

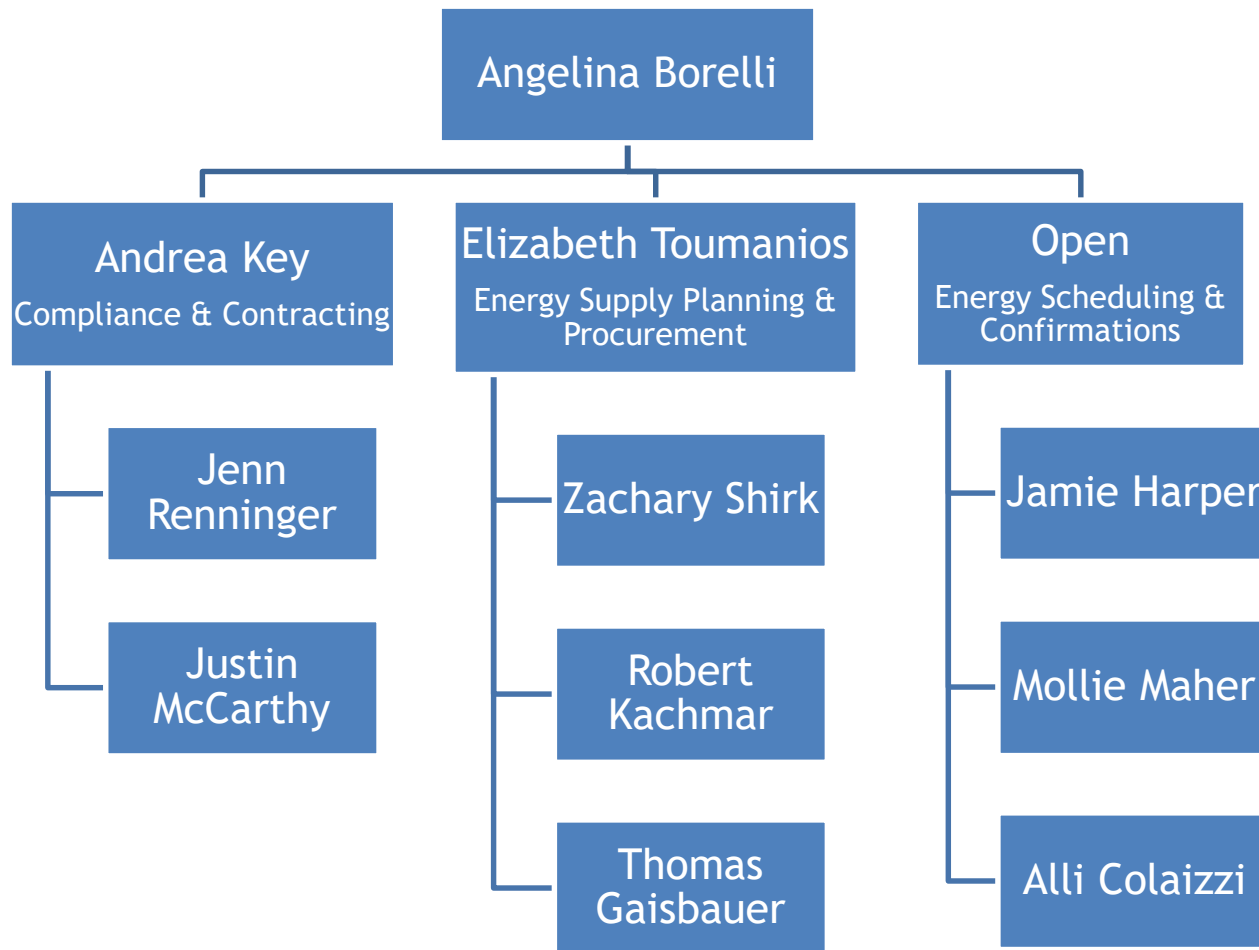
# UGI Spring Supplier Collaborative

June 6, 2018

# Agenda

- Introduction
- Process Improvement Initiatives
  - Confirmations Process
  - Email Notifications of Operational Notices
  - Delivered Pricing
- Choice Program
  - UGI Utilities
  - Penn Natural Gas
  - Central Penn Gas
- Forward Look
  - Company Consolidation
  - Marketer Delivery Rules
  - Supplier Feedback & Survey

# Supply Team Introductions



# Rates & Billing Team Introductions

# Process Improvement Initiatives

# Confirmation Process

- Goal: to enforce a fair, consistent policy while providing good service to marketers
- Any nomination changes after timely require notification to supply team - phone call required outside of business hours
- Contact Information is on the Energy Management Website <http://gasmngmt.ugi.com/> → *Contact*
- The written procedure will be posted on the Energy Management Website <http://gasmngmt.ugi.com/> → *Nominations* → *Nomination Procedures*

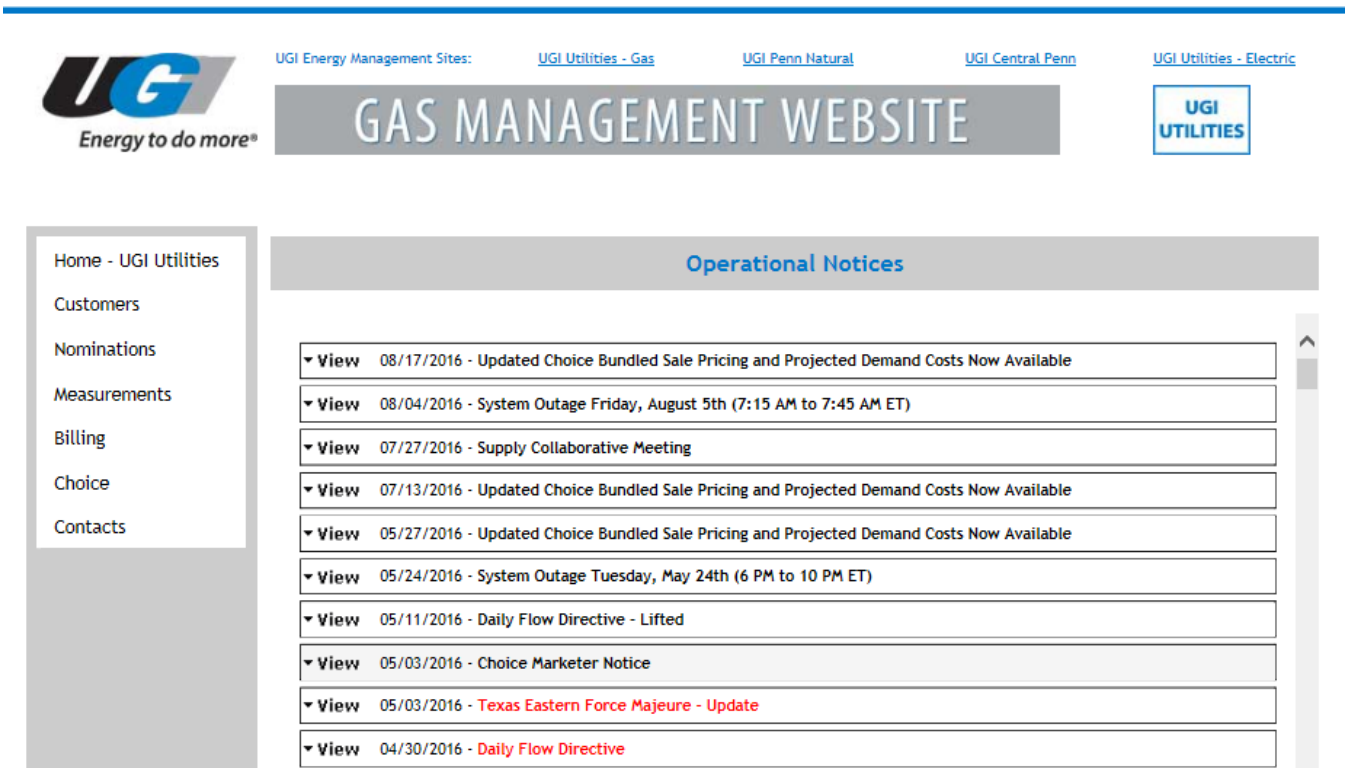
# Confirmation Process Initiatives

- Notify marketers when supply on the pipe doesn't match UGI's EBB & cut excess supply on the pipe
- Notify marketers when supply nominations are not in balance with customer nominations
  - Helpful Screen on the Energy Management Website  
<http://gasmngmt.ugi.com/Nominations> → *Nomination Group Balance Inquiry*

GASDAY -----	SUPPLIER NOMINATION TOTAL (DTH ' s) -----	CUSTOMER NOMINATION TOTAL (DTH ' s) -----	IMBALANCE (DTH ' s) -----
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- Work with suppliers to update the EBB if they have been locked out after timely for supply nominations & 5 pm for customer nominations
- Made internal procedural improvements to keep the EBB accurate and updated

# Email Notifications of Operational Notices



The screenshot shows the UGI Gas Management Website interface. At the top, there are navigation links for "UGI Energy Management Sites:", "UGI Utilities - Gas", "UGI Penn Natural", "UGI Central Penn", and "UGI Utilities - Electric". The main header area contains the UGI logo with the tagline "Energy to do more®", the text "GAS MANAGEMENT WEBSITE", and a "UGI UTILITIES" button. A left-hand navigation menu lists: Home - UGI Utilities, Customers, Nominations, Measurements, Billing, Choice, and Contacts. The main content area is titled "Operational Notices" and displays a list of notices, each with a "View" link, a date, and a brief description. The notices include updates on bundled sale pricing, system outages, and flow directives.

View	Date	Notice Description
View	08/17/2016	Updated Choice Bundled Sale Pricing and Projected Demand Costs Now Available
View	08/04/2016	System Outage Friday, August 5th (7:15 AM to 7:45 AM ET)
View	07/27/2016	Supply Collaborative Meeting
View	07/13/2016	Updated Choice Bundled Sale Pricing and Projected Demand Costs Now Available
View	05/27/2016	Updated Choice Bundled Sale Pricing and Projected Demand Costs Now Available
View	05/24/2016	System Outage Tuesday, May 24th (6 PM to 10 PM ET)
View	05/11/2016	Daily Flow Directive - Lifted
View	05/03/2016	Choice Marketer Notice
View	05/03/2016	Texas Eastern Force Majeure - Update
View	04/30/2016	Daily Flow Directive

- Subscribe to email notifications by sending a request to [GasMgmtGasTraders@ugi.com](mailto:GasMgmtGasTraders@ugi.com) (group emails are preferred)



# Delivered Pricing

- PNG & CPG Choice and PNG DS have access to delivered supply as part of the retail capacity programs
- We have delivered supply contracts with different pricing methodologies and allow marketers to elect the delivered service
- Procedures are available on the Energy Management Website <http://gasmngmt.ugi.com/> under PNG or CPG  
→ *Procedures* → *Gas Nominations* → *Delivered Gas Nominations*

# Choice Program Updates

# Choice Overview

- Suppliers get an equitable piece of the LDC's portfolio to meet their customers' peak day demands
- Portfolio includes:
  - Pipeline Capacity (FT) & Delivered Service (Call Option)
  - Storage (Bundled Sale) - *winter only*
  - Peaking - *winter only*
- Portfolio is based on proposed changes filed in the May 1, 2018 1307(f) Purchase Gas Cost filings
  - UGI - Docket No. R-2018-3001633
  - PNG - Docket No. R-2018-3001632
  - CPG - Docket No. R-2018-3001631
- Each supplier has a total daily delivery requirement and a requirement by pipeline
- Mandatory for marketers to take pipeline capacity

# UGI Utilities

## Daily Delivery Requirements

Peak Day DDR	Pipeline Capacity FT		Storage Max Daily Bundled Sale		Peaking*	
<b>100.0%</b>	<b>27.6%</b>		<b>24.9%</b>		<b>47.5%</b>	
	Texas Eastern	15.6%	Nov	7.5%	Nov	47.5%
	Columbia	7.8%	Dec	24.9%	Dec	47.5%
	Transco	4.3%	Jan	24.9%	Jan	47.5%
			Feb 1-15	24.9%	Feb 1-15	47.5%
			Feb 16-28	22.4%	Feb 16-28	47.5%
			Mar	18.7%	Mar	47.5%

\*peaking is system generated

# UGI Utilities DDR Example (DTH)

Peak Day DDR	Pipeline Capacity FT		Storage Max Daily Bundled Sale		Peaking*	
<b>1,000</b>	<b>276</b>		<b>249</b>		<b>475</b>	
	Texas Eastern	156	Nov	75	Nov	475
	Columbia	78	Dec	249	Dec	475
	Transco	43	Jan	249	Jan	475
			Feb 1-15	249	Feb 1-15	475
			Feb 16-28	224	Feb 16-28	475
			Mar	187	Mar	475

\*peaking is system generated

# UGI Utilities

## Storage - Bundled Sale

	Monthly Must-Take % Pre-Month DDR	Example: Avg Pre-month DDR <b>500 DTH</b>
Nov	10.98%	1,647
Dec	33.64%	5,214
Jan	30.48%	4,725
Feb	35.30%	4,942
Mar	30.85%	4,782

Avg Pre-month DDR x Number of Days in the Month x Must-Take %

- UGI's Columbia FSS storage
- Pricing based on Apr-Oct avg IFERC TCO Pool + transportation costs into and out of storage field
- Prices are posted on UGI's Energy Management Website  
<http://gasmngmt.ugi.com/> → under UGI Home → Supplier Activities → Bundled Sale Pricing
- Monthly must-take quantities not nominated during the month will be bought back at 90% Gas Daily Low Tetco M2

# Penn Natural Gas Daily Delivery Requirements

Peak Day DDR	Pipeline Capacity FT & Delivered Supplies		Storage Max Daily Bundled Sale		Peaking*	
<b>100.0%</b>	<b>50.9%</b>		<b>28.7%</b>		<b>20.4%</b>	
	Transco FT	5.3%	Nov	0.0%	Nov	20.4%
	Transco Gulf Delivered	11.5%	Dec	28.7%	Dec	20.4%
	Transco Leidy Delivered	8.1%	Jan	28.7%	Jan	20.4%
	Transco Winter-Only Delivered	7.4%	Feb 1-15	28.7%	Feb 1-15	20.4%
	Tennessee FT	10.6%	Feb 16-28	27.3%	Feb 16-28	20.4%
	Tennessee Delivered	0.5%	Mar	21.5%	Mar	20.4%
	Tennessee Winter-Only Delivered	7.5%				

\*peaking is system generated

# Penn Natural Gas DDR Example (DTH)

Peak Day DDR	Pipeline Capacity FT & Delivered Supplies		Storage Max Daily Bundled Sale		Peaking*	
<b>1,000</b>	<b>509</b>		<b>287</b>		<b>204</b>	
	Transco FT	53	Nov	0	Nov	204
	Transco Gulf Delivered	115	Dec	287	Dec	204
	Transco Leidy Delivered	81	Jan	287	Jan	204
	Transco Winter-Only Delivered	74	Feb 1-15	287	Feb 1-15	204
	Tennessee FT	106	Feb 16-28	259	Feb 16-28	204
	Tennessee Delivered	5	Mar	215	Mar	204
	Tennessee Winter-Only Delivered	75				

\*peaking is system generated



# Penn Natural Gas Storage - Bundled Sale

	Monthly Must-Take % Pre-Month DDR	Example: Avg Pre-month DDR <b>500 DTH</b>
Nov	0.00%	0
Dec	13.84%	2,145
Jan	22.05%	3,418
Feb	36.23%	5,072
Mar	44.60%	6,913

Avg Pre-month DDR x Number of Days in the Month x Must-Take %

- PNG's Transco GSS
- Pricing based on Apr-Oct avg IFERC Transco Z4 + transportation costs into and out of storage field
- Prices are posted on UGI's Energy Management Website  
<http://gasmngmt.ugi.com/> → under PNG Home → Supplier Activities → Bundled Sale Pricing
- Monthly must-take quantities not nominated during the month will be bought back at 90% Gas Daily Low Transco Leidy Line Receipts

# Central Penn Gas Daily Delivery Requirements

Peak Day DDR	Pipeline Capacity FT & Delivered Supplies		Storage Max Daily Bundled Sale		Peaking*	
<b>100.0%</b>	<b>61.2%</b>		<b>16.1%</b>		<b>22.7%</b>	
Central	Texas Eastern Delivered	61.2%	Nov	4.0%	Nov	22.7%
Southeast & West	Columbia FT	61.2%	Dec	16.1%	Dec	22.7%
North East	Transco FT	61.2%	Jan	16.1%	Jan	22.7%
North Penn East & North Penn West	Tennessee Delivered Tenn Z4 300 Leg	5.4%	Feb 1-15	16.1%	Feb 1-15	22.7%
	Tennessee Delivered Tenn Z4 300 Leg + Max Rates	17.2%	Feb 16-28	12.9%	Feb 16-28	22.7%
	Tennessee Delivered Tenn Z4 313 Pool + Max Rates	38.6%	Mar	10.5%	Mar	22.7%

\*peaking is system generated

# Central Penn Gas DDR Example (DTH)

Peak Day DDR	Regions	Pipeline Capacity FT & Delivered Supplies		Storage Max Daily Bundled Sale		Peaking*	
<b>1,000</b>		<b>612</b>		<b>161</b>		<b>227</b>	
200	Central	Texas Eastern Delivered	122	Nov	40	Nov	227
300	Southeast & West	Columbia FT	184	Dec	161	Dec	227
400	North East	Transco FT	245	Jan	161	Jan	227
100	North Penn East & North Penn West	Tennessee Delivered Tenn Z4 300 Leg	5	Feb 1-15	161	Feb 1-15	227
		Tennessee Delivered Tenn Z4 300 Leg + Max Rates	17	Feb 16-28	129	Feb 16-28	227
		Tennessee Delivered Tenn Z4 313 Pool + Max Rates	39	Mar	105	Mar	227

\*peaking is system generated

# Central Penn Gas Storage - Bundled Sale

	Monthly Must-Take % Pre-Month DDR	Example: Avg Pre-month DDR <b>500 DTH</b>
Nov	7.34%	1,101
Dec	23.82%	3,692
Jan	32.11%	4,978
Feb	35.95%	5,033
Mar	28.21%	4,372

Avg Pre-month DDR x Number of Days in the Month x Must-Take %

- CPG’s Texas Eastern SS-1 storage
- Pricing based on Apr-Oct avg IFERC Tetco M2 + transportation costs into and out of storage field
- Prices are posted on UGI’s Energy Management Website  
<http://gasmngmt.ugi.com/> → under CPG Home → Supplier Activities → Bundled Sale Pricing
- Monthly must-take quantities not nominated during the month will be bought back at 90% Gas Daily Low Tetco M2

# Forward Look

# Company Consolidation

- Filed an application to merge UGI Central Penn Gas and UGI Penn Natural Gas into UGI Utilities
- Docket No. A-2018-3000381
- UGI Utilities will have 3 separate tariff rate districts
- No changes will be made to the rates or retail transportation programs of any of the LDCs as a result of the filing

# Marketer Delivery Rules

- Currently conducting an analysis to evaluate delivery rules for eventual company consolidation of rate districts
- Addressing new interconnections and system limitations
- Planning to expand delivery options to include the Mt Bethel Pipeline and the Sunbury Pipeline
- Are there any initial marketer considerations?

# Supplier Feedback

- FOM Choice Nominations
- Customer Nomination Process - cut the largest CPR
- New Website Recommendations
- Other Topics

Survey is available on the Energy Management Website under Operational Notices and will be distributed via email.



# Questions?

\*Please direct supply questions to [GasMgmtGasTraders@ugi.com](mailto:GasMgmtGasTraders@ugi.com)\*