

PA PUC Winter Reliability Inquiry
UGI Energy Services, LLC Response
24 October 2016

Natural Gas

UGI Energy Services, LLC (“UGIES”) is a licensed retail marketer serving customers such as large manufacturers as well as choice customers throughout the Mid-Atlantic and certain states in New England and the Southeast. UGIES has continuously served Pennsylvania customers since 1995. UGIES ensures reliable delivery of gas by investing in a portfolio of assets to support customer contracts. This portfolio includes interstate pipeline firm transportation capacity, underground natural gas storage and liquefied natural gas (LNG) and propane-air peak shaving facilities located throughout central and eastern Pennsylvania. UGIES is also at the forefront of using Pennsylvania produced Marcellus shale gas to serve a significant portion of our customer’s natural gas needs. This asset combination allows us to perform reliably and deliver all of our customer’s gas needs under all weather conditions.

Electric

Pennsylvania, Jersey, Maryland Interconnection, LLC (PJM) is the operator of the electric transmission grid in Pennsylvania and ensures the reliable delivery of electricity to the local electric utilities. UGIES serves retail commercial and industrial electric customers behind many utilities throughout Pennsylvania. UGIES supports customer contracts for electricity by purchasing power from wholesale generators and securing firm transmission rights to reliably move the power on the electric grid. This practice ensures that customers will get their electricity at the price and service level they have contracted for.

Electric generation

UGIES, through its generation affiliate UGID, has an approximate 102 megawatt ownership interest in the Conemaugh generation station (“Conemaugh”), a 1,711 megawatt, coal-fired generator located near Johnstown, Pennsylvania. Conemaugh is owned by a consortium of energy companies and operated by a unit of NRG Energy. Conemaugh purchases coal on a forward basis and maintains adequate coal inventories for operations during the winter. UGID owns and operates the Hunlock Creek Station located near Wilkes-Barre, Pennsylvania, a 130-megawatt natural gas-fueled generating station. UGIES is the fuel manager for Hunlock and provides natural gas produced from the Marcellus Shale in northeastern PA which is delivered with firm transportation contracts via the Transcontinental Gas Pipeline, LLC and local distribution company UGI Penn Natural Gas. UGID owns and operates a landfill gas-fueled generation plant near Hegins, Pennsylvania, with gross generating capacity of 11 megawatts. This plant is supplied by methane produced directly from an adjacent landfill. UGID also owns and operates 13.5 megawatts of solar-powered generation capacity in Pennsylvania, Maryland and New Jersey. We expect that coal inventory and natural gas supply and transportation contracts will be adequate to meet our generation requirements for this winter.