

The deregulated natural gas market continues to evolve and become more complicated and volatile. In addition to on-going and at times significant changes in this market, the issues related to credit have impacted the suppliers, creating additional costs and validation requirements that are passed-on to the consumer. Many consumers are unaware of and/or not prepared to deal with these market issues.

The process of monitoring and selecting suppliers, developing and adapting a strategy to manage natural gas supply, and the execution, administration, and tracking of supply contracts can require a significant investment of time and can be a substantial budget item fraught with unpredictability and unnecessary costs. Determining an effective natural gas procurement strategy that fits the client's operational needs and management style is critical. Just as important is the ongoing management of the supply process after the strategy has been set and supply contracts have been implemented. APPI provides its Clients guidance and assistance at each step as it supports Clients in a customized consultative manner.

APPI monitors the natural gas market for best times to renew, extend, or modify supply contracts. APPI often structures supply strategies to maintain flexibility, working with the Client to capture opportunities, to avoid poor timing, and to achieve target price levels that meet budget goals. Strategies are created based on risk assessment, budgetary goals, market conditions, and timing. This requires careful analysis and follow-up, not guesswork.

ON BEHALF OF THE CLIENT, APPI WILL:

1. Determine if and when there is an opportunity to improve the client's existing supply contract
2. Design and implement Request for Proposals ("RFP") customized to the Client's needs and designed to provide optimum service to the Client
3. Perform due diligence to determine qualified suppliers, request/analyze quotes, evaluate supply contracts, and negotiate prices, terms, and conditions that benefit the Client
4. Keep Client fully informed of all findings regarding price components.
5. Implement the supply contract when a supplier and contract have been selected
6. Review natural gas invoices for accuracy and delivery discrepancies
7. Provide ongoing support to the client throughout the term of the supply contract, including natural gas market updates and market education
8. Provide education and related support to Client's employees responsible for natural gas procurement

Natural gas supply issues, costs, and opportunities are specific to local gas distribution service territories. In order to best evaluate your needs and to identify opportunities to reduce costs, please provide APPI with a copy of a recent natural gas bill from your local utility and/or supplier. With your permission, APPI will obtain your historical usage and account information, then provide preliminary findings.

Our intent is to provide you, our Client, complete support throughout the term of our entire relationship as together we determine the best approach for you to procure, manage, and service natural gas for each of your facilities. In short, APPI can serve as your ***"energy department without adding additional fixed staff costs"***.