AMERIGAS PARTNERS, L.P.

QUARTERLY REPORT

FOR THE THREE AND SIX MONTHS ENDED

March 31, 2020 and 2019

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

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

AmeriGas Partners, L.P. and Related Entities

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

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

AmeriGas Propane Holdings, Inc. - A Delaware corporation and an indirect wholly-owned subsidiary of UGI

AmeriGas Propane Holdings, LLC - A Delaware limited liability company and an indirect wholly owned subsidiary of UGI

Energy Services - UGI Energy Services, LLC, a wholly owned subsidiary of UGI

General Partner - AmeriGas Propane, Inc., the general partner of AmeriGas Partners

Merger Sub - AmeriGas Propane Holdings, LLC, an indirect wholly owned subsidiary of UGI

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

UGI - UGI Corporation

Other Terms and Abbreviations

2019 Annual Report - AmeriGas Partners' Annual Report for the fiscal year ended September 30, 2019

2019 six-month period - Six months ended March 31, 2019

2019 three-month period - Three months ended March 31, 2019

2020 six-month period - Six months ended March 31, 2020

2020 three-month period - Three months ended March 31, 2020

ACE - AmeriGas Cylinder Exchange

AmeriGas Merger - The transaction contemplated by the Merger Agreement pursuant to which AmeriGas Propane Holdings, LLC merged with and into the Partnership on August 21, 2019, with the Partnership surviving as an indirect wholly owned subsidiary of UGI

ASC - Accounting Standards Codification

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

ASC 840 - ASC 840, "Leases"

ASC 842 - ASC 842, "Leases" (effective October 1, 2019)

ASU - Accounting Standards Update

Common Units - Limited partnership ownership interests in AmeriGas Partners

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

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

Eighth Circuit - United States Court of Appeals for the Eighth Circuit

FASB - Financial Accounting Standards Board

***FDIC* -** Federal Deposit Insurance Corporation

Fiscal 2019 - The fiscal year ended September 30, 2019

Fiscal 2020 - The fiscal year ending September 30, 2020

Fiscal 2021 - The fiscal year ending September 30, 2021

Fiscal 2022 - The fiscal year ending September 30, 2022

Fiscal 2023 - The fiscal year ending September 30, 2023

Fiscal 2024 - The fiscal year ending September 30, 2024

***GAAP* -** U.S. generally accepted accounting principles

***IDR* -** Incentive distribution right

LIBOR - London Inter-bank Offered Rate

Merger Agreement - Agreement and Plan of Merger, dated as of April 1, 2019, among UGI, AmeriGas Propane Holdings, Inc., AmeriGas Propane Holdings, LLC, AmeriGas Partners and AmeriGas Propane

***MGP* -** Manufactured gas plant

***NOAA* -** National Oceanic and Atmospheric Administration

***NPNS* -** Normal purchase and normal sale

***NYDEC* -** New York State Department of Environmental Conservation

***Partnership Agreement* -** Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners dated as of July 27, 2009, as amended

***PRP* -** Potentially responsible party

ROU - Right-of-use

***ROD* -** Record of Decision

***Western Missouri District Court* -** The United States District Court for the Western District of Missouri

WHO - World Health Organization

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

FINANCIAL INFORMATION

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

	March 31, 2020	September 30, 2019	March 31, 2019
ASSETS			
Current assets:			
Cash and cash equivalents	$ 7,307	$ 7,783	$ 1,478
Accounts receivable (less allowances for doubtful accounts of $14,672, $12,116 and $15,801, respectively)	273,666	173,305	354,322
Accounts receivable — related parties	4,338	5,022	3,632
Inventories	85,921	97,627	115,353
Prepaid expenses and other current assets	113,787	65,255	61,246
Total current assets	485,019	348,992	536,031
Property, plant and equipment (less accumulated depreciation of $1,293,063, $1,240,167 and $1,198,477, respectively)	1,102,477	1,100,595	1,129,620
Goodwill	2,003,671	2,003,671	2,003,671
Intangible assets, net	220,435	239,694	259,362
Other assets	415,091	58,215	53,235
Total assets	$ 4,226,693	$ 3,751,167	$ 3,981,919
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Current maturities of long-term debt	$ 7,004	$ 7,717	$ 8,320
Short-term borrowings	201,000	328,000	236,000
Accounts payable — trade	124,768	104,621	162,975
Accounts payable — related parties	4,780	3,089	790
Customer deposits and advances	51,740	91,542	44,486
Derivative instruments	38,959	26,180	7,848
Other current liabilities	301,129	221,497	198,713
Total current liabilities	729,380	782,646	659,132
Long-term debt	2,557,785	2,556,866	2,561,188
Derivative instruments	16,526	17,468	1,237
Other noncurrent liabilities	459,886	137,976	127,218
Total liabilities	3,763,577	3,494,956	3,348,775
Commitments and contingencies (Note 8)			
Partners' capital:			
AmeriGas Partners, L.P. partners' capital:			
Common unitholders (units issued — 104,673,783, 104,673,783 and 92,998,220, respectively)	463,116	256,211	585,897
General partner	—	—	13,533
Total AmeriGas Partners, L.P. partners' capital	463,116	256,211	599,430
Noncontrolling interest	—	—	33,714
Total partners' capital	463,116	256,211	633,144
Total liabilities and partners' capital	$ 4,226,693	$ 3,751,167	$ 3,981,919

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Revenues:				
Propane	$ 730,931	$ 899,893	$ 1,384,183	$ 1,642,793
Other	71,130	71,698	148,254	149,011
	802,061	971,591	1,532,437	1,791,804
Costs and expenses:				
Cost of sales — propane (excluding depreciation and amortization shown below)	327,340	399,857	585,426	835,272
Cost of sales — other (excluding depreciation and amortization shown below)	19,514	18,229	41,238	39,815
Operating and administrative expenses	243,018	249,930	494,204	485,068
Depreciation and amortization	44,877	44,269	88,809	89,978
Other operating income, net	(4,759)	(5,358)	(12,732)	(11,077)
	629,990	706,927	1,196,945	1,439,056
Operating income	172,071	264,664	335,492	352,748
Interest expense	(41,237)	(42,214)	(83,690)	(84,568)
Income before income taxes	130,834	222,450	251,802	268,180
Income tax expense	(377)	(697)	(1,004)	(1,106)
Net income including noncontrolling interest	130,457	221,753	250,798	267,074
Deduct net income attributable to noncontrolling interest	—	(2,619)	—	(3,454)
Net income attributable to AmeriGas Partners, L.P.	$ 130,457	$ 219,134	$ 250,798	$ 263,620
General partner’s interest in net income attributable to AmeriGas Partners, L.P.	$ —	$ 13,753	$ —	$ 25,529
Limited partners’ interest in net income attributable to AmeriGas Partners, L.P.	$ 130,457	$ 205,381	$ 250,798	$ 238,091

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income including noncontrolling interest	$ 250,798	$ 267,074
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	88,809	89,978
Provision for uncollectible accounts	7,806	9,050
Change in unrealized gains and losses on derivatives instruments	11,796	61,363
Other, net	(1,784)	(259)
Net change in:		
Accounts receivable	(107,482)	(157,180)
Inventories	11,706	15,174
Accounts payable	21,838	25,233
Derivative instruments collateral deposits paid	(80)	(7,270)
Other current assets	(12,776)	(1,740)
Other current liabilities	(33,078)	(54,031)
Net cash provided by operating activities	237,553	247,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(74,388)	(56,844)
Proceeds from disposals of assets	10,270	6,542
Net cash used by investing activities	(64,118)	(50,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(45,208)	(201,359)
Noncontrolling interest activity	—	(2,801)
(Decrease) increase in short-term borrowings	(127,000)	4,000
Repayment of long-term debt	(1,703)	(2,003)
Other	—	(327)
Net cash used by financing activities	(173,911)	(202,490)
Cash and cash equivalents decrease	$ (476)	$ (5,400)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at end of period	$ 7,307	$ 1,478
Cash and cash equivalents at beginning of period	7,783	6,878
Cash and cash equivalents decrease	$ (476)	$ (5,400)

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(unaudited)
(Thousands of dollars, except unit amounts)

For the three months ended March 31, 2020:	Number of Common Units	Common unitholders
Balance December 31, 2019	104,673,783	$ 376,686
Net income		130,457
Distributions		(45,208)
Equity-based compensation expense		1,181
Balance March 31, 2020	104,673,783	$ 463,116

For the three months ended March 31, 2019:	Number of Common Units	Common unitholders	General partner	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
Balance December 31, 2018	92,987,318	$ 468,470	$ 12,120	$ 480,590	$ 32,325	$ 512,915
Net income including noncontrolling interest		205,381	13,753	219,134	2,619	221,753
Distributions		(88,348)	(12,340)	(100,688)	(1,230)	(101,918)
Unit-based compensation expense		721		721		721
Common Units issued in connection with employee and director plans, net of tax withheld	10,902	(327)		(327)		(327)
Balance March 31, 2019	92,998,220	$ 585,897	$ 13,533	$ 599,430	$ 33,714	$ 633,144

For the six months ended March 31, 2020:	Number of Common Units	Common unitholders
Balance September 30, 2019	104,673,783	$ 256,211
Net income		250,798
Distributions		(45,208)
Equity-based compensation expense		1,315
Balance March 31, 2020	104,673,783	$ 463,116

For the six months ended March 31, 2019:	Number of Common Units	Common unitholders	General partner	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
Balance September 30, 2018	92,977,072	$ 523,925	$ 12,682	$ 536,607	$ 33,061	$ 569,668
Net income including noncontrolling interest		238,091	25,529	263,620	3,454	267,074
Distributions		(176,681)	(24,678)	(201,359)	(2,801)	(204,160)
Unit-based compensation expense		889		889		889
Common Units issued in connection with employee and director plans, net of tax withheld	21,148	(327)		(327)		(327)
Balance March 31, 2019	92,998,220	$ 585,897	$ 13,533	$ 599,430	$ 33,714	$ 633,144

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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

Note 1 — Nature of Operations

AmeriGas Partners conducts a national propane distribution business through its principal operating subsidiary, AmeriGas OLP. AmeriGas Partners and AmeriGas OLP are Delaware limited partnerships. 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. AmeriGas Propane, Inc., currently serves as the General Partner of AmeriGas Partners through its' non-economic general partner interest in AmeriGas Partners and, prior to the AmeriGas Merger, its' 1% general partner interest in AmeriGas Partners.

On August 21, 2019, the AmeriGas Merger was completed in accordance with the terms of the Merger Agreement. Under the terms of the Merger Agreement, UGI acquired all of the outstanding Common Units not already held by UGI or its subsidiaries for cash and shares of UGI Common stock, and AmeriGas Partners was merged with and into Merger Sub, with AmeriGas Partners surviving as an indirect wholly owned subsidiary of UGI. Also as a result of the AmeriGas Merger, the IDRs held by the General Partner were canceled and the General Partner received 10,615,711 Common Units in conjunction with the cancellation of the IDRs. In addition, the General Partner interest was converted to a non-economic general partner interest in AmeriGas Partners. Effective with completion of the AmeriGas Merger, Common Units are no longer publicly traded. The AmeriGas Merger had no impact on the book value of the assets and liabilities of the Partnership.

On September 30, 2019, the General Partner contributed its 1.01% general partner interest in AmeriGas OLP to AmeriGas Partners which contributed such general partner interest to its newly formed, wholly owned subsidiary, AmeriGas Propane GP, LLC. The General Partner received 1,058,368 Common Units in AmeriGas Partners in consideration for the contribution of the 1.01% general partner interest in AmeriGas OLP.

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 12).

Note 2 — Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with GAAP. They include all adjustments which we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consist only of normal recurring items unless otherwise disclosed. The September 30, 2019, Condensed Consolidated Balance Sheet was derived from audited financial statements but does not include all footnote disclosures from the annual financial statements.

These financial statements should be read in conjunction with the Partnership's 2019 Annual Report. Weather significantly impacts demand for propane and profitability because many customers use propane for heating purposes. Due to the seasonal nature of the Partnership's propane business, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Allocation of Net Income (Loss). Prior to the AmeriGas Merger, net income (loss) attributable to AmeriGas Partners, L.P. for partners' capital and statement of operations presentation purposes was 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 general partner interest in AmeriGas Partners based on its IDRs under the Partnership Agreement. Effective with the completion of the AmeriGas Merger, the limited partners are allocated 100% of the Partnership's net income.

Derivative Instruments. Derivative instruments are reported on the Condensed Consolidated Balance Sheets at their fair values, unless the NPNS exception is elected. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it qualifies and is designated as a hedge for accounting purposes. We do not currently have derivative instruments that are designated and qualify as cash flow hedges. Changes in the fair values of our commodity derivative instruments are reflected in "Cost of sales — propane" on the Condensed Consolidated Statements of Operations. Cash flows from commodity derivative instruments are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and other information, see Note 10.

Leases. Effective October 1, 2019, the Partnership adopted ASU No. 2016-02, "Leases," which, as amended, is included in ASC 842. This new accounting guidance supersedes previous lease accounting guidance in ASC 840 and requires entities that lease assets to recognize the assets and liabilities for the rights and obligations created by those leases on its balance sheet. The new guidance also requires additional disclosures about the amount, timing and uncertainty of cash flows from leases.

We adopted ASC 842 using the modified retrospective transition method. Amounts and disclosures related to periods prior to October 1, 2019 have not been restated and continue to be reported in accordance with ASC 840. Upon adoption of ASC 842, we elected to apply the following practical expedients in accordance with the guidance:

- Short-term leases: We did not recognize short-term leases (term of 12 months or less) on the balance sheet;
- Easements: We did not re-evaluate existing land easements that were not previously accounted for as leases; and
- Other: We did not reassess the classification of expired or existing contracts or determine whether they are or contain a lease. We also did not reassess whether initial direct costs qualify for capitalization under ASC 842.

Upon adoption, we recorded ROU assets and lease liabilities of $388,260 related to our operating leases. There were no cumulative effect adjustments made to opening partners' capital as of October 1, 2019. The adoption did not, and is not expected to, have a significant impact on our condensed consolidated statements of operations or cash flows. See Note 7 for additional disclosures regarding our leases.

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

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

Subsequent Events. Management has evaluated the impact of subsequent events through May 7, 2020, the date these condensed consolidated financial statements were issued and the effects, if any, of such evaluation have been reflected in the condensed consolidated financial statements and related disclosures.

Note 3 — Accounting Changes

New Accounting Standards Adopted in Fiscal 2020

Derivatives and Hedging. Effective October 1, 2019, the Partnership adopted ASU No. 2017-12, "Targeted Improvements to Accounting for Hedging Activities." This ASU amends and simplifies existing guidance to allow companies to more accurately present the economic effects of risk management activities in the financial statements. For cash flow and net investment hedges as of the adoption date, the guidance required a modified retrospective approach. The amended presentation and disclosure guidance was required prospectively. The adoption did not have a material impact on our consolidated financial statements.

Leases. Effective October 1, 2019, the Partnership adopted new accounting guidance for leases in accordance with ASC 842. See Notes 2 and 7 for a detailed description of the impact of the new guidance and related disclosures.

Accounting Standards Not Yet Adopted

Credit Losses. In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments." This ASU, as subsequently amended, requires entities to estimate lifetime expected credit losses for financial instruments not measured at fair value through net income, including trade and other receivables, net investments in leases, financial receivables, debt securities, and other financial instruments, which may result in earlier recognition of credit losses. Further, the new current expected credit loss model may affect how entities estimate their allowance for loss for receivables that are current with respect to their payment terms. ASU 2016-13 is effective for the Partnership for interim and annual periods beginning October 1, 2020 (Fiscal

(Thousands of dollars, except where indicated otherwise)

2021). Early adoption is permitted. The Partnership is in the process of assessing the impact on its financial statements from the adoption of the new guidance.

Reference Rate Reform. In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." This ASU provides entities temporary optional guidance to ease potential accounting burdens to transition away from LIBOR or other reference rates that are expected to be discontinued and replaced with alternative reference rates. This ASU applies to all entities that have contracts, hedging relationships and other transactions affected by reference rate reform. The provisions in this ASU, among other things, simplify contract modification accounting. ASU 2020-04 is effective upon issuance and entities may elect to apply the amendments prospectively through December 31, 2022. The Partnership is in the process of assessing the impact on its financial statements from the adoption of the new guidance and determining the period in which the optional expedients will be elected.

Note 4 — Revenue from Contracts with Customers

We recognize revenue when control of the promised goods or services is transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. See Note 4 in the Partnership's 2019 Annual Report for information on our revenues from contracts with customers.

Revenue Disaggregation

The following table presents our disaggregated revenues for the three and six months ended March 31, 2020 and 2019:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Revenues from contracts with customers:				
Propane:				
Retail	$ 712,145	$ 874,647	$ 1,343,359	$ 1,596,544
Wholesale	18,786	25,246	40,824	46,249
Other	55,892	57,152	115,117	117,710
Total revenues from contracts with customers	786,823	957,045	1,499,300	1,760,503
Other revenues (a)	15,238	14,546	33,137	31,301
Total revenues	$ 802,061	$ 971,591	$ 1,532,437	$ 1,791,804

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

Contract Balances

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

Contract liabilities arise when payment from a customer is received before the performance obligations have been satisfied and represent the Partnership's obligations to transfer goods or services to a customer for which the Partnership has received consideration from the customer. The balances of contract liabilities were $44,501, $88,569 and $41,491 at March 31, 2020, September 30, 2019 and March 31, 2019, respectively, and are included in "Customer deposits and advances" and "Other current liabilities" on the Condensed Consolidated Balance Sheets. Revenues recognized for the six months ended March 31, 2020 and 2019, from the amounts included in contract liabilities at September 30, 2019 and October 1, 2018, was $63,850 and $68,968, respectively.

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

Remaining Performance Obligations

The Partnership has elected to use practical expedients as allowed in ASC 606 to exclude disclosures related to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period because these contracts have an initial expected term of one year or less or we have a right to bill the customer in an amount that corresponds directly with the value of services provided to the customer to date.

Note 5 — Inventories

Inventories comprise the following at:

	March 31, 2020	September 30, 2019	March 31, 2019
Propane gas	$ 57,092	$ 78,345	$ 90,700
Materials, supplies and other	21,447	11,931	17,223
Appliances for sale	7,382	7,351	7,430
Total inventories	$ 85,921	$ 97,627	$ 115,353

Note 6 — Goodwill and Intangible Assets

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

	March 31, 2020	September 30, 2019	March 31, 2019
Goodwill	$ 2,003,671	$ 2,003,671	$ 2,003,671
Intangible assets:			
Customer relationships	$ 473,695	$ 473,695	$ 473,695
Trademarks and tradenames	7,944	7,944	7,944
Noncompete agreements	23,207	23,207	23,207
Accumulated amortization	(284,411)	(265,152)	(245,484)
Intangible assets, net (definite-lived)	$ 220,435	$ 239,694	$ 259,362

Amortization expense of intangible assets was $9,599 and $10,105 for the three months ended March 31, 2020 and 2019, respectively, and $19,259 and $20,245 for the six months ended March 31, 2020 and 2019, respectively. No amortization expense is included in cost of sales on the Condensed Consolidated Statements of Operations. The estimated aggregate amortization expense of intangible assets for the remainder of Fiscal 2020 and the next four fiscal years is as follows: remainder of Fiscal 2020 — $19,454; Fiscal 2021 — $35,914; Fiscal 2022 — $32,963; Fiscal 2023 — $31,627; Fiscal 2024 — $30,823.

Note 7 — Leases

Lessee

We lease various buildings and other facilities, real estate, vehicles, rail cars and other equipment, which are operating leases. We determine if a contract is or contains a lease by evaluating whether the contract explicitly or implicitly identifies an asset, whether we have the right to obtain substantially all of the economic benefits of the identified leased asset and to direct its use.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. We recognize ROU assets at the lease commencement date at the value of the lease liability adjusted for any prepayments, lease incentives received, and initial direct costs incurred. Lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. These payments are discounted using the discount rate implicit in the lease, when available. We apply an incremental borrowing rate, which is developed utilizing a credit notching approach based on information available at the lease commencement date, to substantially all of our leases as the implicit rate is often not available.

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

Lease expense is recognized on a straight-line basis over the expected lease term. Renewal and termination options are not included in the lease term unless we are reasonably certain that such options will be exercised. Leases with an original lease term of one year or less, including consideration of any renewal options assumed to be exercised, are not included in the Condensed Consolidated Balance Sheets.

Certain lease arrangements, primarily fleet vehicle leases with lease terms of one to ten years, contain purchase options. The Partnership generally excludes purchase options in evaluating its leases unless it is reasonably certain that such options will be exercised. Additionally, leases of fleet vehicles often contain residual value guarantees that are due the end of the lease. Such amounts are included in the determination of lease liabilities when we are reasonably certain that they will be owed.

Certain leasing arrangements require variable payments that are dependent on asset usage or are based on changes in index rates, such as the Consumer Price Index. The variable payments component of such leases cannot be determined at lease commencement and is not recognized in the measurement of ROU assets or lease liabilities, but is recognized in earnings in the period in which the obligation occurs.

ROU assets and lease liabilities recorded in the Condensed Consolidated Balance Sheet are as follows:

	March 31, 2020	Location on the Balance Sheet
Operating lease ROU assets	$ 375,059	Other assets
Lease liabilities:		
Operating lease liabilities - current	$ 69,771	Other current liabilities
Operating lease liabilities - noncurrent	311,502	Other noncurrent liabilities
Total lease liabilities	$ 381,273	

The components of lease cost are as follows:

	Three Months Ended March 31, 2020	Six Months Ended March 31, 2020
Operating lease cost	$ 21,176	$ 41,767
Variable lease cost	1,392	2,816
Short-term lease cost	466	1,277
Total lease cost	$ 23,034	$ 45,860

The following table presents the cash and non-cash activity related to lease liabilities included in the Condensed Consolidated Statement of Cash Flows occurring during the period:

	Six Months Ended March 31, 2020
Cash paid related to lease liabilities:	
Operating cash flows from operating leases	$ 41,433
Non-cash lease liability activities:	
ROU assets obtained in exchange for operating lease liabilities (including the impact upon adoption)	$ 408,325

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

The following table presents the weighted-average remaining lease term and weighted-average discount rate as of March 31, 2020:

	Weighted - Average Remaining Term	Weighted - Average Discount Rate
Operating Leases	6.4 years	4.2%

Expected annual lease payments based on maturities of operating leases, as well as a reconciliation to the lease liabilities on the Condensed Consolidated Balance Sheet, as of March 31, 2020, were as follows:

	Remainder of Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	After Fiscal 2024	Total Lease Payments	Imputed Interest	Lease Liabilities
Operating leases	$ 42,184	$ 78,555	$ 68,056	$ 60,712	$ 52,518	$ 135,837	$ 437,862	$ (56,589)	$ 381,273

At March 31, 2020, operating leases that had not yet commenced were not material.

Disclosures related to periods prior to adoption of ASC 842

As discussed above, the Partnership adopted ASC 842 effective October 1, 2019, using a modified retrospective approach. As required, the following disclosure is provided for periods prior to adoption. The Partnership's future minimum payments under non-cancelable operating leases at September 30, 2019, which were accounted for under ASC 840, were as follows:

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	After Fiscal 2024
Minimum operating lease payments	$ 84,010	$ 73,420	$ 61,862	$ 53,544	$ 45,034	$ 94,778

Lessor

We enter into lessor arrangements that grant customers the right to use small, medium and large storage tanks to store propane, which we classify as operating leases. In general, these arrangements are typically short-term (12 months or less) and can be extended on a year-to-year basis. Lease income is generally recognized on a straight-line basis over the lease term and included in "Revenues – Other" on the Condensed Consolidated Statements of Operations (see Note 4).

Note 8 — Commitments and Contingencies

Contingencies

Saranac Lake Environmental Matter. In 2008, the NYDEC notified AmeriGas OLP that the NYDEC had placed property purportedly owned by AmeriGas OLP in Saranac Lake, New York on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by the NYDEC disclosed contamination related to a former MGP. AmeriGas OLP responded to the NYDEC in 2009 to dispute the contention it was a PRP as it did not operate the MGP and appeared to only own a portion of the site. In 2017, the NYDEC communicated to AmeriGas OLP that the NYDEC had previously issued three RODs related to remediation of the site totaling approximately $27,700 and requested additional information regarding AmeriGas OLP's purported ownership. AmeriGas OLP renewed its challenge to designation as a PRP and identified potential defenses. The NYDEC subsequently identified a third party PRP with respect to the site.

The NYDEC commenced implementation of the remediation plan in the spring of 2018. Based on our evaluation of the available information as of March 31, 2020, the Partnership has an undiscounted environmental remediation liability of $7,545 related to the site. Our share of the actual remediation costs could be significantly more or less than the accrued amount.

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

Purported Class Action Lawsuits. Between May and October of 2014, 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 Missouri District Court. As the result of rulings on a series of procedural filings, including petitions filed with the Eighth Circuit and the U.S. Supreme Court, both the federal and state law claims of the direct customer plaintiffs and the state law claims of the indirect customer plaintiffs were remanded to the Western Missouri District Court. The decision of the Western Missouri District Court to dismiss the federal antitrust claims of the indirect customer plaintiffs was upheld by the Eighth Circuit. On April 15, 2019, the Western Missouri District Court ruled that it has jurisdiction over the indirect purchasers' state law claims and that the indirect customer plaintiffs have standing to pursue those claims. On August 21, 2019, the District Court partially granted the Partnership's motion for judgment on the pleadings and dismissed the claims of indirect customer plaintiffs from ten states and the District of Columbia.

On October 2, 2019, the Partnership reached an agreement to resolve the claims of the direct purchaser class of plaintiffs, subject to court approval.

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

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

Note 9 — Fair Value Measurements

Recurring Fair Value Measurements

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

	Asset (Liability)			
	Level 1	Level 2	Level 3	Total
March 31, 2020:				
Assets:				
Commodity contracts	$ —	$ 2,408	$ —	$ 2,408
Liabilities:				
Commodity contracts	$ —	$ (78,712)	$ —	$ (78,712)
September 30, 2019:				
Assets:				
Commodity contracts	$ —	$ 105	$ —	$ 105
Liabilities:				
Commodity contracts	$ —	$ (64,613)	$ —	$ (64,613)
March 31, 2019:				
Assets:				
Commodity contracts	$ —	$ 1,569	$ —	$ 1,569
Liabilities:				
Commodity contracts	$ —	$ (10,654)	$ —	$ (10,654)

(Thousands of dollars, except where indicated otherwise)

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.

Other Financial Instruments

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

	March 31, 2020	September 30, 2019	March 31, 2019
Carrying amount	$ 2,586,523	$ 2,588,261	$ 2,595,061
Estimated fair value	$ 2,361,123	$ 2,780,768	$ 2,598,727

Financial instruments other than derivative instruments, such as short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets and a number of foreign countries. For information regarding concentrations of credit risk associated with our derivative instruments, see Note 10.

Note 10 — 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 risk managed by derivative instruments is commodity price risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments the Partnership can use, counterparty credit limits and contract authorization limits. Although our commodity derivative instruments extend over a number of years, a significant portion of our commodity derivative instruments economically hedge commodity price risk during the next twelve months. For additional information on the accounting for our derivative instruments, see Note 2.

Commodity Price Risk

In order to manage market 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, from time to time, enters into price swap agreements to reduce the effects of short-term commodity price volatility. At March 31, 2020, September 30, 2019 and March 31, 2019, total volumes associated with propane commodity derivatives totaled 524.0 million gallons, 523.2 million gallons and 177.3 million gallons, respectively. At March 31, 2020, the maximum period over which we are economically hedging propane market price risk is 30 months.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise major energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments, the maximum amount of loss we would incur if the counterparties failed to perform according to the terms of their contracts, based upon the gross fair values of the derivative instruments, was not material at March 31, 2020. 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 March 31, 2020, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

(Thousands of dollars, except where indicated otherwise)

Offsetting Derivative Assets and Liabilities

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

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

Fair Value of Derivative Instruments

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

	March 31, 2020	September 30, 2019	March 31, 2019
Derivative assets:			
Derivative assets not designated as hedging instruments:			
Commodity contracts	$ 2,408	$ 105	$ 1,569
Total derivative assets — gross	2,408	105	1,569
Gross amounts offset in the balance sheet	(2,287)	(105)	(1,569)
Total derivative assets — net (a)	$ 121	$ —	$ —
Derivative liabilities:			
Derivative liabilities not designated as hedging instruments:			
Commodity contracts	$ (78,712)	$ (64,613)	$ (10,654)
Total derivative liabilities — gross	(78,712)	(64,613)	(10,654)
Gross amounts offset in the balance sheet	2,287	105	1,569
Cash collateral pledged	20,940	20,860	—
Total derivative liabilities — net	$ (55,485)	$ (43,648)	$ (9,085)

(a) Derivative assets are recorded in Other assets on the Condensed Consolidated Balance Sheet.

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

Effects of Derivative Instruments

The following table provides information on the gains (losses) recognized in income on the Condensed Consolidated Statements of Operations for:

Derivatives Not Designated as Hedging Instruments:	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019	Location of Gain (Loss) Recognized in Income
Commodity contracts	$ (54,425)	$ 4,257	$ (55,847)	$ (78,505)	Cost of sales — propane

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

Note 11 — Business Transformation Initiatives

During the fourth quarter of Fiscal 2019, we began executing on a multi-year business transformation initiative. This initiative is designed to improve long-term operational performance by, among other things, reducing costs and improving efficiency in the areas of sales and marketing, supply and logistics, operations, purchasing, and administration. In addition, this business transformation initiative also focuses on enhancing the customer experience through, among other things, enhanced sales and marketing initiatives and an improved digital customer experience. In connection with these initiatives, during the three and six months ended March 31, 2020, we recognized $12,770 and $23,991, respectively, of expenses principally comprising consulting, advisory and employee-related costs. These costs are reflected in “Operating and administrative expenses” on the Condensed Consolidated Statements of Operations.

Note 12 — Related Party Transactions

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

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

In addition, UGI and certain of its subsidiaries provide office space, stop loss medical coverage and automobile liability insurance to the Partnership. These costs were not material during the three and six months ended March 31, 2020 and 2019.

Propane Purchases and Sales. AmeriGas OLP purchases propane on an as needed basis from Energy Services. The price of the purchases is generally based on market price at the time of purchase. There were no purchases of propane by AmeriGas OLP from Energy Services during the three and six months ended March 31, 2020 and 2019.

In addition, AmeriGas OLP sells propane to affiliates of UGI. Sales of propane to affiliates of UGI were not material during the three and six months ended March 31, 2020 and 2019.

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

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Partnership and Management Services Agreement:				
Direct and indirect expenses incurred on behalf of Partnership	$147,046	$156,918	$296,590	$308,965
Administrative Services:				
Administrative services provided by UGI	$ 5,871	$ 5,037	$ 9,618	$ 8,980

Note 13 — Impact of Global Pandemic

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

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

Forward-Looking Statements

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

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) weather conditions resulting in reduced demand and the seasonal nature of our business; (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, data privacy, accounting matters, and environmental, including regulatory responses to climate change; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers or retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations; (11) customer, counterparty, supplier, or vendor defaults; (12) liability for uninsured claims and for claims in excess of insurance coverage, including those for personal injury and property damage arising from explosions, terrorism, natural disasters, pandemics and other catastrophic events that may result from operating hazards and risks incidental to transporting, storing and distributing propane and butane; (13) political, regulatory and economic conditions in the United States and foreign countries; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) the impact of pending and future legal proceedings; (17) the availability, timing, and success of our acquisitions and investments to grow our business; (18) the interruption, disruption, failure or malfunction of our information technology systems, including due to cyber attack; (19) our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future internal business transformation initiatives; and (20) uncertainties related to a global pandemic, including the duration and/or impact of the COVID-19 pandemic.

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 any forward-looking statement whether as a result of new information or future events.

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare the Partnership's results of operations for the 2020 three-month period with the 2019 three-month period and the 2020 six-month period with the 2019 six-month period.

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

AmeriGas Partners does not designate its propane commodity derivative instruments as hedges under 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 net income (loss) attributable to AmeriGas Partners," "adjusted total margin," and "adjusted operating income (loss)" (in addition to "net income (loss) 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 on commodity derivative instruments not associated with current-period transactions and (2) other significant discrete items that can affect the comparison of year-over-year results.

For additional information on these non-GAAP measures including reconciliations of these non-GAAP measures to the most closely associated GAAP measures, see “Non-GAAP Financial Measures” below.

Recent Developments

In March 2020, the WHO declared a global pandemic attributable to the outbreak and continued spread of COVID-19 that has had a significant impact throughout the global economy. In connection with the mitigation and containment procedures recommended by the WHO and imposed by federal, state, and local governmental authorities, including shelter-in-place orders, quarantines and similar restrictions, we implemented a variety of procedures to protect our employees, third-party business partners, and customers worldwide. Although our results for Fiscal 2020 began to reflect the impacts of COVID-19, we continue to provide essential products and services to our customers in a safe and reliable manner and will continue to do so in compliance with mandated restrictions presented by each of the markets we serve. However, we continue to evaluate and react to the potential effects of a prolonged disruption and the related impacts on our results of operations. These items may include, but are not limited to: the financial condition of our customers; decreased availability and demand for our products and services; realization of accounts receivable; impairment considerations related to certain current assets, long-lived assets and goodwill; and delays related to current and future projects. We also remain focused on managing our financial condition and liquidity throughout this global crisis.

While our operational and financial performance may be significantly impacted by COVID-19, we cannot predict the duration or magnitude of the pandemic and its effects on our business, financial position, results of operations, liquidity or cash flows at this time.

Non-GAAP Financial Measures

Our 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) changes in unrealized gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other significant discrete items that can affect the comparison of year-over-year results.

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

	Three Months Ended March 31,		Six Months Ended March 31,	
(Dollars in millions)	2020	2019	2020	2019
Adjusted total margin:				
Total revenues	$ 802.0	$ 971.6	$ 1,532.4	$ 1,791.8
Cost of sales — propane	(327.3)	(399.9)	(585.4)	(835.3)
Cost of sales — other (a)	(19.5)	(18.2)	(41.2)	(39.8)
Total margin	455.2	553.5	905.8	916.7
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions (a)	21.2	(17.1)	11.8	61.4
Adjusted total margin	$ 476.4	$ 536.4	$ 917.6	$ 978.1
Adjusted operating income:				
Operating income	$ 172.1	$ 264.7	$ 335.5	$ 352.7
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	21.2	(17.2)	11.8	61.4
Business transformation expenses	12.8	—	24.0	—
Merger expenses	—	0.9	—	0.9
Adjusted operating income	$ 206.1	$ 248.4	$ 371.3	$ 415.0
Adjusted net income attributable to AmeriGas Partners:				
Net income attributable to AmeriGas Partners	$ 130.5	$ 219.1	$ 250.8	$ 263.6
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	21.2	(17.1)	11.8	61.4
Business transformation expenses	12.8	—	24.0	—
Merger expenses	—	0.9	—	0.9
Noncontrolling interest in net gains and losses on commodity derivative instruments (a)	—	0.2	—	(0.6)
Adjusted net income attributable to AmeriGas Partners	$ 164.5	$ 203.1	$ 286.6	$ 325.3

(a) Certain amounts include the impact of rounding.

Executive Overview

Three Months Ended March 31, 2020

We recorded GAAP net income attributable to AmeriGas Partners for the 2020 three-month period of $130.5 million compared to $219.1 million in the prior-year period. GAAP net income in the 2020 and 2019 three-month periods reflects the effects of net unrealized (losses) gains of $(21.2) million and $17.1 million, respectively, on commodity derivative instruments not associated with current-period transactions. GAAP net income in the 2020 three-month period also reflects $12.8 million of business transformation expenses while GAAP net income in the 2019 three-month period reflects $0.9 million of merger expenses.

Adjusted net income attributable to AmeriGas Partners for the 2020 three-month period was $164.5 million compared with $203.1 million in the prior-year period. The $38.6 million decrease in adjusted net income attributable to AmeriGas Partners principally reflects lower adjusted total margin attributable to decreased retail volumes sold partially offset by lower operating and administrative expenses. During the 2020 three-month period, average temperatures were 9.1% warmer than normal and 12.9% warmer than the prior-year period.

Six Months Ended March 31, 2020

We recorded GAAP net income attributable to AmeriGas Partners for the 2020 six-month period of $250.8 million compared to GAAP net income attributable to AmeriGas Partners for the 2019 six-month period of $263.6 million. GAAP net income in the 2020 and 2019 six-month periods reflects the effects of net unrealized losses of $11.8 million and $61.4 million, respectively, on commodity derivative instruments not associated with current-period transactions. GAAP net income in the 2020 six-month period also reflects $24.0 million of business transformation expenses while GAAP net income in the 2019 six-month period reflects $0.9 million of merger expenses.

Adjusted net income attributable to AmeriGas Partners for the 2020 six-month period was $286.6 million compared with $325.3 million in the prior-year period. The $38.7 million decrease in adjusted net income attributable to AmeriGas Partners principally reflects lower adjusted total margin attributable to decreased retail volumes sold partially offset by lower operating and administrative expenses. During the 2020 six-month period, average temperatures were 3.7% warmer than normal and 7.9% warmer than the prior-year period.

RESULTS OF OPERATIONS

2020 three-month period compared with the 2019 three-month period

Three Months Ended March 31,	2020	2019	Increase (Decrease)	
(Dollars and gallons in millions)				
Gallons sold:				
Retail	340.0	383.6	(43.6)	(11.4)%
Wholesale	28.7	28.3	0.4	1.4 %
	368.7	411.9	(43.2)	(10.5)%
Revenues:				
Retail propane	$ 712.2	$ 874.6	(162.4)	(18.6)%
Wholesale propane	18.8	25.3	(6.5)	(25.7)%
Other	71.0	71.7	(0.7)	(1.0)%
	$ 802.0	$ 971.6	$ (169.6)	(17.5)%
Total margin (a)	$ 455.2	$ 553.5	$ (98.3)	(17.8)%
Operating and administrative expenses	$ 243.0	$ 249.9	$ (6.9)	(2.8)%
Depreciation and amortization	$ 44.9	$ 44.3	$ 0.6	1.4 %
Operating income	$ 172.1	$ 264.7	$ (92.6)	(35.0)%
Net income attributable to AmeriGas Partners	$ 130.5	$ 219.1	$ (88.6)	(40.4)%
Non-GAAP financial measures (b):				
Adjusted total margin	$ 476.4	$ 536.4	$ (60.0)	(11.2)%
Adjusted operating income	$ 206.1	$ 248.4	$ (42.3)	(17.0)%
Adjusted net income attributable to AmeriGas Partners	$ 164.5	$ 203.1	$ (38.6)	(19.0)%
Heating degree days — % (warmer) colder than normal (c)	(9.1)%	4.4%	—	—

(a) Total margin represents total revenues less "Cost of sales — propane" and "Cost of sales — other." Total margin for the 2020 and 2019 three-month periods include the impact of net unrealized (losses) gains of $(21.2) million and $17.1 million, respectively, on commodity derivative instruments not associated with current-period transactions.

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

(c) Deviation from average heating degree days for the 15-year period 2002-2016 based upon national weather statistics provided by NOAA for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

Average temperatures during the 2020 three-month period were 9.1% warmer than normal and 12.9% warmer than the prior-year period. Total retail gallons sold during the 2020 three-month period were 11.4% lower than the prior-year period principally reflecting the effects of the significantly warmer weather on heating-related sales, structural conservation and other residential volume loss.

Retail propane revenues decreased $162.4 million during the 2020 three-month period reflecting the effects of the lower retail volumes sold ($99.4 million) and lower average retail selling prices ($63.1 million) compared to the prior-year period. Wholesale propane revenues decreased $6.5 million attributable to lower average wholesale selling prices. Average daily wholesale propane commodity prices during the 2020 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 44% lower than such prices during the 2019 three-month period.

Total cost of sales during the 2020 three-month period decreased $71.3 million from the prior-year period. Cost of sales in the 2020 and 2019 three-month periods include $21.2 million of losses and $17.1 million of gains on commodity derivative instruments not associated with current-period transactions, respectively. Excluding the effects on cost of sales of these derivative commodity instruments, total cost of sales decreased $109.6 million principally reflecting the effects of lower average propane product costs ($66.4 million) and lower retail propane volumes sold ($44.6 million).

Total margin (which includes the effects of the unrealized gains (losses) on commodity derivative instruments not associated with current-period transactions in both periods) decreased $98.3 million during the 2020 three-month period. Adjusted total margin in the 2020 three-month period decreased $60.0 million largely reflecting the decrease in retail volumes sold ($54.8 million) and slightly lower average retail unit margins ($4.1 million).

Operating income (which includes the effects of the unrealized gains and losses on commodity derivative instruments not associated with current-period transactions in both periods, business transformation expenses in the 2020 three-month period, and merger expenses in the 2019 three-month period) was $92.6 million lower than the prior-year period. Adjusted operating income was $42.3 million lower than the 2019 three-month period principally reflecting the previously mentioned lower adjusted total margin partially offset by decreased operating and administrative expenses ($18.8 million, excluding $12.8 million of expenses associated with business transformation initiatives in the 2020 three-month period and $0.9 million of merger expenses in the 2019 three-month period). The decrease in operating and administrative expenses in the 2020 three-month period reflects, among other things, lower compensation and benefits costs ($12.1 million), decreased vehicle and equipment operating and maintenance expenses ($5.1 million), and lower business travel expenses ($1.2 million).

The $38.6 million decrease in adjusted net income attributable to AmeriGas Partners in the 2020 three-month period reflects the $42.3 million decrease in adjusted operating income partially offset by the absence of noncontrolling interest impacts ($2.4 million) in the 2020 three-month period and lower interest expense ($1.0 million) compared to the prior-year period.

2020 six-month period compared with the 2019 six-month period

Six Months Ended March 31,	2020	2019	Increase (Decrease)	
(Dollars and gallons in millions)				
Gallons sold:				
Retail	644.4	693.9	(49.5)	(7.1)%
Wholesale	56.3	50.2	6.1	12.2 %
	700.7	744.1	(43.4)	(5.8)%
Revenues:				
Retail propane	$ 1,343.4	$ 1,596.5	$ (253.1)	(15.9)%
Wholesale propane	40.8	46.3	(5.5)	(11.9)%
Other	148.2	149.0	(0.8)	(0.5)%
	$ 1,532.4	$ 1,791.8	$ (259.4)	(14.5)%
Total margin (a)	$ 905.8	$ 916.7	$ (10.9)	(1.2)%
Operating and administrative expenses	$ 494.2	$ 485.1	$ 9.1	1.9 %
Depreciation and amortization	$ 88.8	$ 90.0	$ (1.2)	(1.3)%
Operating income	$ 335.5	$ 352.7	$ (17.2)	(4.9)%
Net income attributable to AmeriGas Partners	$ 250.8	$ 263.6	$ (12.8)	(4.9)%
Non-GAAP financial measures (b):				
Adjusted total margin	$ 917.6	$ 978.1	$ (60.5)	(6.2)%
Adjusted operating income	$ 371.3	$ 415.0	$ (43.7)	(10.5)%
Adjusted net income attributable to AmeriGas Partners	$ 286.6	$ 325.3	$ (38.7)	(11.9)%
Heating degree days — % (warmer) colder than normal (c)	(3.7)%	4.6%	—	—

(a) Total margin represents total revenues less "Cost of sales — propane" and "Cost of sales — other." Total margin for the 2020 and 2019 six-month periods include the impact of net unrealized losses of $11.8 million and $61.4 million, respectively, on commodity derivative instruments not associated with current-period transactions.

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

(c) Deviation from average heating degree days for the 15-year period 2002-2016 based upon national weather statistics provided by NOAA for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

Average temperatures during the 2020 six-month period were 3.7% warmer than normal and 7.9% warmer than the prior-year period. Total retail gallons sold during the 2020 six-month period were 7.1% lower than the prior-year period reflecting the effects of the warmer weather on heating-related sales, structural conservation and other residential volume loss.

Retail propane revenues decreased $253.1 million during the 2020 six-month period reflecting the effects of lower average retail selling prices ($139.2 million) and the lower retail volumes sold ($113.9 million). Wholesale propane revenues decreased $5.5 million during the six months ended March 31, 2020 reflecting lower average wholesale selling prices ($11.1 million) partially offset by increased wholesale volumes ($5.6 million). Average daily wholesale propane commodity prices during the 2020 six-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 41% lower than such prices during the prior-year period.

Total cost of sales during the 2020 six-month period decreased $248.5 million compared to the prior-year period. Cost of sales in the 2020 and 2019 six-month periods include $11.8 million and $61.4 million of losses on commodity derivative instruments not associated with current-period transactions, respectively. Excluding the effects on cost of sales of these commodity derivative instruments, total cost of sales decreased $198.9 million principally reflecting the effects of the lower average propane product costs ($153.8 million) and the lower retail propane volumes sold ($52.0 million). The effects of these factors was partially offset by higher wholesale propane volumes sold ($5.5 million).

Total margin (which includes the effects of the unrealized losses on commodity derivative instruments not associated with current-period transactions in both periods) decreased $10.9 million during the 2020 six-month period. Adjusted total margin in the 2020 six-month period decreased $60.5 million largely attributable to the lower retail volumes sold ($61.9 million). The effect of this decrease was partially offset by slightly higher average retail and wholesale unit margins ($3.4 million) compared to the prior-year period.

Operating income (which includes the effects of the unrealized losses on commodity derivative instruments not associated with current-period transactions in both periods, business transformation expenses in the 2020 six-month period, and merger expenses in the 2019 six-month period) was $17.2 million lower than the prior-year period. Adjusted operating income was $43.7 million lower than the 2019 six-month period reflecting the previously mentioned lower adjusted total margin partially offset by a decrease in operating and administrative expenses ($14.0 million, excluding $24.0 million of expenses associated with business transformation initiatives in the 2020 six-month period and $0.9 million of merger expenses in the 2019 six-month period), an increase in other operating income ($1.6 million), and lower depreciation and amortization expense ($1.2 million). The decrease in operating and administrative expenses in the 2020 six-month period reflects, among other things, lower compensation and benefits costs ($9.8 million) and decreased vehicle and equipment operating and maintenance expenses ($4.8 million).

The $38.7 million decrease in adjusted net income attributable to AmeriGas Partners in the 2020 six-month period reflects the decrease in adjusted operating income partially offset by the absence of noncontrolling interest impacts ($4.1 million) in the 2020 six-month period and lower interest expense ($0.9 million) compared to the prior-year period.

FINANCIAL CONDITION AND LIQUIDITY

The Partnership expects to have sufficient liquidity to continue to support long-term commitments and ongoing operations despite potential uncertainties associated with the global pandemic attributable to the outbreak and continued spread of COVID-19. The Partnership was in compliance with all debt covenants as of March 31, 2020. The Partnership's liquidity is also positively influenced by continued low commodity prices experienced in the six months ended March 31, 2020 and the expected low working capital requirements that typically occur in the second half of the Partnership's fiscal year. In addition, the Partnership does not have any near-term senior note maturities. The COVID-19 global pandemic is a rapidly evolving situation and the Partnership cannot predict the ultimate impact it will have on its liquidity, debt covenants, financial condition or the timing of capital expenditures.

The Partnership's cash and cash equivalents at March 31, 2020, were $7.3 million compared to cash and cash equivalents at September 30, 2019, of $7.8 million. The Partnership's debt outstanding at March 31, 2020, totaled $2,765.8 million (including current maturities of long-term debt of $7.0 million and short-term borrowings of $201.0 million). The Partnership's debt outstanding at September 30, 2019, totaled $2,892.6 million (including current maturities of long-term debt of $7.7 million and short-term borrowings of $328.0 million). Total long-term debt outstanding at March 31, 2020, including current maturities, comprises $2,575.0 million of AmeriGas Partners' Senior Notes and $11.5 million of other long-term debt, and is net of $21.7 million of unamortized debt issuance costs.

At March 31, 2020, there were $201.0 million borrowings outstanding under the Credit Agreement. Issued and outstanding letters of credit under the Credit Agreement, which reduce the amounts available for borrowings, totaled $62.7 million at March 31, 2020. At March 31, 2020, the Partnership's available borrowing capacity under the Credit Agreement was $336.3 million. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2020 six-month period were $293.9 million and $359.0 million, respectively. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2019 six-month period were $303.2 million and $422.0 million, respectively.

The Partnership's management believes that the Partnership has sufficient liquidity in the forms of cash and cash equivalents on hand, cash expected to be generated from operations, and short-term borrowings available under the Credit Agreement to meet its anticipated contractual and projected cash commitments.

Cash Flows

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

Cash flow provided by operating activities was $237.6 million in the 2020 six-month period compared to $247.4 million in the 2019 six-month period. Cash flow from operating activities before changes in operating working capital was $357.4 million in the 2020 six-month period compared to $427.2 million in the prior-year period. The lower cash flow from operating activities before changes in working capital principally reflects the lower operating results in the 2020 six-month period including incremental expenses associated with business transformation activities. Cash used to fund changes in operating working capital was $119.9 million in the 2020 six-month period compared to $179.8 million in the 2019 six-month period. The lower cash required to fund changes in operating working capital reflects, among other things, lower cash required to fund changes in accounts receivable, principally the result of lower average retail propane selling prices and the lower retail volumes sold, and lower cash collateral deposits paid.

Investing activities. Investing activity cash flow principally comprises expenditures for property, plant and equipment, cash paid for acquisitions of businesses and proceeds from disposals of assets. Cash flow used by investing activities was $64.1 million in the 2020 six-month period compared with $50.3 million in the prior-year period. The Partnership spent $74.4 million for property, plant and equipment in the 2020 six-month period compared with $56.8 million in the 2019 six-month period. Capital expenditures in the 2020 six-month period include higher capital expenditures associated with business transformation initiatives and ACE vending machines.

Financing activities. Financing activity cash flow principally comprises distributions on AmeriGas Partners Common Units, issuances and repayments of long-term debt and short-term borrowings. Cash used by financing activities was $173.9 million in the 2020 six-month period compared with $202.5 million in the prior-year period. The higher distributions paid during the prior-year six-month period includes $131.5 million of distributions paid on publicly held Common Units prior to the AmeriGas Merger. Net cash used for repayments of Credit Agreement borrowings in the 2020 six-month period totaled $127.0 million compared to net borrowings of $4.0 million in the prior-year period.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership pays for propane is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. The Partnership's profitability is sensitive to changes in propane supply costs and the Partnership generally passes on increases in such costs to customers. The Partnership may not, however, always be able to pass through product cost increases fully, or keep pace with such increases, 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 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 March 31, 2020, was a net loss of $76.3 million. A hypothetical 10% adverse change in the market price of propane would result in a decrease in such fair value of approximately $18.7 million.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise major energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments, the maximum amount of loss we would incur if the counterparties failed to perform according to the terms of their contracts, based upon the gross fair values of the derivative instruments, was not material at March 31, 2020. 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 March 31, 2020, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

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

(b) Change in Internal Control over Financial Reporting

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

RISK FACTORS

In addition to the information presented in this report, you should carefully consider the factors discussed in "Risk Factors" in our 2019 Annual Report, which could materially affect our business, financial condition or future results. The risks described below and in our 2019 Annual Report are not the only risks facing the Partnership. Other unknown or unpredictable factors could also have material adverse effects on future results.

The recent COVID-19 outbreak could adversely impact our business, financial condition and results of operations.

The recent COVID-19 outbreak has resulted in widespread impacts on the global economy and on our employees, customers, third-party business partners and other stakeholders. There is considerable uncertainty regarding the extent to which COVID-19 will spread and the extent and duration of measures designed to contain the spread, including travel bans and restrictions, quarantines, shelter-in-place orders (including those in effect in our service areas), and business and government shutdowns. These restrictions may, among other things:

- negatively impact the financial condition of our customers and their ability to pay for our products and services;
- reduce energy consumption by certain of our customers, which would affect demand for our products;
- result in operational delays, including delay in the delivery of our products to customers; and
- result in impairment relating to certain current and long-lived assets.

Additionally, while we have modified or restricted certain business and workforce practices (including employee travel, presence at employee work locations, and physical participation in meetings, events, and conferences) to protect the health and safety of our workforce, and to conform to government orders and best practices encouraged by governmental and regulatory authorities, we depend on our workforce to operate our facilities and deliver our products and provide services to customers. If a large portion of our operational workforce were to contract COVID-19 simultaneously, we would rely upon our business continuity plans in an effort to continue operations, but there is no certainty that such measures would be sufficient to mitigate the adverse impact to our operations.

Furthermore, if we seek to raise additional capital, our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the financing markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. Nonetheless, if our credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any future debt financing could be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or conflict with covenant restrictions then in effect. As a result, there is no guarantee that financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations.

The degree to which COVID-19 may impact our business operations, financial condition, liquidity and results of operations is unknown at this time and will depend on future developments, including the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, actions prescribed or ordered by governmental authorities, and when and to what extent normal economic and operating conditions can resume.

The risk of natural disasters, pandemics and catastrophic events, including terrorism, may adversely affect the economy and the price and availability of propane.

Natural disasters, pandemics and catastrophic events, such as fires, earthquakes, explosions, floods, tornadoes, hurricanes, terrorist attacks, political unrest and other similar occurrences, may adversely impact the price and availability of propane, which could adversely impact our financial condition and results of operations, our ability to raise capital and our future growth. The impact that the foregoing may have on our industries in general, and on us in particular, is not known at this time. A natural disaster, pandemic or 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 directly or indirectly impacted. Additionally, if our means of supply transportation, such as rail or pipeline, are delayed or temporarily unavailable due to a natural disaster, pandemic or terrorist activity, we may be unable to transport propane in a timely manner or at all. 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 a natural disaster, pandemic or terrorism could also affect our ability to raise capital. We have opted to purchase insurance coverage for natural disasters and terrorist acts within our property and casualty insurance programs, but we can give no assurance that our insurance coverage would be adequate to fully compensate us for any losses to our business or property resulting from natural disasters or terrorist acts.

EXHIBIT INDEX

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

SIGNATURES

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

AMERIGAS PARTNERS, L.P.

By: AmeriGas Propane, Inc.
Its General Partner

Date: May 7, 2020

By: /s/ Ann P. Kelly
Ann P. Kelly
Vice President - Finance and Chief Financial Officer

Date: May 7, 2020

By: /s/ Craig M. Dadamo
Craig M. Dadamo
Controller and Chief Accounting Officer

Exhibit 31.1

CERTIFICATION

I, Hugh J. Gallagher, certify that:

1. I have reviewed this quarterly report of AmeriGas Partners, L.P. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 7, 2020

/s/ Hugh J. Gallagher

Hugh J. Gallagher

President and Chief Executive
Officer of AmeriGas Propane, Inc.

Exhibit 31.2

CERTIFICATION

I, Ann P. Kelly, certify that:

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

Date: May 7, 2020

/s/ Ann P. Kelly

Ann P. Kelly

Chief Financial Officer

Exhibit 32

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

I, Hugh J. Gallagher, Chief Executive Officer, and I, Ann P. Kelly, Chief Financial Officer, of AmeriGas Propane, Inc., a Pennsylvania corporation, the General Partner of AmeriGas Partners, L.P. (the “Company”), hereby certify that to our knowledge:

(1) The Company’s quarterly for the period ended March 31, 2020 (the “Quarterly Report”) fully complies, in all material respects, with the requirements of the indentures; and

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

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER
/s/ Hugh J. Gallagher	/s/ Ann P. Kelly
Hugh J. Gallagher	Ann P. Kelly
Date: May 7, 2020	Date: May 7, 2020