



**Solicitation Information
August 27, 2009**

RFP 7323055

TITLE: NATURAL GAS, TRANSPORTATION

OPENING DATE AND TIME: SEPTEMBER 24, 2009 @ 2:00PM

Questions concerning this solicitation may be e-mailed to the Division of Purchases at questions@purchasing.state.ri.us no later than **September 2, 2009 @ 12:00 Noon**. Please reference the RFP# on all correspondence. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

**Linda P. Roche
Chief Buyer**

**Vendors must register on-line at the State Purchasing Website at
www.purchasing.state.ri.us.**

NOTE TO VENDORS:

**Offers received without the entire completed three-page RIVP
Generated Bidder Certification Form attached may result in
disqualification.**

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

The State of Rhode Island

Department of Administration

Division of Purchases
One Capitol Hill, 2nd Floor
Providence, RI 02908
www.purchasing.ri.gov

**Request for Proposals
(RFP) #7323055
For Natural Gas Supply**

Released on August 27, 2009

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1 PROCUREMENT CALENDAR

EVENT	DATE	TIME
Solicitation Released	8/27/2009	5:00 PM EDT
Posting of Exhibit 1 – Accounts and Usage *	8/31/2009	5:00 PM EDT
Questions submitted by email Are Acceptable	8/26/2009 – 9/2/2009	
Bidder Call-In Teleconference **	9/1/2009	1:30 PM – 3:30 PM EDT
Demo Auction Held for Prospective Bidders	As needed	1:30 – 2:00 PM EDT
Posting of answers to Bidder Questions	9/7/2009	5:00 PM EDT
Technical Response Due Date and Time	9/16/2009	2:00 PM EDT
Notification of Qualification	9/21/2009	5:00 PM EDT
Posting of Exhibit 2 – Auction Schedule	9/14/2009	5:00 PM EDT
Price Submittal through World Energy Auction	9/24/2009	10:00 AM – 2:00 PM EDT
Contract Awards Notification	9/24/2009	3:00 PM EDT
Supply Contract Service Start Date	11/01/2009	

* All notifications, releases and amendments to this RFP, including Exhibits 1 and 2, will be posted at <https://www.wesplatform.com/webportal/Public/Announcement.aspx?ID=Q2ewmTCxknI%3d> and www.purchasing.ri.gov.

** Interested Bidders are invited to call into the teleconference. The call-in number is 1-888-875-4624; meeting number 555661#. Only questions about the terms and conditions of the RFP and account data will be addressed during this call.

Figure 1: Procurement Schedule

2 CONTACT INFORMATION

Questions regarding this RFP must be submitted in writing via electronic mail to questions@purchasing.state.ri.us.

Purchasing Department:	Department of Administration
Address:	One Capitol Hill, 2nd Floor Providence, RI 02908
Procurement Leader/Contact:	Linda Roche

3 INTRODUCTION AND OVERVIEW

3.1 Objective of the Request for Proposals

The State of Rhode Island's Department of Administration ("DOA"), Division of Purchases (the State) on behalf of Central Services, Cities and Towns and other State entities is soliciting bids from qualified suppliers of natural gas to provide firm supply of gas to some of the State's accounts. The Rhode Island Public Utilities Commission has approved New England Gas Company's tariffs to allow accounts that qualify for medium and large rate schedule to transport their own gas through the New England Gas System. The State has the attached listing of meters/accounts that qualify for firm transportation under the revised tariff. The purpose of this Request for Proposals (RFP) is to solicit, evaluate, and select, through a competitive bidding process, a source of guaranteed, firm and reliable gas supply for the firm requirement accounts for purchases commencing on November, 1 2009 or as otherwise noted in Exhibit 1. The RFP outlines the State's requirements, the instructions and terms of the RFP, and the State of Rhode Island's General Conditions of Purchase, which can be obtained from the Division of Purchases' internet address at: www.purchasing.ri.gov.

3.2 Acquisition Method

The State is utilizing an internet-based energy auction platform provided by World Energy Solutions, Inc. (WES) to obtain pricing for this procurement. The procurement will be a two-step procurement process. Bidders (i.e., natural gas suppliers) will be required to submit an un-priced technical proposal which will be evaluated in accordance with this RFP (see Section 5). Bidders whose technical proposals are found unacceptable will be so notified. Bidders whose technical proposals are found to be acceptable will be invited to participate in the reverse auction.

Bidder's prices shall be submitted at www.wesplatform.com in accordance with the pricing product definitions included this RFP and the bidding instructions at the WES website <http://www.worldenergy.com/procurements/state/ri/gas/das.html>. The State may request pricing for various pricing products, swings, account groups, and contract terms.

All pricing information must be submitted by the close of each reverse auction event. A detailed auction schedule (Exhibit 2) will be posted prior to the auction date. This schedule is subject to change. All bids submitted through the auction platform on the day of the auction are considered binding. Bids will only be considered on the date that they are received. Once a price quote for the account is accepted and awarded, no further quotes for that account will be considered.

Even though the pricing products described in Section 7 are for basis, if NYMEX Henry Hub gas prices move up or down from the NYMEX Henry Hub settled price on the day of the auction, as published in Platt's Gas Daily against the 12 month natural gas strip as quoted at www.nymex.com, more than 4.0% at any time between the auction start time and auction end time, local prevailing time in Providence, RI; the State will not require bidders to hold their bid prices if award notification has not already been provided; though they may do so at their own risk. A bidder must notify WES via e-mail at byeager@worldenergy.com if they wish to delete a bid due to a market movement of over 4.0%; verbal communication will not be accepted. WES must verify such movement in order for the bid to be cancelled.

It is the intent of the State to award a contract(s) to a bidder(s) on the basis of "best value" to the State. The State will consider items such as supply term and price when determining the "best value." The State reserves the right to reject any and all quotes received if it is determined that it is in the best interest of the State

The State will issue notice of award by electronic mail to the selected bidder on behalf of all agencies listed in Exhibit 1. Notice of award is official and binding, and the selected bidder will receive a faxed letter stating that the State has accepted their price no later than 3:00 PM EDT. The official documents (i.e., the Master Price Agreement) will be issued and distributed a few days after the auction.

Alternate bids (bids based on terms or conditions different than those established by this Contract) are not permitted; all prices submitted through the WES auction platform shall be in accordance with the provisions of this Contract. It shall be the express responsibility of the bidder to understand both the rules and the mechanics of the WES auction transaction platform. As part of this procurement a bidder teleconference will be held, and a demonstration auction will be provided to any bidder who requests it.

3.3 Background on State/Local Accounts

This RFP is for a portion of the State's firm gas requirements that qualify as transportation customers on the New England Gas System. The firm accounts have a maximum daily quantity represented in MMBtu/Day and typically serve the heating, hot water, and food service requirements of the many buildings that they represent. Each meter will be served by a separate transportation contract with New England Gas and the State. Each meter must be billed individually by agency. The State will provide meter numbers and locations. Accounts not listed but qualifying may be added to these requirements (see Section 7 for additional information regarding adding accounts).

3.3.1 Gas Supply Requirements

This RFP is being issued to solicit and procure an alternative gas supply to meet a portion of the State's total firm requirements at its many Department of Administration buildings, Courts systems, and other State accounts. The State's annual requirements for the firm accounts can be obtained through the New England Gas Company and is also included in Exhibit 1. Letters of Authorization ("LOAs") will be provided to bidders who request them.

Gas requirements at the listed locations are temperature sensitive. New England Gas offers three services to these accounts: firm sales service, FT-1, and FT-2. Under FT-1 and FT-2 rates, New England Gas provides local transportation to gas suppliers who deliver gas to the City Gate. Under the terms of the New England Gas firm sales rate schedule, the State does not need to make daily nomination of its requirements and is not subject to any daily imbalance penalties or overrun penalties. However, under the New England Gas FT-1 transportation tariff, shippers are required to make daily nominations and are subject to daily imbalance penalties, monthly cashout provisions, are overrun charges. A supplemental balancing service is available to FT-1 customers who need more balancing tolerance levels than the standard 10% daily level built into the FT-1 tariff. With the supplemental balancing service, FT-1 customers may

experience daily imbalance penalties. ProvGas' FT-2 service does not require daily metering and imbalance service be built into the transportation rate schedule.

The State of Rhode Island is presently equipped for FT-1 or FT-2 service, with the exception of two accounts at the University of Rhode Island. These two accounts are "grandfathered" and must remain FT-1.

For all accounts designated as FT-1 transportation, be aware that your transportation price per Dekatherm needs to include the following:

- All balancing service charges imposed by New England Gas.
- Any and all imbalance penalties and cashouts imposed by New England Gas.
- Any service or maintenance charges for existing telemetering equipment and/or new account telemetering equipment imposed by New England Gas (charges will be deducted from transporter's monthly bill).
- Any polling or long distance charges incurred by telemetering imposed by NYNEX or other long distance providers (charges will be deducted from transporter's monthly bill).
- Present capacity release charges and/or any increases in capacity release assignments or charges by New England Gas during the contract period.

For all accounts designated as FT-2 transportation (except the two grandfathered accounts), be aware that your transportation price per MMBtu needs to include the following:

- Present capacity release charges and/or any increases in capacity release assignments or charges by New England Gas during the contract.
- Present storage charges and/or increases in storage assignment or charges by New England Gas during the contract period.
- Present peaking capacity charge (Liquid Natural Gas) and/or any increase in peaking capacity release assignment or charges by New England Gas during the contract period.

The State of Rhode Island has designated which transportation service will be chosen for the firm loads in Exhibit 1.

The successful bidder will be required to provide administrative services, acting as an agent for the State, and provide services such as monitoring and managing the daily deliveries of gas for the system. This will include making all the necessary nominations on the respective interstate pipelines and on the New England Gas System, and daily monitoring of accounts, balancing, imbalance trading, and invoice consolidation. The bidder will be required to provide and/or pay for any fuel shrinkage, imbalance penalties, overrun charges, cashout charges, and other charges related to the delivery of gas to the State's accounts. The State is subject to the State's Gross Revenue Tax ("GRT"). The State expects to sign an agency agreement with the bidder to authorize the bidder to make nominations on behalf of the State. The bidder will be required to absorb any imbalance fees or penalties associated with their failure to deliver or manage the daily flow of gas. Sample agreements must be included with bid response. The State of Rhode Island may prefer invoice consolidation to be provided by the transporter. Invoice consolidation would include the cost of transportation provided by our local distribution company (LDC) and any other incidental costs associated with transporting which would

normally be included in billing by the LDC. A bidder must be able to provide invoice by meter number. A bidder must provide a sample invoice with bid response showing billing format.

3.4 Term of Requirement

The State is seeking price proposals for gas supply for number of terms including 12, 24, and 36 months. A detailed auction schedule will be posted prior to the auction date which will include the exact term and account groupings. Any awarded contract will include two (2) renewals each up to twelve (12) months in length.

3.5 Proposed Quantity

The quantity required for this solicitation is the full requirements of the accounts specified in this RFP under Exhibit 1 plus any added accounts with the exception of the accounts associated with the co-generation facility which will utilize a swing product. These exceptions are clearly denoted in Exhibit 1.

3.6 Bidder Requirements

To be considered a qualified bidder for this RFP, all gas marketers must register, either on or before the bid due date, with the Rhode Island Public Utilities Commission and in addition, proposals must comply with the State of Rhode Island Public Utilities Commission's "Regulations for Gas Marketers," pursuant to provisions of R.I.G.L. 1956 (1988 re-enactment) subsection 42-35-2(a)(2) and -3, and R.I.G.L. 1956 (1984 re-enactment) subsection 39-1-11. A copy of the Rhode Island Public Utilities Commission's Regulations for Gas Marketers can be obtained from the Rhode Island Public Utilities Commission's internet address at <http://www.ripuc.org>.

3.7 Technical Proposal Requirements

All technical proposals must be prepared in accordance with the requirements and procedures of this RFP and the Threshold Criteria and Required Information as outlined in this RFP. Bidders must meet or exceed all threshold criteria to be considered as a qualified bidder. Bidders are required to respond to all questions and to provide the specific information requested, if applicable. To facilitate the evaluation and selection process, all bidders are required to conform their proposals to the format as specified.

3.8 Rights of the Purchaser

The State of Rhode Island reserves the right to reject all bids and to terminate the RFP at its sole discretion. The issuance of the RFP in no way obligates the State to negotiate a contract with any bidder. The State reserves the right to negotiate provisions of the contract, which can provide benefits to the State. The State shall be under no obligation to accept the lowest cost or highest scoring proposal or to return any proposal or materials submitted in response to this RFP.

3.9 Description of the RFP

In addition to the Introduction and Overview, the RFP contains two other sections and several Exhibits. Detailed consumption is available at the auction website. The bidder is required to

register with the State of Rhode Island at the purchasing website and to complete and submit the three (3) page cover sheet which can be downloaded from the State's website at www.purchasing.ri.gov. **Failure to submit the three (3) page cover sheet may be cause for rejection of your bid.**

4 INSTRUCTIONS TO BIDDERS

4.1 Submission of the Bids and Public Opening

The Office of Purchases must receive all technical proposals by the bid opening date and time. The submission of a technical proposal after the bid opening date and time will, at the State's discretion, result in disqualification of the proposal. The bidder is required to register with the State at the purchasing website and to complete and submit the three (3) page cover.

4.2 Bid Evaluation Process

The State will undertake an evaluation of all the technical proposals received relative to the threshold and evaluation requirements.

4.3 Contract Award

The RFP is issued for the State of Rhode Island by the Rhode Island Purchasing Agent, Division of Purchases that is under the jurisdiction of the Department of Administration for the State of Rhode Island. Neither the submission of a technical proposal nor approval to bid in the reverse auction by the State shall constitute a binding contract. A Master Price Agreement will be issued for these requirements after a notice of award is sent by fax to the winning bidder. The notice of award will be faxed no later than 3:00 PM EDT on the day of the auction. The Master Price Agreement will be issued and distributed a few days after the auction.

Other eligible entities participating in this procurement will issue a release to the winning bidder based on the State's contract.

4.4 Procedures and Requirements

4.4.1 General Instructions

Bidders are required to follow all the instructions outlined in the RFP and provide all of the information required as part of Section 3, Evaluation Process. It is important that complete documentation is provided, that all exhibits and attachments are clearly marked and identified and that the proposal is well organized. The bidder must download and submit the three (3) page cover sheet with their bid.

4.4.2 Delivery of Proposals

Proposals should be hand delivered or submitted in a sealed envelope with bid number, bid opening date and time.

Bidders responding to this RFP must submit one (1) original (which must be noted as the original and must be signed in blue ink) and two (2) duplicate copies of the response including all required forms, licenses, references, etc. Proposals must be delivered to:

Department of Administration
Division of Purchases
One Capital Hill
Providence, RI 02908-5855
Attn: Ms. Linda Roche

The bidder is responsible for ensuring the technical proposal is received on time. Technical proposals, which are not present in the Division of Purchases at the above address by the submission deadline, will be determined to be late and will not be considered. For the purposes of this solicitation, the official time and date shall be set by the time clock in the Division of Purchases reception area.

4.4.3 Communications

Bidders are advised that once the RFP has been issued, there is to be no contact with any governmental employees, except for the Official Contact, regarding issues pertaining to this RFP. Instructions for participating in this bidding process, and information regarding this project, will be provided only through this RFP and written addenda. Please note the time and date of the Bidder Call-in Teleconference provided in Section 1.

4.4.4 Proposal Costs

All costs associated with developing or submitting a proposal in response to this RFP, or providing oral or written clarifications of its contents shall be borne by the bidder. The State assumes no responsibility for these costs.

4.4.5 Public Records

Bidders are advised that all materials submitted to the State for consideration, in response to this RFP, will be considered public records as defined in Title 38 Chapter 2 of the Rhode Island General Laws, without exception, and will be released for inspection immediately upon request once an award is made.

4.4.6 Communications Process

All inquiries regarding this solicitation should be directed through the Official Contact in Section 2. All questions from bidders must be submitted in writing via electronic mail to the Official Contact. No interpretations, revisions, or other communications regarding this RFP are valid unless received in writing and signed by an authorized representative of the State.

4.4.7 Proposal Clarification

The State at their sole discretion, may request additional information to verify the information contained in the proposal, or seek clarification of any item in the proposal.

4.4.8 Contents of Proposal

The following are mandatory submittals for this RFP. Failure to provide the requested information may be cause for the bid to be deemed non-responsive and may result in disqualification. The RFP Checklist (Exhibit 3) must be used as a cover sheet.

1. RFP Checklist
2. Three (3) page Cover Sheet (See Section 3.9)
3. Designated Account Manager/Project Team

Bidders must include the name, address, phone number, fax number and E-mail address of the designated account manager. A valid email address is a mandatory submission requirement for this RFP. Because the State conducts business via Internet technology, bidders must have the ability to communicate, send files, download files, etc. from the Internet.

Account Manager Name:

Account Manager Address:

Account Manager Phone Number:

Account Manager Fax Number:

Account Manager E-mail Address:

4. Technical Requirements
 - a. Licensing and Certification: Bidders must show that it holds all necessary licenses including:
 - i. Registration with the PUC to provide natural gas supply service.
 - ii. Agreements in place to allow for transportation to State accounts.
 - b. Experience: Bidders must demonstrate that it possesses experience providing natural gas to retail customers in deregulated markets and is not merely acting as a broker. To document this experience, the bidder must provide:
 - i. A narrative describing experience in deregulated natural gas markets, including the State.
 - ii. Years in business. Provide the number of years the firm has been providing natural gas in the State.
 - iii. Volumes under Contract. Provide the value and magnitude of energy supply contracts transacted during the past two years in the State.
 - iv. Large-scale service. Provide two examples of large-scale natural gas procurements that your firm has served in the past three years.
 - c. Financials: Bidders must provide the following financial information:
 - i. Financial Statement. Provide the firm's most recent audited financial statement and annual report or a link to the reports.
 - ii. Credit Rating. Provide the firm's most recent Standard & Poor's and/or Moody's credit rating information available to include any applicable support documentation.

5. References

Bidder must also submit the contact person, company name, account size, and phone number of at least five (5) references, preferably from the public sector, one of which should be similar in scope to the State, for which your company has provided competitive natural gas supply. The State reserves the right to verify a bidder's experience and references.

6. Sample Bill

Bidder must provide a sample invoice showing billing format.

7. Other Required Forms and Information

The other required form for this solicitation is a State of Rhode Island Everify W-9 form. This must be populated and returned to the State as part of the bidder's technical proposal. Also to be included in this section is a copy of the bidder's proposed contract language addressing supply warranties, and protection for buyer against imbalance penalties, overrun penalties, cashout penalties and similar type of liabilities.

5 EVALUATION PROCESS

5.1 Description of the Evaluation Process

The objective of the RFP process is to select a qualified natural gas supplier(s) that provides reliable natural gas service for the State's and Cities and Towns firm requirements. It is the intent of the State to award a contract(s) to the qualified bidder(s) on the basis of "best value" to the State.

5.2 Threshold/Evaluation Criteria

Each bidder's technical proposal must contain certain information and meet certain minimum requirements (Threshold Criteria) as specified below for the bidder to be considered a qualified bidder. The satisfaction of these Threshold Criteria is necessary to ensure that the selected bidder meets the State's gas supply requirements. Supporting documentation is required where applicable as part of the proposal for each of the Threshold Criteria.

Selection of qualified licensed bidders to provide supply of natural gas commodity will be based on the following Threshold Criteria:

- Licensing and Certification
- Experience
- References
- Financial Condition
- Completion and Submission of all required forms

Those bidders that have been qualified will be invited to participate in a reverse-auction. Bidders are not required to offer pricing for every account group offered; however pricing

submitted for an account group must apply to all accounts contained in that group. Bidders must hold the prices submitted in the auction firm until 3:00 PM EDT the day of the auction.

The order of these factors does not generally denote relative importance. The State reserves the right to consider other relevant factors as it deems appropriate. The State may or may not seek additional information from bidders prior to making selection.

The RFP does not commit the State to select any bidder, award any work, pay any costs in preparing a response or procure or contract for any services. The State reserves the right to accept or reject any or all submittals received and cancel or modify the RFP in part or its entirety when it is in the State's best interest to do so.

5.2.1 Liquidated Damages Provision

In order to ensure that the State's firm gas supplier requirements are met for the duration of the contract term, bidders entering into a contract with the State as a result of this solicitation process will be required to warrant that they have or will acquire sufficient natural gas and transportation contracts to perform their firm obligations under this contract. Furthermore, the supplier must agree to pay all fees or penalties associated with their failure to deliver the proper quantities of gas on a daily basis. It should be assumed that any failure to deliver firm supplies would result in substantial penalties and very high replacement costs. The State will require a liquidated damages provision in the contract, which will require such bidders to pay for replacement gas costs and other damages including, without limitation, additional transportation charges in the event of a failure to deliver. This provision does not apply to the State's interruptible requirements. Technical proposals must include a copy of the bidder's proposed contract language addressing supply warranties, and protection for buyer against imbalance penalties, overrun penalties, cashout penalties and similar type of liabilities.

6 PRICING

The selected bidder will purchase, deliver, and bill for natural gas for various State agencies and accounts listed in Exhibit 1. An auction will be held to solicit prices for the "Basis" as defined below for the accounts listed in Exhibit 1. All such volumes will be subject to the agreed to prices. All gas requirements will be as measured at the customer meter, i.e. "burner tip volumes".

The "Basis" component of the price is fixed and held for the length of the contract, and shall include all applicable taxes, the underlying interstate transportation contracts, shrinkage/line loss (both interstate and citygate), risk premium adjustment, and all additional charges outside of the commodity price. If the interstate and/or citygate line loss factors increase or decrease after the start of the contract, the supplier may charge/credit the State with the increase/decrease in the line loss factor provided that the Supplier provides documentation in a timely manner that fully supports the change in line loss factor. No fuel adjustment costs will be assessed retroactively.

The "Commodity" component of the price shall be based on the NYMEX and "locked in" by the State and the selected bidder as appropriate given market conditions. The State has the right to lock in the Commodity component on a month-to-month basis, or for other intervals of time up to the full term of the contract for a portion of or the entire load awarded to the bidder. The

Commodity component shall be the price for the NYMEX futures contract for the delivery month(s). The GRT will be a separate line item on the bill. No bids will be requested for the Commodity component. The selected bidder will coordinate NYMEX locks with the designated State representatives from DOA.

The summation of the Commodity and Basis components shall constitute the Total Price. The Total Price shall be applied to the "burner tip volumes" for purposes of invoicing. Except as may be explicitly noted in these terms and conditions, no other charges or fees will be allowed. The State shall not be liable for any bidder expenses, fees, and penalties that may be associated with nominations, balancing, and cash outs.

The selected bidder will work closely with the Department of Administration and WES to design and implement reports and other tools to facilitate the communication of NYMEX market developments to DOA.

Pricing Default Sequence

1. The fixed price by LDC, as confirmed by OPM, for all volumes.
2. In the event the Commodity portion of the price for any month has not been locked prior to 1:00 pm on the last trading day of the NYMEX prompt month, the default NYMEX price shall be the Commodity settlement price.

7 SPECIFICATIONS

DELIVERY POINT

The "Delivery Point" shall be that point on the distribution system at which the LDC takes possession and ownership of the natural gas supply (citygate) for final delivery to the facility meter (burnertip). This same Delivery Point shall be where the facility takes title to the natural gas though the selected bidder(s) are required to manage the natural gas to the burnertip.

RISK OF LOSS

Risk of loss of natural gas supplied under this contract shall remain with the selected bidder(s) until, and shall pass to the facility only upon, delivery of said natural gas to the Delivery Point for each facility account.

PROCUREMENT FEE

The selected bidder hereby agrees to the assessment of a procurement fee on all accounts included in this contract that will be reflected in the selected bidder's price. The fee for any twelve ("12") month contract awards is \$0.08 per dth for all usage billed and for any contracts twelve ("12") months or greater the fee is \$0.07 per dth for all usage billed. This fee shall be paid directly to World Energy Solutions, Inc. by the selected bidder(s) in accordance with the "World Energy Payment Instructions" found on the website, <https://www.wesplatform.com/webportal/Public/Announcement.aspx?ID=Q2ewmTCxknI%3d>.

NOMINATING AND BALANCING RESPONSIBILITIES

It is the selected bidder's responsibility to conduct all required nominations on behalf of the facilities specified in Exhibit 1. The selected bidder shall be fully familiar with the imbalance, shrinkage/line loss, and policies of the LDC. Any costs and/or penalties associated with these items will be borne by the selected bidder.

MATERIAL CHANGE

The State will notify the selected bidder as soon as practical after the State has become aware of any changes in its operations that would result in the State's actual consumption of gas increasing to more than 125% or decreasing to less than 75% of its monthly historic consumption for reasons other than weather ("Material Change"), so that they may adjust scheduled volumes accordingly. The State will be responsible for any charges or penalties imposed upon it or the selected bidder by the State's LDC or other pipelines or gas facilities for any Material Change in the consumption pattern without prior notification to the selected bidder.

LOAD REDUCTION

The State will not be penalized in any way for pursuing energy conservation projects or participating in programs that reduce load requirements unless the State awards a pricing product with 10% swing, in which case this clause will be moot.

FORCE MAJEURE

Except for the State's obligation to pay the winning supplier for natural gas delivered, if either party is rendered unable, wholly or in part, to perform its obligations under this Agreement due to Force Majeure, to the extent affected by the Force Majeure the obligations of each party will be suspended for the duration of such Force Majeure. A party claiming Force Majeure shall promptly notify the other party by telephone and confirm within a reasonable period of time by a written notice describing in reasonable detail the nature, and estimated duration, of such Force Majeure. The Force Majeure will, so far as possible, be remedied with all reasonable dispatch. If the duration of the Force Majeure event exceeds twenty (20) days, the party not claiming Force Majeure may terminate the affected portions of this Agreement with ten (10) days written notice to the other party.

ENROLLMENT

The selected bidder will be responsible for switching accounts from the applicable LDC (or third-party contractor) to the selected bidder and fulfilling any obligations with the LDC to that end. If the selected bidder fails to switch accounts within the terms specified in this contract, penalties may be assessed based on the difference between the applicable LDC Basic Service Rate and the rate that would have been charged by the selected bidder (i.e. Basis plus Commodity) for the period of time the account remained on LDC service. Additionally, the selected bidder will be required to provide a spreadsheet clearly identifying each account number being served as a result of contract award(s) and the service start date for each of these accounts. This spreadsheet will be due to the State and WES on or before thirty (30) business days after Contract award.

PAYMENT AND BILLING

The selected bidder will bill each meter monthly by agency or by participating entity.

ADDING FACILITIES TO THIS CONTRACT

For a variety of reasons, it is possible that certain authorized facilities eligible to purchase natural gas under this contract will not be included in Exhibit 1. The State shall provide an estimate of the facility's natural gas requirements and the selected bidder will be required to provide a price for the new account under the same Terms and Conditions as this Contract. The State will provide this information at least thirty (30) days prior to the desired flow date. The selected bidder will have fifteen (15) days to provide a price for the new accounts. The State will have the ability to decline the price if it is not in the State's best interest. Adding facilities shall be accomplished through a bilateral modification of the contract.

In LDCs where the policy is to change account numbers upon enrollment with a third-party supplier, the facility will not be considered an addition even if a new account number is assigned. If the LDC deems appropriate to change an account number for a facility during the term of this Contract, this will also not be considered an addition.

PRICING PRODUCTS

The State will consider several pricing products for the auction including, but not limited to the following:

Basis Price Full Swing: Bids for account groups with this pricing product should consist of a single Basis price per Decatherm (Dth) for all natural gas supply for all accounts within the group. The natural gas provided shall be equivalent to the relevant LDC's basic service product. The selected bidder must provide the monthly City Gate quantities to achieve the burner-tip volumes for all accounts within the group, regardless of any variances between historical consumption and actual consumption.

Basis Price 10% Swing: Bids for account groups with this pricing product should consist of a single Basis price per Dth for all natural gas supply for all accounts within the group. The natural gas provided shall be equivalent to the relevant LDC's basic service product. The selected bidder must prepare to provide the monthly City Gate quantities to achieve the burner-tip volumes contained in Exhibit 1, within a +/- monthly swing of 10%, at the price quoted in their response to this request for quote (RFQ). Any incremental monthly supply consumed in excess of the allowable high swing may be billed at a price determined as the average of that month's daily indexed price to the nearest pipeline as published in "Platts Gas Daily" plus \$0.10. Any incremental monthly supply consumption short of the low swing may be sold to the facilities list in Exhibit A4 at the contract price resulting from this RFQ and repurchased by the selected bidder at a price determined as the average of that month's daily indexed price to the nearest pipeline as published in "Platts Gas Daily" minus \$0.10.

The contract performance for the Basis Price 10% Swing product will be measured in aggregate. If in aggregate the total customer usage is outside of the allowable bandwidth, then a differential calculation will be applied on an account by account basis, with the additional costs/credits allocated to the account(s) outside of the allowable 10% swing.

The selected bidder(s) shall assume all risk and financial loss/gain in regard to variances within the "high swing/low swing" window regardless of cause.

REGULATORY CHANGE

If any regulatory change(s) is imposed after this Contract has been initiated, the selected bidder may pass through to the State any charges or discounts that are a result of the regulatory change(s) so long as such charges/discounts are directly related to supplying natural gas under this Contract. The selected bidder is required to submit a written notice of such regulatory change accompanied by an explanation of how the change is directly related to supplying natural gas to the State. This notice must be provided to the State sixty (60) days prior to the implementation of the regulatory change.

Regulatory Change may be a new charge/discount or an increase/decrease in a current charge imposed by the relevant LDC.

REPORTING REQUIREMENTS

Monthly Electronic Summary Report: The selected bidder shall provide the State and WES with a monthly, digital natural gas consumption summary containing the following information by account number: service start date, service end date, total consumption, and total charges. The monthly digital summary must adhere to the "World Energy Payment Instructions" documents posted at <https://www.wesplatform.com/webportal/Public/Announcement.aspx?ID=Q2ewmTCxknI%3d>. The summary will be in Microsoft Excel spreadsheet template and accompany or precede payment of monthly fees.

The State reserves the right to request that the selected bidder provide WES with a copy of the selected bidder's electronic data transaction with the LDC in lieu of the Monthly Electronic Summary Report provided that this does not represent an additional burden to the selected bidder.

8 NOTES AND INSTRUCTIONS TO BIDDERS REGARDING PRICING AND USAGE DATA

The quantities to be made available to bidders in Exhibit 1 are based on historical usage obtained through the LDCs at the time this RFP was issued. The data provided is intended as an estimate of the magnitude and nature of the usage during a specified time period. Such estimates are being furnished for informational purposes. The State does not warrant the accuracy of the usage information provided and the selected bidder will be entitled to no additional compensation and no equitable adjustment of price if actual load requirements vary, except as provided in the Material Change definition. Since it is impossible to determine the precise quantities that will be needed during the contract term, each selected bidder shall be obligated to furnish the State's natural gas requirements in full during the term of this contract.

EXHIBIT 1: ACCOUNTS AND USAGE

The accounts and usage will be released as a separate file.

EXHIBIT 2: SCHEDULE

The schedule will be released as a separate file.

EXHIBIT 3: RFP CHECKLIST

Bidder Name: _____

Name of person completing RFP: _____

Telephone Number of person completing RFP: _____

E-mail address of person completing RFP: _____

Checklist:

- Part 1: Use RFQ Checklist as Cover Sheet
- Part 2: Three (3) page Cover Sheet (See Section 3.9)
- Part 3: Designated Account Manager
- Part 4: Technical Requirements
 - Licensing and Certification: Licenses, PUC Registration, Agreements, etc.
 - Experience: Narrative, Years in Business, Volumes Under Contract, and Large-scale Service
 - Financials: Financial Statements, and Credit Rating
- Part 5: References (5 Must be Provided)
- Part 6: Sample Bill
- Part 7: Other Required Forms and Information
 - State of Rhode Island Everify W-9 form
 - Proposed contract language on supply warranties and protection for buyer against imbalance penalties, overrun penalties, cashout penalties and similar type of liabilities