

**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](http://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).**