

RFP Schedule

October 27, 2009	Notice of RFP sent to potential suppliers
November 4, 2009 (10:00 a.m. E.T.)	RFP Conference Call with all interested parties for the Load Following service Call-in Number – 800-827-3104 Code – 6986216546
November 4, 2009 (2:00 p.m. E.T.)	RFP Conference Call with all interested parties for the Peaking service Call-in Number – 800-827-3104 Code – 6986216546
November 10, 2009 (4:00 p.m. E.T.)	Notice of intent to submit bids due. E-mail notice to ugirfp@ugi.com
November 17, 2009 (11:00 a.m. E.T.)	RFP responses due to UGI/Pace
November 17, 2009 (4:00 p.m. E.T.)	Winning bidders selected by UGI, verified by Pace and verbally notified by UGI of bid status
November 17, 2009 (4:00 p.m. E.T.)	Results of auction sent to Pennsylvania PUC
November 18, 2009	Pennsylvania PUC approves results of RFP
November 18, 2009 Close of Business	UGI verbally notifies winning bidders

* Be aware that Daylight Savings is November 1, 2009.

UGI Utilities, Inc. – Electric Division
Swing Service Request for Proposal
October 27, 2009

1. UGI is seeking quotes for a swing service which will follow 25% of the actual hourly requirements for its Group One customers. Bids must conform to the standards approved by the Pennsylvania Public Utility Commission (PUC) in UGI's Default Service Supply filing (Docket No. P-2008-2022931).
2. All bids must remain open until the end of the second business day following submission to allow the Pennsylvania PUC time to review and approve the winning bids.
3. All bids must be submitted by e-mail to ugirfp@ugi.com by **November 17, 2009 at 11:00 a.m. E.T.**
4. The EEI or ISDA Contract between UGI and the counter party will control all transactions completed under this RFP.
5. The winning bid will be determined by price. UGI's intent is to award this service to one bidder. In the event two or more bids are received that contain identical prices, the ties will be broken by selecting the bid of the counter party that is otherwise providing the least amount of power to the customer group during the supply period in question. If this method does not break the tie, the winning bidder will be chosen at random by Pace Global Energy Services, LLC.
6. All bids must be submitted in U.S. dollars per mega watt hour (MWh) of energy consumed.
7. UGI requires that the winning supplier deliver power to the UGI Aggregate. The Swing Supplier will be responsible for providing 25% of the actual hourly usage for Group 1 customers only, as depicted in the delivery schedule provided as Appendix A. This schedule depicts energy requirements, excluding losses, at UGI.

Appendix A is be an EXCEL spreadsheet of hourly load information uploaded to UGI's website at <http://www.ugi.com/electric/wholesale/rfp.html>

8. UGI's customers are categorized into three different customer groups based on their annual peak load defined as the highest one hour usage in a twelve month period.

Group 1 applies to Rate Schedules: Residential, Residential – Water/Space Heating, Residential – Time of Use Controlled Offpeak Service for Water Heating, General Service, General Service, General Lighting and Power, Flood Control Power Service, Borderline Resale Service, Institutional Heating, Outdoor

Lighting, Sodium Outdoor Lighting, Metal Halide Outdoor Lighting Service, Street Lighting, Sodium Street Lighting, and Metal Halide Street Lighting where the customer's annual peak load is *less than 100kW*.

Group 2 applies to Rate Schedules: Non-Residential Total Electric, General Lighting and Power, Large Power, Flood Control Power Service, Borderline Resale Service and Institutional Heating where the customer's annual peak load is *from 100kW to 500kW*.

Group 3 applies to Rate Schedules: Non-Residential Total Electric, General Lighting and Power, Large Power, High Tension Power, High Tension Power, Flood Control Power Service, Borderline Resale Service and Institutional Heating where the customer's annual peak load is *greater than 500kW*.

Detailed descriptions of each rate schedule can be viewed in UGI's tariff at pages 44 thru 87 and can be found online at: <http://www.ugi.com/electric/tariff62.pdf>

9. The delivery requirements for Group 1 customers will be determined by obtaining the actual total system usage measured at the UGI Aggregate (excluding losses) each hour from PJM less the hourly requirements for Group 2 and 3 customers. The swing component is determined by applying 25% to the Group 1 requirement:

$$\text{UGI Swing Requirement} = .25 * (\text{UGI System} - \text{Group 2} - \text{Group 3})$$

The Group 2 and 3 customer usage amounts will be derived each hour based on a profile developed from actual Load Research meter data on a population of meters obtained for a one year period from June 1, 2008 through May 31, 2009.

The breakdown of Load Research data used to generate the delivery schedule is as follows:

Group #	Total # of Meters	Load Research Meters Deployed	Load Research Meters Providing Data as of 10/27/09	Actual Meter Reads Expected on Jan. 1, 2010
1	59,813	1,875	889	889
2	161	106	81	106
3	41	28	21	41
Totals	60,015	2,009	991	1,036

The schedule of volumes in Appendix A includes hourly read information for some Group 2 and 3 meters measured directly from the Load Research meters. These actual reads were used to obtain an average usage for that Group for a particular hour. The total Group usage was determined by adding the actual reads

to the estimated usage for the remainder of the meters in that Group. For example, only 21 of 28 Group 3 meters had actual hourly information available at the time of this RFP solicitation. The 21 directly measured hourly reads were used along with an estimate for the remaining 20 meters based on the average usage of the 21 actual reads in order to generate an estimate of the full Group 3 hourly requirement.

It is expected that UGI will have additional meters providing actual hourly reads before the swing service commences on January 1, 2010. UGI will use the same methodology described above to compute 25% of the Group 1 requirement through the use of all actual read information available and using estimates for the remainder of Group 2 and 3 customers.

10. In advance of each month, UGI will schedule the hourly delivery requirements through PJM eSchedules. After the month is over, UGI will reconcile actual energy usage to the estimated schedule utilizing the same algorithm of deducting Group 2 and 3 customer usage from the total system load and applying 25%. UGI and the Swing Supplier shall work with PJM to establish any PJM accounts necessary for the Swing Supplier to provide swing service. UGI shall establish PJM contract(s) for the entire duration of the swing transaction and Swing Supplier shall confirm and comply with all PJM contract(s) for the entire duration of the transaction.

Invoicing will be done through PJM where applicable. If PJM is unable to invoice charges or credits, UGI shall rectify such PJM invoice discrepancy in an invoice sent to Swing Supplier.

11. The Swing Supplier will be responsible for delivering energy in mega watt hours (Mwh) only. The MWh of energy for which Seller shall be compensated shall be adjusted (upward or downward) by any subsequent meter corrections.
12. UGI will remain the Load Serving Entity. The Swing Supplier will not be responsible for any capacity, AEPS, or other ancillary services to delivery power to UGI. However, the Swing Supplier will be responsible for transmission and associated congestion and loss charges.
13. UGI has posted the following information on its website to assist parties with valuing this service:
 - 1) Hourly temperature data at the Wilkes-Barre Scranton Airport (Avoca) from June 1, 2006 through May 31, 2009.
 - 2) Hourly total system load data from June 1, 2006 through May 31, 2009.

14. A Bid Response Form is attached and parties should submit bids in the form of a dollar amount per MWh of energy consumed. Bids must be submitted on a form similar to the attached to be considered by UGI.

