

How you can benefit from purchasing Third Party Transportation Natural Gas

The process of “transporting” a third party supplier’s product (natural gas) through the local or regional utility’s natural gas distribution system to the customer.



A Third Party
effect natural gas at the negotiated price



PGW
delivers the Natural Gas from the city gate to the burner tip



You Win
with the best gas rate and more flexibility

■ What is third party transportation?

Third party transportation is the ability for facilities to purchase natural gas from a source other than the local or regional utility at a rate different than under the utility’s tariff rate. Transportation refers to “transporting” a third party supplier’s product (natural gas) through the local or regional utility’s natural gas distribution system. Natural gas is supplied to the facility from a supply source to the city gate (which is the beginning of the utility territory). Gas is then delivered by the utility to the facility, from the city gate to the burner tip. In this situation, the utility only charges for the cost of delivery.

■ How does third party transportation work?

Third party transportation simply separates the cost of the commodity of natural gas from the cost of distributing it. This benefits you, as the customer, because you now have the freedom to choose the supplier with the most favorable prices and who can best meet your business needs. In essence, the facility would replace PGW’s natural gas supply with another supplier’s, while still receiving the same distribution costs from PGW that the facility currently receives.

The commodity cost would change from the current tariff rate to the third party supply rate. Natural gas would then be supplied starting on the first of the month by the approved supplier of your choice. PGW would issue a transportation rate that would be paid on a monthly basis. This rate would be based on the load profile or volume used. Thus, the facility would receive two bills - one from the supplier for the natural gas itself and one from PGW for transportation it to the burner tip.

■ Who qualifies for third party transportation?

PGW has two forms of third party transportation under its **Choice Program**: Firm Transportation (FT) and Interruptible Transportation (IT). Firm Transportation is specifically geared towards the Commercial General Service Customer base. Under FT, any facility that is currently with PGW under the General Service rate, Commercial or Industrial, qualifies to now purchase natural gas from an alternate supplier. This gives the customer the benefit of obtaining the lowest price for their natural gas.

Taking this one step further, a customer can choose Interruptible Transportation, where the customer has the added option to switch between natural gas and an alternate fuel source at any point in time one is more cost-effective than the other. Any facility in the PGW system that has an alternate fuel such as heating oil, propane or other type of fuel that is 100% substitutable for natural gas supply can qualify for the IT program. This could be a school, office complex, hospital, nursing home or small business.

PGW has set a minimum usage of 2500 DTH’s (Decatherms) per year or more to qualify. Not sure that you qualify? Call PGW’s major accounts department at (215) 684-6671 and an account executive will be glad to evaluate your needs.

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■ **Is third party transportation here for the long term?**

Natural gas transportation has been in existence since the mid-1980's and growing ever since. Furthermore, the infrastructure for third party supply has continued to develop and mature, providing more track history of supply success. With more and more suppliers serving not only industrial and commercial, but residential customers as well, third party supply is a trend that is only expected to grow with more energy options.

■ **Why would utilities allow competition?**

Third party transportation is healthy partnering. Having third party supply service to customers in the utility system allows utilities like PGW to get back to their core business, which is servicing customers and maintaining the infrastructure of the utility systems. This change of venue also has provided opportunities for suppliers and customers to reap the benefits of this open market opportunity in the form of savings, flexibilities and ability to take advantage of pricing tools that normally would not be available with the utility, such as fixed pricing and other hedging techniques. This relationship between the utility and supplier has provided a "win-win" situation in which the utility, the third party supplier and the customer all achieve their goals.

■ **Can my facility save money?**

Absolutely! PGW has identified several options to offer customers big savings. The first step is submitting your historical usage to a qualified supplier representative. We can assist in imputing your usage information and providing a historical savings analysis to determine approximate savings. This analysis is available for interruptible customers as well as general service customers. Once the savings is determined, then your supplier can discuss and educate you on various pricing options that are available that provide price control.

■ **How do I get started?**

Call PGW's major accounts team at (215) 684-6671. We will provide all the information you need to begin the process of evaluating if third party transportation can save you money and is best for your business.



Sales and Marketing Department

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New Faces in Major Accounts

■ **Fran Munizza**

New to the team, but not new to PGW, is Fran Munizza. With 24 years of service at PGW, with 17 of those years spent at the drafting table designing pipe layouts for construction drawings, Fran's new role is Major Account Executive. Listening to customer's needs and developing long term relationships with their business is a key part to Fran's early success.

■ **Jason Brown**

With roots in communications and digital media from the University of Pennsylvania, Jason Brown joined the team as Market Manager over Major Accounts in February of 2008. His marketing experience will aide his desire to, "help customers make the best well-informed decisions for their businesses."

■ **Kieran McGovern**

For Kieran McGovern, it's all about relationships. With over 10 years at PGW, Kieran has applied his skills and network to his new role as Account Executive for major accounts, enhancing the efforts of the team since September of 2007.

■ **Rick Rerry**

Rick Perry is no stranger to the major accounts team. In fact, Rick has worked at PGW for 33 years, 17 of which as an account execvutive. Having retired in the Fall of 2007, Rick presently helps as part-time Account Executive, meeting customers needs and training staff.

■ **Denise Ring**

Denise Ring now serves as Major Accounts Specialist. Joining the team in November of 2007, Denise brings drive and ambition while servicing customers and being responsive to their needs.

■ **John Murray**

John Murray is new to PGW as of November, 2007 and serves at Major Accounts Specialist. A marketing graduate from Kutztown University, John is new to the energy and Natural Gas industry, but looks forward to serving PGW's customers.