



Power Procurement Process

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Power Procurement Process

UI purchases power for those customers who have not purchased power.

UI purchases full requirement service which includes renewable requirements, capacity and other system requirements.

The process is heavily regulated by PURA and monitored by the Consumer Council's office.

UI makes no profit of any kind on power procurement.

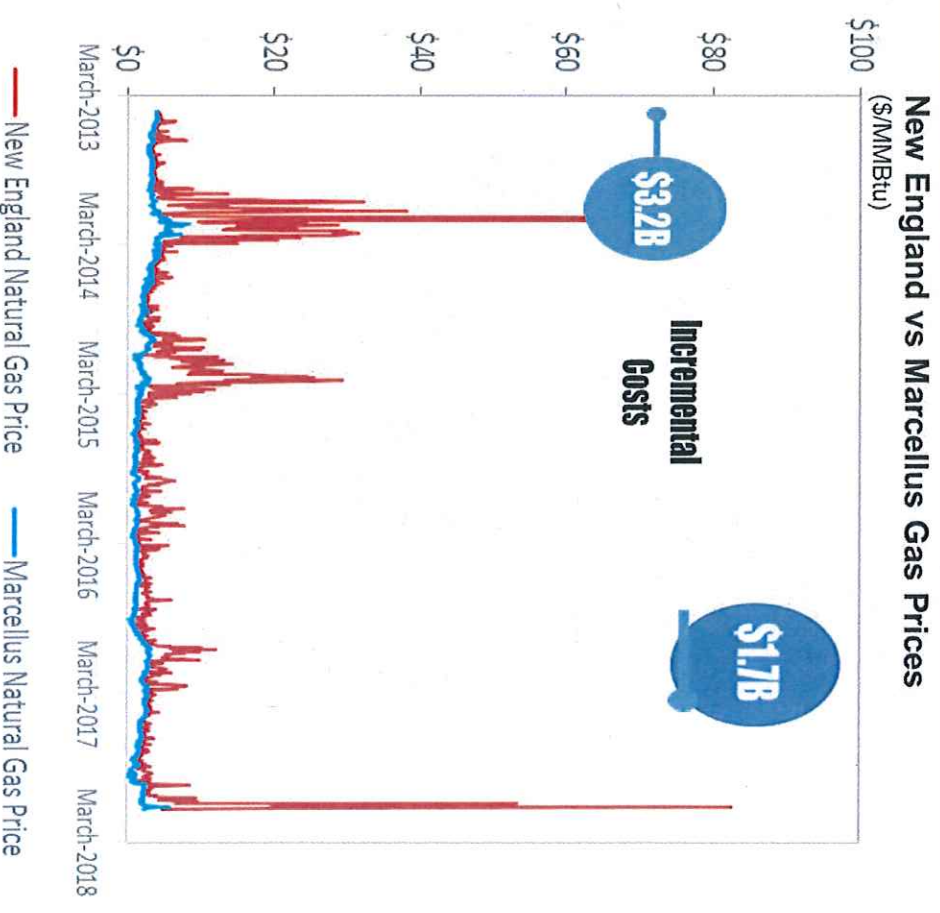
Electric prices in New England are driven by spot natural gas prices.

What happens when we have a really cold winter?

Major cold weather events have occurred in 3 of the past 5 winters including the 2014 Polar Vortex and the 2018 Cold Snap

2018 Cold Snap – 13 Days of sub-freezing Temperature

- 2013/14 Polar Vortex winter increased gas demand, threatened reliability, and drove skyrocketing prices
- 2017/18 winter cold snap created similar disruptions
- No impact on gas distribution companies who procure gas through firm contracts



(cents/kWh)			
Slice #	1st half 2018	2nd half 2018	1st half 2019
10	9.413	8.699	11.198
9	9.433	8.699	11.151
8	9.663	8.699	10.875
7	9.642	8.828	10.833
6	9.642	8.978	10.635
5	9.887	8.160	10.689
4	9.887	8.175	10.666
3	9.887	8.230	10.671
2	10.011	8.888	10.562
1	10.011	8.877	10.640

Bid Dates		
January 24, 2017	July 11, 2017	January 23, 2018
April 25, 2017	October 10, 2017	April 17, 2018
July 11, 2017	January 23, 2018	July 17, 2018
October 10, 2017	April 17, 2018	October 24, 2018

PSEG
Exelon
NextEra
Vitol

DTE
Exelon
NextEra
PSEG

Exelon
NextEra

Last Resort

(cents/kWh)				
Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
9.371	6.713	7.098	8.675	13.729

Bid Dates

October 10, 2017	January 23, 2018	April 17, 2018	July 17, 2018	October 24, 2018
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Suppliers

Exelon

DTE

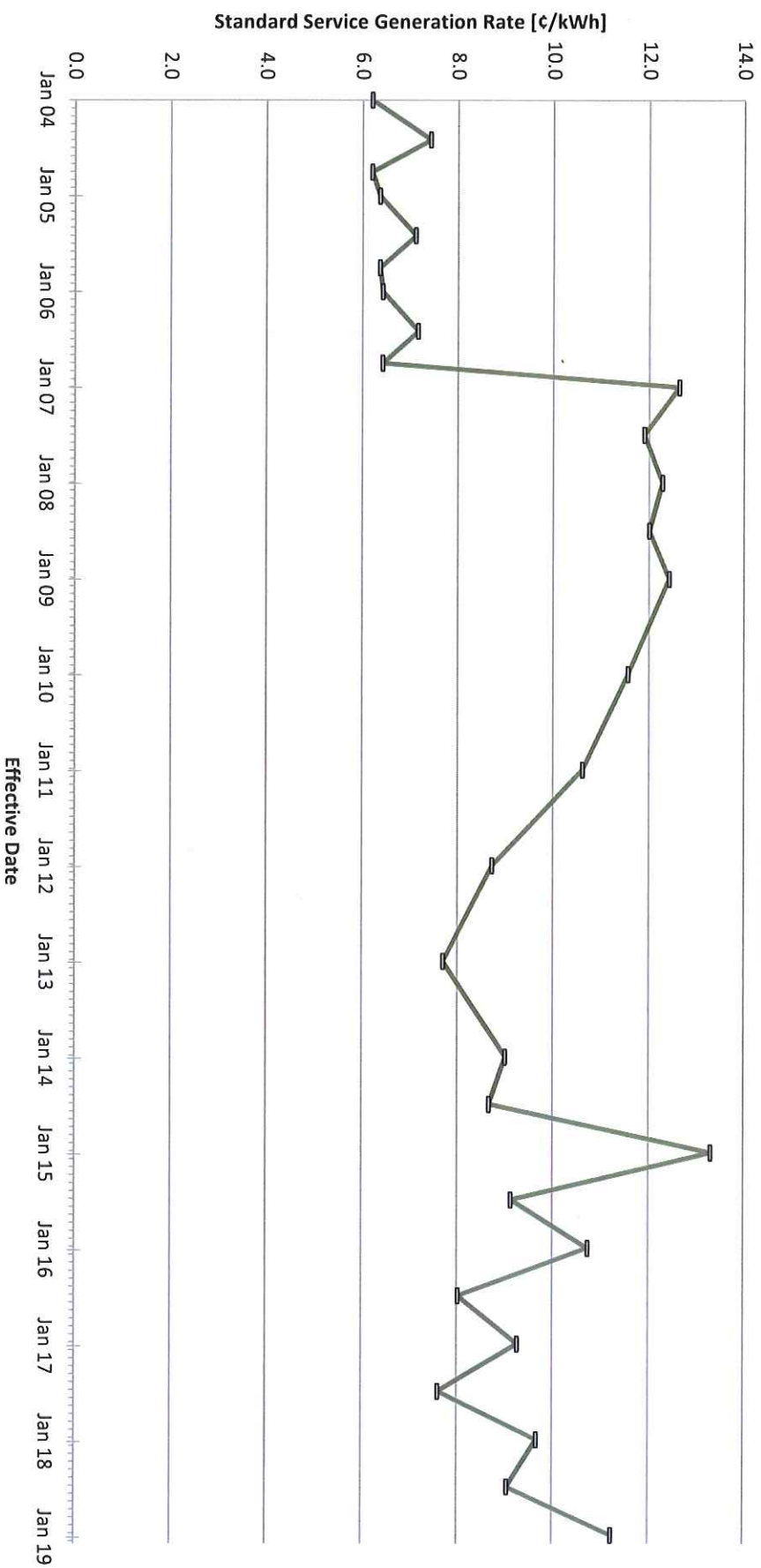
DTE

DTE

Exelon

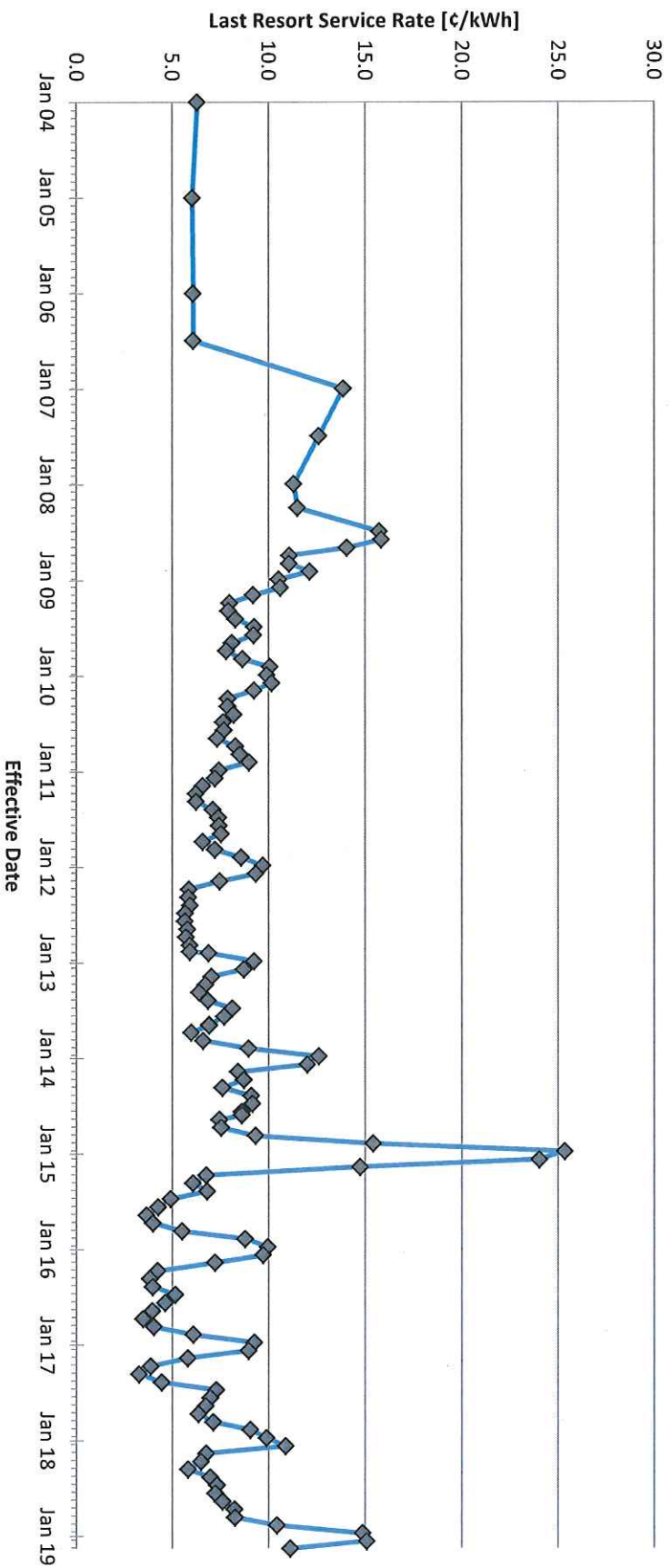
UI - Historical Power Supply

UI Residential Generation Rate



UI - Historical Power Supply

UI Large C&I Generation Rate



Questions / Discussion

