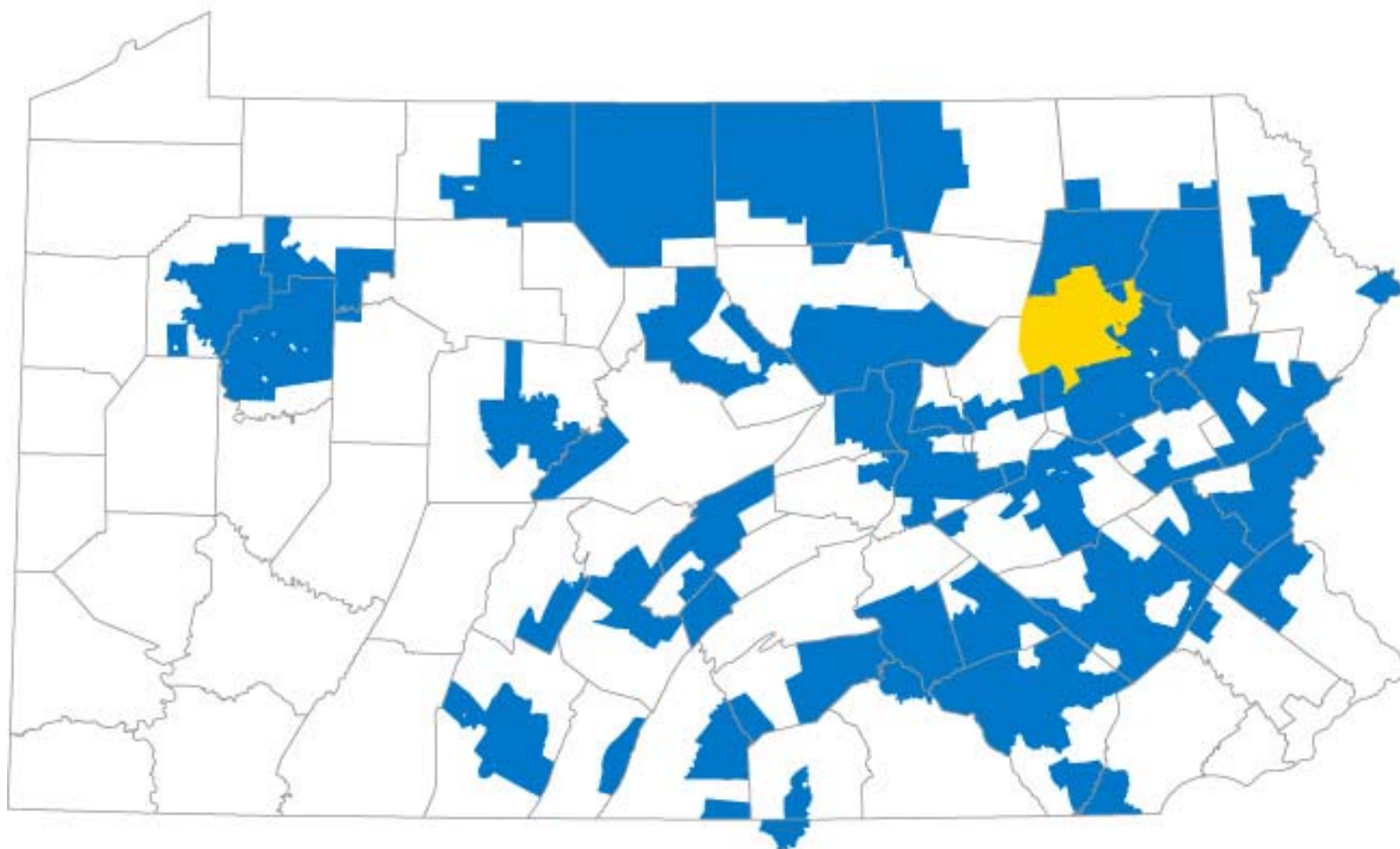


Gas Technical Conference

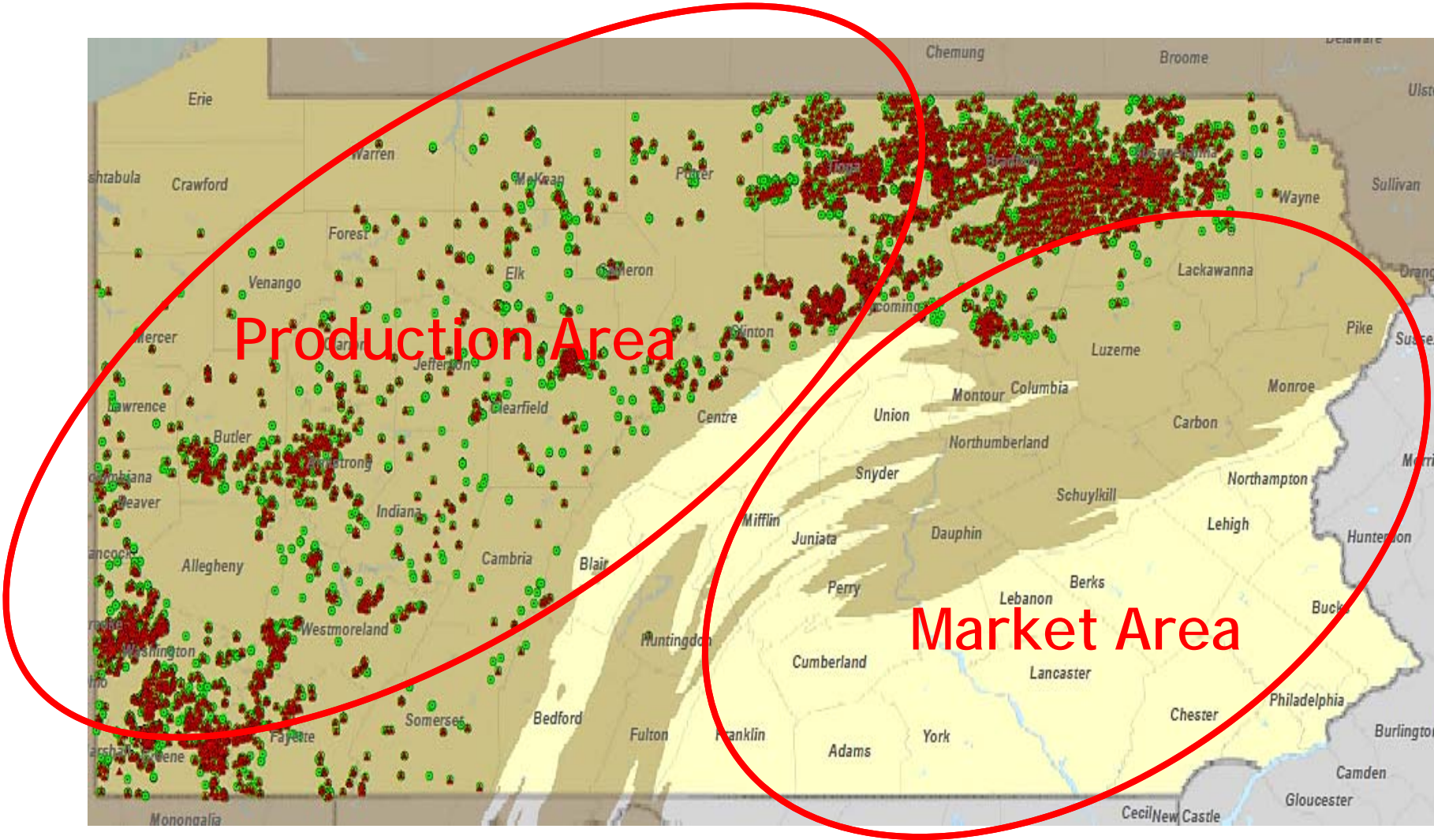
Penalties

Angelina Borelli, Director Energy
Supply and Planning
March 29, 2018

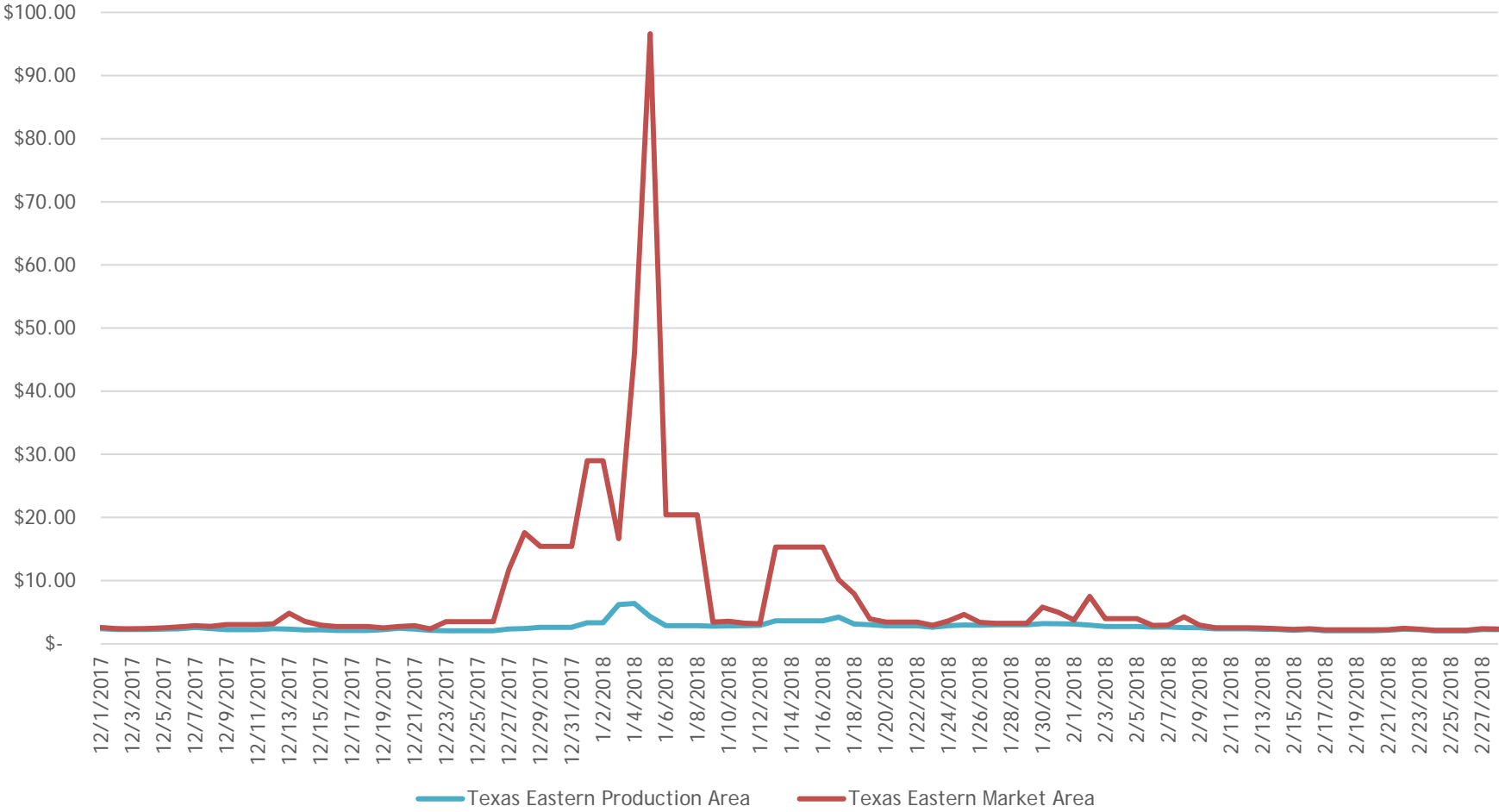
UGI Service Territory



Marcellus Shale Wells



Spot Prices - Winter 2017-18



Penalties

- Daily Delivery Requirement (“DDR”)
 - Choice Suppliers are provided and must deliver their DDR
 - Failure to deliver results in penalty
- Penalty
 - Designed to deter non-compliance
 - Differentiates Critical/Non-Critical Day
 - Market Based
 - Published indices
 - UGI’s cost for incremental supply is market area prices or purchase of penalty supply from interstate pipelines
 - Not charged if imbalance benefits the distribution system