Managed Procurement Program℠ (MPP)

Protection from Market Volatility

Do you recognize the need for a structured pricing strategy to protect your business from volatility?

The Managed Procurement Program (MPP) is designed to reduce price volatility associated with purchasing physical natural gas in a volatile and unpredictable market. The Program takes a structured pricing approach to manage risk.

**MPP Program Benefits:**

Utilize Constellation’s Market Knowledge and Expertise

Constellation uses a diversified mix of weighted pricing alternatives and risk management tools to determine the Program price, including fixed-price purchases, cap-price solutions, and monthly and daily index.

The Right Blend of Pricing Alternatives

The strategy used to accomplish this structured risk approach is to diversify pricing types so that ‘high-price’ exposure is limited and ‘low-price’ potential is maximized. This is accomplished by selecting blended pricing alternatives for given market conditions.

**Multi-Year Enrollment Terms**

The Program is segmented into fiscal periods that begin on April 1st each year and end on March 31st of the following year. The Program is offered to customers for multi-year terms and enrollment is open until March 15th for any subsequent Program Fiscal year.

**Managed Price Volatility**

The Program is a defined physical natural gas pricing strategy with the objective of managing price volatility and mitigating risk exposure. The Program is considered successful if it accomplishes the objective of managing price volatility.

**How It Works**

Customers utilizing the Program recognize the need for a structured pricing strategy to protect themselves from volatility. The Program diversifies the price of physical natural gas across several alternatives. In other words, rather than elect a single pricing method such as fixed-price, the Program uses a diversified approach.

Outlined below are some examples showing diversification for given market conditions.

**HIGH**

A. Fixed price 30%
B. Cap Price 25%
C. Monthly Index 18%
D. Daily Index 27%

**INTERMEDIATE**

A. Fixed price 34%
B. Cap Price 51%
C. Monthly Index 9%
D. Daily Index 6%

**LOW**

A. Fixed price 65%
B. Cap Price 23%
C. Monthly Index 5%
D. Daily Index 7%

Constellation does not transact in financial products such as futures options or swaps either on behalf of the MPP program or specific to individual program participants. However, the market values of financial products such as futures, options or swaps are factors used by Constellation in order to determine the monthly MPP program price. Each program participant will receive the same per dekatherm price for the applicable month for all physical volumes enrolled in the program.
Constellation—Making Energy Work For You.

**Constellation**, an Exelon company, is a leading competitive supplier of power, natural gas, renewable energy and energy management products and services for homes and businesses across the continental US. We provide integrated energy solutions that help customers strategically buy, manage and use their energy. Our customers, including two-thirds of the Fortune 100, rely on our commitment to innovation, reliability, transparency and service. That is the kind of value you and your communities can expect from Constellation.

**Serving Competitive Energy Markets Throughout The US**

Our offices are strategically located and staffed with energy experts to serve customers in all competitive energy markets in the US.

Solar solutions, energy efficiency projects and renewable energy are also available across the continental US.

**Products to Help You Buy, Manage and Use Your Energy:**

### Electric Power Supply
- Fixed Price
- Flexible Index Solutions
- Block Solutions
- MVP

### Natural Gas Supply
- Managed Portfolio Services (MPS)
- Minimized Volatility Pricing (MVP)
- Managed Procurement Program (MPP)

### Strategic Load Response
- Automated Load Control
- Demand Response
- Ancillary Services
- Economic Programs
- Peak Load Management

### Renewable Energy
- Renewable Energy Certificates
- Geothermal Heat Pump Systems
- Biomass Plants

### Online Energy Management
- EnerPro (Natural Gas)
- Account Services (Electric Power)
- VirtuWatt (Load Response)

### Solar Solutions
- Solar Power Purchase Agreements
- On-Site Solar Installations
- Solar Leasing

### Energy Efficiency Upgrades
- Lighting
- Building Envelope
- Building Management Systems
- HVAC
- Water Conservation Measures

### Central Plant Outsourcing
- Chilled Water Systems
- Boiler Plants
- Heat Recovery Systems

### Building Solutions
- Mechanical Services
- Maintenance Contracts

**Make Informed Energy Decisions:**

**EnerPro**

As a Constellation customer, you will have access to EnerPro®, our comprehensive online energy management tool that provides information about the energy market to assist in the making of energy purchasing decisions. EnerPro allows you to view invoices and reports, provides access to general market intelligence data and provides essential information at your fingertips. You will also receive important information about regulatory updates and industry news.

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1.866.237.7693
crconstellation.com/getinfo