



Four Penn Center
1600 John F Kennedy Blvd.
Philadelphia, PA 19103
215-587-1000 Main
215-587-1444 Main Fax
www.postschell.com

David B. MacGregor

dmacgregor@postschell.com
215-587-1197 Direct
215-320-4879 Direct Fax
File #: 2270/151134

April 12, 2013

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement
v. UGI Utilities, Inc.
Docket No. C-2012-2308997**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original and three copies of UGI Utilities, Inc. – Gas Division’s (“UGI Gas”) Leak Detection Pilot Program for the City of Allentown, Pennsylvania. This filing is being submitted in compliance with the Opinion and Order entered by the Pennsylvania Public Utility Commission (“Commission”) on February 19, 2013, in the above-captioned proceedings. Therein, the Commission directed UGI Gas to explore enhanced leak detection measures and to file a pilot program to utilize one or more of these enhanced leak detection measures throughout the City of Allentown. Notice of the pilot program is to be published in the Pennsylvania Bulletin, and interested parties may file comments within twenty (20) days from the date of publication. In order to ensure that there is sufficient time to implement the measures described in the Pilot Program, UGI Gas requests that the Commission consider and approve the Pilot Program on an expedited basis following the close of the public comment period.

Rosemary Chiavetta, Secretary
April 12, 2013
Page 2

Copies of this compliance filing will be provided as indicated on the Certificate of Service. Please do not hesitate to contact Kent Murphy or myself should you have any questions concerning this filing.

Respectfully submitted,



David B. MacGregor
DBM/skr
Attachment

cc: Kent D. Murphy, Esquire

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

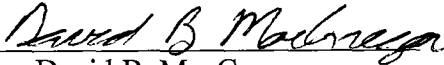
VIA EMAIL AND FIRST CLASS MAIL

Christian M. Perrucci
Florio Perrucci Steinhardt & Fader
60 West Broad Street, Suite 102
Bethlehem, PA 18018

Adam D. Young
Stephanie Wimer
PA Public Utility Commission
Law Bureau
Commonwealth Keystone Building
400 North Street, 3rd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Ed Pawlowski, Mayor
City of Allentown
435 Hamilton Street
Allentown, PA 18101-1699

Date: April 12, 2013



David B. MacGregor

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
	:	
Complainant,	:	
	:	
v.	:	Docket No. C-2012-2308997
	:	
UGI Utilities, Inc.,	:	
	:	
Respondent.	:	

**UGI UTILITIES, INC. – GAS DIVISION
LEAK DETECTION PILOT PROGRAM FOR
THE CITY OF ALLENTOWN, PENNSYLVANIA**

I. INTRODUCTION

UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) herein submits this Leak Detection Pilot Program for the City of Allentown, Pennsylvania (“Pilot Program”), in compliance with the Opinion and Order entered by the Pennsylvania Public Utility Commission (“Commission”) on February 19, 2013. Under the Pilot Program, UGI Gas will employ a three-fold approach that employs the following: (1) initiate a request for proposal (“RFP”) to solicit alternative natural gas leak detection measures to be implemented in the City of Allentown during the 2013/2014 winter season¹; (2) as an interim approach, undertake additional quarterly leak detection surveys on all cast iron mains in the City of Allentown from April 1, 2013 through November 30, 2013, using traditional measures; and (3) provide a written report to the Commission on or before June 1, 2014, describing the results of the Pilot Program. This three-

¹ The 2013/2014 winter season extends from December 1, 2013 through March 31, 2014.

fold approach is designed to enhance the Company's existing leak detection procedures throughout the City of Allentown.

UGI Gas submits that the Pilot Program for the City of Allentown, together with the existing leak detection procedures, provides a reasonable basis for exploring and identifying practical measures that ultimately may be implemented by UGI Gas on a permanent basis to further enhance leak detection across the Company's service territory. In order to ensure that there is sufficient time to implement the measures described in the Pilot Program, UGI Gas requests that the Commission consider and approve the Pilot Program on an expedited basis following the close of the public comment period.

II. BACKGROUND

UGI Gas is a division of UGI Utilities, Inc. UGI Gas is a "public utility" and a "natural gas distribution company" ("NGDC") as those terms are defined in Sections 102 and 2202 of the Code, 66 Pa.C.S. §§ 102, 2202. UGI Gas provides natural gas transmission, distribution, and supplier of last resort services to approximately 354,000 customers throughout its certificated service territory subject to the regulatory jurisdiction of the Commission.

UGI Gas currently owns, operates, and maintains approximately 5540 miles of natural gas pipelines in the Commonwealth, including approximately 393 miles of bare steel and 347.5 miles of cast iron mains. In the City of Allentown, UGI Gas owns, operates, and maintains approximately 239 miles of natural gas pipelines, including approximately 7 miles of bare steel and 63 miles of cast iron mains.

In an Opinion and Order entered on February 19, 2013, the Commission directed UGI Gas to explore enhanced leak detection measures and to file a pilot program to utilize one or more of these enhanced leak detection measures throughout the City of Allentown. Notice of the

pilot program will be published in the Pennsylvania Bulletin, and interested parties may file comments within twenty (20) days from the date of publication.

UGI Gas submits that the Pilot Program for the City of Allentown, as proposed here, provides a reasonable basis for exploring and implementing enhanced leak detection measures throughout the City of Allentown. UGI Gas therefore requests that the Commission approve the implementation of the Pilot Program as explained below.

III. CURRENT LEAK DETECTION PROCEDURES

UGI Gas, in accordance with federal and state gas safety regulations and industry standards, engages in extensive and comprehensive operations and maintenance efforts to promote the safe operation of its pipeline facilities. The United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (“PHMSA”), acting through the Office of Pipeline Safety and the Commission’s Gas Safety Division, administers the Department’s national regulatory program to assure the safe transportation of natural gas by pipeline. The Office of Pipeline Safety develops regulations and other approaches to risk management to minimize threats to life, property, or the environment and to assure safety in design, construction, testing, operation, maintenance, and emergency response of pipeline facilities. As explained below, UGI Gas’ existing leak detection procedures not only meet, but exceed, the applicable federal pipeline safety laws for buried pipelines incorporated by reference into the Commission’s regulations at 52 Pa. Code § 59.33 and all other applicable Commission regulations.

With respect to leak detection, the PHMSA regulations require each operator of a natural gas distribution system, such as UGI Gas, to conduct periodic leakage surveys of its distribution mains. Specifically, the leak detection surveys must meet the following minimum requirements:

(1) A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.

(2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.

49 C.F.R. § 192.723.²

In developing and applying these gas safety requirements there is, of necessity, a balancing of the paramount goal of safe operation with the need to operate natural gas facilities in a cost effective and prudent manner. Thus, applicable federal standards recognize and apply the concept of risk assessment and quantification so that gas safety efforts are directed to the areas of greatest need, which may change over time as risks change. UGI Gas employs engineers and other professionals, as well as software tools, to assess risks and maximize gas safety efforts. As explained below, UGI Gas' current leak detection procedures exceed the applicable federal pipeline safety laws incorporated by reference into the Commission's regulations at 52 Pa. Code § 59.33 and all other applicable Commission regulations.

UGI Gas conducts extensive patrols and leak surveys of its distribution system. Under its current leak detection procedures, UGI Gas conducts the following patrols and leak detection surveys in the City of Allentown: Cast Iron Patrol; Flame Ionization/Visual Patrol Survey; Frost Patrol Survey; Special Urban/ Business Area Walking Survey; Fall Business District Walking

² UGI Gas along with other operators in the gas industry considers it impractical to conduct electrical surveys over unprotected distribution lines subject to §192.465(e). Thus, UGI Gas utilizes leak surveys and monitors the condition of these assets through data gathered from routine maintenance activities.

Survey; Service Line Inspection Program Leak Surveys; and Inside Service Line Inspection Program. All surveys involve the use of highly sensitive leak detection equipment³ and visual inspection of over-the-main surface areas and vegetation as appropriate. These existing patrols and leak detection surveys are summarized below.

The Cast Iron Patrol is an over-the-main mobile survey of cast iron mains that is performed during the first quarter of each calendar year. The Cast Iron Patrol employs an over-the-main mobile survey technique, using leak detection equipment set to an equivalent sensitivity of 10 parts per million (ppm) and traveling at a low rate of speed. Where the main is located off the roadway or behind the curb, the leak surveyors are required to leave the surveying vehicle and walk over the main with portable leak detection equipment. Surveyors confirm all leak indications with a Combustible Gas Indicator. Under the Cast Iron Patrol, all of UGI Gas' cast iron mains are leak surveyed annually.

The Flame-Ionization/Visual Patrol is an over-the-main mobile survey that is performed immediately following the Cast Iron Patrol. The Flame-Ionization/Visual Patrol employs an over-the-main mobile survey technique, using leak detection equipment set to an equivalent sensitivity of 10 parts per million (ppm) and a low rate of speed. Where the main is located off the roadway, or behind the curb, leak surveyors leave the surveying vehicle and walk over the main with portable leak detection equipment. Surveyors confirm all leak indications with a Combustible Gas Indicator. The survey is structured so that one-fourth of plastic (with the exception of identified segments with vintage mechanical service tees), one-fourth of all coated,

³ UGI Gas' current walking survey equipment includes the following: (1) Detecto-Pak 4; (2) Detecto-Pak 3; (3) Detecto-Pak 2; (4) RMLD (Remote Methane Leak Detector); (5) DP-IR (Detecto Pak-Infrared) ; (6) Southern Cross Flame Pack 400; and (7) FI2000. UGI Gas' current driving survey equipment includes the following: (1) Detecto-Pak 4; (2) Detecto-Pak 3; (3) Detecto-Pak 2; (4) DP-IR (Detecto Pak-Infrared); and (5) OMD (Optical Methane Detector). UGI Gas' combustible gas indicators include the following: (1) MSA Model 62-S; (2) GMI; and (3) DP-IR (Detecto Pak-Infrared).

cathodically protected steel, and one hundred percent of all other mains are leak surveyed annually. The one-fourth cycle rotates so that all of UGI Gas' pipeline system is leak surveyed over a four-year period.

The Frost Patrol Survey is a survey of all cast iron distribution mains every two weeks, weather permitting. The Frost Patrol Survey is activated no later than January 2nd of a winter season or upon reaching a threshold of 150 frost degree days, whichever occurs first.⁴ Once the Frost Patrol Survey is activated, the survey continues on a two (2) week cycle until March 31 or until the frost degree days declines below 150, whichever occurs later. The Frost Patrol Survey employs an over-the-main mobile survey technique, using leak detection equipment set to an equivalent sensitivity of 10 parts per million (ppm) and a low rate of driving speed. If a leak is detected, further testing is performed at all significant indications of leakage, all "C" and "B" leaks are reported on the standard report form, all buildings in the immediate area of any "C" leak are checked for the presence of gas, and the surveyor will remain at the leak site until relieved by a qualified UGI representative. In its Order issued December 22, 2011, at Docket No. M-2011-2271982, the Commission approved the UGI Gas Frost Patrol Survey.

In addition to patrolling and surveying its distribution mains, UGI Gas also inspects its service lines through walking surveys. Under the Service Line Inspection Program, each plastic and coated, cathodically protected steel service line is surveyed once every three (3) years, while all other service lines are surveyed on an annual cycle. The Service Line Inspection Program uses leak detection equipment combined with a visual inspection of nearby vegetation. Each

⁴ The activation of the Frost Patrol Program is dependent on a review of the current winter degree-days tracked at Central Gas Control located in Temple, PA. These values are then converted to net accumulated frost degree days which relates to ground frost development over the southern portion of the UGI gas service territory. A 27°F frost degree days base is used for calculating the net accumulated frost degree days. As an example: if the average daily temperature is 22°F, then the calculated frost degree-days associated with this is (27°F - 22°F) or five frost degree days.

service line is checked from the main to the exterior wall of a structure (in the case of an inside meter set), from the main to the regulator, or from the main to the outlet of a metering device (in the case of an outside meter set), whichever is farthest downstream. Survey sampling is done at intervals of a typical walking stride, as well as tests of the atmosphere at all openings and curb boxes.

The Inside Service Line Inspection Program is designed to inspect service lines when the meter is located inside a structure. Under the Inside Service Line Inspection Program, all service lines to the outlet of the meter or service regulator, whichever is furthest downstream, are surveyed. This survey is conducted either during a regularly scheduled monthly meter reading route or on a scheduled basis. The surveyors may wear a leak detection monitor that constantly tests the atmosphere for methane or utilize a Combustible Gas Indicator. When a level of 0.5% natural gas or greater is detected using a monitor, an audible alarm notifies the surveyor. If the alarm activates or the surveyor smells gas, he/she immediately contacts the company to report the leak. The result of each inspection is recorded by the surveyor.

The Special Business/Urban Area Leak Survey is a special annual walking survey within business/urban areas based on a risk assessment under. The Special Business/Urban Area Leak Survey is completed once per winter season, between the period of November 1 and March 31. The survey is designed to target mains in urbanized or special business areas.⁵ Notably, the Commission approved the Special Business/Urban Area Leak Survey in its Order issued December 22, 2011, at Docket No. M-2011-2271982, concluding that the Survey satisfied and addressed the Commission's questions.

⁵ Long term, UGI Gas expects the selection of the mains encompassed in this survey will be based on risk profile assessments derived from the UGI pipeline replacement software, coupled with local system knowledge and performance characteristics. In the interim, UGI Gas selects mains based upon operations subject matter experts considering: proximity to buildings, wall-to-wall paving, amount and classification of open and repaired leaks, main material, and cathodic protection.

In addition to the Special Business/Urban Area Leak Survey, UGI Gas also conducts a Fall Business District Walk. The Fall Business District Walk is conducted in designated business districts during the fall of each year by the leak survey unit. A walking-type survey is performed on all mains and service lines located in the business districts.

The following table provides a summary of UGI Gas’ existing patrols and leak detection surveys on buried pipelines in the City of Allentown as compared to the applicable federal pipeline safety laws and regulations.

Survey List	Code Requirement Frequency	UGI Current Survey Frequency
Cast Iron Patrol	No Specific Requirement	Annual
Flame-Ionization/Visual Patrol	3 or 5 years depending on material	Annual or 4 year depending on material
Frost Patrol Survey	No Specific Requirement	At least 7 cycles through the winter
Service Line Inspection Program	3 or 5 years depending on material	Annual or 3 years depending on material
Inside Service Line Inspection Program	Annually within business districts and 3 or 5 years for services outside of business districts depending on buried service material	Annually within business districts and 3 years for services outside of business districts.
Special Business/Urban Area Leak Survey	No Specific Requirement	Annual
Fall Business District Walk	Annual not to exceed 15 months	Annual not to exceed 15 months

Based on the foregoing, UGI Gas’ existing leak detection procedures are established to not only meet, but exceed, the applicable federal pipeline safety laws incorporated by reference into the Commission’s regulations at 52 Pa. Code § 59.33 and all other applicable Commission regulations. Nonetheless, UGI Gas is supportive of the Commission’s efforts to increase safety by implementing a Pilot Program to explore enhanced leak detection measures. UGI Gas

therefore proposes to implement the Pilot Program in the City of Allentown in conjunction with the above-described leak detection procedures.

IV. PILOT PROGRAM FOR CITY OF ALLENTOWN

In its Opinion and Order entered on February 19, 2013, the Commission directed UGI Gas to explore enhanced leak detection measures and to file a Pilot Program to utilize one or more of these enhanced leak detection measures through the City of Allentown. UGI Gas herein proposes to undertake a Pilot Program in the City of Allentown designed to explore and identify practical measures that ultimately may be used to further enhance the current leak detection procedures. Under the Pilot Program, UGI Gas will employ the following three-fold approach: (1) initiate a RFP to solicit alternative natural gas leak detection measures to be implemented in the City of Allentown during the 2013/2014 winter season; (2) as an interim measure, undertake additional quarterly leak detection surveys of all cast iron mains in the City of Allentown from April 1, 2013 through November 30, 2013, using traditional measures; and (3) provide a written report to the Commission on or before June 1, 2014, describing the results of the Pilot Program.

UGI Gas will undertake an RFP to seek proposals from interested parties for alternative natural gas leak detection measures. Through the RFP process, UGI Gas will solicit bids from interested parties that include alternative approaches, services, surveys, patrols, processes, procedures, equipment, and/or technology that are designed to enhance or improve the existing natural gas leak detection surveys and patrols currently performed by the Company for its natural gas facilities located in the City of Allentown. The Company will enter into an appropriate agreement with successful bidders to test the proposed enhanced leak detection measures on

certain natural gas facilities located in the City of Allentown during the 2013/2014 winter period.⁶ The RFP process is further explained below.

UGI Gas also will increase the frequency of certain current leak detection surveys. Specifically, during the period from April 1, 2013 through November 30, 2013, UGI Gas will conduct additional quarterly surveys of all the cast iron mains within the City of Allentown. Similar to the Frost Patrol Survey described above, UGI Gas will employ an over-the-main mobile survey technique, using leak detection equipment set to an equivalent sensitivity of 10 parts per million (ppm) and a low rate of driving speed. If a leak is detected, further testing is performed at all significant indications of leakage, all “C” and “B” leaks are reported on the standard report form, all buildings in the immediate area of any “C” leak are checked for the presence of gas, and the surveyor will remain at the leak site until relieved by a qualified UGI representative.

On or before June 1, 2014, UGI Gas will provide the Commission with a written report that describes the results of the Pilot Program. UGI Gas submits that the Pilot Program for the City of Allentown, as proposed here, provides a reasonable basis for exploring and implementing enhanced leak detection measures throughout the City of Allentown.

V. RFP PROCESS

Under the Pilot Program, UGI Gas will undertake an RFP to seek proposals from interested parties for alternative natural gas leak detection measures designed to enhance or improve the existing natural gas leak detection surveys and patrols currently performed by the Company for its natural gas distribution and transmission facilities located in the City of Allentown. The proposed form RFP is attached hereto as Appendix 1.

⁶ The 2013/2014 winter period extends from December 1, 2013 through March 31, 2014.

This RFP is structured to provide prospective bidders with sufficient information on which to prepare and submit a qualifying bid for UGI Gas' consideration. The RFP is organized as follows:

Section 1.0 provides an overview.

Section 2.0 provides general information to the bidder including the RFP schedule established by the Company.

Section 3.0 discusses the submittal preparation instructions.

Section 4.0 lists the RFP evaluation procedures and criteria.

Attachment A contains the Description of Company's Existing Leak Detection Program.

Attachment B contains the Safety and Operator Qualifications Pre-Qualification Package.

Attachment C contains the Master Pipeline Support Services Agreement.

Attachment D contains the Products Purchase/Lease Agreement.

Attachment E contains the Technology License Standard Provisions.

Attachment F contains the Confidentiality Agreement.

See Appendix 1.

The Company has established the following generalized schedule for the RFP process with timelines conditioned upon the date of the Commission's final order approving the Pilot Program:⁷

⁷ In order to ensure that there is sufficient time to meet the proposed timelines and implement the RFP for the 2013/2014 winter season, UGI Gas requests that the Commission consider and approve the implementation of the Pilot Program on an expedited basis following the close of the public comment period.

Item	Time Period from the Final Order
Issuance of RFP	30 Days from the Final Order
Pre-Bidders' Conference	45 Days from the Final Order
Latest Date for Questions to be Submitted	66 Days from the Final Order
Bid Response Due Date	75 Days from the Final Order
Target Date: Executed contracts	120 Days from the Final Order

UGI Gas will issue notice of the time and place for the Pre-Bidders' Conference, which will be held within 45 days from the Commission's final order approving the Pilot Program. At the Pre-Bidders' Conference, representatives from the Company will summarize the basis for the RFP and the RFP process, and will be available to answer questions regarding the RFP. All parties interested in submitting a bid in response to the RFP will be required to sign in and participate at the Pre-Bidders' Conference.

Under the schedule for the RFP process, all interested parties will be required to submit any questions to UGI Gas within 66 days from the Commission's final order approving the Pilot Program. The Company will respond to all questions that are timely submitted. Further, all questions and Company responses will be sent to all bidders without identifying the name of the party who submitted the question.

Section 3.0 of the RFP describes the required format for all bids submitted in response to the RFP. All bids must comply with the requirements specified in this Section 3.0. Specifically, bids must be organized according to the format specified in Section 3.2 of the RFP and provide all applicable information required in Section 3.2. Both electronic and hard copies of all submitted bids will be required to be received by the Company within 75 days from the Commission's final order approving the Pilot Program. All bids will be required to be submitted in a sealed package that includes a copy of the Confidentiality Agreement. *See Appendix 1,*

Attachment F. A submitted bid may be withdrawn or modified at any time prior to 90 days from the Commission's final order approving the Pilot Program. After such date, all submitted bids will be considered final and binding.

All bids will be required to include an explanation of how the proposed alternative natural gas leak detection measure would enhance the Company's existing leak detection surveys and patrols. Further, all bids must include a detailed explanation of how the effectiveness of the interested party's proposal should be measured. Finally, if a proposal entails the sale, lease, or license of leak detection equipment or technology designed to improve the Company's existing natural gas leak detection procedures, the bid must include a description of how such equipment or technology will both "pinpoint" and "classify" a leak.

If a bid involves offers of services, surveys, patrols, processes or procedures designed to improve the Company's existing leak detection surveys and patrols, such bidder must be qualified in providing such natural gas distribution facility leak detection services, as determined by the Company. If a bidder's proposal entails the sale, lease, or license of leak detection equipment or technology designed to improve the Company's natural gas leak detection program, the bidder must be a qualified dealer of natural gas distribution facility leak detection equipment. All bids initially will be screened and offers that do not meet the content and organizational requirements specified in this RFP may be eliminated from further consideration.⁸ UGI Gas' evaluation of bids will follow the process discussed in Section 4.0 of the RFP. All qualifying bids received in response to the RFP will be evaluated by UGI Gas. The Company may, in its sole discretion, conduct discussions with qualifying bidders for the purpose of clarification to assure full understanding of and responsiveness of the proposals.

⁸ If a bidder's proposal involves offers of services, surveys, patrols, processes or procedures designed to improve the UGI Gas' existing leak detection surveys and patrols, the bidder must complete and comply with all applicable portions of the Safety & Operator Qualifications Pre-Qualification. See Appendix I, Attachment B.

The accepted bidder(s) shall promptly execute all related documents, which shall be prepared by UGI Gas substantially in accordance with the forms accompanying the RFP. Any bid made for provision of natural gas leak detection services must be made by with the understanding that the Master Pipeline Support Services Agreement will be the basis for any definitive agreement between the bidder and UGI Gas. *See* Appendix 1, Attachment C. Any bid made for the sale or lease of natural gas leak detection equipment must be made with the understanding that the Products Purchase/Lease Agreement will be the basis for any definitive agreement between the Respondent and the Company. *See* Appendix 1, Attachment D. Finally, any bid made for the license of or access to natural gas leak detection software or other technology must be made with the understanding that any definitive agreement between the bidder and the Company will include certain standard conditions.⁹ *See* Appendix 1, Attachment E.

Through this RFP process, UGI Gas will be able to identify and test alternative natural gas leak detection measures in the City of Allentown during the 2013/2014 winter period. This will allow the Company to evaluate these alternative measures to determine whether they are practical means to enhance or improve the existing natural gas leak detection surveys and patrols currently performed by the Company for its natural gas distribution and transmission facilities located in the City of Allentown.

VI. CONCLUSION

UGI Gas' existing leak detection procedures are designed to not only meet, but exceed, the applicable federal pipeline safety laws incorporated by reference into the Commission's

⁹ The Company invites bidders proposing a technology license to submit their standard technology license agreement that incorporates these standard conditions.

regulations at 52 Pa. Code § 59.33 and all other applicable Commission regulations. Nonetheless, UGI Gas is supportive of the Commission's efforts to increase safety by implementing a Pilot Program to explore enhanced leak detection measures. Under the Pilot Program, UGI Gas will employ the following three-fold approach: (1) initiate a RFP to solicit alternative natural gas leak detection measures in the City of Allentown during the 2013/2014 winter season; (2) as an interim approach, undertake additional quarterly leak detection surveys of all cast iron mains within the City of Allentown from April 1, 2013 through November 31, 2014, using traditional measures; and (3) provide the Commission with a written report on or before June 1, 2014, describing the results of the Pilot Program. UGI Gas submits that the Pilot Program for the City of Allentown, together with the existing leak detection procedures, provides a reasonable basis for exploring and implementing enhanced leak detection measures throughout the City of Allentown.

WHEREFORE, UGI Utilities, Inc. – Gas Division respectfully requests that the Pennsylvania Public Utility Commission approve the Pilot Program in the City of Allentown for the 2013/2014 period as described above.

Respectfully submitted,



David B. MacGregor (ID # 28804)
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
Phone: 215-587-1197
E-mail: dmacgregor@postschell.com

Kent D. Murphy (ID # 44793)
Group Counsel –
Energy and Regulation
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
Phone: 610-768-3631
E-mail: murphyke@ugicorp.com

Christopher T. Wright (ID # 203412)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
E-mail: cwright@postschell.com

Of Counsel:

Post & Schell, P.C.

Date: April 12, 2013

Attorneys for UGI Utilities, Inc.

Appendix 1

UGI UTILITIES, INC. – GAS DIVISION

**NATURAL GAS LEAK DETECTION PILOT PROGRAM
FOR NATURAL GAS DISTRIBUTION FACILITIES
LOCATED IN THE CITY OF ALLENTOWN**

2013/2014 WINTER PERIOD

**FORM
REQUEST FOR PROPOSALS**

Issued: [REDACTED], 2013

Pre-Bid Conference: [REDACTED], 2013

Responses Due: [REDACTED], 2013

Table of Contents

1.0 Overview.....	1-1
2.0 General Information on the RFP.....	2-3
2.1 General Information.....	2-3
2.2 RFP Schedule.....	2-3
2.3 Registration and Pre-Bidders’ Conference	2-3
2.4 RFP Questions and Answers.....	2-4
2.5 Submittal Instructions	2-4
2.6 Response Opening and Evaluation	2-5
2.7 Safety & OQ Pre-Qualification Requirements	2-5
2.8 Master Pipeline Support Services Agreement	2-5
2.9 Equipment Purchase/Lease Agreement	2-5
2.10 Technology License Standard Provisions.....	2-5
3.0 Submittal Preparation Instructions.....	3-1
3.1 General Information.....	3-1
3.2 Required Organization of the Response	3-1
4.0 Evaluation Procedures	4-1
4.1 Evaluation of Responses	4-1

Attachments

Attachment A - Description of Company’s Existing Leak Detection Program

Attachment B – Safety & Operator Qualification Pre-Qualification Package

Attachment C – Master Pipeline Support Services Agreement

Attachment D – Equipment Purchase/Lease Agreement

Attachment E – Technology License Standard Provisions

Attachment F – Confidentiality Agreement

Notice of Disclaimer

The information contained in this Request for Proposals (this “RFP”) has been prepared solely to assist prospective Respondents in making the decision of whether or not to submit a response to this RFP (“Response”). A “Respondent” shall mean any entity that responds to this RFP by submitting a Response to the Company in accordance with the requirements herein. UGI Utilities, Inc. – Gas Division, referred to herein as the “Company,” does not purport this information to be all-inclusive or to contain all of the information that a prospective Respondent may need to consider in order to submit a Response. Neither the Company nor its employees, officers, nor its consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this RFP.

The Company reserves the right to modify or supplement this RFP at any time. No part of this RFP and no part of any subsequent correspondence by the Company, its members, customers, employees, officers, or the Company’s consultants shall be taken as providing legal, financial, or other advice, nor as establishing a contract or contractual obligation. Contractual obligations on the part of the Company will arise only if and when definitive agreements have been approved and executed by the appropriate parties having the authority to approve and enter into such agreements.

The Company reserves the right to reject any, all, or portions of any Response received for failure to meet any criteria set forth in this RFP or otherwise. The Company also may decline to enter into an agreement with any Respondent, terminate discussions with any Respondent, or to abandon the RFP process in its entirety at any time and without notice thereof. Respondents who submit Responses agree to do so without legal recourse against the Company, and its directors, officers, employees and agents for rejection of its Response(s) or for failure to execute an agreement for any reason. The Company shall not be liable to any Respondent or party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. By submitting its Response, each Respondent waives any right to challenge any valuation by the Company of any Response of any Respondent or any determination of the Company to select or reject any Response of any Respondent or any other decision of the Company or any resulting agreement related to a selected Response. Each Respondent, in submitting its Response, irrevocably agrees and acknowledges that it is making its Response subject to and in agreement with the terms of this RFP and agrees that the Company shall be entitled to specific performance of its rights hereunder and injunctive relief.

Each Respondent shall be liable for all of its costs incurred to prepare, submit, respond or negotiate its Response and any resulting agreement and for any other activity related thereto, and

Leak Detection Pilot Program RFP

the Company shall not be responsible for any of the Respondent's costs. The Company will, in its sole discretion and without limitation, evaluate Responses and proceed in any manner the Company deems appropriate, which may include deviations from the Company's expected evaluation process, the waiver of any requirements, and the request for additional information. Rejected Respondents will have no claim whatsoever against the Company, or its members, customers, employees, officers, or the Company's consultants. The submission of a Response to the Company shall constitute Respondent's acknowledgement and acceptance of all terms, requirements and conditions of this RFP.

1.0 Overview

UGI Utilities, Inc. (“UGI Utilities”) is comprised of two regulated divisions encompassing a natural gas distribution operation (“Gas Division”) and an electric distribution operation. UGI Utilities, Inc. – Gas Division is a public utility and natural gas distribution company subject to regulation by the Pennsylvania Public Utility Commission that serves approximately 350,000 customers in fourteen counties in eastern and central Pennsylvania.

The purpose of this RFP is to seek proposals from interested parties for alternative natural gas leak detection measures that are designed to enhance or improve the natural gas leak detection surveys and patrols currently performed by the Company for its natural gas distribution and transmission facilities located in the City of Allentown. A summary of the natural gas leak detection surveys and patrols currently conducted by the Company, along with a description of the equipment currently utilized to perform such surveys, for the Company’s natural gas distribution and transmission facilities located in the City of Allentown is set forth in Attachment A. A Respondent’s proposal may include alternative approaches, services, surveys, patrols, processes, procedures, equipment and/or technology that are designed to enhance the Company’s existing leak detection program. A Respondent’s proposal must include a statement of how the proposed alternative approaches, services, surveys, patrols, processes, procedures, equipment and/or technology would enhance the Company’s existing leak detection surveys and patrols and a statement on how Respondent proposes the Company measure the effectiveness of Respondent’s proposed enhancements. If a proposal entails the sale, lease or license of leak detection equipment or technology designed to improve the Company’s existing natural gas leak detection program, a description of how such equipment or technology will both “pinpoint” and “classify” a leak.

The Company is issuing this RFP to interested parties with the intent of entering into, as appropriate, a master pipeline support services agreement, equipment supply purchase/lease agreement, a technology license agreement or other appropriate agreement with successful Respondents pursuant to which the Company will test the Respondent’s proposed enhanced leak detection measures on certain natural gas distribution and transmission facilities located in the City of Allentown during the 2013/2014 winter period. Respondents are required to provide Responses for the supply of such enhanced leak detection measures to the Company pursuant to the instructions provided herein.

If a Respondent’s proposal involves offers of services, surveys, patrols, processes or procedures designed to improve the Company’s existing leak detection surveys and patrols, such Respondent must be qualified in providing such natural gas distribution facility leak detection services, as determined by the Company. If a Respondent’s proposal entails the sale, lease or license of leak detection equipment or technology designed to improve the Company’s natural

Leak Detection Pilot Program RFP

gas leak detection program, Respondents must be a qualified dealer of natural gas distribution facility leak detection equipment.

This RFP is structured to provide prospective Respondents with sufficient information to prepare a Response and is organized in the following manner:

- **Section 2.0** provides general information to the Respondent including the RFP schedule established by the Company.
- **Section 3.0** discusses the submittal preparation instructions.
- **Section 4.0** lists the RFP evaluation procedures and criteria.
- **Attachment A** contains the Description of Company's Existing Leak Detection Program.
- **Attachment B** contains the Safety and Operator Qualification Pre-Qualification Package.
- **Attachment C** contains the Master Pipeline Support Services Agreement.
- **Attachment D** contains the Products Purchase/Lease Agreement.
- **Attachment E** contains the Technology License Standard Provisions.
- **Attachment F** contains the Confidentiality Agreement.

2.0 General Information on the RFP

2.1 General Information

All Responses submitted to the Company pursuant to this RFP shall become the exclusive property of the Company and may be used by the Company, as the Company deems appropriate, for the purpose of determining the most appropriate means of acquiring enhanced natural gas leak detection measures. The Company shall only consider as confidential, those portions of the Respondent’s Response clearly marked “Proprietary and Confidential.” A Response may be subject to discovery and disclosure in regulatory or judicial proceedings, including those initiated by a party other than the Company. Respondents may be required to justify the requested confidential treatment under the provisions of a protective order issued in such a proceeding. If required by the order of any government agency or court, the Company may provide the subject material without prior consultation with or notice to the Respondents. Such information may, also be made available under applicable state or federal law to regulatory commission(s), their staff(s), and other governmental agencies having an interest or jurisdiction in these matters. The Company also reserves the right to release such information to its agents or contractors for the purpose of evaluating the Responses. Under no circumstances will the Company or its directors, officers, employees, agents or contractors, be held liable for any damages resulting from any disclosure of Respondent’s claimed confidential information during or after the RFP process.

2.2 RFP Schedule

The Company has established the schedule for the RFP as shown in Table 2-1. The Company reserves the right to amend the RFP schedule at any time.

Table 2-1 RFP Schedule	
Item	Date
Issuance of RFP	[REDACTED], 2013
Pre-Bidders’ Conference	[REDACTED], 2013
Latest Date for Questions to be Submitted	[REDACTED], 2013
Bid Response Due Date	[REDACTED], 2013
Target Date: Executed contracts	[REDACTED], 2013

2.3 Registration and Pre-Bidders’ Conference

The Pre-Bidders’ Conference will be held on [REDACTED], 2013 between [REDACTED] and [REDACTED] (ET) at UGI Utilities’ Bethlehem Office located at 2121 City Line Road, Bethlehem, Pennsylvania 18017.

Leak Detection Pilot Program RFP

All parties interested in becoming a Respondent to this RFP are requested to sign in at the Pre-Bidders' Conference and to identify the individual designated by a prospective Respondent as the contact person for the purpose of this RFP who shall receive correspondence issued during the RFP process.

At the Pre-Bidders' Conference, representatives from the Company will summarize the basis for this RFP and the RFP process, and will be available to answer questions regarding this RFP. The Company may provide additional information at the Pre-Bidders' Conference.

2.4 RFP Questions and Answers

The Company require that all questions concerning this RFP be submitted to Kevin Frederick, Project Engineer, Capital Planning Department on or before [REDACTED], 2013, via e-mail at KFrederick@ugi.com. Questions submitted after this date may not be answered. The Company will endeavor to answer all questions by no later than [REDACTED], 2013. All questions and answers will be e-mailed to all Respondents without identifying the name of the party who submitted the question.

2.5 Submittal Instructions

Submitted Responses must be organized in the manner described in Section 3.0 of this RFP and signed by a representative of the Respondent who is duly authorized to submit the offer contained in the Response on behalf of the Respondent and to bind the Respondent to any contract resulting from the Company's acceptance of the offer.

All Responses need to be submitted in electronic format as well as hard copies. Both electronic and hard copies of the Response must be received by the Company on or before the date and time for receipt of Responses set forth below. All Responses must also include a copy of the Confidentiality Agreement (see Attachment F) executed by the Respondent (the "Confidentiality Agreement").

For a Response to be considered by the Company, (a) one hard copy of the Response; and (b) an electronic version of the Response, on a Compact Disc or USB flash drive, must be delivered to the Company's Representative (at the address listed below) no later than 5:00 p.m. (ET) on [REDACTED], 2013. An electronic version shall also be e-mailed to the Company's Representative in Adobe Portable Document Format (.pdf file) at the e-mail address listed below.

Responses shall be submitted in a sealed package and shall be clearly marked "Response to Leak Detection Pilot Program RFP." Responses received later than this date and time may be returned to the Respondent. A submitted Response may be withdrawn or modified at any time prior to the date and time for receipt of Responses set forth above. After such date, all Responses will be considered final and binding.

The Company' Representative and Response Mailing Address

UGI Utilities, Inc. – Gas Division
Attention: Kevin L. Frederick, Project Engineer
P.O. Box 12677
Reading, PA 19612-2677
E-mail: KFrederick@ugi.com

2.6 Response Opening and Evaluation

Opening of the Responses will not be done in public. Responses will be screened and offers that do not meet the content and organizational requirements specified in this RFP may be eliminated from further consideration. Evaluation of Responses will follow the process discussed in Section 4.0 of the RFP. The Company may elect to engage certain Respondents in further discussions and/or negotiations.

2.7 Safety & OQ Pre-Qualification Requirements

If a Respondent's proposal involves offers of services, surveys, patrols, processes or procedures designed to improve the Company's existing leak detection surveys and patrols, the Respondent must complete all applicable portions of the Safety & Operator Qualification Pre-Qualification Requirements (provided as Attachment B) in accordance with the instructions outlined therein.

2.8 Master Pipeline Support Services Agreement

Any Response made for provision of natural gas leak detection services must be made by the Respondent with the understanding that the Master Pipeline Support Services Agreement (see Attachment C) will be the basis for any definitive agreement between the Respondent and the Company. *The Response pricing must reflect acceptance of all of the terms and conditions, without exception, set forth in the Master Pipeline Support Services Agreement.* The Company reserves the right to update, modify, or revise the terms and conditions contained in the Master Pipeline Support Services Agreement.

2.9 Equipment Purchase/Lease Agreement

Any Response made for the sale or lease of natural gas leak detection equipment must be made by the Respondent with the understanding that the Products Purchase/Lease Agreement (see Attachment D) will be the basis for any definitive agreement between the Respondent and the Company. *The Response pricing must reflect acceptance of all of the terms and conditions, without exception, set forth in the Equipment Purchase/Lease Agreement.* The Company reserves the right to update, modify, or revise the terms and conditions contained in the Products Purchase/Lease Agreement.

2.10 Technology License Standard Provisions

Any Response made for the license of or access to natural gas leak detection software or other technology must be made by the Respondent with the understanding that the standard provisions set forth in Attachment E will be incorporated in any definitive agreement between the

Leak Detection Pilot Program RFP

Respondent and the Company. *The Response pricing must reflect acceptance of all of the terms and conditions, without exception, set forth in the Attachment E.* The Company invites Respondents proposing a technology license to submit Respondent's standard technology license agreement that incorporates the standard provisions set forth in Attachment E. The Company reserves the right to update, modify, or revise the terms and conditions contained in the standard provisions.

3.0 Submittal Preparation Instructions

3.1 General Information

All Responses must comply with the requirements specified in this Section 3.0. Specifically, Respondents must organize their Response according to the format specified in Section 3.2 of this RFP and provide all applicable information required in Section 3.2. In addition, all submitted Responses must include a copy of the Confidentiality Agreement executed by the Respondent.

All Responses must be submitted to the Company in accordance with the requirements set forth in Section 2.5 of this RFP.

3.2 Required Organization of the Response

All Responses should be concise and clearly organized in the six (6) sections outlined below. If a section does not apply, Respondent shall still include the section in the Response and indicate that it does not apply by stating “Not Applicable.” All Responses must contain the following information without exception and must be organized as follows:

1. Cover Letter

- The cover letter must include all signatures necessary to approve and submit the Respondent’s Response by a representative having the authority to contractually commit the Respondent for Respondent’s offer provided in the Response. Additionally, the cover letter should also include the following declaration:
- “[Insert legal name of Respondent] (the “Contractor”) hereby acknowledges receipt of the Leak Detection Pilot Program – Request for Proposals issued by UGI Utilities, Inc. – Gas Division on [____], 2013 (the “RFP”). Contractor acknowledges and agrees that it has read and agrees to be fully bound by, all of the terms, conditions and other provisions set forth in the RFP. Additionally, Contractor hereby makes the following representations to UGI Utilities, Inc. with respect to this response (the “Response”):
 - All of the statements and representations made in the Response are true to the best of the Contractor’s knowledge and belief;
 - The Contractor has obtained all necessary authorizations, approvals and waivers that will enable the Contractor to commit to the terms provided in the Response;
 - The Response reflects the Contractor’s acceptance of all of the terms and conditions, without exception, set forth in the applicable agreement contained in the RFP; *[if exceptions are taken by Respondent or additional contract terms and conditions are proposed, there must be an indication of such in the Cover Letter]* and
 - The Response is a firm and binding offer made by the Contractor for a period of 120 days from the date hereof that can be accepted by the Company at any time within such period.”

2. Company Information

- In this section the Respondent is to provide the following details about the company:
 - Profile of the Respondent’s company and its parent company, if any;
 - Relationship structure with the parent company (can be in the form of a diagram);
 - Description of Respondent’s natural gas leak detection experience, including experience in Pennsylvania and any adjacent states; and
 - Any current litigation that the Respondent or any of its subsidiaries is involved in regarding any pipeline natural gas leak detection services, equipment or technology it has provided.

3. Completed Bid Sheet

- The Respondent must submit a completed bid sheet that contains:
 - A description of the alternative approaches, services, processes, procedures, equipment and/or technology that are designed to enhance the Company’s existing leak detection surveys and patrols;
 - A statement of how the proposed alternative approaches, services, surveys, patrols, processes, procedures, equipment and/or technology would enhance the Company’s existing leak detection surveys and patrols;
 - A statement or description of how Respondent proposes the Company measure the effectiveness of Respondent’s proposed enhancements;
 - If a proposal entails the sale, lease or license of leak detection equipment or technology designed to improve the Company’s existing natural gas leak detection program, a description of how such equipment or technology will both “pinpoint” and “classify” a leak; and
 - Response pricing that adheres to the requirements set forth in Sections 2.8 through 2.10.

4. Safety & Operator Qualification Pre-Qualification Requirements, if applicable

- If a Response involves offers of services, surveys, patrols, processes or procedures designed to improve the Company’s existing leak detection surveys and patrols, the Respondent must complete all applicable portions of the Safety & Operator Qualification Pre-Qualification Requirements (provided as Attachment B) in accordance with the instructions outlined therein.

5. Additional Contract Terms and Conditions, if applicable

- The pricing included in the Response should be based upon acceptance of all of the terms and conditions, without exception, set forth in the applicable agreements attached to this RFP. *If Respondent takes exception to any term and condition and/or proposes additional contract terms and conditions, it must set forth each exception or addition and indicate how it impacts Respondent’s pricing.*

6. Other Information

- Respondents may provide any additional information that the Respondent feels will assist the Company in its evaluation of the Respondent's Response.

4.0 Evaluation Procedures

The procedures to be used in the evaluation of Responses are described in this Section 4.0. These procedures will be used to determine whether Responses are responsive.

4.1 Evaluation of Responses

All Responses received will be evaluated to ensure that the submittal is responsive. The Company will perform an initial screening evaluation to identify and eliminate any Responses that: (a) are non-conforming to this RFP, (b) do not meet the minimum requirements set forth in this RFP, (c) are clearly not economically competitive with other Responses, or (d) are submitted by Respondents that lack appropriate qualifications to provide a dependable and reliable source of pipeline construction services. Responses that do not include the completed Bid Sheet or an executed Confidentiality Agreement will be deemed non-conforming. Responses meeting all of the requirements set forth in the foregoing clauses (a) through (d) will be eligible for further evaluation by the Company. The Company reserves the right, without qualification and in its sole discretion, to accept or reject any or all Responses or portions of a Response for any reason without explanation or notice to the Respondents, or to make the award to those Respondents, that, in the opinion of the Company, will provide the most value to the Company.

Attachment A - Description of Company's Existing Leak Detection Program

UGI Utilities – Gas Division Leak Survey Types

General information on UGI Utilities – Gas Division (“UGI” or the “Company”) leak surveys is outlined in MSP Section 6.6. Frost patrol survey procedures for cast iron (CI) mains are outlined in UGI System Surveillance Plan Section 3 Subsection D. All surveys involve the use of highly sensitive leak detection equipment and visual inspection of over-the-main surface areas and vegetation as appropriate. The Mapframe Projects application is typically used to create, manage and document completed surveys and found leaks .

Cast Iron Patrol (CIP)

Consists of an over-the-main mobile survey and is performed as the first survey of the calendar year. One hundred percent of all cast iron (CI) in UGI’s distribution system is leak surveyed annually. Where the main is located off the roadway or behind the curb, leak surveyors are required ensure surveying over the main even if this means leaving the vehicle and walking over the main.

Survey Parameters:

- a) Conduct leak survey of the gas main.
- b) Leak detection equipment is set to an equivalent sensitivity of 10 parts per million (ppm).
- c) Driving speed is 3 to 5 MPH.
- d) Proper survey techniques. (Over Main pipe, and available openings, etc.)
- e) Walking survey of mains that cannot be effectively surveyed with the mobile unit. (Behind curb, too many cars in the way, etc.)
- f) Confirm all leak indications with a Combustible Gas Indicator (CGI)

Frost Patrol Survey (CI)

This survey will be activated based on either of two parameters whichever comes first: 1) January 1 of the current winter season or 2) Accumulated frost degree days (FDD) reaches a threshold of 150. Once activation of this survey is triggered, it continues on a two (2) week cycle until March 31.

Accumulated Frost Degree Day (FDD) Threshold Procedure:

The activation of the Frost Patrol Program is dependent on a review of the current winter degree-days (D-D) tracked at Central Gas Control located in Temple, PA. These values are then converted to net accumulated FDD which relates to ground frost development over southern portion of the UGI gas service territory. A 27°F FDD base is used for calculating the net accumulated FDDs. As an example: if the average daily temperature is 22°F, then the calculated frost degree-days associated with this is (27°F - 22°F) or five FDD.

Frost Patrol Parameters:

Sufficient manpower should be assigned to assure coverage of the entire cast iron system within a ten-day period.

UGI Utilities – Gas Division
Leak Survey Types

- a) Vehicle speed not to exceed 10 mph.
- b) Leak detection equipment is set to an equivalent sensitivity of 10 ppm.
- c) Bar hole tests will be made at all significant indications of leakage.
- d) All "C" leakage and "B" leakage will be reported on the standard report form.
- e) If a "C" leakage situation is detected:
 - 1) All buildings in the immediate area of the "C" leak shall be checked for the presence of gas.
 - 2) The situation shall be reported immediately to the dispatcher as soon as the leak is analyzed and secured.
- f) The surveyor will remain at the leak site until relieved by a UGI representative.

Flame Ionization/Visual Patrol Survey (FIV)

The Flame-Ionization/Visual Patrol (FIV) is an over-the-main mobile survey. The FIV is performed by the surveyor immediately following the Cast Iron Patrol. The survey is structured so that one-fourth of plastic (with the exception of identified segments with vintage mechanical service tees), one-fourth of all coated, cathodically protected steels (CCP), and one hundred percent of all other main piping are leak surveyed annually. The one-fourth cycle rotates so that over the course of four years all relevant plastic and CCP main is leak surveyed one hundred percent. Therefore, every four years one hundred percent of the UGI pipeline system is leak surveyed.

Survey Parameters:

- g) Conduct leak survey of the gas main.
- h) Leak detection equipment is set to an equivalent sensitivity of 10 parts per million (ppm).
- i) Driving speed is 3 to 5 MPH.
- j) Proper survey techniques. (Over Main pipe, and available openings, etc.)
- k) Walking survey of mains that can not be effectively surveyed with the mobile unit. (Behind curb, too many cars in the way, etc.)
- l) Confirm all leak indications with a Combustible Gas Indicator (CGI).

Leak Detection Equipment:

Fall Business District Walking Survey

The Fall Business District Walk (FBW) is conducted in designated business districts during the fall of each year by the leak survey unit. Business districts are defined as having wall-to-wall pavement, high public building density, and substantial utility congestion. A walking-type survey shall be done on all main and service piping, and all building walls shall be inspected. All openings shall also be inspected.

UGI Utilities – Gas Division
Leak Survey Types

Service Line Inspection Program (SLIP) Leak Surveys

The SLIP survey is a leak detection walking survey of all services. SLIP is structured so that buried piping material establishes survey frequency. Thus, each full-length plastic and coated, cathodically protected steel service line shall be surveyed once every three (3) years and all service lines of other material types shall be surveyed on an annual cycle.

The SLIP survey uses leak detection equipment combined with a visual inspection of nearby vegetation. Each service line shall be checked from the main line to the building wall, regulator, or outlet of metering device, whichever is farthest downstream in the case of an outside meter set, or to the building wall in the case of an inside meter set. Regardless, surface sampling is to be done at intervals of a typical walking stride. Any openings shall also be checked. As well, the condition of all curb boxes should be checked.

Special Urban/ Business Area Walking Survey

The Special Business/Urban Area Leak Survey is a walking, not mobile survey. This survey is to be completed once per winter season, between the period of November 1 and March 31. The survey is designed to target mains in urban or special business areas or higher consequence locations. This does not necessarily coincide with the Business District surveys. Long term, the UGI companies expect the selection of the mains encompassed in this survey will be based on risk profile assessments derived from the UGI pipeline replacement software, coupled with local system knowledge and performance characteristics. In the interim, the UGI companies will select mains based upon operations subject matter experts considering: proximity to buildings, wall-to-wall paving, amount and classification of open and repaired leaks, main material, and cathodic protection.

Inside Service Line Inspection Program

The inside service line inspection program is designed to begin at the building wall where the Service Line Inspection Program ends. In order to fully comply with the regulations, it is necessary to leak survey all service piping to the outlet of the meter or service regulator, whichever is furthest downstream. It is the purpose of this survey to perform such inspections when the meter is located inside.

The surveyor will typically wear a monitor that will constantly test the atmosphere for methane while proceeding through his/her scheduled meter reading route. There will be an audible alarm when a level of 0.5% natural gas (10% LEL) or greater is detected. If the alarm on the device activates or the meter reader smells gas, he/she shall contact the company immediately to report the leak. Regardless, the result of each inspection should be recorded. This is currently done by means of a hand-held microcomputer carried by the surveyor. All inspections are transferred to the internal computer system.

UGI Utilities – Gas Division
Leak Survey Types

Leak Survey Equipment

Walking Survey Equipment

- 1) Detecto-Pak 4
- 2) Detecto-Pak 3
- 3) Detecto-Pak 2
- 4) RMLD (Remote Methane Leak Detector)
- 5) DP-IR (Detecto Pak-Infrared)
- 6) Southern Cross Flame Pack 400
- 7) FI2000

Driving Survey Equipment

- 1) Detecto-Pak 4
- 2) Detecto-Pak 3
- 3) Detecto-Pak 2
- 4) DP-IR (Detecto Pak-Infrared)
- 5) OMD (Optical Methane Detector)

Combustible Gas Indicators

- 1) MSA Model 62-S
- 2) GMI
- 3) DP-IR (Detecto Pak-Infrared)

Attachment B – Safety & Operator Qualification Pre-Qualification Package

SAFETY & OQ PRE-QUALIFICATION REQUIREMENTS

for

**UGI UTILITIES, INC. and its subsidiaries,
UGI PENN NATURAL GAS, INC. and
UGI CENTRAL PENN GAS, INC.**

Introduction

Pre-Construction safety planning is essential to ensure that safety is built into the job from start to finish. Contractor's compliance with all local, state (PUC, Labor and Industry), federal (OSHA, DOT-MUTCD) and the Companies' operator qualification ("OQ"), safety & health regulations and minimum safety standards is required.

In order for a Response to be considered by the Companies, all Contractors must complete and submit the requested safety and health information listed on the following *UGI Contractor Documentation Checklist*. Only Contractors that fulfill the requirements on the *UGI Contractor Documentation Checklist* will have their Responses considered.

The submitted information will remain a part of the Contractor's file. The Companies reserve the right to require Contractors to provide a full-time safety officer on all projects with fifty or more of their employees.

UGI Contractor Documentation Checklist

Nature of Work: Pipeline Construction

REQ	N/A	Document Description
X		Certificate of Insurance w/ Term & Limits as described in Agreement
X		Contractor Operator Qualification (OQ) Plan
X		Evaluators' Qualifications (Criteria for Approving Individuals to evaluate employees on OQ Tasks)
X		OQ Tasks List (Comparison to UGI's OQ Tasks required when different)
X		List of Employees (Including Name, Occupation, OQ Tasks Held, Last 4 digits of SS #, Competent Person Status as defined in OSHA 1926 Subpart P 650(b))
X		Current Substance Abuse Plan
X		Quarterly Drug Testing Reports
X		Substance Abuse Contact Information
X		Current Health and Safety Plan
X		Safety Representative Contact Information
X		OSHA Work Related Injuries and Illnesses Summary Form 300A
X		OSHA Citations List from the past 3 years
X		Sample Copies of Job Site Safety Inspections from past 3 years
X		Material Safety Data Sheets (MSDS) for all supplied substances.
X		Safety & Health Issue Identification Checklist and all documents required by checklist
X		Contractor Safety & Health Questionnaire

SAFETY AND HEALTH ISSUE IDENTIFICATION CHECKLIST

INSTRUCTIONS FOR PROJECT COORDINATORS

This checklist is designed to assist project coordinators in identifying possible safety and health hazards and compliance issues associated with construction projects. Completion of this checklist and an understanding of the underlying issues will assist the owner in managing them efficiently and correctly.

Contractor Representative:

Phone Number:

Description / Location of Contractor Activities: Pipeline Construction

Start Date: Blanket

Completion Date: Blanket

BASED UPON YOUR KNOWLEDGE ABOUT THE CONTRACT WORK TO BE PERFORMED, PLEASE INDICATE IF THE FOLLOWING STATEMENTS WILL OR MAY HAVE THE POTENTIAL TO APPLY:

<u>SAFETY AND HEALTH ISSUES</u>	<u>REQUIREMENTS</u>	<u>Check if applicable and comment as necessary</u>
Contract work involves use, handling, storage, or work in vicinity of <i>hazardous chemicals or materials</i> . (Concerns are Hazard Communication, spill prevention/response).	<ul style="list-style-type: none"> • Hazard communication plan 	
Contractor will perform work (operation, maintenance, or emergency response function) on a <i>gas pipeline or LNG facility</i> .	<ul style="list-style-type: none"> • OC plan (49 CFR § 192 or 193 as applicable) • DOT substance abuse plan (49 CFR § 199) 	
Contract requires <i>hot work</i> (e.g. welding, torch cutting, brazing, etc.).	<ul style="list-style-type: none"> • Safety plan 	
Contract requires Contractor to work in or near <i>confined spaces</i> .	<ul style="list-style-type: none"> • Safety plan 	
Contract work will require using/working under clearance procedures for the control of hazardous energy (<i>lockout/tag out</i>).	<ul style="list-style-type: none"> • Safety plan 	
Contract involves work on an uncontrolled hazardous substance site, super fund site, or other contaminated site will require Hazardous Waste Operations and Emergency Response (<i>HAZWOPER</i>) training certification. (Ref: CERCLIS List.)	<ul style="list-style-type: none"> • HAZWOPER training certification for each person entering the site. 	
Contract work involves application, handling, or disturbance of <i>lead, cadmium, and/or zinc chromate containing materials</i> . An example would be the removal of <i>toxic surface coatings</i> (i.e. paint).	<ul style="list-style-type: none"> • MSDS sheets • May require lead abatement certification, respirator certification, and respiratory protection program as per 29CFR1926.62 	
Contract work involves handling, disturbance, abatement, or work around <i>asbestos containing materials (ACM)</i> .	<ul style="list-style-type: none"> • ACM work will require PaDLI certification, respirator certification, and respiratory protection program 	
Contractor will be working on or around a process covered under Process Safety Management standard.		
Contract work involves application of pesticides, herbicides, etc.	<ul style="list-style-type: none"> • MSDS sheets • Pesticide and Herbicide commercial applicators must be licensed and certified by PA – see 29CFR1926.1101 	

CONTRACTOR SAFETY AND HEALTH QUESTIONNAIRE

The Natural Gas Industry is committed to providing a safe and healthy workplace for employees, contractors and the public. To qualify to perform work the contractor shall provide the following information and agree to obtain the following information from all subcontractors utilized, and provide upon request.

Contractor/Consultant Name: _____ Date: _____

Contracted Activity: Pipeline Construction

Contractor Representative: _____ Phone #: _____

1. In the table below provide the three most recent full years of history for the area or region this questionnaire applies. In addition attach copies of OSHA 300A logs and verification of the EMR/discount rate information

ITEM	DESCRIPTION	2009	2010	2011
A	Interstate Experience Modification Rate (EMR)			
B	Intrastate Experience Modification Rate (EMR)			
C	Recordable Incident Rate (RIR)			
D	Lost Time Incident Rate (LTR)			
	Using the OSHA #300 logs from the facilities providing labor please document the following:			
E	Number of Injuries and Illnesses (column M, items 1-6 of 300A log)			
F	Number of Lost Workday Cases (column H, 300A log)			
G	Number of Injury Related Fatalities (column G of 300A log)			
H	Employee Hours Worked/Year (If unknown use # of <u>employees</u> x 2080)			
I	Total Number of Employees			

* (C) Rate = E/H x 200,000

* (D) Rate = F/H x 200,000

- | | | |
|--|-----|----|
| 2. Does your company have a written safety and health program? | Yes | No |
| 3. Does your company have a written Hazard Communication Program | Yes | No |
| 4. Does your company have a written environmental program? | Yes | No |
| 5. Does your company use subcontractors? | Yes | No |
| • If yes, do you qualify subcontractors based on their ability to address safety, health and environmental requirements? | Yes | No |
| • Do you verify that subcontractors meet regulatory requirements? | Yes | No |
| 6. Are all documents, pertaining to this questionnaire, available for auditing?
If no, please explain: | Yes | No |

TRAINING

Please respond to all applicable items with "Yes, No or N.A." (Estimated percentage of Employees should reflect the percentage of employees providing labor who have received training).

PROGRAMS/TRAINING	Reference Source	Program Documented and Written Yes/No/NA	Estimated % of Employees providing services who have Received Training	Frequency of Training for Individual Employees	Individual Employee Training Documented Yes/No/NA
Asbestos Class IV (awareness)	OSHA 29 CFR 1926-1101				
Asbestos Class III	OSHA 29 CFR 1926-1101				
Asbestos Class I and II	OSHA 29 CFR 1926-1101				
Confined Space Entry -	OSHA 29 CFR 1910.146(g)				
Cranes	OSHA 29 CFR 1926				
DOT HM-126\ Hazard Employee	DOT 49 CFR 172.704				
Drug Awareness	DOT 49 CFR 199, 382 and 40				
Electrical Safety	OSHA 29 CFR 1910.332				
Emergency Response	OSHA 29 CFR 1910.38(a)				
Excavations	OSHA 29 CFR 1926. Subpart P				
Fall Protection	OSHA 29 CFR 1926.500				
First Aid/CPR	OSHA 29 CFR 1910.151 (b)				
Forklifts	OSHA 29 CFR 1910.178(1)				
Hazard Communication	OSHA 29 CFR 1910.1200(h)				
Hazwoper 24 Hour	OSHA 29 CFR 1910. 120				
Hazwoper 40 Hour	OSHA 29 CFR 1910. 120				
Hazwoper Supervisor 8 hour	OSHA 29 CFR 1910. 120				
Hearing Conservation	OSHA 29 CFR 1910.95				
Incipient Fire Fighting	OSHA 29 CFR 1910.157(g)				
Lockout/tagout Authorized Person	OSHA 29 CFR 1910.147(c)(7)				
Lockout/Tagout - Affected Person	see above				
New Employee Orientation	OSHA 29 CFR 1910.119(g)(1)				
Personal Protective Equip.	OSHA CFR 1910.132(f)				
Process Safety Mgmt.	OSHA 29 CFR 1910.119(g)(1)				
Respiratory Protection	OSHA 29 CFR 1910.134(e)(5)				
Scaffolding	OSHA 29 CFR 1926.451				
Welding and Burning	OSHA 29 CFR 1910.252(a)(2)(xii)(c)				

GENERAL

1. Who in your company is responsible for coordinating your health, and safety program?

Name/Job Title: _____ Phone # _____

Is safety and health a full time responsibility for this position? Yes No

2. Has your company received any citations from a regulatory agency during the last three years?

If yes, please describe citations.

3. Does you company perform pre-employment criminal background checks for all of its employee? Yes No

AUDITING

1. Does your company perform safety audits/reviews? Yes No

If yes, are safety audits documented? Yes No

2. Who reviews the safety audit/review and how often? Job Title:

PERSONAL PROTECTIVE EQUIPMENT

1. Does your company provide/require the following:

Hard Hats(ANSI-289.1)(29 CFR 1910.135) Yes No

Safety shoes(ANSI-241.1)(29 CFR 1910.136) Yes No

Eye protection(ANSI-287.1)(29 CFR 1910.133) Yes No

Hand protection(29 CFR 1910.132) Yes No

Hearing protection(29 CFR 1910.95) Yes No

Fall protection(29 CFR 1910.129) Yes No

Respiratory protection(29 CFR 1910.134) Yes No

O2 Monitors Yes No

ANSI Class II Fire Resistant Traffic Vest Yes No

C1-D1 lighting Yes No

C1-D1 communications equipment or
written policy to leave in vehicle Yes No

Combustible Gas Indicator (CGI) Yes No

CGI Model: _____

2. In addition to regulatory required Personal Protective Equipment, what other PPE is required or supplied? Please describe or list:

SAFETY MEETINGS

- | | | |
|---|-----|----|
| 1. Does your company have scheduled and documented employee safety meetings?
If yes, how often? _____ | Yes | No |
| 2. What managers/supervisors participate in the safety meetings? Job Titles: | | |
| 3. Are meetings reviewed and critiqued by managers/supervisors? | Yes | No |
| 4. Does your company hold on-site (tailgate/toolbox) safety meetings?
If yes, how often are these meetings held? | Yes | No |
| 5. Who conducts these safety meetings? Job Titles:
Is documentation available? | Yes | No |

DRUG SCREENING OR TESTING

- | | | |
|---|-----|----|
| 1. Does your company have a written policy regarding drug screening or testing of your employees?
Comments: | Yes | No |
| 2. Does your drug testing program conform to DOT requirements?
Comments: | Yes | No |
| If yes, which set of DOT regulations is your drug testing program designed to satisfy? | | |
| Research and Special Projects Administration – Pipeline | Yes | No |
| Federal Highway Administration | Yes | No |
| 3. Indicate the circumstances in which your company's employees may be subject to drug screening. | | |
| Employment Probable Cause Periodic | | |
| Random Post Accident Other: | | |
| 4. Is your company a member of National Compliance Management Services (NCMS)?
(Company must join and submit employee list for approval prior to start of work). | Yes | No |

ACCIDENT/INCIDENT INVESTIGATING

- | | | |
|---|-----|----|
| 1. Does your company have a policy requiring written accidents/incident reports(spills, injuries, property) | Yes | No |
| 2. Does your company conduct accident/incident investigating?
If yes, please attach a brief outline of procedures: | Yes | No |
| 3. Does your company document, investigate, and discuss near miss accidents?
If yes, is documentation available? | Yes | No |
| 4. Are accident/incident reports reviewed by managers/supervisors? | Yes | No |

MOTOR VEHICLE ACCIDENTS

1. Motor vehicle accident rate per 1,000,000 miles driven

Attachment C – Master Pipeline Support Services Agreement

MASTER PIPELINE SUPPORT SERVICES AGREEMENT

between

UGI UTILITIES, INC. and its subsidiaries,
UGI PENN NATURAL GAS, INC. and
UGI CENTRAL PENN GAS, INC.

and

[CONTRACTOR]

dated as of

[_____] , 2013

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	1
1.1 Definitions.....	1
1.2 Interpretation.....	6
1.3 Exhibits	6
1.4 Order of Precedence.....	6
1.5 Work Authorizations.....	6
ARTICLE 2 RESPONSIBILITY OF CONTRACTOR.....	7
2.1 General.....	7
2.2 Compliance with Applicable Law	8
2.3 Applicable Permits.....	8
2.4 Personnel.....	8
2.5 Notice of Defects	9
2.6 Access	9
2.7 Owner Access and Inspection.....	9
2.8 Maintain Cleanliness of Work Site.....	9
2.9 Environmental Concerns.....	10
2.10 Safety Requirements	10
2.11 Labor Delays.....	11
2.12 Owner Assistance.....	11
2.13 Contractor Payment and Performance Security.....	11
2.14 Owner Equipment.....	11
2.15 Contractor Taxes.....	12
2.16 Computer Hardware and Software.....	12
2.17 Emergencies.....	12
2.18 Applicable Standards	12
2.19 Alcohol and Drugs	12
2.20 Additional Contractors.....	13
2.21 Correction of Defective Work.	13
ARTICLE 3 OWNER’S RESPONSIBILITIES.....	14
3.1 Owner’s Representative	14
3.2 Access to Work Site.....	14
3.3 Compliance with Applicable Law	14
3.4 Notice of Defects	14
ARTICLE 4 SCHEDULE AND COMPLETION.....	14
4.1 Schedule.....	14
4.2 Force Majeure	14
ARTICLE 5 PAYMENT	15
5.1 Contractor Compensation	15
5.2 Progress Payments	15

5.3 Partial Lien Waivers 16

5.4 Retainage..... 17

5.5 Release of Retainage..... 17

5.6 No Liens..... 17

5.7 Right of Offset 18

ARTICLE 6 CHANGES 18

6.1 Change Order 18

6.2 Owner Directed Change Orders..... 18

6.3 Change Order Events 18

6.4 Change Order Disputes 18

ARTICLE 7 INDEMNITY..... 19

7.1 Indemnification. 19

7.2 Notice; Defense; Settlement 19

ARTICLE 8 WARRANTIES..... 20

8.1 Contractor’s Warranties 20

8.2 Warranty Period 20

8.3 Remedy 21

8.4 Access to Work Site..... 21

8.5 Step-In Rights 21

8.6 No Implied Warranties..... 21

8.7 Warranty limitation..... 21

ARTICLE 9 INSURANCE..... 21

9.1 Contractor’s Liability Insurance 21

9.2 Coverage Requirements and Waiver of Subrogation..... 21

9.3 Certificate of Insurance..... 22

9.4 Subcontractor Insurance Policies..... 22

ARTICLE 10 DEFAULT AND TERMINATION OF AGREEMENT 22

10.1 Contractor Events of Default 22

10.2 Owner Events of Default 23

10.3 Contractor Remedies..... 23

10.4 Owner Remedies 24

10.5 Termination by Owner for Convenience 25

10.6 Owner Suspension 25

ARTICLE 11 RISK OF LOSS..... 26

11.1 Risk of Loss 26

11.2 Title Warranty 26

ARTICLE 12 MISCELLANEOUS PROVISIONS 26

12.1 Successors and Assigns..... 26

12.2 Headings 26

12.3 Severable Covenants..... 26

12.4 Independent Contractor..... 27

12.5 No Waiver..... 27

12.6	Governing Law	27
12.7	Notices	27
12.8	Cooperation of Parties.....	28
12.9	Entire Agreement, Amendments.....	28
12.10	Confidentiality.....	28
12.11	Counterparts	29
12.12	Waiver for Consequential Damages.....	29
12.13	Audit Rights	29
12.14	Survival	29
12.15	No Joint and Several Liability.....	29
12.16	Ownership of Documents	30
ARTICLE 13 DISPUTE RESOLUTION		30
13.1	Negotiation by the Parties.....	30
13.2	Consent Jurisdiction.....	30
ARTICLE 14 REPRESENTATIONS AND WARRANTIES.....		31
14.1	Representations and Warranties of Contractor	31
14.2	Representations and Warranties by Owner.....	32

MASTER PIPELINE SUPPORT SERVICES AGREEMENT

THIS MASTER PIPELINE SUPPORT SERVICES AGREEMENT (this “Agreement”) is made as of _____, 2013 (the “Effective Date”) by and between _____, a _____, with an address at _____, _____, _____ (“Contractor”) and UGI UTILITIES, INC. (“UGI Utilities”) and its subsidiaries, UGI PENN NATURAL GAS, INC. (“UGI PNG”) and UGI CENTRAL PENN GAS, INC. (“UGI CPG”), each a Pennsylvania corporation, and each having their principal office at 2525 N. 12th Street, Suite 360, Reading, Pennsylvania 19605 (each referred to as “Owner” and collectively as “Owners”). Each of Owner and Contractor are referred to herein individually as a “Party” and collectively as the “Parties.”

WITNESSETH:

WHEREAS, Owners wish, in accordance with the terms and conditions of this Agreement, to issue Work Authorizations (as such term is hereinafter defined) from time to time to have Contractor perform certain support services for the construction, operation and maintenance of natural gas distribution and transmission facilities;

WHEREAS, Contractor has represented that it is experienced and qualified in performing such support services, and that it possesses the requisite expertise and resources to complete the Work (as such term is hereinafter defined);

WHEREAS, Contractor has agreed to provide, through itself or through Subcontractors (as such term is hereinafter defined), such Work; and

WHEREAS, Contractor has agreed to perform and complete the Work in strict accordance with the terms and conditions set forth in this Agreement and each Work Authorization issued hereunder.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners and Contractor hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions. As used in this Agreement, including the exhibits and other attachments hereto, each of the following terms shall have the meaning assigned to such terms as set forth below:

“Affiliate” means any Person directly or indirectly controlling or controlled by another Person or under direct or indirect common control with such Person. For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the controlled

entity, whether through the ownership of voting securities or partnership or other ownership interests or by contract or otherwise.

“Agreement” has the meaning given to it in the preamble.

“Agreement Standards” means the standards, terms, conditions, methods, techniques and practices imposed or required by: (1) Applicable Law; (2) Applicable Permits; (3) Good Industry Practice; (4) applicable manufacturers’, fabricator’s or processor’s design requirements, instructions and recommendations; (5) any applicable Governmental Authority; and (6) any other standard, term, condition or requirement specifically provided in the Contract Documents to be observed by Contractor, including the specifications set forth in Exhibit B hereto and all warranties and guaranties provided in this Agreement.

“Applicable Law” means any federal, state, or local constitution, law, statute, rule, regulation, ordinance, order, code, approval, interpretation, judgment, decree, injunction, directive, or decision of any Governmental Authority having jurisdiction over the matter or Person in question, in either case, as applicable to the Work performed at the relevant time by Contractor pursuant to the Contract Documents. A reference to an Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Laws promulgated under such Applicable Law.

“Applicable Permits” means any valid waiver, exemption, variance, franchise, permit, authorization, license or similar order of or from any Governmental Authority having jurisdiction over the subject matter hereof, including the Work Site, as applicable to the performance of the Work or other services to be performed hereunder.

“Business Day” means any day excluding Saturday and Sunday and any day which is a legal holiday in the Commonwealth of Pennsylvania or a day on which banking institutions are permitted or required to be closed in the Commonwealth of Pennsylvania.

“Change Order” has the meaning given to it in Section 6.1.

“Change Order Event” has the meaning given to it in Section 6.3.

“Contract Documents” means this Agreement, any applicable Work Authorization, and all exhibits incorporated herein and therein, as the same may be amended, supplemented or modified from time to time in accordance with the terms hereof.

“Contractor” has the meaning given to it in the preamble.

“Contractor Event of Default” has the meaning given to it in Section 10.1.

“Contractor Insurance Policies” has the meaning given to it in Section 9.1.

“Contractor Materials” means all of the equipment, materials, apparatus, structures, tools, supplies and other goods provided and used by Contractor and its Subcontractors for performance of the Work, which is not intended to be incorporated into the Work.

“Contractor Payment and Performance Security” means collectively any Retainage and any guarantee, letter of credit or payment and performance bonds, in each case, in an amount and in a form acceptable to Owner, and as Owner may require Contractor to provide under a Work Authorization in support of Contractor’s payment and performance obligations under this Agreement and such Work Authorization.

“Contractor Permits” means, as to each Work Authorization, all of the Applicable Permits other than the Owner Permits.

“Effective Date” has the meaning given to it in the preamble.

“Force Majeure Event” has the meaning given to it in Section 4.2.1.

“Good Industry Practice” means those practices, methods, specifications, standards of care, safety and performance and acts that at the time of performance of the Work, in the exercise of reasonable judgment, and consistent with practices and methods of the United States gas construction industry or natural gas industry, as applicable, would have been expected to accomplish the desired result in the manner consistent with Applicable Law, the Agreement Standards and standards of reliability, safety, efficiency and environmental protection in effect at such time. Good Industry Practice is not intended to mean the optimum practice, method, specification or standard but rather refers to commonly used and reasonable practices and methods.

“Governmental Authority” means any federal state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, executive, legislative administrative, public or statutory instrumentality, authority, body, agency, department; bureau or entity or any arbitrator with authority over the subject matter or Person.

“Hazardous Material” means any substance, material, or waste which is regulated by any Governmental Authority, including, but not limited to, any material or substance, whether solid, liquid or gas, which is (i) defined as “hazardous wastes,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” or other similar designations in, or otherwise subject to, regulation under any Applicable Law; (ii) a petroleum product (including crude oil or any fraction thereof); (iii) asbestos; (iv) polychlorinated biphenyls; (v) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1251 et seq.) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317), or any amendment thereto; (vi) defined as a “hazardous waste” or “solid waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), or any amendments thereto; (vii) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), or any amendments thereto; (viii) designated as a “hazardous substance,” “hazardous waste,” “hazardous material” or similar designation under federal or Pennsylvania law, including, but not limited to, the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. § 2701 et seq.), the Emergency Plan and Community Right-To-Know Act of 1986

(42 U.S.C. § 11011 et seq.), the Safe Drinking Water Act of 1974 (42 U.S.C. § 300f et seq.), the Pollution Prevention Act of 1990 (42 U.S.C. § 13101 et seq.), the Hazardous Materials Transportation Act of 1975 (49 U.S.C. § 5101 et seq.) and the Occupational Health and Safety Act of 1970 (29 U.S.C. § 651 et seq.), each as may be amended from time to time, or (ix) any like expression of “hazardous substance” as otherwise identified pursuant to any Applicable Law, or by any Governmental Authority relating to the environment, occupational health and safety, or transportation.

“Labor” means the workforce of the relevant Person, including its staff and employee and non-employee and skilled and unskilled workers.

“Losses” means any and all liabilities (including without limitation liabilities arising out of the application of the doctrine of strict liability), obligations, losses, damages, penalties, fines, claims, actions, suits, judgments, costs, expenses and disbursements, (including without limitation reasonable legal fees and expenses and reasonable costs of investigation, whether or not related to a third party claim), of whatsoever kind and nature, including without limitation those resulting from property injury, bodily injury, or death.

“Materials” means all of the equipment, materials, apparatus, structures, tools, supplies, goods and other items provided by Contractor and its Subcontractors that are installed or incorporated into the Work or otherwise form or are intended to form part of the Work, other than any Contractor Materials.

“Operator Qualification Plan” means Owner’s plan outlined in the UGI Utilities Gas Operations Manual for ensuring compliance with the Operator Qualification Regulations under 49 CFR Parts 192 and 195, as amended.

“Owner” has the meaning given to it in the preamble.

“Owner Equipment” means all equipment, materials, tools, supplies, goods and other items provided by Owner to Contractor for the performance of the Work.

“Owner Event of Default” has the meaning given to it in Section 10.2.

“Owner Indemnified Parties” has the meaning given to it in Section 7.1.1.

“Owner Permits” means any Applicable Permits listed as Owner Permits in the applicable Work Authorization.

“Party” and “Parties” have the meanings given to them in the preamble.

“Person” means any natural person, corporation, partnership, limited liability company, firm, association, trust, unincorporated organization, Governmental Authority or any other entity whether acting in an individual, fiduciary or other capacity. Reference to a Person includes its heirs, successors and permitted assigns.

“Qualified Personnel” means any person satisfying the requirements under Owner’s Operator Qualification Plan to perform activities outlined in the Operator Qualification Plan.

“Reasonable Efforts” means, with respect to a given result, the efforts that a reasonable person in the position of the Contractor under this Agreement would use to achieve that result as expeditiously as reasonably possible under the circumstances; provided, however, that an obligation to use Reasonable Efforts under this Agreement does not require the Contractor to perform an action or incur any expenditure that has an unduly burdensome or material adverse effect on Contractor.

“Request for Payment” means the written requests from Contractor to Owner for payment hereunder, which requests shall be in accordance with the requirements set forth in Article 5.

“Retainage” has the meaning given to it in Section 5.4.

“Scope of Work” means the services and work to be provided, or caused to be provided, by or through Contractor under the Contract Documents, as may be more particularly described in an applicable Work Authorization, as the same may be amended, supplemented or modified from time to time in accordance with the terms hereof, and which Scope of Work includes, without limitation, all licenses necessary for performance of the Work, technical assistance, construction management, construction, services, labor, materials, equipment, operations and management that are indicated on, inferable from, or incidental to, the Contract Documents or that are required in accordance with Applicable Law or Applicable Permits, or that are customarily included within the general scope and magnitude of the work incorporated into projects similar to the Work, all in order to produce the Work in compliance with the requirements of the Contract Documents. Items not specifically listed in the Scope of Work but reasonably inferable from the Contract Documents shall be considered items within the Scope of Work.

“Subcontractor” means any Person performing Work on behalf of Contractor or any of such Person’s respective subcontractors performing Work in furtherance of Contractor’s obligations under the Contract Documents.

“UGI Manuals” means the UGI Utilities Gas Operations Manual, UGI Health and Safety Manual, Procedures and Methods Manual, Operations Procedures Manual, Manual of Standard Procedures and any other manuals specified by Owner.

“Warranty Period” has the meaning given to it in Section 8.2.

“Work” means, for each Work Authorization, the performance of all of Contractor’s duties, obligations and deliverables under the Contract Documents, in accordance with the Scope of Work and the Agreement Standards. Work includes obtaining, furnishing and advancing the cost of all or partial portions of the Work, including labor, materials, tools, equipment, personnel, services, obtaining Applicable Permits and any other items to be used by Contractor or its Subcontractors in the performance of the Contract Documents.

“Work Authorization” has the meaning given to it in Section 1.4.

“Work Schedule” means the schedule for completing the Work as may be attached as part of an applicable Work Authorization, including all scheduled activities and durations required to perform the Work.

“Work Site” means those areas where Contractor or its Subcontractors may perform the Work and any other areas where Contractor may temporarily obtain use, easement or license for purposes directly or incidentally related to performance of the Work.

1.2 Interpretation. Reference to a given Article, Section, Subsection, clause or Exhibit is a reference to a Section, Subsection, clause or Exhibit of this Agreement, unless otherwise specified. Exhibits are expressly incorporated as if fully set forth in the Agreement. The terms “hereof”, “herein”, “hereto”, “hereunder” and “herewith” refer to this Agreement as a whole. Reference to a given agreement, instrument, document or law is a reference to that agreement, instrument, document or law as modified, amended, supplemented and restated through the date as of which such reference is made. The singular includes the plural and the masculine includes the feminine, and vice versa. “Includes” or “including” means “including without limitation.” Reference to the term “days” means calendar days. Section headings are inserted for convenience and ease of reference purposes only and shall not be used in interpreting this Agreement.

1.3 Exhibits. The exhibits identified in the table of contents and attached to this Agreement are incorporated by reference and made an integral part of this Agreement

1.4 Order of Precedence. In the event of conflicts among the terms of the Contract Documents, interpretations shall be based upon the following Contract Documents which are set forth in ranked order of precedence:

- (a) Amendments, addenda or other modifications to the Contract Documents (including Change Orders) duly signed and issued after the signing of this Agreement, with those of a later date having precedence over those of an earlier date;
- (b) Any Work Authorization;
- (c) This Agreement; and
- (d) The exhibits to this Agreement.

In the event of a conflict among, or within, any other Contract Document(s) within any one of the levels set forth in the foregoing order of precedence, the more stringent requirements of such Contract Document(s) which are applicable to the obligations of Contractor shall take precedence over the less stringent requirements applicable thereto.

1.5 Work Authorizations.

1.5.1 Any one of the Owners may periodically during the term of this Agreement issue to Contractor a work authorization substantially in the form attached hereto as Exhibit A (a “Work Authorization”) specifying the Scope of Work to be performed by Contractor, the Work Schedule and any other requirements applicable to the Scope of Work. Contractor shall review and consider each Work Authorization issued by a Owner and shall make a written response thereto, including specifying the basis for Contractor’s compensation for performing the Work under the Work Authorization, to the applicable Owner within ten (10) Business Days after receiving such Work Authorization. Once the Owner and Contractor have reached agreement upon the Scope of Work, the Work Schedule, the basis for Contractor’s compensation for performing the Work under the Work Authorization and the payment terms, the Owner and Contractor shall set forth such terms, together with any other terms and conditions mutually agreed to by the Owner and Contractor in a Work Authorization signed by the Owner and Contractor. Work Authorizations will be incorporated into and made a part of this Agreement upon execution thereof by the Owner and Contractor.

1.5.2 Notwithstanding anything in this Agreement to the contrary, unless the Owner and Contractor mutually agree otherwise in writing, Contractor shall not commence any Work pursuant to a Work Authorization prior to the finalization and execution of the Work Authorization by the Owner and Contractor and the Owner shall not be obligated to compensate Contractor for any Work performed prior to the execution of the applicable Work Authorization by the Owner.

ARTICLE 2 RESPONSIBILITY OF CONTRACTOR

2.1 General.

2.1.1 The Owners hereby engage Contractor, and Contractor hereby agrees to be engaged by the Owners, to perform the Work in accordance with the terms and conditions set forth in the Contract Documents.

2.1.2 In accordance with the terms and conditions of the Contract Documents, Contractor shall (i) as applicable, procure, furnish, deliver, handle, install, erect, inspect, maintain, repair, clean, condition and store all materials, equipment (other than any Owner Equipment), machinery, tools, consumables, labor (including experienced, and if necessary, licensed operators of any machinery or equipment required hereunder), transportation, supervision, administration and other services and items required in order to complete the Work to Owner; (ii) perform quality control checks on all aspects of the Work; and (iii) complete the Work, as described in the Contract Documents, in each case, in accordance with the Agreement Standards and the Work Schedule, and using qualified and competent personnel.

2.1.3 This Agreement shall remain in effect until terminated pursuant to Article 10; provided, however, that following such a termination the term shall be extended until the completion or termination of all Work Authorizations entered into pursuant to this Agreement.

2.2 Compliance with Applicable Law. Contractor shall, and shall cause its Subcontractors, and their respective agents and employees to, give all notices required under and comply with Applicable Law and Applicable Permits; provided, however, that neither Contractor nor Subcontractor or their respective agents and employees shall be responsible or liable for the violation of any Applicable Law or Applicable Permits by Owner or its employees, agents or contractors (other than Contractor or Subcontractors). Contractor shall be responsible for and shall indemnify and hold harmless Owner, its Affiliates and its and their respective employees, agents, officers, directors, members, shareholders and representatives from and against, all Losses that may arise (including without limitation those that Owner pays or becomes liable to pay) related to or resulting from the non-compliance by Contractor or any Subcontractor and their respective employees, agents and contractors with Applicable Law or Applicable Permits, other than any such Losses arising from the gross negligence or willful misconduct of Owner, or Owner's employees, agents and contractors (other than Contractor and its Subcontractors) that cause Contractor or any of its Subcontractors to deviate from the critical path schedule for the Work.

2.3 Applicable Permits. Except with respect to any Applicable Permits previously obtained by, or in the possession of, the Owners for the Work, or to be obtained by Owners (as specified by Owners), Contractor shall (i) obtain all Applicable Permits required in connection with the Work, and (ii) execute and bear the cost of any fees associated with the Applicable Permits. Notwithstanding the foregoing, Contractor shall be responsible for delivering all Applicable Permits required in connection with the Work.

2.4 Personnel.

2.4.1 Contractor shall furnish only qualified and competent supervisors, foremen, labor, and other personnel necessary to perform the Work, in each case, with appropriate experience, qualifications and skills in the specific activities to be performed as part of the Work. Contractor agrees to adhere to the Operator Qualification Plan and shall only allow Qualified Personnel to perform the activities identified in the Operator Qualification Plan. Contractor shall maintain a list of all Qualified Personnel of Contractor and any Subcontractor and shall provide Owner with documentation of the qualifications of such Qualified Personnel upon request by Owner. Contractor shall, at Owner's reasonable written request, replace as quickly as is reasonably practicable under the circumstances any of Contractor or any Subcontractor's personnel performing the Work whom Owner reasonably believes to be engaging in offensive behavior, creating a risk to safety, disrupting the orderly and proficient performance of the Work or otherwise failing to perform Work in accordance with the Contract Documents. Such written notice shall include a reasonably detailed explanation of the basis or bases for Owner's belief.

2.4.2 Contractor shall have the right to have any part of the Work accomplished by Subcontractors, who has all licenses required by Applicable Law to perform such Work, pursuant to subcontracts between Contractor and such Subcontractors, provided that such subcontracts do not purport to bind Owner.

2.4.3 Prior to retaining a Subcontractor, Contractor shall notify Owner in writing and provide it with such information as necessary to enable Owner to evaluate such proposed Subcontractor for the portion of the Work proposed to be performed by it, including, but not limited to, a certificate of insurance from Subcontractor meeting the requirements of the Contract Documents and a copy of the proposed agreement with Subcontractor. Within ten (10) Business Days after receipt of such information, Owner shall advise Contractor if the Subcontractor is unacceptable. If Owner objects in writing within such ten (10) Business Day period to such proposed Subcontractor, (i) Contractor shall not retain such proposed Subcontractor and (ii) Contractor shall use a substitute Subcontractor that meets Owner's approval; provided, however, that no increase in price for performing the Work shall be made for such substitution. Approval of any Subcontractor under this Section 2.4.3 shall only be for the portion of the Work so approved.

2.4.4 By written agreement, Contractor shall require all Subcontractors to be bound to Contractor by the terms and provisions of the Contract Documents, and to assume toward Contractor, all the obligations and responsibilities that Contractor has assumed toward under this Agreement. Any such agreement with a Subcontractor shall preserve and protect all the rights of Owner under this Agreement, and shall be executed prior to the Subcontractor's performance under such agreement. Contractor shall make available to each proposed Subcontractor, prior to the execution of an agreement between them, a copy of this Agreement.

2.5 Notice of Defects. If Contractor becomes aware of any defect or deficiency in the Work which may be reasonably expected to affect the Work's cost, performance, or schedule, Contractor shall give prompt written notice thereof to Owner.

2.6 Access. Contractor shall cause its personnel and all Subcontractors and vendors to only use the entrance(s) and access to the Work Site specified by Owner or the owner of the site for ingress and egress of all personnel, equipment, vehicles, and materials.

2.7 Owner Access and Inspection. Contractor shall afford Owner with reasonable access to the Work Site and the Work so that Owner may familiarize itself generally with the progress and quality of the Work, to determine in general if the Work is proceeding in accordance with the Contract Documents and to make such inspections as Owner may deem appropriate.

2.8 Maintain Cleanliness of Work Site. Contractor shall maintain the Work Site and all work areas free of debris, waste material and rubbish generated in connection with the performance of the Work on a continuous basis. Contractor shall maintain good housekeeping in all affected areas. Contractor shall collect and dispose of all waste generated by Contractor and Subcontractors. At the completion of the Work, Contractor shall perform all clean-up of the construction area and, if directed in a Work Authorization, restoration of the Work Site necessary to restore the Work Site to its condition prior to the start of the Work, Work-related improvements excepted.

2.9 Environmental Concerns. Contractor shall not cause or allow the release or disposal of Hazardous Material at the Work Site, bring Hazardous Material to the Work Site, or transport Hazardous Material from the Work Site, except in accordance with the Contract Documents, Applicable Law and Applicable Permits. Contractor shall be responsible for the management of and proper disposal of any Hazardous Material brought onto or generated at the Work Site by it or its Subcontractors, except in the event of release caused by Owner or Owner's other contractors. Contractor shall cause any Hazardous Material brought onto or generated at the Work Site by it or its Subcontractors (A) to be transported only by carriers maintaining valid permits and operating in compliance with such permits and laws regarding Hazardous Material pursuant to manifest and shipping documents identifying only Contractor as the generator of waste or person who arranged for waste disposal, and (B) to be treated and disposed of only at treatment, storage and disposal facilities maintaining valid permits operating in compliance with such permits and laws regarding Hazardous Material, from which, to the best of Contractor's knowledge, there has been and will be no release of Hazardous Material. Contractor shall submit to Owner a list of all Hazardous Material to be brought onto or generated at the Work Site prior to bringing or generating such Hazardous Material onto or at the Work Site. Contractor shall keep Owner informed as to the status of all Hazardous Material on the Work Site and disposal of all Hazardous Material from the Work Site.

2.10 Safety Requirements.

(a) Contractor shall (i) comply with all applicable federal, state, county and local safety requirements, Applicable Laws (including, but not limited to (A) the natural Gas Pipeline Safety Act of 1968, (B) the Occupational Safety and Health Act of 1970, (C) the Drug-Free Work Place Act of 1988 or (D) the Hazardous Liquid Pipeline Safety Act of 1979) and the UGI Health and Safety Manual, (ii) be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Work, including protecting the Work with barricades and flashers as necessary, (iii) not knowingly permit or allow the introduction or use by Contractor's or Subcontractor's employees or vendors of any firearms, illegal drugs or intoxicating liquor upon the Work Site, or upon any of the grounds occupied, controlled, or used by Contractor or any of its Subcontractors or vendors in the performance of the Work and (iv) take reasonable precautions for the safety of, and shall provide reasonable protection to prevent damage, injury or loss to: (A) Owner, Persons performing the Work and other Persons whom it is reasonably foreseeable may be affected thereby; (B) the Work and all equipment, materials, tools or supplies to be incorporated therein; and (C) other property at the Work Site or adjacent thereto. Owner may, at any time and in its sole discretion, update, amend or replace the UGI Health and Safety Manual, and such amended or updated UGI Health and Safety Manual or replacement manuals shall supersede any prior version(s) of such UGI Health and Safety Manual. Owner shall provide Contractor with any updates to the UGI Health and Safety Manual and Contractor shall communicate such updates to its employees and Subcontractors

(b) Contractor shall provide Owner with the copies of all formal safety inspections, any citations received by Contractor from a federal regulatory agency and the previous year's Occupational Safety and Health Administration 300A log summary as

each item becomes available. Contractor shall follow Owner's safety and health guidelines, as specified in UGI's Health and Safety Manual and the Safety and Health Requirements attached hereto as Exhibit D, to ensure safety at the Work Site. If Contractor fails to follow Owner's safety and health guidelines or performs the Work in an unsafe manner, as determined by Owner in its sole discretion, Owner shall have the right to terminate the Work. By April 1st of each year, Contractor shall provide Owner with a complete copy of a safety and health issue identification checklist in the form provided by Owner.

2.11 Labor Delays. Contractor shall use Reasonable Efforts to minimize the risk of labor related delays. Contractor shall promptly take all commercially reasonable actions that may be available and prudent in connection with the resolution of violations of Applicable Laws concerning labor disputes, collective bargaining agreements and jurisdictional disputes, including, without limitation, the filing of appropriate processes with any court or administrative agency having jurisdiction to settle, enjoin or to award damages resulting from violations of collective bargaining agreements or jurisdictional disputes. Contractor shall advise Owner promptly, in writing, of any actual, anticipated, or threatened labor dispute that might materially affect or delay the performance of the Work by Contractor or by any of its Subcontractors.

2.12 Owner Assistance. Contractor shall provide such assistance as is reasonably requested by Owner in dealing with any Person in any and all matters relating directly to the Work and arising from the Work of the Contractor or any Subcontractor. Without limiting the generality of the foregoing, Contractor shall cooperate with, and provide notice to, any applicable Governmental Authority in connection with the commencement and completion of the Work.

2.13 Contractor Payment and Performance Security.

2.13.1 Under the terms of a Work Authorization, Owner may require Contractor to provide Owner with Contractor Payment and Performance Security in support of Contractor's performance and payment obligations under this Agreement and such applicable Work Authorization.

2.13.2 Owner shall have the right to draw upon the Contractor Payment and Performance Security to cure a Contractor Event of Default, for any payments made to remove liens filed by Subcontractors, payments to complete the Work upon a termination pursuant to Section 10.3 and any and all other amounts payable to Owner hereunder (including Owner's costs (including attorneys' and other consultants' fees) in enforcing its right to draw upon the Contractor Payment and Performance Security to the extent such right is disputed by Contractor).

2.14 Owner Equipment. Owner may provide Contractor with Owner Equipment necessary for the performance of the Work; provided, however, that Contractor shall (i) use such Owner Equipment solely for the performance of the Work, (ii) operate the Owner Equipment in compliance with any Applicable Laws and the UGI Health and Safety Manuals; (iii) allow only fully trained and qualified individuals to operate the Owner Equipment; and (iv) take reasonable care to prevent any loss or damage to any Owner

Equipment and immediately notify Owner if any loss or damage to Owner Equipment occurs.

2.15 Contractor Taxes. Contractor shall pay and administer any and all taxes and duties incurred or payable in connection with the Work, including, without limitation, taxes based on or related to the income, receipts, capital or net worth of Contractor, Contractor's or its Subcontractors' labor or income and for purposes of workman's compensation laws, all Persons hired by Contractor to perform the Work shall be considered employees of Contractor and shall not be considered employees of Owner.

2.16 Computer Hardware and Software. At any time during the term of this Agreement, Owner may elect to require Contractor to use certain computer hardware and software to interface with Owner's computer systems after upgrades to Owner's processes and systems. If Owner elects to require Contractor to use certain computer hardware and software, the Parties shall negotiate any necessary Changes pursuant to Section 6.2.

2.17 Emergencies. In the event of any emergency that endangers or could endanger life or property at or near the Work Site or following any request by Owner to avoid a situation that could endanger life or property, Contractor shall take such action as may be reasonable and necessary to prevent, avoid or mitigate injury, damage or loss (including, but not limited to, stopping the Work) and shall, as soon as possible, report any such incidents, including Contractor's response and actions with respect thereto, to Owner.

2.18 Applicable Standards.

(a) Subject to the remedies provided for herein, Contractor shall complete the Work in a manner that is (i) in conformance with Good Industry Practice; and (ii) in compliance with the terms of the UGI Manuals, the Contract Documents and all Applicable Laws and Applicable Permits. Owner may, at any time and in its sole discretion, update, amend or replace the UGI Manuals, and such amended or updated UGI Manual(s) or replacement manuals shall supersede any prior version(s) of such UGI Manual(s). Owner shall provide Contractor with any updates to the UGI Manuals and Contractor shall communicate such updates to its employees and Subcontractors.

(b) The Work shall meet industry standards utilized by design and construction professionals regularly involved in gas distribution and transmission facilities similar to the Work. The Work shall be capable of being operated in accordance with the Contract Documents, all Applicable Laws and Applicable Permits. If applicable, the Work and all Materials, Owner Materials and improvements comprising the Work shall be installed, calibrated and tested where applicable in accordance with the UGI Manuals. Contractor shall ensure that Labor has reviewed the UGI Manuals applicable to the portion of the Work they are performing. Contractor shall notify Owner of any standards that are inconsistent with each other and advise Owner of the manner in which it intends to resolve such inconsistency in accordance with the standard referenced above.

2.19 Alcohol and Drugs. Contractor shall not possess, consume, import, sell, give, barter or otherwise dispose of any alcoholic beverages or drugs (excluding drugs for proper

medical purposes and then only in accordance with Applicable Law) at the Work Site, or permit or suffer any such possession, consumption, importation, sale, gift, barter or disposal by its Subcontractors, agents or Labor and shall at all times assure that the Work Site is kept free of all such substances. Contractor shall immediately identify and remove from its or its Subcontractors' employment at the Work Site any person (whether in the charge of Contractor or any Subcontractor) who is in possession of or under the influence of any dangerous or controlled drug, alcohol or other such substance at any time during such person's performance of any portion of the Work, excluding any person using a prescription drug under supervision and approval from a medical doctor, or any other person who does or whose actions may create any unsafe condition or other situation that may cause damage or harm to any person or property. Except as specified by Owner, Contractor shall become a member in good-standing of the National Compliance Management Service and shall establish and implement an anti-drug program for Labor providing operating and maintenance functions covered by Department of Transportation Safety Standards included in 49 CFR, Part 192 and 193. The anti-drug program shall be in compliance with (i) Department of Transportation drug testing requirements under 49 CFR, Part 199; and (ii) the anti-drug plan adopted by the National Compliance Management Service. Contractor shall make available to Owner a copy of the anti-drug program and the list of Persons approved by the National Compliance Management Service under such anti-drug program. Owner shall have the right to verify with the National Compliance Management Service the list provided by Contractor, and to require that Contractor exclude any Persons whose fails or refuses to take drug tests as required by Contractor's anti-drug program.

2.20 Additional Contractors. Owner may perform additional work using the Owner's personnel, or Owner may execute other direct contracts for additional work, which contracts shall contain terms similar to the terms of this Agreement. Contractor shall afford the other contractors who are parties to such direct contracts (or Owner's representatives), reasonable opportunity for the introduction and storage of materials and equipment and the execution of work, and shall properly connect and coordinate Contractor's work with theirs, if required.

2.21 Correction of Defective Work. Contractor, at its sole cost and expense, shall correct all Work determined by Owner or any public authority to be defective during the term of this Agreement or during the warranty period provided in Section 8.2. Such corrections shall be made within three (3) days after Contractor receives notice of such defective Work or such longer period as may be agreed to by Owner. If Contractor fails to promptly and completely correct all defective Work, Owner may correct, or cause the correction of, the defective Work. In such case, Contractor shall pay the entire cost incurred by Owner, including incidental costs, in correcting the defective Work. Contractor expressly warrants and agrees that it shall pay these costs within ten (10) days following Owner's written demand for the payment of such costs, which demand shall set forth in reasonable detail the costs so incurred. If payment is not received within such time, Owner may offset any such amount against any sum due to Contractor under this Agreement or any other contract between Owner and Contractor. Owner's right of offset hereunder shall not limit any of Owner's other rights or remedies.

ARTICLE 3 OWNER'S RESPONSIBILITIES

3.1 Owner's Representative. Owner may designate one or more representatives who shall act as a point of contact for Contractor with respect to the performance of the Work, and interpretation and administration of the UGI Manuals, the Agreement Standards and the Agreement on behalf of Owner; provided that such representative(s) shall not be authorized to execute or make any amendments to, authorize Change Orders in respect of, or provide waivers under, the Agreement.

3.2 Access to Work Site. Owner shall furnish to Contractor full access to the Work Site and all rights of way and easements, including but not limited to access roads, storage areas and trailer areas, as are reasonably necessary in order to perform the Work. Owner shall also ensure that other Persons allowed access to the Work Site by Owner (other than Contractor, Subcontractors, and their respective representatives and agents) do not unreasonably interfere with the progress of the Work and follow all safety rules applicable to the Work and the Work Site.

3.3 Compliance with Applicable Law. Owner shall comply, and shall cause its agents and employees to comply, in all respects with all Applicable Laws and Applicable Permits relating to the Work, the Work Site; provided, however, that Owner shall not be responsible or liable for the violation of any Applicable Law or Applicable Permit by Contractor any Subcontractor or their respective employees, agents or contractors.

3.4 Notice of Defects. If Owner becomes aware of any defect or deficiency in the Work which may affect the cost, performance, or schedule, Owner shall give prompt written notice thereof to Contractor.

ARTICLE 4 SCHEDULE AND COMPLETION

4.1 Schedule. Contractor shall perform the Work in compliance with the Work Schedule as may be specified in any Work Authorization.

4.1.1 If Contractor believes that it will fail to complete the Work in accordance with the Work Schedule, Contractor shall notify Owner of such anticipated departure from the Work Schedule.

4.2 Force Majeure. Each Party shall be excused from any failure to perform an obligation under this Agreement, other than the payment of money, to the extent such failure results from a Force Majeure Event as long as the claiming Party (a) has notified the other Party in writing of the existence of the Force Majeure Event and its anticipated duration and effect upon the performance of the affected Party's obligations no more than five (5) Business Days after the affected Party discovers such occurrence, (b) promptly exercises all Reasonable Efforts necessary to minimize delay caused by the Force Majeure Event and (c) notifies the other Party in writing of the cessation or termination of said Force Majeure Event. Notwithstanding anything in this Agreement to the contrary, if

Contractor fails to initially notify Owner within the applicable five (5) Business Day period, such event or condition shall be deemed not to be a Force Majeure Event for the duration of such delay, and Contractor shall not be entitled to a Change Order until such time as Contractor notifies Owner of such occurrence. Any Change Order shall not cover additional delays or increased costs attributable to Contractor's delay in providing notice of such Force Majeure Event to Owner.

4.2.1 A "Force Majeure Event" means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming such event that has prevented such Party from performing an obligation under this Agreement, which event could not be avoided or overcome by the reasonably diligent actions of such Party, including acts of God (but not including reasonably anticipated weather conditions for the geographic area of the Work), landslide, lightning, earthquake, fire, explosion, hurricane, tornado, solar flares, flood, sabotage or similar occurrence, acts of a public enemy, war, blockade or insurrection, riot, terrorism and civil disturbance. The suspension of performance due to a Force Majeure Event shall be of no greater scope and no longer duration than is reasonably required under the circumstances. If a Party claims a Force Majeure Event that has delayed such Party's performance for more than ninety (90) days, the Party not claiming a Force Majeure Event may terminate this Agreement, with no liability of either Party to the other as a result of such termination, by delivering ten (10) days' prior written notice of such termination, during which ten (10) day period the Party claiming a Force Majeure Event shall have the right to withdraw such claim and perform the obligations in question.

4.2.2 It is specifically understood that none of the following acts or conditions shall constitute a Force Majeure Event: (i) general economic conditions, interest or inflation rates, or currency fluctuations, (ii) the financial condition of Owner, Contractor, any Subcontractor or vendor, or any of their respective Affiliates, (iii) union work rules, requirements or demand which have the effect of increasing the number of employees employed at the Work Site or otherwise increase the cost to Contractor of performing the Work, (iv) except to the extent caused by the acts or omissions of Owner, the consequences of errors in construction on the part of Contractor or any of its employees, agents, Subcontractors, vendors or Affiliates, (v) the failure of any Subcontractor or vendor to furnish labor, services, materials or equipment on the dates agreed to (other than as a result of the presence of one of the conditions set forth in Section 4.2.1 above), (vi) strikes, work stoppages or other labor disputes or disturbances, (viii) the release or dispersal of any Hazardous Materials located at, on, under or in the immediate vicinity of the Work Site or (ix) any surface, subsurface or geotechnical conditions at, on, under or in the immediate vicinity of the Work Site that should have been reasonably foreseeable by Contractor.

ARTICLE 5 PAYMENT

5.1 Contractor Compensation. Owner shall pay Contractor for the Work to be performed by Contractor in accordance with the terms and conditions set forth in the Contract Documents.

5.2 Progress Payments.

5.2.1 Owner shall pay Contractor based on invoices submitted to Owner no less frequently than the thirtieth (30th) day of each month, setting forth that portion of the Work completed by Contractor and detailing the hours worked by each employee of Contractor. All required billing documentation, including Contractor daily time sheets, must be signed by Contractor's foreman and by a Owner representative before submission to Owner. Contractor will be responsible to verify the payments it receives from Owner based on the Request for Payments it submits to Owner. If Contractor does not agree with the payment received for a specific Request for Payment, then an additional Request for Payment reflecting an additional payment or a credit, as applicable, must be submitted to Owner for its review and reconciliation within three (3) months from the date Contractor first received payment for completion of Work. If Contractor does not submit such additional Request for Payment within such three (3) month time period, the Work shall be considered paid in full and Owner shall not be obligated to make any further payments with respect to such Work.

5.2.2 At any time during the term of this Agreement, Owner may elect for Contractor's Request for Payment for Work performed to be reported to Owner using certain computer hardware and software pursuant to Section 2.16 of this Agreement.

5.2.3 Owner reserves the right to refuse payment for any Request for Payment that Owner reasonably determines contains an improper request for payment or request for payment of any Work that has not been completed in accordance with the Contract Documents. Owner shall give written notice of any such objections to Contractor after its review of such Request for Payment. Contractor shall correct any such Request for Payment and resubmit the revised Request for Payment to Owner. Within forty-five (45) days after its receipt of a proper and complete Request for Payment, Owner shall pay to Contractor the amount of the properly requested payment, provided that (i) Contractor has provided Owner with any information or documentation reasonably requested by Owner to demonstrate that Contractor is entitled to the payments requested in such Request for Payment and (ii) Contractor has provided Owner with all documentation required under this Section 5.2.4 and all Lien waivers required in accordance with Section 5.3. Disputes as to the achievement of particular portions of Work shall be resolved as soon as reasonably possible pursuant to Article 13 of this Agreement; provided, however, that Owner shall be required to pay only those amounts representing payment for undisputed completed portions of the Work pending the resolution of such dispute.

5.2.4 As a public utility, Owner is exempt from sales tax in the Commonwealth of Pennsylvania; therefore, Contractor shall not include the cost of sales tax as part of material costs. Contractor shall submit any necessary tax exemption paperwork to any vendors supplying materials necessary to perform the Work and Owner will not be responsible for any costs associated with Contractor's failure to submit such paperwork.

5.3 Partial Lien Waivers. If required by Owner, as a condition precedent to the making of any payment to Contractor for performance of the Work, Contractor shall submit with each Request for Payment (i) an executed interim payment or final payment lien waiver (as the case may be) of Contractor in the form attached hereto as Exhibits C-1 and C-2 for all Work for which payment is sought in such Request for Payment, and (ii) an executed

interim payment or final payment lien waiver (as the case may be) of each Subcontractor or vendor, substantially in the form attached hereto as Exhibits C-3 and C-4 for all Work for which payment is sought in such Request for Payment and in respect of which Subcontractors and vendors seek payment by Contractor, and for which lien waivers have not been previously submitted to Owner.

5.4 Retainage. If provided for in a Work Authorization, Owner shall retain, in addition to any amount in dispute, "Retainage" in an amount equal to ten percent (10%) of each payment made to Contractor, other than the final payment. Retainage shall be held by Owner and paid and/or applied pursuant to Section 5.5. Any Retainage shall be held by Owner as security for the performance of Contractor's obligations and any interest thereon shall accrue for the account of Owner and not Contractor. Owner may use the Retainage to cure a Contractor Event of Default for payment of unpaid Subcontractors and payments made to remove liens filed by Contractor or Subcontractors, and any and all other amounts payable to Owner hereunder.

5.5 Release of Retainage. Following the completion of the Work the amount of any Retainage held by Owner shall be released to Contractor in connection with the final payment for such Work.

5.6 No Liens. Except to the extent undisputed payments have not been timely made to Contractor for Work performed by Contractor, Contractor shall not directly or indirectly create, incur, assume, or knowingly permit or suffer to be created by it, or any Subcontractors, vendors, or any other Person entitled to file a lien under Applicable Law, any liens on the Work Site, the Work or any part of, or interest in, any part thereof, other than such liens for which it promptly obtains bonds in an amount and from a surety reasonably acceptable to Owner (such acceptance not to be unreasonably withheld, delayed or conditioned). Contractor shall as soon as practicable pay or discharge, and discharge of record, any such lien for labor, materials, supplies or other charges which, if unpaid, would become a lien upon the Work Site, the Work or any component thereof or else promptly provide a bond in an amount and from a surety reasonably acceptable to Owner (such acceptance not to be unreasonably withheld, delayed or conditioned) to protect against such lien; provided, however, that Contractor shall not be required to pay or discharge any such lien or to provide a bond therefor which relates to undisputed amounts Owner was required by this Agreement to pay, but has not yet paid. Contractor shall notify Owner of the assertion of any such lien against the Work Site, the Work, or any part thereof promptly upon learning of such lien. Upon the failure of Contractor to pay, discharge, release or cause to be paid, discharged or released a lien required to be paid, discharged or released under this Section 5.6, or else promptly to provide a bond in an amount and from a surety reasonably acceptable to Owner to protect against such lien, in each case, within thirty (30) days after Contractor is aware of the existence thereof, Owner may, but shall not be obligated to, pay, discharge or obtain a bond or security for such lien and, upon such payment, discharge or posting of security therefor, shall be entitled immediately to recover from Contractor the amount thereof, together with all reasonable and necessary expenses actually incurred by Owner in connection with such payment or discharge, or to set off all such amounts against any amounts owed by Owner to Contractor hereunder.

5.7 Right of Offset. Notwithstanding any other provision hereof, any and all amounts owing or to be paid by Owner to Contractor hereunder, shall be subject to offset and reduction in an amount equal to any amounts that are owed by Contractor to Owner hereunder.

ARTICLE 6 CHANGES

6.1 Change Order. For purposes hereof, “Change Order” means a written order signed by Owner and by Contractor authorizing a change in the Work. Other than Owner’s right to direct a change in the Work under Section 6.2, no such changes shall be permitted or effective except pursuant to a Change Order.

6.2 Owner Directed Change Orders. Owner may unilaterally direct a change in the Work by advising Contractor in writing of the desired change. As soon thereafter as practicable, Contractor shall prepare, sign and deliver to Owner a proposed Change Order for such change, which shall provide estimates of the cost and Work Schedule impact of the change, any increase or decrease to the cost of performing the Work and any effect on Contractor’s ability to comply with any of its obligations under the Contract Documents, including warranties. If Owner countersigns and delivers such proposed Change Order to Contractor, such Change Order shall be binding on the Parties and Contractor shall perform the Work in accordance therewith.

6.3 Change Order Events. If a Change Order Event causes an actual and demonstrable delay of activities in the critical path of the Work, then Contractor shall be entitled to a Change Order providing for an equitable increase in the cost of performing the Work and/or extension of the Work Schedule, in respect of such cost increase and/or delay, as applicable. “Change Order Event” means any of the following events (1) the existence of Hazardous Materials on the Work Site brought to the Work Site at any time by Owner’s employees, agents or contractors (other than Contractor or any Subcontractor); (2) a Force Majeure Event; (3) physical damage to the Work caused by Owner’s employees, agents or contractors (other than Contractor or any Subcontractor) or (4) Owner’s suspension of the Work in accordance with Section 10.6. If the presence of Hazardous Materials on the Work Site that were in existence on the Work Site prior to Owner’s issuance of a Work Authorization to Contractor causes an actual and demonstrable delay of activities in the critical path to completing the Work, then Owner shall consider in good faith any request for, and provide Contractor with, an equitable adjustment to the Work Schedule. Contractor shall prepare, sign and deliver to Owner a proposed Change Order for such cost increase and/or Work Schedule extension that substantiates in reasonable detail the basis for such cost increase and/or Work Schedule extension. If Owner countersigns and delivers such proposed Change Order to Contractor, such Change Order shall be binding on the Parties and Contractor shall perform the Work in accordance therewith.

6.4 Change Order Disputes. If either Party disputes the existence, extent, validity or effect of a change, the cost or schedule impact thereof, or any estimates contained in a proposed Change Order, then such Party may notify the other Party in writing that it desires to resolve the dispute in accordance with Article 13. Notwithstanding any such dispute,

Contractor shall perform the Work as modified pursuant to a Owner directed change under Section 6.2, but such performance shall not be deemed to waive any claim or dispute of Contractor with respect to its compensation for or the timing of the performance of such Work.

ARTICLE 7 INDEMNITY

7.1 Indemnification.

7.1.1 Except to the extent caused by the gross negligence or willful misconduct of the Owner Indemnified Party, Contractor shall defend, indemnify and hold harmless Owner and its Affiliates, employees, agents, officers, shareholders, and successors and assigns and their respective employees, agents, officers, partners, and directors and any Person acting for or on behalf of Owner (each a “Owner Indemnified Party”), from and against all Losses, which directly or indirectly:

(a) arises out of or results from (i) any negligent, reckless, willful misconduct or otherwise tortious act or omission (including strict liability), during the performance of the Work, or any curative action under any warranty following performance of the Work, of Contractor, any Subcontractor or any vendor or anyone directly or indirectly employed by any of them, or anyone for whose acts such Person may be liable, or (ii) any claims asserted against or losses incurred by Owner as a result of liens filed by Contractor, Subcontractors, vendors or any other Person performing any Work that do not arise out of untimely or nonpayment of undisputed amounts owed by Owner to Contractor hereunder;

(b) arises out of or results directly from the failure of Contractor, any Subcontractor or any vendor or anyone directly or indirectly employed by any of them, or anyone for whose acts such Person may be liable, to comply with Applicable Laws or the conditions or provisions of Applicable Permits or the requirements of the Contract Documents;

(c) arises out of or in connection with any Hazardous Material brought onto and subsequently released on or under the Work Site by Contractor, any Subcontractor or any vendor or anyone directly or indirectly employed by any of them, or anyone for whose acts such Person may be liable; or

7.1.2 The provisions of this Article 7 shall survive for a period equal to the duration of the statute of limitations applicable to the claim being asserted under the governing law applicable to the Contract Documents pursuant to Section 12.6 below.

7.2 Notice; Defense; Settlement. An indemnitee under this Article 7 or any other indemnification provision set forth in this Agreement shall, within ten (10) Business Days after the receipt of written notice of the commencement of any legal action or of any claims against such indemnitee in respect of which indemnification will be sought, notify the indemnitor with a written notice thereof. Failure of the indemnitee to give such written notice shall not relieve the indemnitor from any liability that it may have to such

indemnitee, except to the extent that the indemnitor has been prejudiced by such indemnitee delay.

In case any such claim or legal action shall be made or brought against an indemnitee and such indemnitee shall notify the indemnitor thereof, the indemnitor may, or if so requested by such indemnitee shall, assume the defense thereof, without any reservation of rights. No indemnitee shall settle any indemnified claim without the indemnitor's written approval which shall not be unreasonably withheld. The indemnitor shall control the settlement of all claims over which it has assumed the defense; provided, however, that the indemnitor shall not conclude any settlement that requires any action or forbearance from action by the indemnitee or any of its Affiliates without the prior written approval of the indemnitee, which shall not be unreasonably withheld. The indemnitee shall provide reasonable cooperation and assistance to the indemnitor, at the indemnitor's expense, in connection with such legal action or claim. If the indemnitor assumes the defense of any such claim or legal action, any indemnitee shall have the right to employ separate counsel in such claim or legal action and participate therein, and the reasonable fees and expenses of such counsel shall be at the expense of such indemnitee, except that such fees and expenses shall be for the account of the indemnitor if (i) the employment of such counsel has been specifically authorized by the indemnitor, or (ii) the named parties to such action (including any impleaded parties) include both such indemnitee and the indemnitor and representation of such indemnitee and the indemnitor by the same counsel would, as stated in a written opinion of legal counsel for the indemnitee, be inappropriate under applicable standards of professional conduct due to actual or potential conflicting interests between them. Notwithstanding anything to the contrary in this Section 7.2, the indemnitee shall have the right, at its expense, to retain counsel to monitor and consult with indemnitor's counsel in connection with any such legal action or claim.

ARTICLE 8 WARRANTIES

8.1 Contractor's Warranties. Contractor warrants that (a) all Work shall be performed in accordance with the Contract Documents, the Agreement Standards, and the UGI Health and Safety Manual, (b) the Work shall be of a quality consistent with the Agreement Standards and free from defects in design, engineering, materials, construction and workmanship and from deficiencies caused by errors or omissions of Contractor or its Subcontractors and vendors and (c) the material used in the Work shall be new, of suitable grade for its intended use when installed, and free from defects and deficiencies.

8.2 Warranty Period. Contractor shall remedy any breach of any warranty set forth in Section 8.1 discovered within twelve (12) months after final payment by Owner to Contractor for completion of the Work (the "Warranty Period"); provided, however, that the foregoing shall not relieve Contractor of its obligation to correct defects and deficiencies that are discovered and communicated to Contractor during the Warranty Period, even if such corrective action cannot be completed within said period and; provided further, that if any component of the Work is repaired or replaced pursuant to any such warranty, then such warranty with respect to such component of the Work shall continue until the expiration of the Warranty Period.

8.3 Remedy. If any warranty set forth in Section 8.1 is breached or a defect or deficiency in the Work is discovered, Contractor shall, upon notice from Owner of a warranty claim, at Contractor's sole option, repair, replace and/or correct the applicable Work as expeditiously as possible under the circumstances such that the Work conforms to such warranty and the requirements of the Contract Documents.

8.4 Access to Work Site. Owner shall provide Contractor with all access to the Work Site as is reasonably necessary to allow Contractor to perform its warranty obligations under this Agreement. All costs incidental to Contractor's performance of its warranty obligations shall be borne by Contractor.

8.5 Step-In Rights. If Owner reasonably determines that Contractor has failed to perform any of its obligations under this Article 8 during the Warranty Period regardless of whether the same constitutes a Contractor Event of Default, after delivering at least ten (10) days prior written notice of the same to Contractor, Owner may if Contractor has still failed to perform at the end of such 10-day period, but shall not be obligated to, by or through other contractors (a) step-in and perform, effectuate, discharge, correct or remedy such obligations or failures, as applicable, on behalf of Contractor (including by the payment of any necessary amounts) and (b) recover from Contractor any and all Losses incurred by Owner in connection therewith, plus interest at one percent (1%) over the prime rate as published in the Wall Street Journal, or set off all such amounts against any sums owed by Owner to Contractor hereunder.

8.6 No Implied Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, CONTRACTOR MAKES NO WARRANTIES RELATING TO THIS AGREEMENT, WHETHER ORAL, WRITTEN, EXPRESSED OR IMPLIED BY LAW, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR USE FOR ANY PURPOSE, OR OTHERWISE.

8.7 Warranty limitation. The warranty obligations of Contractor exclude any obligation to remedy any damage or defect caused by (a) the negligent, reckless, willful misconduct or otherwise tortious acts or omissions (including strict liability) of Owner, its Affiliates, its contractors (other than Contractor or its Subcontractors), any third party or any Force Majeure Event; (b) normal wear and tear or (c) any alteration, repair or replacement of Work not performed by Contractor or made without the prior written approval of Contractor.

ARTICLE 9 INSURANCE

9.1 Contractor's Liability Insurance. Contractor shall procure and maintain, at its sole cost and expense, the insurance coverages specified in Exhibit E ("Contractor Insurance Policies") for the term of this Agreement.

9.2 Coverage Requirements and Waiver of Subrogation. All insurance coverages maintained by the Contractor shall (a) be provided using an insurance company or companies that carry an A.M. Best's "A" or equivalent rating and are authorized to do

business in the state in which the Work is located, (b) provide a severability of interests or cross liability clause, (c) name as additional insureds the Owner and others as Owner may reasonably require (except in the case of statutorily required insurance), (d) include a waiver of subrogation by the insurers in favor of the Owner, and its assignees, Affiliates, agents, officers, directors, employees, insurers or policy issuers and a waiver of any right of the insurers to any set-off or counterclaim, whether by endorsement or otherwise, in respect of any type of liability of any of the parties insured under any such policies (e) provide that the insurance shall be primary and not excess to or contributing with any insurance or self-insurance maintained by Owner and (f) provide that the policies may not be cancelled or changed without thirty (30) days' prior written notice to Owner or its assignees. Except to the extent caused by the gross negligence or willful misconduct of any Owner Indemnified Party, Contractor further releases, assigns and waives any and all rights of recovery against the Owner, its Affiliates, employees, successors, permitted assigns, insurers and underwriters, and against other contractors and Subcontractors which Contractor may otherwise have or acquire in or from or in any way connected with any Losses covered by policies of insurance maintained or required to be maintained by Contractor pursuant to this Agreement or because of deductible clauses in or inadequacy of limits of any such policies of insurance.

9.3 Certificate of Insurance. Prior to commencement of the Work, Contractor shall provide Owner with certificates of insurance evidencing the coverages specified in Exhibit E, along with copies of any endorsements and declaration pages. Contractor shall promptly notify Owner of (a) any significant loss covered by a policy required to be maintained by the Contractor hereunder; (b) the early cancellation of any policy; and (c) the failure, for any reason, to maintain any policy required to be maintained by this Article 9. All such insurance certificates shall be in standard ACORD-25S format. All property policies required hereunder shall provide for the assignment by Contractor of any insurance proceeds paid thereunder to Owner as its interests may appear.

9.4 Subcontractor Insurance Policies. Contractor shall require that all Subcontractors providing services or Materials directly to Contractor in connection with the performance of the Work procure and maintain during the time during which they are involved in performance of the Work coverage in form and substance reasonably acceptable to both Owner and Contractor. Contractor shall obtain certificates of insurance evidencing such Subcontractor insurance coverage and provide Owner with copies of such certificates. Contractor shall not be excused from its obligation to cause each such Subcontractor to meet the insurance coverage requirements set forth in this Section 9.4, unless Contractor shall have obtained in writing Owner's waiver, which shall be effective only as to such requirements and for such Subcontractors as are specifically identified therein.

ARTICLE 10 DEFAULT AND TERMINATION OF AGREEMENT

10.1 Contractor Events of Default. The following shall constitute events of default on the part of Contractor ("Contractor Event of Default") under this Agreement:

10.1.1 Contractor fails to comply with any provision of this Agreement (except as excused pursuant to Section 4.2.1) in any material respect (or any representation of Contractor set forth in the Contract Documents shall have been false or misleading in any material respect when given) and Contractor fails to cure or remedy such failure or breach within (a) fifteen (15) days after Owner notifies Contractor of such failure or breach or (b) if such failure or breach cannot be cured within fifteen (15) days after Contractor receives such notice, Contractor has commenced to cure such failure within such fifteen (15) day period and thereafter diligently pursues such cure to completion in such time as is reasonably required to cure such failure but in no event more than ninety (90) days after Contractor receives such notice.

10.1.2 Contractor becomes insolvent, or generally does not pay its debts as they become due, or admits in writing its inability to pay its debts, or makes an assignment for the benefit of creditors, or insolvency, receivership, reorganization, liquidation or bankruptcy proceedings are commenced by or against Contractor.

10.1.3 Contractor fails to complete the Work within [forty-five (45)] days after the date in the Work Schedule.

10.1.4 Contractor assigns or transfers this Agreement or any right or interest herein, except as expressly permitted under Section 12.1 hereof.

10.2 Owner Events of Default. The following shall constitute an event of default on the part of Owner ("Owner Event of Default") under this Agreement:

10.2.1 Owner fails to make any undisputed payment due and owing hereunder within [ten (10) Business Days following receipt of Contractor's notice of failure to pay];

10.2.2 Owner fails to comply with any provision of the Contract Documents (other than Section 12.1) in any material respect (or any representation of Owner set forth in the Contract Documents shall have been false or misleading in any material respect when given) and Owner fails to cure such failure within (a) thirty (30) days after Contractor notifies Owner of such failure or (b) if such failure cannot be cured within thirty (30) days after Owner receives such notice, Owner has commenced to cure such failure within such thirty (30) days and thereafter diligently pursues such cure to completion, such time as is reasonably required to cure such failure but in no event more than ninety (90) days after Owner receives such notice; or

10.2.3 Owner becomes insolvent, or generally does not pay its debts as they become due, or admits in writing its inability to pay its debts, or makes an assignment for the benefit of creditors, or insolvency, receivership, reorganization, liquidation or bankruptcy proceedings are commenced by or against Owner.

10.2.4 Owner assigns or transfers this Agreement or any right or interest herein, except as expressly permitted under Section 12.1 hereof.

10.3 Contractor Remedies. Upon the occurrence and continuation of a Owner Event of Default, Contractor has the right to terminate this Agreement upon ten (10) Business Days

written notice to Owner. If this Agreement is terminated by Contractor for a Owner Event of Default, Contractor shall receive compensation for the Work performed and expenses incurred through the date of termination, and any amounts (including retainage) due in respect of completed or partially completed Work for which Contractor has not received payment. Owner shall be entitled to off-set against such amounts due to Contractor any amounts due to Owner by Contractor. Contractor's right to terminate and receive payment in accordance with this Section 10.3 constitute Contractor's sole and exclusive remedy and Owner's sole liability with respect to any Contractor termination for a Owner Event of Default.

10.4 Owner Remedies.

10.4.1 Upon the occurrence of a Contractor Event of Default, Owner may, at its option, terminate any one or more Work Authorizations to which it is a party or this Agreement, without prejudice to any other rights and remedies available to Owner at law or in equity or under this Agreement or any Work Authorization, by giving written notice thereof to Contractor. Upon receiving any such notice of termination, Contractor shall stop performing the Work and promptly assign to Owner any subcontracts and purchase orders which Owner wishes to retain. In the event of a termination by Owner under this Section 10.4:

(a) Owner shall have the right to complete the Work and may employ any other Person to complete the Work by whatever method that Owner may deem necessary. In addition, Owner may make such expenditures as in Owner's judgment will accomplish the timely completion of the Work in accordance with the terms hereof.

(b) Contractor shall not be entitled to receive any further payments under the Contract Documents, except for payments for Work completed prior to such termination for which Contractor has not previously been paid. Owner shall be entitled to offset against such amount due to Contractor any amounts due to Owner by Contractor. Any amounts due to Contractor under this Section 10.4.1(b) shall be paid to Contractor within thirty (30) days after completion of the Work by a replacement contractor.

(c) Contractor shall be responsible for and shall reimburse Owner for the following amounts: (i) all costs and expenses incurred by Owner to engage a replacement contractor to complete the Work or cure deficiencies in the Work, including, without limitation, overhead and legal, engineering and other professional expenses; (ii) all costs and expenses incurred in connection with the termination of any Work Authorization or the Agreement; and (iii) the amount by which (A) the cost to complete the Work or cure deficiencies in the Work, exceeds (B) the balance of the compensation for the Work unpaid at the time of the termination.

10.4.2 Upon the occurrence and during the continuance of a Contractor Event of Default but prior to termination of a Work Authorization or this Agreement by Owner, Owner may, without prejudice to any of its other rights or remedies, (i) seek performance by any guarantor of Contractor's obligations hereunder, (ii) seek equitable relief to cause Contractor to take action or to refrain from taking action pursuant to this Agreement, or to

make restitution of amounts improperly received under this Agreement, (iii) make such payments or perform such obligations as are required to cure such Contractor Event of Default, draw on or make a claim against any Contractor Payment and Performance Security and/or offset the cost of such payment or performance against payments otherwise due to Contractor under this Agreement; provided that Owner shall be under no obligation to cure any such Contractor Event of Default, or (iv) seek damages as provided in Section 10.4.1(c), including proceeding against any Contractor Payment and Performance Security given by or for the benefit of Contractor for its performance under this Agreement.

10.5 Termination by Owner for Convenience. Owner may terminate one or more Work Authorization to which it is a party or this Agreement at any time for any reason in its sole discretion by giving written notice thereof to Contractor, which termination shall be effective upon the giving of such notice by Owner. Upon receiving any such notice of termination, Contractor shall stop performing the Work. In the event of a termination by Owner under this Section 10.5:

10.5.1 Owner shall have the right to complete the Work and may employ any other Person to complete the Work by whatever method that Owner may deem necessary, at Owner's sole cost and expense. In addition, Owner may make such expenditures as in Owner's judgment will accomplish the timely completion of the Work in accordance with the terms hereof.

10.5.2 Contractor shall be entitled to payments for Work completed prior to such termination for which Contractor has not previously been paid. Owner shall be entitled to offset against such amount due to Contractor any amounts due to Owner by Contractor. Contractor's right to receive payment in accordance with this Section 10.5 constitutes Contractor's sole and exclusive remedy and Owner's sole liability with respect to any Owner termination under this Section 10.5.

10.6 Owner Suspension. Owner may suspend all or a portion of the Work to be performed under the Contract Documents at any time for any reason in its sole discretion by giving at least five (5) days written notice thereof to Contractor. Such suspension shall continue for the period specified in the notice of suspension; provided that Contractor agrees to resume performance of the Work promptly upon receipt of notice from Owner. Upon receiving such notice of suspension, unless the notice requires otherwise, Contractor shall immediately discontinue the Work on the date and to the extent specified in the notice. Upon delivery of notice by Owner to Contractor to resume suspended Work, Contractor shall immediately resume performance under the Contract Documents to the extent required in the notice. If such a suspension is invoked by Owner for reasons other than Contractor's failure to perform the Work in accordance with the Work Schedule or any other breach or default hereunder by Contractor, the delay shall be treated as a Change Order Event pursuant to Section 6.3 of this Agreement and Contractor will be entitled to an adjustment to the Work Schedule and reimbursed by Owner for the costs, as reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of the Work and to the extent that they do not reflect reimbursement for Contractor's or Subcontractors' anticipated profit from unperformed Work.

ARTICLE 11 RISK OF LOSS

11.1 Risk of Loss. Contractor shall have the full responsibility for care, custody and control of the Work (including all equipment, materials, tools and supplies in connection therewith, whether provided by Contractor or Owner) and shall bear the risk of loss thereof in each case until completion of the Work. After completion of the Work, the care, custody and control of the Work (including all equipment, materials, tools and supplies in connection therewith, whether provided by Contractor or Owner) and risk of loss thereof shall pass to Owner. In the event Contractor uses equipment, materials, tools or supplies furnished by Owner, Contractor shall ensure that such items are not damaged, lost or stolen, and that the value of such items does not deteriorate (except for normal wear and tear) by Contractor's use. Notwithstanding the foregoing, if Contractor is obligated by the terms of this Agreement to perform additional Work subsequent to completion of the Work, Contractor shall bear the risk of loss and damage with respect to such Work until Contractor's obligation to perform such additional Work is satisfied.

11.2 Title Warranty. Contractor warrants good title to all materials, equipment, tools and supplies furnished by it, its Subcontractors, and/or vendors that become part of the Work or are purchased for Owner for the operation, maintenance or repair thereof. Subject to Section 11.1, title to all said materials, equipment, tools and supplies shall pass to Owner, free and clear of all liens, claims, charges, security interests and encumbrances whatsoever, upon the earlier of (a) payment therefor by Owner or (b) delivery thereof to the Work Site.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.1 Successors and Assigns. This Agreement will inure to the benefit of, and be binding upon, the Parties and their representatives, successors, permitted assigns and other legal representatives. Contractor may not assign this Agreement without the prior written approval of Owner. Owner shall be entitled to assign, novate or transfer all or any portion of this Agreement, the Contract Documents and its rights, obligations and duties herein at any time and from time to time, without the consent of Contractor, to any Person. Upon any such permitted assignment, novation or transfer, Owners shall be, without further action by either Party, released and discharged from all obligations under this Agreement arising after the effective date of such assignment, novation or transfer.

12.2 Headings. The division of this Agreement into articles, sections and schedules and the inclusion of headings in this Agreement are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

12.3 Severable Covenants. If any provisions of this Agreement or the application thereof to any circumstances are held to be invalid or unenforceable, then the remaining provisions of this Agreement or the application thereof to other circumstances will not be affected thereby and will be valid and enforceable to the fullest extent permitted by Applicable Law.

12.4 Independent Contractor. The Parties have entered into the Contract Documents for the limited purpose set out herein and agree that Contractor is acting solely as an independent contractor. Nothing contained in the Contract Documents, nor any act of a Party in pursuing its rights or fulfilling its obligations pursuant to the Contract Documents, will be construed so as to create a partnership, master-servant or joint venture relationship between the Parties, nor shall it be construed as creating any relationship whatsoever between Owner and Contractor's employees. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, act on behalf of, or to act as or be an agent or representative of, or to otherwise bind or obligate the other Party.

12.5 No Waiver. Any failure of a Party to enforce any of the provisions of the Contract Documents or to require compliance with any of its terms at any time will not impact the remaining provisions of the Contract Documents or the application thereof to other circumstances which will remain valid and enforceable to the fullest extent permitted by Applicable Law.

12.6 Governing Law. The Contract Documents shall be governed by, and construed under, the law of the Commonwealth of Pennsylvania without reference to conflicts of law rules.

12.7 Notices. Any notice, statement, demand, claim, offer or other written instrument required or permitted, to be given pursuant to the Contract Documents shall be in writing signed by the Party giving such notice and shall be sent by facsimile, hand messenger delivery, overnight courier service, or certified mail (receipt requested) to the other Party at the following addresses:

If to Contractor:

With copy to:

If to Owner:

UGI Utilities, Inc.
P.O. Box 12677
Reading, PA 19612-2677
Attention: Manager – Capital Planning & Special Projects
Phone: 610-807-3124
Fax: 610-807-3758

With copy to:

UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
Attention: General Counsel
Phone: 610-337-1000
Fax: 610-992-3258

Each Party shall have the right to change the place to which notices shall be sent or delivered or to specify one additional address to which copies of notices may be sent in either case by similar notice sent or delivered in like manner to the other Party. All notices shall be effective upon receipt.

12.8 Cooperation of Parties. Each Party shall cooperate in good faith with the other Party in its efforts to fulfill its obligations under the Contract Documents. To that end, each Party shall, upon written notice from the other Party, take all actions and sign, execute and deliver all agreements, deeds, documents and other instruments reasonably required of to carry out and give full effect to the Contract Documents and the rights and obligations of the Parties hereunder.

12.9 Entire Agreement, Amendments. This Agreement, including all attachments and exhibits hereto, and the other Contract Documents represent the entire agreement between Owner and Contractor and supersedes all prior negotiations, representations or agreements whether oral or written. This Agreement may be amended only by written instrument signed by both Parties. None of the provisions of this Agreement shall be modified, altered, changed or voided by any subsequent Change Order that relates to the subject matter of this Agreement.

12.10 Confidentiality. The terms and conditions of the Contract Documents and any information concerning the Parties that is designated in writing as confidential and disclosed to the other Party incident to the performance of Work and the Contract Documents is disclosed in confidence and the transferee shall not publish or otherwise disclose it to others without the written approval of the transferor; provided, however, that nothing herein shall limit either Party's right to disclose any information provided by the other Party which (i) was furnished by such Party prior to the execution of this Agreement (other than the terms thereof) without restrictions, (ii) becomes available within the public domain other than through a breach of this or any similar provision to which a Party is bound, (iii) is received by either Party from a third party without restriction and without breach of the Contract Documents, or (iv) is disclosed to the extent required by law in the opinion of counsel; and provided, further, that nothing herein shall limit the right of Owner to provide any such information to its professional advisors. Contractor shall obtain Owner's prior written approval of the text of any announcement, publication, photograph, signage or other type of communication concerning the Work prior to the dissemination or release thereof to the public or to any third party.

12.11 Counterparts. This Agreement may be executed by the Parties in one or more counterparts, all of which taken together, shall constitute one and the same instrument. The delivery of an executed counterpart of this Agreement by facsimile shall be deemed to be valid delivery thereof.

12.12 Waiver for Consequential Damages. Except for any liquidated damages owed by Contractor, third party indemnity claims under the Contract Documents and any loss or damage arising out of or in connection with Contractor's or any Subcontractor's gross negligence, fraud, willful misconduct or illegal or unlawful acts, and notwithstanding anything else in this Agreement to the contrary, Contractor and Owner waive claims against each other for any indirect, special, punitive, incidental or consequential damages arising out of or relating to this Agreement. This mutual waiver includes:

(a) Damages incurred by Owner for rental expenses, for losses of use, income, profit, financing, power, business and reputation, and for loss of management or employee productivity, or the services of such persons;

(b) Damages incurred by Contractor for loss of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the work; and

(c) This mutual waiver is applicable, without limitation, to all consequential damages due to either Party's termination in accordance with Article 10.

12.13 Audit Rights. Contractor shall keep and maintain books, records, accounts and other documents sufficient to reflect accurately and completely all amounts which are the basis of a claim by Contractor for payment for Work performed under the Contract Documents. Such books, records, accounts and other documents shall be prepared by Contractor in accordance with generally accepted accounting principles. Owner, its agents and their accountants shall have reasonable access upon not less than five (5) Business Days prior written notice to Contractor to all such books, records, accounts and documents for the purposes of verifying all amounts that are the basis of such a claim. Contractor shall keep and preserve all such books, records, accounts and documents for a period of at least three (3) years from and after completion of the Work or such longer period as may be required by Applicable Law.

12.14 Survival. Section 2.2, Section 3.3, Article 7, Article 8, Section 10.3, Section 10.4, Section 11.2, Section 11.3, Article 12 and Article 13 shall survive the termination or earlier expiration (whether by completion of the Work or otherwise) of this Agreement.

12.15 No Joint and Several Liability. Each of the Parties understand, agree and acknowledge that (a) each Owner is an affiliated entity by common ownership of each other Owner, (b) with respect to each Work Authorization, all of the representations, warranties, covenants, obligations, conditions, agreements and other terms contained in the Contract Documents shall be applicable to and shall be binding upon each Owner in its individual capacity and shall only be applicable to the Owner that executed such Work Authorization and (c) under no circumstances shall Owners be jointly and severally liable for the obligations and liabilities of the Owner under the Contract Documents.

12.16 Ownership of Documents. All specifications, drawings and company policies, procedures and standards, including copies thereof, provided to Contractor by Owner shall remain Owner's property. Such documents shall not be used in connection with any other project and, except as otherwise required by Owner, shall be returned to Owner upon completion of the Work. Contractor shall keep one current copy of all such documents at the Work Site, and may request additional copies from Owner for the cost of reproduction.

ARTICLE 13 DISPUTE RESOLUTION

13.1 Negotiation by the Parties.

(a) Owner or Owner's designee shall decide all questions or disputes which may arise as to: (i) the quality or acceptability of materials furnished and Work performed; (ii) the rate of progress of the Work and timely performance of Contractor hereunder; (iii) any interpretation or conflict in the Contract Documents; and (iv) the acceptable performance and fulfillment of the Contract by Contractor. Any decision of Owner or Owner's designee shall be made in good faith and shall be determinative, final, and binding on Owner and Contractor.

(b) In the event any claim, dispute or controversy arising out of or relating to the Contract Documents or the breach thereof or the Work (except for those referenced in Section 13.1(a)) that the Parties have been unable to settle or agree upon within a period of ten (10) Business Days after the claim, dispute or controversy arises shall nominate a senior officer of its management, each Party to meet at a mutually agreed time and place not later than twenty (20) Business Days after the claim, dispute or controversy has arisen to attempt to resolve such matter. To aid the negotiation by the Parties' senior management and Owner's representative shall promptly prepare and exchange materials stating the issues in dispute and their positions, summarizing the negotiations which have taken place and attaching relevant documents. If the matter has not been resolved pursuant to the aforesaid procedure within fifteen (15) Business Days of the commencement of such procedure, then either Party may institute judicial proceedings in accordance with Section 13.2. Any of the time periods specified in this Section 13.1 may be extended by mutual agreement of the Parties.

13.2 Consent Jurisdiction. The Parties agree that any suit, action or other legal proceeding by or against any Party (or its Affiliates or designees) with respect to or arising out of the Contract Documents shall be brought exclusively courts located in either the Court of Common Pleas for Berks County, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania. By execution and delivery of this Agreement, each Party (for itself, its Affiliates and its designees) irrevocably and unconditionally consents and submits to the exclusive jurisdiction of such courts and the appellate courts there from, and waives any right it may have to assert the doctrine of forum non convenienc or similar doctrine or to object to venue with respect to any proceeding. The Parties irrevocably consent to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, first class postage prepaid to the addresses set forth herein. In all cases, each of the Parties hereto irrevocably waives

its right to a jury trial with respect to any and all actions, claims and disputes in connection with the Contract Documents or the transactions contemplated hereby or thereby. In the event either Party institutes an action or other proceeding to enforce any rights arising under this Agreement, the Party prevailing in such action or other proceeding shall be paid all reasonable costs and attorney's fees by the other Party.

ARTICLE 14 REPRESENTATIONS AND WARRANTIES

14.1 Representations and Warranties of Contractor. Contractor represents and warrants to Owner, as of the Effective Date, that:

14.1.1 Due Organization, etc. It is duly organized, validly existing and in good standing under the laws of its state of formation, it has, or will have by the date it commences performance of the Work hereunder, full corporate power to engage in the business it presently conducts and contemplates conducting, and it is or will be duly licensed or qualified and in good standing under the laws of the Commonwealth of Pennsylvania and in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary.

14.1.2 Power and Authority. Contractor has all necessary corporate power and authority to execute, deliver and perform its obligations under the Contract Documents, and the execution, delivery and performance by Contractor of this Agreement has been duly authorized by all necessary corporate action on its part, and the Contract Documents has been duly executed and delivered by Contractor. Contractor's execution, delivery and performance under this Agreement does not require any approval, except as has been heretofore obtained, of its board of directors or members, management committee, or other governing body.

14.1.3 Enforcement. This Agreement constitutes the legal, valid and binding obligation of Contractor enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors or by general equitable principles (whether considered in a proceeding in equity or at law).

14.1.4 No Conflict. The execution and delivery of this Agreement will not conflict with any Applicable Laws or any covenant, agreement or understanding to which it is a party or by which it or any of its properties or assets is bound or affected.

14.1.5 No Authorizations Required. To its knowledge, no authorization, approval, exemption or consent by any Governmental Authority (other than the Applicable Permits to be obtained by Contractor or Owner, as applicable, in accordance with the Contract Documents) is required to be obtained by Contractor in connection with the authorization, execution, delivery and performance of its obligations pursuant to this Agreement.

14.1.6 No Lawsuits, Claims. There are no actions, suits, proceedings or investigations pending or, to Contractor's knowledge, threatened against it at law or in equity before any court or before any Governmental Authority (whether or not covered by

insurance) which individually or in the aggregate that is reasonably likely to have a material adverse effect on its ability to perform its obligations under this Agreement. It has no knowledge of any violation or default with respect to any order, injunction or any decree of any Governmental Authority which may result in any such materially adverse effect or such impairment.

14.2 Representations and Warranties by Owner. Each Owner represents and warrants to Contractor, as of the Effective Date, that:

14.2.1 Due Organization, etc. It is duly incorporated, validly existing and in good standing under the laws of its state of incorporation, it has full corporate power to engage in the business it presently conducts and contemplates conducting, and it is or will be duly licensed or qualified and in good standing under the laws of the Commonwealth of Pennsylvania and in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary.

14.2.2 Power and Authority. It has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement, and the execution, delivery and performance by Owner of this Agreement has been duly authorized by all necessary corporate action on its part, and this Agreement has been duly executed and delivered by Owner. Owner's execution, delivery and performance under this Agreement do not require any approval, except as has been heretofore obtained, of its board of directors or members, management committee, or other governing body.

14.2.3 Enforcement. This Agreement constitutes the legal, valid and binding obligation of Owner enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors or by general equitable principles (whether considered in a proceeding in equity or at law).

14.2.4 No Conflict. The execution and delivery of this Agreement will not conflict with any Applicable Laws or any covenant, agreement or understanding to which it is a party or by which it or any of its properties or assets is bound or affected.

14.2.5 No Authorizations Required. To its knowledge, no authorization, approval, exemption or consent by any Governmental Authority (other than the Applicable Permits to be obtained by Contractor or Owner, as applicable, in accordance with the Contract Documents) is required to be obtained by Owner in connection with the authorization, execution, delivery and performance of its obligations pursuant to this Agreement.

14.2.6 No Lawsuits, Claims. There are no actions, suits, proceedings or investigations pending or, to Owner's knowledge, threatened against it at law or in equity before any court or before any Governmental Authority (whether or not covered by insurance) which individually or in the aggregate that is reasonably likely to have a material adverse effect on its ability to perform its obligations under this Agreement. It has no knowledge of any violation or default with respect to any order, injunction or any decree

of any Governmental Authority which may result in any such materially adverse effect or such impairment.

[Signatures appear on following page(s)].

IN WITNESS WHEREOF, the duly authorized officers of the Parties hereto have executed this Agreement as of the Effective Date.

CONTRACTOR:

[_____]

By: _____

Name:

Title:

OWNER:

UGI UTILITIES, INC. and its subsidiaries,
UGI PENN NATURAL GAS, INC. and
UGI CENTRAL PENN GAS, INC.

By: _____

Name: Robert F. Beard

Title: President & CEO

Exhibit A

Form of Work Authorization

Contractor:	Phone:	Date:
	Fax:	
Bid Region:	State:	

Reference is made to the Master Pipeline Support Services Agreement, dated as of [_____] [___], 2013 (the “Agreement”) by and between UGI Utilities, Inc. and its subsidiaries, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., each a Pennsylvania corporation (each referred to as “Owner”) and _____, a _____ (“Contractor”). Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement. This Work Authorization has been agreed upon by Owner and Contractor in accordance with Section 1.4 of the Agreement.

SCOPE OF WORK:

Description of Scope of Work:

CONTRACTOR COMPENSATION:

Description of Compensation:

WORK SCHEDULE:

Description of Work Schedule:

IN WITNESS WHEREOF, the parties have caused this Work Authorization to be effective as of _____, 20__.

Agreed pursuant to the Agreement by:

[Owner]

[Contractor]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit B

Specifications

Contractor shall perform the Work in accordance with the specifications, and to the satisfaction, of Owner and any Governmental Authority having jurisdiction over the Work Site or the Work. Such specifications shall include, but not be limited to, the following:

[To be inserted]

Exhibit C-1**Form of Contractor Certificate for Partial Waiver of Liens**

THIS LIEN WAIVER is made this ___ of _____, 20__, by [____], a [____] (“Contractor”), to UGI Utilities, Inc. and its subsidiaries, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., each a Pennsylvania corporation (each referred to as “Owner”), pursuant to Section [5.3] of that certain Master Pipeline Support Services Agreement, dated as of [____] [___], 2013 between Contractor and Owner, as the same may be amended from time to time (the “Master Agreement”)[and the Work Authorization, dated as of [____] [___], [____] by and between Owner and Contractor (the “Work Authorization” and, collectively with the Master Agreement, the “Agreement”)], for the performance or furnishing of certain work, labor, supervision, services, materials and equipment in connection with the performance of certain restoration activities where Owner is responsible for such restoration activities (the “Work”). Each term used herein with its initial letter capitalized and not otherwise defined shall have the meaning assigned to such term in the Agreement.

Contractor, on behalf of itself and all Persons claiming any interest in or through Contractor and for Contractor’s and their successors and assigns, and those acting by or through any of the foregoing, for and in consideration of _____ and ____/100 U.S. DOLLARS (U.S. \$_____) (the “Consideration”), as full payment on account of the Covered Work (as defined below), to the extent such consideration actually has been received by Contractor, does hereby unconditionally and irrevocably waive, release, remise, relinquish and quit-claim all actions, claims, liens and demands, of any kind whatsoever, except claims for retentions and withholdings for those certain disputed items, if any, described on the attached Schedule 1 which is incorporated herein by this reference (“Disputed Items”), for all labor, services, materials, machinery and equipment, furnished with respect to the Work for which a progress payment is being made pursuant to Contractor’s invoice to the Owner for the period covering _____, 20__ and all prior Work as to which a progress payment has been received through the ____ day of _____, 20__, by or through the Contractor for the Work (collectively, the “Covered Work”), which the Contractor ever had, or now has or may have in the future, known or unknown, against the Work, the property on which the Work is located, Owner, its subsidiaries and affiliates, at all tiers, and its and their insurers, sureties, employees, officers, directors, representatives, lenders, investors, shareholders, agents, and all Persons acting for any of them (collectively the “Releasee Entities”), including, without limitation, all claims related to, in connection with, or arising out of all facts, acts, events, circumstances, changes or extra work, constructive or actual delays or accelerations, interferences and the like which have occurred or may be claimed to have occurred.

Except to the extent of amounts held back for retainage and withholdings for any Disputed Items, Contractor hereby certifies, represents and warrants that: (a) the Contractor has not assigned or pledged any rights or claims in any amount due or to become due from the Owner; (b) no claims from Subcontractors, vendors, mechanics or materialmen have been submitted to Contractor with respect to the Agreement or remain unsatisfied as of the date of this Contractor Lien Waiver; (c) no mechanic’s, material or materialmen’s liens have been filed with respect to the Work; and (d)

payment has been made to all consultants, employees, Subcontractors, vendors, laborers and material suppliers, at all tiers, and all other entities, for all labor, services, materials and equipment furnished by or through the Contractor for the Work through the date hereof.

The Contractor acknowledges and agrees that: (a) the Owner is relying upon the representations and warranties made herein as a material inducement for the Owner to make payment to the Contractor; (b) this Contractor Lien Waiver is freely and voluntarily given by the Contractor and the Contractor has had the advice of counsel in connection herewith and is fully informed as to the legal effects of this Contractor Lien Waiver and the Contractor has voluntarily accepted the terms of this Contractor Lien Waiver for the consideration recited above; and (c) the tendering of payment by the Owner and the receipt of payment and the execution of this Contractor Lien Waiver by the Contractor shall not, in any manner whatsoever, release the Contractor from: (i) its continuing obligations with respect to the completion of any Work that remains incomplete, including, without limitation, warranty or guaranty work, or the correction of defective or non-conforming Work; (ii) any contractual, statutory or common law obligations of the Contractor with respect to any of the Releasee Entities; or (iii) any other obligations of the Contractor with respect to any of the Releasee Entities.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

Contractor hereby certifies, represents and warrants to Owner that the undersigned individual (“Signatory”) is duly authorized, and the Signatory hereby represents that he/she has been duly authorized by and on behalf of the Contractor to execute this Contractor Lien Waiver as of the date first above written.

[_____]
a [_____]

By: _____
Name:
Title:

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____,
by _____,
_____ of _____, a _____, on behalf of said
_____.

[Notary Seal]

Notary Public in and for the State of _____

Printed Name of Notary Public

My Commission Expires: _____

Schedule 1

[Disputed Work]

Exhibit C-2**Form of Subcontractor Certificate for Partial Waiver of Liens**

THIS LIEN WAIVER is made this ___ of _____, 20___, by [NAME OF SUBCONTRACTOR OR VENDOR] (“Subcontractor”), a _____ [limited liability company, corporation, partnership, etc.] having a principal business address at _____, to [_____], a [_____] (“Company”), relating to that certain [Subcontract, Purchase Order, Work Authorization, etc.] dated as of _____, 20___ between Subcontractor and Company, as the same may be amended from time to time (the “Agreement”) in connection with that certain Master Pipeline Support Services Agreement, dated as of [_____] [___], 2013 between Company and UGI Utilities, Inc. and its subsidiaries, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., each a Pennsylvania corporation (each referred to as “Owner”), as the same may be amended from time to time[and the Work Authorization, dated as of [_____] [___], [_____] by and between Owner and Company], for the performance or furnishing of certain work, labor, supervision, services, materials and/or equipment in connection with the performance of certain restoration activities where Owner is responsible for such restoration activities (the “Work”). Each term used herein with its initial letter capitalized and not otherwise defined shall have the meaning assigned to such term in the Agreement.

Subcontractor, on behalf of itself and all Persons claiming any interest in or through Subcontractor and for Subcontractor’s and their successors and assigns, and those acting by or through any of the foregoing, for and in consideration of full payment, the receipt and sufficiency of which are hereby acknowledged, for the particular labor, services, materials, machinery and/or equipment furnished by or through Subcontractor for the Covered Work (as defined below) to the extent payment is actually made to Subcontractor pursuant to Subcontractor’s invoice no. _____, dated _____, 20___, to Company, and all prior payments under the Agreement received by Subcontractor through _____, 20___, by or through Company for the Work (collectively, the “Covered Work”), does hereby unconditionally and irrevocably waive, release, remise, relinquish and quit-claim all actions, claims, liens and demands, of any kind whatsoever, except claims for retentions and withholdings for those certain disputed items, if any, described on Schedule 1 attached hereto and incorporated by reference herein (the “Disputed Items”), which the Subcontractor ever had, now has, or may have in the future, known or unknown, against the Work, the property on which the Work is located, or against Company or Owner, their respective subsidiaries and affiliates, at all tiers, and their respective insurers, sureties, employees, officers, directors, representatives, lenders, investors, shareholders, agents, and all Persons acting for any of them (collectively the “Releasee Entities”), including, without limitation, all claims related to, in connection with, or arising out of, all facts, acts, events, circumstances, changes or extra work, constructive or actual delays or accelerations, interferences and the like which have occurred or may be claimed to have occurred.

Except to the extent of amounts held back for retainage and withholdings for any Disputed Items, Subcontractor hereby certifies, represents and warrants that: (a) Subcontractor has not assigned or pledged any rights or claims in any amount due or to become due from Company; (b)

no claims from sub-subcontractors, vendors, mechanics or materialmen have been submitted to Subcontractor with respect to the Agreement or remain unsatisfied as of the date of this Lien Waiver; (c) no mechanic's or material or materialmen's liens have been filed with respect to work, labor, services, material or equipment for the Work for which Subcontractor is responsible; and (d) payment has been made to all consultants, employees, subcontractors, vendors, laborers and material suppliers, at all tiers, and all other entities, for all labor, services, materials and equipment furnished by or through the Subcontractor for the Work for which Subcontractor is responsible through the date hereof.

Subcontractor acknowledges and agrees that: (a) Company is relying upon the representations and warranties made herein as a material inducement for Company to make payment to Subcontractor; (b) this Lien Waiver is freely and voluntarily given by Subcontractor and Subcontractor has had the advice of counsel in connection herewith and is fully informed as to the legal effects of this Lien Waiver and Subcontractor has voluntarily accepted the terms of this Lien Waiver for the consideration recited above; and (c) the tendering of payment by Company and the receipt of payment and the execution of this Lien Waiver by Subcontractor shall not, in any manner whatsoever, release Subcontractor from: (i) its continuing obligations with respect to the Work that remain incomplete, including, without limitation, warranty or guaranty work, or the correction of defective or non-conforming work for which Subcontractor is responsible; (ii) any contractual, statutory or common law obligations of Subcontractor with respect to any of Company or the Releasee Entities; or (iii) any other obligations of Subcontractor with respect to any of Company or the Releasee Entities.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON THE FOLLOWING PAGE.]**

Subcontractor hereby certifies, represents and warrants to Company that the undersigned individual (“Signatory”) is duly authorized, and the Signatory hereby represents that he/she has been duly authorized by and on behalf of Subcontractor to execute this Lien Waiver as of the date first above written.

[Subcontractor]

By:_____

Name:_____

Title:_____

STATE OF _____ §

 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____,
by _____,
_____ of _____, a _____, on behalf of said _____.

[Notary Seal]

Notary Public in and for the State of _____

Printed Name of Notary Public

My Commission Expires: _____

Schedule 1

[Disputed Items]

Exhibit C-3**Form of Contractor Certificate for Final Waiver of Liens**

THIS LIEN WAIVER is made this ___ of _____, 20___, by [_____] a [_____] (“Contractor”), to UGI Utilities, Inc. and its subsidiaries, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., each a Pennsylvania corporation (each referred to as “Owner”), pursuant to Section [5.3] of that certain Master Pipeline Support Services Agreement, dated as of [_____] [___], 2013 between Contractor and Owner, as the same may be amended from time to time (the “Master Agreement”)[and the Work Authorization, dated as of [_____] [___], [_____] by and between Owner and Contractor (the “Work Authorization” and, collectively with the Master Agreement, the “Agreement”)], for the performance or furnishing of certain work, labor, supervision, services, materials and equipment in connection with the performance of certain restoration activities where Owner is responsible for such restoration activities (the “Work”). Each term used herein with its initial letter capitalized and not otherwise defined shall have the meaning assigned to such term in the Agreement.

Contractor, on behalf of itself and all Persons claiming any interest in or through Contractor and for Contractor’s and their successors and assigns, and those acting by or through any of the foregoing, for and in consideration of _____ and ___/100 U.S. DOLLARS (U.S. \$_____) (the “Consideration”), as full and final payment on account of all Work, to the extent such consideration actually has been received by Contractor, does hereby unconditionally and irrevocably waive, release, remise, relinquish and quit-claim all actions, claims, liens and demands, of any kind whatsoever, which the Contractor ever had, now has, or may have in the future, known or unknown, against the Work, the property on which the Work is located, Owner, its subsidiaries and affiliates, at all tiers, and its and their insurers, sureties, employees, officers, directors, representatives, lenders, investors, shareholders, agents, and all Persons acting for any of them (collectively the “Releasee Entities”), including, without limitation, all claims related to, in connection with, or arising out of, all facts, acts, events, circumstances, changes or extra work, constructive or actual delays or accelerations, interferences and the like which have occurred or may be claimed to have occurred.

Contractor hereby certifies, represents and warrants that: (a) the Contractor has not assigned or pledged any rights or claims in any amount due or to become due from the Owner; (b) no claims from Subcontractors, vendors, mechanics or materialmen have been submitted to Contractor with respect to the Agreement or remain unsatisfied as of the date of this Contractor Lien Waiver; (c) no mechanic’s or material or materialmen’s liens have been filed with respect to the Work; (d) payment has been made to all consultants, employees, Subcontractors, vendors, laborers and material suppliers, at all tiers, and all other entities, for all labor, services, materials and equipment furnished by or through the Contractor for the Work; and (e) all contracts with consultants, Subcontractors and vendors employed, used or engaged by the Contractor in connection with the Work have been completed or have been terminated. The Contractor acknowledges and agrees that: (a) the Owner is relying upon the representations and warranties made herein as a material inducement for the Owner to make payment to the Contractor; (b) this Contractor Final Lien Waiver is freely and voluntarily given by the Contractor and the Contractor has had the advice of counsel in connection herewith and is fully informed as to the legal effects of this Contractor Final

Lien Waiver and the Contractor has voluntarily accepted the terms of this Contractor Final Lien Waiver for the consideration recited above; and (c) the tendering of payment by the Owner and the receipt of payment and the execution of this Contractor Final Lien Waiver by the Contractor shall not, in any manner whatsoever, release the Contractor from: (i) its continuing obligations with respect to the completion of any Work that remains incomplete, including, without limitation, warranty or guaranty work, or the correction of defective or non-conforming Work; (ii) any contractual, statutory or common law obligations of the Contractor with respect to any of the Releasee Entities; or (iii) any other obligations of the Contractor with respect to any of the Releasee Entities.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON THE FOLLOWING PAGE.]**

Contractor hereby certifies, represents and warrants to Owner that the undersigned individual (“Signatory”) is duly authorized, and the Signatory hereby represents that he/she has been duly authorized by and on behalf of the Contractor to execute this Contractor Final Lien Waiver as of the date first above written.

[_____]
a [_____]

By:_____
Name:
Title:

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____,
by _____, _____ of _____, a _____, on
behalf of said _____.

[Notary Seal]

Notary Public in and for the State of _____

Printed Name of Notary Public

My Commission Expires: _____

Exhibit C-4**Form of Subcontractor Certificate for Final Waiver of Liens**

THIS LIEN WAIVER is made this ___ of _____, 20__, by [NAME OF SUBCONTRACTOR OR VENDOR], (“Subcontractor”), a _____ [limited liability company, corporation, partnership, etc.] having a principal business address at _____, to [_____] a [_____] (“Company”), relating to that certain [Subcontract, Purchase Order, Work Authorization, etc.] dated as of _____, 20__ between Subcontractor and Company, as the same may be amended from time to time (the “Agreement”) in connection with that certain Master Pipeline Support Services Agreement, dated as of [_____] [___], 2013 between Company and UGI Utilities, Inc. and its subsidiaries, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., each a Pennsylvania corporation (each referred to as “Owner”), as the same may be amended from time to time [and the Work Authorization, dated as of [_____] [___], [_____] by and between Owner and Company], for the performance or furnishing of certain work, labor, supervision, services, materials and equipment in connection with the performance of certain restoration activities where Owner is responsible for such restoration activities, (the “Work”). Each term used herein with its initial letter capitalized and not otherwise defined shall have the meaning assigned to such term in the Agreement.

Subcontractor, on behalf of itself and all Persons claiming any interest in or through Subcontractor and for Subcontractor’s and their successors and assigns, and those acting by or through any of the foregoing, for and in consideration of full and final payment for all work, labor, services, materials, machinery and/or equipment, furnished by or through Subcontractor to Company in connection with the Work, to the extent such consideration actually has been received by Subcontractor, does hereby unconditionally and irrevocably waive, release, remise, relinquish and quit-claim all actions, claims, liens and demands, of any kind whatsoever, with respect to such work, labor, services, materials, machinery and/or equipment, which the Subcontractor ever had, now has, or may have in the future, known or unknown, against the Work, the property on which the Work is located, or against Company or Owner, their respective subsidiaries and affiliates, at all tiers, and their respective insurers, sureties, employees, officers, directors, representatives, lenders, investors, shareholders, agents, and all Persons acting for any of them (collectively the “Releasee Entities”), including, without limitation, all claims related to, in connection with, or arising out of, all facts, acts, events, circumstances, changes or extra work, constructive or actual delays or accelerations, interferences and the like which have occurred or may be claimed to have occurred.

Subcontractor hereby certifies, represents and warrants that: (a) Subcontractor has not assigned or pledged any rights or claims in any amount due or to become due from Company; (b) no claims from sub-subcontractors, vendors, mechanics or materialmen have been submitted to Subcontractor with respect to the Agreement or remain unsatisfied as of the date of this Final Lien Waiver; (c) no mechanic’s or material or materialmen’s liens have been filed with respect to work, labor, services, material or equipment for the Work for which Subcontractor is responsible; (d) payment has been made to all consultants, employees, subcontractors, vendors laborers and

material suppliers, at all tiers, and all other entities, for all labor, services, materials and equipment furnished by or through the Subcontractor for the Work for which Subcontractor is responsible; and (e) all contracts with consultants and subcontractors and vendors employed, used or engaged by the Subcontractor in connection with work, labor, services, material, machinery or equipment for the Work for which Subcontractor is responsible have been completed or have been terminated.

Subcontractor acknowledges and agrees that: (a) Company is relying upon the representations and warranties made herein as a material inducement for Company to make payment to Subcontractor; (b) this Final Lien Waiver is freely and voluntarily given by Subcontractor and Subcontractor has had the advice of counsel in connection herewith and is fully informed as to the legal effects of this Final Lien Waiver and Subcontractor has voluntarily accepted the terms of this Final Lien Waiver for the consideration recited above; and (c) the tendering of payment by Company and the receipt of payment and the execution of this Final Lien Waiver by Subcontractor shall not, in any manner whatsoever, release Subcontractor from: (i) its continuing obligations with respect to the Work that remain incomplete, including, without limitation, warranty or guaranty work, or the correction of defective or non-conforming work for which Subcontractor is responsible; (ii) any contractual, statutory or common law obligations of Subcontractor with respect to any of Company or the Releasee Entities; or (iii) any other obligations of Subcontractor with respect to any of Company or the Releasee Entities.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON THE FOLLOWING PAGE.]**

Subcontractor hereby certifies, represents and warrants to Company that the undersigned individual (“Signatory”) is duly authorized, and the Signatory hereby represents that he/she has been duly authorized by and on behalf of Subcontractor to execute this Final Lien Waiver as of the date first above written.

[Subcontractor]

By:_____

Name:_____

Title:_____

STATE OF _____ §

§
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____,
by _____, _____ of _____, a _____, on behalf of said _____.

[Notary Seal]

Notary Public in and for the State of _____

Printed Name of Notary Public

My Commission Expires: _____

Exhibit D
Safety and Health Requirements

To the extent the following Safety and Health issues are applicable to the Work, Contractor shall satisfy the corresponding requirements:

SAFETY AND HEALTH ISSUES	REQUIREMENTS
Scope of Work involves use, handling, storage, or work in vicinity of <i>hazardous chemicals or materials</i> . (Concerns are Hazard Communication, spill prevention/response).	<ul style="list-style-type: none"> • Hazard communication plan
Contractor will perform work (operation, maintenance, or emergency response function) on a <i>gas pipeline or LNG facility</i> .	<ul style="list-style-type: none"> • OC plan (49 CFR § 192 or 193 as applicable) • DOT substance abuse plan (49 CFR § 199)
Contract requires <i>hot work</i> (e.g. welding, torch cutting, brazing, etc.).	<ul style="list-style-type: none"> • Safety plan
Scope of Work requires Contractor to work in or near <i>confined spaces</i> .	<ul style="list-style-type: none"> • Safety plan
Scope of Work will require using/working under clearance procedures for the control of hazardous energy (<i>lockout/tag out</i>).	<ul style="list-style-type: none"> • Safety plan
Scope of Work involves work on an uncontrolled Hazardous Substance site, super fund site, or other contaminated site will require Hazardous Waste Operations and Emergency Response (<i>HAZWOPER</i>) training certification. (Ref: CERCLIS List.)	<ul style="list-style-type: none"> • HAZWOPER training certification for each person entering the site.
Scope of Work involves application, handling, or disturbance of <i>lead, cadmium, and/or zinc chromate containing materials</i> . An example would be the removal of <i>toxic surface coatings</i> (i.e. paint).	<ul style="list-style-type: none"> • MSDS sheets • May require lead abatement certification, respirator certification, and respiratory protection program as per 29CFR1926.62
Scope of Work involves handling, disturbance, abatement, or work around <i>asbestos containing materials</i> (<i>ACM</i>).	<ul style="list-style-type: none"> • ACM work will require PaDLI certification, respirator certification, and respiratory protection program
Contractor will be working on or around a process covered under Process Safety Management standard.	
Scope of Work involves application of pesticides, herbicides, etc.	<ul style="list-style-type: none"> • MSDS sheets • Pesticide and Herbicide commercial applicators must be licensed and certified by PA – see 29CFR1926.1101

Exhibit E
Insurance Requirement

(a) Comprehensive General Liability, insuring Contractor for bodily injury, personal injury, including sickness, disease and/or mental anguish, in limits of not less than \$5,000,000 per person and \$5,000,000 per occurrence, and property damage in a limit of not less than \$5,000,000 per accident and \$5,000,000 aggregate for each division of coverage, which coverage will be applicable to liability arising from:

- (i) Operations in performance of work;
- (ii) Liability assumed by contract;
- (iii) Products/completed operations;
- (iv) Contractor's protective liability; and
- (v) "X" "C" "U" coverage if underground operations are required to as part of the Work. The policy should be endorsed, deleting the word "accident" from the insuring clause and substituting "occurrence" for "accident" in the clause and other pertinent clauses in the policy that are applicable thereto.

(b) Automobile Liability, insuring the Contractor against claims for bodily injury, including sickness, disease and/or mental anguish in limits of not less than \$1,000,000 per person and \$1,000,000 per occurrence; and property damage in the limit of not less than \$1,000,000 per accident, covering the operation of owned, leased, hired and non-owned automotive equipment.

(c) Workers Compensation and Occupational Disease Coverage, providing the Contractor with statutory benefits under Pennsylvania Statute and Employers' Liability Limit, under Coverage B of the standard policy, of not less than \$1,000,000 per accident for injury and \$1,000,000 aggregate for occupational disease.

Attachment D – Equipment Purchase/Lease Agreement

The attached form of Master Agreement for Purchase of Products will be the basis for the definitive agreement between the Respondent and the Company for any arrangements involving the sale and purchase of natural gas leak detection equipment. In the event that the Response involves the lease of natural gas leak detection equipment, the Company will provide the underlying terms and conditions for the lease of such equipment.

MASTER AGREEMENT FOR PURCHASE OF PRODUCTS

This Master Agreement for Purchase of Products ("Agreement") is made between UGI UTILITIES, INC., on behalf of itself and its subsidiaries UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. ("UGI") and [_____] ("Supplier"). UGI and Supplier are sometimes referenced herein individually as a "Party" or collectively as "Parties." This Agreement incorporates all transaction-specific Purchase Order(s) for the purchase and sale of Products (as defined below) effective between the Parties. Any Purchase Order now existing or hereafter entered into between the Parties shall be subject to, governed by, and construed in accordance with the terms of this Agreement. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Purchase Order. In the event of any conflicting terms between this Agreement and a Purchase Order, the provision of the Purchase Order shall control.

1. **Nature of Transaction:** Supplier agrees to sell and deliver, and UGI agrees to purchase and receive, any products, equipment, materials, spare parts, hardware, supplies, accessories or other goods specified in an applicable Purchase Order ("Products") in accordance with the terms of this Agreement and any applicable Purchase Order. UGI shall initiate each purchase of Products with a Purchase Order specifying, among other things, the quantity of Products ("Contract Quantity"), price ("Contract Price"), specifications, drawings, and data ("Specifications"), and the date of delivery ("Delivery Date"). UGI may transmit a Purchase Order to Supplier electronically via the internet, e-mail or facsimile. All Products must conform to quantity, description, type and Specifications set forth on the Purchase Order including price and packaging. No substitutes shall be permitted under any circumstances unless approved in writing beforehand.
2. **Term:** The term of this Agreement shall commence on the Effective Date of the first Purchase Order entered into between the Parties, and shall continue until either Party receives written notice of termination from the other Party specifying a termination date that is no earlier than 30 days after the date of the written notice, with such termination to be effective on the specified termination date ("Termination Effective Date"). The Termination Effective Date shall apply to any outstanding Purchase Orders between the Parties. This Agreement and any outstanding Purchase Order shall remain effective only for the Products delivered or fulfilled (as supported by written documentation) prior to the Termination Effective Date unless otherwise agreed to by the Parties.
3. **Price:** For the Contract Quantity of Products delivered by Supplier and accepted by UGI, UGI shall pay Supplier the Contract Price specified in the Purchase Order(s). Unless otherwise specified in a Purchase Order, the Parties acknowledge that the Contract Price does not include any applicable freight charges and/or applicable federal, state or local taxes. Unless otherwise provided in the Purchase Order, freight charges shall be at least cost to deliver the Products by the Delivery Date. UGI shall bear responsibility for the payment of all taxes applicable to such Products, including but not limited to sales, use, transfer, value of property, gross receipts or other like taxes, for which the taxable incident arises upon or after delivery. If Supplier is responsible for collection of such taxes, UGI shall reimburse Supplier for the full amount of such taxes paid.
4. **Time is of Essence:** Unless otherwise provided in the Purchase Order, Supplier shall deliver to UGI the Contract Quantity of Products on the Delivery Date at FOB Destination. UGI's schedules are based upon the agreement that the Products will be delivered and provided to UGI by the dates specified in a Purchase Order in accordance with the schedule reasonably specified by UGI in a Purchase Order. Time is therefore of the essence and if the Products are not delivered within the times specified, UGI may reject such Services and/or Products and terminate this Agreement and/or any Purchase Order effective between the Parties without liability to UGI. The acceptance of later deliveries of Products shall not be deemed a waiver by UGI of its right to cancel a Purchase Order, or to refuse to accept further deliveries of Products.
5. **Title, Possession and Control of Products:** Unless rejected for nonconformance as provided under Section 6 below, title to and risk of loss of all Products shall pass to UGI upon delivery. Supplier warrants that it holds title to the Products, or has the right to sell and deliver the Products, and that the Products are free from liens and adverse claims of any kind. Supplier shall indemnify UGI against any liens and claims arising with respect to the title to, or its right to sell, such Products to UGI.
6. **Inspection, Testing and Acceptance of Products.** UGI shall have thirty (30) days from the Delivery Date to inspect all delivered Products for any non-conformance ("Inspection Period"). UGI may notify Supplier in writing of its acceptance or rejection of the Products at any time within the Inspection Period; provided that, if UGI fails to give Supplier written notice of its acceptance or rejection of the Products within the Inspection Period, then such failure to notify shall be deemed UGI's acceptance of the Products. UGI may reject all or any Products which are defective, unsatisfactory, or of inferior quality or workmanship, or fail to meet the Specifications or other requirements specified in a Purchase Order. UGI shall notify Supplier in writing of such rejection ("Notice of Rejection") and title to such non-conforming Products shall remain with Supplier. Following such Notice of Rejection, UGI shall ship the non-conforming Products back to Supplier, at Supplier's expense, in accordance with Supplier's reasonable shipping instructions (for avoidance of doubt, the parties agree that UGI shall attempt to ship the non-conforming Products using original packaging materials; provided that, if original packaging materials are no longer available, UGI shall contact Supplier for reasonable packaging instructions) and Supplier shall either repair or replace such rejected Products with Products that conform to this Agreement. If Supplier fails to deliver a repaired or replacement conforming Product within sixty (60) days of the Delivery Date, UGI may refuse any Products and/or terminate this Agreement and/or any Purchase Order effective between the Parties without liability to UGI. If, at the expiration of the sixty (60) day period, UGI purchases conforming products from a third-party supplier to replace the non-conforming Products, Supplier shall be responsible to pay UGI for the difference in the price UGI pays for such replacement good, if such replacement price exceeds the Contract Price, multiplied by the Contract Quantity, plus any and all expenses reasonably incurred by UGI. The remedies set forth in this Section 6 are available to UGI only if the Products have not been used by UGI other than in accordance with the Specifications or subject to UGI's misuse, negligence or accident. Any non-conformity or defects claims arising after the Inspection Period shall be processed in accordance with Supplier's warranty terms as set forth in Section 7 below. UGI's remedies in this Section 6 are cumulative and not alternative, and shall not be construed as limiting the remedies available to UGI under the Uniform Commercial Code as adopted in Pennsylvania

MASTER AGREEMENT FOR PURCHASE OF PRODUCTS

7. **Warranties for Products:** Supplier warrants that the Products furnished hereunder will be (a) new and free from defects in materials, workmanship and title, and (b) in full conformity with UGI's Specifications, and Supplier's descriptions, promises, or samples. The foregoing warranty regarding the Products shall commence on the date UGI commences use and operation of the Products and shall continue through the date that is twenty-four (24) months thereafter. If there is any failure of Products to meet the warranties set forth herein during such period, Supplier shall, at its cost, promptly correct any such matter by repairing or replacing the defective Products. If Supplier is unable or refuses to repair or replace as UGI may require, UGI may contract or otherwise repair or replace such defective goods and back-charge Supplier for the excess cost. Supplier shall enforce any third-party manufacturers' warranties covering the Products for the benefit of UGI. If at the expiration of the warranty period provided above, any of the manufacturers' warranties covering the Products remain in effect, Supplier shall transfer such warranties to UGI or its designee. EXCEPT AS PROVIDED HEREIN OR UNDER ANY PRODUCT MANUFACTURER WARRANTY, NO OTHER WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, ARE BEING PROVIDED AND ANY SUCH WARRANTIES ARE HEREBY DISCLAIMED BY SUPPLIER.
8. **Changes to Purchase Order:** (a) UGI may modify a Purchase Order by submitting a written change order to reflect changes in Delivery Date, delivery location or Contract Quantity of Products. Supplier may notify UGI in writing if the requested change causes an increase or decrease in the cost of, or the time required for, its completion of such Purchase Order. The Parties shall then by a written modification of the relevant Purchase Order mutually agree to the appropriate equitable adjustment in the price or time of performance, or both, and Supplier shall fulfill the Purchase Order as adjusted. (b) Supplier shall promptly notify UGI of any circumstance that may affect Supplier's ability to make timely delivery of Products as specified in a Purchase Order and shall notify UGI in writing of an alternate delivery date or other changes necessary to the Purchase Order ("Delay/Change Notice"). If UGI receives a Delay/Change Notice from Supplier, UGI has the right to cancel the Purchase Order with no liability to UGI. (c) Supplier may, at its expense, make any changes to the Products, as it deems necessary, to conform the Products to any applicable Specifications set forth in the Purchase Order(s) and shall notify UGI in writing of its intention to make any such changes. If UGI objects to any such changes, Supplier shall be relieved of its obligation to conform the Products to the Specifications only to the extent that conformance is made impossible by such objection.
9. **Cancellation for Convenience:** UGI in its sole discretion may cancel a Purchase Order for any or all Products subject to such Purchase Order by submitting written notice to Supplier. Except for cancellations made by UGI in accordance with Sections 4, 6 or 8(b) above or 12 below, UGI shall reimburse Supplier for its reasonable costs incurred in processing the cancellation made under this section, which costs shall be supported by written documentation.
10. **Billing and Payment:** Supplier shall invoice UGI for the Contract Quantity of Products delivered and accepted under the Purchase Order. Supplier shall send a separate invoice for each Purchase Order No., and each invoice must show the Purchase Order No. and the delivery address to which Products were delivered. Unless otherwise provided in the Purchase Order, UGI shall pay all undisputed amounts due within 45 days of the date of UGI's receipt of invoice.
11. **Recalls:** Supplier shall provide information to UGI pertaining to recalls, defects or other notices relating to Products within twenty-four (24) hours of Supplier's receipt of such information. Supplier shall maintain and provide to UGI sufficient information to enable UGI to identify Products subject to recalls, defects or other notices.
12. **Termination for Cause:** Either Party may terminate this Agreement upon prior written notice to the other Party, if the other Party (i) is in breach of any representation, warranty or obligation hereunder and has failed to cure such breach within thirty (30) days of receiving written notice thereof; (ii) becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors; or (iii) becomes the subject of an involuntary petition in bankruptcy or any involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such petition or proceeding is not dismissed within sixty (60) days of filing.
13. **Force Majeure:** Neither Party shall be liable to the other for failure to perform under this Agreement or any Purchase Order, to the extent such failure was caused by circumstances beyond its reasonable control ("Force Majeure"), such as acts of God, acts of the other Party, acts of civil or military authority, fires, floods, freezing of wells or lines of pipe, epidemics, war or riot, curtailment of firm transportation, changes in law, or other like occurrence. A Party claiming inability to perform due to Force Majeure must provide the other Party with prompt notice stating the reason for its inability, and must make reasonable efforts to promptly resolve such inability to perform. Financial inability to perform alone shall not relieve a Party of its obligation to perform.
14. **Customer Service:** Supplier shall provide dedicated support personnel to respond to UGI's questions about product information, inventory levels, shipping and billing problems and similar matters related to this Agreement. Supplier shall maintain toll free phone and fax lines for order placement and inquiry and shall be open for business Monday-Friday, except for national holidays. **After-Hours/Emergency Purchases:** If designated on a Purchase Order, Supplier shall provide procedures to UGI regarding purchase and delivery services in after-hour and emergency situations. These procedures will include contact names and phone numbers to be utilized by UGI during these situations. In the event after-hour purchases of Products are required, Supplier will perform at no additional cost to UGI.
15. **Indemnification:** Supplier shall indemnify, defend and hold UGI harmless from and against any and all cost (including reasonable attorneys' fees), expense, liability or damage on account of, related to, or resulting from any and all demands, claims or causes of actions asserted against UGI by any person or persons for injury or damages to persons, including death or property resulting from, arising out of, or related to the

MASTER AGREEMENT FOR PURCHASE OF PRODUCTS

negligent, intentional or wrongful acts or omissions, or breaches of this Agreement by Supplier or its respective agents, employees or subcontractors in connection with the use of the Goods or the performance of subject matter under this Agreement.

16. **Patent Infringement:** The Supplier represents and warrants that the sale or use of the Products described herein shall not infringe any United States patent. Supplier agrees to indemnify, save harmless and defend UGI from and against any and all suits, claims, damages, costs, and attorney's fees arising out of or in connection with any infringement or claimed infringement of any United States patent, trademark or copyright in the manufacture, use or sale of the Products furnished under this Agreement. In case said Products is in such suit, or in final adjudication elsewhere, held to constitute infringement, and the use thereof is enjoined, Supplier shall, at its own expense, either procure for UGI the right to continue using said Products, or at the option of UGI either replace same with non-infringing equipment or material of substantially similar quality, make and design, or modify it without impairing its quality, make or design so it becomes non-infringing, or remove said equipment or material and refund the Contract Price and the transportation and installation costs thereof.
17. **Insurance:** Supplier shall at all times during this Agreement, at its own cost and expense, carry and maintain the insurance coverage listed in this paragraph, in the specified minimum amounts. Supplier shall provide a certificate of insurance that certifies that the policies below are in full force and effect. Supplier agrees that such policies will not be cancelled or materially altered without UGI's prior written consent.
 - a. Maintain worker's compensation insurance and employer's liability insurance in compliance with the state and/or federal authority having jurisdiction over each of the Supplier's employees, with minimum coverage of at least one million dollars (\$1,000,000) for employer's liability, and statutory coverage for workman's compensation. Coverage may be self insured.
 - b. Maintain comprehensive commercial liability, bodily injury and property damage insurance against any claim(s) which might occur in carrying this Agreement. Minimum coverage shall be at least five million dollars (\$5,000,000) liability for bodily injury and property damage including product liability and completed operations.
 - c. Provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out this Agreement. Minimum coverage shall be at least one million dollars (\$1,000,000) per occurrence combined single limit for liability and property damage.
18. **Limitation of Liability:** EXCEPT AS OTHERWISE PROVIDED HEREIN, IN NO INSTANCE AND FOR NO PURPOSE SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, REGARDLESS OF WHETHER A CLAIM IS MADE OR REMEDY IS SOUGHT IN AGREEMENT, TORT, OR OTHERWISE, PROVIDED THAT THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO THIRD PARTY INDEMNIFICATION PAYMENTS OWED BY A PARTY TO THE OTHER PARTY HEREUNDER.
19. **Notices:** Notice(s) required hereunder shall be deemed properly made if delivered personally or sent by facsimile, regular mail or overnight courier to the addresses or facsimile set forth in the Purchase Order(s).
20. **No Agency:** Nothing in this Agreement shall constitute or be deemed to constitute one Party as agent of the other, for any purpose whatsoever, and neither Party shall have the authority to bind the other, or to contract in the name of or create a liability against the other, in any way or for any purpose.
21. **Governing Law:** This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without recourse to provisions governing choice of law. The Parties hereby consent to the exclusive jurisdiction of the Court of Common Pleas of Berks County, Pennsylvania and/or the United States District Court for the Eastern District of Pennsylvania for the resolution of all matters pertaining to the Agreement. If either Party commences litigation in a court of competent jurisdiction to enforce the obligations of this Agreement, the substantially prevailing party in such litigation, as determined by the court, shall be entitled to recover its reasonable costs and attorneys fees in prosecuting or defending such litigation, in addition to any other remedies or damages to which it is entitled.
22. **Assignment:** No assignment of this Agreement, in whole or in part, will be made without the prior written consent of the non-assigning Party, which consent will not be unreasonably withheld or delayed; provided, however, either Party may, without the consent of the other Party, transfer or assign this Agreement to an affiliate or to any person or entity succeeding to all or substantially all of the assets of the assigning Party so long as such affiliate's or successor's creditworthiness is comparable to or higher than that of such Party.
23. **Subcontracting:** Supplier shall not subcontract the sale of any Products without UGI's prior written consent. In the event UGI consents to subcontracting, Supplier shall remain fully responsible for the Products and the performance of subject matter under this Agreement.
24. **Compliance with Laws.** Supplier covenants that the Products covered by this Agreement shall be in compliance with all laws, rules, regulations and ordinances, proclamations, demands, directives, executive orders or other requirements of the municipal, state and federal governments and all subdivisions thereof which now govern or may hereafter govern the sale contemplated by an effective Purchase Order, including, but not limited to, the provisions of the Fair Labor Standards Act of 1938, the Walsh Healy Act, the Federal Food, Drug and Cosmetics Act and any other applicable laws.
25. **Confidentiality:** The Parties agree during and for a period of three (3) years after the term of this Agreement to safeguard the confidentiality of any information obtained in the performance of this Agreement regarding the products, designs or developments, specifications, and pricing of the other Party. It is agreed that each Party remains the owner of its information and documents, and that such information and documents can



MASTER AGREEMENT FOR PURCHASE OF PRODUCTS

be used by the other party only for the purpose of performing under the terms of this Agreement. The disclosure of any such information or documents to any third party requires prior written approval of the owner of such information and requires the prior written agreement of such third party to safeguard the confidentiality. Any publicity by Supplier regarding the order (picture, descriptions, notice of award, or samples thereof) is prohibited except with UGI's written approval.

26. **Construction:** This Agreement has been carefully read, the contents hereof are known and understood and it is freely entered into by the parties. The Agreement shall not be construed against the party responsible for drafting any section alleged to be ambiguous or uncertain. The headings in this contract are for convenience only and shall not define or limit any of the terms or provisions hereof. Supplier's delivery of Products hereunder means Supplier has carefully read this Agreement and its contents are known and understood by Supplier. This Agreement, along with each Purchase Order effective between the Parties, constitutes the entire agreement between the Parties notwithstanding any previous custom, practice, or course of dealing. The provisions which expressly or by their nature continue to apply beyond this Agreement shall survive the termination or expiration of this Agreement. The provisions of this Agreement will be deemed severable, and the unenforceability of any one or more provisions will not affect the enforceability of any other provisions. No failure or delay by either party in exercising any right, power or remedy will operate as a waiver of such right, power or remedy, and no waiver will be effective unless it is in writing and signed by the waiving party. If either party waives any right, power or remedy, such waiver will not waive any successive or other right, power or remedy the party may have under this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the respective dates set forth below.

AGREED AND ACCEPTED

AGREED AND ACCEPTED

SUPPLIER: _____

UGI UTILITIES, INC.

BY (Signature): _____

BY (Signature): _____

BY (Name): _____

BY(Name): _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Attachment E – Technology License Standard ProvisionsLimitation of Liability:

- OTHER THAN A PARTY'S INDEMNIFICATION OBLIGATIONS FOR THIRD PARTY CLAIMS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR LOSS OF USE, INTERRUPTION OF BUSINESS OR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT, SPECULATIVE, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING LOST PROFITS), ARISING OUT OF OR RELATING TO THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Indemnification:

- Licensor shall indemnify, defend and hold harmless Licensee against any damages, costs and expenses arising out of any demand, suit, claim, or proceeding (collectively referred to as a "Claim") (a) alleging that the Product, in whole or in part, infringes a patent presently issued worldwide, infringes any copyrights worldwide and/or misappropriates any trade secret worldwide or (b) based on alleged fraud, willful misconduct or gross negligence on the part of Licensor; provided that: (i) Licensee promptly notifies Licensor in writing of any such Claim upon learning thereof (however, the delay in providing notice shall not limit the scope of Licensor's obligation to indemnify the Licensee except to the extent Licensor is actually prejudiced by such delay); (ii) Licensee makes no admission of liability and creates no obligation of Licensor with respect to the Claim; (iii) Licensee gives Licensor sole authority, at Licensor's expense, to direct and control all defense, settlement, and compromise negotiations of the Claim subject to keeping Licensee apprised of the conduct and status of the matter and Licensor not settling or compromising the Claim on the part of Licensee without Licensee prior written consent (such consent not to be unreasonably withheld, delayed or conditioned); and (iv) Licensee provides Licensor with reasonable assistance as may be reasonably required to defend any such Claim at Licensor's sole expense. Notwithstanding the foregoing, Licensee may retain separate counsel to represent it at Licensee's sole expense.
- Notwithstanding the Section above, Licensor shall have no obligation or liability with respect to any Claim based upon: (a) any Product which has been altered, modified, or revised by Licensee or at the request or instruction of Licensee (other than by Licensor) and the Claim would have been avoided but for such alteration, modification or revision; (b) the combination, operation, or use of any Product with other products (other than any permitted third party products and/or third party services) when such combination is part of any allegedly infringing process that would have been avoided but for such combination, operation and/or use with such other products; (c) failure of Licensee to implement any Product update provided by Licensor that would have prevented the Claim; or (d) unauthorized use of the Product by Licensee or its contractors, including,

without limitation, any breach of the provisions of this Agreement and the Claim would have been avoided but for such unauthorized use.

- In the event any Claim is based upon any Licensee actions described in (a)-(d) in the Section above, Licensee shall indemnify, defend and hold harmless Licensor against any damage, costs and expenses arising out of any Claim made or brought against Licensor by a third party alleging that the Product infringes a patent presently issued in the UK, USA, or Canada, infringes any copyrights worldwide, and/or misappropriates any trade secret worldwide; provided, that Licensor (a) promptly notifies Licensee in writing of any such Claim upon learning thereof (however, the delay in providing notice shall not limit the scope of Licensee's obligation to indemnify Licensor except to the extent Licensee is actually prejudiced by such delay); (b) makes no admission of liability and creates no obligation of Licensee with respect to the Claim; (c) Licensor gives Licensee sole control of the defense, settlement and compromise negotiations of the Claim subject to keeping Licensor apprised of the conduct and status of the matter and Licensee not settling or compromising the Claim on the part of Licensor without Licensor's prior written consent (such consent not to be unreasonably withheld, delayed or condition); and (d) provides Licensee with reasonable assistance, as may be reasonably required to defend any such claim at Licensee's expense. Notwithstanding the foregoing, Licensor may retain separate counsel to represent it at Licensor's sole expense.
- Should any Product licensed hereunder, or any part thereof, become or, in Licensor's exclusive opinion, be likely to become, the subject of a Claim through no fault of Licensee, Licensor shall at its sole option either: (a) procure for Licensee the right to continue using the Product or portion thereof in accordance with this Agreement, (b) modify it to make it non-infringing and capable of being used in accordance with this Agreement, or (c) failing (a) or (b), accept return of the Product and refund any and all fees received by Licensor under this Agreement based on the then-current depreciated value (using a straight-line depreciation method over 4 years).
- This Section fully sets out and specifies Licensor's and Licensee's entire liability for or arising out of any Claim.

Confidential Information

- "Confidential Information" means any information disclosed by one party (as "Discloser") to the other party (as "Recipient"), or otherwise learned by the Recipient from the Discloser, marked "confidential" or disclosed or learned under circumstances that would lead a reasonable person to conclude that the information was confidential. Notwithstanding the foregoing and in all cases whether or not marked "confidential" or otherwise identifiable as confidential, all information provided (a) by Licensor regarding the Product or embedded in the Product (including but not limited to source code) shall be deemed to be Confidential Information of which Licensor is the Discloser, and (b) the Data shall be deemed to be Confidential Information of which Licensee is the Discloser. In addition, whether or not marked "confidential" or otherwise identifiable as confidential, the following information shall be deemed Confidential Information of Discloser: inventions, technical specifications, technical know-how, product

development plans, program flowcharts, education materials, pricing, marketing plans, results of benchmark tests, passwords and logins, and customer lists. The Confidential Information includes commercially valuable, substantial trade secrets, the design and development of which reflect the effort of skilled development experts and investment of considerable amounts of time and money.

- Recipient shall hold all Confidential Information received during the term of this Agreement in confidence during the term of this Agreement and for the earlier of five years thereafter or until one or more exceptions in Section below apply(ies) (“Confidentiality Period”), and Recipient shall protect all such Confidential Information in the same manner as it protects its own Confidential Information, but no less than a reasonable degree of care, to prevent unauthorized use or disclosure. During the Confidentiality Period, Recipient shall not use any Confidential Information except as expressly authorized in this Agreement. Recipient shall not disclose, orally or in writing, any Confidential Information to any person, other than an employee, consultant, contractor, professional advisor (e.g., attorney, auditor) or agent of Recipient bound by terms at least as restrictive as those set forth herein with a need to know such Confidential Information. Recipient shall promptly report in writing to Discloser, and shall cooperate with Discloser in the investigation of any unauthorized copying, use, or disclosure of Discloser’s Confidential Information, that is known to or reasonably suspected by Recipient.
- The obligations in this Section shall not apply to any information which: (a) is already in the public domain or known among the applicable trade or becomes available to the public or known among the applicable trade through no breach of this Agreement by Recipient; (b) was in the Recipient’s lawful possession prior to receipt from Discloser, as proven by Recipient’s written records or other competent evidence; (c) is received by the Recipient from a third party who is lawfully free to disclose such information to Recipient; (d) is independently developed by the Recipient without reference to any Confidential Information, by persons who have not had access to such Confidential Information; or (e) is required to be disclosed by applicable statute or regulation or by judicial or administrative process, provided that Recipient shall notify Discloser of such required disclosure (to the extent permitted by applicable law) to afford Discloser with reasonable opportunity to seek a protective order or other appropriate relief before Recipient’s disclosure.

Injunctive Relief for Licensee’s Unauthorized Use of Product or Parties’ Misuse of Confidential Information:

- The Parties acknowledge and agree that Licensee’s use or threatened use of the Product in a manner inconsistent with the License Agreement, or the Parties’ misuse or threatened misuse of Confidential Information may cause immediate irreparable harm to the other party for which there is no adequate remedy of law. Accordingly, Licensor and Licensee agree that the injured Party shall be entitled to seek immediate and permanent injunctive relief (without having to post bond or prove actual damages) from a court of competent jurisdiction in the event of any such breach or violation, or threatened breach or violation.

Attachment F – Confidentiality Agreement

Information shall also include any discussions related to the Purpose and the fact that the parties hereto are having discussions related to the Purpose.

2. Receiving Party recognizes that Disclosing Party and its affiliates have developed and acquired valuable Confidential Information, as defined above. Receiving Party acknowledges that Disclosing Party may suffer irreparable harm if the Receiving Party or its employees, agents or representatives, after having access to any Confidential Information, make any unauthorized disclosures or communication of any Confidential Information.

3. Receiving Party acknowledges and agrees that, subject to Section 4 below:

(a) It shall treat as confidential all Confidential Information which may be made or become available to it or any of its employees, agents or representatives;

(b) It shall maintain in a secure place any Confidential Information delivered to it and limit access to the Confidential Information to those of its representatives, employees or agents to whom it is necessary to disclose the Confidential Information in furtherance of the Purpose and shall, before disclosing the Confidential Information, cause those representatives, employees or agents to sign an agreement in the form hereof;

(c) It shall prevent disclosure of any Confidential Information by any of its employees, agents or representatives to unauthorized parties and shall assume liability and indemnify the Disclosing Party fully against all losses, liabilities, costs (including legal costs) and expenses which the Disclosing Party may incur as a result of any breach (including a breach arising as a result of negligence) of the Receiving Party's obligations and undertakings under this Agreement or of any employee, agent or representative to whom the Receiving Party discloses Confidential Information; and

(d) Receiving Party and its employees, agents and representatives shall not use any Confidential Information in any way other than in connection with the Purpose.

4. In the event that the Receiving Party or anyone to whom Receiving Party transmits Confidential Information pursuant to this Agreement become legally compelled to disclose Confidential Information, the Receiving Party shall provide the Disclosing Party with prompt written notice thereof so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that the Disclosing Party waives compliance with the provisions of this Agreement, the Receiving Party shall (i) disclose only that portion of the Confidential Information which the Receiving Party is advised by counsel is legally required, and (ii) exercise reasonable efforts to obtain assurances that confidential treatment will be accorded the Confidential Information so furnished.

5. Receiving Party understands that neither the Disclosing Party nor any of its representatives or advisors have made or make any representation or warranty as to the accuracy

or completeness of the Confidential Information. The Receiving Party agrees that neither the Disclosing Party nor its representatives or advisors shall have any liability to the Receiving Party or any of the Receiving Party's representatives or advisors resulting from the use of the Confidential Information.

6. Upon the written request of the Disclosing Party at any time, the Receiving Party shall promptly destroy or redeliver to the Disclosing Party all written Confidential Information, and any other written material containing or reflecting any information in the Confidential Information (whether prepared by the Receiving Party, its advisors or otherwise) and shall not retain any copies, extracts or other reproductions in whole or in part of such written material. All documents, memoranda, notes and other writings whatsoever prepared by the Receiving Party or its employees, agents or representatives based on the information in the Confidential Information shall be destroyed, and such destruction shall be certified in writing. Notwithstanding any foregoing provision to the contrary, the Receiving Party may, if it so elects, retain one copy of the Confidential Information in its files solely for evidentiary purposes (it being understood that any Confidential Information so retained shall be subject to the terms of this Agreement).

7. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and assigns. This Agreement may not be assigned by either party without the express prior written consent of the other party.

8. Receiving Party agrees that the Disclosing Party would not have an adequate remedy at law for any breach or nonperformance of the terms of this Agreement by and that this Agreement, therefore, may be enforced in equity by specific performance or a temporary restraining order and/or injunction. The Disclosing Party's right to such equitable remedies shall be in addition to all other rights and remedies which it may have hereunder or under applicable law. No failure to exercise or delay in exercising a right or remedy under this Agreement will constitute a waiver of the right or remedy or a waiver of any other right or remedy.

9. This Agreement contains the entire agreement of the parties with respect to its subject matter and no modification or waiver of any of the provisions hereof, or any representation, promise or addition hereto, or waiver of any breach hereof, will be binding upon either party unless made in writing and signed by the party to be charged thereby. No waiver of any particular breach will be deemed to apply to any other breach, whether prior or subsequent to a waiver.

10. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of laws.

11. If any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected. Any invalid, illegal or unenforceable provision will be severed and all other provisions continue to take full effect. The parties will

agree new terms to give effect, to the extent permitted, to the intensions behind the terms so severed.

12. The parties understand and agree that the Receiving Party does not acquire by implication or otherwise any rights or licenses in respect of the Confidential Information or any intellectual property of the Disclosing Party, and all Confidential Information and intellectual property shall remain the property of the Disclosing Party.

13. The term of this Agreement shall be three (3) years from the date hereof with respect to disclosure of the Confidential Information.

(remainder of page intentionally blank)

IN WITNESS WHEREOF, the parties have caused this Confidentiality Agreement to be executed in the manner appropriate to each as of the date first above written.

UGI Utilities, Inc.

By: _____

[_____]

By: _____