

GUARDIAN PIPELINE LLC

REQUEST FOR PROPOSAL (RFP) FOR RETAIL ELECTRIC POWER SUPPLY

SUBMITTED BY:

SATORI ENERGY

&

MPOWER2 LLC

NOVEMBER 20, 2008
GUARDIAN PIPELINE, LLC

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REQUEST FOR PROPOSAL (RFP) RETAIL ELECTRIC POWER

INTRODUCTION

The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified electric Suppliers for the supply and delivery of electricity with appropriate risk management techniques to meet the requirements of Guardian Pipeline L.L.C. ("Guardian") Satori Energy and Mpower2 LLC (Mpower/ Satori) has been retained by Guardian as consultant to administer this RFP for the electric commodity requirements of Guardian.

Guardian Pipeline Overview

Guardian has constructed 120 miles of 30- and 20-inch pipeline with a capacity to transport 537,200 Dth/d of natural gas from Ixonia, WI to Green Bay, WI ("Guardian Pipeline II" or (GP2).

The project is an extension and expansion of Guardian Pipeline ("GP1"), a 143-mile interstate system between Chicago and Ixonia, WI. The 120-mile pipeline extension and expansion is anchored by 15-year agreements with Wisconsin Public Service Corporation and two subsidiaries of WE Energies.

- This RFP is for electrical supply service at the Sycamore Compressor Station, 15333 Story Road, Genoa, IL 60135
- The expected annual demand for this installation is 33,600 kW; primary metered
- The annual usage will be based on nomination volumes exceeding approximately 76% of 1,287MMCF/D. Therefore, the Sycamore Compressor Station is expected to run 24 hours per day for 4 days in December and 5 days in January.
- ComEd Account number: 1459120034
- ComEd meter number(s) have not been installed yet; will be shared with suppliers as soon as made available by ComEd.

OBJECTIVE AND SCOPE

This RFP is designed to solicit electric supply proposals from qualified Retail Energy Suppliers (RES) for supply starting December 2008.

Guardian is interested in working with qualified Suppliers to effectively manage the financial risk associated with its electric supply requirement and therefore is interested in considering opportunities for financial risk management of its electric requirements. Such opportunities should be specifically identified and thoroughly explained in submitters' proposals.

Guardian's objective is to procure electricity supply at a cost that will offer savings below utility tariff rates from a financially viable supplier and shield Guardian from unexpected price fluctuations. Guardian will require certain visibility to properly assess risk and choose the most appropriate profile to suit its needs.

Specific objectives include but are not limited to the following:

- Reduce the overall cost of electricity through a well-constructed and well executed purchasing strategy
- Mitigate price risk through a well defined and well executed risk management strategy
- Provide Guardian with price visibility and transparency so that it can substantiate the cost to its customers.

CONTRACT CONDITIONS

Supply and Delivery

- Guardian is requesting a **PJM Day-Ahead** product indexed to the day-ahead hourly prices for the ComEd Zone in the PJM market.
- Energy Related Components should be included in the quote but should be priced separately on a pass-through basis, with no mark-up. Energy Related Components include all services necessary to ensure delivery of power and energy to Guardian's facility, including transmission to the delivery point of interconnection between the ComEd transmission system and the part of the ComEd distribution system associated with service to the facility, ancillary services, transmission provider's fees, and transmission and distribution losses.
- Electric energy must be delivered into the ComEd distribution system
- The Supplier Service Fee should be separately quoted
- Guardian is requesting proposals that include both power and delivery of electric power to its facility. However, proposals submitted in response to this RFP should be structured such that charges for regulated distribution delivery services provided by ComEd are either:
 - Passed through to Guardian at cost with no mark-up and itemized separately on the supplier's invoices to Guardian; or
 - Invoiced separately by ComEd
- All components of the pricing must be identified.
- Guardian is open to considering alternative proposals that may create additional opportunities for savings and risk mitigation.
- Guardian is not opposed to evaluating a **PJM Real-Time** product indexed to the real-time hourly prices for the ComEd Zone in the PJM market if such product is expected to clear at a lower price. Guardian would look to its supplier to provide the rationale for such a decision.

Contract Term

- The terms and conditions of the contract provided are to be valid for delivery beginning on Guardian's first meter read in December 2008 through its first meter read date in:
 - December 2011
 - December 2013

PROPOSAL REQUIREMENTS

- Responses to this Request for Proposal should be submitted by electronic version by 5.00 p.m. CPT, Friday December 5, 2008 to **both**:
 - dwiers@satorienergy.com
 - jeff@Mpowerlp.com
- PJM Day-Ahead product indexed to the day-ahead hourly prices for the ComEd Zone in the PJM market.
 - All energy related cost components to be passed through with no mark-up
- Supplier Service Fee per MWh for:
 - 36 month term
 - 60 month term
- All components of the pricing must be identified. Guardian will not be responsible for any costs that are not specifically identified in the proposal and that are not included in any contract executed by Guardian and its selected electricity supplier. Cost elements not known with certainty at the time of the proposal should be identified and an estimate of the charges during the term of the agreement should be provided.
- A proposed contract detailing all the elements of the pricing structure and describing all the terms and conditions of service must be included in an editable Microsoft Word® editable format.
- Description of Supplier Company
 - Corporate structure
 - Experience in wholesale and retail energy markets
 - Qualifications, certifications, and credentials to be a supplier of electricity in Illinois.
- Financial information about Supplier Company (and parent organization)
- Customer service information
 - Addresses and phone numbers of office(s) proposed to serve Guardian
 - Name(s) of the account representative (s) /contact(s) who would serve Guardian
- Billing information
 - Is there an online website where Guardian can obtain usage and cost information via the supplier?
- Description of the PJM Day-Ahead Purchasing Process
 - Suppliers should describe how Guardian will be expected to communicate its expected PJM Day-ahead quantities to the Supplier (including timing) and how the Supplier will fill the requirement and communicate to Guardian the cost of that purchase.
- Identify any added value products and services available through your company. If there is additional value unrelated to products and services, such as rebates and/or incentives, please describe.

EVALUATION CRITERIA

Submissions will be evaluated on criteria solely determined by Guardian and Mpower/ Satori. Special consideration will be given to:

- Certification as a Retail Electric Supplier in Illinois
- Guardian's assessment of Supplier's proposed contract and the Supplier's willingness to agree to contract modifications proposed by Guardian
- Financial terms of the proposal
- Financial stability of the respondent
- Experience in providing market-based electricity (with an emphasis on supplying accounts similar to Guardian)
- Risk management expertise
- Billing, payment and reporting
- Completeness of response

BID SUBMITTAL AND SCHEDULE

- This RFP was electronically sent to identified prospective Suppliers on Thursday, November 20, 2008.
- Responses to this Request for Proposal should be submitted by electronic version by 5.00 p.m. CPT, Friday December 5, 2008 to both:
 - dwiers@satorienergy.com
 - jeff@Mpowerlp.com
- Please notify dwiers@satorienergy.com and jeff@Mpowerlp.com via email of your intent to respond by Monday, November 24, 2008.

OTHER SUBMITTAL INFORMATION

- No pre-proposal meeting is required but companies are encouraged to inquire about Guardian internal structure and electricity needs to formulate the best possible bid.
- Questions pertaining to this RFP should be submitted to either:
 - David C. Wiers, dwiers@satorienergy.com, 312-850-2300
 - Jeff Starcher, jeff@Mpowerlp.com, 832-563-6215
- **Option to Cancel or Modify Request.** Guardian and Mpower/Satori reserve the right to withdraw, modify or discontinue this RFP process at any time before a contract is signed with a Supplier. In the case that one of these events should occur, you will be notified as soon thereafter is as practical via facsimile, telephone, e-mail or U.S. mail. All submittals become the property of Guardian and Mpower/Satori and will be retained or disposed of at our discretion. Submittals will not be returned.
- **Confidentiality.** The information in this RFP is confidential, it is to be used for the sole purpose of preparing a response to this RFP, and cannot be shared with any party outside of the company to which it is addressed.