

**AGREEMENT FOR CONSOLIDATED BILLING SERVICE
WITH PURCHASE OF RECEIVABLES (“CBS POR Agreement”)**

BILLING SERVICES AGREEMENT (“Agreement”) entered into this ___ day of _____, ____, by and between UGI Utilities, Inc. (“Company”) and _____ (“Choice Supplier”) (the “Parties”).

PREAMBLE

WHEREAS Choice Supplier is receiving Gas Aggregation Service from Company pursuant to Company's Tariff Gas - Pa. P.U.C. No. 5-S (“Supplier Tariff”);

WHEREAS, by means of such Gas Aggregation Service, Choice Supplier purchases natural gas commodity on behalf of certain customers served under Rate Schedule RT, Rate Schedule NT with annual consumption of 1,000 mcf or less or Rate Schedule CT with annual consumption of 1,000 mcf or less (“Customers”) on Company's system and causes such natural gas commodity to be delivered to the Company for redelivery, or transportation, by the Company to Choice Supplier's Customers;

WHEREAS, as a result, Choice Supplier is interested in charging such Customers (“Customer Accounts”) for Choice Supplier's commodity service (“Choice Supplier charges”), and Company is interested in charging the same Customers for Company's distribution and other services (“Company charges”), on a single bill that includes Choice Supplier charges and Company charges;

WHEREAS, Choice Supplier has elected to receive, and Company has agreed to provide, a consolidated billing service (“CBS”), commencing _____, pursuant to the Supplier Tariff;

WHEREAS, with respect to eligible Customer Accounts, Choice Supplier has requested that Company purchase, free and clear of all liens, claims and encumbrances, certain amounts billed by Company hereunder on Choice Supplier's behalf and make

payments to Choice Supplier relating to such purchases;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants, conditions and terms set forth below, and intending to be legally bound hereby, Choice Supplier and Company agree as follows:

A. Applicable Tariff and Operating Procedures

1. Tariff and Operating Procedures. The terms and conditions of the Supplier Tariff, the currently effective Aggregation Agreement between Choice Supplier and Company agreements and Company's Tariff are fully incorporated in this Agreement except as otherwise expressly stated herein.

2. Tariff Controls. If there is any inconsistency between this Agreement and the Tariff in its current form or as subsequently amended, then the provisions of the Tariff shall apply.

B. Consolidated Billing and Purchase of Accounts Receivable

1. Billing Service. Pursuant to the Supplier Tariff, Choice Supplier hereby elects to receive CBS and authorizes Company to perform certain retail billing functions for Choice Supplier's Customers, as set forth in the Supplier Tariff, including invoicing, remittance processing and customer service activities. Choice Supplier and Company shall comply in every respect with the provisions of CBS under the Supplier Tariff and, where applicable, the Commission Regulations.

2. Purchase of Accounts Receivable.

a. For all eligible Customer Accounts and subject to the other terms and conditions of this Agreement, Choice Supplier hereby assigns, sells and conveys to Company free and clear of all liens, claims and encumbrances, and Company

agrees to purchase Choice Supplier's right, title and interest in all accounts receivable, being amounts due from all such Customers as shown on CBS bills issued by Company on and after the effective date of this Agreement, excluding past due amounts due from such Customers on consolidated bills issued previously under any prior consolidated billing service agreement with Company. Upon the effective date of this agreement, Company will remove from future bills all amounts for Choice Supplier charges that were reflected on CBS bills prior to the effective date of the agreement and any additional billing and collection of those amounts will be the sole responsibility of the Choice Supplier. Customer accounts purchased by Company in accordance with this section shall be known as "Purchased Customer Accounts" and shall be inclusive of applicable sales and other taxes billed by Company.

b. POR Eligible Customer Accounts include, and are limited to accounts for Customers served under Rate Schedule RT, and Rate Schedule NT with annual consumption of 1,000 mcf or less and Rate Schedule CT with annual consumption of 1,000 mcf or less, whose receivables are only for commodity charges for basic natural gas supply services. For the purposes of this provision, the phrase "basic natural gas supply services" shall include charges directly related to the physical delivery of natural gas to a retail customer but shall not include charges for "carbon-neutral" products, appliance maintenance service, energy efficiency services, termination or cancellation fees, security deposits or other products or services not directly related to the physical delivery of natural gas to a retail customers. Customer accounts that are billed for non basic natural gas supply services will not be eligible for UGI's POR program. Choice Supplier may elect to exclude from the terms and conditions of this Agreement, all Customer Accounts

served under either, or both Rate Schedule RT and/or the combined Rate Schedule NT and CT Customer Accounts from this CBS POR Agreement, but all eligible Customers Accounts served under a Rate Schedule not so excluded shall be subject to the terms and conditions of this agreement. Such Customer Accounts shall not be eligible if any affiliate of the Choice Supplier provides natural gas supply services on the Company's gas distribution territory but elects not to enter into a CBS POR Agreement with Company applicable to the same customer classes designated by the Choice Supplier under this agreement or any amendment thereto. To be eligible for the residential POR program, a Choice Supplier must choose consolidated Choice Supplier billing for all of their residential customer accounts (Rate Schedule RT) and must sell all associated residential customer accounts receivables to Company. All of Choice Supplier's residential customer accounts must be POR eligible accounts, with the exception of customers that purchase "carbon-neutral" products. Choice Suppliers may choose to use Company's consolidated billing for Non-POR eligible customers who are purchasing bundled "carbon-neutral" product offerings. To be eligible for the small commercial POR program (Rate Schedules NT and CT), a Choice Supplier must choose consolidated Choice Supplier billing for all of their small commercial customer accounts with annual usage less than or equal to 1,000 Mcf and must sell all associated small commercial customer accounts receivables to Company. All of the Choice Supplier's small commercial customer accounts with annual usage less than or equal to 1,000 Mcf must be POR eligible accounts with the exception of customers that purchase carbon neutral products. Choice

Suppliers may choose to use Company's consolidated billing for Non-POR eligible customers who have annual usage greater than 1,000 Mcf, or have annual usage less than or equal to 1,000 Mcf and are purchasing bundled "carbon-neutral" product offerings.

In accordance with the above, Choice Supplier hereby makes the following election for Customer Accounts which are covered by this Agreement;

_____ Rate Schedule RT Accounts.

_____ Rate Schedule NT and CT Accounts with annual usage less than or equal to 1,000 mcf.

_____ All Rate Schedule RT Accounts, and Rate Schedule NT and CT Accounts with annual usage less than or equal to 1,000 mcf.

c. Title to Purchased Customer Accounts shall pass to Company as of the date bills are issued by Company (the "Billing Date"), and as of such Billing Date, Choice Supplier shall have no rights in or to the purchased Customer Accounts and shall not seek to collect in any manner such amounts from Customers or pledge or attempt to encumber such amounts as security. Choice Supplier shall have the obligation however, to support Company collection efforts related to such accounts where Company requests Choice Supplier's assistance related to providing any relevant information concerning Choice Suppliers activities related to such Customer Accounts.

3. Rate-Ready Service. CBS is a "rate ready" service. The Company CBS is limited to single line charges associated with gas costs, monthly customer charge and sales tax only. Company shall not be responsible for billing multiple commodity charges or charges for other non-gas cost products and services. Choice Supplier shall provide to

Company all rates, charges and other information, including if applicable Customer Account information, necessary for billing purposes, in a form and manner determined by Company, no later than ten (10) days prior to the effective date of such rate or charge. Such information shall be deemed received for processing only upon Company's express confirmation of receipt. Company shall not be responsible for billing errors or delays caused by Choice Supplier's failure to timely and properly provide accurate billing information to Company. Choice Supplier agrees to indemnify Company against any and all actions, charges, complaints, proceedings, liabilities, damages, penalties and fines resulting from errors caused by untimely or inaccurate information provided by Choice Supplier. Where Choice Supplier fails to provide billing information timely, Company shall exercise reasonable efforts to include applicable prior period adjustment charges on the bill applicable to the Customer's next billing period.

4. Bills Based on Meter Reads. Bills issued by Company shall be based on actual or estimated meter readings retrieved by Company in the manner, and according to procedures, utilized for Company's general billing practices. Meter readings are recorded for billing purposes on the Meter Read Date or on such other special reading date as the Company may determine appropriate. Choice Supplier will not be responsible for billing errors resulting from meter reading inaccuracies or errors. Consumption adjustments shall be reflected on subsequent Customer bills in the ordinary course of billing. Company reserves the right, however, to re-bill Customers if justified by the circumstances and as permitted by the Commission Regulations and Company's Tariff. Company shall correct billing errors after Company has received information from Choice Supplier that the Company deems sufficient or otherwise by mutual agreement between Choice Supplier and the affected Customer.

5. Taxes. Company is not responsible for paying or remitting to the

applicable taxing authorities, on behalf of Choice Supplier, of any federal, state or local taxes as a result of this Agreement. Company will identify the sales, use and other tax applicable to Choice Supplier's charges. Choice Supplier shall be liable for and pay all such taxes and shall indemnify, defend and hold harmless Company from and against any and all liability for such taxes and any interest, penalties and attorney fees.

6. Late Payment Charges. Late payment charges ("LPC") shall be assessed on Customers by the Company for untimely payment of amounts billed. The LPC, if assessed, shall be applied to all billed charges. To the extent necessary, Choice Supplier hereby grants, assigns and delegates to Company all of Choice Supplier's rights to assess and collect an LPC on the Choice Supplier's charges included in the CBS bill. LPC proceeds collected on Purchased Customer Accounts shall be retained by the Company.

7. Budget Billing. Company offers budget billing plans through consolidated billing for both the Company delivery charges and Choice Supplier supply charges as a customer option and will provide such services according to Company procedures for Budget Billing.

8. Billing and Collection Procedures; Security Interest; Setoff.

a. Company charges and Choice Supplier charges will be shown on CBS bills and collected by Company. Company shall have the exclusive right to receive, process, and collect all such Charges from the Customer.

b. Choice Supplier hereby grants, assigns and delegates to Company all of Choice Supplier's rights under Pennsylvania law and regulations to terminate and suspend Choice Supplier's service to a Customer who fails to make full payment

of all amounts due for such service on the CBS bill without recourse against the Company for any associated liability.

c. Company agrees to indemnify Choice Supplier against any and all actions, charges, complaints, proceedings, liabilities, damages, penalties and fines resulting from Company's failure to properly apply Chapter 14 of the Code and applicable Chapter 56 regulations for billing and collection activities as provided in this Agreement.

d. Choice Supplier agrees to indemnify Company against any and all actions, charges, complaints, proceedings, liabilities, damages, penalties and fines resulting from Choice Supplier's failure to provide accurate and complete billing information or for any fraud or misrepresentation associated with Customer Accounts in accordance with this Agreement.

e. For residential and non-residential Customers, Company shall have the right to terminate its transportation service and the Choice Supplier's commodity service in accordance with current Company policies and procedures and Commission regulations, where: (i) the Customer fails to make full payment of all amounts due on the CBS bill; (ii) the Customer Account is a Purchased Customer Account; and (iii) the Choice Supplier has executed and furnished Company with an affidavit from an officer of Choice Supplier attesting to the representation and warranty set forth below at section C ¶4 and ¶5. The Company's receipt of such properly executed affidavit shall be a condition of service under this Agreement. Choice Supplier will indemnify Company for any cost, expense, or penalty incurred

if any of Choice Supplier's Customer's service is terminated for non-payment and the Customer establishes that it did not receive such notification.

f. Any Customer payment or portion thereof that is billed by Company and received by Choice Supplier shall be held by Choice Supplier in trust as the property of Company and shall be remitted in full to Company within a three (3) business day Grace Period without any deduction or set-off by Choice Supplier. Choice Supplier who withholds such payment beyond the Grace Period shall be assessed a late fee equal to the late payment charge applicable to the withheld payment.

g. For Customer Accounts that are not Purchased Customer Accounts, Choice Supplier agrees to permit Company to set-off any unsatisfied Choice Supplier obligations to Company with proceeds received from Customers' payments of Choice Supplier charges, with the remainder, if any, remitted to Choice Supplier in the ordinary course. Choice Supplier hereby grants a security interest in such Customer Accounts and Company may in its discretion perfect a security interest in such Customer Accounts to the extent necessary in order to give effect to this Agreement.

9. Purchase Amount. Subject to the other terms and conditions of this Agreement: For Purchased Customer Accounts, Company shall pay Choice Supplier an amount equal to 97.67% for residential amounts billed (inclusive of taxes pursuant to above section B ¶6), and 99.50% of non-residential amounts billed (also inclusive of taxes) hereunder. For current balances on Purchased Customer Accounts, Company will remit payment forty (40) days following the Billing Date (or the next following business day if the 40th day falls on a bank holiday or a Company holiday) of all Choice Supplier charges billed

to Customers in the previous month. For customers who are on a budget billing program, UGI will purchase charges associated with actual usage (versus budget amounts), less the POR discount.

10. Other Deductions. Company's payment obligation to Choice Supplier in accordance with above section B ¶9 shall be subject to netting of all amounts owed to Company by the Choice Supplier for CBS services and/or other charges under the Supplier Tariff or operating procedures, including (but not limited to) amounts disputed by Choice Supplier's Customers that have been deemed invalid in by final order of the Commission or a court having appropriate jurisdiction. Any such amounts deducted from Company's payment to Choice Supplier in accordance with section B ¶10 shall be itemized and described by Company at the time of payment. At Choice Supplier's request, Company agrees to provide Choice Supplier with calculations and other documentation supporting such deductions.

11. Customer Inquiries. Company will receive and endeavor to process Customer inquiries relating to the CBS bill. Provided, however, that Customer inquiries relating to Choice Supplier's rates or services shall be directed to Choice Supplier's phone number shown on the bill. Choice Supplier shall remain obligated to maintain a system capable of handling Customer complaints and shall comply with the Commission's regulations in responding to customer complaints.

12. Security Deposits. NGSs participating in the residential POR program will agree not to reject for enrollment a residential customer covered by the residential POR program based on credit-related issues and agree not to require a deposit for providing service or for an early termination fee. NGSs are permitted to

perform credit checks and require deposits for early termination fees and are permitted to deny serving small commercial customers for credit-related reasons. Choice Supplier hereby grants, assigns and delegates to Company Choice Supplier's complete right to obtain security deposits and other forms of security, provided Choice Supplier is not prohibited under the terms of this agreement from holding a security deposit in connection with an early termination provision in its agreement with a small commercial Customer. Existing security deposits held by the Choice Supplier on Customer Accounts shall be transferred to Company within fifteen (15) days of commencement of service hereunder, with the exception of security deposits for early termination fees for small commercial customers.

C. Representation and Warranties

1. Agreement Not for the Benefit of Third Parties. Choice Supplier warrants and hereby agrees that it is not entitled to and shall not pledge Company's credit for any purpose whatsoever. This Agreement is for the benefit of the Parties hereto and not for the benefit of third parties, except Choice Supplier may grant a security interest to a bona fide lender in amounts due Choice Supplier.

2. Choice Supplier Eligibility. Choice Supplier represents and warrants, and shall demonstrate at Company's request, that it has satisfied all requirements to qualify as an eligible gas Choice Supplier in Pennsylvania for service to the class of Customers served under this Agreement, and will continue to be in compliance with such requirements and subsequently adopted laws and regulatory requirements throughout the term of this Agreement.

3. No Encumbrances. Choice Supplier represents and warrants that all Purchased Customer Accounts are unencumbered and not subject to a security interest or lien held by a third party. Choice Supplier further warrants that it will not allow any interest or permit any third party to assert a claim of any type on those Purchased Customer Accounts or any new Purchased Customer Accounts opened during the term of this Agreement.

4. Customer Notice. Choice Supplier represents and warrants that Choice Supplier's Customers billed under this Agreement have received notice in accordance with Section 4.12 of the Supplier Tariff.

5. Choice Supplier Charges. Choice Supplier represents and warrants that Choice Supplier charges reflect and are limited exclusively to charges for Choice Supplier's gas commodity service or other authorized charges as provided under the Supplier Tariff or Commission regulations, orders or directives.

6. Security Deposits. Choice Supplier represents and warrants that deposits *previously held* on Customer Accounts will be transferred to Company within fifteen (15) business days of commencement of service hereunder, except to the extent permitted under ¶B.12.

D. Term of Agreement

Service shall commence under this Agreement on _____ and shall continue on a month-to-month basis unless terminated as follows: Either Party shall have the right to terminate this Agreement on thirty (30) days written notice; provided, however, that this Agreement may be terminated by Company (i) on one (1) day's written notice if this or the Aggregation Service Agreement expires or is terminated for any reason or if Choice Supplier or a creditor commences a proceeding or any other action under any law

relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to Company or any creditor, or seeking to adjudicate Choice Supplier as bankrupt or insolvent, or seeking reorganization, dissolution, winding up, liquidation or other relief with respect to Choice Supplier or Choice Supplier's debts, or seeking appointment of a receiver, trustee, custodian or other similar official for Choice Supplier, or Choice Supplier makes a general assignment for the benefit of Choice Supplier's creditors; (ii) on not less than fifteen (15) days written notice if Choice Supplier breaches any provision hereof and does not cure said breach within the fifteen (15) day period, such fifteen (15) day periods to run concurrently; or (iii) on one (1) day's written notice following issuance of an order or ruling by the Commission materially impacting any of the terms or conditions herein.

E. Miscellaneous

1. Liability. Company shall not be liable for any damages arising from CBS bills rendered based on untimely or inaccurate rate information provided by Choice Supplier. Company's total cumulative liability to Choice Supplier for all claims of any kind associated with Company's performance under this Agreement shall in no case exceed the payment or remittance amounts otherwise due under this Agreement. In no event shall Company be liable for special, punitive, indirect or consequential damages, nor shall any action or inaction on Choice Supplier's part, constitute a waiver by Company of any cause of action or defense. Company shall have no obligation to pursue, or assist Choice Supplier in pursuing, any claim Choice Supplier may have against any third party.

2. Further Indemnification. Choice Supplier, to the fullest extent allowed by law, shall indemnify, defend and hold harmless and shall reimburse Company, from and against any and all damages, losses, liabilities, obligations, judgments, orders,

writs, injunctions, decrees, fines, penalties, taxes, costs, suites, charges, expenses (including attorneys' fees), claims, investigations, proceedings, or causes of action (collectively, "Damages") which may at any time be imposed on, incurred by, or asserted against Company by third parties (including Customers) that are directly or indirectly caused by, arise out of or under, associated with, incident to or in connection with this Agreement, including, but not limited to any of the following: (i) Choice Supplier's acts or omissions regarding Customer Accounts or Choice Supplier charges; (ii) any claim, demand, cause of action, litigation, suit, proceeding, hearing or investigation (collectively, "Claims") by any persons for payments based upon any agreement or understanding alleged to have been made by such person, directly or indirectly, with Choice Supplier or any of its representatives, in connection with any of the transactions contemplated by this Agreement; (iii) any Claims with respect to the action or inaction of Choice Supplier or its representatives, which is contrary to the requirements of this Agreement; (iv) any inaccuracy in or other breach of any representation or warranty made by Choice Supplier in this Agreement; (v) any failure by Choice Supplier to perform or comply, in whole or in part, with any covenant, agreement or provision of this Agreement; and (vi) any costs and expenses, including reasonable fees and attorneys' fees associated with all Damages incurred by Company in connection with any Claims subject to indemnification rights as provided herein.

3. Force Majeure. Any delays in or failure of performance by the Parties shall not constitute a default and shall be excused under this Agreement, if and to the extent such delays or failures of performance are caused by occurrences that are both:

(1) beyond the reasonable control of the Parties, including, but not limited to, acts of God, compliance with any order or request of any governmental or judicial authority, compliance with Company's public service obligations, riots or strikes or other concerted acts of workers, storms, fires, floods, and accidents; and (2) beyond the ability of the Parties to prevent, by the exercise of reasonable diligence.

4. Notice. Any notice to be provided under this Agreement will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (a) delivered by hand, (b) deposited for next business day delivery (fee prepaid) with an established overnight delivery service, or (c) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that Party (or at some other address as that Party may from time-to-time designate by giving written notice thereof).

Notice to: UGI Utilities, Inc.
Rates and Regulatory Affairs

Attention: Reading, PA _____
David E. Lahoff
Manager, Rates
UGI Utilities, Inc.
2525 North 11th Street
Suite 360
Reading, PA 19612-2677

Choice Supplier: _____

5. Financing Statements. At Company's request, Choice Supplier shall

execute and deliver to Company all financing statements, and amendments thereof, and other documents and instruments that Company may request to perfect, protect or establish the security interests granted hereunder or to provide notice of Company's purchase of Choice Supplier's Purchased Customer Accounts, or Company may execute and file any financing statements and amendments without Choice Supplier's signature which Choice Supplier hereby authorizes. Choice Supplier hereby ratifies and consents to the filing of any such financing statements by Company prior to the date this Agreement is executed.

6. Complete Agreement. This Agreement is the complete agreement between the Parties as to the subject matter hereof. All prior contracts, commitments, proposals and negotiations concerning the subject matter hereof are superseded and merged herein.

7. Amendments. Notwithstanding any provision of this Agreement, Company may at any time propose and file with the Commission changes to the rates, terms and conditions of the Tariff, and/or Operating Procedures. Such amendment or modification shall be effective with respect to service pursuant to this Agreement on the date specified by the Commission.

8. Assignment. Choice Supplier shall not assign any of its rights or obligations under this Agreement without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. Choice Supplier shall at all times remain liable for the repayment on demand to Company of all obligations owed Company. No such assignment of obligations under this Agreement shall relieve

Choice Supplier of its obligations under this Agreement until such obligations are expressly assumed by the assignee in writing.

9. Waiver and Modification. No modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties. No such waiver shall apply prospectively to subsequent events unless expressly stated. No delay or failure on Company's part in exercising any right, privilege or option hereunder shall operate as a waiver of such or of any other right, privilege or option.

10. Dispute Resolution. Dispute resolution procedures, if utilized, shall be governed by the Commission.

11. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of Pennsylvania, without regard to conflict of law principles.

12. Venue. At Company's option, all actions and proceedings based on, arising from or relating to this Agreement shall be litigated in the Court of Common Pleas of Berks County, Pennsylvania. Choice Supplier consents to the jurisdiction of such court and waives any and all rights to transfer or change the venue of any such action or proceeding to any other court.

13. Waiver of Jury Trial. MUTUAL WAIVER OF RIGHT TO JURY TRIAL. CHOICE SUPPLIER AND COMPANY EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION BASED UPON, ARISING FROM, OR IN ANY WAY RELATING TO: (I) THIS AGREEMENT, OR ANY SUPPLEMENT OR AMENDMENT HERETO; OR (II) ANY OTHER PRIOR, PRESENT OR FUTURE INSTRUMENT OR

AGREEMENT BETWEEN COMPANY AND CHOICE SUPPLIER; OR (III) ANY CONDUCT, ACTS OR OMISSIONS BY COMPANY OR CHOICE SUPPLIER OR ANY OF COMPANY'S OR CHOICE SUPPLIER'S RESPECTIVE DIRECTORS, *OFFICERS*, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH COMPANY OR CHOICE SUPPLIER; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

14. Captions and Headings. The captions and headings herein are for convenience only and are not to be construed as a part of this Agreement, nor shall the same be construed as defining or limiting in any way the scope or intent of the provisions hereof.

The above terms and conditions are acknowledged and agreed as of this _____ day of 20__.

CHOICE SUPPLIER

By _____
Signed

Print Name & Title

UGI UTILITIES, INC.

By _____
Signed

Print Name & Title