a) Section 5.13(a), Section 5.22(a) and Section 6.2(e) of the Contribution Agreement are hereby amended by replacing the term "Titan Audited Financial Statements" with the term "Propane Group Audited Financial Statements" each place where such term appears.

(b) Section 5.13(a) is hereby amended by replacing clause (ii) of the final sentence thereof with the following: "(ii) Grant Thornton LLP to audit the Titan Audited Financial Statements in accordance with the auditing standards established by the American Institute of Certified Public Accountants."

Section 2.3 Amendment to Section 5.26(a). Section 5.26(a) is hereby amended in its entirety to read as follows: "Except as set forth in Schedule 5.26(a) of the Contributor Disclosure Schedule, prior to the Contribution Closing, the Contributor Parties shall cause any Contract described in Section 3.15(a)(i) that is disclosed (or should have been disclosed) in Schedule 3.15(a) of the Contributor Disclosure Schedule, to be terminated or otherwise amended to exclude any of the Propane Group Entities as a party thereto."

Section 2.4 Amendment to Exhibit A. Exhibit A to the Contribution Agreement is hereby amended by:

(i) Deleting the definition of "Titan Audited Financial Statements" in its entirety; and

(ii) Adding the following definition in the appropriate alphabetical position:

"***Propane Group Audited Financial Statements***" means (a) the audited combined balance sheets of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries as of December 31, 2009 and 2010 and audited

combined statements of operations and comprehensive income, statements of partners' capital, and statements of cash flows of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries for the twelve (12) month periods ended December 31, 2008, 2009 and 2010.

Section 2.5 Amendment to Schedule 5.13(b) of the Contributor Disclosure Schedule. Schedule 5.13(b) of the Contributor Disclosure Schedule is hereby amended by replacing it in its entirety with the Schedule 5.13(b) attached to this Amendment.

ARTICLE III

GENERAL PROVISIONS

Section 3.1 Effect on the Contribution Agreement. The Contribution Agreement shall remain in full force and effect and, as amended by this Amendment, is hereby ratified and affirmed in all respects.

Section 3.2 Facsimiles; Counterparts. This Amendment may be executed by facsimile signatures by any Party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required. This Amendment may be executed in counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

Section 3.3 Governing Law; Jurisdiction. The provisions set forth in Article IX of the Contribution Agreement are incorporated herein by reference.

[Signature page follows.]

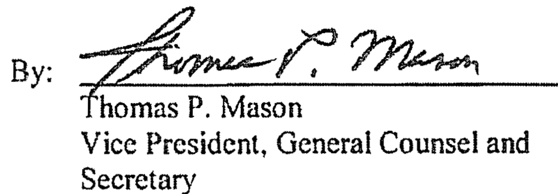
IN WITNESS WHEREOF, each of the Parties has caused this Amendment to be executed by its respective duly authorized officers as of the date first above written.

CONTRIBUTOR PARTIES:

ENERGY TRANSFER PARTNERS, L.P.

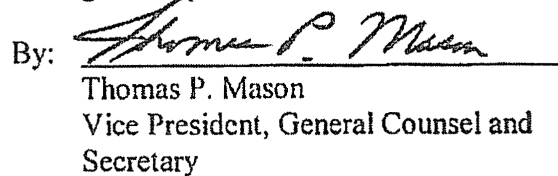
By: Energy Transfer Partners GP, L.P., its general partner

By: Energy Transfer Partners, L.L.C., its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

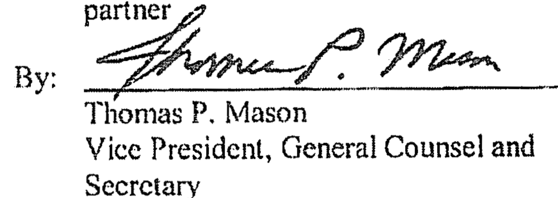
ENERGY TRANSFER PARTNERS GP, L.P.

By: Energy Transfer Partners, L.L.C., its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

HERITAGE ETC, LP

By: Heritage ETC GP, LLC, its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

ACQUIRER:

AMERIGAS PARTNERS, L.P.

By: AmeriGas Propane, Inc., its general partner

By: ______________________________

Eugene Bissell
President and CEO

Schedule 5.13(b)

Required Financial Information

"***Required Financial Information***" means, as of any date, (i) such financial statements, financial data and other pertinent information regarding the Propane Group Entities of the type required by Regulation S-X under the Securities Act for registered offerings of non-convertible debt securities to consummate the offering of unsecured senior notes and (ii) such other information and data as are otherwise reasonably necessary in order to receive customary "comfort" letters with respect to the financial statements and data referred to in clause (i) of this definition (including "negative assurance" comfort) from the independent auditors of the Propane Group Entities on any date during the Marketing Period, including the following financial statements:

(1) the audited combined balance sheets of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries as of December 31, 2009 and 2010 and audited combined statements of operations and comprehensive income, statements of cash flows and statements of partners' capital of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries for the twelve month periods ended December 31, 2008, 2009 and 2010;

(2) the unaudited combined balance sheet of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries as of September 30, 2011 and December 31, 2010, the unaudited combined statements of operations and comprehensive income, and statements of cash flows for HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries for the three and nine month periods ended September 30, 2011 and September 30, 2010, and the unaudited combined statements of partners' capital for HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries for the nine month periods ended September 30, 2011 and September 30, 2010;

(3) the unaudited combined balance sheet, statements of operations and comprehensive income, statements of cash flow and statements of partners' capital of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries for each quarter ended subsequent to the quarter ended September 30, 2011, but at least 40 days prior to the completion of the Marketing Period, including the unaudited statements of operations and comprehensive income, statements of cash flow and statements of partners' capital for the corresponding period in the prior fiscal year; and

(4) the unaudited combined balance sheet of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries as of September 30, 2011 and the unaudited combined statement of operations of HOLP and its consolidated Subsidiaries and Titan and its consolidated Subsidiaries for the twelve month period ended September 30, 2011.

AMENDMENT NO. 2 TO

CONTRIBUTION AND REDEMPTION AGREEMENT

This **AMENDMENT NO. 2**, dated as of January 11, 2012 (this "***Amendment***"), to the Contribution and Redemption Agreement, dated as of October 15, 2011, as amended (the "***Contribution Agreement***"), is made and entered into by and among Energy Transfer Partners, L.P., a Delaware limited partnership ("***ETP***"), Energy Transfer Partners GP, L.P., a Delaware limited partnership and the general partner of ETP ("***ETP GP***"), Heritage ETC, L.P., a Delaware limited partnership ("***Contributor***"), and AmeriGas Partners, L.P., a Delaware limited partnership ("***Acquirer***").

ETP, ETP GP and Contributor are sometimes referred to individually in this Amendment as a "***Contributor Party***" and are sometimes collectively referred to in this Amendment as the "***Contributor Parties.***" Each of the parties to this Amendment is sometimes referred to individually in this Agreement as a "***Party***" and all of the parties to this Amendment are sometimes collectively referred to in this Amendment as the "***Parties.***"

R E C I T A L S

WHEREAS, the Parties are parties to the Contribution Agreement, pursuant to which, upon the terms and subject to the conditions set forth therein, Contributor will contribute to Acquirer, and Acquirer will acquire from Contributor, the Acquired Interests, and in exchange Acquirer will issue to ETP the Equity Consideration and the Cash Consideration; and

WHEREAS, the Parties wish to amend the Contribution Agreement as set forth in this Amendment.

WHEREAS, this Amendment is being done in accordance with the Decision and Order entered by the United States Federal Trade Commission in *In the Matter of* AmeriGas Propane, L.P. and AmeriGas Propane, Inc., and Energy Transfer Partners, L.P. and Energy Transfer Partners GP, L.P. (the "***Order***").

NOW, THEREFORE, in consideration of the foregoing and of the covenants and agreements contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree that, effective as of the date of this Amendment, the Contribution Agreement shall be amended as follows:

ARTICLE I

DEFINITIONS; REFERENCES

Section 1.1 Definitions; References. Unless otherwise specifically defined herein, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Contribution Agreement, including any amendments to such terms pursuant to Section 2.14 of this Amendment. On and after the date hereof, each reference in the Contribution Agreement to "this Agreement," "herein," "hereunder" or words of similar import shall mean and be a reference to the Contribution Agreement as amended by this Amendment.

Each reference herein to "the date of this Amendment" shall refer to the date set forth above and, except as otherwise expressly provided in this Amendment, each reference in the Contribution Agreement to the "date of this Agreement" or "date hereof" or similar references shall refer to October 15, 2011.

ARTICLE II

AMENDMENTS

Section 2.1 Amendment to Section 5.5. Section 5.5 of the Contribution Agreement is hereby amended by replacing the first word "Subject" with "Except as otherwise contemplated in Section 5.29(e), subject".

Section 2.2 Amendment to Section 5.10. Section 5.10 of the Contribution Agreement is hereby amended by (A) making the existing Section 5.10 subparagraph (a), (B) amending the references in existing Section 5.10 to "Section 5.10" to read "Section 5.10(a)" and (C) adding the following sentence at the end of that subsection: "Notwithstanding anything herein to the contrary, nothing in this Section 5.10 shall restrict or prevent any Contributor Party from soliciting for employment or hiring any employees associated with the Cylinder Exchange Business or Messrs. Steve Sheffield or Eric Beatty as contemplated by Section 5.29(e)." Also, Section 5.10 is hereby further amended by adding the following subparagraph (b):

"(b) From the date of this Amendment until the second (2nd) anniversary of the Contribution Closing Date, Acquirer shall not, and shall cause its Affiliates to not, solicit for employment or hire any Person who is currently an employee of HOLP or any of its Subsidiaries and becomes an employee of HPX in connection with the Carve Out Transaction (an "***HPX Employee***"), including an HPX Employee who becomes an employee of the initial purchaser of the Cylinder Exchange Business contemplated by Section 5.29(e). The restrictions in this Section 5.10(b) regarding the prohibition on solicitations (as opposed to hires) shall not apply to (i) any solicitation by way of general advertising, including general solicitations in any local, regional or national newspapers or other publications or circulars or on internet sites or any search firm engagement which is not directed or focused on employees of HPX or any other Person that owns the Cylinder Exchange Business, as applicable, or (ii) the hiring of a person whose employment was terminated by his or her respective employer (or its Affiliates) and who was not solicited by the other Party (or its Affiliates) in violation of this Section 5.10(b)."

Section 2.3 Amendment to Section 5.29. A new Section 5.29(e) is hereby added to the Contribution Agreement, reading in its entirety as follows:

"Notwithstanding anything to the contrary in this Section 5.29 or elsewhere in this Agreement, immediately prior to the Contribution Closing, the Contributor Parties shall cause (A) HOLP to transfer, distribute and/or assign (the "***Carve Out Transaction***") to Heritage Propane Express, LLC, a Delaware limited liability company and an indirect wholly-owned Subsidiary of ETP ("***HPX***"), all of HOLP's rights, title and interest, in, to and under, all of the assets, including the transfer of all of the HPX Employees, constituting the Cylinder Exchange Business (the "***Cylinder Exchange Assets***"), as more specifically set forth on Schedule 5.29(e)(i), provided that the rights, titles and interests to be conveyed receive all Governmental

Authorities consents, licenses, permits, waivers, approvals, authorizations or orders and (B) HPX to assume the liabilities of HOLP related to the Cylinder Exchange Assets to the extent specifically identified on Schedule 5.29(e)(ii) (the "***Cylinder Exchange Liabilities***"). The Contributor Parties agree to use their reasonable best efforts to obtain timely all authorizations, consents and approvals of all third parties necessary in connection with the consummation of the Carve Out Transaction and the sale of the Cylinder Exchange Business; provided, however, that any reasonable payments or reasonable consent fees paid to obtain such consents shall be included as Transaction Expenses in accordance with Section 5.29(e)(iii); provided, further, that the Contributor Parties will use reasonable best efforts to avoid having to pay any consent fees to obtain such consents. The Contributor Parties hereby represent that the Cylinder Exchange Assets, coupled with the services being provided under the Cylinder Exchange Transition Services Agreement, the leases being entered into pursuant to Section 5.29(e)(v) and the rights being granted under Section 5.17(f), constitute all the assets, properties and rights that are currently being used by the Cylinder Exchange Business and that are necessary to conduct the Cylinder Exchange Business after the Carve Out Transaction in the same manner as it was being conducted prior to such time. If at any time after the Carve Out Transaction, the Parties discover that (i) except as otherwise provided in this Agreement, HOLP is in possession of any asset constituting part of the Cylinder Exchange Business, Acquirer shall cause HOLP to immediately transfer such assets to HPX or (ii) HPX is in possession of any asset transferred to HPX as part of the Carve Out Transaction that does not constitute part of the Cylinder Exchange Business, the Contributor Parties shall cause HPX to immediately transfer such assets to HOLP.

(i) As promptly as practicable after the date hereof, the Contributor Parties shall and shall cause HPX to use their reasonable best efforts to sell the Cylinder Exchange Business to a third party in a lawful manner designed to achieve the best available cash purchase price. In furtherance of the foregoing, the Contributor Parties agree that reasonable best efforts to obtain the best available cash purchase price includes (A) preparing any financial statements relating to the Cylinder Exchange Business, including audited financial statements, that may be reasonably necessary to facilitate the sales process or are reasonably requested by the buyer of the Cylinder Exchange Business, (B) entering into agreements reasonably necessary to retain the key personnel who currently manage the Cylinder Exchange Business identified on Schedule 5.29(e)(iii), (C) using and engaging such internal and external personnel and resources as are reasonably necessary to facilitate the sales process, including a broker or outside counsel as necessary in the reasonable discretion of the Contributor Parties, and (D) soliciting potential buyers that the Contributor Parties, based on their experience, reasonably determine to be reasonably likely to be credible and interested buyers. The Contributor Parties shall, subject to compliance with applicable Law, keep Acquirer informed about the sales process and any negotiations in respect of the sale of the Cylinder Exchange Business and shall make reasonable efforts to consult with Acquirer and afford Acquirer a reasonable opportunity to participate in such sales process and any such negotiations; provided, however, that the Contributor Parties shall have the ultimate right to determine the price and the entity to which the Cylinder Exchange Business is sold. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that the Contributor Parties shall not sell, and Acquirer shall not offer to buy from the Contributor Parties, the Cylinder Exchange Business. In addition, the Contributor Parties will not permit any Person participating in the sales process to participate as a potential buyer of the Cylinder Exchange Business without first requiring such Person to (A) withdraw from the sales process and (B) obtain Acquirer's prior consent.

(ii) The Purchase Price and the Cash Consideration shall be decreased by an amount equal to $40 million (the "***Adjustment Amount***"); provided, however, that upon the closing of the sale of the Cylinder Exchange Business (and later upon the final determination of any post-closing true up of working capital, net debt or other customary post-closing purchase price adjustments, if any, included in any definitive sale agreement with respect to the sale of the Cylinder Exchange Business), the Adjustment Amount shall be adjusted in accordance with Schedule 5.29(e)(iv). Unless otherwise required by applicable Law, the Parties agree to treat the Adjustment Amount (as adjusted in accordance with Schedule 5.29(e)(iv)) as an adjustment to the Purchase Price and the Cash Consideration for all purposes (including for all tax purposes).

(iii) Acquirer agrees to reimburse the Contributor Parties 50% of the amount of all fees and expenses (including (i) fees and expenses payable to any financial advisors, brokers, legal advisors and external accounting firms and (ii) the compensation, bonus payments and expenses payable to Steve Sheffield, Eric Beatty and the key employees of HPX as described on Schedule 5.29(e)(v)) payable in connection with the sale of the Cylinder Exchange Business (the "***Transaction Expenses***"), such 50% reimbursable portion not to exceed $1.5 million and such reimbursement amount to be paid to the Contributor not later than fifteen (15) Business Days after notice from the Contributor to Acquirer of the payment of any such Transaction Expenses. Acquirer agrees to reimburse Contributor for payments made by the Contributor Parties to the third party buyer of the Cylinder Exchange Business for damages suffered as a result of the Contributor Parties' or HPX's breach of usual and customary representations and warranties contained in any definitive sale agreement with respect to the sale of the Cylinder Exchange Business; provided, however, that Acquirer shall not be obligated to reimburse Contributor to the extent damages (x) were directly caused by the Contributor Parties' or HPX's failure to disclose (including by way of any disclosure schedule) to said third-party buyer any event, fact or circumstance actually known (after reasonable due inquiry) by the Contributor Parties or HPX, or (y) were not reasonably foreseeable by Acquirer due to any material inaccuracy in, or material omissions from, any of the Schedules or Annexes to this Agreement related to the Cylinder Exchange Business; provided, further, that any such reimbursement payments will be considered indemnifiable Losses under Section 8.1 (subject to the limitations on recovery for indemnifiable Losses in Section 8.3) to the extent the underlying cause giving rise to the indemnification obligation would have resulted in a breach under Article III of the Contribution Agreement for which Acquirer would have been entitled to indemnification under Article VIII of the Contribution Agreement had the Cylinder Exchange Business been transferred to Acquirer as of the Contribution Closing.

(iv) To enable the Cylinder Exchange Business to operate in substantially similar form to how it operated prior to the Carve Out Transaction, at or prior to the Contribution Closing, Acquirer and HPX will enter into a transition services agreement, in substantially the form attached hereto as Annex I (the "***Cylinder Exchange Transition Services Agreement***"), to provide HPX with certain transition services as set forth therein for a period of up to the later of (A) twelve (12) months after the Contribution Closing or (B) if requested by a buyer of the Cylinder Exchange Business, six (6) months after the closing of the sale of the Cylinder Exchange Business; provided that the buyer of the Cylinder Exchange Business will have the option, at its discretion, to extend said period for an additional six (6) months, but in no event to exceed twenty-four (24) months in the aggregate, which services will be priced at Acquirer's cost. Acquirer acknowledges that the Cylinder Exchange Transition Services Agreement will be

assignable to the third party buyer of the Cylinder Exchange Business, if requested by said buyer. Acquirer agrees to cooperate in good faith to make reasonable modifications to the Cylinder Exchange Transition Services Agreement as may be requested by the Contributor Parties or the initial purchaser of the Cylinder Exchange Business.

(v) Prior to the Contribution Closing, the Contributor Parties shall cause HOLP and HPX to enter into such leases with HOLP as the lessor and HPX as the lessee, except with respect to the property in Centre, Alabama with respect to which HPX will be the lessor and HOLP will be the lessee, as are reasonably necessary in order to provide HPX access to the real property currently utilized in the operation of the Cylinder Exchange Business. Such leases shall (a) be for a term of twelve (12) months commencing upon the Carve Out Transaction; provided, however, that, at the option of the buyer of the Cylinder Exchange Business, such leases may be terminated or extended for a period of up to twelve (12) months after the closing of the sale of the Cylinder Exchange Business, (b) be for no rent so long as HPX or the initial purchaser of the Cylinder Exchange Business owns the Cylinder Exchange Business; for the avoidance of doubt, this clause (b) shall not apply to any lease that is assigned to HPX or the initial purchaser of the Cylinder Exchange Business in which case the assignee shall be responsible for the payment of any rent due under such lease, and (c) contain such other commercially reasonable terms as may be necessary or appropriate.

(vi) From the effective date of the Carve Out Transaction through the closing of the sale of the Cylinder Exchange Business, except as required by applicable Law, with respect to the Cylinder Exchange Business the Contributor Parties shall and shall cause HPX to (A) conduct the Cylinder Exchange Business and activities in the ordinary course of business consistent with past practice; (B) use reasonable best efforts to preserve intact its goodwill and relationships with customers, suppliers and others having business dealings with them; (C) use reasonable best efforts to keep available the services of the key employees; (D) make growth and maintenance capital expenditures (other than capital expenditures associated with purchases of any securities or ownership interests of, or acquisitions of assets of, or investments in, any Person) in the ordinary course of business consistent with past practice and the Propane Group Budget for the Cylinder Exchange Business; and (E) not take any action that would materially and adversely affect the ability of the Contributor Parties and HPX to effect the sale of the Cylinder Exchange Business in a manner designed to achieve the best available cash purchase price, be reasonably expected to prevent or materially delay the sale of the Cylinder Exchange Business or have a Material Adverse Effect on the Cylinder Exchange Business.

(vii) The Contributor Parties agree to use (and cause HPX to use) reasonable best efforts to obtain from any Governmental Authorities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained and to make or cause to be made any filings with or notifications or submissions to any Governmental Authority that are necessary in order to sell the Cylinder Exchange Business on the terms set forth in this Section 5.29(e) and shall diligently and expeditiously prosecute such matters. Acquirer agrees, however, that with prior notice to and in consultation with Acquirer, the Contributor Parties and HPX may agree to sell the Cylinder Exchange Business on terms materially different than those set forth above if necessary to obtain any authorization, consent or approval of any Governmental Authority under any Regulatory Law that is required to consummate the sale of the Cylinder Exchange Business to a third party. The Contributor Parties agree to use (and cause HPX to use)

reasonable best efforts to resist any effort by a Governmental Authority to alter the terms of sale specified in Section 5.29(e).

(viii) In the event the Contributor Parties fail to consummate the sale of the Cylinder Exchange Business within twelve months after the Contribution Closing, then (A) the provisions of this Section 5.29(e)(i), (iii), (vi) and (vii) with respect to the sale of the Cylinder Exchange Business shall terminate and (B) the obligations of each of the Contributor Parties and Acquirer hereunder, including any obligations to adjust the Adjustment Amount under Section 5.29(e)(ii) or to reimburse any Transaction Expenses under Section 5.29(e)(iii) shall cease; provided that, notwithstanding the foregoing, (a) any Transaction Expenses incurred prior to the first anniversary of the Contribution Closing shall be subject to the reimbursement obligation under Section 5.29(e)(iii) and (b) any services under the Cylinder Exchange Transition Services Agreement which by there terms survive beyond such twelve month period shall continue in accordance with the terms set forth in the Cylinder Exchange Transition Services Agreement. For the avoidance of doubt, the provisions of this Section 5.29(e)(viii) shall not in any way effect the Carve Out Transaction under this Section 5.29(e) or the adjustment to the Purchase Price and the Cash Consideration to account for the Adjustment Amount as contemplated by Section 5.29(e)(ii) without giving effect to the proviso set forth therein."

Section 2.4 Amendment to Section 5.9(a). Section 5.9(a) of the Contribution Agreement is hereby amended by adding as the last sentence thereof the following: "Notwithstanding anything in the Agreement to the contrary, Acquirer acknowledges that any and all information provided or made available to it by the Contributor Parties (or their Representatives) before or after the Contribution Closing concerning the Cylinder Exchange Business will remain subject to the terms and conditions of such Confidentiality Agreement after the Contribution Closing."

Section 2.5 Amendment to Section 5.9(b). Section 5.9(b) of the Contribution Agreement is hereby amended by adding as the last sentence thereof the following: "Notwithstanding anything in the Agreement to the contrary, Acquirer acknowledges that any and all information concerning the Cylinder Exchange Business shall not be subject to the limitations set forth in this Section 5.9(b)."

Section 2.6 Amendment to Section 5.29(a). Section 5.29(a) of the Contribution Agreement is hereby amended by adding as the last sentence thereof the following: "The amount of the Divestiture Cap shall be reduced by the revenue attributable to the Cylinder Exchange Business for the twelve (12) months ended June 30, 2011."

Section 2.7 Amendment to Section 5.11. Section 5.11(a)(iv) of the Contribution Agreement is hereby amended in its entirety to read as follows: "owning or operating Propane Group Assets retained by an ETP Entity in connection with the exercise of the ETP Retention Option in accordance with Section 5.29(b) or in connection with the retention of the Cylinder Exchange Business in accordance with Section 5.29(e); provided, however, that such ETP Entity agrees to divest such Propane Group Assets (other than the Cylinder Exchange Business) retained by an ETP Entity within one (1) year of the Contribution Closing Date (or such lesser time that may be required pursuant to an order by a Governmental Authority under any Regulatory Law)."

Section 2.8 Amendment to Section 5.4. Section 5.4(e) of the Contribution Agreement is hereby amended in its entirety to read as follows: "Notwithstanding anything to the contrary in this Agreement, Acquirer shall have the right to direct all discussions, matters, proceedings or negotiations (collectively, the "***Negotiations***") with any Governmental Authority or other Person regarding any of the transactions contemplated hereby, other than the Carve Out Transaction or Negotiations arising under ETP or ETP GP's compliance with Sections II.C. or II.D of the Order, provided that (i) it shall keep the Contributor Parties informed about such Negotiations, shall make reasonable efforts to consult with the Contributor Parties and shall afford the Contributor Parties a reasonable opportunity to participate in the Negotiations; but (ii) prior to the issuance of a request for additional information and documentary material ("***Second Request***"), with specific respect to any Negotiations with the Federal Trade Commission (the "***FTC***"), Acquirer and the Contributor Parties shall jointly be responsible for directing all Negotiations, and all Parties shall keep the other informed about such Negotiations, shall consult with each other and shall include each other in any such Negotiations."

Section 2.9 Amendment to Section 5.17. Section 5.17 of the Contribution Agreement is hereby amended to add the following clause (f):

"(f) HOLP hereby grants to HPX an exclusive royalty-free license to use the HPX Mark and a non-exclusive royalty-free license to use the Heritage Ancillary Marks in connection with the Cylinder Exchange Business during the Mark License Term. The "***HPX Mark***" shall mean the "HERITAGE PROPANE EXPRESS" mark, and the "***Heritage Ancillary Marks***" shall mean the HERITAGE PROPANE WITH FLAG mark and the RELATIONSHIPS MATTER mark, in each case as identified on Exhibit A to Schedule 3.13(a). The "***Mark License Term***" means the time period from the Contribution Closing Date until twelve (12) months after the closing of the sale of the Cylinder Exchange Business by the Contributor Parties, but in no event later than two (2) years after the date hereof. HPX agrees that all goods and services sold under the HPX Mark or the Heritage Ancillary Marks shall be of substantially the same quality as such goods and services sold in the Cylinder Exchange Business prior to the Carve Out Transaction. HPX agrees that, from and after the date of this Amendment, all goodwill that may accrue as a result of HPX's use of the HPX Mark or the Heritage Ancillary Marks during the Mark License Term shall inure solely to HOLP. Upon the end of the Mark License Term, HPX shall cease all use of the HPX Mark and the Heritage Ancillary Marks in connection with its goods and services and the license granted pursuant to this Section 5.17(f) shall terminate. The license granted to HPX in this Section 5.17(f) shall be freely assignable and transferable by HPX with the sale of the Cylinder Exchange Business, provided that the purchaser of the Cylinder Exchange Business agrees to be bound by this provision. Acquirer agrees, for and on behalf of its Subsidiaries (including HOLP after the Contribution Closing Date), successors and assigns, that after the end of the Mark License Term, it shall promptly retire, and cease all use of, the HPX Mark and that Acquirer and its Subsidiaries (including HOLP after the Contribution Closing Date), successors and assigns shall never again use the HPX Mark in commerce. There will be no infringement of the HPX Mark or the Heritage Ancillary Marks by HPX or the purchaser of the Cylinder Exchange Business by the use of such marks on cylinders after the expiration of the Mark License Term provided that any such cylinders had already

been delivered to cages at a customer of HPX or the purchaser of the Cylinder Exchange Business before the expiration of the Mark License Term."

Section 2.10 Amendment to Section 2.4(b)(ii) and definition of "Purchase Price." All references to "Section 5.29(c)" in Section 2.4(b)(ii) and the definition of "Purchase Price" in Exhibit A of the Contribution Agreement are hereby deleted and replaced with "Section 5.29."

Section 2.11 Amendment to Section 2.4(a). A new Section 2.4(a)(x) is hereby added to the Contribution Agreement, reading in its entirety as follows: "Cylinder Exchange Transition Services Agreement. A counterpart of the Cylinder Exchange Transition Services Agreement, duly executed by HPX."

Section 2.12 Amendment to Section 2.4(b). A new Section 2.4(b)(xiii) is hereby added to the Contribution Agreement, reading in its entirety as follows: "Cylinder Exchange Transition Services Agreement. A counterpart of the Cylinder Exchange Transition Services Agreement, duly executed by Acquirer."

Section 2.13 Amendment to Section 10.4. Section 10.4 of the Contribution Agreement is hereby amended by adding clause (c) to the end of the second sentence to read as follows: "and (c) HPX and the Contributor Parties shall have the right to assign its rights under Sections 5.9(a), 5.10(b), 5.17(f) and 5.29(e) to the initial purchaser of the Cylinder Exchange Business without the prior consent of Acquirer."

Section 2.14 Amendment to Exhibit A. Exhibit A to the Contribution Agreement is hereby amended by adding the following definitions in the appropriate alphabetical position:

> "***Cylinder Exchange Business***" means HOLP's business of preparing, distributing, marketing and selling 20-pound portable grill cylinders pre-filled with propane and collecting used 20-pound portable grill cylinders for refilling or disposal. As used in this definition, 20-pound portable grill cylinders refer to cylinders that are designed to meet U.S. Department of Transportation specifications and that are primarily used by consumers in barbeque grills.
>
> "***Order***" means the Decision and Order entered by the United States Federal Trade Commission in *In the Matter of* AmeriGas Propane, L.P. and AmeriGas Propane, Inc., and Energy Transfer Partners, L.P. and Energy Transfer Partners GP, L.P.

ARTICLE III

GENERAL PROVISIONS

Section 3.1 Effect on the Contribution Agreement. The Contribution Agreement shall remain in full force and effect and, as amended by this Amendment, is hereby ratified and affirmed in all respects.

Section 3.2 Facsimiles; Counterparts. This Amendment may be executed by facsimile signatures by any Party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required. This Amendment may be executed in counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document.

Section 3.3 Governing Law; Jurisdiction. The provisions set forth in Article IX of the Contribution Agreement are incorporated herein by reference.

[Signature page follows.]

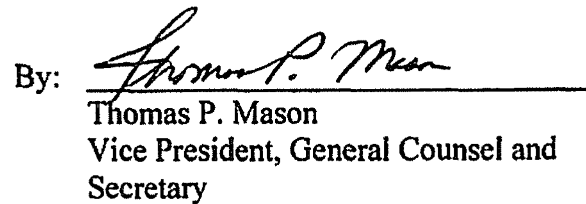
IN WITNESS WHEREOF, each of the Parties has caused this Amendment to be executed by its respective duly authorized officers as of the date first above written.

CONTRIBUTOR PARTIES:

ENERGY TRANSFER PARTNERS, L.P.

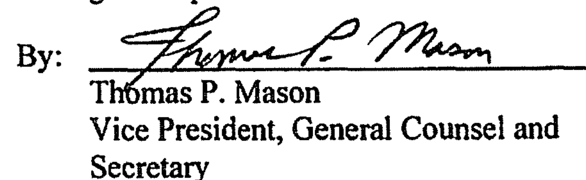
By: Energy Transfer Partners GP, L.P., its general partner

By: Energy Transfer Partners, L.L.C., its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

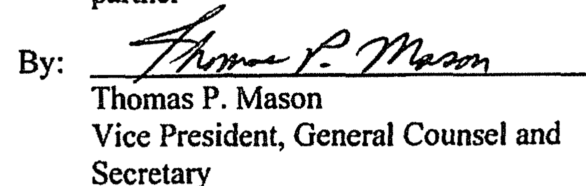
ENERGY TRANSFER PARTNERS GP, L.P.

By: Energy Transfer Partners, L.L.C., its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

HERITAGE ETC, LP

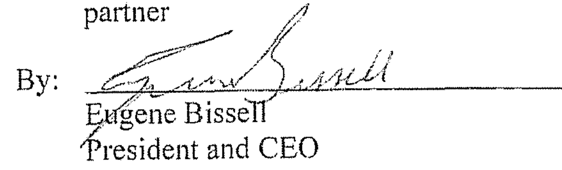
By: Heritage ETC GP, LLC, its general partner

By: 
Thomas P. Mason
Vice President, General Counsel and Secretary

ACQUIRER:

AMERIGAS PARTNERS, L.P.

By: AmeriGas Propane, Inc., its general partner



By: ______________________
Eugene Bissell
President and CEO

Annex I

Cylinder Exchange Transition Services Agreement

(See attached)

Schedule 5.29(e)(i)

Cylinder Exchange Assets

1. All existing customer agreements of the Cylinder Exchange Business
2. Uncollected Accounts Receivable arising out of the Cylinder Exchange Business as of the Carve Out Transaction
3. Trade name United Propane Exchange
4. Trade name Cyclone Cylinder Exchange
5. All executory non-compete agreements entered into by sellers of 20 pound cylinder exchange businesses in favor of HOLP
6. The non-compete agreements as set forth on the spreadsheet entitled "Annex A - Schedule 5.29(e)(i)" attached hereto
7. Working inventory of cylinders, valves, cylinder pallets utilized primarily by the Cylinder Exchange Business as of the Carve Out Transaction
8. Working inventory of LP-Gas utilized primarily by the Cylinder Exchange Business as of the Carve Out Transaction
9. All acquisition agreements for assets constituting the Cylinder Exchange Business
10. All assets of Plantation Propane, Inc., acquired and currently owned by HOLP pursuant to that certain Agreement for Purchase and Sale of Assets by and between Plantation Propane, Inc., Heritage Operating, L.P. and Monty Lewis, dated as of April 4, 2011
11. All assets of Gas, Incorporated acquired and currently owned by HOLP pursuant to that certain Agreement for Purchase and Sale of Assets by and between Gas, Incorporated and Heritage Operating, L.P., dated as of August 25, 2011
12. All assets of Horizon Propane Cylinders, LLC acquired and currently owned by HOLP pursuant to that certain Agreement for Purchase and Sale of Assets by and between Horizon Propane Cylinders, LLC, Heritage Operating, L.P., J. Adam Donahue, Darla R. Donahue, TSI Industries, LLC, and Horizon Energy, LLC, dated as of September 20, 2011
13. All assets of Mid-Atlantic Cooperative Solutions, Inc. acquired and currently owned by HOLP pursuant to that certain Agreement for Purchase and Sale of Assets by and between Mid-Atlantic Cooperative Solutions, Inc., d/b/a Aero Energy and Heritage Operating, L.P., dated as of March 16, 2010

14. All assets of Tri State Cylinders, Inc. acquired and currently owned by HOLP pursuant to that certain Agreement for Purchase and Sale of Assets by and between Tri State Cylinders, Inc., and Heritage Operating, L.P., dated as of March 13, 2009

15. All assets of Bison Ventures, L.L.C. acquired and currently owned by United Propane Exchange, L.L.C. pursuant to that certain Agreement for Purchase and Sale of Assets by and between Bison Ventures, L.L.C., United Propane Exchange, L.L.C., Caryn Rodgers, Dan Rodgers, Don Hankins and Propane Ventures, Inc., dated as of June 26, 2006

16. All assets of United Propane and Energy Company acquired and currently owned by HOLP pursuant to that certain Agreement for Purchase and Sale of Assets by and between United Propane and Energy Company and Heritage Operating, L.P., dated as of January 13, 2005

17. All assets of United Propane and Energy Company acquired and currently owned by HOLP pursuant to that certain Purchase Agreement by and between Heritage Operating, L.P., United Propane and Energy Company, Gregg M. Falberg and Eric Falberg, dated as of December 20, 2007

18. All assets of Fitzgerald dba Kiss the Cook acquired and currently owned by HOLP

19. Domain registration for www.heritagepropaneexpress.com and website content (other than intellectual property used under license from HOLP) (subject to the limitations on use of trademarks set forth in Section 5.17(f))

20. HPX Intangible Assets as set forth on the spreadsheet entitled "Annex B – Schedule 5.29(e)(i)" attached hereto

21. HPX AFEs as set forth on the spreadsheet entitled "Annex C – Schedule 5.29(e)(i)" attached hereto

22. HPX Assets as set forth on the spreadsheet entitled "Annex D – Schedule 5.29(e)(i)" attached hereto

23. The right to an allocation of propane supply under the Supply Agreements with respect to the propane volumes and delivery schedule set forth on the spreadsheet entitled "Annex E – Schedule 5.29(e)(i)" attached hereto

24. All vendor agreements for the Cylinder Exchange Business

25. The right to an allocation of the hedge positions under the Hedge Agreements with respect to the propane volumes and delivery schedule set forth on the spreadsheet entitled "Annex F – Schedule 5.29(e)(i)" attached hereto

26. All cell phones, desktop computers, laptop computers, printers, copiers, scanners and Motorola handheld devices currently at any HPX office or in the possession of HPX Employees

27. Vehicles used by management:

- Dale Smith RVP - #096675 , 2009 Chevy Silverado
- Staff Pool Vehicle Assigned to 3197, resides in Gurnee, IL - #C0406 2004 Ford Expedition
- 2007 Ford Explorer, VIN 1FMEU63E67UB58121

28. All of the equipment primarily used for the Cylinder Exchange Business, including those set forth on the spreadsheet entitled "Annex G – Schedule 5.29(e)(i)" attached hereto

29. All sales and marketing materials, customer information and customer lists, and bookkeeping, accounting and other records, in each case, relating to the Cylinder Exchange Business

30. The land and property currently located at 2333 Houston St., Grand Prairie, Texas, 75050.

31. The rights, title and interests pursuant to that certain Lease dated January 15, 2010 between Aero Energy, Div. Mid-Atlantic Cooperative Solutions Inc., and Blue Rhino a division of Ferrellgas, LP

32. The rights title and interests pursuant to that certain Lease Agreement dated November 18, 2011 between Heritage Operating, L.P. and Kosan Crisplant Missouri Inc.

33. HPX ARS Server

34. HPX Grand Prairie Assets as set forth on the spreadsheet entitled "Annex H – Schedule 5.29(e)(i)" attached hereto

35. All trucks, tractors, tractor trailers and other vehicles allocated to and used by HPX in the ordinary course of the Cylinder Exchange Business

Schedule 5.29(e)(ii)

Cylinder Exchange Liabilities

Liabilities

1. Remaining payment obligations with respect to the non-compete agreements as set forth on the spreadsheet entitled "Annex A – Schedule 5.29(e)(ii)" attached hereto

2. The pending claims and potential claims as set forth on the spreadsheet entitled "Annex B – Schedule 5.29(e)(ii)" attached hereto

3. The proposed assignments to the lease agreements referenced on the document entitled "Annex C – Schedule 5.29(e)(ii)" attached hereto

4. The worker's compensation claims as set forth on the document entitled "Annex D – Schedule 5.29(e)(ii)" attached hereto

5. Unpaid Accounts Payable arising out of the Cylinder Exchange Business as of the Carve Out Transaction

6. Any other liabilities exclusively associated with the Cylinder Exchange Assets and the operation of the Cylinder Exchange Business

Contingent Liabilities

1. The liabilities related to an allocation of the hedge positions under the Hedge Agreements with respect to the propane volumes and periods set forth on the spreadsheet entitled "Annex E-Schedule 5.29(e)(ii)" attached hereto

Schedule 5.29(e)(iii)

Key Personnel

Gregory Kempton

Donna Hallberg

Scott Klein

Robert Vrankovich

Marty Baker

Dale Smith

Steve Magill

Tom Steckbeck

Schedule 5.29(e)(iv)

Adjustment Amount

1. In the event the gross proceeds of the sale of the Cylinder Exchange Business (the "***Gross Proceeds***") exceed the Adjustment Amount, then the Contributor Parties shall pay (or cause HPX to pay) Acquirer by wire transfer of immediately available funds not later than three Business Days after the closing of the sale of the Cylinder Exchange Business (or, with respect to any post-closing purchase price adjustment under the definitive sale agreement with respect to the sale of the Cylinder Exchange Business, within three Business Days of the final determination of such post-closing purchase price adjustment) an amount equal to (i) 90% of the excess of the Gross Proceeds over the Adjustment Amount until the Gross Proceeds equal $60 million and (ii) 80% of the excess of the Gross Proceeds over $60 million. In the event the Gross Proceeds exceed an amount equal to (x) $10.5x the EBITDA of Cylinder Exchange Business for the twelve (12) months ended September 30, 2011, plus (y) any amounts retained by the Contributor Parties (or HPX) pursuant to clauses (i) and (ii) above, plus (z) the amount of any Transaction Expenses paid by Acquirer, then the Contributor Parties (or HPX) shall retain all of such excess. The Contributor Parties shall use (or cause HPX to use) a portion of any amounts retained by the Contributor Parties pursuant to this paragraph 1, to pay each of Steve Sheffield and Eric Beatty an incentive bonus (each such bonus not to exceed $150,000) equal to 50% of the amount so retained by the Contributor Parties (or HPX, if applicable) attributable to any portion of the Gross Proceeds that exceeds $45,000,000 (which bonus payments shall be considered Transaction Expenses).

2. In the event the Gross Proceeds are less than the Adjustment Amount, then Acquirer shall pay Contributor by wire transfer of immediately available funds not later than three Business Days after the closing of the sale of the Cylinder Exchange Business an amount equal to the shortfall amount.

3. Any amounts paid pursuant to paragraphs 1 or 2 above shall be increased (in the case of a payment from Acquirer to Contributor pursuant to paragraph 2 above) or decreased (in the case of a payment from the Contributor Parties (or HPX) to Acquirer pursuant to paragraph 1 above) by an amount equal to the net present value (determined in accordance with Section 6(a) of the ETP CRSA) of the tax detriment to Contributor's unitholders resulting from the acceleration of net taxable income or gain required to be recognized by Contributor's unitholders in connection with Contributor's sale of the Cylinder Exchange Business as compared to the net taxable gain that would have been recognized by Contributor's unitholders if the Cylinder Exchange Business had not been sold at such time; provided, however, that:

    a. the tax detriment shall be calculated as if the amount of net taxable gain recognized were equal to the excess of (i) the amount of net taxable gain actually recognized in connection with the sale of the Cylinder Exchange Business; over (ii) the sum of (A) the aggregate amount of depreciation and amortization

deductions taken by the Contributor Parties with respect to the Cylinder Exchange Business during the period from the date of the Contribution Closing until the date of the sale of the Cylinder Exchange Business and (B) if the amount of the Gross Proceeds exceeds the Adjustment Amount, any portion of the excess of Gross Proceeds over the Adjustment Amount that is not required to be paid by the Contributor Parties (or HPX) to Acquirer pursuant to paragraph 1 above;

b. in determining the amount of such tax detriment, the first $10 million of recognized net taxable gain shall be treated as resulting in no tax detriment to Contributor's unitholders; and

c. the tax detriment shall be determined based on the assumption that, had the Cylinder Exchange Business not been sold at such time, any net taxable gain recognized in excess of $10 million would have been recognized in an amount equal to $10 million per taxable year in each taxable year succeeding the sale of the Cylinder Exchange Business (in the aggregate not exceeding the total net taxable gain recognized).

For example, if the Cylinder Exchange Business were sold in 2012 for Gross Proceeds of $60 million, Contributor's unitholders took $5 million of depreciation deductions with respect to the Cylinder Exchange Business during 2012 and Contributor's unitholders recognized $35 million of net taxable gain in connection with such sale, the net taxable gain deemed recognized for this purpose would be reduced by the sum of (a) $5 million (i.e., the amount of the depreciation deductions taken by the Contributor Parties between the time of the Contribution Closing and the time of the sale) and (b) $2 million, because the Contributor Parties would only be required to pay $18 million to Acquirer. Accordingly, only $28 million of gain will be treated as recognized. Of this amount, no tax detriment would result from the first $10 million of net taxable gain and the tax detriment resulting from the remaining $18 million of net taxable gain would be based on the assumption that $10 million of such gain would have been recognized in 2013 and the remaining $8 million of such gain would have been recognized in 2014.

Schedule 5.29(e)(v)

Compensation, Expenses and Incentive Bonus

Payable to Steve Sheffield and Eric Beatty

1. Steve Sheffield and Eric Beatty will be entitled to receive the payments set forth in the attachment entitled "Compensation and Bonus Schedule– Steve Sheffield and Eric Beatty" and the employees named therein will be entitled to receive the payments set forth in the attachment entitled "Bonus Schedule – Key HPX Employees"; provided, that any such payments shall not include the incentive bonus payments set forth in Schedule 5.29(e)(iv).

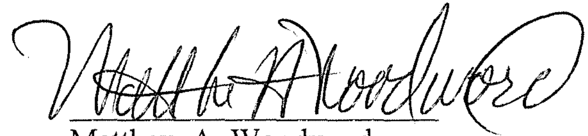
AMERIGAS PROPANE, L.P.

ASSISTANT SECRETARY'S CERTIFICATE

I, Matthew A. Woodward, do hereby certify that I am the duly elected and acting Assistant Secretary of AmeriGas Propane, Inc., a Pennsylvania corporation (the "Company") and the sole general partner of AmeriGas Propane, L.P., a Delaware limited partnership (the "APLP"), and as such I am duly authorized to execute and deliver this Certificate on behalf of the Company, and I do further certify in said capacity as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Second Amended and Restated Agreement of Limited Partnership of AmeriGas Propane, L.P., dated as of December 1, 2004.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 23rd day of May, 2013.



Matthew A. Woodward
Assistant Secretary

Corporate Seal

Exhibit A

Second Amended and Restated Agreement
Of
Limited Partnership
Of
AmeriGas Propane, L.P.
Dated as of December 1, 2004

SECOND AMENDED AND RESTATED AGREEMENT

OF

LIMITED PARTNERSHIP

OF

AMERIGAS PROPANE, L.P.

DATED AS OF DECEMBER 1, 2004

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SECOND AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP OF

AMERIGAS PROPANE, L.P.

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF AMERIGAS PROPANE, L. P., dated as of December 1, 2004, is entered into by and among AmeriGas Propane, Inc., a Pennsylvania corporation, as the General Partner, and AmeriGas Partners, L.P., a Delaware limited partnership, as the initial Limited Partner, together with any other Persons who become Partners in the Partnership as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

ORGANIZATIONAL MATTERS

1.1 FORMATION. The General Partner and the MLP have previously formed the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. The General Partner hereby amends and restates the Amended and Restated Agreement of Limited Partnership of AmeriGas Propane, L.P., dated as of April 12, 1995, in its entirety. Except as expressly provided to the contrary in this Agreement, the rights and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act. All Partnership Interests shall constitute personal property of the owner thereof for all purposes.

1.2 NAME. The name of the Partnership shall be "AmeriGas Propane, L.P." The Partnership's business may be conducted under any other name or names deemed necessary or appropriate by the General Partner, including the name of the General Partner. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole discretion may change the name of the Partnership at any time and from time to time and shall notify the Limited Partner of such change in the next regular communication to the Limited Partner.

1.3 REGISTERED OFFICE; PRINCIPAL OFFICE. Unless and until changed by the General Partner, the registered office of the Partnership in the State of Delaware shall be located at 32 Loockerman Square, Suite L-100, Dover, Delaware 19904, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be The Prentice-Hall Corporation System, Inc. The principal office of the Partnership shall be located at, and the address of the General Partner shall be, 460 North Gulph Road, King of Prussia, Pennsylvania 19406, or such other place as the General Partner may from time to time designate by notice to the Limited Partner. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems necessary or appropriate.

1.4 POWER OF ATTORNEY. (a) The Limited Partner hereby constitutes and appoints each of the General Partner and, if a Liquidator shall have been selected pursuant to Section 13.3, the Liquidator severally (and any successor to either thereof by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements thereof) that the General Partner or the Liquidator deems necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the General Partner or the Liquidator deems necessary or appropriate to reflect, in accordance with its terms, any amendment, charge, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner or the Liquidator deems necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article X, XI, XII or XIII; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Partnership Interests; and (F) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger or consolidation of the Partnership pursuant to Article XV; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or is necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to effectuate the terms or intent of this Agreement; provided, that when the approval of the Limited Partner is required by any provision of this Agreement, the General Partner or the Liquidator may exercise the power of attorney made in this Section 1.4(a)(ii) only after the necessary approval of the Limited Partner is obtained.

Nothing contained in this Section 1.4(a) shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article XIV or as may be otherwise expressly provided for in this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of the Limited Partner and the transfer of all or any portion of the Limited Partner's Partnership Interest and shall extend to the Limited Partner's heirs, successors, assigns and personal representatives. The

Limited Partner hereby agrees to be bound by any representation made by the General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and the Limited Partner hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator taken in good faith under such power of attorney. The Limited Partner shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator deems necessary to effectuate this Agreement and the purposes of the Partnership.

1.5 TERM. The Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue in existence until the close of Partnership business on December 31, 2093, or until the earlier termination of the Partnership in accordance with the provisions of Article XIII.

1.6 POSSIBLE RESTRICTIONS ON TRANSFER. The General Partner may impose restrictions on the transfer of Partnership Interests if a subsequent Opinion of Counsel determines that such restrictions are necessary to avoid a substantial risk of the Partnership's becoming taxable as a corporation or otherwise as an entity for federal income tax purposes. The restrictions may be imposed by making such amendments to this Agreement as the General Partner in its sole discretion may determine to be necessary or appropriate to impose such restrictions.

ARTICLE II

DEFINITIONS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"ADDITIONAL LIMITED PARTNER" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 11.5 and who is shown as such on the books and records of the Partnership.

"AFFILIATE" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"AGREEMENT" means this Second Amended and Restated Agreement of Limited Partnership of AmeriGas Propane, L.P., as it may be amended, supplemented or restated from time to time.

"AMERIGAS" means AmeriGas Propane, Inc, a Pennsylvania corporation and a wholly owned subsidiary of AmeriGas, Inc., a Pennsylvania corporation.

"AUDIT COMMITTEE" means a committee of the Board of Directors of the General Partner composed entirely of two or more directors who are neither officers nor employees of the General Partner or any of its Affiliates.

"AVAILABLE CASH" as to any Quarter ending before the Liquidation Date, means:

(a) the sum of (i) all cash of the Partnership Group on hand at the end of such Quarter and (ii) all additional cash of the Partnership Group on hand on the date of determination of Available Cash with respect to such Quarter resulting from borrowings subsequent to the end of such Quarter, less

(b) the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the General Partner to (i) provide for the proper conduct of the business of the Partnership Group (including reserves for future capital expenditures) subsequent to such Quarter, (ii) provide funds for distributions under Sections 5.3(a), (b) and (c) or 5.4(a) of the MLP Agreement in respect of any one or more of the next four Quarters, or (iii) comply with applicable law or any debt instrument or other agreement or obligation to which any member of the Partnership Group is a party or its assets are subject.

"BUSINESS DAY" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States or the states of New York or Pennsylvania shall not be regarded as a Business Day.

"CERTIFICATE OF LIMITED PARTNERSHIP" means the Certificate of Limited Partnership filed with the Secretary of State of the State of Delaware as referenced in Section 6.2, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

"CLOSING DATE" means the first date on which Common Units are sold by the MLP to the Underwriters pursuant to the provisions of the Underwriting Agreement.

"CODE" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"COMMON UNIT" means a unit representing a fractional part of the partnership interests of all limited partners and assignees and having the rights and obligations specified with respect to Common Units in the MLP Agreement.

"CONTRIBUTION" means any cash, cash equivalents or the Net Agreed Value of any property or asset that a Partner contributes to the Partnership pursuant to the Conveyance and Contribution Agreement, the Merger and Contribution Agreement, Article IV or Article XIII.

"CONVEYANCE AND CONTRIBUTION AGREEMENT" means that certain Conveyance and Contribution Agreement, dated as of the Closing Date, between Petrolane, the MLP, the Partnership and certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"DELAWARE ACT" means the Delaware Revised Uniform Limited Partnership Act, 6 Del C Section 11-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"DEPARTING PARTNER" means a former General Partner, from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 12.1 or Section 12.2.

"EVENT OF WITHDRAWAL" has the meaning assigned to such term in Section 12.1(a).

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute.

"GENERAL PARTNER" means AmeriGas and its successors as general partner of the Partnership.

"GROUP MEMBER" means a member of the Partnership Group.

"INCLUDES" means includes, without limitation, and "including" means including, without limitation.

"INDEMNITEE" means (a) the General Partner, any Departing Partner, any Person who is or was an Affiliate of the General Partner or any Departing Partner, (b) any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing Partner or any such Affiliate, or (c) any Person who is or was serving at the request of the General Partner or any Departing Partner or any such Affiliate as a director, officer, employee, partner, agent, fiduciary or trustee of another Person; provided, that a Person shall not be an Indemnitee pursuant to this clause (c) by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services.

"INITIAL OFFERING" means the initial offering and sale of Common Units to the public, as described in the Registration Statement.

"LIMITED PARTNER" means the MLP, AmeriGas and Petrolane pursuant to
Section 4.2, each Substituted Limited Partner, if any, each Additional Limited Partner and any Departing Partner upon the change of its status from General Partner to Limited Partner pursuant to Section 12.3, but excluding any such Person from and after the time it withdraws from the Partnership.

"LIQUIDATION DATE" means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 13.2, the date on which the applicable time period during which the Partners have the right to elect to reconstitute the Partnership and continue its business has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

"LIQUIDATOR" means the General Partner or other Person approved pursuant to Section 13.3 who performs the functions described therein.

"MERGER AGREEMENT" has the meaning assigned to such term in Section 15.1.

"MERGER AND CONTRIBUTION AGREEMENT" means that certain Merger and Contribution Agreement, dated as of the Closing Date, between AmeriGas, the MLP, the Partnership and

certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"MLP" means AmeriGas Partners, L.P., a Delaware limited partnership.

"MLP AGREEMENT" means the Agreement of Limited Partnership of AmeriGas Partners, L.P., as it may be amended, supplemented or restated from time to time.

"NATIONAL SECURITIES EXCHANGE" means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute, or the NASDAQ Stock Market or any successor thereto.

"NET AGREED VALUE" means the fair market value any asset or property contributed to the Partnership reduced by any liabilities either assumed by the Partnership upon such contribution or to which the asset or to which the asset or property is subject when contributed, in each case as determined by the General Partner using such reasonable method of valuation as it may adopt.

"1989 CUSTOMER LIST" means a customer list established in 1989 on the books of Petrolane Gas Services LP, a partnership which was merged into Petrolane on July 15, 1993.

"OPINION OF COUNSEL" means a written opinion of counsel (who may be regular counsel to AmeriGas, any Affiliate of AmeriGas, the Partnership or the General Partner) acceptable to the General Partner in its reasonable discretion.

"PARTNERS" means the General Partner and the Limited Partner.

"PARTNERSHIP" means AmeriGas Propane, L.P., a Delaware limited partnership, and any successor thereto.

"PARTNERSHIP GROUP" means the Partnership and its partnership Subsidiaries, treated as a single consolidated partnership.

"PARTNERSHIP INTEREST" means the interest of a Partner in the Partnership.

"PERCENTAGE INTEREST" means (a) as to the General Partner, in its capacity as such, 1.0101% and (b) as to the Limited Partner, 98.9899%.

"PERSON" means an individual or a corporation, partnership, trust, unincorporated organization, association or other entity.

"PETROLANE" means Petrolane Incorporated, a California corporation.

"QUARTER" means, unless the context requires otherwise, a three-month period of time ending on March 31, June 30, September 30, or December 31.

"REGISTRATION STATEMENT" means the Registration Statement on Form S-1 (Registration No. 33-86028), as it has been or as it may be amended or supplemented from time to time, filed

by the MLP with the Securities and Exchange Commission under the Securities Act to register the offering and sale of the Common Units in the Initial Offering.

"RESTRICTED ACTIVITIES" means the retail sales of propane to end users in the continental United States in the manner engaged in by AmeriGas and Petrolane immediately prior to the Closing Date.

"SECURITIES ACT" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

"SPECIAL APPROVAL" means approval by the Audit Committee.

"SPECIAL PROPANE CORPORATION" means any corporation that is engaged in Restricted Activities, is not an S Corporation within the meaning of Section 1361 of the Code, and whose tax basis in its assets is in the aggregate substantially less than the fair market value of such assets.

"SUBSIDIARY" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned or controlled, directly or indirectly, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"SUBSTITUTED LIMITED PARTNER" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.3 in place of and with all the rights of a Limited Partner and who is shown as a Limited Partner on the books and records of the Partnership.

"SURVIVING BUSINESS ENTITY" has the meaning assigned to such term in Section 15.2(b).

"UNDERWRITER" means each Person named as an underwriter in Schedule 1 to the Underwriting Agreement who purchases Common Units pursuant thereto.

"UNDERWRITING AGREEMENT" means the Underwriting Agreement dated April 12, 1995, among the Underwriters, the MLP and other parties providing for the purchase of Common Units by such Underwriters.

"WITHDRAWAL OPINION OF COUNSEL" has the meaning assigned to such term in Section 12.1(b).

ARTICLE III

PURPOSE

3.1 PURPOSE AND BUSINESS. The purpose and nature of the business to be conducted by the Partnership shall be to (a) acquire, manage and operate the assets transferred to the Partnership pursuant to the Merger and Contribution Agreement and the Conveyance and Contribution Agreement, and any similar assets or properties, and to engage directly in, or to enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any type of business or activity engaged in by AmeriGas or Petrolane or their Affiliates immediately prior to the Closing Date and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, (b) engage directly in, or enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the General Partner and which may lawfully be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, and (c) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to the MLP or any Subsidiary of the Partnership or the MLP. The General Partner has no obligation or duty to the Partnership or the Limited Partner to propose or approve, and in its sole discretion may decline to propose or approve, the conduct by the Partnership of any business.

3.2 POWERS. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 3.1 and for the protection and benefit of the Partnership.

ARTICLE IV

CONTRIBUTIONS

4.1 INITIAL CONTRIBUTIONS. In connection with the formation of the Partnership under the Delaware Act, the General Partner made an initial Contribution to the Partnership in the amount of $10.10 for an interest in the Partnership and has been admitted as the general partner of the Partnership, and the MLP made an initial Contribution to the Partnership in the amount of $989.90 for an interest in the Partnership and has been admitted as a limited partner of the Partnership.

4.2 CONTRIBUTIONS BY AMERIGAS AND THE MLP. (a) On the Closing Date and pursuant to the Merger and Contribution Agreement, various Subsidiaries of AmeriGas shall merge with and into the Partnership. Pursuant to the Merger and Contribution Agreement, AmeriGas shall receive merger consideration consisting of, among other items, (i) the continuation of its general partner interest in the Partnership consisting of a Partnership Interest representing a 1.0101% Percentage Interest and (ii) a limited partner interest in the Partnership, which shall thereupon be contributed to the MLP as set forth in the Merger and Contribution Agreement.

(b) On the Closing Date and pursuant to the Conveyance and Contribution Agreement, Petrolane, or Petrolane and one of its Subsidiaries, will convey substantially all of its or their assets to the Partnership in exchange for, among other items, a limited partner interest or interests in the Partnership, which shall thereupon be contributed to the MLP as set forth in the Conveyance and Contribution Agreement.

(c) On the Closing Date, the MLP shall contribute in respect of its Partnership Interest the net proceeds to the MLP from the issuance of the Common Units pursuant to the Initial Offering.

(d) The Partnership Interests contributed to the Partnership pursuant to the provisions of Sections 4.2(a) and (b), together with the Partnership Interest previously held by the MLP, will represent a 98.9899% Percentage Interest in the Partnership.

4.3 ADDITIONAL CONTRIBUTIONS. With the consent of the General Partner, the Limited Partner may, but shall not be obligated to, make additional Contributions to the Partnership. Contemporaneously with the making of any such additional Contributions by the Limited Partner, the General Partner shall be obligated to make an additional Contribution to the Partnership in an amount equal to 1.0101 / 98.9899% of the Net Agreed Value of the additional Contribution then made by the Limited Partner. Except as set forth in the immediately preceding sentence and Article XIII, the General Partner shall not be obligated to make any additional Contributions to the Partnership.

4.4 NO PREEMPTIVE RIGHTS. No Person shall have any preemptive, preferential or other similar right with respect to issuance or sale of any class or series of Partnership Interests, any option, right, warrant or appreciation rights relating thereto, or any other type of equity interest that the Partnership may lawfully issue, or any unsecured or secured debt obligation of the Partnership that is convertible into any class or series of equity interests of the Partnership.

4.5 INTEREST AND WITHDRAWAL. No interest shall be paid by the Partnership on Contributions, no Partner shall be entitled to withdraw any part of its Contributions or to receive any distribution from the Partnership, except as provided in Articles V, VII, XII and XIII.

ARTICLE V

DISTRIBUTIONS

5.1 TIMING AND AMOUNT OF REGULAR DISTRIBUTIONS. (a) Subject to Section 5.1(b), cash shall be distributed to the Partners at such times and in such amount as the General Partner shall from time to time determine.

(b) The General Partner shall determine the amount of Available Cash with respect to each Quarter ending before the Liquidation Date within 45 days following the end of such Quarter. Such determination shall be made by reference to the books and records of the Partnership Group and, if made in good faith, shall be conclusive. Promptly following such determination, an amount equal to Available Cash with respect to such prior Quarter shall be distributed to the Partners.

5.2 SPECIAL DISTRIBUTION. Immediately following the issuance and sale by the Partnership of its $110,000,000 of Series C First Mortgage Notes, and in anticipation of the contributions to be made to the Partnership pursuant to
Section 4.2, the net proceeds to the Partnership from the issuance of such notes shall be distributed to the General Partner.

5.3 DISTRIBUTION RATIO. Except as provided in Sections 5.2 and 13.4(c), all distributions shall be made to the Partners in the ratio of their respective Percentage Interests.

5.4 PAYMENTS OTHER THAN DISTRIBUTIONS. Amounts payable as compensation or reimbursement to the General Partner, or amounts payable to any person other than in his capacity as a Partner, such as for goods or services, shall not be treated as distributions.

5.5 ENTITY-LEVEL TAX PAYMENTS. The General Partner is authorized to take any action it determines in its sole discretion to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under the Code or any other law. Whether or not pursuant to any withholding requirement, if the Partnership is required or elects to pay any tax on behalf of the General Partner or the Limited Partner that is attributable to the Partnership, the General Partner is authorized to pay such taxes from Partnership funds. To the extent feasible, each such payment shall be treated as a distribution pursuant to Article V in respect of the Person on whose behalf the payment was made. If the payment is made on behalf of a Person whose identity cannot be determined, the General Partner is authorized to treat the payment as a distribution to the Limited Partner. Alternatively, the General Partner may elect to treat an amount paid on behalf of the General Partner and the Limited Partner as an expenditure of the Partnership if the amount paid on behalf of the General Partner is not substantially greater per Percentage Interest than that paid on behalf of the Limited Partner.

ARTICLE VI

MANAGEMENT AND OPERATION OF BUSINESS

6.1 MANAGEMENT. (a) The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and the Limited Partner shall have no right of control or management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Section 6.3, shall have full power and authority to do all things and on such terms as it, in its sole discretion, may deem necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 and to effectuate the purposes set forth in
Section 3.1, including the following:

(i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness and the incurring of any other obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person;

(iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership, the lending of funds to other Persons (including the MLP, the General Partner and its Affiliates), the repayment of obligations of the Partnership and the making of capital contributions to a Subsidiary;

(v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the Partnership, even if same results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);

(vi) the distribution of Partnership cash;

(vii) the selection and dismissal of employees (including employees having titles such as "president," "vice president," "secretary" and "treasurer") and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of such insurance for the benefit of the Partnership Group and the Partners (including the assets of the Partnership) as it deems necessary or appropriate;

(ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other relationships;

(x) the control of any matters affecting the rights and obligations of the Partnership, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation; and

(xi) the indemnification of any Person against liabilities and contingencies to the extent permitted by law.

(b) Notwithstanding any other provision of this Agreement, the MLP Agreement, the Delaware Act or any applicable law, rule or regulation, each of the Partners hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of the Underwriting Agreement, the Conveyance and Contribution Agreement, the

Merger and Contribution Agreement, the agreements and other documents filed as exhibits to the Registration Statement, and the other agreements described in or filed as a part of the Registration Statement; (ii) agrees that the General Partner (on its own or through any officer of the Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statements on behalf of the Partnership without any further act, approval or vote of the Partners; and (iii) agrees that the execution, delivery or performance by the General Partner, the MLP, any Group Member or any Affiliate of any of them, of this Agreement or any agreement authorized or permitted under this Agreement, shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partner or any other Persons under this Agreement (or any other agreements) or of any duty stated or implied by law or equity.

6.2 CERTIFICATE OF LIMITED PARTNERSHIP. The General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act and shall use all reasonable efforts to cause to be filed such other certificates or documents as may be determined by the General Partner in its sole discretion to be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the Limited Partner has limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. To the extent that such action is determined by the General Partner in its sole discretion to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership in which the Limited Partner has limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 7.4(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to the Limited Partner.

6.3 RESTRICTIONS ON GENERAL PARTNER'S AUTHORITY. (a) The General Partner may not, without written approval of the specific act by the Limited Partner or by other written instrument executed and delivered by the Limited Partner subsequent to the date of this Agreement, take any action in contravention of this Agreement, including, except as otherwise provided in this Agreement, (i) committing any act that would make it impossible to carry on the ordinary business of the Partnership; (ii) possessing Partnership property, or assigning any rights in specific Partnership property, for other than a Partnership purpose; (iii) admitting a Person as a Partner; (iv) amending this Agreement in any manner; or (v) transferring its interest as general partner of the Partnership.

(b) Except as provided in Articles XIII and XV, the General Partner may not sell, exchange or otherwise dispose of all or substantially all of the Partnership's assets in a single transaction or a series of related transactions without the approval of the Limited Partner; provided, however, that this provision shall not preclude or limit the General Partner's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the Partnership's assets and shall not apply to any forced sale of any or all of the Partnership's assets pursuant to the foreclosure of, or other realization upon, any such encumbrance.

(c) At all times while serving as the general partner of the Partnership, the General Partner shall not make any dividend or distribution on, or repurchase any shares of, its stock or take any other action within its control if the effect of such action would be to reduce its net worth, independent of its interest in the Partnership Group and the MLP, to be less than $10 million.

6.4 REIMBURSEMENT OF THE GENERAL PARTNER. (a) Except as provided in this Section 6.4 and elsewhere in this Agreement or in the MLP Agreement, the General Partner shall not be compensated for its services as general partner of any Group Member.

(b) The General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole discretion, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership (including salary, bonus, incentive compensation and other amounts paid to any Person to perform services for the Partnership or for the General Partner in the discharge of its duties to the Partnership) and (ii) all other necessary or appropriate expenses allocable to the Partnership or otherwise reasonably incurred by the General Partner in connection with operating the Partnership's business (including expenses allocated to the General Partner by its Affiliates). The General Partner shall determine the fees and expenses that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Reimbursements pursuant to this Section 6.4 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 6.7.

(c) The General Partner, in its sole discretion and without the approval of the Limited Partner (who shall have no right to vote in respect thereof), may propose and adopt on behalf of the Partnership employee benefit plans, employee programs and employee practices for the benefit of employees of the General Partner, any Group Member, or any Affiliate, or any of them, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. Expenses incurred by the General Partner in connection with any such plans, programs and practices shall be reimbursed in accordance with Section 6.4(b). Any and all obligations of the General Partner under any employee benefit plans, employee programs or employee practices adopted by the General Partner as permitted by this Section 6.4(c) shall constitute obligations of the General Partner hereunder and shall be assumed by any successor General Partner approved pursuant to Section 12.1 or 12.2 or the transferee of or successor to all of the General Partner's Partnership Interest as a general partner in the Partnership pursuant to Section 11.3.

6.5 OUTSIDE ACTIVITIES. (a) After the Closing Date, the General Partner, for so long as it is the general partner of the Partnership, shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (i) its performance as general partner of the MLP or one or more Group Members or as described in or contemplated by the Registration Statement, (ii) the acquiring, owning or disposing of debt or equity securities in the MLP or any Group Member, (iii) engaging in an activity permitted by Section 6.5(b), and (iv) permitting its employees to perform services for its Affiliates, including Affiliates engaging in an activity permitted by Section 6.5(b).

(b) The General Partner or any of its Affiliates may engage in an activity that is a Restricted Activity only if

(i) the General partner determines, prior to commencing such activity, that it is inadvisable for the Partnership to engage in such activity either because (A) of the financial commitments associated with such activity or (B) such activity is not consistent with the Partnership's business strategy or cannot otherwise be integrated with the Partnership's operations on a beneficial basis, and such determination is approved by Special Approval;

(ii) such activity arises as a result of an acquisition utilizing primarily equity securities of a corporate Affiliate of the Partnership, and the aggregate consideration paid in connection with such acquisition and all other acquisitions of then-owned entities made pursuant to the exception provided by this Section 6.5(b)(ii) does not exceed $50 million; or

(iii) such activity arises as a result of an acquisition of stock of one or more Special Propane Corporations, and the aggregate total assets of all then-owned Special Propane Corporations acquired pursuant to the exception provided by this Section 6.5(b)(iii) and owned for more than 24 months does not exceed 10% of the total assets of the Partnership (in each case as such assets shall be determined in accordance with generally accepted accounting principles).

Subject to the restrictions of Section 6.5(c), the General Partner or its Affiliates may engage in the activity described in Section 6.5(b), either through the direct ownership of the assets of a business or indirectly through the ownership of equity interests in a business, may sell or otherwise transfer such assets or equity interests to any Group Member or any third person, and may retain all the profits derived from any of the foregoing.

(c) During the period the activity being undertaken pursuant to
Section 6.5(b) is being carried on directly or indirectly by the General Partner or an Affiliate, the personnel engaged in such activity shall not (A) attempt to sell propane to persons to whom any Group Member is selling propane or (B) seek new customers in geographical areas in which any Group Member is engaged in the retail propane business and in which the business was not engaged at the time it was acquired by the General Partner or an Affiliate.

(d) Except as restricted by Sections 6.5(a), (b) or (c), each Indemnitee shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member, and none of the same shall constitute a breach of this Agreement or any duty to any Group Member or any Partner or Assignee. Neither any Group Member, any Limited Partner nor any other Person shall have any rights by virtue of this Agreement, the Operating Partnership Agreement or the partnership established hereby or thereby in any business ventures of any Indemnitee.

(e) Notwithstanding anything to the contrary in this Agreement, (i) the engaging in competitive activities by any Indemnitees in accordance with the provisions of this Section 6.5 is hereby approved by the Partnership and all Partners and (ii) it shall be deemed not to be a breach of the General Partner's fiduciary duty or any other obligation of any type

whatsoever of the General Partner for the Indemnitees to engage in such business interests and activities in preference to or to the exclusion of the Partnership.

(f) The term "Affiliates" when used in this Section 6.5(b) or (c) with respect to the General Partner shall not include any Group Member, the MLP or any Subsidiary of any Group Member or the MLP.

6.6 LOANS TO AND FROM THE GENERAL PARTNER; CONTRACTS WITH AFFILIATES. (a) The General Partner, the Limited Partner or any Affiliate thereof may lend to any Group Member, and any Group Member may borrow, funds needed or desired by the Group Member for such periods of time as the General Partner may determine, and the General Partner, the Limited Partner or any Affiliate thereof may borrow from any Group Member, and any Group Member may lend to such Persons, excess funds of the Group Member for such periods of time and in such amounts as the General Partner may determine; provided, however, that in either such case the lending party may not charge the borrowing party interest at a rate greater than the rate that would be charged the borrowing party (without reference to the lending party's financial abilities or guarantees) by unrelated lenders on comparable loans. The borrowing party shall reimburse the lending party for any costs (other than any additional interest costs) incurred by the lending party in connection with the borrowing of such funds. For purposes of this Section 6.6(a) and Section 6.6(b), the term "Group Member" shall include any Affiliate of the Group Member that is controlled by the Group Member.

(b) The Partnership may lend or contribute to any Group Member, and any Group Member may borrow, funds on terms and conditions established in the sole discretion of the General Partner; provided, however, that the Partnership may not charge the Group Member interest at a rate greater than the rate that would be charged to the Group Member (without reference to the General Partner's financial abilities or guarantees), by unrelated lenders on comparable loans. The foregoing authority shall be exercised by the General Partner in its sole discretion and shall not create any right or benefit in favor of any Group Member or any other Person.

(c) The General Partner may itself, or may enter into an agreement with any of its Affiliates to, render services to the Partnership or to the General Partner in the discharge of its duties as general partner of the Partnership. Any service rendered to the Partnership by the General Partner or any of its Affiliates shall be on terms that are fair and reasonable to the Partnership; provided, however, that the requirements of this Section 6.6(c) shall be deemed satisfied as to (i) any transaction approved by Special Approval, (ii) any transaction, the terms of which are no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iii) any transaction that, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership), is equitable to the Partnership. The provisions of Section 6.4 shall apply to the rendering of services described in this Section 6.6(c).

(d) The Partnership may transfer assets to joint ventures, other partnerships, corporations, limited liability companies or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions as are consistent with this Agreement and applicable law.

(e) Neither the General Partner nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, except pursuant to transactions that are fair and reasonable to the Partnership; provided, however, that the requirements of this Section 6.6(e) shall be deemed to be satisfied as to (i) the transactions effected pursuant to Section 4.2, the Conveyance and Contribution Agreement, the Merger and Contribution Agreement and any other transactions described in or contemplated by the Registration Statements, (ii) any transaction approved by Special Approval, (iii) any transaction, the terms of which are no less favorable to the Partnership than those generally being provided to or available from unrelated third parties, or (iv) any transaction that, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership), is equitable to the Partnership.

(f) The General Partner and its Affiliates will have no obligation to permit any Group Member or the MLP to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use and except as set forth in the Registration Statement with respect to the "FAST" propane purchase optimization and fuel accounting system, nor shall there be any obligation on the part of the General Partner or its Affiliates to enter into such contracts.

(g) Notwithstanding Section 6.6(f), the General Partner shall make available to the Partnership the "STARS I" and "STARS II" proprietary computer systems to the same extent and on the same terms and conditions that the General Partner is obligated to make available the FAST proprietary computer system pursuant to Sections 6.6(f) and 13.3(d) of the MLP Agreement.

(h) Without limitation of Sections 6.6(a) through 6.6(g), and notwithstanding anything to the contrary in this Agreement, the existence of the conflicts of interest described in the Registration Statements are hereby approved by all Partners.

6.7 INDEMNIFICATION. (a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee, provided, that in each case the Indemnitee acted in good faith and in a manner that such Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Partnership and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful; provided, further, no indemnification pursuant to this Section 6.7 shall be available to the General Partner with respect to its obligations incurred pursuant to the Underwriting Agreement or the Merger and Contribution Agreement (other than obligations incurred by the General Partner on behalf of the Partnership or the MLP), or to Petrolane with respect to its obligations incurred pursuant to the Conveyance and Contribution Agreement. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon

a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Section 6.7 shall be made only out of the assets of the Partnership, it being agreed that the General Partner shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 6.7(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 6.7.

(c) The indemnification provided by this Section 6.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as and Indemnitee and as to actions in any other capacity (including any capacity under the Underwriting Agreement) and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of the General Partner and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 6.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 6.7(a); and action taken or omitted by it with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is in, or not opposed to, the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partner to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 6.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 6.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section 6.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

6.8 LIABILITY OF INDEMNITEES. (a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Limited Partner, or any other Persons who have acquired interests in the Partnership, for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith.

(b) Subject to its obligations and duties as General Partner set forth in Section 6.1(a), the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(c) Any amendment, modification or repeal of this Section 6.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability to the Partnership and the Limited Partner of the General Partner, its directors, officers and employees and any other Indemnitees under this Section 6.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

6.9 RESOLUTION OF CONFLICTS OF INTEREST. (a) Unless otherwise expressly provided in this Agreement or the MLP Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, the MLP or the Limited Partner, on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by the Limited Partner, and shall not constitute a breach of this Agreement, of the MLP Agreement or of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action is, or by operation of this Agreement is deemed to be, fair and reasonable to the Partnership. The General Partner shall be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval of a resolution of such conflict or course of action. Any conflict of interest and any resolution of such conflict of interest shall be conclusively deemed fair and reasonable to the Partnership if such conflict of interest or resolution is (i) approved by Special Approval, (ii) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iii) fair to the Partnership, taking into account the totality of the relationships between the parties involved

(including other transactions that may be particularly favorable or advantageous to the Partnership). The General Partner may also adopt a resolution or course of action that has not received Special Approval. The General Partner (including the Audit Committee in connection with Special Approval) shall be authorized in connection with its determination of what is "fair and reasonable" to the Partnership and in connection with its resolution of any conflict of interest to consider (A) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (B) any customary or accepted industry practices and any customary or historical dealings with a particular Person; (C) any applicable generally accepted accounting or engineering practices or principles; and (D) such additional factors as the General Partner (including the Audit Committee) determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner (including the Audit Committee) to consider the interests of any Person other than the Partnership. In the absence of bad faith by the General Partner, the resolution, action or terms so made, taken or provided by the General Partner with respect to such matter shall not constitute a breach of this Agreement, the MLP Agreement or any other agreement contemplated herein or therein or a breach of any standard of care or duty imposed herein or therein or, to the extent permitted by law, under the Delaware Act or any other law, rule or regulation.

(b) Whenever this Agreement or any other agreement contemplated hereby provides that the General Partner or any of its Affiliates is permitted or required to make a decision (i) in its "sole discretion" or "discretion," that it deems "necessary or appropriate" or "necessary or advisable" or under a grant of similar authority or latitude, the General Partner or such Affiliate shall be entitled to consider only such interests and factors as it desires and shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Partnership, the Limited Partner or any limited partner of the Limited Partner, (ii) it may make such decision in its sole discretion (regardless of whether there is a reference to "sole discretion" or "discretion") unless another express standard is provided for, or (iii) in "good faith" or under another express standard, the General Partner or such Affiliate shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement, the MLP Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation. In addition, any actions taken by the General Partner or such Affiliate consistent with the standards of "reasonable discretion" set forth in the definition of Available Cash shall not constitute a breach of any duty of the General Partner to the Partnership, the Limited Partner or any limited partner of the Limited Partner. The General Partner shall have no duty, express or implied, to sell or otherwise dispose of any asset of the Partnership Group, other than in the ordinary course of business. No borrowing by any Group Member or the approval thereof by the General Partner shall be deemed to constitute a breach of any duty of the General Partner to the Partnership, the Limited Partner or any limited partner of the Limited Partner by reason of the fact that the purpose or effect of such borrowing is directly or indirectly to (A) enable distributions in respect of the general partner interest under the MLP Agreement to exceed 1% of the total amount distributed by the MLP, or (B) hasten the expiration of the "Subordination Period" under the MLP Agreement or the conversion of any "Subordinated Units" in the MLP into Common Units.

(c) Whenever a particular transaction, arrangement or resolution of a conflict of interest is required under this Agreement to be "fair and reasonable" to any Person, the fair

and reasonable nature of such transaction, arrangement or resolution shall be considered in the context of all similar or related transactions.

(d) The Limited Partner hereby authorizes the General Partner, on behalf of the Partnership as a partner of a Group Member, to approve of actions by the general partner of such Group Member similar to those actions permitted to be taken by the General Partner pursuant to this Section 6.9.

6.10 OTHER MATTERS CONCERNING THE GENERAL PARTNER. (a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact or the duly authorized officers of the Partnership.

(d) Any standard of care and duty imposed by this Agreement or under the Delaware Act or any applicable law, rule or regulation shall be modified, waived or limited as required to permit the General Partner to act under this Agreement or any other agreement contemplated by this Agreement and to make any decision pursuant to the authority prescribed in this Agreement, so long as such action is not reasonably believed by the General Partner to be in, or not inconsistent with, the best interests of the Partnership.

6.11 TITLE TO PARTNERSHIP ASSETS. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner, one or more of its Affiliates or one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner or one or more of its Affiliates or one or more nominees shall be held by the General Partner or such Affiliate or nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its reasonable efforts to cause record title to such assets (other than those assets in respect of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; provided that, prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer of

record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the Partnership. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held. The General Partner covenants and agrees that at the Closing Date, the Partnership Group shall have all licenses, permits, certificates, franchises, or other governmental authorizations or permits necessary for the ownership of their properties or for the conduct of their businesses, except for such licenses, permits, certificates, franchises, or other governmental authorizations or permits, failure to have obtained which will not, individually or in the aggregate, have a material adverse effect on the Partnership Group.

6.12 RELIANCE BY THIRD PARTIES. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner and any officer of the Partnership authorized by the General Partner to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. The Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner or any such officer in connection with any such dealing. In no event shall any Person dealing with the General Partner or and such officer or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or and such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or any such officer or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VII

RIGHTS AND OBLIGATIONS OF THE LIMITED PARTNER

7.1 LIMITATION OF LIABILITY. The Limited Partner shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

7.2 MANAGEMENT OF BUSINESS. The Limited Partner, in its capacity as such, shall not participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner or any of its Affiliates, in its capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partner under this Agreement.

7.3 OUTSIDE ACTIVITIES. Subject to the provisions of Section 6.5, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Person shall also be a Limited Partner, any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership Group. Neither the Partnership not any of the other Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner.

7.4 RETURN OF CAPITAL. The Limited Partner shall not be entitled to the withdrawal or return of its Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement.

7.5 RIGHT OF THE LIMITED PARTNER RELATING TO THE PARTNERSHIP. (a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 7.4(b), the Limited Partner shall have the right, for a purpose reasonably related to the Limited Partner's interest as a limited partner in the Partnership, upon reasonable demand and at the Limited Partner's own expense:

(i) to obtain true and full information regarding the status of the business and financial condition of the Partnership;

(ii) promptly after becoming available, to obtain a copy of the Partnership's federal, state and local tax returns for each year;

(iii) to have furnished to it, upon notification to the General Partner, a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to have furnished to it, upon notification to the General Partner, a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with a copy of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed;

(v) to obtain true and full information regarding the amount of cash and a description and statement of the Net Agreed Value of any other Contribution by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and

(vi) to obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) The General Partner may keep confidential from the Limited Partner for such period of time as the General Partner deems reasonable, (i) any information that the General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the General Partner in good faith believes (A) is not in the best interests of the Partnership Group, (B) could damage the Partnership Group or (C) that the Partnership Group is required by law or by agreements with third parties to keep confidential (other than

agreements with Affiliates the primary purpose of which is to circumvent the obligations set forth in this Section 7.4).

ARTICLE VIII

BOOKS, RECORDS, ACCOUNTING AND REPORTS

8.1 RECORDS AND ACCOUNTING. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partner any information required to be provided pursuant to Section 7.4(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device, provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

8.2 FISCAL YEAR. The fiscal year of the Partnership for financial accounting purposes shall be October 1 to September 30.

ARTICLE IX

TAX MATTERS

9.1 TAX ALLOCATIONS. The Partnership shall allocate all taxable items of income, deduction, and credit of the Partnership among the Partners in accordance with their Partnership Interests, subject to the following:

(a) SECTION 754 ELECTION. Income and deductions of the Partnership that are attributable to the Section 754 Election ("754 allocations") shall be allocated to the Partners entitled thereto.

(b) CONTRIBUTED PROPERTY. Income and deductions attributable to each property contributed to the Partnership shall be shared among the Partners so as to take into account the variation between the tax basis of such property to the Partnership at the time of contribution and its fair market value at such time ("704(c) allocations"). In addition, the General Partner will make curative allocations permitted by the Code with respect to the assets contributed to the Partnership on the Closing Date to the extent that the General Partner determines, as of the Closing Date and in light of the General Partner's estimates of its other income and deductions and its expected distributions and in light of Section 9.1(g) and Article V of the MLP Agreement, are necessary to cause the cumulative taxable income allocated in respect of the Common Units during the first four taxable years of the Partnership not to exceed 30% of the cumulative distributions in respect of the Common Units during such period.

(c) GENERAL PARTNER AUTHORITY. The General Partner may change any of the above allocations if and to the extent it determines that such change is required by the Code.

Moreover, if, as to one or more classes of tax items, the General Partner determines that more than one method is permitted or that the correct method is uncertain, the General Partner may adopt such method for reporting purposes that it thinks is in the best interest of the Partnership, taking into account ease of administration, the desire to match taxable income and deductions with economic income and deductions, the economic interests of the Partners in the Partnership, and the risk of proposed adjustments by the Internal Revenue Service and the consequences thereof.

(d) SPECIAL INTANGIBLES ALLOCATION. There shall be allocated to the General Partner all deductions attributable to the ownership of, and any gain or loss on the distribution or other disposition of, the 1989 Customer List and the rights of the Partnership Group to use without cost the "FAST" propane purchase optimization and fuel accounting system, the "STARS I" and "STARS II" proprietary software system, and the trademark, tradename, or similar intangible rights of Petrolane, the General Partner or its other Affiliates.

9.2 PREPARATION OF TAX RETURNS. The General Partner shall timely file all returns of the Partnership required for federal and state income tax purposes and shall furnish to Record Holders within 90 days of the close of the calendar year the tax information reasonably required by them for federal and state income tax reporting purposes. The classification, realization, and recognition of income, deductions, credit, and other items shall be on the accrual method of accounting for federal income tax purposes. The taxable year of the Partnership shall end on December 31.

9.3 TAX ELECTIONS. (a) The Partnership shall make the Section 754 Election in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the General Partner's determination that such revocation is in the best interests of the Limited Partners.

(b) The Partnership shall elect to deduct expenses incurred in organizing the Partnership ratably over a sixty-month period as provided in
Section 709 of the Code.

(c) Except as otherwise provided herein, the General Partner shall determine whether the Partnership should make any other elections permitted by the Code.

9.4 TAX CONTROVERSIES. Subject to the provisions hereof, the General Partner is designated as the Tax Matters Partner (as defined in the Code) and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner to conduct such proceedings.

ARTICLE X

TRANSFER OF INTERESTS

10.1 TRANSFER. (a) The term "transfer," when used in this Article X with respect to a Partnership Interest, shall be deemed to refer to a transaction by which a Partner assigns its

Partnership Interest to another Person and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article X. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article X shall be null and void.

(c) Nothing contained in this Article X shall be construed to prevent a disposition by the parent entity of the General Partner of any or all of the issued and outstanding capital stock of the General Partner.

10.2 TRANSFER OF THE GENERAL PARTNER'S PARTNERSHIP INTEREST. If the general partner of the MLP transfers its partnership interest as the general partner therein to any Person in accordance with the provisions of the MLP Agreement, the General Partner shall contemporaneously therewith transfer its Partnership Interest as the general partner of the Partnership to such Person, and the Limited Partner hereby expressly consents to such transfer. Except as set forth in the immediately preceding sentence, the General Partner may not transfer all or any part of its Partnership Interest as the general partner in the Partnership.

10.3 TRANSFER OF THE LIMITED PARTNER'S PARTNERSHIP INTEREST. If the Limited Partner merges or consolidates with or into any other Person or transfers all or substantially all of its assets to another Person, such Person may become a Substituted Limited Partner pursuant to Article XI. Except as set forth in the immediately preceding sentence and except for the transfers contemplated by Sections 4.2 and 11.1, the Limited Partner may not transfer all or any part of its Partnership Interest or withdraw from the Partnership.

ARTICLE XI

ADMISSION OF PARTNERS

11.1 ADMISSION OF AMERIGAS AS A LIMITED PARTNER. Upon the making by AmeriGas and Petrolane of the Contributions described in Section 4.2, AmeriGas and Petrolane shall be admitted to the Partnership as Limited Partners. Upon the transfer by AmeriGas and Petrolane of their respective Partnership Interests as Limited Partners to the MLP as provided in the Conveyance and Contribution Agreement and the Merger and Contribution Agreement, AmeriGas and Petrolane shall each withdraw and cease to be a Limited Partner of the Partnership.

11.2 ADMISSION OF SUBSTITUTED LIMITED PARTNERS. Any person that is the successor in interest to a Limited Partner as described in Section 10.3 shall be admitted to the Partnership as a limited partner upon (a) furnishing to the General Partner (i) acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement and (ii) such other documents or instruments as may be required to effect its admission as a limited partner in the Partnership and (b) obtaining the consent of the General Partner, which consent may be given or withheld in the General Partner's sole discretion. Such Person shall be admitted to the

Partnership as a limited partner immediately prior to the transfer of the Partnership Interest, and the business of the Partnership shall continue without dissolution.

11.3 ADMISSION OF SUCCESSOR GENERAL PARTNER. A successor General Partner approved pursuant to Section 12.1 or 12.2 or the transferee of or successor to all of the General Partner's Partnership Interest as the general partner in the Partnership pursuant to Section 10.2 who is proposed to be admitted as a successor General Partner shall, subject to compliance with the terms of Section 12.3, if applicable, be admitted to the Partnership as the successor General Partner, effective immediately prior to the withdrawal or removal of the General Partner pursuant to Section 12.1 or 12.2 or the transfer of the General Partner's Partnership Interest as the general partner of the Partnership pursuant to Section 10.2. Any such successor shall, subject to the terms hereof, carry on the business of the Partnership without dissolution. In each case, the admission of such successor General Partner to the Partnership shall, subject to the terms hereof, be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect such admission.

11.4 AMENDMENT OF AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP. To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Delaware Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practical an amendment of this Agreement and, if required by law, to prepare and file an amendment to the Certificate of Limited Partnership, and the General Partner may for this purpose, among others, exercise the power of attorney granted pursuant to Section 1.4.

11.5 ADMISSION OF ADDITIONAL LIMITED PARTNERS. (a) Person (other than the General Partner, the MLP or a Substituted Limited Partner) who makes a Contribution to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including the granting of the power of attorney granted in Section 1.4, and (ii) such other documents or instruments as may be required in the discretion of the General Partner to effect such Person's admission as an Additional Limited Partner.

(b) Notwithstanding anything to the contrary in this Section 11.5, no Person shall be admitted as an Additional Limited Partner (i) without the consent of the General Partner, which consent may be given or withheld in the General Partner's sole discretion, and (ii) unless such admission is contemporaneous with a transfer by such Limited Partner of its Partnership Interest to the MLP and consequent withdrawal as a Limited Partner, during the Subordination Period. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded as such in the books and records of the Partnership, following the consent of the General Partner to such admission.

ARTICLE XII

WITHDRAWAL OR REMOVAL OF PARTNERS

12.1 WITHDRAWAL OF THE GENERAL PARTNER. (a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an "Event of Withdrawal");

(i) the General Partner voluntarily withdraws from the Partnership by giving written notice to the Limited Partner;

(ii) the General Partner transfers all of its rights as General Partner pursuant to Section 10.2;

(iii) the General Partner is removed pursuant to Section 12.2; or

(iv) the general partner of the MLP (A) withdraws from, or (B) is removed as the general partner of, the MLP.

If an Event of Withdrawal specified in Section 12.1(a)(iv) (A) occurs, the withdrawing General Partner shall give notice to the Limited Partner within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 12.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 12:00 midnight, Eastern Standard Time, on December 31, 2004, the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partner, provided that prior to the effective date of such withdrawal, the Limited Partner approves such withdrawal and the General Partner delivers to the Partnership an Opinion of Counsel ("Withdrawal Opinion of Counsel") that such withdrawal (following the selection of the successor General Partner) would not result in the loss of the limited liability of the Limited Partner, any limited partner of the Limited Partner, or any limited partner of any Group Member, or cause the Limited Partner or any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes; (ii) at any time on or after 12:00 midnight, Eastern Standard Time, on December 31, 2004, the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Limited Partner, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the General Partner ceases to be the General Partner pursuant to Section 12.1(a)(ii), (iii) or (iv)(B); or (iv) at any time that the General Partner ceases to be the General Partner pursuant to Section 12.1(a)(iv)(A), and such withdrawal does not constitute a breach of the MLP Agreement. If the General Partner gives a notice of withdrawal pursuant to Section 12.1(a)(i) or
Section 13.1(a)(i) of the MLP Agreement, the Limited Partner may, prior to the effective date of such withdrawal or removal, elect a successor General Partner, provided that such successor shall be the same Person, if any, that is elected by the limited partners of the MLP pursuant to Section 13.1 of the MLP Agreement as the successor to the General Partner in its capacity as general partner of the MLP. If, prior to the effective date of the General Partner's withdrawal, a successor is not selected by the Limited Partner as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section

13.1. Any successor General Partner elected in accordance with the terms of this
Section 12.1 shall be subject to the provisions of Section 11.3.

12.2 REMOVAL OF THE GENERAL PARTNER. The General Partner shall be removed if such General Partner is removed as a general partner of the MLP pursuant to
Section 13.2 of the MLP Agreement. Such removal shall be effective concurrently with the effectiveness of the removal of such General Partner as the general partner of the MLP pursuant to the terms of the MLP Agreement. If a successor General Partner is elected in connection with the removal of such General Partner as a general partner of the MLP, such successor General Partner shall, upon admission pursuant to Article XI, automatically become a successor General Partner of the Partnership. The admission of any such successor General Partner to the Partnership shall be subject to the provisions of Section 11.3.

12.3 INTEREST OF DEPARTING PARTNER AND SUCCESSOR GENERAL PARTNER. The Partnership Interest of a Departing Partner departing as a result of withdrawal or removal pursuant to Section 12.1 or 12.2 shall (unless it is otherwise required to be converted into Common Units pursuant to Section 13.3(b) of the MLP Agreement) be purchased by the successor to the Departing Partner for cash in the manner specified in the MLP Agreement. Such purchase (or conversion into Common Units, as applicable) shall be a condition to the admission to the Partnership of the successor as the General Partner. Any successor General Partner shall indemnify the Departing General Partner as to all debts and liabilities of the Partnership arising on or after the effective date of the withdrawal or removal of the Departing Partner.

12.4 REIMBURSEMENT OF DEPARTING PARTNER. The Departing Partner shall be entitled to receive all reimbursements due such Departing Partner pursuant to
Section 6.4, including any employee-related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by such Departing Partner for the benefit of the Partnership.

12.5 WITHDRAWAL OF THE LIMITED PARTNER. Without the prior consent of the General Partner, which may be granted or withheld in its sole discretion, and except as provided in Section 11.1, the Limited Partner shall not have the right to withdraw from the Partnership.

ARTICLE XIII

DISSOLUTION AND LIQUIDATION

13.1 DISSOLUTION. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. The Partnership shall dissolve and, subject to Section 13.2, its affairs should be wound up, upon:

(a) the expiration of its term as provided in Section 1.5;

(b) an Event of Withdrawal of the General Partner as provided in
Section 12.1(a) (other than Section 12.1(a)(ii)), unless a successor is elected and an Opinion of Counsel is received as provided in Section 12.1(b) or 12.2 and such successor is admitted to the Partnership pursuant to Section 11.3;

(c) an election to dissolve the Partnership by the General Partner that is approved by the Limited Partner;

(d) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act;

(e) the sale of all or substantially all of the assets and properties of the Partnership Group; or

(f) the dissolution of the MLP.

13.2 CONTINUATION OF THE BUSINESS OF THE PARTNERSHIP AFTER DISSOLUTION. Upon (a) dissolution of the Partnership following an Event of Withdrawal caused by the withdrawal or removal of the General Partner as provided in Section 12.1(a)(i) or (iii) and following a failure of the Limited Partner to appoint a successor General Partner as provided in Section 12.1 or 12.2, then within 90 days thereafter, or (b) dissolution of the Partnership upon an event constituting an Event of Withdrawal as defined in Section 13.1(a)(iv), (v) or
(vi) of the MLP Agreement, then within 180 days thereafter, the Limited Partner may elect to reconstitute the Partnership and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited partnership on terms identical to those set forth in this Agreement and having as a general partner a Person approved by the Limited Partner. In addition, upon dissolution of the Partnership pursuant to Section 13.1(f), if the MLP is reconstituted pursuant to Section 14.2 of the MLP Agreement, the reconstituted MLP may, within 180 days after such event of dissolution, as the Limited Partner, elect to reconstitute the Partnership in accordance with the immediately preceding sentence. Upon any such election by the Limited Partner, all Partners shall be bound thereby and shall be deemed to have approved same. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the reconstituted Partnership shall continue until the end of the term set forth in Section 1.5 unless earlier dissolved in accordance with this Article XIII;

(ii) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be purchased by the successor General Partner or converted into Common Units of the MLP as provided in Section 13.3 of the MLP Agreement; and

(iii) all necessary steps shall be taken to cancel this Agreement and the Certificate of Limited Partnership and to enter into and, as necessary, to file a new partnership agreement and certificate of limited partnership, and the successor General Partner may for this purpose exercise the powers of attorney granted the General Partner pursuant to Section 1.4; provided, that the right to approve a successor General Partner and to reconstitute and to continue the business of the Partnership shall not exist and may not be exercised unless the

Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability of the Limited Partner or any limited partner of the Limited Partner and (y) neither the Partnership, the reconstituted limited partnership nor any Group Member would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of such right to continue.

13.3 LIQUIDATOR. Upon dissolution of the Partnership, unless the Partnership is continued under an election to reconstitute and continue the Partnership pursuant to Section 13.2, the General Partner, or in the event the dissolution is the result of an Event of Withdrawal, a liquidator or liquidating committee approved by the Limited Partner, shall be the Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by the Limited Partner. The Liquidator shall agree not to resign at any time without 15 days' prior notice and (if other than the General Partner) may be removed at any time, with or without cause, by notice of removal approved by the Limited Partner. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by the Limited Partner. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XIII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in
Section 6.3(b)) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding-up and liquidation of the Partnership as provided for herein.

13.4 LIQUIDATION. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as the Liquidator determines to be in the best interest of the Partners, subject to the following:

(a) DISPOSITION OF ASSETS. The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and the receiving Partner may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 13.4(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners.

(b) DISCHARGE OF LIABILITIES. Liabilities of the Partnership include amounts owed to Partners otherwise in respect of their distribution rights under Article V. With respect to any liability that is contingent or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) LIQUIDATION DISTRIBUTIONS. The Liquidator shall reassign the 1989 Customer List and other assets described in Section 9.1(d) to the General Partner. Subject to Section 13.4(a), all other property and all cash in excess of that required to discharge liabilities as provided in Section 13.4(b) shall be distributed to the Partners in the ratio of their respective Percentage Interests.

13.5 CANCELLATION OF CERTIFICATE OF LIMITED PARTNERSHIP. Upon the completion of the distribution of Partnership cash and property as provided in Sections 13.3 and 13.4 in connection with the liquidation of the Partnership, the Partnership shall be terminated and the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be cancelled and such other actions as may be necessary to terminate the Partnership shall be taken.

13.6 RETURN OF CONTRIBUTIONS. The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Contributions of the Limited Partner, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

13.7 WAIVER OF PARTITION. Each Partner hereby waives any right to partition of the Partnership property.

ARTICLE XIV

AMENDMENT OF PARTNERSHIP AGREEMENT

14.1 AMENDMENT TO BE ADOPTED SOLELY BY GENERAL PARTNER. The Limited Partner agrees that the General Partner (pursuant to its powers of attorney from the Limited Partner), without the approval of the Limited Partner, may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that, in the sole discretion of the General Partner, is necessary or advisable to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that neither the Partnership nor the MLP will be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes;

(d) a change that, in the sole discretion of the General Partner,
(i) does not adversely affect the Limited Partner in any material respect, (ii) is necessary or advisable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order,

ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware Act), compliance with any of which the General Partner determines in its sole discretion to be in the best interests of the Partnership and the Limited Partner, (iii) is required to effect the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement or (iv) is required to conform the provisions of this Agreement with the provisions of the MLP Agreement as the provisions of the MLP Agreement may be amended, supplemented or restated from time to time;

(e) a change in the fiscal year and taxable year of the Partnership and any changes that, in the sole discretion of the General Partner, are necessary or advisable as a result of a change in the fiscal year and taxable year of the Partnership, including, if the General Partner shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership or the General Partner or its directors or officers from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(h) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 15.3;

(i) an amendment that, in the sole discretion of the General Partner, is necessary or advisable to reflect, account for and deal with appropriately the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Partnership of activities permitted by the terms of Section 3.1; or

(j) any other amendments substantially similar to the foregoing.

14.2 AMENDMENT PROCEDURES. Except with respect to amendments of the type described in Section 14.1, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed only by or with the consent of the General Partner. Each such proposal shall contain the text of the proposed amendment. A proposed amendment shall be effective upon its approval by the Limited Partner.

ARTICLE XV

MERGER

15.1 AUTHORITY. The Partnership may merge or consolidate with one or more corporations, business trusts or associations, real estate investment trusts, common law trusts or

unincorporated businesses, including a general partnership or limited partnership, formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger or consolidation ("Merger Agreement") in accordance with this Article XV.

15.2 PROCEDURE FOR MERGER OR CONSOLIDATION. Merger or consolidation of the Partnership pursuant to this Article XV requires the prior approval of the General Partner. If the General Partner shall determine, in the exercise of its sole discretion, to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which shall set forth:

(a) The names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(b) The name and jurisdictions of formation or organization of the business entity that is to survive the proposed merger or consolidation (the "Surviving Business Entity");

(c) The terms and conditions of the proposed merger or consolidation;

(d) The manner and basis of exchanging or converting the equity securities of each constituent business entity for, or into, cash, property or general or limited partnership interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partner interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partner interests, rights, securities or obligations of any limited partnership, corporation, trust or other entity (other than the Surviving Business Entity) which the holders of such general or limited partner interests, securities or rights are to receive in exchange for, or upon conversion of, their general or limited partner interests, securities or rights, and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(e) A statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(f) The effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 15.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of the certificate of merger, the effective time shall be fixed no later than the time of the filing of the certificate of merger and stated therein); and

(g) Such other provisions with respect to the proposed merger or consolidation as are deemed necessary or appropriate by the General Partner.

15.3 APPROVAL BY LIMITED PARTNER OF MERGER OR CONSOLIDATION. (a) The General Partner, upon its approval of the Merger Agreement, shall direct that a copy or a summary of the Merger Agreement be submitted to the Limited Partner for its approval.

(b) The Merger Agreement shall be approved upon receiving the approval of the Limited Partner. After such approval by the Limited Partner, and at any time prior to the filing of the certificate of merger pursuant to Section 15.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

15.4 CERTIFICATE OF MERGER. Upon the required approval by the General Partner and the Limited Partner of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

15.5 EFFECT OF MERGER. (a) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interest in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity, and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

(b) A merger or consolidation effected pursuant to this Article shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another having occurred.

ARTICLE XVI

GENERAL PROVISIONS

16.1 ADDRESSES AND NOTICES. Any notice, demand, request or report required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when received by it at the principal office of the Partnership referred to in Section 1.3.

16.2 REFERENCES. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

16.3 PRONOUNS AND PLURALS. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

16.4 FURTHER ACTION. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

16.5 BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

16.6 INTEGRATION. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

16.7 CREDITORS. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

16.8 WAIVER. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

16.9 COUNTERPARTS. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto, independently of the signature of any other party.

16.10 APPLICABLE LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

16.11 INVALIDITY OF PROVISIONS. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:

AMERIGAS PROPANE, INC.

By: /s/ Robert H. Knauss

Vice President and General Counsel

LIMITED PARTNER:

AMERIGAS PARTNERS, L.P.
By: AmeriGas Propane, Inc.,
as general partner

By: /s/ Robert H. Knauss

Vice President and General Counsel

INERGY PROPANE

THIS CERTIFIES THAT

Rick Harris

has successfully completed training on:

Date of Training: 1-26-11

DOT SECURITY PLAN

Lead Trainer

Branch Manager's Signature

National Propane Gas Association

CERTIFIED EMPLOYEE TRAINING PROGRAM

Sponsored by

Star Gas Propane, LP

This certifies that

Ricky O Harris

has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the job classification

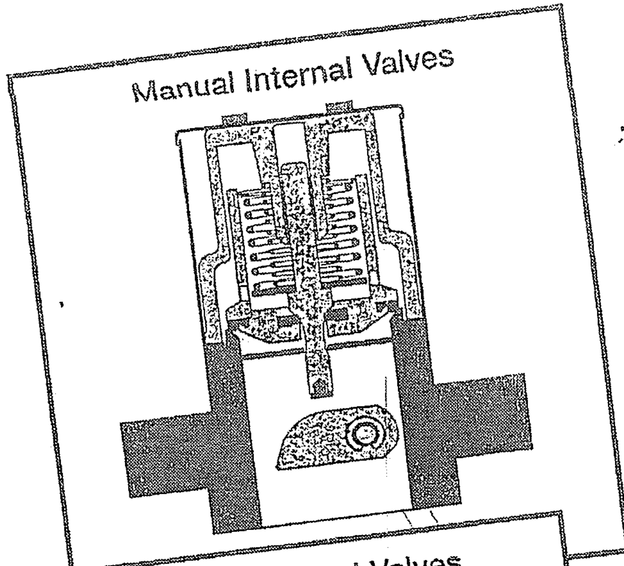
Transfer System Operations

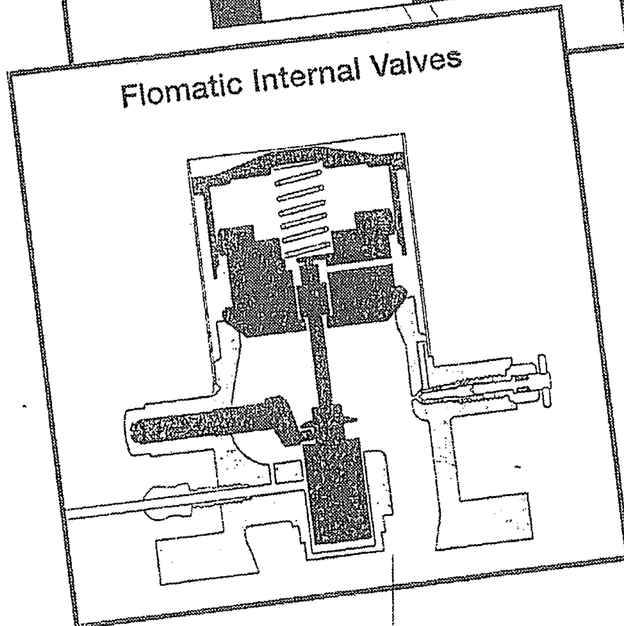
In witness whereof, this certificate is issued

November 12, 1998

Industrial Training Service
Murray, Kentucky

Skill Assessment Administrator





Certificate of Achievement

Rick Harris

has successfully completed the course

An Introduction to LP-Gas Internal Valves

This accomplishment exemplifies the enthusiastic commitment of this individual to on-going professional training related to the safe handling and use of LP-Gas.

President | Vice President

ECII. Engineered Controls International, Inc.

REGO. PRODUCTS

National Propane Gas Association

CERTIFIED EMPLOYEE TRAINING PROGRAM

Sponsored by

Star Gas Service

This certifies that

Ricky O. Harris

has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the job classification

Distribution Systems Operations

In witness whereof, this certificate is issued

May 31, 2000

Industrial Training Service
Murray, Kentucky

Skill Assessment Administrator

Star Gas Propane, L.P.

This certificate of achievement is hereby awarded to:

RICK HARRIS

in recognition of participation in and completion of

FEDERAL HAZARDOUS MATERIAL REGULATIONS SEMINAR

AUGUST 19, 1999

Joe Cummings
DOT Director

Edwin L. Miller
Director Safety/Compliance

An Introduction to LP-Gas Regulators

Regulator Performance

Pipe & Tubing Selection

Certificate of Achievement

Rick Harris

has successfully completed the course in

LP-Gas Regulator Basics

This accomplishment exemplifies the enthusiastic commitment of this individual to on-going professional training related to the safe handling and use of LP-Gas.

President

Vice President
Sales and Marketing

ECII Engineered Controls International, Inc.

REGO PRODUCTS

National Propane Gas Association

CERTIFIED EMPLOYEE TRAINING PROGRAM

Sponsored by

Star Gas Corporation

This certifies that

Ricky O Harris

has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the job classification

Appliance Installation - Maine

In witness whereof, this certificate is issued

July 15, 1999

Industrial Training Service
Murray, Kentucky

Skill Assessment Administrator

National Propane Gas Association

CERTIFIED EMPLOYEE TRAINING PROGRAM

Sponsored by

Star Gas Propane, LP

This certifies that

Ricky O Harris

has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the job classification

Propane Delivery

In witness whereof, this certificate is issued

October 16, 1996

Paul Lyons
Industrial Training Service
Murray, Kentucky

Norman L Buckley
Skill Assessment Administrator

Star Gas Propane, L.P.

This certifies that

RICK HARRIS

Has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the Annual Visual Inspection and Leak Testing Requirements of 49 CFR §180.409

CARGO TANK INSPECTOR

In witness whereof, this certificate is issued
2/18/2002

Edwin L. Miller
Vice President Safety/Compliance
600 Meijer Drive – Suite 301
Florence, KY 41042

This is to certify that

RICK HARRIS

NAME

has successfully completed

Reasonable Suspicion Testing: Training For Supervisors

AUTHORIZED BY [signature] DATE 11/29/01

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145-FS-A2 5586

Inergy
VA/NC Division
Certificates of Training

Rick Harris

Name

Training Contents	Date Completed
PERC Module 1 Training Requirements	10-18-11
PERC Module2 Hazard Communication	10-18-11
PERC Module 3 General Awareness HazMat Training	11-29-11
PERC Module 4 Emergency Response and Safety	11-29-11
PERC Module 5 Loading and Unloading	12-7-11
PERC Module 6 CMV Driver Requirements	12-7-11
PERC Module 7 Vehicle Inspection	1-10-12
PERC Module 8 Cylinder Safety	1-10-12
PERC Module 9 Materials of Trade	2-9-12
PERC Module 10 Security	2-9-12
*HM 126-F Training	NA
New Customer Documentation	9-15-11
Pressure and Leak Testing	2-26-09
Out-of-Gas Procedures	10-18-11
Handling Trouble Customer Calls	2-26-09
Diversity and Discrimination	8-3-11
Violence in the Workplace	8-3-11
Sexual Harassment	8-3-11
CETP Bobtail Deliveries	10-16-96
CETP Propane Deliveries Operations	10-16-96
CETP Basic Principles & Practices	

[signature] — Branch Manager/Trainer

2-9-12 — Date

Attach copies of individuals Certificates of Training (or other forms of documentation) to this document and place in employee's personnel / training file.

*HM 126-F can be substituted by PERC 10 Modules. Must retrain every three (3) years!

Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 1
ADDRESSING THE ACCIDENTAL RELEASE OF PROPANE

EMPLOYEE NAME: Dishon Tommy Lee
LAST FIRST MIDDLE

SSN: ___-___-95168 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Bottle Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: Tommy Dishon DATE: 9-15-09

TRAINER'S SIGNATURE: DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 2
OPERATION AND MAINTENANCE OF THE CGI

EMPLOYEE NAME: Dishon Tommy Lee
LAST FIRST MIDDLE

SSN: - -9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: Ky ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 3
CLASSIFICATION AND DOCUMENTATION OF PROPANE GAS LEAKS

EMPLOYEE NAME: Dishon (LAST) Tommy (FIRST) Lee (MIDDLE)

SSN: ____-____-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 4
RESPONDING TO EMERGENCIES AND RESTORING SERVICE AFTER EMERGENCY

EMPLOYEE NAME: Dislon Tommy Lee
LAST FIRST MIDDLE

SSN: ___-___-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook st

CITY: Burglr STATE: Ky ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

Serving America With Pride

OFFICE OF PIPELINE SAFETY OPERATOR QUALIFICATION TRAINING RECORD AND CERTIFICATION MODULE 5

ASPIRATION AND PURGING OF UNDERGROUND GAS LEAKS

EMPLOYEE NAME: Dishon (LAST) Tommy (FIRST) Lee (MIDDLE)

SSN: ___-__-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: Ky ZIP CODE: 40310

EMPLOYEE SIGNATURE: Tommy Dishon DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

OFFICE OF PIPELINE SAFETY OPERATOR QUALIFICATION TRAINING RECORD AND CERTIFICATION MODULE 6

TRANSPORTING AND INSTALLATION OF VAPOR METERS RECOGNIZING UNSAFE METER SETS

EMPLOYEE NAME: Dishon (LAST) Tommy (FIRST) Lee (MIDDLE)

SSN: ___-__-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook st

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY OPERATOR QUALIFICATION TRAINING RECORD AND CERTIFICATION MODULE 7

ATMOSPHERIC CORROSION

EMPLOYEE NAME: Dishon (LAST) Tommy (FIRST) Lee (MIDDLE)

SSN: ___-__-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 8
CONDUCTING LEAK SURVEYS

EMPLOYEE NAME: Dishon Tommy Lee
LAST FIRST MIDDLE

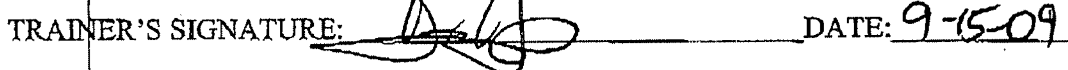
SSN: - - 9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: DATE: 9-15-09



TRAINER'S SIGNATURE: DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 9
PATROLLING AND SURVEYING OF SYSTEMS

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: ___-__-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook st

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 10
LOCATING, MARKING AND MAPPING OF FACILITIES

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: - -9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 11
ODORIZATION TESTING AND KEY VALVE INSPECTIONS

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: ___-___-9568 COMPLETION DATE: 9-15-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: Tommy Dishon DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 12
CATHODIC PROTECTION METHODS AND TESTING

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: - -95608 COMPLETION DATE: 9-15-09

COMPANY NAME: Brights Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: Tommy Dishon DATE: 9-15-09

TRAINER'S SIGNATURE: [signature] DATE: 9-15-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 13
INSTALLATION AND INSPECTION OF REGULATORS

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: ___-___-9568 COMPLETION DATE: 9-16-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook st

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 14
PLASTIC PIPE INSTALLATION AND REPAIRS
INSTALLING SERVICE LINES WITH PLASTIC PIPE

EMPLOYEE NAME: Dishon (LAST) Tommy (FIRST) L (MIDDLE)

SSN: ___-__-9568 COMPLETION DATE: 9-16-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 15
METALLIC PIPE INSTALLATION AND REPAIRS
INSTALING SERVICE LINES WITH METALLIC PIPE

EMPLOYEE NAME: Dislow (LAST) Tommy (FIRST) L (MIDDLE)

SSN: ___-___-9568 COMPLETION DATE: 9-16-09

COMPANY NAME: Bright Gas

ADDRESS: 103 West Brook st

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY OPERATOR QUALIFICATION TRAINING RECORD AND CERTIFICATION MODULE 16

PRESSURE TESTING STEEL AND PLASTIC LINES

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: ___-___-9568 COMPLETION DATE: 9-16-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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Serving America With Pride

OFFICE OF PIPELINE SAFETY
OPERATOR QUALIFICATION TRAINING
RECORD AND CERTIFICATION
MODULE 17
PURGING AND ABANDONING FACILITIES

EMPLOYEE NAME: Dishon Tommy L
LAST FIRST MIDDLE

SSN: ___-___-9568 COMPLETION DATE: 9-16-09

COMPANY NAME: Bright Gas

ADDRESS: 103 West Brook St

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

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OFFICE OF PIPELINE SAFETY OPERATOR QUALIFICATION TRAINING RECORD AND CERTIFICATION MODULE 18

INVESTIGATING CUSTOMER LEAKS

EMPLOYEE NAME: Dishon (LAST) Tommy (FIRST) L (MIDDLE)

SSN: ___-___-9568 COMPLETION DATE: 9-16-09

COMPANY NAME: Bright's Gas

ADDRESS: 103 west Brook st

CITY: Burgin STATE: KY ZIP CODE: 40310

EMPLOYEE SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S SIGNATURE: [signature] DATE: 9-16-09

TRAINER'S ADDRESS: 121 CUNNINGHAM DRIVE

CITY: ATHENS STATE: TN ZIP CODE: 37303

Heritage Propane certifies that the above listed employee has been trained and tested. Training material is kept at 3973 Montana Highway 35, Kalispell, MT 59901, toll free phone number is 1-866-820-0363.

This certifies that TOMMY L.DISHON

has been instructed in the

Proper Procedure for Joining of Polyethylene Pipe
manufactured by Phillips Driscopipe by

BUTT, SOCKET AND SADDLE FUSION METHOD

sample fusions made were inspected and found
to meet the requirements for properly made fusions as shown
in the Manufacturers Procedures.

This 30th day of AUGUST 1988

RICHARD P.SHAW
BURNETT POWELL

QUALIFYING INSTRUCTOR
PHILLIPS ENGINEERING CO., INC.
523 LAKEVIEW ROAD
CLEARWATER, FLORIDA 34616

CERTIFICATE OF TRAINING

FOR

HAZARDOUS MATERIALS HANDLING

AND

TRANSPORTATION

In Recognition of

Tommy L. Dishon

for successfully completing this training course on hazardous materials regulations. This course meets the Federal Requirements in HM-126F.

Chuck Askew (signature)	5-15-97	Lexington KY
Instructor: Chuck Askew	Date	Course Location

Safety & Compliance Management, Inc.
P.O. Box 69 • Rossville, GA • 30741

CERTIFICATE OF TRAINING

FOR

HAZARDOUS MATERIALS HANDLING

AND

TRANSPORTATION

In Recognition of

Tommy Dishon

for successfully completing this training course on hazardous materials regulations. This course meets the Federal Requirements in HM-126F.

Gary Van Zant (signature)	9-7-95	Bowling Green KY
Instructor: Gary Van Zant	Date	Course Location

Safety & Compliance Management, Inc.
P.O. Box 69 • Rossville, GA • 30741

Safeguarding you and your propane system

Certificate of Completion

This is to certify that

Tommy L. Dishon

has completed the

Residential GAS Check® Training Program

Kentucky PERC

Company

at Paducah, KY on 7-21-03

Location *Date*

Company Representative *Instructor*

MAY-23-2013 09:59 From:18597485345 To:16109962658 Page:1/1

National Propane Gas Association

CERTIFIED EMPLOYEE TRAINING PROGRAM

Sponsored by

KENTUCKY PROPANE GAS ASSOCIATION

This certifies that

TOMMY DISHON

has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the job classification

Basic Principles and Practices

In witness whereof, this certificate is issued

this 8th *day of* October, *19* 90.

Industrial Training Service/Murray State University representative

Course Instructor/Training Supervisor

COMMONWEALTH OF KENTUCKY

COUNTY OF Grant

AFFIDAVIT

I, Rick Harris, am a District Manager for AmeriGas Propane, L.P., dba Bright's Propane Service, successor in interest to Heritage Operating, L.P., (the "Company") responsible for a number of locations in the Commonwealth of Kentucky, including the District location in Burgin, Kentucky, and as such, am authorized to take this Affidavit on its behalf. In the course and scope of my duties as District Manager, I am charged with overseeing the pipeline operations at the Old Bridge Subdivision lots in Burgin, Kentucky and do hereby state:

1. That the Company entered into a non-exclusive Agreement with Old Bridge, Inc. on October 27, 1989 to install a propane/natural gas distribution system with a utility easement, including an 18,000 gallon bulk propane tank, to serve each lot in Sections 1 and 2 of Old Bridge Subdivision, Boyle County, Kentucky, as found in Plat Reference File Nos. 325B, 326A, 332B, 356B, 357A, and 359A in the office of the clerk of Boyle County and to provide propane gas services (the "Services") to "any customer and or lot owners who desire to individually contract" (the "Community") with Company (see Exhibit A attached hereto).

2. That the Company has provided said Services to the Community at a reasonable rate, but economic conditions have rendered it unlikely that the Company can continue to do so without subsidizing this Community (at a loss to the Company) through the pipeline system as originally installed.

3. That an independent accounting firm report compiled by Compton, Kottke & Associates, P.S.C. and filed as of May 25, 2012 (see Exhibit B attached hereto) in accordance with the requirements of the Public Service Commission of Kentucky shows that the Company is operating at a loss.

4. The Company and the Community would benefit from an abandonment of the pipeline system due to the following factors:

   (a) The Company has a non-exclusive right to provide propane to this Community and at least two (2) other propane companies have installed above ground propane tanks in a minimum of 15 homes in this 142-home Community;

(b) The installation of above ground propane tanks from various competitors of Bright's Propane Service in this area demonstrates [1] the existence of viable, unregulated competitors serving in the area; [2] the willingness of customers in the area to choose service by one of these unregulated competitors; and [3] the inability of the the Public Service Commission of Kentucky to provide any protection to Bright's investment in its pipeline service area by prohibiting unnecessary duplication of facilities to provide service, a necessary and equitable requirement of the regulatory compact;

(c)The Company's utility operation has approximately 51 active residential customers and one (1) commercial customer in the subdivision and as a result delivers propane by pipeline to less than 35% of the Community;

(d) The Company's utility operation for 2011 operated at an estimated net income loss of $27,000. The 2012 Annual Report is currently being prepared by our independent accountant for filing with the Public Service Commission of Kentucky and will provide 2012 numbers;

(e) The Company has sustained a combined loss for its utility operations at Old Bridge from the years 2007 through 2011 in the approximate amount of $95,325, with a minimal profit for the years 2004 through 2007;

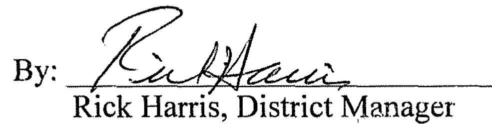
(f) The Company would have to increase the price per gallon of propane charged for utility operations in this Community over the current pricing in order to continue to provide regulated services by pipeline without operating at a net income loss.

5. The independent G&I Management Services Inc. report outlines our competitors' prices for propane (See Exhibit C attached hereto). This report shows that some of our competitors are charging as little as $1.990 per gallon, less than the Company currently receives per gallon from its pipeline customers. In 2012, the pipeline operations sold 22,674 gallons for total gross revenues of $56,027, for an approximate per gallon price received by the Company of $2.47.

6. The Company believes that it can service the Community with separate propane tank installations in a more economical way for both the Company and the Community, while also maintaining the same (or better) level of service and safety that the Community has enjoyed over the last twenty-plus years.

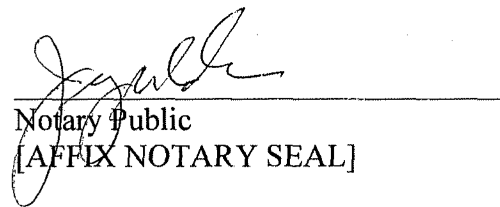
The affiant avers that the foregoing statements are true and correct to the best of his knowledge and belief.

AmeriGas Propane, L.P.
By: AmeriGas Propane, Inc.,
as its General Partner



By: ______________________
Rick Harris, District Manager

SWORN TO AND SUBSCRIBED before me,
a Notary Public, in and before said County and State,
this 20 day of June, 2013.



Notary Public
[AFFIX NOTARY SEAL]

My Commission Expires:

4-19-16

EXHIBIT A

AGREEMENT

THIS AGREEMENT, made and entered into this 22 day of October, 1989, by and between **BRIGHTS BOTTLE GAS COMPANY**, 100 Brook Street, Burgin, Mercer County, Kentucky, Party of the First Party and **OLD BRIDGE, INC.**, 219 South Fourth Street, Danville, Boyle County, Kentucky, Party of the Second Part.

WITNESSETH:

WHEREAS, Party of the First Part does desire to furnish the service of propane gas in underground lines to Old Bridge Subdivision lots; and

WHEREAS, Old Bridge, Inc., is presently developing a subdivision on Ky. Highway #34 and desires that First Party provide to the lots therein, propane gas through underground lines, individually metered at each lot.

NOW THEREFORE, for and in consideration of mutual covenants and promises, the parties do hereby agree as follows:

1. Party of the First Part will install a propane/natural gas distribution system within the utility easement to serve each lot in Section 1 and Section 2 of Old Bridge Subdivision, Boyle County, Kentucky, as found in Plat Reference File Nos. 325B, 326A, 332B, 356B, 357A, and 359A, in the office of the Clerk of the Boyle County Court.

2. All work and materials furnished by First Party in the installation of the gas distribution system shall meet the requirements of the Public Service Commission and Western Kentucky Gas Company, in addition to the rules and regulations of the State Fire Marshall. The pipes and materials installed by First Party are the sole personal properties of First Party and Second Party lays no claim of ownership to same.

3. First Party further agrees to furnish and provide during the term of it's agreement the use of an 18,000 gallon bulk propane service tank, which is to be connected to the distribution system installed within the Old Bridge utility easement in accordance with provisions of Paragraph No. 1.

4. Second Party agrees to provide to First Party a lot of ground on which to locate the bulk propane service tank referred to in Paragraph No. 3 above. If First Party provides the availability of individual metered underground propane/gas service to all lots, when requested, in Section 1 and Section 2 of Old Bridge Subdivision continuous and uninterrupted, except via Act of God, tornado, or earthquake, for a period of five (5) years from date of this agreement, then Second Party shall convey to First Party a building lot in Old Bridge Subdivision or, at the choice of Second Party, the sum of twenty-five thousand dollars ($25,000.00) cash. The choice of building lot shall also be at the discretion of Second Party. Should Western Kentucky Gas Co. purchase the service facilities of First Party and service the residence of Old Bridge Subdivision with natural gas, then Second Party shall convey to First Party, the building lot or cash aforesaid, whether or not, the five (5) year period has expired.

5. The Parties hereto, do mutually agree that Second Party is in no way involved with or on behalf of First Party, in the selling of gas or providing of services to customers or lot owners in Old Bridge Subdivision. First Party shall provide gas services to any customers and or lot owners who desire to individually contract with First Party, and the availability of these services to Old Bridge Subdivision lots is the only interest of Second Party.

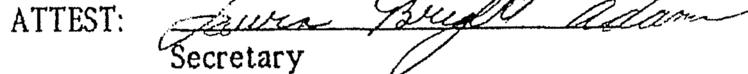
6. First Party covenants and agrees that monthly charges to lot owners or

customers in Old Bridge Subdivision for propane consumed by each individual lot owner will be calculated on a per cubic foot basis to reflect the cost of transportation and other wholesale cost of propane, on the date of delivery to said lot owner, plus and additional margin amount calculated on a per cubic foot basis to cover it's costs other than transportation cost, and return a reasonable profit from the operations of the system to First Party. The margin amount to be added to the wholesale price of propane is presently fixed at .0138 cents per cubic foot of propane consumed, subject to regulations of the Public Service Commission if applicable.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto the day and year first above written.

BRIGHT'S BOTTLE GAS CO.

BY:
THOMAS BRIGHT, SR., President

ATTEST: 
Secretary

OLD BRIDGE, INC.

BY:
LES LETTON, President

ATTEST:
J. THOMAS HENSLEY, Secretary

EXHIBIT B

Amended 8/23/2005

Class C and D Gas Utility

ANNUAL REPORT

OF

HERITAGE OPERATING L.P. dba BRIGHT'S PROPANE SERVICE

Exact Legal Name of Reporting Utility

100 W. BROOK STREET
BURGIN, KENTUCKY 40310

(Address of Utility)

TO THE

PUBLIC SERVICE COMMISSION

OF THE

COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2011

COMPTON, KOTTKE & ASSOCIATES, P.S.C.

CERTIFIED PUBLIC ACCOUNTANTS

SINCE 1919

Accountant's Compilation Report

Heritage Operating LP dba Bright's Propane Service

We have compiled the accompanying balance sheets of Heritage Operating LP dba Bright's Propane Service as of December 31, 2011, and December 31, 2010 and the related statements of income and retained earnings, for the years then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by The Public Service Commission of Kentucky.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by The Public Service Commission of Kentucky and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements as prescribed by The Public Service Commission of Kentucky without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements are presented in accordance with the requirements of The Public Service Commission of Kentucky, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Compton, Kottke & Associates, P.S.C.

Compton, Kottke & Associates, P.S.C.

May 25, 2012

PRINCIPALS:
C. DOUGLAS KOTTKE, CPA
W. ALLEN PRIEST, CPA
R. LAMARR MOORE, CPA

EMMETT W. KOTTKE, CPA
(1918-2007)

E.ON US Center
220 West Main Street; Suite 2200
Louisville, KY 40202
www.comptonkottke.com
TELEPHONE 502-587-8851 FACSIMILE 502-587-8855

MEMBERS:

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
KY. SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INPACT AMERICAS INC
WITH AFFILIATES WORLDWIDE

Rev. 12/2/2010

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20 11

Name of Utility Reporting: Heritage Operating, LP dba Bright's Propane Service, Inc.

Address of Utility: 100 W. Brook Street Phone: 270-242-0386

City: Burgin State: Montana Zip: 40319 Fax: 270-242-0396

E-Mail: Tommy.Manion@HeritagePropane.com Web Site:

Primary Regulatory Contact: TOMMY MANION (Name) Regional Mgr. (Title)

(1) Gross Revenues of Electric Utility .... $

(2) Gross Revenues of Gas Utility .... $ 67,974

(3) Gross Revenues of Water Utility .... $

(4) Gross Revenues of Sewer Utility .... $

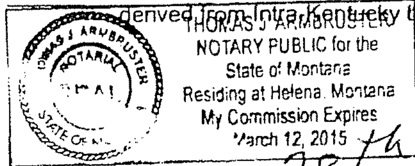
(5) Other Operating Revenues .... $ 867

*** TOTAL GROSS REVENUES .... $ 68,841

OATH

State of Montana)
) ss.
County of Lewis & Clark)

KAREN Z. HICKS (Officer) being duly sworn, states that he/she is Assistant Treasurer (Official Title) of the Heritage Operating LP, dba Bright's Propane Service (Utility Reporting) that the above report of gross revenues is in exact accordance with Heritage Operating LP, dba Bright's Propane Service (Utility Reporting), and that such books accurately show the gross revenues of: Heritage Operating LP, dba Bright's Propane Service (Utility Reporting), derived from Intra-Kentucky business for the calendar year ending December 31, 20 11.



THOMAS J. ARMBRUSTER
NOTARY PUBLIC for the
State of Montana
Residing at Helena, Montana
My Commission Expires
March 12, 2015

[signature] (Officer) Assistant Treasurer (Title)

This the 28th day of MARCH, 20 12

[signature] (Notary Public) Lewis & Clark, MT (County) 3/12/2015 (Commission Expires)

NOTE: **ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE REVERSE OF THIS REPORT**

PUBLIC SERVICE COMMISSION OF KENTUCKY

PRINCIPAL PAYMENT AND INTEREST INFORMATION

FOR THE YEAR ENDING DECEMBER 31, 20 11

1. Amount of Principal Payment during calendar year $ -0- N/A

2. Is Principal current? (Yes) N/A (No) ______

3. Is Interest current? (Yes) N/A (No) ______

4. Has all long-term debt been approved by the Public Service Commission?

   Yes____ No____ PSC Case Number N/A

SERVICES PERFORMED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are the financial statements examined by a Certified Public Accountant? (Yes) XX (No) ______

If yes, which service was performed?

Audit ______
Compilation XXX
Review ______

Please enclose a copy of the accountant's report with the annual report.

AUDIT OF THE ANNUAL REPORT
GAS COMPANIES

Page No.	Line No.		Page No.	Line No.	Yes	No	If No, Explain Why
1	3	agrees with	3	12	X		
1	4	agrees with	3	15	X		
1	5	agrees with	3	16	X		
2	2 & 3	agrees with	6	Capital Stock (f)	X		N/A ZERO BALANCE
2	8	agrees with	8	Account 216 Balance End of Year (b)	X		
2	16	agrees with	7	Long Term Debt Total (d)	X		ZERO BALANCE
2	24	agrees with	7	Notes Payable Total (e)	X		ZERO BALANCE
2	30	agrees with	7	Interest Accrued Total (e)	X		ZERO BALANCE
2	31	agrees with	8	Misc. Current and Accrued Liabilities	X		ZERO BALANCE
3	1	agrees with	5	39(f)	X		
3	15	agrees with	3	34	X		
3	15	agrees with	6	25	X		
9	5	agrees with	13	(f)	X		ZERO BALANCE
9	15	agrees with	11	26	X		
9	17	agrees with	12	Total Amortization Expense	X		ZERO BALANCE
9	18	agrees with	12	Account 408.1	X		
9	19	agrees with	12	Total Income Taxes - Utility Operating Income	X		ZERO BALANCE
9	29	agrees with	7	Interest Accrued Long-Term Debt (c)	X		ZERO BALANCE

AUDIT OF THE ANNUAL REPORT
GAS COMPANIES

Page No.	Line No.		Page No.	Line No.	Yes	No	If No, Explain Why
9	32	agrees with	7	Interest Accrued Other (c)	X		N/A ZERO BALANCE
9	33	agrees with	12	Total Income Taxes - Nonutility Operating Income	X		ZERO BALANCE
9	37	agrees with	12	Account 408.2			NOT APPLICABLE
9	39	agrees with	8	Balance Transferred From Income (433)	X		
10	5	agrees with	14	(j)			NOT APPLICABLE
10	6	agrees with	14	(j)	X		
14	(i)	agrees with	15	3 & 4 (b)	X		
15	9	agrees with	15	20	X		
15	11	agrees with	9	6(c)			NOT APPLICABLE
Principal Payment Page has been completed					X		
Oath Page has been completed					X		

Additional Information Required by Commission Orders		
Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments		
Case #	Date of Order	Item/Explanation
		NOT APPLICABLE
Attach additional sheets if more room is needed		

GENERAL INFORMATION

1. Give the location, including street & number and telephone number, including the area code, of the principal office in Kentucky.

   100 W BROOK STREET

   BURGIN, KENTUCKY 40310

   859-748-5382

2. Name, title, address and telephone number, including area code, of the Person to be contacted concerning this report.

   THOMAS J. ARMBRUSTER--TAX DIRECTOR

   PO BOX 6789

   HELENA, MT 59604

3. Name and title of officer having custody of the books of account, address of office and telephone number, including area code, where the books of account are kept.

   SAME

4. Name of State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law.

   KENTUCKY 11/27/1989

5. If the respondent controls or is controlled by any other corporation, business trust, or similar organization, give a concise explanation of the manner and extent of control.

   HERITAGE OPERATING , LP

   100% OWNER 73-1495293

6. Give the names and addresses of the ten major stockholders of the respondent and the voting powers of each at the end of the year.

   ENERGY TRANSFER PARTNERS, GP LP

   3738 OAK LAWN AVE.

   DALLAS, TX 75219 99.9%

   HERITAGE LP, INC. 20-0660738 .1%

7. Give the number of employees: Full-time 0 Part-time: 0

8. Name of City, Town, Community and County in which you furnish gas service and the number of customers in each.

   OLD BRIDGE SUBDIVISION (SEE PAGES 9 & 11)

   BOYLE COUNTY, KENTUCKY

PRINCIPAL OFFICERS

Line No.	Title	Name of Officer or Director	Principal Business Address	Annual Salary And/or Fee
1	PRESIDENT	WILLIAM G. POWERS, JR	P.O. BOX 6789, HELENA, MT	0
2	VP&COO	R. PAUL GRADY, SR	P.O. BOX 6789, HELENA, MT	0
3	SECRETARY	ERIC BEATTY	P.O. BOX 6789,HELENA, MT	0
4	VP&CIO	PAUL GRONE	P.O. BOX 6789, HELENA, MT	0
5	VP FINANCE	KAREN HICKS	P.O. BOX 6789, HELENA, MT	0
6				
7				
8				
9				
10				

BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First of Year	Balance Last of Year
1	**UTILITY PLANT**		
2			
3	Utility Plant (101-107,114,116)	242,092	242,092
4	Less: Accum. Prov. for Depr., Depletion, and Amortization (108,111)	18,292	24,742
5	Net Utility Plant	223,800	217,350
6			
7	**OTHER PROPERTY AND INVESTMENTS**		
8	Nonutility Property-Net (121-122)		
9	Other Investments (124)		
10	Other Special Funds (128)		
11			
12	Total Other Property and Investments	-0-	-0-
13			
14	**CURRENT AND ACCRUED ASSETS**		
15	Cash (131)	6,075	4,712
16	Temporary Cash Investments (136)		
17	Notes Receivable (141)		
18	Customer Accounts Receivable (142)	23,562	9,111
19	Other Accounts Receivable (143)		
20	Accum. Prov. for Uncollectible Accts.-CR. (144)		
21	Plant Materials and Operating Supplies (154)		
22	Gas Stored - Current (164.1)	10,592	11,827
23	Prepayments (165)		
24	Miscellaneous Current and Accrued Assets (174)		
25			
26			
27	Total Current and Accrued Assets	40,229	25,650
28			
29	**DEFERRED DEBITS**		
30	Unamortized Debt Expense (181)		
31	Extraordinary Property Losses (182.1)		
32	Miscellaneous Deferred Debits (186)		
33	Def. Losses from Disposition of Util. Plt. (187)		
34	Unamort. Loss on Reacquired Debt (189)		
35	Accum. Deferred Income Taxes (190)		
36	Unrecovered Purchased Gas Costs (191)		
37			
38	Total Deferred Debits	-0-	-0-
39			
40	TOTAL ASSETS AND OTHER DEBITS	264,029	243,000

BALANCE SHEET			
Line No.	LIABILITIES AND OTHER CREDITS	Balance First of Year	Balance Last of Year
1	**PROPRIETARY CAPITAL**		
2	Common Stock Issued (201)		
3	Preferred Stock Issued(204)		
4	Misc. Paid-In Capital (211)	304,843	326,333
5	Discount on Capital Stock (213)		
6	Capital Stock Expense (214)		
7	Appropriated Retained Earnings (215)		
8	Unappropriated Retained Earnings (216)	(46,753)	(90,603)
9	Reacquired Capital Stock (217)		
10	Total Proprietary Capital	258,090	235,730
11			
12	**LONG-TERM DEBT**		
13	Bonds (221)		
14	Advances From Associated Companies (223)		
15	Other Long-Term Debt (224)		
16	Total Long-Term Debt	-0-	-0-
17	**OTHER NONCURRENT LIABILITIES**		
18	Accum. Provision for Property Insurance (228.1)		
19	Accum. Provision for Injuries and Damage (228.2)		
20	Accum. Provision for Pensions and Benefits(228.3)		
21	Accum. Miscellaneous Operating Provisions (228.4)		
22	Total Other Noncurrent Liabilities	-0-	-0-
23	**CURRENT AND ACCRUED LIABILITIES**		
24	Notes Payable (231)		
25	Accounts Payable (232)	2,731	2,965
26	Notes Payable to Associated Companies (233)		
27	Accounts Payable to Associated Companies (234)		
28	Customer Deposits (235)		
29	Taxes Accrued (236)	3,208	4,305
30	Interest Accrued (237)		
31	Misc. Current and Accrued Liabilities (242)		
32	Total Current and Accrued Liabilities	5,939	7,270
33	**DEFERRED CREDITS**		
34	Customer Advances for Construction (252)		
35	Other Deferred Credits (253)		
36	Accum. Deferred Investment Tax Credits (255)		
37	Accum. Deferred Income Taxes (281-283)		
38	Total Deferred Credits	-0-	-0-
39			
40	TOTAL LIABILITIES AND OTHER CREDITS	264,029	243,000

ANALYSIS OF GAS UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, DEPLETION AND AMORTIZATION

Line No.	Acct. No.	Item	Amount
1	101	Gas Plant in Service-Classified (From Page 5, Line 39(f))	242,092
2	101.1	Property Under Capital Leases	
3	102	Gas Plant Purchased or Sold	
4	106	Completed Construction Not Classified	
5		Total	
6	104	Gas Plant Leased to Others	
7	105	Gas Plant Held for Future Use	
8	107	Construction Work in Progress-Gas	
9	114	Gas Plant Acquisition Adjustments	
10	116	Other Gas Plant Adjustments	
11	.		
12		Total Utility Plant (Forward to Page 1, line 3)	242,092
13	108	Less: Accum. Prov. For Depreciation of Gas Utility Plant	24,742
14	111	Accum. Prov. for Amortization and Depletion of Gas Utility Plant	
15		Total (Forward to Page 1, line 4)	24,742
16		Net Utility Plant (Forward to Page 1, line 5)	217,350

DETAIL OF ACCUMULATED PROVISION FOR DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS UTILITY PLANT

Line No.	Item	Amount
17	In Service:	
19	Depreciation	24,742
20	Depletion	
21	Amortization	
22	Total - In Service	24,742
23	Leased to Others:	
24	Depreciation	
25	Depletion	
26	Amortization	
27	Total - Leased to Others	-0-
28	Held for Future Use:	
29	Depreciation	
30	Depletion	
31	Amortization	
32	Total - Held for Future Use	-0-
33	Amortization of Gas Plant Acquisition Adjustments	
34	TOTAL ACCUMULATED PROVISIONS (Same as line 15, above)	24,742

NOTES TO BALANCE SHEET

This space is provided for important notes regarding the balance sheet

GAS UTILITY PLANT IN SERVICE

Report in column (e) entries reclassifying property from one account to another Corrections of entries of the preceding year should be recorded in column (c) or column (d), as they are corrections of additions or retirements

Line No.	Account (a)	Balance First of Year (b)	Additions (c)	Retirements (d)
1	Intangible Plant - Account 301-303 (Attach Schedule)			
2	Gas Production, Storage and Processing Plant - Account 304-364 (Attach Schedule)			
	TRANSMISSION PLANT			
3	Land and Land Rights (365.1)	23,440	-0-	-0-
4	Rights-Of-Way (365.2)			
5	Structures and Improvements (366)			
6	Mains (367)			
7	Compressor Station Equipment (368)			
8	Measuring and Regulating Station Equipment (369)			
9	Communication Equipment (370)			
10	Other Equipment (371)			
11	Total Transmission Plant	23,440	-0-	-0-
	DISTRIBUTION PLANT			
12	Land and Land Rights (374)			
13	Structures and Improvements (375)			
14	Mains (376)	29,201	-0-	-0-
15	Compressor Station Equipment (377)			
16	Measuring and Regulating Station Equipment - General (378)			
17	Measuring & Regulating Station Equipment - City Gate (379)			
18	Services (380)			
19	Meters (381)	3,375	-0-	-0-
20	Meter Installations (382)			
21	House Regulators (383)			
22	House Regulator Installations (384)			
23	Industrial Measuring & Regulating Station Equipment (385)			
24	Other Property on Customers Premises (386)			
25	Other Equipment (387)			
26	Total Distribution Plant	32,576	-0-	-0-
	GENERAL PLANT			
27	Land and Land Rights (389)			
28	Structures and Improvements (390)			
29	Office Furniture and Equipment (391)			
30	Transportation Equipment (392)			
31	Stores Equipment (393)			
32	Tools, Shop and Garage Equipment (394)			
33	Laboratory Equipment (395)			
34	Power Operated Equipment (396)			
35	Communication Equipment (397)			
36	Miscellaneous Equipment (398)			
37	Other Tangible Property (399)	186,076	-0-	-0-
38	Total General Plant	186,076	-0-	-0-
39	**TOTAL GAS PLANT IN SERVICE**	242,092	-0-	-0-

GAS UTILITY PLANT IN SERVICE

Report in column (e) entries reclassifying property from one account to another. Corrections of entries of the preceding year should be recorded in column (c) or column (d), as they are corrections of additions or retirements

Line No	Account (a)	Adjustments (+ or -) (e)	Balance End of Year (f)
1	Intangible Plant - Account 301-303 (Attach Schedule)		
2	Gas Production, Storage and Processing Plant - Account 304-364 (Attach Schedule)		
	TRANSMISSION PLANT		
3	Land and Land Rights (365.1)	-0-	23,440
4	Rights-Of-Way (365.2)		
5	Structures and Improvements (366)		
6	Mains (367)		
7	Compressor Station Equipment (368)		
8	Measuring and Regulating Station Equipment (369)		
9	Communication Equipment (370)		
10	Other Equipment (371)		
11	Total Transmission Plant	-0-	23,440
	DISTRIBUTION PLANT		
12	Land and Land Rights (374)		
13	Structures and Improvements (375)		
14	Mains (376)	-0-	29,201
15	Compressor Station Equipment (377)		
16	Measuring and Regulating Station Equipment - General (378)		
17	Measuring & Regulating Station Equipment - City Gate (379)		
18	Services (380)		
19	Meters (381)	-0-	3,375
20	Meter Installations (382)		
21	House Regulators (383)		
22	House Regulator Installations (384)		
23	Industrial Measuring & Regulating Station Equipment (385)		
24	Other Property on Customers Premises (386)		
25	Other Equipment (387)		
26	Total Distribution Plant	-0-	32,576
	GENERAL PLANT		
27	Land and Land Rights (389)		
28	Structures and Improvements (390)		
29	Office Furniture and Equipment (391)		
30	Transportation Equipment (392)		
31	Stores Equipment (393)		
32	Tools, Shop and Garage Equipment (394)		
33	Laboratory Equipment (395)		
34	Power Operated Equipment (396)		
35	Communication Equipment (397)		
36	Miscellaneous Equipment (398)		
37	Other Tangible Property (399)	-0-	186,076
38	Total General Plant	-0-	186,076
39	**TOTAL GAS PLANT IN SERVICE**	-0-	242,092

ACCUMULATED PROVISION FOR DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS UTILITY PLANT			
Line No.	Item		Amount
1	Balance Beginning of Year		18,292
2	Accruals for Year:		
3	Depreciation		6,450
4	Depletion		
5	Amortization		
6	Other Accounts (detail):		
7			
8			
9	Total Accruals for Year		6,450
10	Credit Adjustments (describe):		
11			
12			
13	Total Credits for Year		-0-
14			
15	Net Charges for Plant Retired:		
16	Book Cost of Plant Retired (same as Page 4, Line 39(d))		XXXXXXXXXXXX
17	Add: Cost of Removal		XXXXXXXXXXXX
18	Less: Salvage		XXXXXXXXXXXX
19	Net Charges for Plant Retired		
20	Debit Adjustments(describe):		-0-
21			
22			
23	Total Debit Adjustments for Year		-0-
24			
25	Balance End of Year		24,742

CAPITAL STOCK

Class and Series of Stock (a)	No. of Shares Auth. (b)	Par Value Per Share of Par Value Stk (c)	Stated Val. Per Share of Nonpar Stock (d)	Outstanding Per Balance Sheet	
				Shares (e)	Amount (f)
N/A Entity is a L.P.					

LONG-TERM DEBT

List Each Original Issue Amt., Class & Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest Expense For The Year	
				Rate (e)	Amount (f)
N/A			-0-		-0-
Total			-0-		-0-

NOTES PAYABLE

Name of Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
N/A				-0-
Total				-0-

INTEREST ACCRUED

Description of Obligation (a)	Int.Accr. Balance First of Year (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Interest Accrued Balance End of Year (e)
Long Term Debt:				
N/A	-0-			-0-
Note Payable:				
N/A	-0-			-0-
Customer Deposits:				
Other:				
N/A	-0-			-0-
Total	-0-	-0-	-0-	-0-

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES

Sub-Account and Description	Amount
NONE	-0-
Total	-0-

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS (ACCT. 216):		
Balance Beginning of Year	(46,753)	(12,388)
Balance Transferred From Income (433)	(43,850)	(34,365)
Misc. Credits (Specify Account Number & Title):		
Total Credits to Unappropriated Retained Earnings	(43,850)	(34,365)
Dividends Declared-Preferred Stock (437)		
Dividends Declared-Common Stock (438)		
Miscellaneous Debits (Specify Account Number & Title):		
Adjustments to Retained Earnings (439) (Describe)		
Total Debits to Unappropriated Retained Earnings	-0-	-0-
Net Addition to Unappropriated Retained Earnings	(43,850)	(34,365)
Balance End of Year	(90,603)	(46,753)

STATEMENT OF INCOME FOR THE YEAR

Line No	Account (a)	Average No. Customers (b)	MCF of Nat. Gas Sold (c)	Amount (d)
	OPERATING REVENUES			
1	Residential Sales (480)	59		65,589
2	Commercial and Industrial Sales (481)	1		2,385
3	Interdepartmental Sales (484)			
4	*Total Sales to Ultimate Consumers*			
5	Sales for Resale (483)			
6	Total Gas Service Revenues	60		67,974
	OTHER OPERATING REVENUES			
7	Forfeited Discounts (487)			
8	Miscellaneous Service Revenues (488)			256
9	Revenues From Transportation of Gas of Others (489)			
10	Revenues From Natural Gas Processed by Others (491)			
11	Rent From Gas Property (493)			
12	Other Gas Revenues (495)			457
13	Total Other Operating Revenues			713
14	Total Gas Operating Revenues			68,687
	OPERATING EXPENSES			
15	Total Gas Operation & Maintenance Expenses (from page 11, line 26)			97,714
16	Depreciation Expense (403)			6,450
17	Amortization Expense (404-407) (from page 12)			
18	Taxes Other Than Income Taxes (408.1) (from page 12)			8,527
19	Total Income Taxes-Utility Operations (409.1, 410.1, 411.1, 411.4) (from page 12)			
20	Total Gas Operating Expenses			112,691
21	Net Operating Income			(44,004)
	OTHER INCOME			
22	Other Nonutility Income – Net (415-418)			
23	Interest and Dividend Income (419)			154
24	Miscellaneous Nonoperating Income (421)			
25	Other Accounts (Specify Account Number and Title):			
26				
27				
28	Total Other Income			154
	OTHER DEDUCTIONS			
29	Interest on Long-Term Debt (427)			
30	Amortization of Debt Discount and Expense (428)			
31	Other Nonutility Deductions (426.1 - 426.5)			
32	Other Interest Expense (431)			
33	Total Income Taxes – Nonutility operations (409.2, 410.2, 411.2, 411.5) (from Page 12)			
34	Other Accounts (Specify Account Number and Title):			
35				
36				
37	Taxes Other Than Income Taxes (408.2) (from Page 12)			
38	Total Other Deductions			-0-
39	NET INCOME			(43,850)

GAS OPERATION AND MAINTENANCE EXPENSES

Line No.	Account (a)	Amount (b)
	MANUFACTURED GAS PRODUCTION	
1	Total-Account 710-742 (Attach Schedule by Accounts)	-0-
	NATURAL GAS PRODUCTION EXPENSES	
2	Total-Account 750-791 (Attach Schedule by Accounts)	-0-
	EXPLORATION AND DEVELOPMENT EXPENSES	
3	Total-Account 795-798 (Attach Schedule by Accounts)	-0-
	STORAGE EXPENSES	
4	Total-Account 814-843 (Attach Schedule by Accounts)	-0-
	OTHER GAS SUPPLY EXPENSES	
5	Natural Gas City Gate Purchases (804)	
6	Other Gas Purchases (805) PROPANE	44,531
7	Purchased Gas Cost Adjustments (805.1)	
8	Purchased Gas Expenses (807)	
9	Gas Withdrawn From Storage - Debit (808.1)	
10	Gas Delivered to Storage - Credit (808.2)	
11	Gas Used For Other Utility Operations - Credit (812)	
12	Other Gas Supply Expenses (813)	3,771
13	Total Other Gas Supply Expenses	48,302
	TRANSMISSION EXPENSES	
14	Operation Supervision and Engineering (850)	
15	Compressor Station Labor and Expenses (853)	
16	Measuring and Regulating Station Expenses (857)	
17	Transmission and Compression of Gas by Others (858)	
18	Rents (860)	
19	Maintenance of Mains (863)	
20	Maintenance of Compressor Station Equipment (864)	
21	Total Transmission Expenses	-0-
	DISTRIBUTION EXPENSES	
22	Operation Supervision and Engineering (870)	
23	Compressor Station Labor and Expenses (872)	
24	Mains and Services Expenses (874)	
25	Measuring and Regulating Station Expenses (875)	
26	Meter and House Regulator Expenses (878)	
27	Other Expenses (880)	42,996
28	Rents (881)	
29	Maintenance Supervision and Engineering (885)	
30	Maintenance of Mains (887)	
31	Maintenance of Services (892)	
32	Maintenance of Meters and House Regulators (893)	
33	Maintenance of Other Equipment (894)	
34	Total Distribution Expenses	42,996

GAS OPERATION AND MAINTENANCE EXPENSES (Con't.)

Line No.	Account (a)	Amount (b)
	CUSTOMER ACCOUNTS EXPENSE	
1	Meter Reading Expenses (902)	
2	Customer Records and Collection Expenses (903)	
3	Uncollectible Accounts (904)	
4	Total Customer Accounts Expense	-0-
5		
	CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	
6	Miscellaneous Customer Service and Informational Expenses (910)	
	ADMINISTRATIVE AND GENERAL EXPENSES	
7	Administrative and General Salaries (920)	
8	Office Supplies and Expenses (921)	427
9	Administrative Expenses Transferred - Credit (922)	
10	Outside Services Employed (923)	
11	Property Insurance (924)	835
12	Injuries and Damages (925)	
13	Employee Pensions and Benefits (926)	
14	Franchise Requirements (927)	
15	Regulatory Commission Expenses (928)	
16	Duplicate Charges - Credit (929)	
17	General Advertising Expenses (930.1)	837
18	Miscellaneous General Expenses (930.2)	4,317
19	Rents (931)	
20	Maintenance of General Plant (932)	
21	Total Administrative and General Expenses	6,416
22		
23		
24		
25		
26	**TOTAL GAS OPERATION AND MAINTENANCE EXPENSES** (to Page 9, Line 15)	97,714

NUMBER OF CUSTOMERS

	End of Year
Residential (480)	59
Commercial and Industrial (481)	1
Interdepartmental Sales (484)	
Total - Ultimate Customer	
Sales for Resale (483)	
Total Gas Service Customers	60

TAXES OTHER THAN INCOME TAXES (408)

Show hereunder the various tax items which make up the amounts listed under Account Numbers 408.1 and 408.2 on page 9, lines 18 and 37.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	7,295
2	Public Service Commission Assessment	94
3	Other (Specify):	
4	PROPERTY TAX	1138
5		
6		
7		
8		
9	Total (Same as page 9, lines 18 and 37)	8,527

OPERATING AND NONOPERATING INCOME TAXES

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes, Utility Operating Income – Federal	
409.1	Income Taxes, Utility Operating Income – State	
409.1	Income Taxes, Utility Operating Income – Other	
410.1	Provision for Deferred Income Taxes, Utility Operating Income	
411.1	Provision for Deferred Income Taxes - Credit, Utility Operating Income	
411.4	Investment Tax Credit Adjustments, Utility Operations	
	Total Income Taxes - Utility Operating Income (to page 9, line 19)	-0-
409.2	Income Taxes, Other Income & Deductions – Federal	
409.2	Income Taxes, Other Income & Deductions – State	
409.2	Income Taxes, Other Income & Deductions – Other	
410.2	Provision for Deferred Income Taxes, Other Income & Deductions	
411.2	Provision for Deferred Income Taxes – Credit, Other Income & Deductions	
411.5	Investment Tax Credit Adjustments, Nonutility Operations	
	Total Income Taxes – Nonutility Operating Inc. (to page 9, line 33)	-0-

AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
404.1	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
405	Amortization of Other Gas Plant	
406	Amortization of Gas Plant Acquisition Adjustments	
407.1	Amortization of Property Losses	
407.2	Amortization of Conversion Expenses	
	Total Amortization Expense (Same as page 9, line 17)	-0-

SALES FOR RESALE - NATURAL GAS (Account 483)

1. Report particulars concerning sales of natural gas during the year to other gas utilities for resale. Sales to each customer should be identified in column (c) where applicable, by rate schedule designation contained in the company's tariff.
2. Natural gas for the purpose of this schedule means either natural gas unmixed, or any other mixture of natural and manufactured gas.
3. Point of delivery, column (b), should show name of city or town or state, and such other designation necessary to enable identification on maps of respondent's pipeline system.
4. Designate any sales which are other than firm sales, i.e., sales for storage, etc.
5. Where consolidated bills for more than one point of delivery are rendered under a FERC rate schedule, the several points of delivery shall be indicated in column (b) and the remainder of the information reported in a consolidated basis corresponding to the billing. Where, however, consolidated bills for more than one point of delivery are not rendered under a FERC rate schedule, the required information shall be furnished for each point of delivery.
6. Designate if BTU per cubic foot of gas is different for any delivery point from that shown in the heading of column (d).

Name of Other Gas Utility (Designate Associated Co) (a)	Point of Delivery (b)	FERC Tariff Rate Sch. Design (c)	Approx. BTU per Cubic Foot (d)	MCF of Gas Sold (14.73 PSIA 60 F) (e)	Revenue for Year (see #5, above) (f)	Average Revenue per MCF (g)
		NOT APPLICABLE				

GAS PURCHASES (Accounts 804 and 805)

1. Report particulars of gas purchases during the year. 2. Natural gas for the purpose of classification herein is either natural gas unmixed, or any mixture of natural and manufactured gas. 3. Provide subheadings and totals for prescribed accounts 804-Natural Gas City Gate Purchases, and 805 - Other gas Purchases. 4. Where purchases are from unitized fields, or vendor is a partnership or joint interest arrangement, specify such fact in column (a) and give name of unit operator, principal partner, or largest owner of joint interest, as approp. 5. For well head and field line purchases indicate the gas field or production area, county and state. 6. Field purchases of less than $25,000 per year from individual non-associated vendors may be grouped by fields or production areas. Show numbers of purchases so grouped. 7. Show in column (c) the Seller's FERC rate schedule designation and date of contract, including such designations for purchases from independent producers. Intrastate purchases for which there is no required filing of a FERC rate schedule shall be specified "intrastate", and dates of contracts shown. If for any purchases more than one rate schedule was in effect during the year, show the most recent rate schedule designation and in a footnote give superseded rate schedules and date of supersession, or a succinct explanation. The Operator's rate schedule designation is sufficient in cases where there are no co-owners under the same purchase contract, but the entire volume of gas and amount, columns (h) and (i) must be shown for the purchase under the particular contract. Rate schedule designations are not required with respect to small purchases grouped as permitted in instruction 6.

Name of Vendor (Designate Associated Companies) (a)	Point of Receipt (b)	Seller's FERC Rate Schedule Designation and Date of Contract (c)	Check Appropriate Class				Approx. BTU per Cubic Foot (h)	MCF of Gas 14.73 PISA 60 F (i)	Amount (j)	Avg. Amt. per MCF (cents) (k)
			Well Mouth (d)	Field Line (e)	Gasoline Plant Outlet (f)	Other (g)				
HERITAGE OPERATING L.P.	OLD BRIDGE FACILITY	N/A	N/A	N/A	N/A	X	2500	884.08	44,531	

GAS ACCOUNT - NATURAL GAS

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent. Natural gas means either natural gas unmixed and any mixture of natural and manufactured gas.
2. Enter in column (b) the MCFs as reported in schedules indicated for the respective items of receipts and deliveries.
3. If the respondent operates two or more systems which are not inter-connected, separate schedules should be submitted. Insert pages should be used for this purpose.

Line No.	Item (a)	MCF (14.73 PSIA at 60 F) (b)
	GAS RECEIVED	
1	Natural Gas Produced BEGINNING INVENTORY	204.36
2	Purchases:	
3	Natural Gas City Gate Purchases (Account 804)	
4	Other Gas Purchases (Account 805)* PROPANE	884.08
5	Other Receipts (Specify):	
6		
7		
8		
9	Total Receipts	1088.44
10		
	GAS DELIVERED	
11	Natural Gas Sales (same as page 9, column (c), line 6)	
12	Other Deliveries (specify):	
13	PROPANE DELIVERED	847.70
14		
15		
16	Total Deliveries	847.70
17	ENDING INVENTORY	240.74
18	Unaccounted for Gas	
19	Natural Gas Used by Respondent	
20	Total Deliveries and Unaccounted For Gas	1088.44

* This type of gas purchase represents manufactured gas, refinery gas or any gas other than natural gas

PERTINENT NOTES TO THE EXHIBITS AND SUPPORTING

SCHEDULES CONTAINED IN THIS ANNUAL REPORT

EXHIBIT C

Amerigas Region MA19 Propane Survey

G&I
Management Services Inc.
14 Mill Road ◆ Latham, N.Y. 12110
Phone: (518) 783-7661 ◆ Fax: (518) 783-0847
Email: gimanage@nycap.rr.com

E-Mail: Bruce Jones, Robert Brandtley, Rich Ferrance, Diana Price, Hayley Karicofe
Date: 3-18-13

CSR Service Rating
A: Gives name, knowledgeable, helpful, polite, mentions new customer installation special & ask for order
B: Gives name knowledgeable, helpful & polite
C: Just gives price
D: Unknowledge & unhelpful
F: Unknowledgeable, unhepful & rude

	Heating Rate	1st Fills	Price Protection Plans	Fees to Join Plans
Leitchfeild, KY				
Propane Energy Partners	2.199	1.499	1.799 lockin to 5/13	none
Midway Propane	2.589	1.289	expired	
Heritage-Fosters Propane	2.440	1.590	expired	
CSR Name, rating, date & time	Lindsey B 3/18 9:45 am Have a good day.			
Munfordville,KY				
Amerigas	1.999	1.699	expired	
Farmers Propane	2.199/2.099	1.899	expired	
Ferrellgas	2.799	1.699	expired	none
Southern States	2.090	1.990	expired	
Suburban Propane	3.299	1.899	1.899 lockin to 6/13	none
Mammoth Propane Gas	1.999	1.299	expired	
Heritage-John E. Foster & Son	2.299	1.599	expired	
CSR Name and Rating	Jan B 3/18 10:01 am Thank you.			
Glasgow, KY				
Amerigas	1.999	1.699	expired	
Farmers Propane	2.199/2.099	1.899	2.249 cap	$25 fee
Ferrellgas	2.799	1.699	expired	
Southern States	2.099/1.999	none now	expired	

Amerigas Region MA19 Propane Survey

	Heating Rate	1st Fills	Price Protection Plans	Fees to Join Plans
Glasgow, KY				
Suburban Propane	3.299	1.899	1.899 lockin to 6/13	none
Propane Energy Partners	2.199	1.499	1.799 lockin to 5/13	none
Millers Bottle Gas	2.159	1.959	none offered	
Mammoth Propane Gas	1.999	1.299	expired	
Heritage-John E. Foster & Son	2.299	1.599	expired	
CSR Name, rating, date & time	Shawna B 3/18 10:07 am You are welcome.			
Harned, KY				
Irvington Gas	1.899	none now	expired	
Miles Farm Supply	2.099	1.899	expired	none
Fischer's Furniture & Appl.	1.669/1.649	none now	expired	
Green River Propane	sales must c/b 3xs			
Heritage-Lyons Gas Co.	2.399	1.799	expired	
CSR Name, rating, date & time	Jim A 3/18 10:17 am			
Burgin KY 3/18/13				
Ferrellgas	2.499	1.799	expired	
Hartland Propane	2.190	none	none offered	
Suburban Propane	2.999	1.799	1.999 lockin 6 months	none
Southern State/Danville	2.090	none now	expired	
Sure Flame Propane Gas	2.099	none	expired	
UPG	voice mail 3xs			
Miles LP Gas	1.999	none	expired	
Heritage-Brights Bottle Gas	2.349	1.549	1.999 lockin 1 yr	none
CSR Name, rating, date & time	Heather A 3/18 10:38 am			
Pekin IN				
Amerigas	2.999	1.599	1.999 lockin to 6/13	none
Ferrellgas Gas	2.449	1.499	expired	
Heritage-Empire-Pekin	2.479	1.499	1.999 lockin to 6/13	none
CSR Name, rating, date & time	Nancy A 3/18 10:47 am			

Amerigas Region MA19 Propane Survey

	Heating Rate	1st Fills	Price Protection Plans	Fees to Join Plans
Jeffersontown KY				
Ferrellgas	2.299	1.799	2.299 lockin to 3/13	$49.99 fee waived 1 yr
Bennett Gas	voice mail 3xs			
Silgas	voice mail 3xs			
Southern States	2.099	1.699	expired	
Heritage - Empiregas	2.579	1.499	1.999 lockin to 6/13	none
CSR Name, rating, date & time	Nicole B 3/18 11:00 am Thank you.			
Hodgenville KY				
Southern States	1.989	none now	expired	
Amerigas	1.999	1.699	expired	
Miles LP Gas	1.999	none	expired	
Irvington Gas	1.899	none now	expired	
Propane Express	2.299	1.999	expired	
Heritage - Empiregas	no mkt quote	1.499	1.999 lockin to 6/13	none
CSR Name, rating, date & time	Rhonda A 3/18 11:04 am			
London KY				
Eastern KY Propane	2.099	none	none offered	
Ferrellgas -London	2.599	2.199	expired	
Ferrellgas -Jackson	2.499	1.999	2.599 lockin	none
Holston	2.299	2.099	none offered	
Jackson Energy Co.	2.249	none	expired	
Southern States London Co-Op Inc.	2.199	none now	2.199 lockin	none
Jackson Energy Co./ Hazard	2.349	1.899	expired	
Holston/Monticello	2.499	1.999	2.499 lockin to 3/13	none
Heritage-Empiregas Corbin	2.699	1.889	expired	
CSR Name, rating, date & time	Sherry A 3/18 11:25 am			
Heritage-Empiregas Monticello	2.699	1.889	none offered	
CSR Name, rating, date & time	Sherry A 3/18 11:25 am			

Amerigas Region MA19 Propane Survey

	Heating Rate	1st Fills	Price Protection Plans	Fees to Join Plans
Hazard/Chavies, KY				
Jackson Energy Co.	2.34 w/c, 2.24 auto	2.140	expired	
Heritage-Empiregas -Hazard	2.699	1.889	expired	
CSR Name, rating, date & time	Trish A 3/18 11:32 am			
Nicholasville KY				
Southern States	2.099	none	expired	
Suburban Propane	2.999	1.799	1.999 lockin 6 months	none
Heritage-Empiregas Nicholasville	2.609	1.699	expired	
CSR Name, rating, date & time	Kurt B 3/18 11:34 am Thank you.			
Mt. Sterling KY				
Clark Energy Propane	2.189	1.839	expired	
Southern States	2.159	none	expired	
Hardy Propane Gas	2.000	none	none offered	
Ferrellgas	2.699	1.999	expired	none
Amerigas	2.999	1.899	1.899 lockin to 6/13	$49.99 fee
Heritage-Mt. Sterling	2.639, 2.609 auto	1.699	2.099 lockin to 4/13	none
CSR Name, rating, date & time	Heather A 3/18 11:40 am			
Baxter KY				
Eastern KY Propane	2.099	none	none offered	
Ferrellgas	2.699	1.999	expired	
Holston Gas	2.290	2.090	none offered	
Marsh Propane	2.690	none	none offered	
Suburban Propane	3.059	1.999	1.999 lockin 1 yr	none
Heritage Propane Gas	2.399	1.999	1.999 lockin to 6/13	none
CSR Name, rating, date & time	Ruth A 3/18 11:49 am			