

AMERIGAS PARTNERS LP
Form 10-K
November 22, 2016
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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, 2016

Commission file number 1-13692

AMERIGAS PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization) 23-2787918
(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

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The aggregate market value of AmeriGas Partners, L.P. Common Units held by non-affiliates of AmeriGas Partners, L.P. on March 31, 2016 was approximately \$3,002,993,453. At November 15, 2016, there were outstanding 92,926,819 Common Units representing limited partner interests.

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FORWARD-LOOKING INFORMATION

Information contained in this Annual Report on Form 10-K may contain forward-looking statements. Such statements use forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind our Risk Factors included in Item 1A herein and the following important factors which could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) cost volatility and availability of propane, and the capacity to transport propane to our customers; (3) the availability of, and our ability to consummate, acquisition or combination opportunities; (4) successful integration and future performance of acquired assets or businesses and achievement of anticipated synergies; (5) changes in laws and regulations, including safety, tax, consumer protection, environmental, and accounting matters; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers and retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations; (11) customer, counterparty, supplier, or vendor defaults; (12) liability for uninsured claims and for claims in excess of insurance coverage, including those for personal injury and property damage arising from explosions, terrorism, and other catastrophic events that may result from operating hazards and risks incidental to transporting, storing and distributing propane, butane and ammonia; (13) political, regulatory and economic conditions in the United States and foreign countries; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) the impact of pending and future legal proceedings; (17) the availability, timing, and success of our acquisitions and investments to grow our business; and (18) the interruption, disruption, failure or malfunction of our information technology systems, including due to cyber attack.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

PART I:

ITEM 1. BUSINESS

General

AmeriGas Partners, L.P. is a publicly traded limited partnership formed under Delaware law on November 2, 1994. We are the largest retail propane distributor in the United States based on the volume of propane gallons distributed annually. The Partnership serves over 1.9 million residential, commercial, industrial, agricultural, wholesale and motor fuel customers in all 50 states from approximately 1,900 propane distribution locations.

We are a holding company and we conduct our business principally through our subsidiary, AmeriGas Propane, L.P. (“AmeriGas OLP”), a Delaware limited partnership. AmeriGas OLP is referred to herein as “the Operating Partnership.” Our common units (“Common Units”), which represent limited partner interests, are traded on the New York Stock Exchange under the symbol “APU.” Our executive offices are located at 460 North Gulph Road, King of Prussia, Pennsylvania 19406, and our telephone number is (610) 337-7000. In this Report, the terms “Partnership” and “AmeriGas Partners,” as well as the terms “our,” “we,” and “its,” are used sometimes as abbreviated references to AmeriGas Partners, L.P. itself or collectively, AmeriGas Partners, L.P. and its consolidated subsidiaries, including the Operating

Partnership. The terms “Fiscal 2016” and “Fiscal 2015” refer to the fiscal years ended September 30, 2016 and September 30, 2015, respectively.

AmeriGas Propane, Inc. is our general partner (the “General Partner”) and is responsible for managing our operations. The General Partner is a wholly owned subsidiary of UGI Corporation (“UGI”), a publicly traded company listed on the New York Stock Exchange. The General Partner has an approximate 26% effective ownership interest in the Partnership.

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Business Strategy

Our strategy is to grow by (i) developing internal sales and marketing programs to improve customer service and attract and retain customers, (ii) leveraging our scale and driving productivity, and (iii) pursuing opportunistic acquisitions. 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 2016, we completed the acquisition of six propane distribution businesses. 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 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 multiple suppliers. During Fiscal 2016, we made significant investments in technology to reduce operational costs while improving customer experience. For example, we (i) redesigned our website, enabling customers to pay bills online and seek customer support, (ii) increased our use of mobility to more efficiently deploy our drivers and make deliveries to customers, and (iii) networked our call centers, enabling employees to reroute calls based on volume and customer wait times. In addition, we strive to achieve superior safety performance.

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 Treasurer, AmeriGas Propane, Inc., P.O. Box 965, Valley Forge, PA 19482.

Products, Services and Marketing

The Partnership serves over 1.9 million customers in all 50 states from approximately 1,900 propane distribution locations. In addition to distributing propane, the Partnership also sells, installs and services propane appliances, including heating systems, and operates a residential heating, ventilation, air conditioning, plumbing, and related services business in certain counties of Pennsylvania, Delaware, and Maryland. Typically, the Partnership’s propane distribution locations are in suburban and rural areas where natural gas is not readily available. Our local offices generally consist of a business office and propane storage. As part of its overall transportation and distribution infrastructure, the Partnership operates as an interstate carrier throughout the continental U.S.

The Partnership sells propane primarily to residential, commercial/industrial, motor fuel, agricultural and wholesale customers. The Partnership distributed over 1.1 billion gallons of propane in Fiscal 2016. Approximately 96% of the Partnership’s Fiscal 2016 sales (based on gallons sold) were to retail accounts and approximately 4% were to wholesale and supply customers. Sales to residential customers in Fiscal 2016 represented approximately 38% of retail gallons sold; commercial/industrial customers 36%; motor fuel customers 17%; and agricultural customers 5%. Transport gallons, which are large-scale deliveries to retail customers other than residential, accounted for 4% of Fiscal 2016 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 AmeriGas Cylinder Exchange (“ACE”) program. At September 30, 2016, ACE cylinders were available at nearly 54,000 retail locations throughout the U.S. Sales of our ACE cylinders to retailers

are included in commercial/industrial sales. The ACE program enables consumers to purchase or exchange 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 and commercial customers use propane primarily for home heating, water heating and cooking purposes. Commercial users include hotels, restaurants, churches, warehouses, and retail stores. 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, commercial lawn mowers, and stationary engines. Agricultural uses include tobacco curing, chicken brooding, crop drying, and orchard heating. In its wholesale operations, the Partnership principally sells propane to large industrial end-users and other propane distributors.

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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 cylinders are either picked up or replenished in place.

Propane Supply and Storage

The United States propane market 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. Volatility in the U.S. propane market stabilized in Fiscal 2016 and the propane industry experienced record inventory levels and low propane prices in the U.S. during the Fiscal 2016 winter heating season. The availability and pricing 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 and exported supply. In recent years, there has been an increase in overseas demand for U.S. propane exports. While U.S. propane exports exceeded the size of the entire U.S. retail propane sector in Fiscal 2016, U.S. propane inventory levels were at record levels during that period.

During Fiscal 2016, approximately 85% of the Partnership's propane supply was purchased under supply agreements with terms of 1 to 3 years. 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 the fiscal year ending September 30, 2017. 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 Operating LLC, Plains Marketing, L.P., and Targa Liquids Marketing & Trade LLC supplied approximately 40% of the Partnership's Fiscal 2016 propane supply. No other single supplier provided more than 10% of the Partnership's total propane supply in Fiscal 2016. In certain geographic 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 U.S.

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, or keep pace with such increases, 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 five fiscal years at Mont Belvieu, Texas and Conway, Kansas, both major storage areas.

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Average Propane Spot Market Prices

General Industry Information

Propane is separated from crude oil during the refining process and also extracted from natural gas or oil wellhead gas at processing plants. Propane is normally transported and stored in a liquid state under moderate pressure or refrigeration for economy and ease of handling in shipping and distribution. When the pressure is released or the temperature is increased, it is usable as a flammable gas. Propane is colorless and odorless; an odorant is added to allow for its detection. Propane is considered a clean alternative fuel under the Clean Air Act Amendments of 1990, producing negligible amounts of pollutants when properly consumed.

Competition

Propane competes with other sources of energy, some of which are less costly for equivalent energy value. Propane distributors compete for customers with suppliers of electricity, fuel oil and natural gas, principally on the basis of price, service, availability and portability. Electricity is generally more expensive than propane on a British thermal unit (“Btu”) equivalent basis, but the convenience and efficiency of electricity make it an attractive energy source for consumers and developers of new homes. Fuel oil is also a major competitor of propane and, although a less environmentally attractive energy source, is currently less expensive than 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. Propane serves as an alternative to natural gas in rural and suburban areas where natural gas is unavailable or portability of product is required. Natural gas is generally a significantly less expensive source of energy than propane, although in areas where natural gas is available, propane is used for certain industrial and commercial applications and as a standby fuel during interruptions in natural gas service. The gradual expansion of the nation’s natural gas distribution systems has resulted in the availability of natural gas in some areas that previously depended upon propane. However, natural gas pipelines are not present in many areas of the country where propane is sold for heating and cooking purposes.

For motor fuel customers, propane competes with gasoline, diesel fuel, electric batteries, fuel cells, and, in certain applications, liquefied natural gas and compressed natural gas. Wholesale propane distribution is a highly competitive, low margin business. Propane sales to other retail distributors and large-volume, direct-shipment industrial end-users are price sensitive and frequently involve a competitive bidding process.

Retail propane industry volumes have been declining for several years and no or modest growth in total demand is foreseen in the next several years. Therefore, the Partnership’s ability to grow within the industry is dependent on its ability to acquire other retail distributors and to achieve internal growth, which includes expansion of the ACE program and the National Accounts program (through which the Partnership encourages multi-location propane users to enter into a single AmeriGas Propane supply agreement rather than agreements with multiple suppliers), as well as the success of its sales and marketing programs designed to attract and retain customers. The failure of the Partnership to retain and grow its customer base would have an adverse effect on its long-term results.

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The domestic propane retail distribution business is highly competitive. The Partnership competes in this business with other large propane marketers, including other full-service marketers, and thousands of small independent operators. Some farm cooperatives, rural electric cooperatives, and fuel oil distributors include propane distribution in their businesses and the Partnership competes with them as well. The ability to compete effectively depends on providing high quality customer service, maintaining competitive retail prices and controlling operating expenses. The Partnership also offers customers various payment and service options, including guaranteed price programs, fixed price arrangements and pricing arrangements based on published propane prices at specified terminals.

In Fiscal 2016, the Partnership's retail propane sales totaled nearly 1.1 billion gallons. Based on the most recent annual survey by the American Petroleum Institute, 2014 domestic retail propane sales (annual sales for other than chemical uses) in the U.S. totaled approximately 9.3 billion gallons. Based on LP-GAS magazine rankings, 2014 sales volume of the ten largest propane distribution companies (including AmeriGas Partners) represented approximately 39% of domestic retail sales.

Trade Names, Trade and Service Marks

The Partnership markets propane and other services principally under the “AmeriGas®”, “America’s Propane Company®”, “Heritage Propane®”, “Relationships Matter®”, “Metro Lawn” and “ServiceMark®” trade names and related service marks. The Partnership also markets propane under various other trade names throughout the United States. UGI owns, directly or indirectly, all the right, title and interest in the “AmeriGas” name and related trade and service marks. The General Partner owns all right, title and interest in the “America’s Propane Company” trade name and related service marks. The Partnership has an exclusive (except for use by UGI, AmeriGas, Inc., AmeriGas Polska Sp. z.o.o. and the General Partner), royalty-free license to use these trade names and related service marks. UGI and the General Partner each have the option to terminate its respective license agreement (except its licenses with permitted transferees and on 12 months prior notice in the case of UGI), without penalty, if the General Partner is removed as general partner of the Partnership for cause. If the General Partner ceases to serve as the general partner of the Partnership other than for cause, the General Partner has the option to terminate its license agreement upon payment of a fee to AmeriGas Propane, L.P. equal to the fair market value of the licensed trade names. UGI has a similar termination option; however, UGI must provide 12 months prior notice in addition to paying the fee to AmeriGas Propane, L.P. UGI and the General Partner each also have the right to terminate its respective license agreement in order to settle any claim of infringement, unfair competition or similar claim or if the agreement has been materially breached without appropriate cure.

Seasonality

Because many customers use propane for heating purposes, the Partnership's retail sales volume is seasonal. During Fiscal 2016, approximately 64% of the Partnership's retail sales volume occurred, and substantially all of the Partnership's operating income was earned, during the peak heating season from October through March. As a result of this seasonality, sales are typically higher in the Partnership's first and second fiscal quarters (October 1 through March 31). Cash receipts are generally greatest during the second and third fiscal quarters when customers pay for propane purchased during the winter heating season.

Sales volume for the Partnership traditionally fluctuates from year-to-year in response to variations in weather, prices, competition, customer mix and other factors, such as conservation efforts and general economic conditions. For information on national weather statistics, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Government Regulation

The Partnership is subject to various federal, state and local environmental, health, safety and transportation laws and regulations governing the storage, distribution and transportation of propane and the operation of bulk storage propane terminals. Generally, these laws impose limitations on the discharge of pollutants, establish standards for the handling

of solid and hazardous substances, and require the investigation and cleanup of environmental contamination. These laws include, among others, the federal Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), the Clean Air Act, the Occupational Safety and Health Act, the Homeland Security Act of 2002, the Emergency Planning and Community Right-to-Know Act, the Clean Water Act, and comparable state statutes. The Partnership incurs expenses associated with compliance with its obligations under federal and state environmental laws and regulations, and we believe that the Partnership is in material compliance with all of its obligations. The Partnership maintains various permits that are necessary to operate its facilities, some of which may be material to its operations. The Partnership continually monitors its operations with respect to potential environmental issues, including changes in legal requirements.

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Hazardous Substances and Wastes

The Partnership is investigating and remediating contamination at a number of present and former operating sites in the United States, including former sites where it or its former subsidiaries operated manufactured gas plants. CERCLA and similar state laws impose joint and several liability on certain classes of persons considered to have contributed to the release or threatened release of a “hazardous substance” into the environment without regard to fault or the legality of the original conduct. Propane is not a hazardous substance within the meaning of CERCLA.

Health and Safety

The Partnership is subject to the requirements of the federal Occupational Safety and Health Act (“OSHA”) and comparable state laws that regulate the protection of the health and safety of its workers. These laws require the Partnership, among other things, to maintain information about materials, some of which may be hazardous or toxic, that are used, released, or produced in the course of its operations. Certain portions of this information must be provided to employees, state and local governmental authorities and responders, commercial and industrial customers, and local citizens in accordance with applicable federal and state Emergency Planning and Community Right-to-Know Act requirements. The Partnership’s operations are also subject to the safety hazard communication requirements and reporting obligations set forth in federal workplace standards.

All states in which the Partnership operates have adopted fire safety codes that regulate the storage, distribution, and use of propane. In some states, these laws are administered by state agencies, and in others they are administered on a municipal level. The Partnership conducts training programs to help ensure that its operations are in compliance with applicable governmental regulations. With respect to general operations, National Fire Protection Association (“NFPA”) Pamphlets No. 54 and No. 58 and/or one or more of various international codes (including international fire, building and fuel gas codes) establish rules and procedures governing the safe handling of propane, or comparable regulations, which have been adopted by all states in which the Partnership operates. Management believes that the policies and procedures currently in effect at all of its facilities for the handling, storage and distribution, and use 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, the Hazardous Materials & Transportation Act, and the Homeland Security Act of 2002. Regulations under these statutes cover the security and transportation of hazardous materials, including propane for purposes of these regulations, and are administered by the Pipeline and Hazardous Materials Safety Administration of the U.S. Department of Transportation (“DOT”). 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 two 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. Management believes that the procedures currently in effect at all of the Partnership’s facilities for the handling, storage, transportation and distribution of propane are consistent with industry standards and are in compliance, in all material respects, with applicable laws and regulations.

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 warming. Because propane is considered a clean alternative fuel under the federal Clean Air Act Amendments of 1990, the Partnership anticipates that this will provide it with a competitive advantage over other sources of energy, such as fuel oil and coal, to the extent new climate change regulations become effective. At the same time, increased regulation of GHG emissions, especially in the transportation sector, could impose significant additional costs on the Partnership, its suppliers and its customers. In recent years, there has been an increase in state initiatives aimed at regulating GHG emissions. For example, the California Environmental Protection Agency established a Cap & Trade program that requires certain covered entities, including propane distribution companies, to purchase allowances to compensate for the GHG emissions created by their business operations. The impact of new legislation and regulations will depend on a number of factors, including (i) which 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.

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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, 2016, the General Partner had nearly 8,300 employees, including over 430 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

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 propane 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 2016, AmeriGas Propane purchased over 89% of its propane needs from twenty 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 geographical 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.

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, environmental 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 and internal controls, as well as in the assimilation of broad and geographically dispersed personnel and operations. The failure to successfully integrate acquisitions 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. Additionally, environmental contamination could result in future legal proceedings. There can be no assurance that our insurance coverage 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.

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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 GHG emissions, most notably carbon dioxide, to global warming. Increased regulation of GHG emissions, especially in the transportation sector, could impose significant additional costs on us, our suppliers and our customers. Some states have adopted laws and regulations regulating the emission of GHGs for some industry sectors. For example, the California Environmental Protection Agency established a Cap & Trade program that requires certain covered entities, including propane companies, to purchase allowances to compensate for the GHG emissions created by their business operations. However, there is currently no federal or regional legislation mandating the reduction of GHG emissions in the United States. Although Congress has not enacted federal climate change legislation, the EPA has begun adopting and implementing regulations to restrict emissions of GHGs from motor vehicles and certain large stationary sources, and to require reporting of GHG emissions by certain regulated facilities on an annual basis. The Partnership's facilities are not currently subject to these regulations, but the potential increased costs of regulatory compliance and mandatory reporting by our customers and suppliers could have an effect on our operations or financial condition. The adoption of additional federal or state climate change legislation or regulatory programs to reduce emissions of GHGs could also require the Partnership or its suppliers to incur increased capital and operating costs, with resulting impact on product price and demand. The impact of new legislation and regulations will depend on a number of factors, including (i) which 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 operations in the future.

If we are unable to protect our information technology systems against service interruption, misappropriation of data, or breaches of security resulting from cyber security attacks or other events, or we encounter other unforeseen difficulties in the operation of our information technology systems, our operations could be disrupted, our business and reputation may suffer, and our internal controls could be adversely affected.

In the ordinary course of business, we rely on information technology systems, including the Internet and third-party hosted services, to support a variety of business processes and activities and to store sensitive data, including (i) intellectual property, (ii) our proprietary business information and that of our suppliers and business partners, (iii) personally identifiable information of our customers and employees, and (iv) data with respect to invoicing and the collection of payments, accounting, procurement, and supply chain activities. In addition, we rely on our information technology systems to process financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal, and tax requirements. Despite our security measures, our information technology systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, sabotage, or other disruptions. A loss of our information technology systems, or temporary interruptions in the operation of our information technology systems, misappropriation of data, and breaches of security could have a material adverse effect on our business, financial condition, results of operations, and reputation.

Moreover, the efficient execution of our business is dependent upon the proper functioning of our internal systems, including an information technology system that supports our Order-to-Cash business processes. Any significant failure or malfunction of this information technology 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. While we have purchased cyber security insurance, there are no assurances that the coverage would be adequate in relation to any incurred losses.

INDUSTRY-SPECIFIC RISKS

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 60% 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, including periods of significant rainfall, can negatively affect our ACE revenues. Unfavorable weather conditions may also cause a reduction in the purchase and use of grills and other propane

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appliances, which could reduce the demand for our ACE cylinders.

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. In addition, increased demand for domestically produced propane overseas may, depending on production volumes in the United States, result in higher domestic propane prices and expose us to additional liquidity risks.

Our potential to increase revenues may be affected by the decline of the retail propane industry and our ability to retain and grow our customer base.

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.

The risk of terrorism may adversely affect the economy and the price and availability of propane.

Terrorist attacks may adversely impact the price and availability of propane, as well as our results of operations, our ability to raise capital, and our future growth. The impact that the foregoing may have on our industry in general, and on us in particular, is not known at this time. An act of terror could result in disruptions of crude oil or natural gas supplies and markets (the sources of propane), cause price volatility in the cost of propane, and our infrastructure facilities could be direct or indirect targets. Terrorist activity may also hinder our ability to transport propane if our means of supply transportation, such as rail or pipeline, become damaged as a result of an attack. A lower level of economic activity could result in a decline in energy consumption, which could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism could also affect our ability to raise capital. We have opted to purchase insurance coverage for terrorist acts within our property and casualty insurance programs, but we can give no assurance that our insurance coverage will be adequate to fully compensate us for any losses to our business or property resulting from terrorist acts.

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 but is generally more expensive than propane on a Btu equivalent basis for space heating, water heating, and cooking. Notwithstanding cost, the convenience and efficiency of electricity make it an attractive energy source for consumers and developers of new homes. Fuel oil is also a major competitor of propane and, although a less environmentally attractive energy source, is currently less expensive than 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 significantly 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 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

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pricing in the industry, we may not fully be able to pass on product cost increases to our customers when product costs rise, or when our competitors do not raise their product prices in a timely manner. 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.

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

We are subject to various federal, state and local safety, health, transportation, 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.

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 and vendors, 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, would 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 adversely affect our operating results.

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.

As is the case for most master limited partnerships, our Fourth Amended and Restated Agreement of Limited Partnership dated as of July 27, 2009, as amended as of March 13, 2012 and as of July 27, 2015 (the “Partnership Agreement”) requires that distributions to our partners upon our liquidation (or to a partner upon certain redemptions) be made in accordance with positive

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capital account balances in order to comply with Treasury regulations (“Treasury Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Code”), as to our allocations of tax items. Although our Partnership Agreement grants our General Partner broad discretion to use special allocations, capital account adjustments, and other corrective measures to prevent this capital account liquidation requirement from causing economic distortions, it is not possible to confirm in all instances that such economic distortions will not result from this capital account liquidation requirement.

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.

We are a holding company and have no material operations or assets. Accordingly, unitholders will receive distributions only if we receive distributions from our Operating Partnership after it meets its own financial obligations.

We are a holding company for our subsidiaries, with no material operations and only limited assets. We are dependent on cash distributions from the Operating Partnership to make cash distributions to our unitholders.

Unitholders will not receive cash distributions unless the Operating Partnership is able to make distributions to us after it first satisfies its obligations under the terms of its own borrowing arrangements and reserves any necessary amounts to meet its own financial obligations. The Operating Partnership is required to distribute all of its available cash each quarter, less the amount of cash reserves that our General Partner determines are necessary or appropriate in its reasonable discretion to provide for the proper conduct of our Operating Partnership’s business, to enable it to make distributions to us so that we can make timely distributions to our limited partners and the General Partner under our Partnership Agreement during the next four quarters, or to comply with applicable law or any of our Operating Partnership’s debt or other agreements.

The agreements governing certain of the Operating Partnership’s debt obligations require the Operating Partnership to include in its cash reserves amounts for future required payments. This limits the amount of available cash the Operating Partnership may distribute to us each quarter.

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

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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.

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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, and 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

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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 Heritage Operating, L.P. note agreements and the indentures governing our outstanding notes of the master limited partnership 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.

Our agreement with Energy Transfer Partners, L.P. ("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.

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

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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.

In addition, the IRS, on May 5, 2015, issued proposed regulations concerning which activities give rise to qualifying income within the meaning of Section 7704 of the Code. We do not believe the proposed regulations affect our ability to qualify as a publicly traded partnership. However, finalized regulations could modify the amount of our gross income that we are able to treat as qualifying income for the purposes of the qualifying income requirement.

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, from time to time members of Congress have 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 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.

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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 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.

We prorate our items of income, gain, loss, and deduction for federal income tax purposes between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss, and deduction among our unitholders.

We will prorate our items of income, gain, loss and deduction for federal income tax purposes between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The use of this proration method may not be permitted under existing Treasury Regulations, and, accordingly, our counsel is unable to opine as to the validity of this method. Recently, however, the U.S. Treasury Department issued final regulations that provide a safe harbor pursuant to which publicly traded partnerships may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders. Nonetheless, the final regulations do not specifically authorize the use of all aspects of the proration method we have adopted. If the IRS were to challenge this method or new Treasury regulations were issued, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

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

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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 our partnership 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 any 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 more than one tax return (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 or her 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. However, under an IRS relief program, a publicly traded partnership that technically terminates may be allowed to provide one Schedule K-1 to unitholders for the year, notwithstanding that it has more than one partnership tax year. Following Heritage ETC, L.P.'s completion of public offerings of an aggregate 25,200,000 of our Common Units and subsequent private sales, Heritage ETC, L.P. currently holds 3,125,000 Common Units. 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 Propane acquisition 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, then we may be considered to have technically terminated for federal income tax purposes with the attendant consequences described above.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced.

Pursuant to the Bipartisan Budget Act of 2015, if the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us. We will generally have the ability to shift any such tax liability to our General Partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so under all circumstances. If we are required to make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for distribution to our unitholders might be substantially reduced.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of September 30, 2016, the Partnership owned approximately 85% of its nearly 690 local 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, 2016, the Partnership operated a transportation fleet with the following assets:

| Approximate Quantity & Equipment Type | % Owned | % Leased |
|--|---------|-------------|
| 920 Trailers | 79% | 21% |

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| | | | |
|-------|-----------------------------|-----|-----|
| 360 | Tractors | 7% | 93% |
| 515 | Railroad tank cars | 2% | 98% |
| 3,400 | Bobtail trucks | 36% | 64% |
| 400 | Rack trucks | 36% | 64% |
| 4,000 | Service and delivery trucks | 45% | 55% |

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Other assets owned at September 30, 2016 included approximately 1.8 million stationary storage tanks with typical capacities of more than 120 gallons, approximately 4.9 million portable propane cylinders with typical capacities of 1 to 120 gallons, 22 terminals, 9 transflow sites, and 12 transflow units.

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.

PART II:

ITEM MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND
5. 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.

| 2016 Fiscal Year | Price Range | | Cash |
|------------------|-------------|---------|--------------|
| | High | Low | Distribution |
| Fourth Quarter | \$50.11 | \$43.88 | \$ 0.940 |
| Third Quarter | \$47.02 | \$40.81 | \$ 0.940 |
| Second Quarter | \$44.16 | \$32.36 | \$ 0.920 |
| First Quarter | \$44.96 | \$30.80 | \$ 0.920 |

| 2015 Fiscal Year | Price Range | | Cash |
|------------------|-------------|---------|--------------|
| | High | Low | Distribution |
| Fourth Quarter | \$47.85 | \$39.13 | \$ 0.920 |
| Third Quarter | \$49.87 | \$45.25 | \$ 0.920 |
| Second Quarter | \$52.72 | \$46.01 | \$ 0.880 |
| First Quarter | \$48.50 | \$42.06 | \$ 0.880 |

As of November 16, 2016, there were 703 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., as amended (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.

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ITEM 6. SELECTED FINANCIAL DATA

| (Dollars in thousands, except per unit amounts) | Year Ended September 30, | | | | |
|---|--------------------------|-------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 (b) | 2012(b) |
| FOR THE PERIOD: | | | | | |
| Income statement data: | | | | | |
| Revenues | \$2,311,817 | \$2,885,322 | \$3,712,935 | \$3,166,543 | \$2,921,616 |
| Net income including noncontrolling interest | \$211,193 | \$214,969 | \$294,441 | \$225,091 | \$12,671 |
| Less: net income attributable to noncontrolling interest | (4,209) | (3,758) | (4,548) | (3,869) | (1,646) |
| Net income attributable to AmeriGas Partners, L.P. | \$206,984 | \$211,211 | \$289,893 | \$221,222 | \$11,025 |
| Limited partners' interest in net income (loss) attributable to AmeriGas Partners, L.P. | \$166,757 | \$178,742 | \$263,144 | \$199,724 | \$(2,094) |
| Income (loss) per limited partner unit — basic and diluted (c) | \$1.77 | \$1.91 | \$2.82 | \$2.14 | \$(0.11) |
| Cash distributions declared per limited partner unit | \$3.72 | \$3.60 | \$3.44 | \$3.28 | \$3.10 |
| AT PERIOD END: | | | | | |
| Balance sheet data (a): | | | | | |
| Current assets | \$344,448 | \$366,361 | \$505,908 | \$504,994 | \$523,368 |
| Total assets | \$4,057,770 | \$4,120,152 | \$4,338,456 | \$4,408,018 | \$4,483,466 |
| Current liabilities (excluding debt) | \$426,780 | \$468,515 | \$496,925 | \$492,362 | \$590,239 |
| Total debt | \$2,487,009 | \$2,330,036 | \$2,375,132 | \$2,387,358 | \$2,344,104 |
| Partners' capital: | | | | | |
| AmeriGas Partners, L.P. partners' capital | \$984,221 | \$1,164,216 | \$1,322,514 | \$1,385,103 | \$1,429,108 |
| Noncontrolling interest | 34,988 | 36,157 | 38,376 | 39,034 | 39,452 |
| Total partners' capital | \$1,019,209 | \$1,200,373 | \$1,360,890 | \$1,424,137 | \$1,468,560 |
| OTHER DATA: | | | | | |
| Capital expenditures (including capital leases) | \$101,693 | \$102,009 | \$113,934 | \$111,058 | \$103,140 |
| Retail propane gallons sold (millions) | 1,065.5 | 1,184.3 | 1,275.6 | 1,245.2 | 1,017.5 |
| Degree days — % (warmer) colder than normal (d) | (15.0)% | (2.9)% | 6.2 % | (1.8)% | (15.4)% |
| Distributable Cash Flow ("DCF") (e): | | | | | |
| DCF | \$331,879 | \$399,875 | \$430,864 | \$403,014 | \$196,265 |
| DCF after growth capital expenditures | \$282,290 | \$355,681 | \$387,217 | \$363,818 | \$155,798 |
| Total distributions paid | \$387,659 | \$368,426 | \$346,744 | \$327,000 | \$271,839 |
| Ratio of DCF to total distributions paid | 0.9 | 1.1 | 1.2 | 1.2 | 0.7 |
| Ratio of DCF after growth capital expenditures to total distributions paid | 0.7 | 1.0 | 1.1 | 1.1 | 0.6 |

Certain amounts prior to Fiscal 2016 have been adjusted to reflect the retrospective effects of the adoption of new (a) accounting guidance regarding the classification of debt issuance costs (see Note 3 to Consolidated Financial Statements).

(b) Reflects the acquisition of Heritage Propane on January 12, 2012 and, during Fiscal 2012 and Fiscal 2013, the impact of subsequent transition and integration activities.

Calculated in accordance with accounting guidance regarding the application of the two-class method for (c) determining earnings per share as it relates to master limited partnerships. See Note 2 to Consolidated Financial Statements.

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Deviation from average heating degree days for the 30-year period of 1981-2010 based upon national weather (d) statistics provided by the National Oceanic and Atmospheric Administration (“NOAA”) for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

(e) The following table reconciles net cash provided by operating activities to (1) DCF and (2) DCF after growth capital expenditures:

| (Thousands of dollars) | Year Ended September 30, | | | | |
|--|--------------------------|-----------|-----------|-----------|-----------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Net cash provided by operating activities | \$422,943 | \$523,858 | \$480,070 | \$355,603 | \$344,429 |
| Add: Heritage Propane acquisition and transition expenses | — | — | — | 26,539 | 46,187 |
| (i) Exclude the impact of changes in operating working capital: | | | | | |
| Accounts receivable | (3,963) | (51,613) | 15,246 | 43,378 | (78,703) |
| Inventories | (15,478) | (86,198) | 22,804 | (5,403) | (53,061) |
| Accounts payable | 5,267 | 52,975 | 16,643 | 661 | 34,577 |
| Other current assets | (3,895) | 10,889 | (2,429) | 2,305 | (11,863) |
| Other current liabilities | (7,564) | 8,825 | (11,045) | 42,795 | (24,129) |
| Provision for uncollectible accounts | (11,215) | (15,800) | (26,403) | (16,477) | (15,088) |
| Other cash flows from operating activities, net | (2,112) | 14,754 | 6,265 | 5,100 | (1,019) |
| | 383,983 | 457,690 | 501,151 | 454,501 | 241,330 |
| Maintenance capital expenditures (ii) | (52,104) | (57,815) | (70,287) | (51,487) | (45,065) |
| DCF (iii) (A) | 331,879 | 399,875 | 430,864 | 403,014 | 196,265 |
| Growth capital expenditures (ii) | (49,589) | (44,194) | (43,647) | (39,196) | (40,467) |
| DCF after growth capital expenditures (iii) (B) | \$282,290 | \$355,681 | \$387,217 | \$363,818 | \$155,798 |
| Distributions: | | | | | |
| Distributions to Common Unitholders | \$345,644 | \$334,387 | \$319,427 | \$304,444 | \$256,112 |
| Distributions to the General Partner | 42,015 | 34,039 | 27,317 | 22,556 | 15,727 |
| Total distributions paid (C) | \$387,659 | \$368,426 | \$346,744 | \$327,000 | \$271,839 |
| Ratio of DCF to total distributions paid (A)/(C) | 0.9 | 1.1 | 1.2 | 1.2 | 0.7 |
| Ratio of DCF after growth capital expenditures to total distributions paid (B)/(C) | 0.7 | 1.0 | 1.1 | 1.1 | 0.6 |

(i) Heritage Propane acquisition and transition expenses and transition capital expenditures are excluded from the determination of the distribution coverage ratios above because these expenditures are associated with integration activities of Heritage Propane acquired in January 2012 and their exclusion from the amounts above provides a more meaningful indication of ongoing DCF.

(ii) The Partnership considers maintenance capital expenditures to include those capital expenditures that maintain the operating capacity of the Partnership while growth capital expenditures include capital expenditures that increase the operating capacity of the Partnership.

(iii) "DCF" and "DCF after growth capital expenditures" should not be considered as alternatives to net income (as an indicator of operating performance) or alternatives to cash flow (as a measure of liquidity or ability to service debt obligations) and are not measures of performance or financial condition under accounting principles generally accepted in the United States of America (“GAAP”). Management believes DCF and DCF after growth capital expenditures are meaningful non-GAAP measures for evaluating the Partnership’s ability to declare and pay distributions pursuant to the terms of the Partnership Agreement. The Partnership’s definitions of DCF and DCF after growth capital expenditures may be different from those used by other companies. The ability of the Partnership to pay distributions on all units depends upon a number of factors. These factors include (1) the level

of Partnership earnings; (2) the cash needs of the Partnership's operations (including cash needed for maintaining and increasing operating capacity); (3) changes in operating working capital; and (4) the Partnership's ability to borrow under its Credit Agreement, to refinance maturing debt and to increase its long-term debt. Some of these factors are affected by conditions beyond our control including weather, competition in markets we serve, the cost of propane and changes in capital market conditions.

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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.

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

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

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

Executive Overview

Fiscal 2016 provided a very challenging operating environment for AmeriGas Partners principally as a result of very warm weather during our peak heating-season months. Our U.S. geographic diversity typically reduces to some extent the risk of extreme weather variations in certain regions of the United States; however, Fiscal 2016 was unusual in that virtually all regions of the U.S. experienced heating-season temperatures that were significantly warmer than normal and much warmer than in Fiscal 2015. This warmer weather significantly reduced the volumes of propane sold to our core residential and commercial heating customers. We proactively responded to the volume effects of the warm weather during the winter heating season by successfully executing on our warm weather plan which resulted in lower operating expenses, mitigating, in part, the impacts of the warm weather. However, late in Fiscal 2016, AmeriGas Propane's results were further reduced by an unfavorable ruling in a class action lawsuit, higher required reserves for general liability matters, and, to a lesser extent, the impact of a significantly warmer than normal September weather.

We recorded GAAP net income attributable to AmeriGas Partners for Fiscal 2016 of \$207.0 million compared to GAAP net income attributable to AmeriGas Partners for Fiscal 2015 of \$211.2 million. The GAAP net income attributable to AmeriGas Partners in Fiscal 2016 reflects the effects of \$66.1 million of gains on commodity derivative instruments not associated with current-period transactions and the impact of a \$48.9 million loss on early extinguishments of debt. GAAP net income attributable to AmeriGas Partners in Fiscal 2015 includes the effects of \$47.8 million of losses on commodity derivative instruments not associated with current-period transactions.

Adjusted net income attributable to AmeriGas Partners for Fiscal 2016 was \$190.5 million compared with adjusted net income attributable to AmeriGas Partners for Fiscal 2015 of \$258.6 million. The \$68.1 million decline in adjusted net

income attributable to AmeriGas Partners in Fiscal 2016 principally reflects the effects on retail volumes sold of significantly warmer-than-normal weather compared with weather that was only slightly warmer than normal in Fiscal 2015. Average temperatures during Fiscal 2016 based upon heating degree days were approximately 15.0% warmer than normal and 12.5% warmer than in Fiscal 2015. Retail volumes decreased 10.0% as a result of the significantly warmer weather. Adjusted total margin in Fiscal 2016 decreased \$98.3 million (6.4%) reflecting the negative impact of the lower retail volumes sold. The negative effects of the lower volumes sold were partially offset by slightly higher average propane retail unit margin reflecting the benefits of declining wholesale propane commodity prices. Our adjusted EBITDA and adjusted operating income decreased \$76.2 million and \$72.0 million, respectively, notwithstanding the \$98.3 million decline in adjusted total margin, reflecting lower Fiscal 2016 operating and administrative expenses and lower depreciation expense.

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During Fiscal 2016 we completed the early refinancing of \$1.27 billion face amount of senior notes taking advantage of favorable market conditions and interest rates. These refinancings reduced our overall cost of long-term debt and extended their maturities to 2024 and 2026. Looking ahead, our results in Fiscal 2017 will be influenced by a number of factors including, among others, temperatures and the severity of weather in our service territories during the peak heating-season, the level of volatility of commodity prices for propane, the level of customer conservation and the strength of economic activity.

Non-GAAP Financial Measures

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

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

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

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

| (Millions of dollars) | Year Ended September 30, | | |
|---|--------------------------|------------|------------|
| | 2016 | 2015 | 2014 |
| Adjusted total margin: | | | |
| Total revenues | \$2,311.8 | \$2,885.3 | \$3,712.9 |
| Cost of sales - propane | (719.8) | (1,301.2) | (2,034.6) |
| Cost of sales - other (a) | (78.9) | (86.6) | (82.0) |
| Total margin | 1,513.1 | 1,497.5 | 1,596.3 |
| (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions | (66.1) | 47.8 | 9.5 |
| Adjusted total margin | \$1,447.0 | \$1,545.3 | \$1,605.8 |
| Adjusted operating income: | | | |
| Operating income | \$422.6 | \$380.7 | \$462.6 |
| (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions | (66.1) | 47.8 | 9.5 |
| Adjusted operating income | \$356.5 | \$428.5 | \$472.1 |
| Adjusted net income attributable to AmeriGas Partners: | | | |
| Net income attributable to AmeriGas Partners | \$207.0 | \$211.2 | \$289.9 |
| (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions | (66.1) | 47.8 | 9.5 |
| Add loss on extinguishments of debt | 48.9 | — | — |
| Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions | 0.7 | (0.4) | (0.1) |
| Adjusted net income attributable to AmeriGas Partners | \$190.5 | \$258.6 | \$299.3 |
| EBITDA and Adjusted EBITDA: | | | |
| Net income attributable to AmeriGas Partners | \$207.0 | \$211.2 | \$289.9 |
| Income tax (benefit) expense (a) | (1.6) | 2.9 | 2.6 |
| Interest expense | 164.1 | 162.8 | 165.6 |
| Depreciation | 146.8 | 152.2 | 154.0 |
| Amortization | 43.2 | 42.7 | 43.2 |
| EBITDA | 559.5 | 571.8 | 655.3 |
| (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions | (66.1) | 47.8 | 9.5 |
| Add loss on extinguishments of debt | 48.9 | — | — |
| Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions | 0.7 | (0.4) | (0.1) |
| Adjusted EBITDA | \$543.0 | \$619.2 | \$664.7 |

(a) Includes the impact of rounding.

Analysis of Results of Operations

The following analyses compare the Partnership's results of operations for (1) Fiscal 2016 with Fiscal 2015 and (2) Fiscal 2015 with the year ended September 30, 2014 ("Fiscal 2014").

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Fiscal 2016 Compared with Fiscal 2015

| (Dollars in millions) | 2016 | 2015 | Increase (Decrease) |
|---|-----------|-----------|------------------------|
| Gallons sold (millions): | | | |
| Retail | 1,065.5 | 1,184.3 | (118.8) (10.0)% |
| Wholesale | 49.7 | 54.4 | (4.7) (8.6)% |
| | 1,115.2 | 1,238.7 | (123.5) (10.0)% |
| Revenues: | | | |
| Retail propane | \$2,023.8 | \$2,570.7 | \$(546.9) (21.3)% |
| Wholesale propane | 29.3 | 41.7 | (12.4) (29.7)% |
| Other | 258.7 | 272.9 | (14.2) (5.2)% |
| | \$2,311.8 | \$2,885.3 | \$(573.5) (19.9)% |
| Total margin (a) (b) | \$1,513.1 | \$1,497.5 | \$15.6 1.0 % |
| Operating and administrative expenses | \$928.8 | \$953.3 | \$(24.5) (2.6)% |
| Operating income (b) | \$422.6 | \$380.7 | \$41.9 11.0 % |
| Net income attributable to AmeriGas Partners (b) | \$207.0 | \$211.2 | \$(4.2) (2.0)% |
| Non-GAAP financial measures (c): | | | |
| Adjusted total margin | \$1,447.0 | \$1,545.3 | \$(98.3) (6.4)% |
| EBITDA (b) | \$559.5 | \$571.8 | \$(12.3) (2.2)% |
| Adjusted EBITDA | \$543.0 | \$619.2 | \$(76.2) (12.3)% |
| Adjusted operating income | \$356.5 | \$428.5 | \$(72.0) (16.8)% |
| Adjusted net income attributable to AmeriGas Partners | \$190.5 | \$258.6 | \$(68.1) (26.3)% |
| Heating degree days — % (warmer) than normal (d) | (15.0)% | (2.9)% | — — |

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

Total margin, EBITDA, operating income and net income attributable to AmeriGas Partners for Fiscal 2016 and (b) Fiscal 2015 include the impact of net unrealized gains (losses) of \$66.1 million and \$(47.8) million, respectively, on commodity derivative instruments not associated with current-period transactions.

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

(d) Deviation from average heating degree days for the 30-year period 1981-2010 based upon national weather statistics provided by NOAA for 344 Geo regions in the United States, excluding Alaska and Hawaii.

Retail gallons sold during Fiscal 2016 decreased 10.0% compared with Fiscal 2015. The decline in retail gallons sold principally reflects average temperatures based upon heating degree days that were 15.0% warmer than normal and 12.5% warmer than in Fiscal 2015.

Retail propane revenues decreased \$546.9 million during Fiscal 2016 reflecting lower average retail selling prices (\$289.0 million), principally the result of lower propane product costs, and the effects of the lower retail volumes sold (\$257.9 million). Wholesale propane revenues decreased \$12.4 million during Fiscal 2016 reflecting the effects of lower wholesale selling prices (\$8.8 million) and lower wholesale volumes sold (\$3.6 million). Average daily wholesale propane commodity prices during Fiscal 2016 at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 18% lower than such prices during Fiscal 2015. Other revenues in Fiscal 2016 were \$14.2 million lower than in the prior year principally reflecting lower fee income. Total cost of sales during Fiscal 2016 decreased \$589.1 million from Fiscal 2015. Cost of sales in Fiscal 2016 and Fiscal 2015 are net of \$66.1 million and \$(47.8) million of gains (losses) on commodity derivative instruments not associated with current-period transactions, respectively. Excluding the effects of the net gains (losses) on derivative commodity instruments, total cost of sales decreased \$475.2 million during Fiscal 2016 principally reflecting the effects on propane cost of sales of the

significantly lower average propane product costs (\$342.2 million) and the effects of the lower retail and wholesale volumes sold (\$125.2 million).

Total margin (which includes \$66.1 million and \$(47.8) million of net unrealized gains (losses) on commodity derivative instruments) in Fiscal 2016 and Fiscal 2015, respectively, increased \$15.6 million in Fiscal 2016. Adjusted total margin decreased

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\$98.3 million principally reflecting lower retail propane total margin (\$91.9 million) and, to a much lesser extent, lower margin from ancillary sales and services. The decrease in retail propane total margin largely reflects the previously mentioned decline in retail gallons sold partially offset by higher average propane retail unit margin principally resulting from the benefits of declining wholesale propane commodity prices.

Fiscal 2016 EBITDA and operating income (including the effects of the previously mentioned unrealized gains and (losses) on commodity derivative instruments and, with respect to EBITDA in Fiscal 2016, the \$48.9 million loss on extinguishments of debt) (decreased) increased \$(12.3) million and \$41.9 million, respectively, from amounts in Fiscal 2015. Adjusted EBITDA in Fiscal 2016 decreased \$76.2 million principally reflecting the lower adjusted total margin of \$98.3 million partially offset by lower operating and administrative expenses (\$24.5 million). The decrease in operating and administrative expenses reflects, among other things, lower vehicle fuel (\$13.4 million), employee compensation and benefits (\$21.7 million), and uncollectible accounts (\$4.6 million) expenses. Partially offsetting these decreases in operating and administrative expenses were higher expenses associated with uninsured litigation (\$17.9 million). Adjusted operating income decreased \$72.0 million in Fiscal 2016 principally reflecting the lower Adjusted EBITDA (\$76.2 million) partially offset by slightly lower depreciation expense.

Fiscal 2015 Compared with Fiscal 2014

| (Dollars in millions) | 2015 | 2014 | Increase (Decrease) |
|---|-----------|-----------|------------------------|
| Gallons sold (millions): | | | |
| Retail | 1,184.3 | 1,275.6 | (91.3) (7.2)% |
| Wholesale | 54.4 | 93.4 | (39.0) (41.8)% |
| | 1,238.7 | 1,369.0 | (130.3) (9.5)% |
| Revenues: | | | |
| Retail propane | \$2,570.7 | \$3,307.6 | \$(736.9) (22.3)% |
| Wholesale propane | 41.7 | 133.2 | (91.5) (68.7)% |
| Other | 272.9 | 272.1 | 0.8 0.3 % |
| | \$2,885.3 | \$3,712.9 | \$(827.6) (22.3)% |
| Total margin (a) (b) | \$1,497.5 | \$1,596.3 | \$(98.8) (6.2)% |
| Operating and administrative expenses | \$953.3 | \$964.0 | \$(10.7) (1.1)% |
| Operating income (b) | \$380.7 | \$462.6 | \$(81.9) (17.7)% |
| Net income attributable to AmeriGas Partners (b) | \$211.2 | \$289.9 | \$(78.7) (27.1)% |
| Non-GAAP financial measures (c): | | | |
| Adjusted total margin | \$1,545.3 | \$1,605.8 | \$(60.5) (3.8)% |
| EBITDA (b) | \$571.8 | \$655.3 | \$(83.5) (12.7)% |
| Adjusted EBITDA | \$619.2 | \$664.7 | \$(45.5) (6.8)% |
| Adjusted operating income | \$428.5 | \$472.1 | \$(43.6) (9.2)% |
| Adjusted net income attributable to AmeriGas Partners | \$258.6 | \$299.3 | \$(40.7) (13.6)% |
| Heating degree days — % (warmer) colder than normal (d) | (2.9)% | 6.2 % | — — |

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

Total margin, EBITDA, operating income and net income attributable to AmeriGas Partners for Fiscal 2015 and (b) Fiscal 2014 include the impact of net unrealized losses of \$47.8 million and \$9.5 million, respectively, on commodity derivative instruments not associated with current-period transactions.

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

(d) Deviation from average heating degree days for the 30-year period 1981-2010 based upon national weather statistics provided by NOAA for 344 Geo regions in the United States, excluding Alaska and Hawaii.

Retail gallons sold during Fiscal 2015 decreased 7.2%. The decline in retail gallons sold principally reflects average temperatures based upon heating degree days that were 2.9% warmer than normal and 8.5% warmer than in Fiscal 2014 principally reflecting significantly warmer weather in the western U.S.

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Retail propane revenues decreased \$736.9 million during Fiscal 2015 reflecting lower average retail selling prices (\$500.2 million), principally the result of the lower propane product costs, and the effects of lower retail volumes sold (\$236.7 million). Wholesale propane revenues decreased \$91.5 million during Fiscal 2015 reflecting the effects of lower wholesale volumes sold (\$55.6 million) and lower wholesale selling prices (\$35.9 million). Average daily wholesale propane commodity prices during Fiscal 2015 at Mont Belvieu, Texas were more than 50% lower than such prices during Fiscal 2014. Revenues from fee income and other ancillary sales and services in Fiscal 2015 were slightly higher than in Fiscal 2014. Total cost of sales during Fiscal 2015 decreased \$728.8 million from Fiscal 2014. Cost of sales in Fiscal 2015 and Fiscal 2014 include \$47.8 million and \$9.5 million of losses on commodity derivative instruments not associated with current-period transactions, respectively. Excluding the effects of the net losses on derivative commodity instruments, total propane cost of sales decreased \$771.8 million principally reflecting the effects of the significantly lower average propane product costs (\$582.4 million) and the effects on propane cost of sales of the lower retail and wholesale volumes sold (\$189.4 million).

Total margin (which includes \$47.8 million and \$9.5 million of unrealized losses on commodity derivative instruments in Fiscal 2015 and Fiscal 2014, respectively) decreased \$98.8 million in Fiscal 2015. Adjusted total margin, which excludes the effects of such gains and (losses), decreased \$60.5 million principally reflecting lower retail propane total margin (\$53.8 million) and, to a much lesser extent, lower margin from wholesale sales and ancillary sales and services. The decrease in retail propane total margin largely reflects the previously mentioned decline in retail gallons sold partially offset by higher average propane retail unit margins.

Fiscal 2015 EBITDA and operating income (including the effects of the previously mentioned losses on commodity derivative instruments not associated with current-period transactions) decreased \$83.5 million and \$81.9 million, respectively. Adjusted EBITDA in Fiscal 2015 decreased \$45.5 million principally reflecting the lower adjusted total margin (\$60.5 million) offset in part by lower operating and administrative expenses (\$10.7 million) and higher other operating income (\$3.9 million) resulting, in large part, from sales of excess assets. The decrease in operating and administrative expenses reflects, among other things, lower vehicle expenses (\$18.3 million), principally reflecting lower vehicle fuel expenses, and lower uncollectible accounts expense (\$10.6 million) partially offset by, among other things, higher insurance and self-insured casualty and liability expenses. Adjusted operating income decreased \$43.6 million in Fiscal 2015 principally reflecting the lower Adjusted EBITDA (\$45.5 million) partially offset by lower depreciation expense.

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Financial Condition and Liquidity

Capitalization and Liquidity

The Partnership's debt outstanding at September 30, 2016, totaled \$2,487.0 million (including current maturities of long-term debt of \$8.5 million and short-term borrowings of \$153.2 million). The Partnership's debt outstanding at September 30, 2015, totaled \$2,330.0 million (including current maturities of long-term debt of \$9.7 million and short-term borrowings of \$68.1 million). Total long-term debt outstanding at September 30, 2016, including current maturities, comprises \$2,330.8 million of AmeriGas Partners' Senior Notes, \$15.2 million of HOLP Senior Notes and \$14.3 million of other long-term debt, and is net of \$26.6 million of unamortized debt issuance costs.

In June 2016, AmeriGas Partners issued in an underwritten offering \$675 million principal amount of 5.625% Senior Notes due May 2024 and \$675 million principal amount of 5.875% Senior Notes due August 2026 (collectively, the "AmeriGas 2016 Senior Notes"). The net proceeds from the issuance of the AmeriGas 2016 Senior Notes were used (1) for the early repayment, pursuant to tender offers and notices of redemption, of all of the outstanding principal amount of AmeriGas Partners' 6.50% Senior Notes, 6.75% Senior Notes and 6.25% Senior Notes, having an aggregate principal balance of \$1,270.0 million plus accrued and unpaid interest and early redemption premiums, and (2) for general corporate purposes.

AmeriGas OLP has an Amended and Restated Credit Agreement (the "Credit Agreement") with a group of banks which provides for borrowings up to \$525 million (including a \$125 million sublimit for letters of credit) and expires in June 2019. The 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 one-week, or one-, two-, three-, or six-month Eurodollar Rate, as defined in the Credit Agreement, plus a margin.

At September 30, 2016 and 2015, there were \$153.2 million and \$68.1 million of borrowings outstanding under the Credit Agreement, respectively. The average interest rates on Credit Agreement borrowings at September 30, 2016 and 2015, were 2.79% and 2.20%, respectively. Borrowings under the Credit Agreement are classified as short-term borrowings on the Consolidated Balance Sheets. Issued and outstanding letters of credit under the Credit Agreement, which reduce the amounts available for borrowings, totaled \$67.2 million and \$64.7 million at September 30, 2016 and 2015, respectively. The average daily and peak short-term borrowings outstanding under the Credit Agreement during Fiscal 2016 were \$99.0 million and \$249.0 million, respectively. The average daily and peak short-term borrowings outstanding under the Credit Agreement during Fiscal 2015 were \$119.5 million and \$349.0 million, respectively. At September 30, 2016, the Partnership's available borrowing capacity under the Credit Agreement was \$304.6 million.

Based on existing cash balances, cash expected to be generated from operations, and borrowings available under the 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 2017. For a more detailed discussion of the 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, plus
2. all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter, less
3. 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.

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Quarterly distributions of Available Cash per limited partner unit paid during Fiscal 2016, Fiscal 2015 and Fiscal 2014 were as follows:

| | 2016 | 2015 | 2014 |
|-------------|--------|--------|--------|
| 1st Quarter | \$0.92 | \$0.88 | \$0.84 |
| 2nd Quarter | \$0.92 | \$0.88 | \$0.84 |
| 3rd Quarter | \$0.94 | \$0.92 | \$0.88 |
| 4th Quarter | \$0.94 | \$0.92 | \$0.88 |

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, the Partnership made quarterly distributions to Common Unitholders in excess of \$0.605 per limited partner unit. As a result, the General Partner 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 \$47.4 million in Fiscal 2016, \$39.3 million in Fiscal 2015 and \$32.4 million in Fiscal 2014. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2016, Fiscal 2015 and Fiscal 2014 of \$38.2 million, \$30.4 million and \$23.9 million, respectively.

Cash Flows

Operating Activities:

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

Cash flow from operating activities was lower in Fiscal 2016 compared with Fiscal 2015 principally reflecting the lower operating results (after adjusting for the effects of unrealized gains and losses on derivative instruments and loss on extinguishments of debt) and lower cash from changes in operating working capital. Cash flow from operating activities was higher in Fiscal 2015 compared with Fiscal 2014 reflecting, in large part, a significant increase in cash flow from changes in operating working capital. Cash flow from operating activities before changes in operating working capital was \$397.3 million in Fiscal 2016, \$458.7 million in Fiscal 2015 and \$521.3 million in Fiscal 2014. The year-over-year changes in cash flow from operating activities before changes in working capital (after adjusting for the effects of unrealized gains and losses on derivative instruments and loss on extinguishments of debt) principally reflects the year-over-year impact of changes in operating results. Changes in operating working capital provided (used) operating cash flow of \$25.6 million in Fiscal 2016, \$65.1 million in Fiscal 2015 and \$(41.2) million in Fiscal 2014. Cash flow from changes in operating working capital primarily reflects the impact of propane prices on cash receipts from customers as reflected in changes in accounts receivable, and cash paid for propane purchased as reflected in changes in inventories and accounts payable. The significantly higher cash flow from changes in operating working capital in Fiscal 2015 compared with Fiscal 2016 and Fiscal 2014 reflects, in large part, the impact on such cash flows from a significant decline in LPG commodity costs which occurred during Fiscal 2015. The greater use of cash from changes in Fiscal 2014 reflects, among other things, greater cash used to fund higher volumes of propane inventory at September 30, 2014.

Investing Activities:

Investing activity cash flow principally comprises expenditures for property, plant and equipment, cash paid for acquisitions of businesses and proceeds from disposals of assets. We spent \$101.7 million for property, plant and equipment in Fiscal 2016; \$102.0 million in Fiscal 2015; and \$113.9 million in Fiscal 2014.

Financing Activities:

Financing activity cash flow principally comprises distributions on AmeriGas Partners Common Units, issuances and repayments of long-term debt, short-term borrowings, and issuances of AmeriGas Partners Common Units. Distributions on Common Units and the General Partner interest totaled \$387.7 million, \$368.4 million and \$346.7 million in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. The year-over-year increases in distributions principally reflect the effects of increases in the distribution rate over the three-year period. In Fiscal 2016, AmeriGas Partners issued \$1.35 billion face amount of AmeriGas Partners Senior Notes and used substantially all of the net proceeds to repay \$1.27 billion principal amount of existing AmeriGas Partners Senior Notes subject to tender offers and notices of redemption. Short-term borrowings (repayments) in Fiscal 2016, Fiscal 2015 and Fiscal 2014 totaled \$85.1 million, \$(40.9) million and \$(7.9) million, respectively.

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Capital Expenditures

In the following table, we present capital expenditures (which exclude acquisitions) for Fiscal 2016, Fiscal 2015 and Fiscal 2014. We also provide amounts we expect to spend in Fiscal 2017. We expect to finance Fiscal 2017 capital expenditures principally from cash generated by operations and borrowings under our Credit Agreement.

| Year Ended September 30, (millions of dollars) | 2017 (estimate) | 2016 | 2015 | 2014 |
|---|--------------------|---------|---------|---------|
| Maintenance capital expenditures | \$ 63.0 | \$52.1 | \$57.8 | \$70.3 |
| Growth capital expenditures | 57.0 | 49.6 | 44.2 | 43.6 |
| Total capital expenditures | \$ 120.0 | \$101.7 | \$102.0 | \$113.9 |

The Partnership considers a number of factors in determining whether its capital expenditures are growth capital expenditures or maintenance capital expenditures. The Partnership considers growth capital to include those expenditures that increase the operating capacity of the Partnership. Examples of growth expenditures include, but are not limited to, expenditures to build new plants, expenditures related to the growth of our base business, such as new customer tanks and equipment, expansion of our National Accounts or ACE programs and expenditures in technology that enable us to leverage our scale to generate efficiencies or expand our operations. Maintenance capital expenditures are generally considered to be any capital expenditure that maintains the Partnership's operating capacity and include capital repairs to buildings, bulk storage plants, vehicles, company-owned tanks and any expenditures related to the maintenance of our existing infrastructure.

Contractual Cash Obligations and Commitments

The Partnership has certain contractual cash obligations that extend beyond Fiscal 2016 including scheduled repayments of long-term debt, interest on long-term fixed-rate debt and lease obligations. The following table presents significant contractual cash obligations as of September 30, 2016:

| (millions of dollars) | Payments Due by Period | | | | |
|---|------------------------|----------------|--------------------------|--------------------------|----------------------------------|
| | Total | Fiscal 2017 | Fiscal 2018 - 2019 | Fiscal 2020 - 2021 | Fiscal 2022 and thereafter |
| Long-term debt (a) | \$2,359.8 | \$8.5 | \$13.1 | \$7.3 | \$2,330.9 |
| Interest on long-term fixed-rate debt (b) | 1,045.5 | 147.6 | 294.2 | 292.9 | 310.8 |
| Operating leases | 355.2 | 62.2 | 104.8 | 84.4 | 103.8 |
| Derivative instruments (c) | 0.4 | 0.4 | — | — | — |
| Total | \$3,760.9 | \$218.7 | \$412.1 | \$384.6 | \$2,745.5 |

(a) Based upon stated maturity dates.

(b) Based upon stated interest rates.

(c) Represents the sum of amounts due from us if derivative liabilities were settled at September 30, 2016, amounts reflected in the Consolidated Balance Sheet.

The components of other noncurrent liabilities included in our Consolidated Balance Sheet at September 30, 2016, 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, 2016, 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 \$42.1 million.

Related Party Transactions

Pursuant to the Partnership Agreement and a management services agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs, which totaled \$557.0 million in Fiscal 2016, \$576.1 million in Fiscal 2015, and \$555.4 million in Fiscal 2014, include employee compensation and benefit expenses of employees of the General Partner and general and administrative expenses.

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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 \$18.7 million in Fiscal 2016, \$22.6 million in Fiscal 2015 and \$20.5 million in Fiscal 2014. 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 \$2.3 million in Fiscal 2016, \$3.0 million in Fiscal 2015 and \$4.0 million in Fiscal 2014.

From time to time, AmeriGas OLP purchases propane on an as needed basis from UGI Energy Services, LLC ("Energy Services"). The price of the purchases is generally based on market price at the time of purchase. Purchases of propane by AmeriGas OLP from Energy Services were not material during Fiscal 2016, 2015 and 2014.

In addition, AmeriGas OLP sells propane to affiliates of UGI. Sales of propane to affiliates of UGI totaled \$0.3 million, \$1.2 million and \$1.2 million during Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Pursuant to an Asset Sale and Purchase Agreement, on October 13, 2014, AmeriGas OLP purchased from UGI HVAC Enterprises, Inc. ("HVAC"), a second-tier, wholly owned subsidiary of UGI, a residential heating, ventilation, air conditioning, plumbing and related services business for \$2.0 million cash. Because the transaction was between entities under common control, the purchase price in excess of the carrying value of assets transferred was considered an equity transaction and has been recorded as a distribution in the Consolidated Statements of Partners' Capital. In connection with this transaction, AmeriGas OLP entered into a Shared Services Agreement ("SSA") whereby HVAC provides certain accounting and administrative services to the Partnership with respect to the business purchased. Expenses associated with the SSA totaled \$1.0 million and \$1.0 million for Fiscal 2016 and Fiscal 2015, respectively.

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, 2016 and 2015, were net gains (losses) of \$8.7 million and \$(57.3) million, respectively. A hypothetical 10% adverse change in the market price of propane would result in decreases in such fair values of \$13.3 million and \$16.3 million, respectively.

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.

At September 30, 2016, our variable-rate debt includes borrowings under the Credit Agreement. Credit Agreement borrowings have interest rates that are generally indexed to short-term market interest rates. At September 30, 2016 and 2015, there were \$153.2 million and \$68.1 million of borrowings outstanding under the Credit Agreement, respectively. Based upon the average level of borrowings outstanding under the Credit Agreement during Fiscal 2016 and 2015, an increase in short-term interest rates

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of 100 basis points (1%) would have increased our Fiscal 2016 and Fiscal 2015 annual interest expense by \$1 million and \$1 million, respectively.

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 approximately \$99 million and \$79 million at September 30, 2016 and 2015, respectively. A 100 basis point decrease in market interest rates would result in increases in the fair market value of this debt of approximately \$107 million and \$61 million at September 30, 2016 and 2015, 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, 2016 or 2015.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally comprise major energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments held by certain derivative instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at September 30, 2016. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At September 30, 2016, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

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 our significant accounting policies.

Litigation and Loss Contingencies. The Partnership is involved in litigation that arises in the normal course of its business. In addition, the Partnership is subject to risk of loss for general, automobile and product liability and workers' compensation claims for which we obtain insurance coverage that is subject to self-insured retentions or deductibles. In accordance with GAAP, the Partnership establishes reserves for pending litigation, and for pending and incurred but not reported claims associated with general and product liability, automobile and workers' compensation when it is probable that a liability exists and the amount or range of amounts related to such liability can be reasonably estimated. When there is a range of possible losses with equal likelihood, liabilities recorded are based upon the low end of such range. For insured claims, the Partnership records a receivable related to the amount of the liability expected to be paid by insurance.

For litigation and pending claims including those covered by the Partnership's insurance policies, the analysis of probable loss is performed on a case by case basis and includes an evaluation of the nature of the claim, the procedural

status of the matter, the probability or likelihood of success in prosecuting or defending the claim, the information available with respect to the claim, the opinions and views of outside counsel and other advisors, and past experience in similar matters. With respect to unasserted claims arising from unreported incidents, we use the work of a specialist to estimate the ultimate losses to be incurred using actuarially determined loss development factors applied to actual claims data. Our estimated reserves for litigation and pending claims may differ materially from the ultimate liability and such reserves may change materially as more information becomes available and estimated reserves are adjusted.

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Accounting For Derivative Instruments At Fair Value. The Partnership enters into derivative instruments to economically hedge the risks associated with changes in commodity prices for propane. These derivatives are recognized as assets and liabilities at fair value on the Consolidated Balance Sheets. Derivative assets and liabilities are presented net by counterparty on our Consolidated Balance Sheets if the right of offset exists. 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. The fair values of our commodity derivative are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. For commodity option contracts not traded on an exchange, we use a Black Scholes option pricing model that considers time value and volatility of the underlying commodity. We maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair values of derivatives. At September 30, 2016, the net fair value of our derivative assets totaled \$9.2 million and the net fair value of our derivative liabilities totaled \$0.4 million.

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 3 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, 2016, our net property, plant and equipment totaled \$1,274.6 million and we recorded depreciation expense of \$146.8 million during Fiscal 2016. As of September 30, 2016, our net intangible assets subject to amortization totaled \$328.4 million and we recorded amortization expense on intangible assets subject to amortization of \$38.4 million during Fiscal 2016.

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.

Recently Issued Accounting Pronouncements

Consolidation. In February 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-02, “Amendments to the Consolidation Analysis.” This ASU provides new guidance regarding whether a reporting entity should consolidate certain types of legal entities including variable interest entities (“VIEs”). Among other things, the new guidance affects the consolidation analysis of reporting entities that are involved with VIEs and requires that, if a single decision maker and its related parties are under common control, the single decision maker consider indirect interests in the entity held through these related parties to be the equivalent of direct interests, in their entirety. In October 2016, the FASB issued ASU No. 2016-17, “Interests Held through Related Parties That Are under Common Control,” to amend this guidance to provide that such indirect interests be considered the equivalent of direct interests, on a proportionate basis.

The Partnership will adopt the consolidation guidance in ASU 2015-02, as amended by ASU 2016-17, beginning with the first quarter of Fiscal 2017 (the three months ending December 31, 2016). The Partnership is in the process of assessing whether ASU 2015-02, as amended, will preclude us from continuing to consolidate AmeriGas OLP. If we cannot continue to consolidate AmeriGas OLP, beginning with the financial statements for the first quarter of Fiscal 2017, AmeriGas Partners’ net investment in AmeriGas OLP will be presented in its financial statements on the equity method of accounting, and such presentation will be applied retrospectively. Under the equity method of accounting, our net investment in AmeriGas OLP will be presented as a single amount on our consolidated balance sheet, and our 98.99% share of AmeriGas OLP’s net income will be presented as a single amount on our consolidated statement of operations. In addition, our consolidated statement of cash flows will reflect the cash flows of AmeriGas Partners

principally comprising cash distributions from AmeriGas OLP, cash receipts and payments associated with AmeriGas Partners' debt, and distributions to Common Unitholders and the General Partner. We will also provide supplemental unaudited financial information of AmeriGas OLP in future Reports on Form 10-Q and supplemental audited financial statements of AmeriGas OLP in future Annual Reports on Form 10-K, and also include appropriate explanatory information regarding AmeriGas OLP's results of operations and financial condition, and the impact of AmeriGas OLP on our results of operations and financial condition.

See Note 3 to the Consolidated Financial Statements for a discussion of other recently issued accounting guidance.

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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

The General Partner’s disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Partnership in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The General Partner’s management, with the participation of the General Partner’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Partnership’s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Partnership’s disclosure controls and procedures, as of September 30, 2016, were effective at the reasonable assurance level.

(a) For “Management’s Annual Report on Internal Control Over Financial Reporting” see Item 8 of this Report (which information is incorporated herein by reference).

(b) During the most recent fiscal quarter, no change in the Partnership’s internal control over financial reporting (c) occurred that has materially affected, or is reasonably likely to materially affect, the Partnership’s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

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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.

Board Committees

The Board of Directors of the General Partner has an Audit Committee, a Compensation/Pension Committee, a Corporate Governance Committee and an Executive Committee. The members of each of the Board Committees, with the exception of the Executive Committee, are independent as defined by the New York Stock Exchange listing standards. The Charters of the Audit Committee, the Compensation/Pension Committee and the Corporate Governance Committee can be found on the Partnership’s website, www.amerigas.com, under Investor Relations, Corporate Governance, or in print, free of charge, by writing to Investor Relations, AmeriGas Propane, Inc., Box 965, Valley Forge, PA 19482.

Audit Committee: 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;

- oversee the Partnership’s policies and programs to promote cyber security;

- 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.

The Audit Committee members are Messrs. Marrazzo (Chair), Ford, Hartmann and Turner. 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 and all are deemed financially literate under applicable New York Stock Exchange listing standards.

Compensation/Pension Committee: The Compensation/Pension Committee members are Mrs. Pol (Chair) and Messrs. Marrazzo and Schlanger. 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 the Chief Executive Officer, approves base salary, annual bonus target levels and long-term compensation awards for senior executives (other than the Chief Executive Officer), 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.

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Corporate Governance Committee: The Corporate Governance Committee members are Messrs. Schlanger (Chair), Ford and Ramos. 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.

Executive Committee: The Executive Committee members are Messrs. Schlanger (Chair), Marrazzo and Walsh. The Committee has limited powers to act on behalf of the Board of Directors between regularly scheduled meetings on matters that cannot be delayed.

Code of Ethics

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 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 |
|---------------------|-----|--|
| John L. Walsh | 61 | Chairman and Director |
| Jerry E. Sheridan | 51 | President, Chief Executive Officer and Director |
| Marvin O. Schlanger | 68 | Presiding Director |
| Brian R. Ford | 67 | Director |
| John R. Hartmann | 53 | Director |
| William J. Marrazzo | 67 | Director |
| Anne Pol | 69 | Director |
| Pedro A. Ramos | 51 | Director |
| K. Richard Turner | 58 | Director |
| Laurie A. Bergman | 39 | Controller and Chief Accounting Officer |
| Troy E. Fee | 48 | Vice President - Human Resources and Strategic Initiatives |
| Hugh J. Gallagher | 53 | Vice President - Finance and Chief Financial Officer |
| Monica M. Gaudiosi | 53 | Vice President, General Counsel and Secretary |
| Anthony D. Rosback | 53 | Vice President and Chief Operating Officer |

Listed below is the biographical information for each of the Directors of the General Partner, as well as a description of the specific experience, qualifications, attributes and skills that led the Board to conclude that, in light of the Company's business and structure, the individual should serve as a director. The biographical business experience of the executive officers of the General Partner is also listed below.

John L. Walsh is a Director (since 2005) and Chairman (since 2016) of the General Partner. He was Vice Chairman from 2005 until his election as Chairman in 2016. He also serves as a Director and President (since 2005) and Chief Executive Officer (since 2013) of UGI Corporation, the General Partner's parent company. In addition, Mr. Walsh is a Director and Vice Chairman (since 2005) of UGI Utilities, Inc., an affiliate of the General Partner. He served as Chief Operating Officer (2005 to 2013) of UGI Corporation and 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). Mr. Walsh also serves as Director at Main Line Health, Inc., the

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United Way of Southeastern Pennsylvania and Southern New Jersey, and the World LPG Association.

Mr. Walsh's qualifications to serve as a director include his in-depth knowledge of the Partnership's business, competition, risks, and health, environmental and safety issues. Additionally, Mr. Walsh's extensive strategic planning, operational, executive leadership experience and educational background enables him to provide valuable strategic, management development, operational and business leadership as the Partnership's Chairman.

Jerry E. Sheridan is President, Chief Executive Officer and a Director of the General Partner (since 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, a global producer of inorganic specialty chemicals. 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. Mr. Sheridan also serves on the Management Board of CP Kelco (since 2013), a privately held company that provides innovative products and solutions through the use of nature-based chemistry.

Mr. Sheridan's senior executive experience as the Company's President and Chief Executive Officer, and previously as Vice President, Chief Operating Officer and Chief Financial Officer, provide him with executive leadership experience and in-depth knowledge and understanding of all aspects of the Partnership's operations, including business, competition, risks, and health, environmental and safety issues. Mr. Sheridan also possesses industry and retail knowledge.

Brian R. Ford was elected a Director of the General Partner on November 1, 2013. Mr. Ford served as the Chief Executive Officer of Washington Philadelphia Partners, LP, a real estate investment company (2008 to 2010). Prior to that, Mr. Ford was a partner of Ernst & Young LLP, a multinational professional services firm offering assurance, tax, consulting, and advisory services, where he served in various roles of increasing responsibility from 1971 until his retirement in 2008. Mr. Ford currently serves as a director of GulfMark Offshore, Inc., a global provider of marine transportation, NRG Yield, Inc., the primary vehicle through which NRG Energy, Inc. owns, operates and acquires contracted renewable and conventional generation and thermal infrastructure assets, and FSIC III, a specialty finance company that invests primarily in the debt securities of private U.S. middle-market companies.

Mr. Ford's qualifications to serve as a director include his extensive financial, audit, accounting, and retail experience as a partner of a large public accounting firm. The Board also considered Mr. Ford's experience as a director and committee member of other public and private companies.

John R. Hartmann was elected a Director of the General Partner on March 15, 2016. Mr. Hartmann is Chief Executive Officer and President of True Value Company, a private hardware cooperative with independent retail locations worldwide (since May 2013). Mr. Hartmann previously served as the Chief Executive Officer of Mitre 10 (New Zealand) Limited, a chain of home improvement stores (2010 to 2013). From 2006 to 2010, Mr. Hartmann held a number of senior executive leadership positions at HD Supply, an industrial distributor in North America, including Chief Operating Officer - Electrical & Plumbing/HVAC Divisions, Vice President - Operations and Sourcing, and Director - Strategic Business Development. From 2002 to 2006, he held a number of positions with The Home Depot, including Director of Strategic Business Development, Senior Director of Long-Range Planning & Strategy and Senior Director of Risk Management. Mr. Hartmann also previously served as Vice President, Corporate Services at Cardinal Health, a worldwide healthcare services and products company (1998 to 2002) and was a Supervisory Special Agent and FBI Academy Instructor with the Federal Bureau of Investigation (1988 to 1998).

Mr. Hartmann's qualifications to serve as a director include his extensive experience and expertise, including as Chief Executive Officer, as well as his valuable management and leadership skills, in the retail and marketing sectors. The

Board also considered his strong leadership, strategic planning, business development and risk management expertise.

William J. 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., a publicly traded corporation (1988 to 1997), served as Water Commissioner for the Philadelphia Water Department (1971 to 1988) and was Managing Director for the City of Philadelphia (1983 to 1984). He also serves as a director of American Water Works Company, Inc.

Mr. Marrazzo's qualifications to serve as a director include his extensive experience as Chief Executive Officer of both non-profit and public companies, and his city government leadership experience. Mr. Marrazzo's senior-level executive experience in both the public and private sectors provide him with financial, strategic planning, risk management, business development and operational expertise.

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Anne Pol was elected a Director of the General Partner on January 23, 2013. Mrs. Pol retired in 2005 as President and Chief Operating Officer of Trex Enterprises Corporation, a high technology research and development company (2001 to 2005). She previously served as Senior Vice President (1998 to 2001) and Vice President (1996 to 1998) of Thermo Electron Corporation, an environmental monitoring and analytical instruments company and a major producer of recycling equipment, biomedical products and alternative energy systems. Mrs. Pol also served as President of Pitney Bowes Shipping and Weighing Systems Division, a business unit of Pitney Bowes Inc., a company that sells mailing and related business equipment (1993 to 1996); Vice President of New Product Programs in the Mailing Systems Division of Pitney Bowes Inc. (1991 to 1993); and Vice President of Manufacturing Operations in the Mailing Systems Division of Pitney Bowes Inc. (1990 to 1991). Mrs. Pol also serves as a Director (since 1998) of UGI Corporation, the General Partner's parent company, and UGI Utilities, Inc., an affiliate of the General Partner.

Mrs. Pol's qualifications to serve as a director include her strategic planning, business development and technology experience as a senior-level executive with a diversified high-technology company. Mrs. Pol also possesses an important understanding of, and insight into, the areas of executive compensation, human resource management, corporate governance and government regulation.

Pedro A. Ramos was elected a Director of the General Partner on September 28, 2015. Mr. Ramos is the President and Chief Executive Officer of The Philadelphia Foundation, a charitable foundation committed to improving the quality of life in the five-county Philadelphia region (since August 2015). Previously, Mr. Ramos served as a Partner with the law firm Schnader Harrison Segal & Lewis LLP (August 2013 to July 2015). From June 2009 until the firm's attorneys joined Schnader Harrison Segal & Lewis LLP in August 2013, he served as a Partner with the law firm Trujillo Rodriguez & Richards, LLC. Prior to that, Mr. Ramos was a Partner with the law firm Blank Rome LLP (2007 to 2009). Mr. Ramos served as Managing Director of the City of Philadelphia (2005 to 2007) and as City Solicitor of the City of Philadelphia (2004 to 2005). Additionally, Mr. Ramos served as Vice President and Chief of Staff to the President of the University of Pennsylvania (2002 to 2004), and prior to that, as a Partner and Associate with the law firm Ballard Spahr LLP (1992 to 2001). Mr. Ramos was formerly Chairman of the Philadelphia School Reform Commission, a gubernatorial appointment (2011 to 2013). Mr. Ramos also serves as a director of FS Investment Corporation, a publicly traded business development company that provides companies with customized credit solutions.

Mr. Ramos' qualifications to serve as a director include his expertise and extensive business experience as an attorney at various law firms advising clients in the areas of compliance, transactional matters, strategy, risk management, internal investigations, fiduciary responsibility, pension, executive compensation and employee benefits laws. The Board also considered his strong leadership experience by virtue of his varied and extensive civic and community engagement activities, including Managing Director of the City of Philadelphia and Vice President and Chief of Staff to the President of the University of Pennsylvania.

Marvin O. Schlanger was elected a Director of the General Partner on January 26, 2009 and currently holds the position of Presiding Director. Mr. Schlanger is a Principal in the firm of Cherry Hill Chemical Investments, L.L.C., a management services and capital firm for chemical and allied industries (since 1998). Mr. Schlanger previously served as Chief Executive Officer of CEVA Holdings BV and CEVA Holdings, LLC, an international logistics supplier (2012 to 2013). Mr. Schlanger is currently Chairman of the Board (since January 2016) of UGI Corporation, the General Partner's parent company, where he has been a director since 1998. He also serves as a director of UGI Utilities, Inc. (since 1998), an affiliate of the General Partner. He serves as a director of the following private companies: CEVA Holdings, LLC, where he serves as chairman, CEVA Group, plc, where he serves as non-executive chairman, Hexion, Inc., Momentive Performance Materials, Inc. and VECTRA Company. Mr. Schlanger was previously a director with LyondellBassell Industries (until 2013).

Mr. Schlanger's qualifications to serve as a director include his senior management, strategic planning, business development, risk management, and general operations experience throughout his career as Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of Arco Chemical Company, a large public company. The Board also considered Mr. Schlanger's experience serving as chairman, director and committee member on the boards of directors of large public and private companies.

K. Richard Turner was elected a Director of the General Partner on March 21, 2012. Mr. Turner is currently Managing Director, Altos Energy Partners, a private equity firm (since 2012), after having retired as Senior Managing Director from the Stephens Group, LLC, a private, family-owned investment firm (1983 to 2011). He also serves as a board member for the general partner of Energy Transfer Equity, L.P. (since 2002) and Sunoco LP (since 2014). He also has served on the Board of Directors of the general partner of Energy Transfer Partners, L.P. ("ETP") (2004 to 2011) and on the board of North American Energy Partners, Inc. (2003 to 2016). ETP designated Mr. Turner as its nominee to serve on the Board of Directors of the General Partner pursuant to its rights under the Contingent Residual Support Agreement by and among AmeriGas Partners, L.P., AmeriGas Finance LLC, AmeriGas Finance Corp., UGI Corporation, and ETP dated as of January 12, 2012.

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Mr. Turner's qualifications to serve as a director include his extensive experience as a private equity executive, including serving in accounting and investment roles. Mr. Turner is a non-practicing certified public accountant and also has public accounting experience. The Board also considered Mr. Turner's public company directorship and committee experience, including serving on boards and audit committees of other energy companies and master limited partnerships, providing him with significant industry experience.

Laurie A. Bergman is Controller and Chief Accounting Officer of the General Partner (since May 2016). Ms. Bergman joined the General Partner in 2006 as Manager, Disbursements and has held various positions at the General Partner, including Group Director, Financial Planning and Financial Operations (2013 to 2016), Director-Financial Planning and Analysis (2012 to 2013), Assistant Controller (2011 to 2012), Team Captain - Project Foundation (2009 to 2011), and Director, Revenue Management and Disbursements (2007 to 2009). Previously, Ms. Bergman held various financial positions at CIGNA Corp.

Troy E. Fee is Vice President - Human Resources and Strategic Initiatives of the General Partner (since 2013). Mr. Fee served as Senior Vice President - Human Resources (2007 to 2013) at PEP BOYS, a retail and service chain serving the automotive aftermarket. Prior to joining PEP BOYS, Mr. Fee served as Senior Vice President, Human Resources Shared Services (2006 to 2007) of TBC Corporation, a marketer of tires for the automotive replacement market and as Vice President - Human Resources of TBC Retail Group (2003 to 2006). Mr. Fee also served in various positions at Sears, Roebuck & Company, a nationwide retail company, including as Director Human Resources - Sears Automotive Group (2002 to 2003), Northwest Regional Human Resources Director - Sears Stores (2001 to 2002), Labor Relations Manager - Sears (2000 to 2001), and Regional Human Resources Manager - Sears Automotive (1999 to 2000). Mr. Fee held various positions of increasing responsibility at Sears, Roebuck & Company from 1987 to 1999.

Hugh J. Gallagher is Vice President - Finance and Chief Financial Officer of the General Partner (since 2013). Previously, Mr. Gallagher served as Treasurer of both UGI Corporation and the General Partner (2011 to 2014), Director - Treasury Services and Investor Relations of UGI Corporation (2009 to 2011) and Director - Treasury Services (2007 to 2009) of UGI Corporation. He has also served as the General Partner's Director - Corporate Development (2004 to 2007), Director of Financial Planning, (2000 to 2004), Financial Manager - Operations (1999 to 2000), Manager of Financial Reporting (1996 to 1999), and Team Leader - Financial Reporting (1995 to 1996). Mr. Gallagher joined UGI Corporation in 1990, serving in various finance and accounting roles of increasing responsibility.

Monica M. Gaudiosi is Vice President (since 2012), General Counsel (since 2015) and Secretary (since 2012) of the General Partner. Ms. Gaudiosi is also Vice President, General Counsel and Secretary of UGI Corporation, the General Partner's parent company, and UGI Utilities, Inc., an affiliate of the General Partner (since 2012). Prior to joining the General Partner, Ms. Gaudiosi served as a Senior Vice President and General Counsel (2007 to 2012) and Senior Vice President and Associate General Counsel (2005 to 2007) of Southern Union Company. Prior to joining Southern Union Company in 2005, Ms. Gaudiosi held various positions with General Electric Capital Corporation (1997 to 2005). Before joining General Electric Capital Corporation, Ms. Gaudiosi was an associate at the law firms of Hunton & Williams (1994 to 1997) and Sutherland, Asbill & Brennan (1988 to 1994).

Anthony D. Rosback is Vice President and Chief Operating Officer of the General Partner (since 2015). Mr. Rosback served as Senior Director, West Region Operations and North American Logistics of Williams Scotsman, Inc., a mobile and modular space and storage solution company (2014 to 2015). He previously served as Senior Vice President, General Manager, West of The Brickman Group Ltd., a commercial landscaping and property maintenance company (2013 to 2014). Previously, Mr. Rosback served as Area President (2012 to 2013), Regional Vice President, Operations (2010 to 2012), Vice President, Operations Support (2008 to 2010) and Vice President, Sales and Marketing (2006 to 2008) at Republic Services, Inc., a provider of recycling and non-hazardous waste services in the

U.S. From 1999 to 2006, Mr. Rosback served as an Assistant Vice President at Cintas Corporation, a provider of uniforms, first aid and safety and fire protection products and services.

Director Independence

The Board of Directors of the General Partner has determined that, other than Messrs. Sheridan 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; and
- (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 that do not exceed the greater of \$1,000,000 or two percent of the

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charitable organization's total revenues per year 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 charitable contributions and ordinary business transactions between the Company, or affiliates of the Company, and companies where our Directors are employed or serve as directors, as well as Mr. Ramos' previous position as a non-equity partner at a law firm that provided legal services to the Company and his current service on the board of the parent company of Independent Blue Cross, with which UGI and/or its subsidiaries contracts for employee benefits. All such transactions were in compliance with either the independence rules of the New York Stock Exchange or the categorical standard set by the Board of Directors for determining director independence.

Executive Sessions

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

You may contact the Board of Directors, an individual non-management director, or the non-management Directors as a group by writing to them c/o AmeriGas Propane, Inc., P.O. Box 965, Valley Forge, PA 19482. These procedures have been posted on the Partnership's website at www.amerigas.com; see "Investor Relations - Corporate Governance;" click the "Investor Relations" caption, then click the "Corporate Governance" caption, then click on "Contact AmeriGas Propane, Inc. Board of Directors".

Any communications directed to the Board of Directors, an individual non-management Director, or the non-management Directors as a group from employees or others that concern complaints regarding accounting, financial statements, internal controls, ethical, or auditing matters will be handled in accordance with procedures adopted by the Audit Committee.

All other communications directed to the Board, an individual non-management Director, or the non-management Directors as a group are initially reviewed by the Corporate Secretary. In the event the Corporate Secretary has any question as to whether the directors should be made aware of any issue raised, the Corporate Secretary shall be entitled to consult with the Chair of the Board in making such determination. The Corporate Secretary will distribute communications to the Board, an individual director, or to selected directors, depending on the content of the communication. 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, we do not forward to our Board communications from our shareholders or other parties that are of a personal nature or are not related to the duties and responsibilities of the Board, including, but not limited to junk mail and mass mailings, resumes and other forms of job inquiries, opinion surveys and polls, business solicitations or advertisements.

Section 16(a) — Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires 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 2016, all of such reporting persons complied with all Section 16(a) reporting requirements applicable to them.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation/Pension Committee of the General Partner are Mrs. Pol (Chair) and Messrs. Marrazzo and Schlanger. 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, 2016.

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Compensation/Pension Committee

Anne Pol, Chair

William J. Marrazzo

Marvin O. Schlanger

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 President and Chief Executive Officer; Hugh J. Gallagher, our Vice President - Finance and Chief Financial Officer; John L. Walsh, our Chairman; Anthony D. Rosback, our Vice President and Chief Operating Officer; and Monica M. Gaudiosi, our Vice President, General Counsel and Secretary. We refer to these executive officers as our “named executive officers” for Fiscal 2016.

Compensation decisions for Mr. Sheridan were made by the independent members of the Board of Directors of the General Partner, after receiving the recommendation of its Compensation/Pension Committee, while compensation decisions for Messrs. Gallagher and Rosback were made by the Compensation/Pension Committee. Compensation decisions for Mr. Walsh were made by the independent members of the UGI Corporation Board of Directors after receiving the recommendations of its Compensation and Management Development Committee, while compensation decisions for Ms. Gaudiosi were made by the 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 discussions, unless the context indicates otherwise. We will use the term “Company” or “General Partner” to refer to AmeriGas Propane, Inc.

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; retain talented and experienced executives; and reward our executives for leadership excellence and performance that promotes sustainable growth in unitholder value.

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Fiscal 2016 Components

The following chart summarizes the principal elements of our Fiscal 2016 executive compensation program. We describe these elements, as well as retirement, severance and other benefits, in more detail later in this Compensation Discussion and Analysis.

| Component | Principal Objectives | Fiscal 2016 Compensation Actions |
|----------------------------|---|--|
| Base Components | | |
| Salary | Compensate executives as appropriate for his or her position, experience and responsibilities based on market data. | Merit salary increases ranged from 2% to 5%. |
| Annual Bonus Awards | Motivate executives to focus on achievement of our annual business objectives. | Target incentives ranged from 50% to 125% of salary. Actual bonus payouts to our named executive officers ranged from no payout for the AmeriGas NEOs to 81.8% of target for Mr. Walsh and Ms. Gaudiosi, primarily based on achievement of financial goals. |
| Long-Term Incentive Awards | | |
| Performance Align Units | 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 other energy master limited partnerships and its two | The number of performance units awarded in Fiscal 2016 ranged from 4,550 to 50,000. A portion of the AmeriGas NEOs' performance units (payable in AmeriGas Partners common units, other than for Mr. Walsh and Ms. Gaudiosi) will be earned based on total unitholder return ("TUR") relative to master limited partnerships in the Alerian MLP Index, modified by AmeriGas Partners' TUR performance as compared to the other two interests; create propane distribution companies in the Alerian MLP Index, over a three-year period. The remaining portion of performance units awarded in Fiscal 2016 to the AmeriGas NEOs will be payable in AmeriGas Partners common units provided a customer gain/loss metric is met. For Mr. Walsh and Ms. Gaudiosi, performance units will be payable in UGI Corporation common stock based on total shareholder return of UGI stock relative to entities in an industry index over a three-year period. |

propane peer companies (or total UGI shareholder return that compares favorably to other utility-based companies); further align long-term compensation with strategic goals and objectives related to customer gain/loss performance. Align executive interests with shareholder interests; create a strong financial incentive for achieving or exceeding long-term performance goals, as the value of stock options is a function of the price of UGI stock.

UGI Stock Options

The number of shares underlying option awards ranged from 20,250 shares to 330,000 shares.

Compensation and Corporate 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 2016, 75 percent of the principal compensation components, in the case of Mr. Sheridan, and 58 percent to 81 percent of the principal compensation components, in the case of all other named executive officers 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.

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Annual bonus opportunities for the named executive officers are based primarily on key financial metrics. Similarly, long-term incentives for the AmeriGas NEOs were based on the relative performance of AmeriGas Partners Common Units and customer gain/loss performance. In the case of Mr. Walsh and Ms. Gaudiosi, long-term incentives were based on 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”). In addition, beginning in January of 2015, we require a double trigger for the accelerated vesting of equity awards in the event of a change in control. 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.

We have a recoupment policy for incentive-based compensation paid or awarded to current and former executive officers in the event of a restatement due to material non-compliance with financial reporting requirements.

- We have a policy prohibiting directors and executive officers from (i) hedging the securities of AmeriGas Partners and UGI Corporation, (ii) holding AmeriGas Partners and UGI Corporation securities in margin accounts as collateral for a margin loan, and (iii) pledging the securities of AmeriGas Partners and UGI Corporation.

The Company’s Board of Directors adopted an annual limit of \$400,000 with respect to individual Director equity awards. In establishing this limit, the Board of Directors considered competitive pay levels as well as the need to retain its current Directors and attract new directors with the relevant skills and attributes desired in director candidates.

The Compensation Committee believes that, during Fiscal 2016, there was no conflict of interest between Pay Governance and the Compensation Committee. Additionally, the Compensation Committee believes that Pay Governance was independent. In reaching the foregoing conclusions, the Compensation Committee considered the factors set forth by the New York Stock Exchange regarding compensation committee advisor independence.

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 2016, the components of our compensation program included salary, annual bonus awards, long-term incentive compensation (performance unit awards and UGI Corporation stock option 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 2016 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.

Pay Governance has not provided actuarial or other services relating to pension and post-retirement plans or services related to other benefits to us or our affiliates, and generally all of its services are those that it provides to the Committees. Pay Governance

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has provided market data for positions below the senior executive level as requested by management as well as market data for director compensation, but its fees for this work historically are modest relative to its overall fees.

In assessing competitive compensation, we referenced market data provided to us in Fiscal 2015 by Pay Governance. Pay Governance provided us with two reports: the “2015 Executive Cash Compensation Review” and the “2015 Executive Long-Term Incentive Review.” We do not benchmark against specific companies in the databases utilized by Pay Governance in preparing its reports. Our Committees do benchmark, however, by using Pay Governance’s analysis of compensation databases that include numerous companies as a reference point to provide a framework for compensation decisions. Our Committees exercise discretion and also review other factors, such as internal equity (both within and among our business units) and sustained individual and company performance, when setting our executives’ compensation.

For the AmeriGas NEOs, the executive compensation analysis is based on general industry data in Towers Watson’s 2015 General Industry Executive Compensation Database (“General Industry Database”). For Mr. Walsh and Ms. Gaudiosi, the analysis was based on the General Industry Database and Towers Watson’s 2015 Energy Services Executive Compensation Database (“Energy Services Database”). Pay Governance weighted the General Industry Database survey data 75 percent and the Energy Services Database survey data 25 percent and added the two. For example, if the relevant market rate for a particular executive position derived from information in the General Industry Database was \$100,000 and the relevant market rate derived from information in the Energy Services Database was \$90,000, Pay Governance would provide us with a market rate of \$97,500 for that position ($(\$100,000 \times 75 \text{ percent} = \$75,000) \text{ plus } (\$90,000 \times 25 \text{ percent} = \$22,500)$). The impact of weighting information derived from the two databases is to obtain a market rate designed to approximate the relative sizes of our nonutility and utility businesses. Towers Watson’s General Industry Database is comprised of approximately 450 companies from a broad range of industries, including oil and gas, aerospace, automotive and transportation, chemicals, computer, consumer products, electronics, food and beverages, metals and mining, pharmaceutical and telecommunications. The Towers Watson Energy Services Database is comprised of approximately 115 companies, primarily utilities.

We generally seek to position a named executive officer’s salary grade so that the midpoint of the salary range for his or her salary grade approximates the 50th percentile of the “going rate” for comparable executives included in the executive compensation database material referenced by Pay Governance. By comparable executive, we mean an executive having a similar range of responsibilities and the experience to fully perform these responsibilities. Pay Governance size-adjusted the survey data to account for the relative revenues of the survey companies in relation to ours. In other words, the adjustment reflects the expectation that a larger company would be more likely to pay a higher amount of compensation for the same position than a smaller company. Using this adjustment, Pay Governance developed going rates for positions comparable to those of our executives, as if the companies included in the respective databases had revenues similar to ours. We believe that Pay Governance’s application of size adjustments to applicable positions in these databases is an appropriate method for establishing market rates. After consultation with Pay Governance, we considered salary grade midpoints that were within 15 percent of the median going rate developed by Pay Governance to be competitive.

Elements of Compensation

Salary

Salary is designed to compensate executives for their level of responsibility and sustained individual performance. We pay our executive officers a salary that is competitive with that of other executive officers providing comparable services, taking into account the size and nature of the business of AmeriGas Partners and UGI Corporation, as the case may be.

As noted above, we seek to establish the midpoint of the salary grade for the positions held by our named executive officers at approximately the 50th percentile of the going rate for executives in comparable positions. Based on the

data provided by Pay Governance in July 2015, we increased the range of salary in each salary grade for Fiscal 2016 for each named executive officer, other than Mr. Walsh, by 2 percent. The Committee established Mr. Walsh's Fiscal 2016 salary grade midpoint at the market median of comparable executives as identified by Pay Governance based on its analysis of the executive compensation databases. For Mr. Walsh, this resulted in a decrease of the range of salary in his salary grade from the prior year of 1.4 percent.

For Fiscal 2016, the merit increases were targeted at 3 percent, but individual increases varied based on performance evaluations and the individual's position within the salary range. Performance evaluations were based on qualitative and subjective assessments of each individual's contribution to the achievement of our business strategies, including the development of growth opportunities and leadership in carrying out our talent development program.

Messrs. Sheridan and Walsh, in their capacities as chief executive officers of the General Partner and UGI Corporation, respectively, had additional goals and objectives for Fiscal 2016, as established during the first quarter of Fiscal 2016. Mr. Sheridan's annual goals and objectives for Fiscal 2016 included achievement of annual financial goals, leadership development objectives, and implementation of the General Partner's growth strategies, including with

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respect to customer growth and retention and customer service initiatives. Mr. Walsh's annual goals and objectives included the development of the Company's senior management team, the recruitment of experienced individuals to fill key roles within the organization, the enhancement of organizational processes, achievement of annual financial and strategic goals, and leadership in identifying investment opportunities for the Company and its subsidiaries. All named executive officers received a salary in Fiscal 2016 that was within 90 percent to 111 percent of the midpoint for his or her salary range.

The following table sets forth each named executive officer's Fiscal 2016 salary.

| Name | Salary | Percentage Increase over Fiscal 2015 Salary |
|--------------------|-------------|--|
| Jerry E. Sheridan | \$541,528 | 2.75% |
| Hugh J. Gallagher | \$324,246 | 4.0% ⁽¹⁾ |
| John L. Walsh | \$1,133,704 | 5.0% |
| Monica M. Gaudiosi | \$448,058 | 3.0% |
| Anthony D. Rosback | \$367,354 | 2.0% |

(1) Mr. Gallagher received a merit salary increase of 4.0% in Fiscal 2016, plus an equity adjustment of \$16,000 to better align Mr. Gallagher's salary with the market data provided by Pay Governance. Including this equity adjustment, Mr. Gallagher's total increase in salary was 9.4% over Fiscal 2015.

Annual Bonus Awards

Our annual bonus plans provide our named executive officers with the opportunity to earn an annual cash incentive, provided that certain performance goals are satisfied. Our annual cash incentive is intended to motivate our executives to focus on the achievement of our annual business objectives by providing competitive incentive opportunities to those executives who have the ability to significantly impact our financial performance. We believe that basing a meaningful portion of an executive's compensation on financial performance emphasizes our pay for performance philosophy and will result in the enhancement of unitholder or shareholder value. We also believe that annual bonus payments to our most senior executives should reflect our overall financial results for the fiscal year and that the Partnership's earnings before interest, taxes, depreciation and amortization ("EBITDA"), as adjusted, and UGI's earnings per share ("EPS"), as adjusted, provide straightforward, "bottom line" measures of performance.

The Partnership's Fiscal 2016 EBITDA is adjusted to exclude the mark-to-market gain/loss on commodity derivative instruments and a loss on extinguishment of debt ("Adjusted EBITDA") and UGI Corporation's Fiscal 2016 EPS is adjusted to exclude (i) the impact of unrealized gains and losses on commodity derivative instruments not associated with Fiscal 2016 transactions, (ii) integration and acquisition expenses associated with a Fiscal 2015 acquisition by its subsidiary in France and (iii) losses from extinguishments of debt ("Adjusted EPS").

In determining each executive position's target award level under our annual bonus plans, we considered database information derived by Pay Governance regarding the percentage of salary payable upon achievement of target goals for executives in similar positions at other companies as described above. In establishing the target award level, we positioned the amount at approximately the 50th percentile for comparable positions.

The AmeriGas NEOs participate in the AmeriGas Propane, Inc. Executive Annual Bonus Plan (the "AmeriGas Bonus Plan"). For the AmeriGas NEOs, 90 percent of the target award opportunity was based on AmeriGas Partners' Adjusted EBITDA, subject to modification based on achievement of a safety performance goal, as described below. The other 10 percent was based on achievement of a customer service goal, but contingent on a payout under the financial component of the award. We believe that customer service 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 service is an important factor in our ability to improve the long-term financial performance of AmeriGas Partners. We also believe that achievement of superior safety performance is an important short-term and long-term strategic initiative and is therefore included as a component of the AmeriGas Propane bonus calculation. Mr. Walsh and Ms. Gaudiosi participate in the UGI Corporation Executive Annual Bonus Plan (the "UGI Bonus Plan"). For reasons similar to those underlying our use of Adjusted EBITDA as a goal for the AmeriGas NEOs, the entire target award opportunity for Mr. Walsh and Ms. Gaudiosi was based on UGI's Adjusted EPS. We also believe that

Adjusted EPS is an appropriate measure for Mr. Walsh and Ms. Gaudiosi because their duties encompass UGI and its affiliated businesses, including the General Partner and AmeriGas Partners. Adjusted EPS is not subject to adjustment based on customer growth or similar metrics.

Each Committee has discretion under our executive annual bonus plans to (i) adjust Adjusted EBITDA and Adjusted EPS for extraordinary items or other events as the Committee deems appropriate, (ii) increase or decrease the amount of an award determined

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to be payable under the bonus plan by up to 50 percent, and (iii) review quantitative factors (such as performance) and qualitative factors (such as individual performance and overall contributions to the General Partner and UGI) when determining the annual bonus to be paid to an executive who terminates employment during the fiscal year on account of retirement, death or disability. The AmeriGas Bonus Plan and the UGI Bonus Plan each provides that, unless the Committee determines otherwise, all executive officers who have not fulfilled their respective equity ownership requirements receive as part of their ongoing compliance up to 10 percent of their gross annual bonus in fully vested AmeriGas Partners common units or UGI Corporation stock, as applicable.

As noted above, the 90 percent component of the bonus award opportunity for each of the AmeriGas NEOs was based on Adjusted EBITDA of AmeriGas Partners, subject to modification based on customer growth and structured so that no amount would be paid unless AmeriGas Partners' Adjusted EBITDA was at least 90 percent of the target amount, while 200 percent of the target bonus could be payable if Adjusted EBITDA equaled or exceeded 110 percent of the target amount. The percentage of target bonus payable based on the level of achievement of Adjusted EBITDA is referred to as the "Adjusted EBITDA Leverage Factor." The Adjusted EBITDA Leverage Factor is then modified to reflect the degree of achievement of a predetermined safety performance objective tied to AmeriGas Propane's Fiscal 2016 Occupational Safety and Health Administration ("OSHA") recordables ("Safety Leverage Factor"). For Fiscal 2016, the percentage representing the Safety Leverage Factor ranged from 80 percent if the performance target was not achieved, to a maximum of 120 percent if performance exceeded the target. We believe the Safety Leverage Factor for Fiscal 2016 represented an achievable but challenging performance target. Once the Adjusted EBITDA Leverage Factor and Safety Leverage Factor are determined, the Adjusted EBITDA Leverage Factor is multiplied by the Safety Leverage Factor to obtain a total adjusted leverage factor (the "Total Adjusted Leverage Factor"). The Total Adjusted Leverage Factor is then multiplied by the target bonus opportunity to arrive at the 90 percent portion of the bonus award payable for the fiscal year. The actual Adjusted EBITDA achieved for Fiscal 2016 was \$543 million. The applicable range for targeted Adjusted EBITDA for bonus purposes for Fiscal 2016 was \$660 million to \$690 million. The remaining 10 percent component of the bonus award opportunity was based on customer service goals. For Fiscal 2016, AmeriGas Propane engaged a third party company to conduct surveys of the Partnership's customers in order to better understand customer satisfaction with services provided by the Partnership. Each individual survey is given an overall satisfaction score and the scores are then aggregated by the third party company to calculate a total score known as a net promoter score. The award opportunity for the customer service component for each of the AmeriGas NEOs was structured so that no amount would be paid unless the net promoter score was at least 85 percent of the net promoter score target, with the target bonus award being paid out if the net promoter score was 100 percent of the targeted goal. The maximum award, equal to 150 percent of the targeted award, would be payable if the net promoter score exceeded the net promoter score target. Because the threshold Adjusted EBITDA target was not attained, the AmeriGas NEOs did not receive bonus payouts for Fiscal 2016.

The bonus award opportunity for Mr. Walsh and Ms. Gaudiosi was structured so that no amount would be paid unless UGI's Adjusted EPS was at least 80 percent of the target amount, with the target bonus award being paid out if UGI's Adjusted EPS was 100 percent of the targeted Adjusted EPS. The maximum award, equal to 200 percent of the target award, would be payable if Adjusted EPS equaled or exceeded 120 percent of the Adjusted EPS target. The targeted Adjusted EPS for bonus purposes for Fiscal 2016 was established to be in the range of \$2.15 to \$2.30 per UGI common share, and Adjusted EPS achieved for Fiscal 2016 was \$2.05. As a result, Mr. Walsh and Ms. Gaudiosi each received a bonus payout equal to 81.8 percent of his or her target award for Fiscal 2016.

Long-Term Compensation - Fiscal 2016 Equity Awards

Background and Determination of Grants - Stock Options and Performance Units

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 shareholder interests. Additionally, we believe our long-term incentives provide us the ability to attract and retain talented executives in a competitive market.

Our long-term compensation for Fiscal 2016 included UGI Corporation stock option grants and either AmeriGas Partners or UGI Corporation performance unit awards. AmeriGas Partners performance units were awarded under the 2010 AmeriGas Propane, Inc. Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. (the “2010 Plan”). UGI Corporation stock options and performance units were awarded under the UGI Corporation 2013 Omnibus Incentive Compensation Plan (the “2013 UGI Plan”). UGI Corporation stock options generally have a term of ten years and become exercisable in three equal annual installments beginning on the first anniversary of the grant date. The AmeriGas NEOs were awarded AmeriGas Partners performance units tied to (i) a relative TUR metric based on the Alerian MLP Index, as modified by AmeriGas Partners’ TUR performance compared to the other two retail propane distribution companies in the Alerian Index, and (ii) a customer gain/loss metric. Mr. Walsh and Ms. Gaudiosi were awarded UGI Corporation performance units tied to the three-year total shareholder return performance of UGI common stock relative to that of the companies in the Adjusted Russell MidCap Utilities Index. Each performance unit

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represents the right of the recipient to receive a common unit or share of common stock if specified performance goals and other conditions are met.

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 2016, we initially referenced (i) median salary information, and (ii) competitive market-based long-term incentive compensation information, both as calculated by Pay Governance.

For the AmeriGas NEOs, we initially applied approximately 30 percent of the amount of the long-term incentive opportunity to UGI Corporation stock options, and approximately 70 percent to AmeriGas performance units (30 percent is applied to AmeriGas Partners performance compared to the Alerian MLP Index, as modified by AmeriGas Partners' TUR performance compared to the other two retail propane distribution companies, Ferrellgas Partners, L.P. and Suburban Propane Partners, L.P., included in the Alerian MLP Index (the "Propane MLP Group"), and 40 percent is tied to a customer gain/loss performance metric). For Mr. Walsh and Ms. Gaudiosi, 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 believe this bifurcation provides a good balance between two important goals. Because the value of stock options is a function of the appreciation or depreciation of stock price, stock options are designed to align the executive's interests with shareholder interests. As explained in more detail below, the performance units are designed to encourage increased total unitholder or shareholder return over a period of time.

For Fiscal 2016 equity awards, Pay Governance provided the competitive market incentive levels based on its assessment of accounting values. Pay Governance then provided data for our long-term incentive values by utilizing accounting values. Accounting values are reported directly by companies to the survey databases and are determined in accordance with GAAP.

While management used the Pay Governance calculations as a starting point, in accordance with past practice, management recommended adjustments to the aggregate number of UGI Corporation stock options and AmeriGas Partners and UGI performance units 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 the 2013 UGI Plan for the fiscal years 2014 through 2016, 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 is deemed to equal 4.67 shares. The adjustments generally resulted in (i) a decrease in the number of shares underlying options, (ii) with the exception of Mr. Walsh, a slight increase in the number of performance units awarded to each named executive officer, and (iii) a decrease in the number of performance units awarded to Mr. Walsh, in each case as compared to amounts calculated by Pay Governance using accounting values.

As a result of the Committee's acceptance of management's recommendations, the named executive officers received between approximately 82 percent and 102 percent of the total dollar value of long-term compensation opportunity recommended by Pay Governance using accounting values. The actual grant amounts based on the foregoing analysis are as follows:

| Name | Shares Underlying Stock Options # Granted | Performance Units Alerian MLP Index (as modified) # Granted | Performance Units Customer Gain/Loss # Granted |
|-------------------|--|--|--|
| Jerry E. Sheridan | 65,000 | 6,700 | 12,000 |
| Hugh J. Gallagher | 17,500 | 1,750 | 2,800 |
| John L. Walsh | 330,000 | (1) | N/A |
| | 70,000 | (1) | N/A |

Monica M.
Gaudiosi

Anthony D.
Rosback

28,000

2,750

5,000

(1) Mr. Walsh and Ms. Gaudiosi were awarded 50,000 and 11,000 UGI performance units, respectively, during Fiscal 2016.

Peer Groups and Performance Metrics

The AmeriGas NEOs were awarded performance unit awards for the period from January 1, 2016 to December 31, 2018 tied to two different metrics: (i) the three-year TUR performance of AmeriGas Partners common units relative to that of the entities in the Alerian MLP Index, as modified based on the three-year TUR performance of AmeriGas Partners common units relative to that of the other companies in the Propane MLP Group, and (ii) a customer gain/loss metric. The Committee determined that a metric directly tied to customer gains and losses would strengthen the link between pay and performance and advance AmeriGas Partners' long-term strategic goals and objectives.

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With respect to AmeriGas Partners performance units tied to the Alerian MLP Index, we will compare the TUR of AmeriGas Partners' common units relative to the TUR performance of those entities comprising the Alerian MLP Index as of the beginning of the performance period using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of calculation. The result is then modified based on AmeriGas Partners' TUR performance compared to the Propane MLP Group. If AmeriGas Partners' Alerian TUR performance qualifies for a payout at the conclusion of the three-year period ending December 31, 2018, then that payout would be modified as follows: (i) if AmeriGas Partners' TUR during the three-year period ranks first compared to the other companies in the Propane MLP Group, then the performance unit payout would be leveraged at 130 percent; (ii) if AmeriGas Partners' TUR during the three-year period ranks second compared to the other companies in the Propane MLP Group, then the performance unit payout would be leveraged at 100 percent; and (iii) if AmeriGas Partners' TUR during the three-year period ranks third compared to the other Propane MLP Group companies, then the performance unit payout would be leveraged at 70 percent. The overall payout is capped at 200 percent of the target number of performance units awarded. In calculating the TUR for purposes of the modification, we will compare the TUR of AmeriGas Partners' common units relative to the TUR performance of those entities comprising the Propane MLP Group using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of calculation. In computing TUR, we will use the average price for the calendar quarter 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. If one of the other two companies in the Propane MLP Group ceases to exist as a publicly traded company or declares bankruptcy ("Adjustment Event") during the first year of the performance period, then the performance units tied to the Propane MLP Group will become payable at the end of the three-year performance period based on AmeriGas Partners' TUR performance compared to the Alerian MLP Index and no modification will be made. If an Adjustment Event occurs during the second year of the performance period, then one-half of the modifier would be applied to the payout calculated under the Alerian MLP Index. If an Adjustment Event occurs during the third year of the performance period, then the full Propane MLP Group modifier would be calculated using the TUR as of the day immediately preceding the first public announcement of the Adjustment Event. The entities comprising the Alerian MLP Index as of January 1, 2016 were as follows:

| | | |
|---|------------------------------------|---------------------------------|
| Alliance Resource Partners, L.P. | Enterprise Products Partners, L.P. | Shell Midstream Partners L.P. |
| AmeriGas Partners, L.P. | EQT Midstream Partners, L.P. | Spectra Energy Partners L.P. |
| Antero Midstream Partners, L.P. | Ferrellgas Partners, L.P. | Suburban Propane Partners, L.P. |
| Archrock Partners L.P. | Genesis Energy L.P. | Summit Midstream Partners L.P. |
| Black Stone Minerals, L.P. | Global Partners L.P./MA | Sunoco L.P. |
| Boardwalk Pipeline Partners L.P. | Golar LNG Partners, L.P. | Sunoco Logistics Partners, L.P. |
| Buckeye Partners, L.P. | Holly Energy Partners, L.P. | Tallgrass Energy Partners L.P. |
| Calumet Specialty Products Partners, L.P. | Magellan Midstream Partners L.P. | Targa Resources Partners L.P. |
| Capital Products Partners, L.P. | Martin Midstream Partners L.P. | TC Pipelines, L.P. |
| Columbia Pipeline Partners L.P. | MPLX, L.P. | Teekay LNG Partners |
| Crestwood Equity Partners L.P. | NGL Energy Partners, L.P. | Teekay Offshore Partners L.P. |
| DCP Midstream Partners L.P. | NuStar Energy L.P. | Tesoro Logistics, L.P. |
| Dominion Midstream Partners, L.P. | ONEOK Partners, L.P. | Valero Energy Partners, L.P. |

Enable Midstream Partners, L.P.
Enbridge Energy Partners, L.P.
Energy Transfer Partners, L.P.
EnLink Midstream Partners, L.P.

Phillips 66 Partners, L.P.
Plains All American Pipeline, L.P.
Rose Rock Midstream L.P.
Seadrill Partners, L.P.

Vanguard Natural
Resources LLC
Western Gas Partners
Williams Partners

The Fiscal 2016 performance units awarded to the AmeriGas NEOs and tied to customer gain and loss performance will be paid at the conclusion of the three-year performance period ending September 30, 2018 (assuming continued employment through December 31, 2018). The overall payout is capped at 200 percent of the target number of performance units awarded. The Committee believes that challenging goals and targets have been established with respect to the customer gain/loss metric for the described performance units. For illustrative purposes, there would have been no payout during at least the last five fiscal years had this metric been in place.

With respect to UGI performance units, we will compare the TSR of UGI's 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 using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of calculation. In computing TSR, the Company 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 calendar quarter 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. We will only remove a company that was included in the Adjusted Russell

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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, 2016 were as follows:

| | | |
|------------------------------------|------------------------------------|---------------------------------|
| AES Corporation | Edison International | Pinnacle West Capital Corp. |
| AGL Plains Energy | Energy Corporation | PPL Corporation |
| Alliant Energy | Eversource Energy | Public Service Enterprise Group |
| Ameren Corporation | FirstEnergy Corp. | Questar Corporation |
| American Water Works Company, Inc. | Great Plains Energy | SCANA Corporation |
| Aqua America, Inc. | Hawaiian Electric Industries, Inc. | Sempra Energy |
| Atmos Energy Corporation | ITC Holdings Corp. | Teco Energy, Inc. |
| Avangrid | MDU Resources Group Inc. | UGI Corporation |
| Calpine Corporation | National Fuel Gas Company | Vectren Corporation |
| Centerpoint Energy, Inc. | NiSource Inc. | WEC Energy |
| CMS Energy Corporation | NRG Energy, Inc. | Westar Energy, Inc. |
| Consolidated Edison, Inc. | OGE Energy Corp. | XCEL Energy, Inc. |
| DTE Energy Company | Pepco Holdings, Inc. | |

The Committee determined that the Adjusted Russell MidCap Utilities Index is an appropriate peer group because the companies included in the Russell MidCap Utilities Index generally are comparable to the Company in terms of market capitalization and the Company is included in the Russell MidCap Utilities Index. The Company, 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. The minimum award, equivalent to 25 percent of the number of performance units, will be payable if the Company's TSR rank is at the 25th percentile of the Adjusted Russell MidCap Utilities Index. The target award, equivalent to 100 percent of the number of performance units, will be payable if the 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 Company's TSR rank is at the 90th percentile of the Adjusted Russell MidCap Utilities Index.

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, 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 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 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 during the performance period on AmeriGas Partners common units on a distribution payment date. A dividend equivalent relates to UGI common stock and is determined in a similar manner. Accrued distribution and dividend equivalents are payable in cash based on the number of common units or UGI common shares, if any, paid out at the end of the performance period.

Long-Term Compensation - Payout of Performance Units for 2013-2015 Period

During Fiscal 2016, we paid out awards to those executives who received AmeriGas Partners' performance units and UGI performance units covering the period from January 1, 2013 to December 31, 2015. For that period, AmeriGas Partners' TUR ranked 10th relative to the other companies in the Alerian Index, placing the Company at the 75th percentile ranking and resulting in a 162.5 percent payout of the target award. Because the payout exceeded 100 percent, the 2010 Plan provides that cash will be paid in lieu of units for any amount in excess of the 100 percent target. UGI's TSR ranked 5th relative to the other companies in the Russell Midcap Utilities Index, placing UGI at the

88th percentile ranking and resulting in a 196.4 percent payout of the target award. Because the payout exceeded 100 percent, the 2013 UGI Plan provides that cash will be paid in lieu of units for any amount in excess of the 100 percent target. The performance unit payouts for Fiscal 2016 were as follows:

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| Name | Performance Unit Payout (#) (1) | Performance Unit Payout Value (\$) (2) | Cash Payout (Award in excess of 100%) (\$) |
|------------------------|---------------------------------|--|--|
| Jerry E. Sheridan | \$ 9,595 | \$ 488,348 | \$ 546,957 |
| Hugh J. Gallagher (3) | \$ 754 | \$ 37,697 | \$ 39,269 |
| John L. Walsh (4) | \$ 38,254 | \$ 2,228,160 | \$ 2,456,321 |
| Monica M. Gaudiosi (4) | \$ 10,223 | \$ 506,400 | \$ 560,786 |

(1) Number of units/shares paid out after withholding taxes.

(2) Includes distribution or dividend equivalent payout. Payout value based on performance units awarded before withholding taxes.

(3) Mr. Gallagher also received a payout of 2,295 UGI performance units (number of shares paid out after withholding taxes), with a value of \$116,472 (value based on performance units awarded before withholding taxes), and an additional cash payout of \$128,952 for the portion of the award in excess of 100% payout. The UGI performance units were granted to Mr. Gallagher in Fiscal 2013 for his service as Treasurer of UGI.

(4) UGI performance units.

Perquisites and Other Compensation

We provide limited perquisite opportunities to our named executive officers. We provide reimbursement for tax preparation services (discontinued in Fiscal 2011 for newly hired executives), airline membership reimbursement, and limited spousal travel. Our named executive officers may also occasionally use UGI's tickets for sporting events for personal rather than business purposes. The aggregate cost of perquisites for all named executive officers in Fiscal 2016 was less than \$10,000. In connection with the commencement of Mr. Rosback's employment, he received reimbursement for relocation expenses in the amount of \$20,533 during Fiscal 2016 in accordance with the General Partner's relocation policy.

Other Benefits

Our named executive officers participate in various retirement, pension, 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 the General Partner provided certain enhanced disability and life insurance benefits to its senior executives, which for the AmeriGas NEOs had a total aggregate cost in Fiscal 2016 of less than \$15,000.

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 employees of the General Partner. Subject to Code limits, which are the same as described below 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 the General Partner provides a matching contribution equal to 100 percent of the first 5 percent of eligible compensation contributed in any pay period. Participants in the AmeriGas Savings Plan may invest amounts credited to their account among a number of funds, including the UGI stock fund. Each of the AmeriGas NEOs is 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 Internal Revenue Code (the "Code") limitations (which, among other things, limited annual contributions in 2016 to \$18,000), 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

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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. Amounts credited to an employee's account in the plan may be invested among a number of funds, including the Company's stock fund. Mr. Walsh and Ms. Gaudiosi 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. 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. Mr. Walsh participates in the UGI Pension Plan. See Compensation of Executive Officers - Pension Benefits Table - Fiscal 2016 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. Mr. Walsh participates in the UGI Corporation Supplemental Executive Retirement Plan. See Compensation of Executive Officers - Pension Benefits Table - Fiscal 2016 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 the Company 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. Mr. Walsh is eligible to participate in the UGI Corporation Supplemental Savings Plan. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2016 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, the Company 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 (\$265,000 in 2016) and 10 percent of compensation in excess of such limit. In addition, if any portion of the Company'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. Ms. Gaudiosi is eligible to participate in the 2009 UGI SERP. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2016 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. The AmeriGas NEOs participate in the AmeriGas Propane, Inc. Supplemental Executive

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Retirement Plan. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2016 and accompanying narrative for additional information.

AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan

The General Partner 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. The AmeriGas NEOs are eligible to participate in the AmeriGas Propane, Inc. Nonqualified Deferred Compensation Plan. See Compensation of Executive Officers - Nonqualified Deferred Compensation Table - Fiscal 2016 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 AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, (iii) benefits payable under the UGI Corporation Supplemental Executive Retirement Plan, and (iv) the 2009 UGI SERP. 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 stock units and phantom units, will be deemed to be invested in investment funds selected by the participant from among a list of available funds. 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 the AmeriGas NEOs and the UGI plan covers Mr. Walsh and Ms. Gaudiosi. 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 each of the AmeriGas NEOs and UGI has change in control agreements with Mr. Walsh and Ms. Gaudiosi. 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 the AmeriGas NEOs, the General Partner or AmeriGas Partners). See Compensation of Executive Officers - Potential Payments Upon Termination 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 stockholders. Under our guidelines, an executive must meet 10 percent of the ownership requirement within one year from the date of employment or promotion. The AmeriGas Bonus Plan and the UGI Bonus Plan each provides that, unless the Committee determines otherwise, all executive officers who have not fulfilled their equity ownership requirement receive up to 10 percent of their gross annual bonus in fully vested AmeriGas Partners common units or UGI Corporation stock. 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 equity ownership requirement is met, the executive retain all common units or UGI shares 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.

As of September 30, 2016, the equity ownership requirements for the named executive officers were as follows: (1) Mr. Sheridan - 40,000 common units; (2) Mr. Gallagher - 12,000 common units; (3) Mr. Walsh - 225,000 UGI Corporation common shares; (4) Mr. Rosback - 20,000 common units; and (5) Ms. Gaudiosi - 30,000 UGI Corporation common shares. Messrs. Sheridan, Gallagher,

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and Rosback are permitted to satisfy their requirements through ownership of AmeriGas Partners common units, UGI common stock, or a combination of AmeriGas Partners common units and UGI common stock, with each AmeriGas Partners common unit equivalent to 1.5 shares of UGI common stock. See Security Ownership of Certain Beneficial Owners and Management and Related Security Holder Matters - Ownership of Partnership Common Units by the Directors and Named Executive Officers.

Stock Option Grant Practices

The Committees approve annual stock option grants to named executive officers in the last calendar quarter of each year, to be 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's 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's 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's 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 2016 compensation, Mr. Walsh, aided by our corporate human resources department, provided statistical data and recommendations to the appropriate Committee to assist it in determining compensation levels. Mr. Walsh 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. Walsh, and valued Mr. Walsh's observations with regard to other executive officers, the ultimate decisions regarding executive compensation were made by the Committee for all named executive officers, except Messrs. Sheridan and Walsh, for whom executive compensation decisions were made by the independent members of the appropriate Board of Directors following Committee recommendations.

Tax Considerations

In Fiscal 2016, 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 2016. 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.

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SUMMARY COMPENSATION TABLE

The following tables, narrative and footnotes provide information regarding the compensation of our Chief Executive Officer, Chief Financial Officer and our 3 other most highly compensated executive officers in Fiscal 2016.

Summary Compensation Table — Fiscal 2016

| Name and Principal Position (a) | Fiscal Salary | | 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) |
|--|---------------|-----------|----------------------|-----------------------------------|--|---|---|---|-----------------------------|
| | Year | (1)(c) | | | | | | | |
| J. E. Sheridan President and Chief Executive Officer | 2016 | 541,082 | 0 | 699,474 | 311,415 | 0 | 0 | 54,108 | 1,606,079 |
| | 2015 | 526,474 | 0 | 601,384 | 319,920 | 352,471 | 0 | 88,145 | 1,888,394 |
| | 2014 | 506,018 | 0 | 877,682 | 420,546 | 302,834 | 0 | 110,391 | 2,217,471 |
| H. J. Gallagher Vice President - Finance Chief Financial Officer | 2016 | 323,389 | 0 | 171,241 | 83,843 | 0 | 56,243 | 32,786 | 667,502 |
| | 2015 | 296,093 | 0 | 138,448 | 79,980 | 123,895 | 21,058 | 42,437 | 701,911 |
| J. L. Walsh Chairman | 2016 | 1,132,043 | 0 | 1,648,500 | 1,581,030 | 1,159,212 | 2,439,939 | 61,549 | 8,022,273 |
| M. M. Gaudiosi Vice President, General Counsel and Secretary | 2015 | 1,078,342 | 0 | 1,741,050 | 1,705,338 | 1,604,746 | 1,920,003 | 67,810 | 8,117,289 |
| | 2014 | 1,027,169 | 0 | 2,053,380 | 1,992,060 | 1,974,336 | 1,009,878 | 41,037 | 8,097,860 |
| A. D. Rosback Vice President and Chief Operating Officer | 2016 | 447,655 | 0 | 362,670 | 335,370 | 238,232 | 0 | 63,956 | 1,447,883 |
| | 2015 | 434,611 | 0 | 365,621 | 351,099 | 336,194 | 0 | 72,447 | 1,559,972 |
| | 2016 | 367,128 | 0 | 289,655 | 134,148 | 0 | 0 | 53,007 | 843,938 |
| | 2015 | 180,003 | 0 | 146,900 | 97,293 | 96,558 | 0 | 24,656 | 545,410 |

(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. Mr. Rosback's Fiscal 2015 salary was prorated based on his employment date of March 23, 2015 with the General Partner.

(2) The amounts shown in columns (e) and (f) above represent the fair value of awards of performance 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 2016 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. Messrs. Gallagher and Rosback each received 10% of their respective Fiscal 2015 payouts in AmeriGas Partners Common Units and Ms. Gaudiosi received 7.4% of her Fiscal 2015 payout in UGI Common Stock in compliance with the Company's ongoing equity ownership compliance requirements. Messrs. Sheridan and Gallagher received 10% of their respective Fiscal 2014 payouts in AmeriGas Partners Common Units in compliance with the Company's ongoing equity ownership compliance requirements.

(4) The amounts shown in column (h) of the Summary Compensation Table - Fiscal 2016 reflect (i) the change in the actuarial present value from September 30, 2015 to September 30, 2016 of the named executive officer's accumulated benefit under UGI's defined benefit pension plans, including, with respect to Messrs. Walsh and Gallagher, the UGI Corporation Supplemental Executive Retirement Plan, and (ii) the above-market portion of earnings, if any, on nonqualified deferred compensation accounts. There were no above-market earnings on nonqualified deferred compensation accounts for Fiscal 2016. 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. Mr. Gallagher has a vested annual benefit under the Retirement Income Plan for Employees of UGI Utilities, Inc. based on prior credited service of approximately \$37,100. Mr. Gallagher is not currently earning benefits under that plan. Messrs. Sheridan and Rosback and Ms. Gaudiosi are 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 2016 and the Nonqualified Deferred Compensation Table - Fiscal 2016, 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 2016, 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 2016 was 3.13

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percent, which is 120 percent of the federal long-term rate for December 2015. Earnings on deferred compensation are market-based, calculated by reference to externally managed mutual funds.

The table below shows the components of the amounts included for each named executive officer under the “All (5) Other Compensation” column in the Summary Compensation Table - Fiscal 2016. None of the named executive officers received perquisites with an aggregate value of \$10,000 or more during Fiscal 2016.

| Name | Employer Contribution to AmeriGas 401(k) Savings Plan (\$) | Employer | Relocation | Total (\$) |
|------------------------------|---|--|----------------------------------|---------------|
| | | Contribution to Executive Retirement Plan/UGI Supplemental Savings Plan (\$) | Expense Reimbursement (\$) | |
| J. E. Sheridan | \$ 13,250 | \$ 40,858 | \$ 0 | \$54,108 |
| H. J. Gallagher | \$ 13,697 | \$ 19,089 | \$ 0 | \$32,786 |
| J. L. Walsh | \$ 5,887 | \$ 55,662 | \$ 0 | \$61,549 |
| M. M. Gaudiosi | \$ 8,617 | \$ 55,339 | \$ 0 | \$63,956 |
| A. D. Rosback ^(a) | \$ 9,011 | \$ 23,463 | \$ 20,533 | \$53,007 |

(a) Mr. Rosback received \$20,533 during Fiscal 2016 as reimbursement for relocation expenses in connection with the commencement of his employment in March of 2015 in accordance with the General Partner’s relocation policy. During Fiscal 2015, Mr. Rosback received \$9,115 for relocation expenses in addition to the \$10,000 disclosed in the Partnership’s Annual Report on Form 10-K for the period ended September 30, 2015.

The compensation reported for Mr. Walsh and Ms. Gaudiosi is paid by UGI. For Fiscal 2016, UGI charged the (6) Partnership 42 percent of the total compensation expense, other than the change in pension value, for Mr. Walsh and Ms. Gaudiosi.

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Grants of Plan-Based Awards In Fiscal 2016

The following table and footnotes provide information regarding equity and non-equity plan grants to the named executive officers in Fiscal 2016.

Grants of Plan-Based Awards Table — Fiscal 2016

| Name | Grant Date | Board Action Date | Estimated Possible Payouts Under | | | Estimated Future Payouts Under Equity Incentive Plan Awards (2) | | | All Other Stock Awards: Number of | All Other Option Awards: Number of | Exercise or Base Value | Grant Date Fair Value |
|-----------------|------------|-------------------|----------------------------------|-----------|-----------|---|--------|---------|-----------------------------------|------------------------------------|------------------------|-----------------------|
| | | | Threshold | Target | Maximum | Threshold | Target | Maximum | | | | |
| (a) | (a) | (a) | (\$)(d) | (\$)(e) | (\$)(f) | (#)(g) | (#)(h) | (#)(i) | Units (#)(j) | Options (#)(k) | (\$/Sh)(l) | Awards (m) |
| J. E. Sheridan | 10/1/2015 | 11/19/2015 | 223,976 | 433,222 | 866,444 | | | | | | | |
| | 1/1/2016 | 11/19/2015 | | | | | | | | 65,000 | 33.76 | 311,415 |
| | 1/1/2016 | 11/19/2015 | | | | 3,000 | 6,700 | 13,400 | | | | 288,234 |
| | 1/1/2016 | 11/19/2015 | | | | 3,000 | 12,000 | 24,000 | | | | 411,240 |
| H. J. Gallagher | 10/1/2015 | 11/19/2015 | 583,818 | 162,123 | 324,246 | | | | | | | |
| | 1/1/2016 | 11/19/2015 | | | | | | | | 17,500 | 33.76 | 83,843 |
| | 1/1/2016 | 11/19/2015 | | | | 306 | 1,750 | 3,500 | | | | 75,285 |
| | 1/1/2016 | 11/19/2015 | | | | 700 | 2,800 | 5,600 | | | | 95,956 |
| J. L. Walsh | 10/1/2015 | 11/20/2015 | 850,278 | 1,417,130 | 2,834,260 | | | | | | | |
| | 1/1/2016 | 11/20/2015 | | | | | | | | 330,000 | 33.76 | 1,581,030 |
| | 1/1/2016 | 11/20/2015 | | | | 12,500 | 50,000 | 100,000 | | | | 1,648,500 |
| M. M. Gaudiosi | 10/1/2015 | 11/19/2015 | 174,743 | 291,238 | 582,475 | | | | | | | |
| | 1/1/2016 | 11/19/2015 | | | | | | | | 70,000 | 33.76 | 335,370 |
| | 1/1/2016 | 11/19/2015 | | | | 2,750 | 11,000 | 22,000 | | | | 362,670 |
| A. D. Rosback | 10/1/2015 | 11/19/2015 | 104,457 | 202,045 | 404,090 | | | | | | | |
| | 1/1/2016 | 11/19/2015 | | | | | | | | 28,000 | 33.76 | 134,148 |
| | 1/1/2016 | 11/19/2015 | | | | 481 | 2,750 | 5,500 | | | | 118,305 |
| | 1/1/2016 | 11/19/2015 | | | | 1,250 | 5,000 | 10,000 | | | | 171,350 |

(1) The amounts shown under this heading relate to bonus opportunities under the relevant company's annual bonus plan for Fiscal 2016. 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 2016. The threshold amount shown for Messrs. Sheridan, Gallagher, and Rosback is based on achievement of (i) 90 percent of the financial goal with the resulting amount modified to the extent provided for above or below target achievement of the safety goal,

and (ii) 85 percent of the customer service goal. The threshold amount shown for Mr. Walsh and Ms. Gaudiosi is based on achievement of 80 percent of the UGI financial goal.

The awards shown for Messrs. Sheridan, Gallagher, and Rosback 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 only be paid for a qualifying termination (2) of employment and 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 payable 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 Mr. Walsh and Ms. Gaudiosi are performance units under the 2013 UGI Plan, as described in “Compensation Discussion and Analysis.”

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Terms of these awards with respect to forfeitures and change in control, as defined in the 2013 UGI Plan, are analogous to the terms of the performance units granted under the 2010 AmeriGas Long-Term Incentive Plan.

Options are granted under the 2013 UGI 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 and the expiration of the 13-month period commencing on the date of (3) 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, and 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, and 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. In the event of a change in control, unvested options become exercisable only for a qualifying termination of employment.

Outstanding Equity Awards at Year-End

The table below shows the outstanding equity awards as of September 30, 2016 for each of the named executive officers:

Outstanding Equity Awards at Year-End Table — Fiscal 2016

| Name | Option Awards | | | | Stock Awards | | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested |
|----------------|---|---|-----------------------|-------------------|---|---|---|
| | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Options (#) | Option Exercise Price | Option Expiration | 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) | (i) | (j) | |
| J. E. Sheridan | | 28,500 | (2) 27.64 | 12/31/2023 | 9,500 | (14) 867,540 | |
| | 20,000 | (1) 40,000 | (1) 38.05 | 1/20/2025 | 8,000 | (15) 547,920 | |
| | | 65,000 | (3) 33.76 | 12/31/2025 | 6,950 | (16) 317,337 | |
| | | | | | 13,300 | (17) 607,278 | |
| | | | | | 6,700 | (18) 305,922 | |
| | | | | | 12,000 | (19) 547,920 | |

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| | | | | | | |
|--------------------|---------|-------------|------------|------------|--------|---------------|
| H. J. Gallagher | 4,687 | (4) | 21.65 | 6/30/2021 | 2,200 | (14)200,904 |
| | 8,500 | (5) | 19.60 | 12/31/2021 | 2,000 | (15)136,980 |
| | 18,000 | (6) | 21.81 | 12/31/2022 | 1,600 | (16)73,056 |
| | 2,250 | (7) | 27.62 | 5/19/2023 | 2,600 | (17)118,716 |
| | 13,500 | (2) 6,750 | (2) 27.64 | 12/31/2023 | 1,750 | (18)79,905 |
| | 5,000 | (1) 10,000 | (1) 38.05 | 1/20/2025 | 2,800 | (19)127,848 |
| | 17,500 | (3) 33.76 | 12/31/2025 | | | |
| J. L. Walsh | 187,500 | (8) | 16.13 | 12/31/2019 | 63,000 | (20)5,643,540 |
| | 187,500 | (9) | 21.06 | 12/31/2020 | 45,000 | (21)2,035,800 |
| | 187,500 | (5) | 19.60 | 12/31/2021 | 50,000 | (22)2,262,000 |
| | 178,500 | (6) | 21.81 | 12/31/2022 | | |
| | 129,000 | (10) | 25.50 | 3/31/2023 | | |
| | 270,000 | (2) 135,000 | (2) 27.64 | 12/31/2023 | | |
| | 102,000 | (11)204,000 | (11)37.98 | 12/31/2024 | | |
| | 330,000 | (3) 33.76 | 12/31/2025 | | | |
| M. M. Gaudiosi | 75,000 | (12) | 17.75 | 4/22/2022 | 12,750 | (20)1,142,145 |
| | 75,000 | (6) | 21.81 | 12/31/2022 | 9,450 | (21)427,518 |
| | 50,000 | (2) 25,000 | (2) 27.64 | 12/31/2023 | 11,000 | (22)497,640 |
| | 21,000 | (11)42,000 | (11)37.98 | 12/31/2024 | | |
| | | 70,000 | (3) 33.76 | 12/31/2025 | | |
| A. D. Rosback | 7,000 | (13)14,000 | (13)33.48 | 3/22/2025 | 2,000 | (23)91,320 |
| | | 28,000 | (3) 33.76 | 12/31/2025 | 3,750 | (24)171,225 |
| | | | | | 2,750 | (18)125,565 |
| | | | | | 5,000 | (19)228,300 |

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Note: Column (d) was intentionally omitted.

- (1) These options were granted effective January 21, 2015. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 21, 2018.
- (2) These options were granted effective January 1, 2014. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2017.
- (3) These options were granted effective January 1, 2016. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2019.
- (4) These options were granted effective July 1, 2011 and were fully vested on July 1, 2014.
- (5) These options were granted effective January 1, 2012 and were fully vested on January 1, 2015.
- (6) These options were granted effective January 1, 2013 and were fully vested on January 1, 2016.
- (7) These options were granted effective May 20, 2013 in connection with Mr. Gallagher's promotion to Vice President - Finance and Chief Financial Officer and were fully vested on May 20, 2016.
- (8) These options were granted effective January 1, 2010 and were fully vested on January 1, 2013.
- (9) These options were granted effective January 1, 2011 and were fully vested on January 1, 2014.
- (10) These options were granted effective April 1, 2013 in connection with Mr. Walsh's promotion to Chief Executive Officer in 2013 and were fully vested on April 1, 2016.
- (11) These options were granted effective January 1, 2015. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on January 1, 2018.
- (12) These options were granted effective April 23, 2012 in connection with the commencement of Ms. Gaudiosi's employment and were fully vested on April 23, 2015.
- (13) These options were granted effective March 23, 2015. These options vest 33 1/3 percent on each anniversary of the grant date and will be fully vested on March 23, 2018.

(14) The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 1, 2014. The performance measurement period for these restricted units is January 1, 2014 through December 31, 2016. The value of the number of units that may be earned at the end of the performance period is based on 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, 2017. As of October 31, 2016, AmeriGas Partners' TUR ranking (3rd out of 40 companies) qualified for 200% leverage of the target number of performance units originally granted. See COMPENSATION DISCUSSION AND ANALYSIS - Long-Term Compensation - Fiscal 2016 Equity Awards for more information on the TUR performance goal measurements.

The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 1, 2014. The performance measurement period for these performance units is January 1, 2014 through December 31, 2016. The value of the number of restricted units that may be earned at the end of the performance period is based on the AmeriGas Partners' TUR relative to that of each of the other two retail propane distribution companies included in the Alerian MLP Index as of the first day of the performance measurement period. No payout will occur unless AmeriGas Partners has the highest TUR for the performance period as compared to the other (15) companies in the Propane MLP Group. The target and maximum award, equivalent to 150 percent of the number of performance units, will be payable if AmeriGas Partners has the highest TUR of the companies comprising the Propane MLP Group. The restricted units will be payable, if at all, on January 1, 2017. As of October 31, 2016, AmeriGas Partners' TUR ranked first in the Propane MLP Group, qualifying for 150% leverage of the target number of performance units originally granted. See COMPENSATION DISCUSSION AND ANALYSIS - Long-Term Compensation - Fiscal 2016 Equity Awards for more information on the TUR performance goal measurements.

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The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 21, 2015. The performance measurement period for these units is January 1, 2015 through December 31, 2017. The value of the number of units that 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, and then modified based on AmeriGas Partners' three-year TUR relative to the TUR of the other companies in the Propane MLP Group. The actual number of 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. This number is then modified as follows: (i) if AmeriGas Partners' TUR ranks first in the Propane MLP Group for the three-year period, then the performance unit payout will be leveraged at 130%; (ii) if AmeriGas Partners' TUR ranks second in the Propane MLP Group for the three-year period, then the performance unit payout will be leveraged at 100%; and (iii) if AmeriGas Partners' TUR ranks third in the Propane MLP Group for the three-year period, then the performance unit payout will be leveraged at 70%. The overall payout is capped at 200% of the target number of performance units awarded. The performance units will be payable, if at all, on January 1, 2018. See COMPENSATION DISCUSSION AND ANALYSIS - Long-Term Compensation - Fiscal 2016 Equity Awards for more information on the TUR performance goal measurements.

The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 21, 2015. The performance measurement period for these units is October 1, 2014 through September 30, 2017, but payable, if at all, on January 1, 2018. The value of the number of units that may be earned at the end of the performance period is based on AmeriGas Partners' customer gain/loss performance during the three-year performance period, but measured based on annual targets, each with a one-third weighting. The annual amounts are then subject to adjustment depending on the overall achievement of cumulative three-year performance goals. If the three-year cumulative customer gain/loss goal is exceeded, then each year's individual result will be multiplied by 130%. If the three-year cumulative customer gain/loss goal is not met, then each year's individual result will be multiplied by 70%. The overall payout is capped at 200% of the target number of performance units awarded. Based on customer gain/loss performance during Fiscal 2015 and Fiscal 2016, neither the year one nor year two targets were achieved. See COMPENSATION DISCUSSION AND ANALYSIS - Long-Term Compensation - Fiscal 2016 Equity Awards for more information on the performance goal measurements.

These performance units were awarded January 1, 2016. The measurement period for the performance goal is January 1, 2016 through December 31, 2018. The performance goal is the same as described in footnote 14, but it is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2019.

The amount shown relates to a target award of AmeriGas Partners performance units granted effective January 1, 2016. The performance measurement period for these performance units is October 1, 2015 through September 30, 2018, but will be payable, if at all, on January 1, 2019. The value of the number of performance units that may be earned at the end of the performance period is based on AmeriGas Partners' customer gain/loss performance during the three-year performance period. The overall payout is capped at 200 percent of the target number of performance units awarded. See COMPENSATION DISCUSSION AND ANALYSIS - Long-Term Compensation - Fiscal 2016 Equity Awards for more information on the performance goal measurements.

The amount shown relates to a target award of performance units granted effective January 1, 2014. The performance measurement period for these performance units is January 1, 2014 through December 31, 2016. The value of the number of performance units that may be earned at the end of the performance period is based on the Company's TSR relative to that of each of the companies in the Russell Midcap Utility Index, excluding telecommunications companies, 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, 2017. As of October 31, 2016, the Company's TSR ranking (4th out of 34 companies) qualified for 200% leverage of the target number of performance units originally granted. See COMPENSATION DISCUSSION AND ANALYSIS - Long-Term Compensation - Fiscal 2016 Equity Awards for more information on the TSR performance goal measurements.

These performance units were awarded January 1, 2015. The measurement period for the performance goal is (21) January 1, 2015 through December 31, 2017. The performance goal is the same as described in footnote 20, but is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2018.

These performance units were awarded January 1, 2016. The measurement period for the performance goal is (22) January 1, 2016 through December 31, 2018. The performance goal is the same as described in footnote 20, but is measured for a different three-year period. The performance units will be payable, if at all, on January 1, 2019.

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These performance units were awarded March 23, 2015. The measurement period for the performance goal is (23) January 1, 2015 through December 31, 2017. The performance goal is the same as described in footnote 16. The performance units will be payable, if at all, on January 1, 2018.

These performance units were awarded March 23, 2015. The performance measurement period for these units is (24) October 1, 2015 through September 30, 2017. The performance goal is the same as described in footnote 17. The performance units will be payable, if at all, on January 1, 2018.

Option Exercises and Stock Vested Table — Fiscal 2016

The following table sets forth (1) the number of shares of UGI common stock acquired by the named executive officers in Fiscal 2016 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. Sheridan and Gallagher, the number of AmeriGas Partners performance units previously granted that vested in Fiscal 2016, and (4) for Mr. Walsh and Ms. Gaudiosi, the number of UGI performance units previously granted that vested in Fiscal 2016. For Messrs. Sheridan and Gallagher, the value realized was based on the closing price on the NYSE for AmeriGas Partners Common Units, and for Mr. Walsh and Ms. Gaudiosi, the value realized was based on the closing price on the NYSE for shares of UGI common stock, on the vesting date. For Mr. Gallagher, 6,775 UGI performance units, with a value of \$228,724, vested in Fiscal 2016 and are included in the table below. These performance units were granted to Mr. Gallagher in Fiscal 2013 for his service as Treasurer of UGI Corporation.

| Name | Option Awards | | Stock/Unit Awards | |
|-----------------|---------------------------------------|----------------------------|--|---------------------------|
| | Number of Shares Acquired on Exercise | Value Realized on Exercise | Number of Shares/Units Acquired on Vesting | Value Realized on Vesting |
| (a) | (b) | (c) | (d) | (e) |
| J. E. Sheridan | 64,125 | 1,069,983 | 23,156 | 793,556 |
| H. J. Gallagher | 0 | 0 | 8,562 | 289,964 |
| J. L. Walsh | 100,000 | 2,372,500 | 129,624 | 4,376,106 |
| M. M. Gaudiosi | 0 | 0 | 29,460 | 994,570 |
| A. D. Rosback | 0 | 0 | 0 | 0 |

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, 2016 and any payments made to the named executive officers in Fiscal 2016 under those plans.

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Pension Benefits Table — Fiscal 2016

| Name | Plan Name | Number of Years Credited Service | Present Value of Accumulated Benefit | Payments During Last Fiscal Year |
|---------------------|--------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| (a) | (b) | (c) | (d) | (e) |
| J. E. Sheridan (1) | None | 0 | 0 | 0 |
| H. J. Gallagher (2) | UGI Utilities Retirement Income Plan | 11 | 379,088 | 0 |
| | UGI SERP | 11 | 17,382 | 0 |
| J. L. Walsh | UGI SERP | 11 | 7,270,402 | 0 |
| | UGI Utilities Retirement Income Plan | 11 | 722,078 | 0 |
| M. M. Gaudiosi (1) | None | 0 | 0 | 0 |
| A. D. Rosback (1) | None | 0 | 0 | 0 |

(1) Messrs. Sheridan and Rosback and Ms. Gaudiosi do not participate in any defined benefit pension plan.

(2) Mr. Gallagher has a vested annual benefit amount under the UGI Utilities, Inc. Retirement Plan based on prior credited service of approximately \$37,100. Mr. Gallagher is 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 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 2016, the limit on the compensation that may be used is \$265,000 and the limit on annual benefits payable for an employee retiring at age 65 in 2016 is \$210,000. 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.

Mr. Walsh is currently eligible for early retirement benefits under the Pension Plan.

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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 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, 2016. 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 that, 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, 2016 | September 30, 2015 |
|---|--|--|
| Discount rate for Pension Plan for all purposes and for SERP, for pre-commencement calculations | 3.80% (Pension Plan) 3.00% (SERP) | 4.60% (Pension Plan and SERP) |
| SERP lump sum rate | 2.40% for applicable pre-2004 service; 1.60% for other service | 2.70% for applicable pre-2004 service; 2.10% for other service |
| Retirement age: | 62 | 62 |
| Postretirement mortality for Pension Plan | RP-2014 blue collar table, adjusted to 2006 using MP-2014 with rates then decreased by 4.3%; projected forward on a generational basis using Scale BB-2D | RP-2014 blue collar table, adjusted to 2006 using MP-2014 with rates then decreased by 4.3%; projected forward on a generational basis using Scale BB-2D |
| 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 |

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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 UGI Corporation Supplemental Savings Plan (“SSP”), and the 2009 UGI Corporation Supplemental Executive Retirement Plan for New Employees (“2009 UGI SERP”).

Nonqualified Deferred Compensation Table — Fiscal 2016

| Name | Plan Name | Executive Contributions in Last Fiscal Year | Employer Contributions in Last Fiscal Year | Aggregate Earnings in Last Fiscal Year | Aggregate Withdrawals/ Distributions | Aggregate Balance at Last Fiscal Year |
|-----------------|---------------|---|--|--|--------------------------------------|---------------------------------------|
| (a) | (b) | (\$) | (\$) | (\$) | (\$) | (\$)(4) |
| (a) | (b) | (b) | (c) | (d) | (e) | (f) |
| J. E. Sheridan | AmeriGas SERP | 0 | 40,858 | (1)22,014 | 0 | 634,122 |
| H. J. Gallagher | AmeriGas SERP | 0 | 19,089 | (1)1,587 | 0 | 68,436 |
| J. L. Walsh | SSP | 0 | 55,662 | (2)3,866 | 0 | 427,703 |
| M. M. Gaudiosi | 2009 UGI SERP | 0 | 55,339 | (3)10,396 | 0 | 235,134 |
| A. D. Rosback | AmeriGas SERP | 0 | 23,463 | (1)533 | 0 | 15,940 |

- (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 2016 in the “All Other Compensation” column.
- (2) This amount represents the employer contribution to the named executive officer under the SSP which is also reported in the Summary Compensation Table - Fiscal 2016 in the “All Other Compensation” column.
- (3) This amount represents the employer contribution to the named executive officer under the 2009 UGI SERP which is also reported in the Summary Compensation Table - Fiscal 2016 in the “All Other Compensation” column.
- (4) The aggregate balances do not include the Company contributions for Fiscal 2016 set forth in column (c) since the Company contributions occur after fiscal year-end.

The AmeriGas SERP 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 (\$265,000 in 2016) 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 Corporation 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.”

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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 Corporation 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 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 limit for plan year 2016 was \$265,000. 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 and 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.

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 Pension Plan, having been hired on or after January 1, 2009. Under the 2009 UGI SERP, the Company 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 (\$265,000 in plan year 2016) and 10 percent of compensation in excess of such limit. In addition, if any portion of the Company’s matching contribution under the UGI Utilities, Inc. 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 UGI Utilities, Inc. 401(k) Savings Plan, other than the UGI Corporation 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 2009 UGI SERP may be deferred in accordance with the UGI Corporation 2009 Deferral Plan. See Compensation Discussion and Analysis - UGI Corporation 2009 Deferral Plan. 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, Gallagher, and Rosback, 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 dismissal of an executive due to (i) misappropriation of funds, (ii) conviction of a felony or crime involving moral turpitude, (iii) material breach of the General Partner's code of conduct or other written employment policies, (iv) breach of a written restrictive covenant agreement, (v) gross misconduct in the performance of his or her duties, or (vi) the intentional refusal or failure to perform his or her material 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 may receive an annual bonus for his year of termination, subject to the Committee's discretion and not to exceed the amount of his or her bonus under the Annual Bonus Plan, pro-rated for the number of months served in the fiscal year prior to

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termination. 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 or she 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 the participant were an active employee), provided continued medical and dental coverage would not result in adverse tax consequences to the participant or the General Partner and its affiliates and is permitted under the applicable medical and dental plans. 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, if eligible, are entitled to receive reimbursement for tax preparation services for the final year of employment.

In order to receive benefits under the AmeriGas Severance Plan, a participant is required to execute a release that 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 Mr. Walsh and Ms. Gaudiosi, 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 dismissal of an executive due to (i) misappropriation of funds, (ii) conviction of a felony or crime involving moral turpitude, (iii) material breach of the General Partner's code of conduct or other written employment policies, (iv) breach of a written restrictive covenant agreement, (v) gross misconduct in the performance of his or her duties, or (vi) the intentional refusal or failure to perform his or her material duties. Except as provided herein, the UGI Severance Plan provides for cash payments equal to a participant's compensation for a Continuation Period ranging from 6 months to 18 months. In the case of Mr. Walsh, the Continuation Period is 30 months. In addition, a participant may receive an annual bonus for his or her year of termination, subject to the Committee's discretion and not to exceed the amount of his or her bonus under the Annual Bonus Plan, pro-rated for the number of months served in the fiscal year prior to termination. 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 or she 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), provided continued medical and dental coverage would not result in adverse tax consequences to the participant or UGI and its affiliates and is permitted under the applicable medical and dental plans. 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, if eligible, are entitled to receive reimbursement for tax preparation services for their final year of employment under the UGI Severance Plan.

In order to receive benefits under the UGI Severance Plan, a participant is required to execute a release that 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, Gallagher, and Rosback 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 such agreement. In the absence of a change in control or termination by the General Partner, each agreement will terminate when, for

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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, Gallagher, and Rosback with cash 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, Gallagher, and Rosback 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. Gallagher and Rosback. 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, Gallagher, and Rosback 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, Gallagher, and Rosback would also receive their benefits under the AmeriGas SERP calculated as if he had continued in employment for 3 years as to Mr. Sheridan or 2 years, as to Messrs. Gallagher and Rosback. In addition, outstanding performance units, stock units and dividend equivalents will only be paid for a qualifying termination of employment and 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, and (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 2016."

AmeriGas Propane discontinued the use of a tax gross-up in November of 2010 and, as a result, the benefits for Messrs. Sheridan, Gallagher, and Rosback 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.

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In order to receive benefits under his change in control agreement, each named executive is required to execute a release that 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. Each of Mr. Walsh and Ms. Gaudiosi has an agreement with UGI which provides benefits in the event of a change in control. The agreement has 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, the agreement will terminate when, for any reason, the executive terminates his 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 Mr. Walsh and Ms. Gaudiosi with cash benefits if UGI terminates his or her employment without "cause" or if he or she 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 Mr. Walsh and Ms. Gaudiosi will be as specified under his or her 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 Mr. Walsh's and Ms. Gaudiosi's respective base salary and annual bonus. Each executive would also receive the cash equivalent of his or her target bonus, prorated for the number of months served in the fiscal year. In addition, Mr. Walsh and Ms. Gaudiosi are each entitled to receive a payment equal to the cost he or she would incur if he or she enrolled in UGI's medical and dental plans for 3 years (less the amount he or she would be required to contribute for such coverage if he or she were an active employee). Mr. Walsh and Ms. Gaudiosi would also have benefits under UGI's Supplemental Executive Retirement Plan calculated as if he or she had continued in employment for 3 years. In addition, outstanding performance units, stock units and dividend equivalents will only be paid for a qualifying termination of employment and 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, and (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 2016."

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 Mr. 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 2010 for executives (including Ms. Gaudiosi) who enter into change in control agreements subsequent thereto.

In order to receive benefits under his or her change in control agreement, Mr. Walsh and Ms. Gaudiosi are each required to execute a release that discharges UGI and its subsidiaries from liability for any claims he or she 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

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its subsidiaries.

Potential Payments Upon Termination or Change in Control Table — Fiscal 2016

The amounts shown in the table below assume that each named executive officer's termination was effective as of September 30, 2016 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 or her 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 2016" and the "Nonqualified Deferred Compensation Table - Fiscal 2016." There are no incremental payments in the event of voluntary resignation, termination for cause, disability or upon retirement.

Potential Payments Upon Termination or Change in Control Table - Fiscal 2016

| Name & Triggering Event | Severance Pay(\$)(1)(2) | Equity Awards with Accelerated Vesting(\$)(3) | Nonqualified Retirement Benefits(\$)(4) | Welfare & Other Benefits(\$)(5) | Total(\$) |
|---|-------------------------|---|---|---------------------------------|------------|
| J. E. Sheridan | | | | | |
| Death | | | | | |
| Involuntary | | | | | |
| Termination Without Cause | 0 | 3,235,474 | 0 | 0 | 3,235,474 |
| Termination | 1,910,343 | 5,349,973 | 0 | 71,522 | 1,981,865 |
| Termination Following Change in Control | 3,357,472 | | 252,675 | 95,977 | 9,056,097 |
| H. J. Gallagher | | | | | |
| Death | | | | | |
| Involuntary | | | | | |
| Termination Without Cause | 0 | 780,471 | 8,420 | 0 | 788,891 |
| Termination | 891,677 | 0 | 9,471 | 69,061 | 970,209 |
| Termination Following Change in Control | 1,134,861 | 1,281,376 | 80,245 | 65,415 | 2,561,897 |
| J. L. Walsh | | | | | |
| Death | | | | | |
| Involuntary | | | | | |
| Termination Without Cause | 0 | 12,606,760 | 6,278,353 | 0 | 18,885,113 |
| Termination Following Change in Control | 6,597,285 | 0 | 7,386,298 | 60,967 | 14,044,550 |
| Termination Following Change in Control | 9,299,777 | 20,509,117 | 12,368,561 | 12,906,994 | 55,084,449 |
| M. M. Gaudiosi | | | | | |
| Death | | | | | |
| Involuntary | | | | | |
| Termination Without Cause | 0 | 2,576,222 | 0 | 0 | 2,576,222 |
| Termination | 814,432 | 0 | 0 | 27,156 | 841,588 |
| Termination Following Change in Control | 2,643,497 | 4,251,474 | 210,662 | 30,307 | 7,135,940 |
| A. D. Rosback | | | | | |
| Death | | | | | |
| | 0 | 779,065 | 0 | 0 | 779,065 |
| | 528,355 | 0 | 0 | 32,473 | 560,828 |

| | | | | | |
|---|-----------|-----------|--------|--------|-----------|
| Involuntary Termination Without Cause | 1,340,843 | 1,319,375 | 87,416 | 43,383 | 2,791,017 |
| Termination Following Change in Control | | | | | |

(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 Mr. Walsh and Ms. Gaudiosi, and the AmeriGas Severance Plan for Messrs. Sheridan, Gallagher, and Rosback. 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, 2016; and (ii) performance at the greater of actual through September 30, 2016 and 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 2016” and “Non-Qualified Deferred Compensation Table - Fiscal 2016.”

(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 \$12,850,977 for Mr. Walsh in the event of a change in control.

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COMPENSATION OF DIRECTORS

The table below shows the components of director compensation for Fiscal 2016. 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 2016

| Name | Fees | | Option Awards | Non-Equity Incentive Plan Compensation | Change in Pension Value and Nonqualified Deferred Compensation | All Other Compensation | Total |
|-----------------|------------------------|----------------|---------------|--|--|------------------------|-------------|
| | Earned or Paid in Cash | Stock Awards | | | | | |
| (a) | (\$)(1) (b) | (\$)(2) (c) | (\$) (d) | (\$) (e) | Earnings (f) | (\$) (g) | (\$) (h) |
| B. R. Ford | 85,000 | 51,408 | 0 | 0 | 0 | 0 | 136,408 |
| L. R. Greenberg | 53,226 | 0 | 0 | 0 | 0 | 0 | 53,226 |
| J. R. Hartmann | 40,389 | 50,100 | 0 | 0 | 0 | 0 | 90,489 |
| W. J. Marrazzo | 90,000 | 51,408 | 0 | 0 | 0 | 0 | 141,408 |
| A. Pol | 72,500 | 51,408 | 0 | 0 | 1,079 | 0 | 124,987 |
| P. A. Ramos | 65,000 | 63,342 | 0 | 0 | 0 | 0 | 128,342 |
| M. O. Schlanger | 87,500 | 51,408 | 0 | 0 | 0 | 0 | 138,908 |
| K. R. Turner | 85,000 | 51,408 | 0 | 0 | 0 | 0 | 136,408 |

In Fiscal 2016, the General Partner paid its non-management directors, excluding Mr. Greenberg, an annual retainer of \$65,000 for Board service. It paid an additional annual retainer of \$20,000 to members of the Audit Committee, other than the chairperson. The chairperson of the Audit Committee was paid an additional annual retainer of \$25,000. The General Partner also paid an additional retainer of \$7,500 for the chairperson of the (1) Compensation/Pension and the Corporate Governance Committees and paid its Presiding Director a retainer of \$15,000 in Fiscal 2016. The General Partner pays no meeting attendance fees to its directors. Mr. Greenberg retired as Non-Executive Chairman of the Company's Board of Directors effective January 27, 2016. Mr. Greenberg received a pro-rated retainer fee for Fiscal 2016 and he received no equity compensation for his service as Non-Executive Chairman.

(2) All non-employee Directors, with the exception of Messrs. Hartmann, Ramos and Greenberg, received 1,400 Phantom Units during Fiscal 2016 as part of their annual compensation. Mr. Hartmann received a pro-rated number of Phantom Units to reflect his Board election date of March 15, 2016. Mr. Ramos received an additional 325 Phantom Units in consideration of his Board service during 2015. Mr. Ramos did not receive an equity grant in Fiscal 2015. The Phantom Units were awarded under the 2010 Plan. Each Phantom Unit represents the right to receive an AmeriGas Partners 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 Common Units and 35 percent in cash, based on the value of a Common Unit, upon retirement or termination of service unless otherwise deferred. 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 2016. For the number of Phantom Units credited to each Director's account as of September 30, 2016, 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."

Equity Ownership Guidelines for Independent Directors: All independent directors are required to hold AmeriGas Partners, L.P. units equal to five times the cash portion of their annual retainer. They have five years to meet this ownership threshold.

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12. 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, 2016. AmeriGas Propane, Inc. is the sole general partner of the Partnership.

| Title of Class | Name (1) and Address (2) of Beneficial Owner | Amount and Nature of Beneficial Ownership of Partnership Units | Percent of Class |
|----------------|--|--|------------------|
| Common Units | AmeriGas Propane, Inc. | 23,756,882 | 26% |

AmeriGas Propane, Inc. is a wholly-owned subsidiary of AmeriGas, Inc. and AmeriGas, Inc. is a wholly-owned (1) subsidiary of UGI Corporation. By virtue of these relationships, AmeriGas, Inc. and UGI Corporation are also beneficial owners of the Partnership Common Units set forth in the above table.

(2) The address of each of AmeriGas Propane, Inc. and UGI Corporation is 460 North Gulph Road, King of Prussia, PA 19406. The address of AmeriGas, Inc. is 2525 N. 12th Street, Suite 360, Reading, PA 19612.

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

The table below sets forth, as of October 1, 2016, 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 (8) |
|--------------------------|---|---|
| J. E. Sheridan | 51,327 | (2) 0 |
| H. J. Gallagher | 9,294 | 0 |
| M. M. Gaudiosi | 0 | 0 |
| A. D. Rosback | 236 | 0 |
| J. L. Walsh | 12,000 | (3) 0 |
| B. R. Ford | 1,550 | (4) 4,380 |
| J. R. Hartmann | 0 | 1,200 |
| W. J. Marrazzo | 1,000 | (5) 7,723 |

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| | | |
|--|--------|----------------------|
| A. Pol | 0 | 5,545 |
| P. A. Ramos | 0 | 1,725 |
| M. O. Schlanger | 1,000 | ⁽⁶⁾ 7,723 |
| K. R. Turner | 6,500 | ⁽⁷⁾ 6,307 |
| Directors and executive officers as a group (14 persons) | 85,588 | 34,603 |

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(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.

Mr. Ford's Units are held in the following manner: (i) 1,200 Units are held jointly with his spouse; (ii) 50 Units are held jointly with Colleen Ford; (iii) 50 Units are held jointly with Kevin Ford; (iv) 50 Units are held jointly with Brandon Ford; and (v) 200 Units are held jointly with Brian Ford, Jr.

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

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

(7) 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.

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

Equity Compensation Plan Information

The following table sets forth information as of the end of Fiscal 2016 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 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 | 210,549 | 0 | 2,348,046 ⁽¹⁾ |
| Equity compensation plans not approved by security holders | | | |
| Total | 210,549 | | |

(1) Securities are issued under the 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 2016.

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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 2016, these costs totaled approximately \$557.0 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 stop loss medical coverage of \$0.7 million 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. In addition, pursuant to an Asset Sale and Purchase Agreement, on October 13, 2014, AmeriGas OLP purchased from UGI HVAC Enterprises, Inc. (“HVAC”), a second-tier, wholly owned subsidiary of UGI, a residential heating, ventilation, air conditioning, plumbing and related services business. In connection with this transaction, AmeriGas OLP entered into a Shared Services Agreement whereby HVAC provides certain accounting and administrative services to the Partnership with respect to the business purchased. 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 2016, the Partnership incurred approximately \$22.0 million for the services referred to in this paragraph.

AmeriGas OLP purchases propane from UGI Energy Services, LLC and its subsidiaries (“Energy Services”), which are affiliates of UGI. There were no purchases of propane by AmeriGas OLP from Energy Services in Fiscal 2016. The Partnership sold propane to certain affiliates of UGI which totaled approximately \$339,383 in Fiscal 2016. The highest amounts due from affiliates of the Partnership during Fiscal 2016 and at November 1, 2016 were \$3.6 million and \$3.7 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

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Independence.”

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed by Ernst & Young LLP, the Company’s independent registered public accounting firm in Fiscal 2016 and Fiscal 2015, were as follows:

| | 2016 | 2015 |
|----------------------------------|-------------|-------------|
| Audit Fees(1) | \$2,236,133 | \$1,568,070 |
| Audit-Related Fees(2) | 60,000 | 0 |
| Tax Fees | \$— | 0 |
| All Other Fees | 0 | 0 |
| Total Fees for Services Provided | \$2,296,133 | \$1,568,070 |

Audit Fees for Fiscal 2016 and Fiscal 2015 were for audit services, including (i) the annual audit of the consolidated financial statements of the Partnership, (ii) review of the interim financial statements included in the (1) Quarterly Reports on Form 10-Q of the Partnership, and (iii) 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) Audit-Related Fees for Fiscal 2016 were for audits of subsidiary financial statements and debt compliance letters. In the course of its meetings, the Audit Committee considered whether the provision by Ernst & Young LLP of the professional services described under “Tax Fees” was compatible with Ernst & Young LLP’s independence. The Committee concluded that the independent auditor was 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 Company’s independent accountants. In recognition of this responsibility, the Audit Committee has a policy of pre-approving audit and permissible non-audit services provided by the independent accountants. The Audit Committee has also delegated approval authority to its Chair, such authority to be exercised in the intervals between meetings, in accordance with the Audit Committee’s pre-approval policy.

Prior to engagement of the Company’s independent accountants for the next year’s audit, management submits a list of services and related fees expected to be rendered during that year within each of the four categories of services noted above to the Audit Committee for approval.

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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 Annual Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm (on Internal Control over Financial Reporting) - Ernst & Young LLP

Report of Independent Registered Public Accounting Firm (on Consolidated Financial Statements and Schedules) - Ernst & Young LLP

Report of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP

Consolidated Balance Sheets as of September 30, 2016 and 2015

Consolidated Statements of Operations for the years ended September 30, 2016, 2015 and 2014

Consolidated Statements of Comprehensive Income for the years ended September 30, 2016, 2015 and 2014

Consolidated Statements of Cash Flows for the years ended September 30, 2016, 2015 and 2014

Consolidated Statements of Partners' Capital for the years ended September 30, 2016, 2015 and 2014

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

I — Condensed Financial Information of Registrant (Parent Company)

II — Valuation and Qualifying Accounts for the years ended September 30, 2016, 2015 and 2014

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

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| Exhibit No. | Exhibit | Registrant | Filing | Exhibit |
|-------------|--|-------------------------|---|---------|
| 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 |
| 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 |

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Incorporation by Reference

| Exhibit No. | Exhibit | Registrant | Filing | Exhibit |
|-------------|--|-------------------------|---------------------|---------|
| 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 |
| 2.7 | Amendment to Contribution and Redemption Agreement, dated as of October 15, 2011, by an among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P., dated as of March 20, 2013. | AmeriGas Partners, L.P. | Form 10-Q (3/31/13) | 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 | Amendment No. 2 to Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. dated as of July 27, 2015. | AmeriGas Partners, L.P. | Form 8-K (7/27/15) | 3.1 |
| 3.4 | 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 | [Intentionally Omitted] | | | |
| 4.3 | [Intentionally Omitted] | | | |
| 4.4 | [Intentionally Omitted] | | | |
| 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 |
| 10.1** | UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of September 5, 2014. | UGI | Form 10-K (9/30/16) | 10.25 |
| 10.2** | UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of September 5, 2014 - Terms and Conditions as effective January 1, 2016. | UGI | Form 10-K (9/30/16) | 10.26 |

10.3** UGI Corporation Senior Executive Employee Severance Plan, as amended and restated as of November 16, 2012. UGI

Form 10-Q
(6/30/13) 10.1

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Incorporation by Reference

| Exhibit No. | Exhibit | Registrant | Filing | Exhibit |
|-------------|--|-------------------------|---------------------|---------|
| 10.4** | UGI Corporation Executive Employee Severance Plan, as amended and restated as of November 16, 2012. | UGI | Form 10-Q (6/30/13) | 10.2 |
| 10.5** | UGI Corporation Executive Annual Bonus Plan effective as of October 1, 2006, as amended November 16, 2012. | UGI | Form 10-Q (3/31/13) | 10.14 |
| 10.6** | 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 |
| *10.7** | AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. effective January 1, 2016 - Terms and Conditions. | | | |
| 10.8** | AmeriGas Propane, Inc. Senior Executive Employee Severance Plan, as amended and restated as of November 15, 2012. | AmeriGas Partners, L.P. | Form 10-Q (6/30/13) | 10.1 |
| 10.9** | AmeriGas Propane, Inc. Executive Employee Severance Plan, as amended and restated as of November 15, 2012. | AmeriGas Partners, L.P. | Form 10-Q (6/30/13) | 10.2 |
| 10.10** | AmeriGas Propane, Inc. Executive Annual Bonus Plan, effective as of October 1, 2006, as amended November 15, 2012. | AmeriGas Partners, L.P. | Form 10-Q (3/31/13) | 10.9 |
| 10.11** | UGI Corporation 2013 Omnibus Incentive Compensation Plan, effective as of September 5, 2014. | UGI | Form 10-K (9/30/16) | 10.30 |
| 10.12** | Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Nonqualified Stock Option Grant Letter for Non Employee Directors, dated January 28, 2016. | UGI | Form 10-Q (3/31/16) | 10.3 |
| 10.13** | UGI Corporation 2013 Omnibus Incentive Compensation Plan, effective as of September 5, 2014 - Terms and Conditions for Non-Employee Directors effective January 1, 2016. | UGI | Form 10-K (9/30/16) | 10.31 |
| 10.14** | UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan, as Amended and Restated effective November 22, 2013. | UGI | Form 10-Q (3/31/14) | 10.3 |
| 10.15** | UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees, as Amended and Restated effective July 26, 2016. | UGI | 10-K (9/30/16) | 10.29 |
| 10.16** | UGI Corporation 2009 Deferral Plan, as Amended and Restated, effective January 24, 2014. | UGI | Form 10-Q (3/31/14) | 10.5 |
| 10.17** | Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Performance Unit Grant Letter for UGI Employees, dated January 1, 2016. | UGI | Form 10-Q (3/31/16) | 10.1 |
| 10.18** | Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Stock Unit Grant Letter for Non Employee Directors, dated January 28, 2016. | UGI | Form 10-Q (3/31/16) | 10.2 |
| 10.19** | Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Nonqualified Stock Option Grant Letter for UGI Employees, dated January 1, 2016. | UGI | Form 10-Q (3/31/16) | 10.4 |
| 10.20** | Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Nonqualified Stock Option Grant Letter for AmeriGas Employees, dated January 1, 2016. | AmeriGas Partners, L.P. | Form 10-Q (3/31/16) | 10.1 |
| 10.21** | Form of AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter for Employees dated January 1, 2016. | AmeriGas Partners, L.P. | Form 10-Q (3/31/16) | 10.2 |
| 10.22** | | | | 10.3 |

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Form of AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on AmeriGas Form 10-Q
Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter for Non Partners, L.P. (3/31/16)
Employee Directors, dated January 27, 2016.

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Incorporation by Reference

| Exhibit No. | Exhibit | Registrant | Filing | Exhibit |
|-------------|---|-------------------------|----------------------|---------|
| 10.23** | AmeriGas Propane, Inc. Non-Qualified Deferred Compensation Plan, as Amended and Restated, effective November 22, 2013. | AmeriGas Partners, L.P. | Form 10-Q (3/31/14) | 10.4 |
| *10.24** | AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as Amended and Restated effective July 25, 2016. | | | |
| 10.25** | Description of oral compensation arrangement for Mr. John L. Walsh. | UGI | Form 10-K (9/30/16) | 10.10 |
| *10.26** | Description of oral compensation arrangement for Messrs. Jerry E. Sheridan, Hugh J. Gallagher and Anthony D. Rosback. | | | |
| 10.27** | Description of oral compensation arrangement for Ms. Monica M. Gaudiosi. | UGI | Form 10-K (9/30/16) | 10.10 |
| *10.28** | Summary of Director Compensation of AmeriGas Propane, Inc. dated October 1, 2016. | | | |
| 10.29** | Form of Change in Control Agreement Amended and Restated as of May 12, 2008 for Mr. Walsh. | UGI | Form 10-Q (6/30/08) | 10.3 |
| 10.30** | 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 |
| 10.31** | Change in Control Agreement for Monica M. Gaudiosi dated as of April 23, 2012. | UGI | Form 10-Q (6/30/12) | 10.1 |
| 10.32** | Form of Change in Control Agreement for Messrs. Hugh J. Gallagher and Anthony D. Rosback. | AmeriGas Partners, L.P. | Form 10-K (9/30/13) | 10.39 |
| 10.33** | Form of Confidentiality and Post-Employment Activities Agreement with AmeriGas Propane, Inc. for Messrs. Hugh J. Gallagher, Jerry E. Sheridan and Anthony D. Rosback. | AmeriGas Partners, L.P. | Form 10-K (9/30/09) | 10.29 |
| 10.34 | 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 |
| 10.35 | First Amendment, dated as of November 18, 2015, to Trademark License Agreement, dated April 19, 1995, by and among UGI Corporation, AmeriGas, Inc., AmeriGas Propane, Inc., AmeriGas Partners, L.P., and AmeriGas Propane, L.P. | AmeriGas Partners, L.P. | Form 10-K (9/30/15) | 10.40 |
| 10.36 | 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 |
| 10.37 | [Intentionally Omitted] | | | |
| 10.38 | Contingent Residual 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 |
| 10.39 | Amendment to Contingent Residual 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, dated as of March 20, 2013. | AmeriGas Partners, L.P. | Form 10-Q (3/31/13) | 10.1 |

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| | | | | |
|-------|--|-------------------------|--------------------|------|
| 10.40 | 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 |
|-------|--|-------------------------|--------------------|------|

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Incorporation by Reference

| Exhibit No. | Exhibit | Registrant | Filing | Exhibit |
|-------------|---|-------------------------|------------------------|---------|
| 10.41 | Amended and Restated Credit Agreement dated as of June 18, 2014 by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Book Manager, and the other financial institutions from time to time party thereto. | AmeriGas Partners, L.P. | Form 8-K (6/18/14) | 10.1 |
| 10.42 | Amendment to Contingent Residual Support Agreement dated June 20, 2016, 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 (6/20/16) | 10.1 |
| 10.43 | Amendment No. 1 dated as of June 20, 2016 to Amended and Restated Credit Agreement dated June 18, 2014 by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as 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 the other financial institutions from time to time party thereto. | AmeriGas Partners, L.P. | Form 8-K (6/20/16) | 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. | | | |
| *23.1 | Consent of Ernst & Young LLP. | | | |
| *23.2 | 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, 2016 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | |
| *31.2 | Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2016 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | |
| *32 | Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2016, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | |
| *99.1 | 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 | | | |
| * | Filed herewith. | | | |
| ** | As required by Item 15(a)(3), this exhibit is identified as a compensatory plan or arrangement. | | | |

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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 22, 2016 By: /s/ Hugh J. Gallagher

Hugh J. Gallagher
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 22, 2016, 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/ Hugh J. Gallagher Hugh J. Gallagher | Vice President - Finance and Chief Financial Officer (Principal Financial Officer) |
| /s/ Laurie A. Bergman Laurie A. Bergman | Controller and Chief Accounting Officer (Principal Accounting Officer) |
| /s/ John L. Walsh John L. Walsh | Chairman and Director |
| /s/ Brian R. Ford Brian R. Ford | Director |
| /s/ John R. Hartmann John R. Hartmann | Director |
| /s/ William J. Marrazzo William J. Marrazzo | Director |
| /s/ Anne Pol Anne Pol | Director |
| /s/ Pedro A. Ramos Pedro A. Ramos | Director |

/s/ Marvin O. Schlanger

Director

Marvin O. Schlanger

/s/ K. Richard Turner

Director

K. Richard Turner

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
FINANCIAL INFORMATION
FOR INCLUSION IN ANNUAL REPORT ON FORM 10-K
YEAR ENDED SEPTEMBER 30, 2016

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

| | Pages |
|---|--------------|
| Financial Statements: | |
| <u>Management’s Annual Report on Internal Control over Financial Reporting</u> | <u>F- 3</u> |
| <u>Report of Independent Registered Public Accounting Firm (on Internal Control over Financial Reporting) - Ernst & Young LLP</u> | <u>F- 4</u> |
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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.

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General Partner's Reports

Financial Statements

The Partnership's consolidated financial statements and other financial information contained in this Annual Report were 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 ("GAAP") 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 four members, each of whom is independent and a non-employee director of the General Partner. The Committee is responsible for monitoring and overseeing the financial reporting process, the adequacy of internal accounting controls, the independence and performance of the Partnership's independent registered accounting firm and internal auditors. The Committee meets regularly, with and without management present, with the independent registered accounting firm and the internal auditors, both of which report directly to the Committee. In addition, the Committee provides regular reports to the Board of Directors.

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, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. 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 as of September 30, 2016, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013 Framework").

Internal control over financial reporting refers to the process, designed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, and effected by the General Partners' Board of Directors, 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 GAAP and includes policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Partnership; (2) 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 Partnership are being made only in accordance with authorizations of management and directors of the General Partner; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Partnership'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 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, 2016, based on the COSO 2013 Framework. Ernst & Young LLP, our independent registered public accounting firm, has audited the effectiveness of the Partnership's internal control over financial reporting as of September 30, 2016, as stated in their report, which appears herein.

/s/ Jerry E. Sheridan

Chief Executive Officer

/s/ Hugh J. Gallagher

Chief Financial Officer

/s/ Laurie A. Bergman

Chief Accounting Officer

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Report of Independent Registered Public Accounting Firm

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

We have audited AmeriGas Partners, L.P. and subsidiaries' internal control over financial reporting as of September 30, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). AmeriGas Partners, L.P. and subsidiaries' management is responsible 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 Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, AmeriGas Partners, L.P. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 30, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of AmeriGas Partners, L.P. and subsidiaries as of September 30, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, cash flows and partners' capital for each of the two years in the period ended September 30, 2016 and our report dated November 22, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
November 22, 2016

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Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of AmeriGas Partners, L.P. and subsidiaries as of September 30, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, cash flows and partners' capital for each of the two years in the period ended September 30, 2016. Our audits also included the financial statement schedules listed in the Index at Item 15(a). These financial statements and schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and schedules based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AmeriGas Partners, L.P. and subsidiaries at September 30, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the two years in the period ended September 30, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AmeriGas Partners, L.P. and subsidiaries' internal control over financial reporting as of September 30, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 22, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
November 22, 2016

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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 consolidated statements of operations, of comprehensive income, of partners' capital and of cash flows for the year ended September 30, 2014 present fairly, in all material respects, the results of operations and cash flows of AmeriGas Partners, L.P. and its subsidiaries for the year ended September 30, 2014, 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 as Item 15(a)(2) for the year ended September 30, 2014 present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audit. We conducted our audit of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 26, 2014

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)

| | September 30, | |
|---|---------------|-------------|
| | 2016 | 2015 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$15,827 | \$14,757 |
| Accounts receivable (less allowances for doubtful accounts of \$11,436 and \$12,257, respectively) | 182,665 | 199,067 |
| Accounts receivable — related parties | 2,643 | 2,360 |
| Inventories | 78,823 | 93,934 |
| Derivative instruments | 7,994 | — |
| Prepaid expenses | 22,757 | 21,519 |
| Insurance indemnification receivable | 16,818 | 18,958 |
| Other current assets | 16,921 | 15,766 |
| Total current assets | 344,448 | 366,361 |
| Property, plant and equipment (less accumulated depreciation and amortization of \$1,499,396 and \$1,369,733, respectively) | 1,274,557 | 1,324,327 |
| Goodwill | 1,978,981 | 1,956,688 |
| Intangible assets | 411,319 | 433,713 |
| Derivative instruments | 1,166 | — |
| Other assets | 47,299 | 39,063 |
| Total assets | \$4,057,770 | \$4,120,152 |
| LIABILITIES AND PARTNERS' CAPITAL | | |
| Current liabilities: | | |
| Current maturities of long-term debt | \$8,475 | \$9,679 |
| Short-term borrowings | 153,200 | 68,100 |
| Accounts payable — trade | 94,007 | 101,588 |
| Accounts payable — related parties | 2,759 | 445 |
| Employee compensation and benefits accrued | 40,793 | 57,961 |
| Interest accrued | 40,106 | 48,693 |
| Customer deposits and advances | 119,319 | 117,087 |
| Derivative instruments | 381 | 47,507 |
| Other current liabilities | 129,415 | 95,234 |
| Total current liabilities | 588,455 | 546,294 |
| Long-term debt | 2,325,334 | 2,252,257 |
| Derivative instruments | 36 | 7,670 |
| Other noncurrent liabilities | 124,736 | 113,558 |
| Total liabilities | 3,038,561 | 2,919,779 |
| Commitments and contingencies (Note 12) | | |
| Partners' capital: | | |
| AmeriGas Partners, L.P. partners' capital: | | |
| Common unitholders (units issued — 92,923,410 and 92,889,980, respectively) | 967,073 | 1,145,291 |
| General partner | 17,148 | 18,925 |
| Total AmeriGas Partners, L.P. partners' capital | 984,221 | 1,164,216 |
| Noncontrolling interest | 34,988 | 36,157 |
| Total partners' capital | 1,019,209 | 1,200,373 |

| | | |
|---|-------------|-------------|
| Total liabilities and partners' capital | \$4,057,770 | \$4,120,152 |
|---|-------------|-------------|

See accompanying Notes to Consolidated Financial Statements.

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Thousands of dollars, except per unit amounts)

| | Year Ended September 30, | | |
|--|--------------------------|-------------|-------------|
| | 2016 | 2015 | 2014 |
| Revenues: | | | |
| Propane | \$2,053,160 | \$2,612,401 | \$3,440,868 |
| Other | 258,657 | 272,921 | 272,067 |
| | 2,311,817 | 2,885,322 | 3,712,935 |
| Costs and expenses: | | | |
| Cost of sales — propane (excluding depreciation shown below) | 719,842 | 1,301,167 | 2,034,592 |
| Cost of sales — other (excluding depreciation shown below) | 78,857 | 86,638 | 81,982 |
| Operating and administrative expenses | 928,786 | 953,283 | 963,963 |
| Depreciation | 146,805 | 152,204 | 154,020 |
| Amortization | 43,175 | 42,676 | 43,195 |
| Other operating income, net | (28,252) | (31,355) | (27,450) |
| | 1,889,213 | 2,504,613 | 3,250,302 |
| Operating income | 422,604 | 380,709 | 462,633 |
| Loss on extinguishments of debt | (48,889) | — | — |
| Interest expense | (164,095) | (162,842) | (165,581) |
| Income before income taxes | 209,620 | 217,867 | 297,052 |
| Income tax benefit (expense) | 1,573 | (2,898) | (2,611) |
| Net income including noncontrolling interest | 211,193 | 214,969 | 294,441 |
| Less: net income attributable to noncontrolling interest | (4,209) | (3,758) | (4,548) |
| Net income attributable to AmeriGas Partners, L.P. | \$206,984 | \$211,211 | \$289,893 |
| General partner's interest in net income attributable to AmeriGas Partners, L.P. | \$40,227 | \$32,469 | \$26,749 |
| Limited partners' interest in net income attributable to AmeriGas Partners, L.P. | \$166,757 | \$178,742 | \$263,144 |
| Income per limited partner unit — basic (Note 2) | \$1.77 | \$1.91 | \$2.82 |
| Income per limited partner unit — diluted (Note 2) | \$1.77 | \$1.91 | \$2.82 |
| Average limited partner units outstanding (thousands): | | | |
| Basic | 92,949 | 92,910 | 92,876 |
| Diluted | 93,023 | 92,977 | 92,946 |

See accompanying Notes to Consolidated Financial Statements.

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AMERIGAS PARTNERS AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Thousands of dollars)

| | Year Ended September 30, | | |
|--|--------------------------|-----------|-----------|
| | 2016 | 2015 | 2014 |
| Net income including noncontrolling interest | \$211,193 | \$214,969 | \$294,441 |
| Other comprehensive income (loss): | | | |
| Net gains on derivative instruments | — | — | 44,203 |
| Reclassifications of net gains on derivative instruments | — | (2,822) | (56,517) |
| Other comprehensive loss | — | (2,822) | (12,314) |
| Total comprehensive income including noncontrolling interest | 211,193 | 212,147 | 282,127 |
| Less: comprehensive income attributable to noncontrolling interest | (4,209) | (3,730) | (4,426) |
| Comprehensive income attributable to AmeriGas Partners, L.P. | \$206,984 | \$208,417 | \$277,701 |

See accompanying Notes to Consolidated Financial Statements.

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)

| | Year Ended | | |
|---|---------------|------------|------------|
| | September 30, | | |
| | 2016 | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income including noncontrolling interest | \$211,193 | \$214,969 | \$294,441 |
| Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities: | | | |
| Depreciation and amortization | 189,980 | 194,880 | 197,215 |
| Provision for uncollectible accounts | 11,215 | 15,800 | 26,403 |
| Loss on extinguishments of debt | 48,889 | — | — |
| Unrealized (gains) losses on derivative instruments | (66,079) | 47,841 | 9,495 |
| Other, net | 2,112 | (14,754) | (6,265) |
| Net change in: | | | |
| Accounts receivable | 3,963 | 51,613 | (15,246) |
| Inventories | 15,478 | 86,198 | (22,804) |
| Accounts payable | (5,267) | (52,975) | (16,643) |
| Other current assets | 3,895 | (10,889) | 2,429 |
| Other current liabilities | 7,564 | (8,825) | 11,045 |
| Net cash provided by operating activities | 422,943 | 523,858 | 480,070 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Expenditures for property, plant and equipment | (101,693) | (102,009) | (113,934) |
| Proceeds from disposals of assets | 14,636 | 23,816 | 19,931 |
| Acquisitions of businesses, net of cash acquired | (37,560) | (20,840) | (15,746) |
| Net cash used by investing activities | (124,617) | (99,033) | (109,749) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Distributions | (387,659) | (368,426) | (346,744) |
| Noncontrolling interest activity | (5,378) | (5,949) | (5,084) |
| Increase (decrease) in short-term borrowings | 85,100 | (40,900) | (7,900) |
| Issuance of long-term debt, net of issuance costs | 1,331,293 | — | — |
| Repayment of long-term debt, including redemption premiums | (1,321,750) | (11,808) | (12,272) |
| Proceeds associated with equity based compensation plans, net of tax withheld | 1,127 | 3,501 | 2,499 |
| Capital contributions from General Partner | 11 | 34 | 25 |
| Net cash used by financing activities | (297,256) | (423,548) | (369,476) |
| Cash and cash equivalents increase | \$1,070 | \$1,277 | \$845 |
| CASH AND CASH EQUIVALENTS: | | | |
| End of year | \$15,827 | \$14,757 | \$13,480 |
| Beginning of year | 14,757 | 13,480 | 12,635 |
| Increase | \$1,070 | \$1,277 | \$845 |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | | |
| Cash paid for interest | \$167,460 | \$158,837 | \$161,518 |

See accompanying Notes to Consolidated Financial Statements.

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(Thousands of dollars, except unit data)

| | Number of Common Units | Common unitholders | General partner | Accumulated other comprehensive income (loss) | Total AmeriGas Partners, L.P. partners' capital | Noncontrolling Interest | Total Partners' capital |
|--|------------------------------|-----------------------|--------------------|---|--|----------------------------|-------------------------------|
| Balance September 30, 2013 | 92,824,539 | \$ 1,354,187 | \$ 15,930 | \$ 14,986 | \$ 1,385,103 | \$ 39,034 | \$ 1,424,137 |
| Net income including noncontrolling interest | | 263,144 | 26,749 | | 289,893 | 4,548 | 294,441 |
| Net gains on derivative instruments | | | | 43,754 | 43,754 | 449 | 44,203 |
| Reclassification of net gains on derivative instruments | | | | (55,946) | (55,946) | (571) | (56,517) |
| Distributions | | (319,427) | (27,317) | | (346,744) | (5,084) | (351,828) |
| Unit-based compensation expense | | 2,299 | | | 2,299 | | 2,299 |
| Goodwill push-down adjustment associated with prior-year acquisition | | | 5,073 | | 5,073 | | 5,073 |
| Common Units issued in connection with employee and director plans, net of tax withheld | 42,665 | (943) | 25 | | (918) | | (918) |
| Balance September 30, 2014 | 92,867,204 | 1,299,260 | 20,460 | 2,794 | 1,322,514 | 38,376 | 1,360,890 |
| Net income including noncontrolling interest | | 178,742 | 32,469 | | 211,211 | 3,758 | 214,969 |
| Reclassification of net gains on derivative instruments | | | | (2,794) | (2,794) | (28) | (2,822) |
| Distributions | | (334,387) | (34,039) | | (368,426) | (5,305) | (373,731) |
| Unit-based compensation expense | | 2,228 | | | 2,228 | | 2,228 |
| Common Units issued in connection with employee plans, net of tax withheld | 22,776 | (552) | 35 | | (517) | | (517) |
| Distribution related to common control transaction (Note 13) | | | | | — | (644) | (644) |
| Balance September 30, 2015 | 92,889,980 | 1,145,291 | 18,925 | — | 1,164,216 | 36,157 | 1,200,373 |
| Net income including noncontrolling interest | | 166,757 | 40,227 | | 206,984 | 4,209 | 211,193 |

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| | | | | | | | |
|---|------------|------------|-----------|------|------------|-----------|-------------|
| Distributions | | (345,644) | (42,015) | | (387,659) | (5,417) | (393,076) |
| Unit-based compensation expense | | 1,242 | | | 1,242 | | 1,242 |
| General Partner contribution to AmeriGas Propane, L.P. | | | | | — | 39 | 39 |
| Common Units issued in connection with employee and director plans, net of tax withheld | 33,430 | (573) | 11 | | (562) | | (562) |
| Balance September 30, 2016 | 92,923,410 | \$967,073 | \$17,148 | \$ — | \$984,221 | \$ 34,988 | \$1,019,209 |

See accompanying Notes to Consolidated Financial Statements.

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AmeriGas Partners and Subsidiaries

Notes to Consolidated Financial Statements

(Thousands of dollars, except per unit amounts and where indicated otherwise)

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Note 1 — Nature of Operations

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Note 9 — Property, Plant and Equipment

Note 10 — Goodwill and Intangible Assets

Note 11 — Partners' Capital and Incentive Compensation Plans

Note 12 — Commitments and Contingencies

Note 13 — Related Party Transactions

Note 14 — Other Current Liabilities

Note 15 — Fair Value Measurements

Note 16 — Derivative Instruments and Hedging Activities

Note 17 — Other Operating Income, Net

Note 18 — Quarterly Data (Unaudited)

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”). AmeriGas Partners and AmeriGas OLP are Delaware limited partnerships. AmeriGas Partners, AmeriGas OLP and all of their subsidiaries are collectively referred to herein as “the Partnership” or “we.”

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

At September 30, 2016, AmeriGas Propane, Inc. (the “General Partner”), an indirect wholly owned subsidiary of UGI Corporation (“UGI”), held a 1% general partner interest in AmeriGas Partners and a 1.01% general partner interest in AmeriGas OLP. The General Partner and its wholly owned subsidiary, Petrolane Incorporated (“Petrolane,” a predecessor company of the Partnership), also owns AmeriGas Partners Common Units (“Common Units”). The remaining Common Units outstanding represents publicly held Common Units. Common Units represent limited partner interests in AmeriGas Partners. AmeriGas Partners holds a 98.99% limited partner interest in AmeriGas OLP. Effective October 1, 2016, Petrolane was merged with and into the General Partner.

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

Note 2 — Summary of 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.

Certain prior-year amounts have been reclassified to conform to the current-year presentation.

Principles of Consolidation. The consolidated financial statements include the accounts of AmeriGas Partners, its majority-owned subsidiary AmeriGas OLP, and its 100%-owned finance subsidiaries AmeriGas Finance Corp., AP Eagle Finance Corp. and AmeriGas Finance LLC. The accounts of the AmeriGas Partners' majority-owned subsidiary AmeriGas OLP are included based

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AmeriGas Partners and Subsidiaries

Notes to Consolidated Financial Statements

(Thousands of dollars, except per unit amounts and where indicated otherwise)

upon the determination that, given the Partnership's structure, AmeriGas Partners will absorb a majority of AmeriGas OLP's expected losses, will receive a majority of AmeriGas OLP's expected residual returns and is AmeriGas OLP's primary beneficiary. AmeriGas OLP includes the accounts of its wholly owned subsidiaries. We eliminate 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. The Partnership applies fair value measurements on a recurring and, as otherwise required under GAAP, also on a nonrecurring basis. 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 measurements performed on a recurring basis principally relate to derivative instruments.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). A level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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.

• 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 markets that are not active, 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.

• Level 3 — Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability.

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. We evaluate the need for credit adjustments to our derivative instrument fair values. These credit adjustments were not material to the fair values of our derivative instruments.

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

Prior to April 1, 2014, substantially all of our derivative financial instruments were designated and qualified as cash flow hedges. For cash flow hedges, changes in the fair values of derivative instruments are recorded in accumulated other comprehensive income ("AOCI") or noncontrolling interest, to the extent effective at offsetting changes in the hedged item, until earnings are affected by such hedged item. We discontinue cash flow hedge accounting if the occurrence of the forecasted transaction is determined to be no longer probable. Hedge accounting is also discontinued for derivatives that cease to be highly effective. Effective April 1, 2014, the Partnership determined that on a prospective basis, it would no longer elect cash flow hedge accounting for its commodity derivative instruments. Effective October 1, 2014, the Partnership de-designated its remaining commodity derivative instruments accounted

for as cash flow hedges. Changes in the fair values of these derivative instruments are reflected in cost of sales on the Consolidated Statements of Operations. Cash flows from derivative 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 other information, see Note 16.

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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 on behalf of customers and remitted to taxing authorities, principally sales and use taxes, on a net basis.

Accounts Receivable. Accounts receivable are reported on the Consolidated Balance Sheets at the gross outstanding amount adjusted for an allowance for doubtful accounts. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition. Provisions for uncollectible accounts are established based upon our collection experience and the assessment of the collectability of specific amounts. Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

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 AmeriGas OLP are not directly subject to federal income taxes. Instead, their taxable income or loss is allocated to their individual partners. AmeriGas OLP has 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. Comprehensive income comprises net income and other comprehensive income (loss). Prior to Fiscal 2016, other comprehensive income (loss) principally resulted from gains and losses on derivative instruments qualifying as cash flow hedges, net of reclassifications to net income.

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 net realizable value. 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; 6 to 30 years for storage and customer tanks and cylinders; and 3 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 10 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.

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. 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.

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. Estimated useful lives of definite-lived intangible assets, consisting of customer relationships and noncompete agreements, do not exceed 15 years. We review definite-lived intangible

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assets 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 more frequently if events or changes in circumstances between annual tests indicate that it is more likely than not that they are impaired) and written down to fair value, if impaired.

We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is an operating segment or one level below an 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. As permitted under GAAP, we assess qualitative factors to determine whether it is more likely than not that the fair value of the Partnership is less than its carrying amount. Among the significant factors considered in performing the qualitative assessment is the market price of AmeriGas Partners Common Units. Based upon this assessment, we determined that it is not more likely than not that the fair value of the Partnership is less than its carrying amount. During the fourth quarter of Fiscal 2016, the Partnership changed the measurement date for performing its annual goodwill impairment test from September 30 to July 31. This voluntary change in accounting principle, applied prospectively, is preferable as it aligns the annual goodwill impairment test date more closely with the Partnership's internal budgeting process and did not delay, accelerate or avoid an impairment of the Partnership's goodwill.

There were no accumulated impairment losses at September 30, 2016 and 2015 and no provisions for goodwill or other intangible asset impairments were recorded during Fiscal 2016, Fiscal 2015 or Fiscal 2014. No amortization expense of intangible assets is included in cost of sales in the Consolidated Statements of Operations. For further information, see Note 10.

Impairment of Long-Lived Assets. We evaluate long-lived assets for impairment 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. If the undiscounted future cash flows indicate that the recorded amounts are not expected to be recoverable, such long-lived assets are reduced to their estimated fair values. Estimates of fair values are generally based on recent sales of similar assets and other market indicators (Level 2). No provisions for impairments were recorded during Fiscal 2016, Fiscal 2015 or Fiscal 2014.

Deferred Debt Issuance Costs. During the fourth quarter of Fiscal 2016, we adopted new accounting guidance regarding the classification of deferred debt issuance costs (see Note 3). Deferred debt issuance costs associated with long-term debt are now reflected as a direct deduction from the carrying amount of such debt rather than as a deferred charge. Deferred debt issuance costs associated with line of credit facilities remain classified as other assets on our Consolidated Balance Sheets. We are amortizing deferred debt issuance costs over the terms of the related debt. Total deferred debt issuance costs were \$28,135 and \$23,623 at September 30, 2016 and 2015, respectively. As of September 30, 2016 and 2015, the Partnership has reflected \$26,625 and \$21,560, respectively, of such costs as a reduction to long-term debt on the Consolidated Balance Sheets.

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 on 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 date of grant 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.

Loss Contingencies Subject to Insurance. The Partnership is subject to risk of loss for general, automobile and product liability, and workers' compensation claims for which it obtains insurance coverage under insurance policies that are subject to self-insured retentions or deductibles. In accordance with GAAP, the Partnership establishes reserves for pending legal actions, and for pending and incurred but not reported claims associated with general, automobile and workers' compensation when it is probable that a

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liability exists and the amount or range of amounts can be reasonably estimated. When there is a range of possible loss with equal likelihood, liabilities recorded are based upon the low end of the range. The Partnership maintains insurance coverage such that its net exposure for claims covered by insurance would be limited to the self-insured retentions or deductibles, claims above which would be paid by the insurance carrier. For such claims, the Partnership records a receivable related to the amount of the liability expected to be paid by insurance.

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

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

| | 2016 | 2015 | 2014 |
|--|-----------|-----------|-----------|
| Net income attributable to AmeriGas Partners, L.P. | \$206,984 | \$211,211 | \$289,893 |
| Adjust for general partner share and theoretical distributions of net income attributable to AmeriGas Partners, L.P. to the general partner in accordance with the two-class method for MLPs | (42,024) | (33,845) | (27,895) |
| Common Unitholders' interest in net income attributable to AmeriGas Partners, L.P. under the two-class method for MLPs | \$164,960 | \$177,366 | \$261,998 |
| Weighted average Common Units outstanding — basic (thousands) | 92,949 | 92,910 | 92,876 |
| Potentially dilutive Common Units (thousands) | 74 | 67 | 70 |
| Weighted average Common Units outstanding — diluted (thousands) | 93,023 | 92,977 | 92,946 |

Theoretical distributions of net income attributable to AmeriGas Partners, L.P. in accordance with the two-class method for Fiscal 2016, Fiscal 2015 and Fiscal 2014 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 \$0.02, \$0.02, and \$0.01, respectively.

Potentially dilutive Common Units included in the diluted limited partner units outstanding computation reflect the effects of restricted Common Unit awards granted under the General Partner's incentive compensation plans.

Note 3 — Accounting Changes

Adoption of New Accounting Standards

Debt Issuance Costs. During the fourth quarter of Fiscal 2016, the Partnership adopted new accounting guidance regarding the classification of debt issuance costs. This new guidance amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of a deferred charge. As required by the new guidance, prior period amounts have been reclassified. See Note 2 under “Deferred Debt Issuance Costs” for a description of the impact on the Consolidated Balance Sheets.

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Accounting Standards Not Yet Adopted

Cash Flow Classification. In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments". This ASU provides guidance on the classification of certain cash receipts and payments in the statement of cash flows. The amendments in this ASU are effective for interim and annual periods beginning after December 15, 2017 (Fiscal 2019). Early adoption is permitted. The amendments in the ASU should generally be adopted on a retrospective basis. The Partnership is in the process of assessing the impact on its financial statements from the adoption of the new guidance.

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

Consolidation. In February 2015, the FASB issued ASU No. 2015-02, "Amendments to the Consolidation Analysis." This ASU provides new guidance regarding whether a reporting entity should consolidate certain types of legal entities including variable interest entities ("VIEs"). Among other things, the new guidance affects the consolidation analysis of reporting entities that are involved with VIEs and requires that, if a single decision maker and its related parties are under common control, the single decision maker consider indirect interests in the entity held through these related parties to be the equivalent of direct interests, in their entirety. In October 2016, the FASB issued ASU No. 2016-17, "Interests Held through Related Parties That Are under Common Control," to amend this guidance to provide that such indirect interests be considered the equivalent of direct interests, on a proportionate basis.

The Partnership will adopt the consolidation guidance in ASU 2015-02, as amended by ASU 2016-17, beginning with the first quarter of Fiscal 2017 (the three months ending December 31, 2016). The Partnership is in the process of assessing whether ASU 2015-02, as amended, will preclude us from continuing to consolidate AmeriGas OLP. If we cannot continue to consolidate AmeriGas OLP, beginning with the financial statements for the first quarter of Fiscal 2017, AmeriGas Partners' net investment in AmeriGas OLP will be presented in its financial statements on the equity method of accounting, and such presentation will be applied retrospectively. Under the equity method of accounting, our net investment in AmeriGas OLP will be presented as a single amount on our consolidated balance sheet, and our 98.99% share of AmeriGas OLP's net income will be presented as a single amount on our consolidated statement of operations. In addition, our consolidated statement of cash flows will reflect the cash flows of AmeriGas Partners principally comprising cash distributions from AmeriGas OLP, cash receipts and payments associated with AmeriGas Partners' debt, and distributions to Common Unitholders and the General Partner. We will also provide supplemental unaudited financial information of AmeriGas OLP in future Reports on Form 10-Q and supplemental audited financial statements of AmeriGas OLP in future Annual Reports on Form 10-K, and also include appropriate explanatory information regarding AmeriGas OLP's results of operations and financial condition, and the impact of AmeriGas OLP on our results of operations and financial condition.

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

Note 4 — Acquisitions

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, AmeriGas OLP acquired a number of domestic retail propane distribution businesses for total net cash consideration of \$37,560, \$20,840 and \$15,746, respectively. In conjunction with these acquisitions, liabilities of \$11,819 in Fiscal 2016, \$4,160 in Fiscal 2015 and \$4,491 in Fiscal 2014 were incurred. The operating results of these

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businesses have been included in our operating results from their respective dates of acquisition. The total purchase price of these acquisitions has been allocated to the assets acquired and liabilities assumed as follows:

| | 2016 | 2015 | 2014 |
|--|----------|----------|----------|
| Net current (liabilities) assets | \$(162) | \$1,609 | \$136 |
| Property, plant and equipment | 9,322 | 5,880 | 6,916 |
| Goodwill | 24,213 | 10,940 | 6,751 |
| Customer relationships and noncompete agreements (estimated useful life of 10 and 5 years, respectively) | 16,006 | 7,279 | 6,434 |
| Other | — | (708) | — |
| Total | \$49,379 | \$25,000 | \$20,237 |

The goodwill above results principally from anticipated synergies between the acquired businesses and our existing propane business. 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, plus
- 2.all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter, less
- 3.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 paid during Fiscal 2016, Fiscal 2015 and Fiscal 2014 were as follows:

| | 2016 | 2015 | 2014 |
|-------------|--------|--------|--------|
| 1st Quarter | \$0.92 | \$0.88 | \$0.84 |
| 2nd Quarter | \$0.92 | \$0.88 | \$0.84 |
| 3rd Quarter | \$0.94 | \$0.92 | \$0.88 |
| 4th Quarter | \$0.94 | \$0.92 | \$0.88 |

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, the Partnership made quarterly distributions to Common Unitholders in excess of \$0.605 per limited partner unit. As a result, the General Partner received a greater percentage of the total Partnership distribution than its aggregate 2% general partner interest in AmeriGas OLP and AmeriGas Partners.

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, the total amount of distributions received by the General Partner with respect to its aggregate 2% general partner ownership interests totaled \$47,432, \$39,346 and \$32,401, respectively. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2016, Fiscal 2015 and Fiscal 2014 of \$38,157, \$30,357 and \$23,850, respectively.

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Note 6 — Debt

Long-term debt comprises the following at September 30:

| | 2016 | 2015 |
|--|-------------|-------------|
| AmeriGas Partners Senior Notes: | | |
| 5.875% due August 2026 | \$675,000 | \$— |
| 5.625% due May 2024 | 675,000 | — |
| 7.00%, due May 2022 (a) | 980,844 | 980,844 |
| 6.75%, due May 2020 | — | 550,000 |
| 6.50%, due May 2021 | — | 270,001 |
| 6.25%, due August 2019 | — | 450,000 |
| Heritage Operating, L.P. (“HOLP”) Senior Secured Notes | 5,241 | 20,998 |
| Other | 14,349 | 11,653 |
| Total long-term debt | 2,360,434 | 2,283,496 |
| Less: unamortized debt issuance costs (b) | (26,625) | (21,560) |
| Less: current maturities | (8,475) | (9,679) |
| Total long-term debt due after one year | \$2,325,334 | \$2,252,257 |

(a) AmeriGas Partners fully and unconditionally guarantees these senior notes co-issued by AmeriGas Finance Corp. and AmeriGas Finance LLC.

(b) Prior-year amounts reflect the retrospective impact from the adoption of new accounting guidance regarding the classification of debt issuance costs (see Note 2 and Note 3).

Scheduled principal repayments of long-term debt for each of the next five fiscal years ending September 30 are as follows: Fiscal 2017 — \$8,475; Fiscal 2018 — \$6,753; Fiscal 2019 — \$6,390; Fiscal 2020 — \$5,707; Fiscal 2021 — \$1,558.

AmeriGas Partners Senior Notes

In June 2016, AmeriGas Partners and AmeriGas Finance Corp. issued in an underwritten offering \$675,000 principal amount of 5.625% Senior Notes due May 2024 and \$675,000 principal amount of 5.875% Senior Notes due August 2026 (collectively, the “AmeriGas 2016 Senior Notes”). The AmeriGas 2016 Senior Notes rank equally with AmeriGas Partners’ existing outstanding senior notes. The net proceeds from the issuance of the AmeriGas 2016 Senior Notes were used (1) for the early repayment, pursuant to tender offers and notices of redemption, of all of the outstanding principal amount of AmeriGas Partners’ 6.50% Senior Notes, 6.75% Senior Notes and 6.25% Senior Notes, having an aggregate principal balance of \$1,270,001 plus accrued and unpaid interest and early redemption premiums, and (2) for general corporate purposes. During Fiscal 2016, the Partnership recognized a loss of \$48,889 associated with the early repayment of these senior notes, primarily comprising \$38,906 of early redemption premiums and the write-off of \$9,320 of debt issuance costs. The loss is reflected in “Loss on extinguishments of debt” on the Consolidated Statements of Operations.

HOLP Senior Secured Notes

The Partnership’s total long-term debt at September 30, 2016 and 2015, includes \$15,241 and \$20,998, respectively, of HOLP Senior Secured Notes including unamortized premium of \$696 and \$2,543, respectively. The effective interest rate on the HOLP Notes is 6.75%. The HOLP Senior Secured Notes are collateralized by AmeriGas OLP’s receivables, contracts, equipment, inventory, general intangibles and cash.

AmeriGas OLP Credit Agreement

The AmeriGas Propane Credit Agreement provides for borrowings up to \$525,000 (including a \$125,000 sublimit for letters of credit) and 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 one-week, or one-, two-, three-,

or six-month Eurodollar Rate, as defined in the Credit Agreement, plus a margin. Under the Credit Agreement, the applicable margin on base rate borrowings ranges from 0.50% to 1.50%; the applicable margin on Eurodollar Rate borrowings ranges from 1.50% to 2.50%; and the facility fee ranges from 0.30% to 0.45%. The aforementioned margins and facility fees are dependent upon AmeriGas Partners' ratio of debt

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to earnings before interest expense, income taxes, depreciation and amortization (each as defined in the Credit Agreement). The AmeriGas Propane Credit Agreement expires in June 2019.

At September 30, 2016 and 2015, there were \$153,200 and \$68,100 of borrowings outstanding under the Credit Agreement, which amounts are reflected as short-term borrowings on the Consolidated Balance Sheets. The weighted-average interest rates on borrowings under these credit agreements at September 30, 2016 and 2015 were 2.79% and 2.20%, respectively. Issued and outstanding letters of credit, which reduce available borrowings under these credit agreements, totaled \$67,161 and \$64,655 at September 30, 2016 and 2015, 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, 2016, 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 AmeriGas OLP to maintain a ratio of Consolidated Funded Indebtedness to Consolidated EBITDA (as defined) below certain thresholds and to maintain a minimum ratio of Consolidated EBITDA to Consolidated Interest Expense (as defined).

The 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 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 therefrom, 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, 2016, 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 AmeriGas OLP's partnership agreement, totaled approximately \$3,000,000.

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 \$10,335 in Fiscal 2016, \$11,435 in Fiscal 2015 and \$11,237 in Fiscal 2014.

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 Internal Revenue Code limits. Costs associated with these plans

were not material in Fiscal 2016, Fiscal 2015 and Fiscal 2014.

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Note 8 — Inventories

Inventories comprise the following at September 30:

| | 2016 | 2015 |
|-------------------------------|----------|----------|
| Propane gas | \$61,849 | \$68,076 |
| Materials, supplies and other | 11,521 | 20,354 |
| Appliances for sale | 5,453 | 5,504 |
| Total inventories | \$78,823 | \$93,934 |

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:

| | 2016 | 2015 |
|--|--------------|--------------|
| Land | \$136,728 | \$140,129 |
| Buildings and improvements | 193,300 | 190,625 |
| Transportation equipment | 262,645 | 257,454 |
| Storage facilities | 262,430 | 256,854 |
| Equipment, primarily cylinders and tanks | 1,682,493 | 1,636,502 |
| Other, including work in progress | 236,357 | 212,496 |
| Gross property, plant and equipment | 2,773,953 | 2,694,060 |
| Less accumulated depreciation and amortization | (1,499,396) | (1,369,733) |
| Net property, plant and equipment | \$1,274,557 | \$1,324,327 |

Note 10 — Goodwill and Intangible Assets

Changes in the carrying amount of goodwill are as follows:

| | |
|----------------------------|-------------|
| Balance September 30, 2014 | \$1,945,748 |
| Acquisitions | 10,940 |
| Balance September 30, 2015 | 1,956,688 |
| Acquisitions | 24,213 |
| Purchase price adjustment | (1,920) |
| Balance September 30, 2016 | \$1,978,981 |

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

| | 2016 | 2015 |
|---|------------|------------|
| Customer relationships and noncompete agreements | \$520,180 | \$514,333 |
| Trademarks and tradenames (not subject to amortization) | 82,944 | 82,944 |
| Gross carrying amount | 603,124 | 597,277 |
| Accumulated amortization | (191,805) | (163,564) |
| Intangible assets, net | \$411,319 | \$433,713 |

Amortization expense of intangible assets was \$38,405, \$37,905 and \$38,428 in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. Estimated amortization expense of intangible assets during the next five fiscal years is as follows: Fiscal 2017 — \$37,248; Fiscal 2018 — \$35,889; Fiscal 2019 — \$34,692; Fiscal 2020 — \$33,510; Fiscal 2021 — \$31,675.

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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.

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 \$4,025, \$5,635 and \$4,286 in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Under the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. ("2010 Plan"), the General Partner may award to employees and non-employee directors grants of Common Units (comprising "AmeriGas Stock Units" and "AmeriGas Performance 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 2010 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 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 Plan provides that Common Unit-based awards may also provide for the crediting of Common Unit distribution equivalents to participants' accounts.

AmeriGas Stock Unit and AmeriGas Performance Unit awards entitle the grantee to AmeriGas Partners Common Units or cash once the service condition is met and, with respect to AmeriGas Performance Units, subject to market performance conditions, and for certain awards granted on or after January 1, 2015, actual net customer acquisition and retention performance. 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, or it may be zero. For that portion of Performance Unit awards whose ultimate payout is based upon market-based conditions (as further described below), the number of awards ultimately paid is based upon AmeriGas Partners' Total Unitholder Return ("TUR") percentile rank relative to entities in a master limited partnership peer group ("Alerian MLP Group") and, for certain AmeriGas Performance Awards granted beginning in January 2014, based upon AmeriGas Partners' TUR relative to the two other publicly traded propane master limited partnerships in the Alerian MLP Group ("Propane MLP Group"). For Performance Unit awards granted on or after January 1, 2015, the number of AmeriGas Performance Units ultimately paid is based upon AmeriGas Partner's TUR percentile rank relative to entities in the Alerian MLP Group as modified by AmeriGas Partners' performance relative to the Propane MLP Group.

With respect to AmeriGas Performance Unit awards subject to measurement compared with the Alerian MLP Group, grantees may receive from 0% to 200% of the target award granted. For such grants issued on or after January 1, 2013, if AmeriGas Partners' TUR is below the 25th percentile compared to the peer group, the grantee will not be paid. At the 25th percentile, the employee will be paid an award equal to 25% of the target award; at the 40th percentile, 70%; at the 50th percentile, 100%; at the 60th percentile, 125%; at the 75th percentile, 162.5%; and at the 90th percentile or above, 200%. The actual amount of the award is interpolated between these percentile rankings. For such grants issued on or after January 1, 2015, the amount ultimately paid shall be modified based upon AmeriGas Partners' TUR ranking relative to the Propane MLP Group over the performance period ("MLP Modifier"). Such modification ranges from 70% to 130%, but in no event shall the amount ultimately paid, after such modification, exceed 200% of the target award grant.

With respect to AmeriGas Performance Unit awards granted in January 2014 subject to measurement compared with the Propane MLP Group, grantees will receive 150% of the target award if AmeriGas Partners' TUR exceeds the TUR of all the other members of the Propane MLP Group. Otherwise there will be no payout of such AmeriGas Performance Units. If one of the other two members of the Propane MLP Group ceases to exist as a publicly traded company or declares bankruptcy ("MLP Event") and, depending upon the timing of such MLP Event, the ultimate amount of such AmeriGas Performance Unit awards to be issued pursuant to the January 2014 grant, and the amount

of distribution equivalents to be paid, will depend upon AmeriGas Partners' TUR rank relative to (1) the Alerian MLP Group for the entire performance period; (2) the Alerian MLP Group for the entire performance period and the Propane MLP Group (through the date of the MLP Event); or (3) the Propane MLP Group through the date of the MLP Event. For those performance awards granted on or after January 1, 2015 that are subject to the MLP Modifier, if an MLP Event were to occur during the performance period such MLP Modifier would be based upon AmeriGas Partners' TUR rank as determined in (1),(2) or (3) above, as appropriate.

With respect to AmeriGas Performance Unit awards granted in January 2015 whose payout is based upon net customer gain and retention performance, grantees may ultimately receive between 0% and 200% of the target award based upon the annual actual

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net customer gain and retention performance as adjusted for the net customer gain and retention performance over the three-year performance period. With respect to AmeriGas Performance Unit awards granted in January 2016 whose payout is based upon net customer gain and retention performance, grantees may ultimately receive between 0% and 200% of the target award based upon the actual net customer gain and retention performance over the entire three-year performance period.

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.

Under GAAP, AmeriGas Performance Unit awards that are subject to market-based conditions are equity awards that, if settled in Common Units, result 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 subject to market-based conditions are estimated using a Monte Carlo valuation model. The fair value associated with the target award which will be paid in Common Units, is accounted for as equity, and the fair value of the award over the target, as well as all Common Unit distribution equivalents, which will be paid in cash, is accounted for as a liability. For purposes of valuing AmeriGas Performance Unit awards that are subject to market-based conditions, expected volatility is based on the historical volatility of Common Units over a three-year period. The risk-free interest rate is based on the 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 expected term of the AmeriGas Performance Unit awards is three years based on the performance period. AmeriGas Performance Unit awards whose ultimate payout is based upon net customer acquisition and retention performance measures are recorded as expense when it is probable all or a portion of the award will be paid. The fair value associated with the target award is the market price of the Common Units on the date of grant. The fair value of the award over the target, as well as all Common Unit distribution equivalents, which will be paid in cash, is accounted for as a liability.

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

| | Grants Awarded in Fiscal Year | | |
|---------------------|----------------------------------|---------|---------|
| | 2016 | 2015 | 2014 |
| Risk-free rate | 1.3% | 0.9% | 0.8% |
| Expected life | 3 years | 3 years | 3 years |
| Expected volatility | 20.6% | 19.2% | 21.1% |
| Dividend Yield | 10.7% | 6.8% | 7.5% |

The General Partner granted awards under the 2010 Plan representing 73,080, 80,336 and 86,458 Common Units in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively, having weighted-average grant date fair values per Common Unit subject to award of \$37.93, \$61.00 and \$43.34, respectively. At September 30, 2016, 2,348,046 Common Units were available for future award grants under the 2010 Plan.

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The following table summarizes AmeriGas Common Unit-based award activity for Fiscal 2016:

| | Total Number of Common Units Subject to Award | Weighted Average Grant Date Fair Value (per Unit) | Vested Number of Common Units Subject to Award | Weighted Average Grant Date Fair Value (per Unit) | Non-Vested Number of Common Units Subject to Award | Weighted Average Grant Date Fair Value (per Unit) |
|-----------------------------|--|---|---|---|---|---|
| September 30, 2015 | 192,583 | \$ 49.70 | 46,900 | \$ 44.97 | 145,683 | \$ 51.22 |
| AmeriGas Performance Units: | | | | | | |
| Granted | 52,495 | \$ 37.65 | 1,267 | \$ 37.84 | 51,228 | \$ 37.65 |
| Forfeited | (4,994) | \$ 54.00 | — | \$ — | (4,994) | \$ 54.00 |
| Vested | — | \$ — | 30,050 | \$ 43.65 | (30,050) | \$ 43.65 |
| Awards paid | (34,616) | \$ 42.44 | (34,616) | \$ 42.44 | — | \$ — |
| AmeriGas Stock Units: | | | | | | |
| Granted | 20,585 | \$ 38.65 | 12,785 | \$ 36.69 | 7,800 | \$ 41.85 |
| Forfeited | (800) | \$ 42.33 | — | \$ — | (800) | \$ 42.33 |
| Vested | — | \$ — | 13,940 | \$ 49.94 | (13,940) | \$ 49.94 |
| Awards paid | (14,704) | \$ 49.94 | (14,704) | \$ 49.94 | — | \$ — |
| September 30, 2016 | 210,549 | \$ 47.24 | 55,622 | \$ 45.67 | 154,927 | \$ 47.80 |

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, the Partnership paid AmeriGas Performance Unit and AmeriGas Stock Unit awards in Common Units and cash as follows:

| | 2016 | 2015 | 2014 |
|--|---------|--------|---------|
| AmeriGas Performance Unit awards: | | | |
| Number of Common Units subject to original Awards granted | 44,800 | 55,750 | 41,251 |
| Fiscal year granted | 2013 | 2012 | 2011 |
| Payment of awards: | | | |
| AmeriGas Partners Common Units issued, net of units withheld for taxes | 23,017 | — | — |
| Cash paid | \$1,718 | \$ — | \$ — |
| AmeriGas Stock Unit awards: | | | |
| Number of Common Units subject to original Awards granted | 20,336 | 42,532 | 72,023 |
| Payment of awards: | | | |
| AmeriGas Partners Common Units issued, net of units withheld for taxes | 9,272 | 21,509 | 40,842 |
| Cash paid | \$370 | \$ 789 | \$1,364 |

As of September 30, 2016, there was \$1,024 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 1.8 years. As of September 30, 2016, there was a total of approximately \$1,823 of unrecognized compensation cost associated with 210,549 Common Units subject to award that is expected to be recognized over a weighted-average period of 1.5 years. The total fair values of Common Unit-based awards that vested during Fiscal 2016, Fiscal 2015 and Fiscal 2014 were \$1,968, \$2,625 and \$4,100, respectively. As of September 30, 2016 and 2015, total liabilities of \$3,509 and \$3,326 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 in AmeriGas Partners Common Units.

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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 \$73,043 in Fiscal 2016, \$67,304 in Fiscal 2015 and \$63,055 in Fiscal 2014.

Minimum future payments under noncancelable operating leases are as follows:

| | |
|--|-----------|
| Year Ending September 30, | |
| 2017 | \$62,168 |
| 2018 | 54,792 |
| 2019 | 49,977 |
| 2020 | 45,846 |
| 2021 | 38,570 |
| Thereafter | 103,792 |
| Total minimum operating lease payments | \$355,145 |

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, 2016, 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 \$42,100. The fair values of residual lease guarantees were not material at September 30, 2016.

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, 2016, were not material.

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

Purported Class Action Lawsuits. In connection with the Partnership's 2012 acquisition of the subsidiaries of Energy Transfer Partners, L.P. ("ETP") that operated ETP's propane distribution business ("Heritage Propane"), the Partnership became party to a class action lawsuit that was filed against Heritage Operating, L.P. in 2005 by Alfred L. Williams, II, on behalf of himself and all others similarly situated. The class action lawsuit alleged, among other things, wrongful collection of tank rental payments from legacy customers of People's Gas, which was acquired by Heritage Propane in 2000. In 2010, the Florida District Court certified the class and in January 2015, the Florida District Court awarded the class approximately \$18,000. In April 2016, the Partnership appealed the verdict to the Florida Second District Court of Appeals (the "Second DCA") and, in September 2016, the Second DCA affirmed the verdict without opinion. Prior to the Second DCA's action in the case, we believed that the likelihood of the Second DCA affirming the Florida District Court's decision was remote. As a result of the Second DCA's actions, in September 2016, the Partnership recorded a \$14,950 adjustment to its litigation accrual to reflect the full amount of the award plus associated interest. In October 2016, the Partnership filed a Motion for Written Opinion and for Rehearing En Banc with the Second DCA, which motions are still pending. We believe we have strong arguments to support the aforementioned motions.

Between May and October of 2014, more than 35 purported class action lawsuits were filed in multiple jurisdictions against the Partnership/UGI and a competitor by certain of their direct and indirect customers. The class action lawsuits allege, among other things, that the Partnership and its competitor colluded, beginning in 2008, to reduce the fill level of portable propane cylinders from 17 pounds to 15 pounds and combined to persuade their common customer, Walmart Stores, Inc., to accept that fill reduction, resulting in increased cylinder costs to retailers and end-user customers in violation of federal and certain state antitrust laws. The claims seek treble damages, injunctive relief, attorneys' fees and costs on behalf of the putative classes. On October 16, 2014, the United States Judicial Panel on Multidistrict Litigation transferred all of these purported class action cases to the Western Division of the United States District Court for the Western District of Missouri ("District Court"). In July 2015, the District Court

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dismissed all claims brought by direct customers and all claims other than those for injunctive relief brought by indirect customers. The direct customers filed an appeal with the United States Court of Appeals for the Eighth Circuit (“Eighth Circuit”) and in August 2016, the Eighth Circuit affirmed the District Court’s dismissal of the direct customer’s claims against the Partnership/UGI. The direct customers filed a petition requesting an en banc review of the Eighth Circuit decision, which is still pending. The indirect customers filed an amended complaint claiming injunctive relief and state law claims under Wisconsin, Maine and Vermont law. In September 2016, the District Court dismissed the amended complaint in its entirety. The indirect purchasers appealed this decision to the Eighth Circuit, and the appeal is still pending. On July 21, 2016, several new indirect purchaser plaintiffs filed an antitrust class action lawsuit against the Partnership in the Western District of Missouri. The new indirect purchaser class action lawsuit was dismissed in September 2016 and certain indirect purchaser plaintiffs appealed this decision, consolidating their appeal with the indirect purchaser appeal that is pending in the Eighth Circuit. We are unable to reasonably estimate the impact, if any, arising from such litigation. We believe we have strong defenses to the claims and intend to vigorously defend against them.

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

Note 13 — Related Party Transactions

Pursuant to the Partnership Agreement and a management services agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs, which totaled \$556,964 in Fiscal 2016, \$576,135 in Fiscal 2015, and \$555,401 in Fiscal 2014, 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 \$18,680 in Fiscal 2016, \$22,624 in Fiscal 2015 and \$20,531 in Fiscal 2014. 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 \$2,323 in Fiscal 2016, \$2,985 in Fiscal 2015 and \$3,989 in Fiscal 2014.

From time to time, AmeriGas OLP purchases propane on an as needed basis from UGI Energy Services, LLC (“Energy Services”). The price of the purchases is generally based on market price at the time of purchase. Purchases of propane by AmeriGas OLP from Energy Services were not material during Fiscal 2016, 2015 and 2014.

In addition, AmeriGas OLP sells propane to affiliates of UGI. Sales of propane to affiliates of UGI totaled \$339, \$1,216 and \$1,212 during Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Pursuant to an Asset Sale and Purchase Agreement, on October 13, 2014, AmeriGas OLP purchased from UGI HVAC Enterprises, Inc. (“HVAC”), a second-tier, wholly owned subsidiary of UGI, a residential heating, ventilation, air conditioning, plumbing and related services business for \$2,000 cash. Because the transaction was between entities under common control, the purchase price in excess of the carrying value of assets transferred was considered an equity transaction and has been recorded as a distribution in the Consolidated Statements of Partners’ Capital. In connection with this transaction, AmeriGas OLP entered into a Shared Services Agreement (“SSA”) whereby HVAC

provides certain accounting and administrative services to the Partnership with respect to the business purchased. Expenses associated with the SSA totaled \$1,025 and \$991 for Fiscal 2016 and Fiscal 2015, respectively.

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Note 14 — Other Current Liabilities

Other current liabilities comprise the following at September 30:

| | 2016 | 2015 |
|---|-----------|----------|
| Litigation, property and casualty liabilities | \$75,415 | \$40,216 |
| Taxes other than income taxes | 10,141 | 12,950 |
| Deferred tank fee revenue | 22,353 | 22,232 |
| Other | 21,506 | 19,836 |
| Total other current liabilities | \$129,415 | \$95,234 |

Note 15 — Fair Value Measurements

Derivative Instruments

The following table presents on a gross basis our derivative assets and liabilities including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy as described in Note 2, as of September 30, 2016 and 2015:

| | Asset (Liability) | | | Total |
|-------------------------|-------------------|------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| September 30, 2016: | | | | |
| Derivative instruments: | | | | |
| Assets: | | | | |
| Commodity contracts | \$— | \$13,522 | \$— | —\$13,522 |
| Liabilities: | | | | |
| Commodity contracts | \$— | \$(4,779) | \$— | —\$(4,779) |
| September 30, 2015 | | | | |
| Derivative instruments: | | | | |
| Assets: | | | | |
| Commodity contracts | \$— | \$1,242 | \$— | —\$1,242 |
| Liabilities: | | | | |
| Commodity contracts | \$— | \$(58,579) | \$— | —\$(58,579) |

The fair values of our non-exchange traded commodity derivative contracts included in Level 2 are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. For commodity option contracts not traded on an exchange, 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, 2016, the carrying amount and estimated fair value of our long-term debt (including current maturities but excluding unamortized debt issuance costs) were \$2,360,434 and \$2,483,565, respectively. At September 30, 2015, the carrying amount and estimated fair value of our long-term debt (including current maturities but excluding unamortized debt issuance costs) were \$2,283,496 and \$2,325,741, 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).

Financial instruments other than derivative instruments, such as short-term investments and trade accounts receivable could expose us to concentrations of credit risk. We limit credit risk from short-term investments by investing only in

investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured

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bank deposits. The credit risk arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets.

Note 16 — Derivative Instruments and Hedging Activities

The Partnership is exposed to certain market risks associated with its ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are commodity price risk and interest rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments the Partnership can use, counterparty credit limits and contract authorization limits.

Commodity Price Risk

In order to manage market risk associated with the Partnership's fixed-price programs, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership uses over-the-counter price swap and option contracts to reduce propane price volatility associated with a portion of forecasted propane purchases. In addition, the Partnership from time to time enters into price swap and put option agreements to reduce the effects of short-term commodity price volatility. At September 30, 2016 and 2015, total volumes associated with propane commodity derivatives totaled 245.4 million gallons and 345.9 million gallons, respectively. At September 30, 2016, the maximum period over which we are economically hedging propane market price risk is 36 months.

At September 30, 2016 and 2015, there were no amounts remaining in AOCI associated with commodity cash flow hedges.

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. At September 30, 2016 or 2015, we had no settled or unsettled IRPAs.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally comprise major energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments held by certain derivative instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at September 30, 2016. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At September 30, 2016, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on our Consolidated Balance Sheets if the right of offset exists. Our derivative instruments comprise over-the-counter transactions. Over-the-counter contracts are

bilateral contracts that are transacted directly with a third party. Certain over-the-counter contracts contain contractual rights of offset through master netting arrangements and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency, or other conditions. In general, most of our over-the-counter transactions are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table

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below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

Fair Value of Derivative Instruments

The following table presents our derivative assets and liabilities by type, as well as the effects of offsetting, as of September 30, 2016 and 2015:

| | 2016 | 2015 |
|--|------------|-------------|
| Derivative assets: | | |
| Derivatives not designated as hedging instruments: | | |
| Propane contracts | \$ 13,522 | \$ 1,242 |
| Total derivative assets - gross | 13,522 | 1,242 |
| Gross amounts offset in the balance sheet | (4,362) | (1,242) |
| Total derivative assets - net | \$ 9,160 | \$ — |
| Derivative liabilities: | | |
| Derivatives not designated as hedging instruments: | | |
| Propane contracts | \$(4,779) | \$(58,579) |
| Total derivative liabilities - gross | (4,779) | (58,579) |
| Gross amounts offset in the balance sheet | 4,362 | 1,242 |
| Cash collateral pledged | — | 2,160 |
| Total derivative liabilities - net | \$(417) | \$(55,177) |
| Effect of Derivative Instruments | | |

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 2016, Fiscal 2015 and Fiscal 2014:

| | Gain Recognized in AOCI and Noncontrolling Interest | | | Gain Reclassified from AOCI and Noncontrolling Interest into Income | | Location of Gain Reclassified from AOCI and Noncontrolling Interest into Income |
|---|---|-------------|-----------|---|----------|---|
| | 2016 | 2015 | 2014 | 2015 | 2014 | |
| Cash Flow Hedges: | | | | | | |
| Propane contracts | \$ — | \$ — | \$ 44,203 | \$ — | \$ 2,822 | \$ 56,517 |
| | | | | | | Cost of sales - propane |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Derivatives Not Designated as Hedging Instruments: | | | | | | |
| Propane contracts | \$ 2,567 | \$(209,351) | \$(4,863) | | | Cost of sales - propane |
| | | | | | | |

For those derivative instruments accounted for as cash flow hedges during Fiscal 2014, 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.

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(Thousands of dollars, except per unit amounts and where indicated otherwise)

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

Note 17 — Other Operating Income, Net

Other operating income, net, comprises the following:

| | 2016 | 2015 | 2014 |
|-----------------------------------|----------|----------|----------|
| Gains on sales of fixed assets | \$8,062 | \$14,260 | \$6,524 |
| Finance charges | 15,201 | 12,665 | 17,459 |
| Other | 4,989 | 4,430 | 3,467 |
| Total other operating income, net | \$28,252 | \$31,355 | \$27,450 |

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 unless otherwise indicated. Our quarterly results fluctuate because of the seasonal nature of our propane business and also reflect unrealized gains and losses on commodity derivative instruments used to economically hedge commodity price risk (see Note 16).

| | December 31, | | March 31, | | June 30, | | September 30, | |
|---|--------------|------------|-----------|-------------|------------|------------|-----------------|------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 (a) | 2015 | 2016 (a) (b) | 2015 |
| Revenues | \$644,098 | \$888,792 | \$827,487 | \$1,100,317 | \$446,684 | \$477,977 | \$393,548 | \$418,236 |
| Operating income (loss) | \$124,121 | \$2,340 | \$289,882 | \$371,681 | \$46,204 | \$15,635 | \$(37,603) | \$(8,947) |
| Loss on extinguishments of debt | \$— | \$— | \$— | \$— | \$(37,086) | \$— | \$(11,803) | \$— |
| Net income (loss) including noncontrolling interest | \$82,186 | \$(39,564) | \$248,786 | \$329,779 | \$(32,627) | \$(25,441) | \$(87,152) | \$(49,805) |
| Net income (loss) attributable to AmeriGas Partners, L.P. | \$80,973 | \$(39,571) | \$245,908 | \$326,055 | \$(33,069) | \$(25,578) | \$(86,828) | \$(49,695) |
| Income (loss) per limited partner unit (c): | | | | | | | | |
| Basic | \$0.77 | \$(0.49) | \$1.74 | \$2.18 | \$(0.46) | \$(0.37) | \$(1.04) | \$(0.62) |
| Diluted | \$0.77 | \$(0.49) | \$1.74 | \$2.17 | \$(0.46) | \$(0.37) | \$(1.04) | \$(0.62) |

Includes loss on extinguishments of debt which increased net loss including noncontrolling interest and net loss (a) attributable to AmeriGas Partners, L.P. by \$37,086 and \$11,803 for the quarters ended June 30, 2016 and September 30, 2016, respectively (see Note 6).

(b) Includes increase in litigation accrual which increased operating loss by \$14,950 and net loss attributable to AmeriGas Partners, L.P. by \$14,799 (see Note 12).

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 (see (c)Note 2) 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 quarter ended March 31 as follows:

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AmeriGas Partners and Subsidiaries

Notes to Consolidated Financial Statements

(Thousands of dollars, except per unit amounts and where indicated otherwise)

| | March 31, | |
|---|-----------|----------|
| Quarter ended: | 2016 | 2015 |
| Decrease in income per limited partner unit | \$(0.79) | \$(1.23) |

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AMERIGAS PARTNERS, L.P.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

BALANCE SHEETS

(Thousands of dollars)

| | September 30, | |
|---|---------------|-------------|
| | 2016 | 2015 |
| ASSETS | | |
| Current assets: | | |
| Cash | \$11,662 | \$8,842 |
| Accounts receivable — related party | — | 499 |
| Total current assets | 11,662 | 9,341 |
| Investment in AmeriGas Propane, L.P. | 3,317,856 | 3,434,114 |
| Other assets | 56 | 56 |
| Total assets | \$3,329,574 | \$3,443,511 |
| LIABILITIES AND PARTNERS' CAPITAL | | |
| Current liabilities: | | |
| Accounts payable and other liabilities | \$2,005 | \$604 |
| Accrued interest (including related party accrued interest) | 39,198 | 47,662 |
| Total current liabilities | 41,203 | 48,266 |
| Long-term debt (a) | 2,304,150 | 2,231,029 |
| Commitments and contingencies | | |
| Partners' capital: | | |
| Common unitholders | 967,073 | 1,145,291 |
| General partner | 17,148 | 18,925 |
| Total partners' capital | 984,221 | 1,164,216 |
| Total liabilities and partners' capital | \$3,329,574 | \$3,443,511 |

(a) Includes related-party long-term debt comprising \$980,844 principal amount of 7.00% notes due May 2022.

Commitments and Contingencies

There are no scheduled principal repayments of long-term debt during the next five fiscal years. AmeriGas Partners fully and unconditionally guarantees \$980,844 principal amount of 7.00% Senior Notes due May 2022 co-issued by AmeriGas Finance Corp. and AmeriGas Finance LLC.

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AMERIGAS PARTNERS, L.P.

SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)
STATEMENTS OF OPERATIONS

(Thousands of dollars, except per unit amounts)

| | Year Ended | | |
|--|---------------|------------|------------|
| | September 30, | | |
| | 2016 | 2015 | 2014 |
| Operating expenses, net | \$(255) | \$(1,517) | \$(258) |
| Loss on extinguishments of debt | (48,889) | — | — |
| Interest expense (including related party interest expense) | (156,350) | (155,510) | (155,510) |
| Loss before income taxes | (205,494) | (157,027) | (155,768) |
| Income tax (benefit) expense | — | (6) | 6 |
| Loss before equity in income of AmeriGas Propane, L.P. | (205,494) | (157,021) | (155,774) |
| Equity in income of AmeriGas Propane, L.P. | 412,478 | 368,232 | 445,667 |
| Net income attributable to AmeriGas Partners | 206,984 | 211,211 | 289,893 |
| Equity in other comprehensive loss of AmeriGas Propane, L.P. | — | (2,794) | (12,192) |
| Comprehensive income attributable to AmeriGas Partners | \$206,984 | \$208,417 | \$277,701 |
| General partner's interest in net income attributable to AmeriGas Partners | \$40,227 | \$32,469 | \$26,749 |
| Limited partners' interest in net income attributable to AmeriGas Partners | \$166,757 | \$178,742 | \$263,144 |
| Income per limited partner unit — basic and diluted | \$1.77 | \$1.91 | \$2.82 |
| Average limited partner units outstanding — basic (thousands) | 92,949 | 92,910 | 92,876 |
| Average limited partner units outstanding — diluted (thousands) | 93,023 | 92,977 | 92,946 |

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AMERIGAS PARTNERS, L.P.
 SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)
 STATEMENTS OF CASH FLOWS
 (Thousands of dollars)

| | Year Ended | | |
|---|---------------|------------|------------|
| | September 30, | | |
| | 2016 | 2015 | 2014 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES (a) | \$371,536 | \$368,987 | \$348,704 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Contributions to AmeriGas Propane, L.P. | (3,900) | — | — |
| Net cash used by investing activities | (3,900) | — | — |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Distributions | (387,659) | (368,426) | (346,744) |
| Issuance of long-term debt | 1,331,293 | — | — |
| Repayments of long-term debt | (1,309,588) | — | — |
| Proceeds associated with equity based compensation plans, net of tax withheld | 1,127 | 3,501 | 2,499 |
| Capital contribution from General Partner | 11 | 34 | 25 |
| Net cash used by financing activities | (364,816) | (364,891) | (344,220) |
| Increase in cash and cash equivalents | \$2,820 | \$4,096 | \$4,484 |
| CASH AND CASH EQUIVALENTS: | | | |
| End of year | \$11,662 | \$8,842 | \$4,746 |
| Beginning of year | 8,842 | 4,746 | 262 |
| Increase | \$2,820 | \$4,096 | \$4,484 |

(a) Includes cash distributions received from AmeriGas Propane, L.P. of \$530,912, \$519,885 and \$498,204 for the years ended September 30, 2016, 2015 and 2014, respectively.

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
 SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
 (Thousands of dollars)

| | Balance at beginning of year | Charged to costs and expenses | Other | Balance at end of year |
|--|---------------------------------------|--|---------------|---------------------------------|
| Year Ended September 30, 2016 | | | | |
| Reserves deducted from assets in the consolidated balance sheet: | | | | |
| Allowance for doubtful accounts | \$ 12,257 | \$ 11,215 | \$(12,036)(1) | \$11,436 |
| Year Ended September 30, 2015 | | | | |
| Reserves deducted from assets in the consolidated balance sheet: | | | | |
| Allowance for doubtful accounts | \$ 17,681 | \$ 15,800 | \$(21,224)(1) | \$12,257 |
| Year Ended September 30, 2014 | | | | |
| Reserves deducted from assets in the consolidated balance sheet: | | | | |
| Allowance for doubtful accounts | \$ 18,552 | \$ 26,403 | \$(27,274)(1) | \$17,681 |
| (1)Uncollectible accounts written off, net of recoveries. | | | | |

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EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|---|
| 10.7 | AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. effective January 1, 2016 - Terms and Conditions. |
| 10.24 | AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as Amended and Restated effective July 25, 2016. |
| 10.26 | Description of oral compensation arrangement for Messrs. Jerry E. Sheridan, Hugh J. Gallagher, and Anthony D. Rosback. |
| 10.28 | Summary of Director Compensation of AmeriGas Propane, Inc. dated October 1, 2016. |
| 21 | Subsidiaries of the Registrant. |
| 23.1 | Consent of Ernst & Young LLP. |
| 23.2 | 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. |
| 99.1 | 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 |