

Statewide Term Contract

1511A - Natural Gas (Interruptible and Firm)

Bid Number	DPC-1117029844
Contract Title	Natural Gas (Interruptible and Firm)
Effective Dates	March 1, 2025, through February 29, 2028 (with two (2) additional two-year renewals)
Awarded Vendor(s) and Contact(s)	<p>Texican Natural Gas Co. LLC</p> <p>Contract Manager Audrey Hilliard (704) 544-7121 (704) 907-8542 Customer Service JoAnn Lanzano (704) 544-7128 (347) 401-8303</p>
Contract Covers	<p>This contract is intended to cover the state’s normal requirements for the provision of natural gas (interruptible and firm) through each of the four (4) natural gas service territories/pipelines regulated by the North Carolina Utilities Commission:</p> <ol style="list-style-type: none"> 1. Piedmont Natural Gas 2. PSNC Energy (Dominion) 3. Frontier Energy 4. Toccoa
Contract Type	<p>This is a mandatory statewide term contract for state agencies, departments, institutions, universities, and community colleges - unless exempted by North Carolina general statute. Non-mandatory entities, including schools and local governments, may use this contract as allowed by general statute.</p>
Special Note	<p>North Carolina Natural Gas Coverage Areas</p> <p>Title</p> <ol style="list-style-type: none"> 1. <u>Transfer</u> <p>The state of North Carolina takes the 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. The vendor shall be responsible for the coordination and scheduling of transportation volumes including completing all arrangements for transportation services/delivery of the natural gas to an existing meter at each agency.</p> <ol style="list-style-type: none"> 2. <u>Warranty</u> <p>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.</p> <p>Nominations</p> <p>Agency shall notify the vendor by email (or by fax, if applicable) not less than five (5) calendar days before the first day of each delivery month, the estimated monthly and/or daily gas nomination. If agreed to by the vendor, nominations may be submitted to vendor at a later date. The vendor shall take no formal action to supply gas unless a nomination has been received. The vendor should ensure the participating agency submits a</p>

nomination each month, even if the nomination is zero. If applicable, vendor shall be responsible for notifying the agency of any mid-month adjustments to the agency nomination. If nominations are not within the specified time requirement, the vendor may contact the contract manager for assistance. 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.

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

Force Majeure

Curtailed/Interruption of one (1) or more pipelines will not be considered a force majeure situation. Except for the state's obligations to make payment for gas delivered hereunder, neither party hereto shall be liable for any failure to comply with the terms of the contract when such failure is due to "force majeure" so long as the causes are not reasonably within the control of the party claiming "force majeure". The "force majeure" shall, so far as possible, be remedied with reasonable dispatch.

For purposes of this clause "force majeure" which interferes with the state's ability to use natural gas shall be deemed to occur no later than twelve (12) hours after receipt of notification thereof by the state.

In the event (i) a transaction has a firm obligation, and (ii) vendor is unable to sell and deliver the quantity for such transaction as a result of an event of force majeure or an agency is unable to purchase and receive the quantity for such transaction as a result of an event of force majeure, and (iii) the delivery period for such transaction is at least one calendar month, and (iv) the City Gate Price is a Fixed Price (as defined below), then (a) if the FOM Price (as defined below) is above the Fixed Price, vendor shall pay the agency for each MMBtu of gas not delivered and/or received, the difference between the FOM Price and the Fixed Price, or (b) if the FOM Price is below the Fixed Price, the agency shall pay vendor for each MMBtu of gas not delivered and/or received, the difference between the Fixed Price and the FOM Price.

Balancing

The vendor is responsible for all supply/demand balancing for the agencies under the contract. This is a full requirements' solicitation. 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 of the quantities of gas to be delivered and purchased, such notice should be sufficient to meet the requirements of all transporters involved in the transaction. Should either party become aware that the actual deliveries at the delivery point are greater or less than the scheduled gas, such party shall promptly notify the other party.

Curtailments/Interruptions

Curtailed 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 the agency 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 that firm supply means primary firm non-recallable primary delivery point capacity to the city gate and not secondary firm supply.

Vendor shall notify the affected agency and contract manager of impending interruptions immediately by telephone and shall follow up with a written notification sent by e-mail. 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, 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.

Vendor shall notify the agency, and LDC if applicable, of resumption of service immediately by telephone and shall follow up with a written notification sent by e-mail. 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 shall 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.

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.) The sale and delivery of gas by vendor shall be on a firm basis.

Disaster/Emergency

In the event that 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.

Invoicing

The vendor shall invoice the purchasing agency. The standard format for invoicing shall be Single Invoices, meaning that the vendor shall provide the purchasing agency with an invoice for each preceding month. Invoices shall include detailed information to allow the purchasing agency to verify that pricing is in accordance with contract terms. At a minimum, the following fields shall be included on all invoices:

- a. Vendor billing address
- b. Customer account number
- c. NC contract number
- d. Buyer order number
- e. Quantity of natural gas nominated by the agency
- f. Quantity of natural gas delivered to the city gate
- g. Quantity of natural gas consumed by the agency
- h. Cost of gas per dekatherm delivered to the city gate
- i. Adjustments (balancing)
- j. Final total bill

Note: The agency will receive a separate invoice from the LDC (Local Distribution Company, also known as the Local Utility Company).

Refund
 The state will be entitled to a refund of any substantiated overcharge discovered as allowable by law within five (5) years after the billing date. Such refunds shall be made or credited within thirty (30) days after receipt of a claim and shall bear interest (from the date of erroneous payment) at the rate specified by the state.

Advising
 The vendor is among other things required to advise user agencies on market conditions/trends, to enable agency cost savings via timely purchase of natural gas directly from the LDC when costs are low, and to assist agencies in establishing transport relationships with the LDC.

- Agency Responsibility**
- Placement of nominations for natural gas to the vendor by email or facsimile not less than five (5) calendar days prior to the first day of the month of delivery or at a later date if mutually agreed upon by the vendor and agency
 - Prompt and timely notification of the vendor of any changes in nomination requirements at any time during the month. Notifications will be by telephone, with a follow-up written notification
 - Supply of vendor usage data on an 'as-needed' basis as may be required by the vendor.
 - Timely completion of LDC aggregation form upon receipt from vendor, for submission to LDC
 - Completion of any additional documentation as may be deemed reasonably necessary by the vendor and LDC
- Any additional costs incurred by the agency as a result of the agency's failure to supply vendor with reasonably necessary meter reads as may be requested.

Contract Items and Pricing

City Gate Price = (NYMEX Cost + Basis Cost) * (1 + eProcurement Fee)
 eProcurement Fee = \$.0175

The All-inclusive Basis Cost shall be held firm against increase for the initial contract term (three (3) years).

Line No.	Service Area/Pipeline/Utility	Unit	All-inclusive Basis Cost
1	Piedmont Natural Gas Co.	Dekatherm (Dt)	\$1.6150
2	PSNC Energy (Dominion)	Dekatherm (Dt)	\$1.6150
3	Frontier Energy	Dekatherm (Dt)	\$1.6150
4	Toccoa	Dekatherm (Dt)	N/A

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.

Taxes	Prices do not include North Carolina sales or use tax.
eProcurement	Ordering instructions are loaded into eProcurement .
eProcurement Help Desk	(888) 211-7440
Contract Manager	Austin Kiziah (984) 236-0237
Contract Attachments	Texican Natural Gas Co. LLC North Carolina Natural Gas Coverage Areas
Contract Addenda	