

Kenneth Garman

From: Bruce Hopper
Sent: Wednesday, October 28, 2015 4:20 PM
To: Kenneth Garman
Subject: FW: UGI Bid
Attachments: UGI2008 portfolio CUSTOMER 032408.xls

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From: Quinones, Moya C
Sent: Monday, March 24, 2008 1:23 PM
To: Anderson, Erik K; Anderson, Lawrence R (Larry); Gibb, Robert J (Bob); Hopper, Bruce C; Leger, Kelly C; Quinones, Moya C; Ruiz, Silvia; Vaughan, Richard A; Wilde, Martin
Subject: FW: UGI Bid

Voting Members,

Please review Bruce Hopper's revised proposal for UGI Utilities as described below and as attached.

The Pricing Committee's last approval for the UGI portfolio as of 3/4/08 was the following:

UGI Utilities (Bruce Hopper) – The pricing committee approved a seven year extension fixed at current tariff rates for the following:

- FSS – Annual Unratcheted, 71 days of service
- FTS-1 – Withdrawal Transport
 - a. Storage to Lebanon
 - b. Storage to Glen Karn
- FTS-1 – Injection Transport – SW to Storage
- FTS-1 – Other Transport
 - a. SW to Leb Tetco/ColGas
 - b. SE to Leb ColGas – Secondary receipt Joliet Hub at no additional charge
 - c. SE to Glen Karn – Discounted \$0.05 from tariff rate; incremental volumes subject to available capacity; Secondary receipt of REX Shelbyville added when built

Please reply with your approval and/or comments of the revised proposal.

Thank you!

Sincerely,

Moya C. Quinones

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From: Leger, Kelly C
Sent: Monday, March 24, 2008 12:48 PM
To: Quinones, Moya C
Subject: FW: UGI Bid

From: Hopper, Bruce C
Sent: Monday, March 24, 2008 10:54 AM
To: Leger, Kelly C
Cc: Wilde, Martin; Anderson, Lawrence R (Larry); Anderson, Erik K
Subject: UGI Bid

Kelly,

I would like to float the following to UGI. If you believe we need PC approval, please forward this to the members. The narrative is intended to suffice for email approval, but if you want to add this to Tuesday's PC meeting, that is ok.

bch

I presented the offer to extend UGI's services for 7, 8 or 9 years as discussed in the recent PCM.

UGI's responded with the following observations:

- The term is generally not a problem
- The storage and related transport rate escalating to tariff is acceptable
- Fixed rates are acceptable
- SE to Leb and GK are not supported by the current markets and UGI would be hard pressed to accept long term SE rates at this level, even with the added flexibility of REX and Chicago secondaries.
- Said that if ANR could keep the SE rates at current levels, they would accept the deal. (for reference, SE to Leb current 25.1¢, offer 28.5¢ (tariff), SE to GK 20.0¢ current, 21.5¢ for 9 year offer)
- The incremental load to GK (all available 11,356 Dth/d), which I proposed to start in 2009 will not be necessary until 2012. We agreed that ANR does not want to sell this space that far in advance, due to the degradation of current potential sales (the last space into GK would have to be sold w/o rofr in the interim, which is not acceptable). We agreed to strike the incremental transport from the current deal.

I responded with our belief that we are very bullish on SE and that discounts like these were not acceptable for this long of a term. While we are very close on the numbers, we could not agree on the rate/term of SE.

This is where we landed:

- ANR wants long term on SW and Storage
- ANR will not accept current discounts for the offered term for SE
- UGI will not accept higher SE rates for any term

I floated the following to Paul, approval for which he said he could **probably** gain:

- Extend SW, storage and related transport at proposed fixed rates for **ten** years as a nod to the acknowledged value
- Extend the SE contracts as is, with current rates and secondaries for **three** years

A summary of this proposal is attached for your reference. If our projections prove to be true, this solution should allow us to exploit any change in the SE market in a shorter time frame than the extended term.

I recommend approval of the revised portfolio as set forth here and in the attached excel file.

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ANR PIPELINE COMPANY
 COMBINED FIRM STORAGE AND TRANSPORTATION SERVICES

UGI UTILITIES, INC.
 Proposed Extension Effective 4/01/2009
 Offer of Services

Summary

		Rates/Rev.	
Extension of SW, Storage and Related Transportation TEN YEARS			
STORAGE Annual Unratcheted			
FSS 71 Day Service	1/	\$	0.9322
Transport Out Winter Only FTS-1			
Storage to Lebanon Tetco/ColGas	1/	\$	0.2068
Transport In Summer Only FTS-1			
SW to Storage	1/	\$	0.3201
Other Transport FTS-1			
SW to Leb Tetco/Colgas	1/	\$	0.3796
Extension of Southeast THREE YEARS			
SE to Leb ColGas	2/	\$	0.2510
SE to Glen Karn	2/	\$	0.2000
Total Revenues		\$	9,701,876
W/Rofr on all			

1/ Fixed at curret tariff levels

2/ Same as Current with same secondaries.

3/ Fixed at Discount to current tariff

Rates proposed are negotiated rates and will have to be filed for approval with FERC.

Pricing Valid through April 8, 2008

3/24/2008

Secondary Analysis:

	Primary rate	Rate type	Secondary Analysis
Transport Out Winter Only			
K#108891 Stge to Leb ColGas	\$ 0.2068	Fixed @ cur. tariff	All in ML7, ML3
K#108892 Stge to Leb Tetco	\$ 0.2068	Fixed @ cur. tariff	All in ML7, ML3
K#109602 Stge to Glen Karn	\$ 0.2068	Fixed @ cur. tariff	All in ML7, ML3
Transport In Summer Only			
K#111120 SW to Storage	\$ 0.3201	Fixed @ cur. tariff	All SW to ML7
Other Transport			
K#111115 SW to Leb Tetco	\$ 0.3796	Fixed @ cur. tariff	All SW to ML3
K#111111 SW to Leb ColGas	\$ 0.3796	Fixed @ cur. tariff	All SW to ML3
K#108874 SE to Leb ColGas Summer	\$ 0.2510	Discounted	Del Egan, Tetco, ANR Stge Summer all same CNG 28.10¢ all in w/ gath
K#108875 Gathering Com only.	incl.	Discounted	Recpts Egan same n/a
K#108893 SE to Glen Karn Summer	\$ 0.2000	Discounted	Del Egan, Leb Hub (summer), ANR Stge Summer all same Colgas or Tetco 25.00¢, CNG 28.00¢
K#108894 Gathering Com only.	incl.	Discounted	Recpts Egan same n/a