

New York State Office Of General Services
Procurement Services Group
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://www.ogs.state.ny.us>

PURCHASING MEMORANDUM

CONTRACT AWARD NOTIFICATION UPDATE

AWARD NUMBER: [21411PF](#)

DATE: October 14, 2009

GROUP: 05900 – NATURAL GAS
(Various Agencies Specific Locations)

PLEASE ADDRESS INQUIRIES TO:
STATE AGENCIES & CONTRACTORS

Colleen Messier
Purchasing Officer I
(518) 474-1108
colleen.messier@ogs.state.ny.us

CONTRACT PERIOD: November 1, 2008 to
October 31, 2010

OTHER AUTHORIZED USERS

Customer Services
(518) 474-6717
customer.services@ogs.state.ny.us

CONTRACTOR(S)/ HESS CORPORATION
CONTRACT NO(S): PC64174

SUBJECT: CONTRACT CHANGES/ADDITIONS

REFERENCED CONTRACTORS, STATE AGENCIES AND POLITICAL SUBDIVISIONS:

As per the "Participation in Centralized Contract" clause in the above referenced award, Appendix B, Terms and Conditions, page 8; this contract is hereby amended to include the following as of the next scheduled meter read date, on or after November 1, 2009:

LOT 42 NYS DOT
1530 Jefferson Rd
Rochester, NY

The contact for this award has changed to:

John Deese
800-437-7265
732-750-6888
Fax No.: 732-750-6927
E-mail: jdeese@hess.com
Web Site: www.hess.com

All else remains the same.

New York State Office Of General Services
Procurement Services Group
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://www.ogs.state.ny.us>

PURCHASING MEMORANDUM

CONTRACT AWARD NOTIFICATION UPDATE

AWARD NUMBER: [21411PF](#)

DATE: August 20, 2009

GROUP: 05900 – NATURAL GAS
(Various Agencies Specific Locations)

PLEASE ADDRESS INQUIRIES TO:
STATE AGENCIES & CONTRACTORS

Colleen Messier
Purchasing Officer I
(518) 474-1108
colleen.messier@ogs.state.ny.us

CONTRACT PERIOD: November 1, 2008 to
October 31, 2010

OTHER AUTHORIZED USERS

Customer Services
(518) 474-6717
customer.services@ogs.state.ny.us

CONTRACTOR: Hess Corporation
CONTRACT NO: PC64174

SUBJECT: AMENDMENT TO CONTRACT TERMS (LOT 33 ONLY)

The terms and conditions set forth in the contract listed above have been amended/revised to reflect changes for LOT 33. For further details, please see page 33 of the Award under “Trigger Price.”

All other terms and conditions of this award remain unchanged.

New York State Office Of General Services
Procurement Services Group
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://www.ogs.state.ny.us>

PURCHASING MEMORANDUM

CONTRACT AWARD NOTIFICATION UPDATE

AWARD NUMBER: [21411PF](#)

DATE: March 9, 2009

GROUP: 05900 - NATURAL GAS
(Various Agencies Specific Locations)

PLEASE ADDRESS INQUIRIES TO:
STATE AGENCIES & CONTRACTORS

Colleen Messier
Purchasing Officer I
(518) 474-1108
colleen.messier@ogs.state.ny.us

CONTRACT PERIOD: November 1, 2008 to
October 31, 2010

OTHER AUTHORIZED USERS

Customer Services
(518) 474-6717
customer.services@ogs.state.ny.us

CONTRACTOR: National Fuel Resources, Inc.
CONTRACT NO.: PC64175

SUBJECT: CONTRACT CHANGES/ADDITIONS

REFERENCED CONTRACTORS, STATE AGENCIES AND POLITICAL SUBDIVISIONS:

As per the "Participation in Centralized Contract" clause in the above referenced award, Appendix B, Terms and Conditions, page 8; this contract is hereby amended to include the following locations as of the next scheduled meter read date, on or after March 24, 2009:

LOT 14

- | | |
|---|---|
| 1. NYS DOT
3499 Rt. 1-86
Bemus Point, NY 14717 | 4. NYS DOT
109 E. Chautauqua St.
Mayville, NY 14757 |
| 2. NYS DOT
3198 Levant-Gerry Rd.
Falconer, NY 14733 | 5. NYS DOT
119 Osborne St.
Sherman, NY 14781 |
| 3. NYS DOT
154 Chautauqua Rd.
Fredonia, NY 14063 | 6. NYS DOT
Rt. 76
Sherman, NY 14781 |

The above contractors have offered and the State has accepted these additions under the same terms and conditions as stated in the contract award.

All else remains the same.

New York State Office Of General Services
Procurement Services Group
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://www.ogs.state.ny.us>

PURCHASING MEMORANDUM

CONTRACT AWARD NOTIFICATION UPDATE

AWARD NUMBERS: [21411PF](#)

DATE: December 3, 2008

GROUP: 05900 - NATURAL GAS
(Various Agencies Specific Locations)

PLEASE ADDRESS INQUIRIES TO:

STATE AGENCIES & CONTRACTORS

Colleen Messier
Purchasing Officer I
(518) 474-1108
colleen.messier@ogs.state.ny.us

CONTRACT PERIOD: November 1, 2008 to
October 31, 2010

OTHER AUTHORIZED USERS

Customer Services
(518) 474-6717
customer.services@ogs.state.ny.us

CONTRACTOR: National Fuel Resources, Inc.

CONTRACT NO.: PC64175

SUBJECT: CONTRACT CHANGES/ADDITIONS

REFERENCED CONTRACTORS, STATE AGENCIES AND POLITICAL SUBDIVISIONS:

As per the "Participation in Centralized Contract" clause in the above referenced award, Appendix B, Terms and Conditions, page 8; this contract is hereby amended to include the following as of the next scheduled meter read date, on or after December 1, 2008:

LOT 26 Auburn Correctional Facility
135 State Street
Auburn, NY

The above contractor has offered and the State has accepted these additions under the same terms and conditions as stated in the contract award.

All else remains the same.

State of New York Executive Department
Office Of General Services
Procurement Services Group
Corning Tower Building - 38th Floor
Empire State Plaza
Albany, New York 12242
<http://www.ogs.state.ny.us>

CONTRACT AWARD NOTIFICATION

Title	: Group 05900 – NATURAL GAS - (Firm Supply – Fixed and Indexed Price) (Interruptible Supply – Indexed Price) Classification Code(s): 15
Award Number	: <u>21411 PF</u> (Replaces Award 20438)
Contract Period	: November 1, 2008 to October 31, 2010
Bid Opening Date	: August 20, 2008
Date of Issue	: August 20, 2008
Specification Reference	: As Incorporated In The Invitation for Bids and Purchasing Memorandums dated August 8, 2008 and August 14, 2008
Contractor Information	: Appears on Page 2 of this Award

Address Inquiries To:

State Agencies & Vendors	Political Subdivisions & Others
Name : Colleen Messier Title : Purchasing Officer I Phone : 518-474-1108 E-mail : colleen.messier@ogs.state.ny.us	Customer Services Phone : 518-474-6717 Fax : 518-474-2437 E-mail : customer.services@ogs.state.ny.us

**The Procurement Services Group values your input.
Complete and return "Contract Performance Report" at end of document.**

Description

This Award describes a contract for the purchase of Fixed Price/Firm Supply Natural Gas and adjustable price Interruptible and Firm Supply Natural Gas from gas suppliers and/or marketers for use at the agencies listed herein. This concept is in accordance with gas deregulation action of the Federal Energy Regulatory Commission, the New York Legislature and the New York Public Service Commission. In this Award the Procurement Fee is included in all Fixed Pricing. The Procurement Fee for Indexed Pricing will be calculated on a monthly basis and reflected in the monthly price change purchasing memorandum.

PR # 21411

(continued)

NOTE: See individual contract items to determine actual awardees.

<u>CONTRACT #</u>	<u>CONTRACTOR & ADDRESS</u>	<u>TELEPHONE #</u>	<u>FED.IDENT.#</u>
PC64172	COLONIAL ENERGY INC. 3975 FAIR RIDGE DRIVE FAIRFAX, VA 22033	703-218-3048 David Arndt FAX: 703-218-3059 E-mail: darndt@colonialenergy.com	582209516
PC64173	ENERGY CREDIT GROUP LLC 1077 CELESTIAL STREET CINCINNATI, OH 45202	800-598-2046 513-621-1113 Larry Freeman FAX: 513-621-3773 E-mail: lfreeman@stand-energy.com	311662765
PC64174	HESS CORPORATION ONE HESS PLAZA WOODBIDGE, NJ 07095	800-437-7265 732-750-6888 Katherine M. Guerry FAX: 732-750-6927 E-mail: kguerry@hess.com Web Site: www.hess.com	134921002
PC64175	NATIONAL FUEL RESOURCES, INC. 165 LAWRENCE BELL DRIVE SUITE 120 WILLIAMSVILLE, NY 14231	800-839-9993 716-630-6717 Dan Czechowicz FAX: 716-630-6751 E-mail: dczechowicz@nfrinc.com Web Site: www.natfuel.com	161408956

Cash Discount, If Shown, Should be Given Special Attention.

INVOICES MUST BE SENT DIRECTLY TO THE ORDERING AGENCY FOR PAYMENT.
(See "Contract Payments" and "Electronic Payments" in this document.)

AGENCIES SHOULD NOTIFY THE PROCUREMENT SERVICES GROUP PROMPTLY IF THE CONTRACTOR FAILS TO MEET DELIVERY OR OTHER TERMS OF THIS CONTRACT. PRODUCTS OR SERVICES WHICH DO NOT COMPLY WITH THE SPECIFICATIONS OR ARE OTHERWISE UNSATISFACTORY TO THE AGENCY SHOULD ALSO BE REPORTED TO THE PROCUREMENT SERVICES GROUP.

SMALL, MINORITY AND WOMEN-OWNED BUSINESSES:

The letters SB listed under the Contract Number indicate the contractor is a NYS small business. Additionally, the letters MBE and WBE indicate the contractor is a Minority-owned Business Enterprise and/or Woman-owned Business Enterprise.

(continued)

LOT 1 - DELIVERY TO CENTRAL HUDSON GAS & ELECTRIC - CITY GATE

INDEXED PRICE/FIRM SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Basis Cost* per MMBtu's Delivered to LDC City Gate</u>
1.	NYS DOT (Poughkeepsie)	1,140	
2.	NYS DOT (Newburgh)	900	
3.	NYS DOT (Poughkeepsie)	4,145	
4.	NYS DOT (Kingston)	720	
5.	DMNA (Newburgh)	3,315	
6.	DMNA (Poughkeepsie)	1,514	
7.	Fishkill Correctional	<u>2,530</u>	

LOT 1 - Total Quantities **14,264** **NO AWARD**
(Items 1 - 7) **(INDEXED PRICE/FIRM SUPPLY)**

LOT 2 - DELIVERY TO CENTRAL HUDSON GAS & ELECTRIC - CITY GATE

INDEXED PRICE/INTERRUPTIBLE SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Basis Cost* per MMBtu's Delivered to LDC City Gate</u>
1.	Fishkill Correctional	425,000	
2.	Hudson River Psy. Center	<u>13,222</u>	

LOT 2 - Total Quantities **438,222** **\$1.4463****
(Items 1 & 2) **(INDEXED PRICE/INTERRUPTIBLE SUPPLY)**

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 2: COLONIAL ENERGY, INC.

PIPELINE: TCO (COLUMBIA GAS AND COLUMBIA GULF)

(continued)

LOT 3 - DELIVERY TO CON EDISON - CITY GATE

FIXED PRICE/FIRM SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Fixed Price* per MMBtu's Delivered to LDC City Gate</u>
1.	DMNA (Yonkers)	1,036	
2.	DMNA (Whitestone)	2,066	
3.	DMNA (New York)	865	
4.	DMNA (Bronx)	1,601	
5.	DMNA (Bronx)	1,410	
6.	DMNA (New York)	1,046	
7.	Westchester Co.	<u>2,117</u>	

LOT 3 - Total Quantities
(Items 1 - 7)

10,141

NO AWARD
(FIXED PRICE/FIRM SUPPLY)

LOT 4- DELIVERY TO CON EDISON - CITY GATE

INDEXED PRICE/FIRM SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Basis Cost* per MMBtu's Delivered to LDC City Gate</u>
1.	DMNA (Peekskill)	4,170	
2.	Greenburgh (Police/Court)	1,041	
3.	Greenburgh (Town Hall)	833	
4.	Greenburgh (Recreation Dept.)	1,386	
5.	Greenburgh (Sprain Garage)	6,983	
6.	Greenburgh (Bryant Ave. Pump Sta.)	152	
7.	Greenburgh (Water & Sewer Dept.)	<u>1,169</u>	

LOT 4 - Total Quantities
(Items 1 - 7)

15,734

\$1.4810**
(INDEXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 4: HESS CORPORATION

(continued)

LOT 5 - DELIVERY TO CON EDISON - CITY GATE

INDEXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u>	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	City of Yonkers (Engine #1)	2,588	
2.	City of Yonkers (Engine #3)	1,162	
3.	City of Yonkers (Engine #4)	982	
4.	City of Yonkers (Engine #6)	411	
5.	City of Yonkers (Engine #7)	2,980	
6.	City of Yonkers (Engine #9)	2,681	
7.	City of Yonkers (Engine #10)	433	
8.	City of Yonkers (Engine #11)	555	
9.	City of Yonkers (Engine #12)	1,516	
10.	City of Yonkers (Engine #13)	1,185	
11.	City of Yonkers (1 st Precinct)	862	
12.	City of Yonkers (2 nd Precinct)	310	
13.	City of Yonkers (McLean Ave. Library)	111	
14.	City of Yonkers (McLean Ave. Rectory)	633	
15.	City of Yonkers (Veteran's Office)	180	
16.	City of Yonkers (Health Center)	3,192	
17.	City of Yonkers (Hillview Pump Sta.)	160	
18.	City of Yonkers (Schultze Field)	87	
19.	City of Yonkers (Police Property)	2,900	
20.	City of Yonkers (Sewer Dept.)	271	
21.	City of Yonkers (Fac. Maint. Div.)	2,860	
22.	City of Yonkers (Faye Park)	108	
23.	City of Yonkers (Beczak Center)	144	
24.	City of Yonkers (Nodine Hill Center)	540	
25.	City of Yonkers (Recycling Center)	320	
26.	City of Yonkers (Museum)	3,634	
27.	City of Yonkers (City Jail)	1,279	
28.	City of Yonkers (Service Center)	5,253	
29.	City of Yonkers (Armory)	2,902	
30.	City of Yonkers (285 Nepperhan Ave.)	2,334	
31.	City of Yonkers (Sign Shop Tuckahoe Rd.)	1,270	
32.	City of Yonkers (Nepperhan Comm. Ctr.)	695	
33.	City of Yonkers (Cacace Justice Ctr.)	7,390	
34.	City of Yonkers (Green House)	975	
35.	City of Yonkers (Rifle Range)	433	
36.	City of Yonkers (Cola Center)	638	
37.	City of Yonkers (Chema Center)	461	
38.	City of Yonkers (Scotti Senior Center)	<u>666</u>	
<u>LOT 5 - Total Quantities</u>		55,101	NO AWARD
(Items 1 - 38)			(INDEXED PRICE/FIRM SUPPLY)

(continued)

LOT 6 - DELIVERY TO CON EDISON - CITY GATE

INDEXED PRICE/FIRM SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Basis Cost* per MMBtu's Delivered to LDC City Gate</u>
1.	Westchester Co. Ossing Co.	7,342	
2.	Westchester Co. DPW	26,636	
3.	Westchester Co. Yonkers	4,311	
4.	Westchester Co. Yonkers	1,363	
5.	Westchester Co. DPW	31,685	
6.	Westchester Co. DPW	1,431	
7.	Westchester Co. DPW	1,122	
8.	Westchester Co. DPW	2,550	
9.	Westchester Co. Marcy	1,311	
10.	Westchester Co. Rochelle Plant	29,631	
11.	Westchester Co. Marshland	75	
12.	Westchester Co. Wilson Woods	943	
13.	Westchester Co. Center	478	
14.	Westchester Co. Carriage House	207	
15.	Westchester Co. Broadway	131	
16.	Westchester Co. Fox Terrace	205	
17.	Westchester Co. Washington HQ	252	
18.	Westchester Co. Saxon Woods	245	
19.	Westchester Co. Saxon Woods	824	
20.	Westchester Co. Service Bldg.	871	
21.	Westchester Co. Service Bldg.	273	
22.	Westchester Co. DPW	74	
23.	Westchester Co. Yonkers Pump	587	
24.	Westchester Co. DPW	899	
25.	Westchester Co. DPW	117	
26.	Westchester Co. Port Chester	<u>379</u>	

LOT 6 - Total Quantities **113,942** **\$1.6550****
(Items 1 - 26) **(INDEXED PRICE/FIRM SUPPLY)**

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 6: HESS CORPORATION

(continued)

LOT 9 - DELIVERY TO KEYSpan ENERGY LONG ISLAND (NATIONAL GRID) – CITY GATE

INDEXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	NYS DOT (Melville)	900	
2.	NYS DOT (Hicksville)	420	
3.	NYS DOT (North Merrick)	840	
4.	NYS DOT (Central Islip)	3,570	
5.	DMNA (Huntington Station)	<u>2,985</u>	
<u>LOT 9 - Total Quantities</u> (Items 1 - 5)		8,715	NO AWARD (INDEXED PRICE/FIRM SUPPLY)

LOT 10 - DELIVERY TO KEYSpan ENERGY NEW YORK (NATIONAL GRID) – CITY GATE

FIXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Fixed Price* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	DMNA (Staten Island)	1,150	
2.	Brooklyn DDSO	62,017	
3.	Brooklyn DDSO	541	
4.	DMNA (Jamaica)	<u>1,315</u>	
<u>LOT 10 - Total Quantities</u> (Items 1 - 4)		65,023	NO AWARD (FIXED PRICE/FIRM SUPPLY)

(continued)

LOT 11 - DELIVERY TO KEYSpan ENERGY NEW YORK (NATIONAL GRID) – CITY GATE

INDEXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. DMNA (Staten Island)	2,865	
2. DMNA (Staten Island)	<u>5,320</u>	
<u>LOT 11 - Total Quantities</u> (Items 1 - 2)	8,185	\$1.7460** (INDEXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 11: HESS CORPORATION

LOT 12 - DELIVERY TO KEYSpan ENERGY NEW YORK (NATIONAL GRID) – CITY GATE

INDEXED PRICE/INTERRUPTIBLE SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. DMNA (Jamaica)	21,000	
2. DMNA (Brooklyn)	4,700	
3. DMNA (Brooklyn)	3,470	
4. Brooklyn DDSO	25,386	
5. Arthur Kill Correctional	<u>4,600</u>	
<u>LOT 12 - Total Quantities</u> (Items 1 - 5)	59,156	NO AWARD (INDEXED PRICE/INTERRUPTIBLE SUPPLY)

(continued)

LOT 13 - DELIVERY TO NATIONAL FUEL-CITY GATE (CAPACITY)

FIXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u>	<u>Agency</u>	<u>12 Months</u> <u>Approx.</u> <u>Quantity</u> <u>MMBtu's</u>	<u>Final Fixed Price*</u> <u>per MMBtu's</u> <u>Delivered to</u> <u>LDC City Gate</u>
1.	DMNA (Niagara Falls)	2,525	
2.	DMNA (Dunkirk)	786	
3.	DMNA (Niagara Falls)	79	
4.	DMNA (Niagara Falls)	286	
5.	DMNA (Niagara Falls)	295	
6.	DMNA (Niagara Falls)	251	
7.	DMNA (Niagara Falls)	1,314	
8.	DMNA (Niagara Falls)	1,023	
9.	DMNA (Niagara Falls)	1,181	
10.	DMNA (Niagara Falls)	6,656	
11.	DMNA (Niagara Falls)	5,138	
12.	NYS Parks & Rec. (Niagara Falls)	<u>2,589</u>	
<u>LOT 13 - Total Quantities</u>		22,124	\$10.8590**
(Items 1 - 12)			(FIXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**The Procurement Fee is included in this price as described on page 32 of this award document to arrive at the Final Fixed Price.

CONTRACTOR, LOT 13: NATIONAL FUEL RESOURCES, INC.

(continued)

LOT 15 - DELIVERY TO NATIONAL FUEL-CITY GATE (NON CAPACITY)

INDEXED PRICE/FIRM SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Basis Cost* per MMBtu's Delivered to LDC City Gate</u>
1.	Wyoming Correctional	284,250	
2.	Western NY DDSO	42,413	
3.	DMNA (Buffalo)	7,650	
4.	DMNA (Buffalo)	10,495	
5.	DMNA (Niagara Falls)	6,210	
6.	Erie Co. Water	5,392	
7.	Erie Co. Water	7,254	
8.	Erie Co. Water	7,104	
9.	City of Dunkirk	<u>5,085</u>	

LOT 15 - Total Quantities **375,853** **\$,9436****
(Items 1 – 9) **(INDEXED PRICE/FIRM SUPPLY)**

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 15: NATIONAL FUEL RESOURCES, INC.

LOT 16 - DELIVERY TO NATIONAL FUEL-CITY GATE (NON CAPACITY)

INDEXED PRICE/INTERRUPTIBLE SUPPLY

<u>Item No.</u>	<u>Agency</u>	<u>12 Months Approx. Quantity MMBtu's</u>	<u>Basis Cost* per MMBtu's Delivered to LDC City Gate</u>
1.	Buffalo Psy. Center	47,400	
2.	Collins Correctional	220,854	
3.	Lakeview Correctional	<u>48,900</u>	

LOT 16 - Total Quantities **317,154** **\$,8300****
(Items 1 - 3) **(INDEXED PRICE/INTERRUPTIBLE SUPPLY)**

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 16: ENERGY CREDIT GROUP, LLC
PIPELINE: NATIONAL FUEL SUPPLY CO.

(continued)

LOT 17 - DELIVERY TO NYSEG - CITY GATE (DAILY)

FIXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Final Fixed Price* per MMBtu's Delivered to <u>LDC City Gate</u>
1. Southport Correctional	<u>46,069</u>	
<u>LOT 17 - Total Quantities</u> (Item 1)	46,069	\$10.9012 (FIXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**The Procurement Fee is included in this price as described on page 32 of this award document to arrive at the Final Fixed Price.

CONTRACTOR, LOT 17: HESS CORPORATION

LOT 18 - DELIVERY TO NYSEG -CITY GATE (MONTHLY)

FIXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Fixed Price* per MMBtu's Delivered to <u>LDC City Gate</u>
1. DMNA (Walton)	1,313	
2. DMNA (Olean)	1,895	
3. DMNA (Ithaca)	<u>1,270</u>	
<u>LOT 18 - Total Quantities</u> (Items 1 - 3)	4,478	NO BIDS REC'D NO AWARD

(continued)

LOT 19 - DELIVERY TO NYSEG - CITY GATE (DAILY)

INDEXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	Albion Correctional	1,450	
2.	Albion Correctional	238	
3.	Albion Correctional	<u>831</u>	
<u>LOT 19 - Total Quantities</u> (Items 1 - 3)		2,519	NO AWARD (FIXED PRICE/FIRM SUPPLY)

LOT 20 - DELIVERY TO NYSEG - CITY GATE (MONTHLY)

INDEXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	NYS OGS Homer Folks	970	
2.	NYS OGS Homer Folks	2,247	
3.	DMNA (Auburn)	2,815	
4.	J M Murray	2,960	
5.	Cayuga Correctional	1,068	
6.	NYS DOT (Polkville)	1,800	
7.	NYS DOT (Morrisville)	360	
8.	NYS DOT (Oneonta)	1,560	
9.	NYS DOT (Auburn)	300	
10.	NYS DOT (Oxford)	600	
11.	NYS DOT (Canandaigua)	900	
12.	NYS DOT (Newark)	720	
13.	NYS DOT (Horseheads)	1,380	
14.	J M Murray Center	<u>4,495</u>	
<u>LOT 20 - Total Quantities</u> (Items 1 - 14)		22,175	\$1.5280** (INDEXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 20: HESS CORPORATION

(continued)

LOT 21 - DELIVERY TO NYSEG - CITY GATE (MONTHLY)

INDEXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. OGS Binghamton	8,238	
2. DMNA (Binghamton)	4,325	
3. NYS DOT (Hancock)	1,140	
4. NYS DOT (Owego)	960	
5. NYS DOT (Binghamton)	6,165	
6. DOS Fire Academy	<u>8,096</u>	
<u>LOT 21 - Total Quantities</u> (Items 1 - 6)	28,924	NO AWARD (INDEXED PRICE/FIRM SUPPLY)

LOT 22 - DELIVERY TO NYSEG - CITY GATE (MONTHLY)

INDEXED PRICE/FIRM SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. Clinton Co.	13,482	
2. Clinton Co.	755	
3. NYS DOT (Plattsburgh)	<u>360</u>	
<u>LOT 22 - Total Quantities</u> (Items 1 - 3)	14,597	NO BIDS REC'D NO AWARD

(continued)

LOT 23 - DELIVERY TO NYSEG - CITY GATE (MONTHLY)

INDEXED PRICE/FIRM SUPPLY

Item No. <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. NYS DOT (Cobleskill)	900	
2. DMNA (Lockport)	3,085	
3. NYS DOT (Lockport)	<u>900</u>	

<u>LOT 23 - Total Quantities</u> (Items 1 - 3)	4,885	\$1.6560** (INDEXED PRICE/FIRM SUPPLY)
--	--------------	---

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 23: NATIONAL FUEL RESOURCES, INC.

LOT 24 - DELIVERY TO NYSEG - CITY GATE (DAILY)

INDEXED PRICE/FIRM SUPPLY

Item No. <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. Albion Correctional	32,300	
2. Orleans Correctional	<u>6,024</u>	

<u>LOT 24 - Total Quantities</u> (Items 1 - 2)	38,324	\$1.4360** (INDEXED PRICE/FIRM SUPPLY)
--	---------------	---

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 24: NATIONAL FUEL RESOURCES, INC.

(continued)

LOT 27 - DELIVERY TO NYSEG - CITY GATE (DAILY)

INDEXED PRICE/INTERRUPTIBLE SUPPLY

<u>Item</u> <u>No.</u> <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. Binghamton Psych Center	83,000	
2. Broome Developmental	<u>60,420</u>	
<u>LOT 27 - Total Quantities</u> (Items 1 - 2)	143,420	\$1.5900** (INDEXED PRICE/INTERRUPTIBLE SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 27: ENERGY CREDIT GROUP, LLC

PIPELINE: COLUMBIA PIPELINE

(continued)

LOT 28 - DELIVERY TO NATIONAL GRID EAST GATE - CITY GATE

FIXED PRICE/FIRM SUPPLY

<u>Item</u>		12 Months Approx. Quantity <u>MMBtu's</u>	Final Fixed Price* per MMBtu's Delivered to <u>LDC City Gate</u>
<u>No.</u>	<u>Agency</u>		
1.	DMNA (Scotia)	680	
2.	Rensselaer Co. Family Ct.	1,788	
3.	Troy Senior Center	2,153	
4.	Rensselaer Co. Main Office	2,319	
5.	Rensselaer Co. Public Safety (Sheriff)	7,153	
6.	Rensselaer Co. Hwy. Dept.	2,850	
7.	Rensselaer Co. Ag/Life Sci. Bldg.	381	
8.	Rensselaer Co. Courthouse	6,677	
9.	Lansingburg CSD	1,928	
10.	Lansingburg CSD	3,236	
11.	Lansingburg CSD	3,566	
12.	Lansingburg CSD	5,620	
13.	Lansingburg CSD	6,023	
14.	NYS Agriculture & Markets	1,589	
15.	NYS Agriculture & Markets	88	
16.	Heritage Home for Women	1,347	
17.	DMNA (USPFO Warehouse)	1,160	
18.	DMNA (Troy)	<u>1,055</u>	
<u>LOT 28 - Total Quantities</u>		49,613	\$11.0852**
(Items 1 - 18)			(FIXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**The Procurement Fee is included in this price as described on page 32 of this award document to arrive at the Final Fixed Price.

CONTRACTOR, LOT 28: HESS CORPORATION

(continued)

LOT 30 - DELIVERY TO NATIONAL GRID EAST GATE – CITY GATE

INDEXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	DASNY (Delmar)	770	
2.	DASNY (Albany)	3,346	
3.	City of Albany (City Hall)	4,967	
4.	City of Albany (Bath #2)	4,144	
5.	City of Albany (DGS)	7,355	
6.	City of Albany (Traffic Safety)	<u>3,388</u>	

LOT 30 - Total Quantities **23,970** **\$1.6620****
(Items 1 - 6) **(INDEXED PRICE/FIRM SUPPLY)**

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 30: HESS CORPORATION

LOT 31 - DELIVERY TO NATIONAL GRID EAST GATE – CITY GATE

INDEXED PRICE/INTERRUPTIBLE SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	Hudson Correctional Fac.	66,145	
2.	DOH Wadsworth Labs	65,500	
3.	Suny Albany	20,220	
4.	Rensselaer Co. Sewer	23,400	
5.	Capital District DDSO	<u>43,700</u>	

LOT 31 - Total Quantities **218,965** **\$1.0350****
(Items 1 - 5) **(INDEXED PRICE/INTERRUPTIBLE SUPPLY)**

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.
 **This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 31: COLONIAL ENERGY

PIPELINE: DOMINION TRANSMISSION (NORTH POINT)

(continued)

LOT 32 - DELIVERY TO NATIONAL GRID EAST GATE – CITY GATE

INDEXED PRICE/INTERRUPTIBLE SUPPLY

Item No. <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. OGS Utilities Management	307,000	
2. OGS Utilities Management	<u>1,635,600</u>	
<u>LOT 32 - Total Quantities</u> (Items 1 - 2)	1,942,600	NO AWARD (INDEXED PRICE/INTERRUPTIBLE SUPPLY)

LOT 33 - DELIVERY TO NATIONAL GRID EAST GATE – CITY GATE

INDEXED PRICE/FIRM SUPPLY

Item No. <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. OGS Utilities Management	307,000	
2. OGS Utilities Management	<u>1,635,600</u>	
<u>LOT 33 - Total Quantities</u> (Items 1 - 2)	1,942,600	
TOTAL BID, LOT 33, ITEMS 1 - 2:		\$1.7040** (INDEXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 33: HESS CORPORATION

(continued)

LOT 34 - DELIVERY TO NATIONAL GRID WEST GATE – CITY GATE

FIXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Final Fixed Price* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	DMNA (Syracuse)	845	
2.	DMNA (Syracuse)	1,600	
3.	DMNA (Utica)	885	
4.	DMNA (Hornell)	1,150	
5.	OGS Dulles SOB	7,933	
6.	OGS Utica SOB	10,928	
7.	Gloversville-Johnston JWT	5,600	
8.	OGS Hughes SOB	9,549	
9.	Oneida Co. Sheriff's Dept.	29,356	
10.	NYS DEC	633	
11.	DMNA (Syracuse)	1,550	
12.	Gloversville – Johnston JWT	<u>600</u>	
<u>LOT 34 - Total Quantities</u>		70,629	\$10.9565**
(Items 1 - 12)			(FIXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**The Procurement Fee is included in this price as described on page 32 of this award document to arrive at the Final Fixed Price.

CONTRACTOR, LOT 34: HESS CORPORATION

LOT 35 - DELIVERY TO NATIONAL GRID WEST GATE – CITY GATE

FIXED PRICE/FIRM SUPPLY

Item No.	<u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Final Fixed Price* per MMBtu's Delivered to <u>LDC City Gate</u>
1.	Watertown Correctional	<u>55,815</u>	
<u>LOT 35 - Total Quantities</u>		55,815	\$10.5374**
(Item 1)			(FIXED PRICE/FIRM SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**The Procurement Fee is included in this price as described on page 32 of this award document to arrive at the Final Fixed Price.

CONTRACTOR, LOT 35: NATIONAL FUEL RESOURCES, INC.

(continued)

LOT 39 - DELIVERY TO ORANGE & ROCKLAND CITY GATE

INDEXED PRICE/FIRM SUPPLY

Item No. <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. NYS DOT (Middletown)	1,080	
2. DMNA (Orangebury)	<u>2,110</u>	
<u>LOT 39 - Total Quantities</u> (Items 1 & 2)	3,190	NO BIDS REC'D – NO AWARD (INDEXED PRICE/FIRM SUPPLY)

LOT 40 - DELIVERY TO ORANGE & ROCKLAND CITY GATE

INDEXED PRICE/INTERRUPTIBLE SUPPLY

Item No. <u>Agency</u>	12 Months Approx. Quantity <u>MMBtu's</u>	Basis Cost* per MMBtu's Delivered to <u>LDC City Gate</u>
1. Rockland Psy. Ctr.	163,728	
2. Cook Chill Psy. Ctr.	16,447	
3. Helen Hayes Hospital	<u>85,720</u>	
<u>LOT 40 - Total Quantities</u> (Items 1 - 3)	265,895	\$1.1336** (INDEXED PRICE/INTERRUPTIBLE SUPPLY)

*Cost reflects all shrinkage, including retainage losses and GRI surcharges.

**This cost is added to the NYMEX 3 day average as described on page 32 of this award document to arrive at the Final Indexed Price. (Basis cost + NYMEX 3 day) *Procurement Fee = Final Indexed Price.

CONTRACTOR, LOT 40: COLONIAL ENERGY

PIPELINE: TCO (COLUMBIA GAS AND COLUMBIA GULF)

(continued)

REQUEST FOR CHANGE:

Any request by the agency or contractor regarding changes in any part of the contract must be made in writing to the Office of General Services, Procurement Services Group, prior to effectuation.

CONTRACT PAYMENTS:

Payments cannot be processed by State facilities until the contract products have been delivered in satisfactory condition or services have been satisfactorily performed. Payment will be based on any invoice used in the supplier's normal course of business. However, such invoice must contain sufficient data including but not limited to contract number, description of product or service, quantity, unit and price per unit as well as federal identification number.

State facilities are required to forward properly completed vouchers to the Office of the State Comptroller for audit and payment. All facilities are urged to process every completed voucher expeditiously giving particular attention to those involving cash discounts for prompt payment.

If the contract terms indicate political subdivisions and others authorized by law are allowed to participate, those entities are required to make payments directly to the contractor. Prior to processing such payment, the contractor may be required to complete the ordering non-State agency's own voucher form.

See "Contract Billings" in Appendix B, OGS General Specifications.

ELECTRONIC PAYMENTS:

The Office of the State Comptroller (OSC) offers an "electronic payment" option in lieu of issuing checks. To obtain an electronic payment authorization form visit the OSC website at www.osc.state.ny.us or contact them by e-mail at epunit@osc.state.ny.us or by phone at 518-474-4032.

EXTENSION OF USE:

Any contract herein may be extended to additional States or governmental jurisdictions upon mutual written agreement between New York State (the lead contracting State) and the contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in any resultant contract if such State normally allows participation by such entities. New York State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

CONTRACT PERIOD AND RENEWALS:

If mutually agreed between the Procurement Services Group and the marketer, the contract may be renewed under the same terms and conditions for up to an additional three (3) year period, but not to exceed a total contract term of five (5) years.

WARRANTIES:

See "Warranties" in Appendix B, OGS General Specifications.

REPORT OF CONTRACT PURCHASES:

Contractor shall furnish quarterly reports containing total sales for both state agency and authorized non-state agency contract purchases no later than forty-five (45) days after the close of each calendar quarter. The Grand Total Sales Reports for State and Non-State Agencies are due at the same time the procurement fee is payable to the Department of Taxation and Finance, where applicable.

In addition to contractor direct sales, contractor shall submit sales information for all resellers, dealers, distributors or other authorized distribution channels, where such contract sales are provided by other than the contractor. Contractors shall verify if each alternate vendor is a NYS Certified Minority (MBE) or Women (WBE) Owned Businesses. Contractors shall verify such status through the Empire State Development Minority and Women Owned Businesses Database web site at: <http://www.nylovesmwbe.ny.gov/cf/search.cfm>.

A separate report shall be provided in the following format for each authorized distribution channel. The sales report form is forwarded to each contractor at time of award for completion in accordance with the contract terms and conditions:

(continued)

REPORT OF CONTRACT PURCHASES: (Cont'd)

Item/ SubItem Number	Product or Catalog Number	Product/ Service Description	Total Quantity Shipped to State Agencies	Total Quantity Shipped to		Total Sales \$ State Agencies	Total Sales \$ Authorized Non- State Agencies
				Authorized Non-State Agencies	State Agencies		
				Grand Total Sales State and Non-State Agencies		\$	\$

The report is to be submitted electronically in Microsoft Excel 2003 or lower format to the Office of General Services, Procurement Services Group, Tower Bldg., Empire State Plaza, Albany, NY 12242, to the attention of the individual shown on the front page of the Contract Award Notification and shall reference the Group Number, the Award Number, Contract Number, sales period, and contractor's (or other authorized agent) name.

The outlined sales report is the minimum information required. Additional related sales information, such as monthly reports, and/or detailed user purchases may be required and must be supplied upon request.

EMERGENCY PURCHASING:

In the event that a disaster emergency is declared by Executive Order under Section 28 of Article 2-B of the Executive Law, or that the Commissioner determines pursuant to his/her authority under Section 163(10)(b) of the State Finance Law that an emergency exists requiring the prompt and immediate delivery of products or services, the Commissioner reserves the right to obtain such products or services from any source, including but not limited to this contract, as the Commissioner in his/her sole discretion determines will meet the needs of such emergency. Contractor shall not be entitled to any claim or lost profits for products or services procured from other sources pursuant to this paragraph.

DEFINITIONS:

Except in those instances where the text states another meaning, the following terms, as used in Award shall have the meanings as set forth below:

Alternate Fuel - fuel used other than natural gas

Alternate Transporting Pipeline(s) - the pipeline(s) which transports the gas to the LDC (city gate) when the primary pipeline is unavailable

Basis Cost - all costs associated with the acquisition and transportation of natural gas from the marketer's point of acquisition to the local utility's (LDC) city gate including all costs associated with balancing services to the burner tip. Included with the basis cost is shrinkage, fuel retainage losses, GRI surcharge, custom duties and charges. Basis cost does not include the commodity cost.

Commodity - Natural Gas

Burner Tip - consumption at end user's billing meter

City Gate - The point of interconnection between a pipeline and a Local Distribution Company where gas is delivered to the LDC

Contract - any contract award resulting from this Invitation for Bids

Contractor - any bidder to whom a contract award has been made by the State as a result of bidding process.

(continued)

DEFINITIONS: (Cont'd)

Curtailment - interruption of flowing natural gas supplies imposed by pipelines and LDCs as a result of the demand for transportation service exceeding the capacity of the pipeline

DTI - Dominion Transmission, Inc

Event - Any day when an authorized user is receiving firm supply to the city gate and is required by the LDC to switch to its alternative fuel.

FERC - Federal Energy Regulatory Commission

FT - Firm Transportation

Final Fixed Price – Fixed Price plus the procurement fee

Final Indexed Price – Indexed Price plus the procurement fee

Firm Supply - service that anticipates no interruptions. Firm supply means primary firm, non-recallable primary delivery point capacity to the city gate and does not mean secondary firm supply. All natural gas specified herein as firm supply shall be primary firm supply.

Fixed Price - the combined price of the commodity and the "basis cost" for the duration of the contract for the delivery of natural gas to the city gate.

Fuel Retainage Losses - charges for fuel retention due to gas used for "PRESSURE"

GRI- Gas Research Institute

Gas day - A period of twenty-four (24) consecutive hours commencing at a specified hour on a given calendar day and ending at the same specified hour on the next succeeding calendar day.

Indexed Price – the combined price of indexed commodity cost and the "basis cost". The commodity price will vary monthly based on the New York Mercantile Exchange (NYMEX) futures commodity prices. A fixed "basis cost" will be added to the commodity price to determine each month's indexed price.

Interruptible Supply – gas service which may be interrupted by the marketer with satisfactory justification, which is an interstate pipeline or LDC curtailment.

LDC - Local Distribution Company, also known as Local Utility Company, which transports gas from the City Gate to the customer's meter.

Line Loss - the reduction in quantity of natural gas that results from leaks, venting, and other physical circumstances on a pipeline system

MDPQ - The MDPQ assigned per customer represents the use of certain pipeline assets and storage assets to accommodate the daily imbalance tolerance. The MDPQB pass through should not be included in the bid price.

MMBtu's - one million British Thermal Units, also known as a dekatherm.

Month - a period beginning at 10:00 a.m. on the first day of a calendar month and ending at 10:00 a.m. on the first day of the calendar month immediately following.

NYMEX - New York Mercantile Exchange

(continued)

DEFINITIONS: (Cont'd)

Natural Gas - a naturally occurring mixture of hydrocarbon and non-hydrocarbon gases found in geologic formations beneath the earth's surface and used as a fuel

PSC/DPS - New York State Public Service Commission

Primary Point of Delivery - the point where the gas enters the LDC (City Gate)

Primary Pipeline - the pipeline(s) that transports the gas to the LDC (City Gate)

Shrinkage - reduction in volume of wet natural gas due to removal of natural gas liquids, hydrogen sulfide, carbon dioxide, water vapor, and other impurities

State - The State of New York, its agencies and authorized non-State users

System Alert - An announcement of actual or pending events that if unchecked may result in an operational flow order

Taxes - Contact NYS Tax Department at 1-800-225-5829 with questions concerning any relative taxes/refund

FILED REQUIREMENTS CONTRACT:

The natural gas contract is a particular type of centralized contract, referred to as a filed requirements contract, placing special obligations on a participating agency and governed by Uniform Commercial Code section 2-306. In a filed requirements contract, an agency that wishes to purchase must commit in advance to make all necessary purchases for the natural gas from the awarded contractor. In the fixed price/firm supply, indexed price/firm supply, and the indexed price/interruptible supply lots, the quantities listed are intended to be indicative of the amount of natural gas to be purchased, however it is expressly agreed and understood that the contract shall only be for the quantities actually used during the contract term.

See also "Estimated/Specific Quantity Contracts" and "Participation in Centralized Contracts" in Appendix B, OGS General Specifications.

CUSTOMER OBLIGATIONS:

While OGS Procurement Services Group is responsible for administering the natural gas contract, it is expected the customer will attempt to work directly with the marketer to resolve any difficulties that may arise. OGS Procurement Services Group is available to provide assistance as needed, but should not be considered the first avenue of recourse.

PROCUREMENT CONTRACT FEE – NATURAL GAS:

State Finance Law §163-c (added by Part F of Chapter 56 of the Laws of 2008), imposes a centralized procurement contract fee (procurement fee) for centralized contracts for the purchase of commodities, services and technology awarded and administered by the Commissioner of General Services. The procurement fee is equal to one half of one percent (0.005) of the price of the commodity, service or technology sold and payable by the contractor.

The Office of General Services shall publish the Final Prices for both fixed and indexed prices and future price amendments on its web site.

OGS shall publish the Final Prices and future price adjustments, where applicable, using these calculations. The final prices shall be calculated for both the fixed and indexed prices as follows:

(continued)

PROCUREMENT CONTRACT FEE – NATURAL GAS: (Cont'd)

Final Fixed Price = fixed price (basis cost + the commodity cost) + procurement fee (fixed price *.005)

Final Indexed Price = indexed price (average of the last 3 days of the NYMEX as defined in this solicitation + basis cost) + procurement fee (indexed price *.005)

The procurement fee of one half of one percent of sales to purchasers by the contractor for the applicable preceding calendar quarter, as well as an accompanying return, must be made by the contractor to the New York State Department of Taxation and Finance (“DTF”) no later than forty-five (45) days after the close of each calendar quarter. Payment of the procurement fee, as well as filing of the accompanying return, must be made electronically to DTF. Prior to electronically filing the initial return and electronically paying the initial procurement fee, contractors must register on DTF’s Online Tax Center (<http://www.tax.state.ny.us/nyshome/online.htm>).

Returns must be filed even if no sales under the centralized contract were made during the preceding calendar quarter. Simultaneously, the contractor must provide its sales report for such preceding calendar quarter to OGS in the format and with details set forth in this solicitation. Contractors must fully cooperate with DTF and OGS relative to such payments and filings. Penalties for failure to comply with the filing and payment requirements are provided for by Article 27 of the Tax Law.

A contractor that cannot comply with the mandatory electronic filing and payment requirements must advise the OGS in writing at the time of bidding that it cannot reasonably comply with such electronic requirements. The contractor must provide the basis and reasons for its inability to comply. OGS shall in its sole discretion determine whether a sufficient basis and reasons have been presented supporting waiver of the mandatory electronic requirements. If the waiver is granted, the contractor shall pay the procurement fee to OGS by paper check, accompanied by the sales report and the paper return within forty-five days (45) days after the close of the preceding calendar quarter in accordance with the directions on the form. Contractor agrees to fully cooperate with OGS relative to such payment and filings.

In addition to the penalties prescribed by Article 27 of the Tax Law, failure by a contractor to timely and accurately remit the procurement fee, provide the sales report and file the return for each calendar quarter shall constitute a breach of contract, and the Commissioner of General Services may exercise discretion to terminate such centralized contract on written notice to the contractor.

PRICE:

Prices are awarded as either fixed (Procurement Fee included) or indexed (Procurement Fee added on monthly basis) as specified in each lot.

FIXED PRICE:

Lots indicated as fixed price shall include both commodity and basis costs in the bid price. In accordance with the statute, OGS shall add the procurement contract fee to the marketer’s fixed price to establish the final fixed price. Price increases are not applicable for those lots marked as fixed price. However, price decreases are allowed at anytime. Monthly indexed commodity prices do not apply to those lots identified as fixed price.

INDEXED PRICE:

For Lots indicated as indexed price marketers shall include only basis cost in the bid price. For evaluation, in accordance with the statute, OGS shall add the procurement fee to the bid price. Final Indexed prices shall be calculated monthly by taking the average of the last three (3) days closing settlement price of NYMEX natural gas daily settlement for the month of gas delivery and adding the basis cost and procurement fee. Prices will be carried to the 4th decimal place. While commodity price may increase or decrease from month to month, increases to basis costs are not allowed. However, basis cost decreases are allowed at anytime.

NOTE:

Average of the last three days of the Close of the NYMEX shall mean the average of the last three days NYMEX Close (Settlement Price) of the NYMEX for natural gas at the Henry Hub Louisiana delivery point as published in the Wall Street Journal Futures Column and shown on the NYMEX website.

(continued)

TAXES:

Governmental entities are to be automatically considered federal and state tax exempt. No supplier/marketer shall incur separately identifiable taxes with the expectation that they are to be passed along to the governmental user, except in such cases where the agency specifically agrees in writing in advance.

CONTRACT TYPES:

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

FIXED PRICE - FIRM SUPPLY:

- The customer will receive "firm" supply.
- The customer will pay for quantities actually used.
- The customer will pay one final fixed price for the life of the contract.
- The marketer is responsible for all balancing to the burner tip.
- The marketer is required to deliver natural gas at all times. Firm supply specified in this Invitation for Bids means primary firm non-recallable primary delivery point capacity to the city gate and not secondary firm supply.

INDEXED PRICE - FIRM SUPPLY:

- The customer will receive "firm" supply.
- The customer will pay for quantities actually used.
- The commodity price for natural gas will vary monthly based on the New York Mercantile Exchange (NYMEX) futures commodity prices. A fixed "basis cost" will be added to the commodity price to determine each month's indexed price. In accordance with the statute, the final indexed price will be calculated by adding the procurement fee to the month's indexed 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 marketer is responsible for all balancing to the burner tip.
- The marketer is required to deliver natural gas at all times. Firm supply specified in this Invitation for Bids means primary firm non-recallable primary delivery point capacity to the city gate and not secondary firm supply.

INDEXED PRICE - INTERRUPTIBLE SUPPLY:

- The customer must have 100% dual fuel capability.
- The commodity price for natural gas will vary monthly based on the New York Mercantile Exchange (NYMEX) futures commodity prices. A fixed "basis cost" will be added to the commodity price to determine each month's indexed price. In accordance with the statute, the final indexed price will be calculated by adding the procurement fee to the month's indexed 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 marketer is responsible for all balancing to the burner tip.
- 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 this Invitation for Bids and the subsequent award.
- If the natural gas prices are greater than the customer's alternate fuel, the State reserves the right to buy the alternate fuel but only if the decision to switch from gas is made at the time of nominations for that particular month. Other arrangements can be made providing mutual consent is established between marketer and the facility.

(continued)

INDEXED PRICE - INTERRUPTIBLE SUPPLY: (Cont'd)

- During upstream pipeline interruptions which prevent city gate delivery of customer's gas, marketer shall use all commercially reasonable efforts to secure replacement gas for the customers. Such efforts shall include, but not be limited to, supplies on alternate pipelines serving the effected LDC, requests to other marketers, and requests to the effected LDC's of the availability of excess system supply gas ("excess city gas supply"). Marketer shall provide written documentation to customer of such efforts. If successful, marketer must obtain facilities authorized personnel pre-approval and then confirm the transaction by submitting a Transaction Confirmation in the format as approved by the North American Energy Standards Board (NAESB).

Price per dekatherm will be calculated as follows:

marketer's actual cost + \$.25 + procurement fee((marketer's actual cost +.25) *.005)

Marketer's actual cost is defined as the price listed on the NAESB Transaction Confirmation Sheet. Authorized user must document the reasonableness of price in the procurement record.

NOMINATIONS FOR INTERRUPTIBLE SUPPLY:

The customer shall notify marketer in writing not less than five (5) calendar days before the first day of each delivery of the estimated monthly and/or daily gas nomination of the agency. If agreed to by the marketer, nominations may be submitted to marketer on an alternate date. Marketer should make certain that the using agency submits a nomination each month, even if the nomination is zero. If agency nominations are not timely, marketer may contact the Office of General Services for assistance.

Customers in an Interruptible Service can only implement alternate fuels usage if decided at time of monthly nomination and the alternate fuel is determined to be less costly based on price information available at the time of nomination. Other arrangements can be made providing mutual consent is established between marketer and end user.

INTERRUPTIBLE CUSTOMERS ARE NOT PERMITTED TO FUEL SWITCH DURING THE DELIVERY MONTH EXCEPT WHEN THERE IS A PIPELINE OR UTILITY INTERRUPTION OR OPERATION FLOW ORDER (OFO) UNLESS MUTUALLY AGREED UPON BY MARKETER AND INDIVIDUAL FACILITY.

Dominion Transmission, Inc. (DTI) receipt point at south of Valley Gate will not be accepted in the bid unless the bidder holds primary firm capacity that can deliver gas from the south of Valley Gate to north of Valley Gate during the winter months. (November 1st to March 31st).

MARKETERS RESPONSIBILITIES DURING CURTAILMENTS/INTERRUPTIONS:

If an agency nominates gas, and there is secondary or interruptible pipeline capacity available to the marketer from their primary or alternate pipeline as identified in this award document for that agency's specific lot, marketers shall supply gas for the entire month and the facility is required to burn the gas for the entire month. The State agrees to be interrupted only when marketer can provide satisfactory justification of interruptions or curtailments that occur on pipelines or at the LDC level, as a result of demand for transportation service exceeding capacity.

Marketer shall be responsible for notifying both customer and the Office of General Services, in writing via fax or e-mail of any pipeline curtailments as soon as possible after marketer becomes aware that a curtailment will take place.

(continued)

MARKETERS RESPONSIBILITIES DURING CURTAILMENTS/INTERRUPTIONS: (Cont'd)

Marketers are required during periods of upstream pipeline interruptions, to contact LDC for the availability of excess city gate supply, enabling marketer to purchase gas for the facility directly from the LDC (as indicated herein on pages 33 and 34 under Contract Types Indexed Price-Interruptible Supply). Price shall be approved prior to purchase by the individual agency.

Should curtailment/interruption occur, marketer will be required to provide to the Office of General Services, written documentation (within 24 hours of interruption) from the pipeline or LDC that clearly describes details of curtailment/interruption. This notification must be issued by the pipeline or LDC in question and must indicate the name, number and location of the station where curtailments/interruptions take place. This notification is required for each and every instance that curtailments/ interruptions occur.

If gas should flow due to marketer's failure to notify the customer and the Office of General Services of curtailment, and customer purchases gas directly from the utility, the customer will have sufficient justification to apply a charge-back, which shall be the difference between the contract natural gas price versus the utility supplied price, including any LDC imposed charges.

If customer nominates "0" or at the time of the monthly nomination notified marketer of a scheduled a plant shutdown/maintenance during said month, and gas flows, marketer will be liable for any charges caused by failure to manage customers account.

Marketer is required to notify customers and the Office of General Services of lifting of curtailment/interruption as soon as possible and to enable gas flow at the next available opportunity. Marketer will be liable for any charges caused by marketer's failure to inform customer and LDC, if applicable, of lifting of curtailment/interruption. Curtailment/Interruption of one or more pipelines will not be considered a force majeure situation.

SALES/TITLE TRANSFER POINT:

The State of New York takes title at the sales point(s) identified by the marketer. Notwithstanding transfer of title to the State at the sales point(s), marketer shall be deemed to exercise or continue in control and possession of the gas being delivered and responsible for any damage or injury caused until gas has been delivered at the LDC city gate (delivery point). Also, marketer shall be responsible for the coordination and scheduling of transportation volumes including completing all arrangements for transportation services for delivery of the natural gas to existing meter at each agency.

WARRANTY OF TITLE:

Marketer warrants title to all natural gas delivered and warrants that it has the right to sell the same and that such natural gas is free from liens and adverse claims of every kind. Marketer shall indemnify and save the State harmless against all loss, damage and expense of every kind on account of adverse claims that accrue before delivery to the State.

TRANSPORTATION CHARGES:

The marketer shall pay all costs associated with the transportation of the gas to the LDC city gate. The State (i.e. ordering agency) shall enter into a separate agreement with the LDC and pay all costs associated with the transportation of gas from the LDC city gate to the existing meter at each agency.

PUBLIC SERVICE COMMISSION RETAIL ACCESS BUSINESS RULES:

The marketer shall abide by the New York State Public Service Commission (PSC) Uniform Retail Access Business Practices Cases including all updates/revisions during the term of contract for all natural gas transactions and practices under this contract. This includes any PSC provisions covering "Single Billing". A copy of the PSC Uniform Retail Access Business Practices is available for download from the PSC web page: www.dps.state.ny.us.

(continued)

QUANTITY:

Subject to the terms and conditions of the contract, the marketer agrees to sell and deliver to designated facilities, and customers agree to purchase and accept from the marketer the nominated quantity of MMBtu's of natural gas per month. (Delivery Schedule reflects estimated quantities only.) Customers will be billed for actual quantity consumed. The sale and delivery of gas by marketer shall be on an interruptible or firm basis, as specified within each Lot. Where interruptible gas is specified, the marketer shall not be liable to the State for any interruption or curtailment of deliveries of natural gas to the State where satisfactory justification for such action can be provided in writing to the Office of General Services.

AGENCY TRAINING:

Marketer is responsible for conducting training sessions of appropriate length for critical agency personnel. Such sessions shall explain the mechanism of the transportation gas contract and shall be scheduled as requested by agency. Additionally, OGS PSG will contact all awarded interruptible customers to provide them with further instruction to ensure contract compliance is followed.

DELIVERY PRESSURE:

The gas purchased shall be delivered for the account of the State at a pressure sufficient to affect delivery into the pipeline facilities of the transporter.

NATURAL GAS QUALITY:

All gas delivered to the LDC's city gate shall have a total heating value of not less than 967 Btu per cubic foot and not more than 1100 Btu per cubic foot. The gas delivered to the local distribution company's city gate shall be commercially free from objectionable odors, dust or other solid or liquid matters which might interfere with the merchantability of the gas or cause injury to or interference with proper operation of the lines, regulators, meters, or other appliances through which gas flows. The gas supplied to the local distribution company's city gate shall not contain any active bacteria or bacterial agent capable of contribution to or causing operational problems. The gas delivered to the local distribution company's city gate shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered, and shall not contain any hydrocarbons which might condense to free liquids under normal conditions in the local distribution company's pipelines and shall not contain more than seven pounds of water in vapor phase per one million cubic feet. The gas delivered hereunder at the primary point of delivery shall be commercially free of gum, gum-forming constituents, gasoline and other solid and/or liquid matter that may become separated from the gas during transportation thereof and shall conform to quality specifications included in the interstate transporter's tariff as approved by the Federal Energy Regulatory Commission (FERC) and/or those required by delivering pipelines.

AGENCY/MARKETER RESPONSIBILITIES FOR ALL UTILITY TERRITORIES:

Customers Responsibilities:

Customer will be responsible for placing nominations for natural gas supply to the marketer "in writing" not less than five (5) calendar days prior to the first day of the month for which supply is needed; or, at a later date if mutually agreed upon by marketer and the agency.

Customer will be responsible for supplying usage data to marketer on an as-needed basis as required by the marketer in order to serve Agency under the utility/LDC.

Customer will be responsible for supplying faxed meter reads to marketer on an as-needed basis.

Customer will be responsible for having installed and utility approved remote telemeter devices, if needed.

Customer will be responsible for timely completion of utilities aggregation form upon receipt from Marketer for further submission to Utility Company.

Customer will be responsible for completion of any additional documentation as deemed necessary by Marketer and Utility/LDC.

(continued)

AGENCY/MARKETER RESPONSIBILITIES FOR ALL UTILITY TERRITORIES: (Cont'd)

Marketer Responsibilities:

Marketer will be responsible for placing nominations for natural gas supply to LDC "in writing" in accordance with utilities nomination schedule. (See Appendix B, Article 42 - "Estimated Quantity Contracts" and "Quantity" clause elsewhere herein.)

Marketer, prior to the start of contract, will inform user agencies of the format and manner of billing, including whether commodity will be billed separately by the contractor, or whether the contractor will be billing for the utility transportation on a single bill, and will provide a sample billing format.

Marketer will be responsible for requesting faxed meter reads from the Agency locations as deemed necessary by the marketer in order to serve Agency under the applicable utility company's program.

Marketer will be responsible for executing the completion and submission of the utilities aggregation form as required by the utility/LDC.

Marketer will be responsible for creating a pool of customers within the LDC's pooled balancing program to better facilitate its daily balancing responsibilities. This pool will consist of customers included on this solicitation but may also include other customers served by the successful bidder within this LDC territory.

Marketer is responsible for monitoring customers accounts at all times, including but not limited to system alerts.

Marketer will be responsible for requesting any usage data from the Agency locations as deemed necessary by the marketer in order to serve Agency under utility/LDC's program.

Marketer will be responsible for completion of any additional documentation as deemed necessary by the State or utility/LDC.

Marketer will be responsible for any and all daily/end-of-month "cash outs" as imposed by LDC, if applicable.

Marketer shall bill customer for actual quantities of natural gas consumed.

Marketers shall be required to deliver 100% of the buyers' natural gas requirements on a daily basis and shall be required to balance deliveries to conform to actual consumption by lot on a daily basis.

Marketer must be compliant with all Federal, State and NYS Public Service Commission tariffs governing each individual utility territory bid, including but not limited to load aggregations, balancing and individual utility programs.

Marketer will be responsible for notifying the OGS Procurement Services contract administrator immediately of any difficulties obtaining meter reads from individual facilities.

Marketer, where required, (all lots excluding interruptible supply) will secure adequate upstream capacity (and storage, when applicable) to ensure that service is "firm."

Marketer will be responsible to own the balance control account for all agencies listed herein, in accordance with individual utility/LDC when applicable.

(continued)

REBATES:

The Office of General Services has the right to determine the disposition of any rebates, settlements, restitution, liquidated damages, etc. which arise from the administration of this contract.

INVOICES:

Marketer may be required to furnish copies of monthly invoices to PURCHASING TEAM 3, NYS OFFICE OF GENERAL SERVICES, PROCUREMENT SERVICES GROUP, 38TH FLOOR CORNING TOWER, ESP, ALBANY, NY 12242 for recording sales transactions and analysis.

(continued)

**State of New York
 Office of General Services
 PROCUREMENT SERVICES GROUP
 Contract Performance Report**

Please take a moment to let us know how this contract award has measured up to your expectations. If reporting on more than one contractor or product, please make copies as needed. This office will use the information to improve our contract award, where appropriate. **Comments should include those of the product’s end user.**

Contract No.: _____ **Contractor:** _____

Describe Product* Provided (Include Item No., if available): _____

***Note:** “Product” is defined as a deliverable under any Bid or Contract, which may include commodities (including printing), services and/or technology. The term “Product” includes Licensed Software.

	Excellent	Good	Acceptable	Unacceptable
• Product meets your needs				
• Product meets contract specifications				
• Pricing				

CONTRACTOR

	Excellent	Good	Acceptable	Unacceptable
• Timeliness of delivery				
• Completeness of order (fill rate)				
• Responsiveness to inquiries				
• Employee courtesy				
• Problem resolution				

Comments: _____

 _____ (over)

Agency: _____ Prepared by: _____

Address: _____ Title: _____

_____ Date: _____

_____ Phone: _____

_____ E-mail: _____

Please detach or photocopy this form & return by FAX to 518/474-2437 or mail to:

OGS PROCUREMENT SERVICES GROUP
 Customer Services, 37th Floor
 Corning 2nd Tower - Empire State Plaza
 Albany, New York 12242
 * * * * *

(continued)