



Statewide Term Contract 405N – Natural Gas (Pipeline, Firm & Interruptible)

Bid Number	201500838
Contract Name	Natural Gas (Pipeline, Firm & Interruptible)
Effective Dates	December 1, 2015 to February 28, 2025
Vendor Contact Information	<p>Texican Natural Gas Company LLC – (704) 544-6347 – (704) 544-6752 Fax</p> <p>Primary Contact: Aubrey Hilliard – (704) 544-7121</p> <p>Additional Contacts: JoAnn Lanzano – (704) 544-7128 Eric Sayman – (704) 544-7122 Scott Ferreira – (704) 544-7120 Kay Little – (704) 544-7124 Kelly Hames – (704) 544-7125 Jennifer Crouch – (704) 544-7127</p>
Contract Type	This is a mandatory Statewide Term Contract for state agencies, departments, institutions, universities and community colleges - unless exempted by North Carolina General Statute. Additionally, non-mandatory entities including schools and local governments that are allowed by general statute may use this contract.
Emergency, After Hours, Weekends & Holidays Contact	JoAnn Lanzano , (704) 544-7128 or (347) 401-8303 Cell – (704) 544-6752 Fax
Advising	Advising agencies on market conditions/trends, when it is less costly to purchase natural gas from the LDC, and to assist agencies in establishing a transport relationship with the LDC.
Training	Training sessions will be conducted throughout the contract period as the need arises. Webinars are available to train personnel on the specifics of the natural gas industry including procedure, policies, and principles of gas purchasing as well as the interpretation and use of management reports.
Procedure Manual	<p>Procedure Manual</p> <p>PSNC Customer Authorization Form</p> <p>Piedmont Natural Gas Customer Authorization Form</p> <p>Texican Natural Gas Sample Invoice</p> <p>Sample Energy Summary Report</p>
Transportation Charges	The Vendor 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. An agency shall provide any LDC, required forms to give the Vendor authorization to act on the agency's behalf.

Quantity

Subject to the terms and conditions of this contract, the Vendor agrees to deliver to agencies their monthly requirements, and agencies agree to provide Vendor monthly nominations for anticipated quantities of natural gas. (Delivery Schedule reflects estimated quantities only.) Agency will be billed for actual quantity consumed. The sale and delivery of gas by Vendor shall be on a firm basis.

Pricing

The basis cost will not change throughout the first twelve (12) months of the contract.

$$\begin{array}{rclcl}
 \text{City} & = & \text{NYMEX} & + & \text{All Inclusive Basis Cost} \\
 \text{Gate} & & \text{Closing} & & \text{(including eProcurement fee)} \\
 \text{Price} & & \text{Cost} & & \$1.100/Dt
 \end{array}$$

1. NYMEX Cost

The last day NYMEX Settlement Price for the applicable month and/or NYMEX strip or monthly price for any futures transaction authorized by an agency.

2. Basis Cost

All costs associated with the transportation of the natural gas to the LDC city gate including tariff charges, commodity transportation, capacity charges, marketer margin, shrinkage, fuel retainage losses, GRI surcharge, Gross Receipts Tax (GRT), custom duties/charges and full requirements balancing. The basis cost **does not include** the commodity cost (NYMEX Cost). The basis cost **does include** eProcurement fees under the statewide eProcurement Service. Presently, the eProcurement transaction fee for this contract is 1.75% (.0175).

Nominations

Agency shall notify the Vendor by email or fax not less than five (5) calendar days before the first day of each delivery of the estimated monthly and/or daily gas nomination. If agreed to by the Vendor, nominations may be submitted to Vendor at a later date. Vendor shall take no formal action to supply gas unless a nomination has been received. Vendor should ensure the using agency submits a nomination each month, even if the nomination is zero. If applicable, Vendor shall be responsible for notifying agency of any mid-month adjustments to agency nomination. If nominations are not timely, the Vendor may contact the Division of Purchase and Contract for assistance. The nomination form shall be comparable to the one on Attachment B – Sample Nomination Form. There shall be no Vendor terms and conditions referenced on the nomination form. The state’s terms and conditions incorporated herein shall be the only terms of the resulting contract.

Agency shall pay for the actual volume of gas consumed at each individual metering location, subject to the Force Majeure clause.

Force Majeure

A party claiming Force Majeure will be excused from its obligations under Section 2 to the extent that it provides prompt notice of the Force Majeure and uses due diligence to remove its cause and resume performance as promptly as is reasonably possible. During a Force Majeure event, agency will not be excused from its responsibility for charges due irrespective of the Force Majeure event nor from its responsibility to pay for gas actually received. “Force Majeure” means a material, unavoidable occurrence beyond a Party’s control, and does not include inability to pay, an increase or decrease in Taxes or the cost of Commodity, the economic hardships of a Party, the full or partial closure of agency’s facilities, unless such closure itself is due to Force Majeure, or the curtailment/interruption of one or more, but less than all, pipelines usable for performance to a relevant location under this contract.

Order Placement	Orders may be placed on an as needed basis through eProcurement , phone or fax. The Vendor should be contacted when purchasing guidance is needed.
NC Natural Gas Service Areas	NC Natural Gas Service Areas
Disaster/Emergency	In the event a disaster/emergency is declared by Executive Order, or that the State Purchasing Officer determines pursuant to his/her authority under Title 1, Chapter 5 of the North Carolina Administrative Code that an emergency exists requiring the prompt and immediate delivery of natural gas, the agency reserves the right to obtain natural gas from any source, including but not limited to this contract. Vendor shall not be entitled to any claim or lost profits for natural gas procured from other sources pursuant to this paragraph.
Title	<ol style="list-style-type: none"> 1. Transfer The state of North Carolina takes title at the city gate sales point. Notwithstanding transfer of title to the state at the sales point(s), Vendor shall be the state's agent to exercise control of the gas being delivered until gas has been delivered by the LDC to the customer's account meter. Vendor 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. 2. Warranty Vendor warrants title to all natural gas delivered by it 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. Vendor shall indemnify and save the state harmless against all loss, damage and expense of every kind on account of adverse claims which accrue before delivery to the state.
NC Utilities Commission Rules & Regulations	The Vendor shall abide by the North Carolina Utilities Commission Rules and Regulations for all natural gas transactions and practices.
Balancing	The Vendor is responsible for all supply/demand balancing for the agencies under the contract. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected transporter (s). Each party shall give the other party timely prior notice, sufficient to meet the requirements of all transporter(s) involved in the transaction, of the quantities of gas to be delivered and purchased. Should either party become aware that the actual deliveries at the delivery point are greater or lesser than the scheduled gas, such party shall notify the other party within thirty (30) business days after such discovery.
Curtailments/Interruptions	<p>Curtailment is defined as interruption of flowing natural gas supplies imposed by pipelines and LDC's as a result of the demand for service exceeding the capacity of the pipeline. If an agency nominates gas, and the LDC and any available pipeline is flowing supply, Vendors are expected to supply gas for the entire month and end user is required to buy gas for the entire month. The state agrees to be interrupted only when Vendor can provide satisfactory justification of curtailments or interruptions that occur on pipelines or at the LDC level, as a result of demand for supply exceeding capacity. Where firm supply is specified, Vendor is expected to deliver natural gas at all times. Note firm supply means primary firm non-recallable primary delivery point capacity to the city gate and not secondary firm supply.</p> <p>Vendor shall notify the agency of impending interruptions immediately by telephone and shall follow up with written notification sent by email or facsimile. Should curtailment/interruption occur, the Vendor shall provide to the agency satisfactory written justification, including documentation from the pipeline or LDC which clearly describes details of the curtailment/interruption and should indicate the name,</p>

	<p>number and location of the station where curtailment takes place. Failure to provide the agency written justification within twenty-four (24) hours of pipeline curtailment may be sufficient justification for the agency to apply a charge-back penalty, which shall be the difference between this contract's natural gas price versus the open market purchase price of replacement gas or the utility supplied price, including any LDC imposed penalties.</p> <p>Vendor shall notify the agency, and LDC if applicable, of resumption of service immediately by telephone and shall follow up with written notification sent by email or facsimile. Agency written notification shall indicate the date/time of the interruption, date/time full flow was resumed and the volumetric impact of the interruption on the agency's nomination. Vendor will be liable for any penalties caused by Vendor's failure to inform the agency, and LDC if applicable, within twelve (12) hours of resumption of service.</p>
Invoicing	<p>Vendor shall provide the agency a statement showing the quantity of gas delivered during the preceding month. The bill shall contain, but not be limited to:</p> <ol style="list-style-type: none"> 1. Quantity of gas nominated by the agency 2. Quantity of gas delivered to the city gate 3. Cost of gas per dekatherm delivered to the city gate 4. Adjustments made (balancing) 5. Indicate if a separate invoice will be issued by the LDC (city gate to burnertip). If applicable the Vendor should offer the agency the option to receive combined marketer/LDC bills. 6. Final total bill to be paid <p>Note: Agency will receive a separate invoice from the LDC (Local Distribution Company, also known as Local Utility Company)</p>
Refund	<p>The agency and/or Vendor will be entitled to a refund of any substantiated overcharge or receipt of any underpayment, as allowable by law, discovered within five (5) years after the billing date. Such refunds or payments shall be made or credited within thirty (30) days after receipt of a claim.</p>
Loaded in to eProcurement	Yes
eProcurement Help Desk	(888) 211-7440
Contract Manager	Austin Kiziah (984) 236-0237
Contract Addenda	3/7/2017: Contract Administrator Change to Grant Braley.
	4/16/2018: Contract Extended to November 30, 2019.
	8/6/2019: Contract Extended to November 30, 2020 & Basis Cost Amended to \$1.100/Dt
	7/6/2020: Contract Administrator Changed to Steve Hussey.
	11/17/2020: Contract Extended to November 30, 2021
	8/24/2021: Contract Extended to November 30, 2022 at a price of \$0.989Dt.
	12/1/2022: Contract Extended to November 30, 2023. Price increase to \$4.67Dt effective December 1, 2022 to November 30, 2023. -
	3/7/2023: Contract Administrator Changed to Contract Manager Kayla Glenn

	4/17/2023: Contract Manager updated to Pamela Case
	4/21/2023: Contract Manager updated to Kayla Glenn
	8/21/2023: Contract Manager changed to Melissa Pressley
	11/27/2023: Contract Manager updated to Austin Kiziah.
	11/30/2023: Contract Extended to April 30, 2024. Price decrease to \$3.60Dt - effective December 1, 2023.
	4/30/2024: Contract Extension to August 30, 2024
	8/30/2024: Contract Extension to October 30, 2024
	10/30/2024: Contract Extension to December 31, 2024
	12/31/2024: Contract Extension to February 28, 2025.