

PROCUREMENT SERVICE GROUP
Requirement Letter No. 178
Natural Gas Term Contract Customers

PLEASE BE AWARE THAT UPON SUBMISSION OF THIS REQUIREMENT LETTER YOU WILL BE ENTERING INTO A BINDING CONTRACTUAL COMMITMENT.

The Procurement Services Group is preparing to solicit bids for 2012-2014 natural gas supplies. Current contracts are due to expire on October 31, 2012.

Participation in a Firm supply contract (fixed or indexed priced) or an Interruptible supply contract at an indexed price is at the sole discretion of the customer. Accuracy of anticipated volume is essential because participation in any contract type will effect the volume load requirements when soliciting bids.

Each contract type has distinct characteristics and requires specific customer commitments and obligations. The more significant aspects of each contract type are described below.

Fixed Price - Firm Supply

- The customer is committed to contract participation with the submission of a requirement letter. Quantities cannot be adjusted after bid offers are accepted. (excluding monthly or daily balancing done by marketer).
- The customer will receive "firm" supply regardless of dual fuel capability.
- The customer will not be allowed to fuel switch regardless of how favorably priced an alternate fuel may become.
- The customer will pay one city gate price for the life of the contract.
- All balancing is the responsibility of the marketer.

Indexed Price - Firm Supply

- The customer must commit to contract participation with the submission of a requirement letter. Quantities cannot be adjusted as indicated above.
- The customer will receive "firm" supply regardless of dual fuel capability.
- The customer will not be allowed to fuel switch regardless of how favorably priced an alternate fuel may become.
- The customer price for natural gas to the city gate will vary monthly based on the New York Mercantile Exchange (NYMEX) futures commodity prices and a fixed "basis cost" to determine each month's final price. Prices are revised and released by the OGS Procurement Services Group during the last week of the month preceding the month of delivery.
- All balancing is the responsibility of the marketer.

Indexed Price - Interruptible Supply

- The customer is committed to contract participation with the submission of a requirement letter.
- The customer must have 100% dual fuel capability.
- The customer price for natural gas to the city gate will vary monthly based on the New York Mercantile Exchange (NYMEX) futures commodity prices and a fixed "basis cost" to determine each month's final price. Prices are revised and released by the OGS Procurement Services Group during the last week of the month preceding the month of delivery.
- The customer may nominate "0" for any month if the alternate fuel is more economical than the transportation natural gas. Also, the customer may have its gas supply interrupted when the supplier can provide satisfactory justification for an interruption or curtailment under the conditions stipulated in the OGS contract.

This Requirement Letter must be returned to OGS no later than December 30, 2011

Should you have any questions, concerns or wish to discuss the natural gas contracting program, please do not hesitate to call the contract administrator, **Colleen Messier at (518) 474-1108**. **All contract users should be registered in our Purchaser Notification Service (PNS) to receive OGS Procurement contract news and updates. Register for PNS at www.ogs.ny.gov/pns**

RETURN COMPLETED FORM VIA ONE OF THE FOLLOWING:

Colleen Messier @ogs.ny.gov
NYS Office General Services
Procurement Services Group
Corning Tower 38th Fl - ESP
Albany, NY 12242
Fax (518) 474-1160

REQUIREMENT LETTER No. 178

ADDRESS INQUIRIES OR REQUEST IN ELECTRONIC FORMAT

Colleen Messier
(518) 474-1108
E-mail: colleen.messier@ogs.ny.gov

Group: 05900 - Natural Gas

Contract Period: November 1, 2012 to October 31, 2014

This requirement letter must be returned NO LATER THAN December 30, 2011. UPON SUBMISSION OF THIS REQUIREMENT LETTER YOUR AGENCY IS ENTERING INTO A BINDING CONTRACT.

Agency and Location of bldg. _____

Street _____ City/Town _____ Zip _____

Contact Person at Facility _____ E-mail _____

Facility Telephone No. _____ Fax No. _____

I certify that I am authorized by the above listed agency to enter into a binding contractual commitment with OGS PSG, and our agency will not enter into any other contract to obtain natural gas during the contract period.

AUTHORIZED SIGNATURE _____ **TITLE** _____

Please print above signature _____ E-mail _____

Telephone No: _____ Fax No. _____

Type of supply you require:

Fixed Price-Firm Supply _____ Indexed Price-Firm Supply _____ Indexed Price- Interruptible Supply _____
(SEE DEFINITIONS OF TYPES OF SUPPLY)

Do you have 100% alternate fuel backup? YES _____ NO _____

Does your agency have any plans to close this facility within the contract period? YES _____ NO _____

Estimated Monthly Requirements - Express in (MMBtu) DECATHERMS (**DO NOT EXPRESS IN THERMS**):

NOV _____ MMBtu FEB _____ MMBtu MAY _____ MMBtu AUG _____ MMBtu
DEC _____ MMBtu MAR _____ MMBtu JUN _____ MMBtu SEPT _____ MMBtu
JAN _____ MMBtu APR _____ MMBtu JUL _____ MMBtu OCT _____ MMBtu

TOTAL 0 MMBtu

The below MANDATORY information is available from your utility company account manager.

Utility company Name: _____ Service Class _____

Utility company Account No: _____ Pipeline _____

Is facility in a daily or monthly balancing program? Daily _____ Monthly _____

Do you have a utility-installed and approved remote metering device? YES _____ NO _____

Please submit separate Requirement Letters for each account (meter).