

**CAPITOL REGION COUNCIL OF GOVERNMENTS (CRCOG)
REQUEST FOR PROPOSALS:
NATURAL GAS —
COMMODITY, TRANSPORTATION
AND RELATED SERVICES
January 31, 2007**

**Proposal Deadline: Thursday, February 22, 2007
11:00 a.m. EST**

**CAPITOL REGION COUNCIL OF GOVERNMENTS
241 MAIN STREET, 4th FLOOR
HARTFORD, CT 06106
860-522-2217**

I. GENERAL INFORMATION

A. Intent

This Request for Proposals (RFP) has been prepared in order to procure deregulated natural gas supplies on behalf of various agencies comprising the Capitol Region Partnership and any and all interested members thereof. Specifically, the Capitol Region Council of Governments (CRCOG), a voluntary association of 29 towns in the Capitol Region, in cooperation with the Capitol Region Education Council (CREC), an educational service center serving 35 public school districts, is soliciting proposals from all DPUC-registered natural gas marketers, brokers and suppliers for the provision of firm natural gas service to designated points within certain municipal/educational jurisdictions and to the sponsoring agencies themselves.

B. Consortium Overview

Presently, 23 municipal jurisdictions and two Partnership agencies are under contract with a gas marketer as part of this regional program, which is an outgrowth of a pilot venture initiated in 1998. The contracts, which are slated to expire on June 30, 2008, were awarded based on an estimated annual firm load of approximately 6 million CCF's. Note that separate contract awards were previously made for Yankee Gas and CNG accounts and it is the Consortium's intent to maintain territorial "sub-pools" during the next phase of this program.

The total natural gas volume to be procured under this phase may be somewhat greater than in the past, as the Consortium has recently invited other communities/agencies from across the Region and beyond to join the Consortium. Attachment A includes a current listing of those who are participating in this RFP and the pool's estimated annual usage profile (with a percentage breakdown of ccf usage by LDC). Ultimately, the total volumes to be serviced under resulting contracts shall be subject to change from time to time to reflect the construction of new buildings, the removal of accounts that have been converted to dual fuel systems, and the addition of new communities.

C. Term of Engagement

It is anticipated that contracts resulting from this process shall commence on July 1, 2008 and end on June 30, 2011, and may be subject to extensions. Such extensions may be made on a monthly or multiple month basis. Pricing shall be renegotiated for each respective extension.

In the event that the contract is extended beyond the June 30, 2011 date, member participation may be subject to change. Existing members shall be afforded the opportunity to withdraw from the Consortium (in accordance with applicable LDC "return" policies), while new participants may be added. All entities to be included in the Consortium for contracts commencing July 1, 2011 shall enjoy an extension of all previously negotiated terms and conditions (exclusive of pricing) and will be considered collectively for the purposes of price negotiations.

II. STATEMENT OF OBJECTIVES/PROCESS DESIGN

It is the intent of both the Capitol Region Council of Governments and the Capitol Region Education Council, acting on behalf of their respective memberships, to facilitate both immediate and long-term cost savings for all participating agencies through this cooperative procurement project. For ease of administration, CRCOG shall continue to serve as the umbrella contracting authority and shall manage any administrative tasks that exist under any and all resulting contractual agreements. Participating communities will, in turn, be charged with all day-to-day management and operational responsibilities, which shall include, but not be limited to: taking the gas, monitoring consumption and delivery schedules, notifying the marketer of any substantial changes in gas requirements and making payments. A binding side letter agreement (see Attachment B) assigning areas of responsibility/liability under the contract, shall be signed by all involved parties (CRCOG, the municipality, and the marketer).

CRCOG will receive technical proposals and price quotations from interested marketers, brokers or suppliers. Following the receipt of all proposals, a committee representing the participating agencies will be charged with reviewing and evaluating all eligible submissions.

III. SCOPE OF SERVICES

A. General Marketer Responsibilities

The successful marketer will be responsible for:

1. Delivering firm, full requirements natural gas service in accordance with the terms and conditions specified herein, in any and all negotiated contracts, and in compliance with LDC tariffs, rules and regulations;
2. Paying all expenses, fees and penalties associated with nominations, balancing and cashouts;
3. Providing consolidated and summary billing options for each participant and furnishing duplicate copies of such to CRCOG on a monthly basis (see the Billing Services provision below);
4. Serving as the payment agent for all Consortium member(s) to the LDC for those accounts covered by the contract (please also see Attachment C: Price Proposal for payment agent opt-out option);
5. Coordinating/expediting the timely installation of any required telemetering devices (including, but not limited to, arranging for the installation of necessary phone line extensions to the gas meters) and the submission of required paperwork. It is expected that all preparatory activities (e.g. verifying account data, inventorying meter locations, running phone lines, finalizing transportation documents and marketer change forms, etc.) will commence well in advance of the July 1st start date in order to ensure that all participants will be brought “on-line” for the entire thirty-six month period;
6. Assisting with all transition-related activities for those accounts currently on LDC

sales rates and those serviced by a third-party supplier, including educating the Consortium about the transition process itself, identifying the relationship between the marketer, the customer and the LDC involved and the areas of responsibility charged to each from the time of initial contract award;

7. Coordinating the renewal of existing transportation service agreements upon expiration to ensure uninterrupted service;
8. Providing retail customer support at the local level;
9. Preparing and submitting weekly status reports to CRCOG regarding paperwork filings (e.g. transportation contracts, marketer change forms for communities already contracting with a marketer, etc.), phone line and telemetering installations and start dates until all accounts have been brought on-line;
10. Generating periodic reports at the request of CRCOG to help the agency: monitor the pool's consumption; track the addition/deletion of new accounts; investigate billing and payment issues; and estimate annual savings; and
11. Assisting with any transition-related issues at the end of the contract term if another marketer is selected to provide services thereafter.

B. Billing Services

The awarded vendor will invoice the members of the Consortium separately for each account on a monthly basis. Following award, each entity¹ shall specify: the billing address for all accounts; whether independent or summary billing will apply (or both); and if all bills for a given month should be forwarded as a complete set or if they can be issued individually once printed.

Invoices shall be consolidated (i.e. inclusive of both commodity services and charges as provided by the contractor and all charges passed through from the LDC). At a minimum, each invoice must contain the following information:

1. Contractor's name, address and phone number
2. Contractor's account number
3. LDC and meter #
4. Applicable rate or some coding system to identify such
5. Service location of meter/account (may be a street address or a building name)
6. Invoice date
7. Invoice number
8. Name of participating community/agency; billing address
9. Billing summary information including: previous balance, payments applied (multiple payments to be listed individually), balance forward, current charges, other adjustments (all adjustments to be listed separately and labeled) and total balance due
10. Current charges summary including:
 - *Commodity Services:*
 - Statement of billing period

¹ Marketers should be aware of the fact that in select communities, town, board of education, fire and/or sewer accounts may be administered by separate departments, and therefore, these "independent" entities will make decisions concerning desired billing services for their accounts only.

- Statement of contracted city gate price
- Quantity of gas used (in ccf)
- Total \$ due (quantity x price)

Transportation Services:

- Statement of billing period
- Pass through of all LDC transportation charges
- Billed peak demand (in ccf's)

Other/Miscellaneous Services:

- Description of service (labor, parts, etc.)
- Total charges due

Total of All Current Charges

11. Gas Usage History Summary (for the most recent 12 months), **including** the billing period (not the invoicing period) and the corresponding usage per month in ccf.

All invoices for natural gas consumed by each entity during the July 1st through June 30th municipal fiscal year period shall be provided to each entity no later than sixty calendar days following the end of the fiscal year, in order to allow each entity to close out their financial records in a timely manner.

C. Payment Agent Services

As the designated payment agent for each Consortium member, the awarded vendor shall be responsible for making timely and accurate payments to the LDC for all transportation and related charges incurred during the contract period. The Consortium members shall reimburse the awarded vendor for all additional charges imposed by the LDC, such as labor and parts, but will not be liable for any late payment charges imposed by the LDC when account balances are not paid in a timely manner by the vendor. Such charges will be the sole responsibility of the vendor. **It should be noted that while it is currently the intent of the Consortium to have the awarded marketer serve as payment agent for all accounts, payment agency may be negotiable if an attractive offer is made to have the members forgo this service. See the Cost Proposal Form (Attachment C) for further information.**

D. Summary Billing Services

If a member of the Consortium should elect summary billing services, the awarded vendor will aggregate multiple accounts/meters onto a single invoice. Backup financial and non-financial information shall be attached to the summary bill for each reflected account/meter in accordance with the format prescribed above.

E. Pricing

Pricing for the Consortium's members shall be quoted in accordance with the following **three-part** structure: **ALL-INCLUSIVE MARKUP, INDICATIVE BASIS AND INDICATIVE NYMEX**. A quote in each of the categories will be required for each LDC service territory, to be applied equally to all accounts located therein. See the Cost Proposal Form (Attachment C) for further information. Any resulting contractual prices shall be the **SUM** of the all-inclusive fixed **MARKUP, locked-in BASIS and NYMEX** prices, the total of which shall be considered the prevailing **COMMODITY** price.

*****All prices offered must be stated in \$ per ccf to receive consideration.*****

MARKUP

Presented below is a listing of all acceptable **MARKUP** inclusions. All other add-ons, fees or surcharges of any kind will not be recognized as part of the marketer's binding cost proposal.

The **MARKUP** offered must:

1. be fixed for the contract period beginning July 1, 2008 and ending June 30, 2011;
2. assume full natural gas requirements, firm delivery, as measured at the customer meter ("burner tip volumes");
3. include the company's profit margin;
4. cover consolidated (i.e. combining the LDC bill with the marketer's bill) and any requested summary billing services;
5. be based on the total estimated account volumes presented in Addendum #1 (forthcoming) per LDC;
6. include all applicable taxes, including the State of Connecticut's Gross Receipts Tax associated with this component. Note that since municipalities and participating agencies are generally exempt from sales and excise taxes, said taxes should not be included as part of any price quote submitted; and
7. be held for a period of sixty (60) days from the proposal due date.

Said **MARKUP** will be added to the **BASIS** and **NYMEX** components that shall be periodically "refreshed" at the request of the CRCOG and subsequently "locked in" by and between the Consortium and the awarded vendor at a future date.

BASIS AND NYMEX

The Consortium intends to float the **BASIS** and **NYMEX** components until such time that market conditions can support a pricing commitment. However, for the purposes of evaluating competing cost proposals, respondents are required to provide indicative **BASIS** and **NYMEX** pricing in addition to the **MARKUP**. Documentation in support of the specific monthly weighting profiles used for both for each LDC (to be furnished as percentages and the number of required contracts) must also be included.

It should be noted that these components may be locked in: on a month-to-month basis, or in such increments that are deemed to be in the best interest of the participants, up to the

entire 36 month contract duration, and on behalf of select subgroups of the Consortium (i.e. Yankee Gas accounts may be locked in at one point while CNG accounts may be locked in at a later date, etc.). Moreover, the **BASIS** component shall: (1) include LDC and interstate pipeline shrinkage and line loss and associated Connecticut Gross Receipt Taxes; and (2) be quoted based on prices in effect as of the close of business on Tuesday, February 20, 2007 for the 36 month period. The **NYMEX** component shall: (1) include the price for the NYMEX futures contracts for the delivery month(s) adjusted to reflect the BTU content of the gas delivered and associated Connecticut Gross Receipts Taxes; and (2) be quoted based on the published settle prices for Tuesday, February 20, 2007 for the 36 month period.

F. Telemetry Services

Marketers are asked to provide a separate price quotation for all related telemetry services. Billing for this **optional** service will appear on the first summary bill produced under contract if selected. Please note that most of the accounts listed in Appendix A will not need this service, as they have already had the requisite phone lines and metering devices installed under other marketer-based programs.

G. Billing Options

Marketers shall indicate the availability of electronic billing and payment services, as well as credit card payment options, and any additional fees, discounts or rebates associated with their use.

H. Ancillary Energy Services

The successful marketer will be expected to offer ancillary energy services, including engineering analysis, load management, equipment and technical services on a request basis. Said services shall be priced separately at the time of each request.

I. New Firm Natural Gas Service Accounts

All contract terms and conditions, inclusive of price, will be made available to all “new” natural gas service accounts that are either initiated during the contract period **by the participating towns/agencies** (i.e. new buildings) or were inadvertently excluded from the list of accounts furnished as part of Addendum #1 (forthcoming). Said accounts will be brought on-line at a time that is mutually agreed to by both the municipality/agency in question and the awarded marketer.

Contract terms and conditions, **exclusive** of price, shall be made available to **new** communities/agencies wishing to join the Consortium during the contract period. Said accounts will be brought on-line at a time that is mutually agreed to by both the municipality/agency in question and the awarded marketer.

IV. PROPOSAL REQUIREMENTS

A. Submission

Sealed proposals, in accordance with the format prescribed below, will be received at the Capitol Region Council of Governments, located at 241 Main Street, Hartford, CT 06106, until 11:00 a.m., Thursday, February 22, 2007. Any responses received after the advertised opening date and time shall be rejected. Firms are asked to enclose ten (10) copies of their response, including all supporting documentation, along with a signed original. Note that technical and cost proposals must be submitted in separate envelopes (see below).

Note that the submission of any proposal indicates acceptance by the firm of the terms and conditions contained herein, unless otherwise specifically noted in the proposal itself and confirmed in resulting contracts.

B. Questions

General inquiries concerning the Request for Proposals must be made to:

Jennifer March-Wackers, Municipal Services Coordinator
CRCOG
241 Main Street, 4th Floor
Hartford, CT 06106
860-522-2217, ext. 39

However, no oral interpretations shall be made to any respondent as to the meaning of any of the proposal documents. Every request for an interpretation shall be made in writing, addressed and forwarded either to the address above, **faxed to (860) 724-1274 or emailed to jwackers@crcog.org**. To receive consideration, such questions must be received at least seven (7) calendar days before the established date for receipt of proposals.

The Municipal Services Coordinator will arrange as addenda, which shall be made a part of this RFP and any resulting contracts, all questions received as above provided and the decisions regarding each. At least five (5) calendar days prior to the receipt of proposals, the Municipal Services Coordinator will post a copy of any addenda to CRCOG's website, located at www.crcog.org. It shall be the responsibility of each respondent to determine whether any addenda have been issued and if so, to download copies directly from the agency's website.

C. Proposal Format

Respondents are required to submit **one (1) original, and ten (10) copies** of their proposals, which shall be formatted as follows:

Envelope #1: Technical Proposal for Natural Gas (due date - February 22, 2007)

1. An Executive Summary, including date of submission.
2. The name, address and contact person of the company submitting the proposal. Please include telephone and fax numbers, as well as e-mail addresses.
3. A description of the origin, history and ownership of the company. Please identify partners and/or subsidiaries that are responsible for providing both back-end operational services (e.g. purchasing gas and basis, nominations, etc.) and front-end services (e.g. customer service, billing, etc.) and the duration of relationships therewith.
4. The most recent annual report to stockholders and the Security Exchange Commission's Form 10-K of the submitting company and/or parent company, as appropriate. Additional information of a financial nature may be requested by the evaluation committee.
5. A description and supporting documentation demonstrating the company's ability to successfully deliver natural gas to Connecticut markets and its primary firm capacity on the interstate system that would be used to support gas service to facilities **in both Yankee and Connecticut Natural Gas territories**. Also include approximate firm sales volumes (mcf) delivered to New England as a whole, and to Connecticut specifically, during the January 2005 to December 2006 period. Please break out sales volumes for 2005 and 2006.
6. A description and supporting documentation delineating the pricing and supply guarantees typically provided by the company. Include standard descriptions of various pricing options (i.e., fixed, variable, burner tip, city gate) that the company regularly offers to retail customers, **as well as creative pricing strategies that might better address the needs of the cooperative**.
7. A copy of standard contractual language that is commonly used for retail accounts. Respondents are asked to review Attachments B & D (which contain the contractual language developed for the current contract) and both state whether they would agree to use such as the basis for future contracts and indicate any exceptions that might be taken thereto. It should be noted that the extent to which exceptions are taken to the language contained in these documents may be considered as part of the committee's evaluation process.

8. A description and supporting documentation highlighting the company's retail billing process. Include a description of the company's ability to provide consolidated and summary billing services and to receive electronic/credit card bill payments, **as well as samples of current customer bills.** On the consolidated billing front, specifically address the receipt of information from the LDC (i.e. electronic data exchange), bill production timetables and the quality/accuracy of the data presented on the consolidated marketer bill.

Please also note the type of billing system employed, the size of the billing staff, and the extent of flexibility within the operation to allow for specific modifications in support of the needs of the cooperative.

Finally, respondents are specifically asked to demonstrate their competency as a designated payment agent, and to highlight any and all problems that have occurred in this area, along with the steps that have been taken to address them.

9. A description and supporting documentation demonstrating how the company provides retail customer support at the local level. This description should identify the relationship between the company, the customer, the current marketer and the local distribution company involved and should delineate specific areas of responsibility charged to each **from the time of the initial contract award through the renewal process.** Please also describe the process the company takes when customer problems escalate beyond the local support network.
10. A minimum of five governmental or commercial, multiple-metered customer references located within New England for which the company has provided gas supply and services during the past two winter seasons. Please provide a contact name, address and phone number for each reference indicated. **Governmental references are preferred and should be furnished when available.**
11. The number or percentage of deregulated natural gas accounts **retained** by the company after contract expiration during the January 2005 to December 2006 period.
12. The number or percentage of new accounts secured by the company representing **first time purchasers of deregulated natural gas during the January 2005 to December 2006 period.** Respondents are asked to indicate the average time required for new customers to begin flowing gas with the company from the time of contract award. Also, include a copy of any introductory materials that have been distributed to new customers to help explain the implementation process.
13. A description and any supporting documentation demonstrating the company's ability to assist the consortium **in transitioning its accounts from the current third-party supplier to a new one.** Respondents are asked to indicate the

timeframe required to make the required transition, and to provide any paperwork that must be filed. Also, include a copy of informational materials that have been distributed to transitioning customers to help explain the process. Finally, please address the issue of how outstanding payments are typically addressed at the time of transition.

14. A delineation of the range of **additional** services that the company would be able to provide in order to ensure that all accounts are brought on-line soon after the contract's commencement date. **(This is above and beyond the expected range of support services.)** Said services might include performing tasks that are critical to program implementation (e.g., directly assisting with the installation of telemetering devices) which could be quoted on an hourly rate basis.
15. A description and any supporting documentation demonstrating the company's track record and performance history. Responses must highlight the company's growth history, marketing strategies, operational and/or management strategies that have been used by the company to competitively provide natural gas to firm account customers, methods for assessing customer satisfaction and quality assurance and any legal action that is either currently pending against the company or has been resolved within the last five years.

Respondents are also required to state whether they have had any failures to deliver natural gas in any New England service territory within the last five years.
16. A description and supporting documentation demonstrating how the company either has or would satisfy the demands of a cooperative which encompasses diverse participants that have varying load curves, volume usage, account structures and contractual requirements.
17. A description and supporting documentation concerning the company's policy and operational strategies with regard to nominations, balancing, cash-outs, and other penalties and conditions of firm transportation service.
18. A description of the company's range of informational programs that are designed to educate natural gas customers on such topics as harnessing utility deregulation opportunities and identifying valuable energy conservation activities.
19. A description and supporting documentation concerning the company's ability to provide a broad range of **RELATED** services to help CRCOG expand the breadth of its current energy program. Specific areas of interest include: alternative pricing structures to compete with LDC interruptible gas rates and; electric procurement services. Note that any resulting pilot initiatives covering any or all of the aforementioned areas will be rolled out separately based on the spectrum of offerings and the needs/interests of the member communities.

20. A copy of the company's Affirmative Action/Equal Employment Opportunity policies or any plans to institute such. See Attachment E.

Note that non-responses to any of the aforementioned items may be considered in determining a company's qualifications.

Envelope #2: Sealed Cost Proposal for Natural Gas Services (due February 22, 2007)

1. The respondent shall submit **an original and ten (10) copies of the Cost Proposal Form—Attachment C, as well as any and all attachments submitted to satisfy items 2-4 below.**
2. Respondents are asked to indicate, as part of their cost proposals, their willingness to consider a **pricing re-opener** during the contract period should market conditions (basis/commodity) change markedly in the Consortium's favor.
3. **Binding payment discounts and rebates, as well as any additional fees for services,** must be clearly stated for consideration during the award process.
4. Separate pricing for available **telemetry services** are requested.

V. EVALUATION PROCESS

A. Selection Committee

The members of CRCOG's Natural Gas Procurement Committee will evaluate all proposals submitted. The Committee will recommend a firm for approval by CRCOG's Policy Board. It is anticipated that a firm will be selected in March of 2007. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.

B. Evaluation Criteria

All proposals meeting the minimum requirements outlined herein will be ranked according to the following criteria:

- Capacity to deliver required natural gas supplies
- Ability to satisfy the diverse demands of the cooperative's membership
- Flexibility in tailoring contract terms and conditions
- Performance/track record as a local, regional and national player in the natural gas market
- Experience with and commitment to providing quality customer service
- Competitive price offerings
- Acceptance of proposed contract language (see Attachment D: Contract Terms and Conditions)

The committee may elect to conduct interviews with firms or to negotiate with the top ranked firms and to accept modifications to the proposed scope of services and/or price when such action is in the best interest of the participants to do so. Additional clarifying information may be requested to aid in the decision-making process.

VI. ADDITIONAL TERMS AND CONDITIONS

A. Ownership of Proposals

All proposals submitted in response to this RFP are to be the sole property of CRCOG and shall be subject to the provisions of Section 1-210 of the Connecticut General Statutes (re: Freedom of Information).

B. Amending or Canceling Request

CRCOG reserves the right to amend or cancel this RFP, prior to the due date and time, if it is deemed to be in the best interest of the Consortium to do so.

C. Waiver of Informalities

The Capitol Region Council of Governments reserves the right to accept or reject any and all responses to this Request for Proposals, or any part thereof, and to waive any informalities and/or technicalities that are deemed to be in the best interest of the participants.

D. Collusion

By responding, the marketer implicitly states: that his/her proposal has not been made in connection with any other competing firm submitting a separate response to this RFP; is in all respects fair; and has been submitted without collusion or fraud. It is further implied that the marketer did not participate in the RFP development process, had no knowledge of the specific contents of the RFP before its issuance, and that no employee of the CRCOG or any Consortium member participated either directly or indirectly in the marketer's proposal preparation.

E. Assigning/ Transferring of Agreement

Any successful firm is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of this agreement of its rights, title, or interest therein or its power to execute such an agreement to any other person, company or corporation without prior consent and approval in writing from CRCOG.

F. Termination

CRCOG may terminate any contract(s) or any part of any contracts resulting from this process at any time for: cause, default or negligence on the part of the vendor; or if the vendor fails, in the opinion of the respective participant's purchasing agent, to meet the general terms and conditions of any resulting contract or to provide a level of service that is deemed to be in the best interest of the participant.

G. Insurance Requirements

The Successful bidder shall furnish a certificate of insurance which includes the coverages and limits set forth below; identifies the CRCOG and the Consortium as additional insureds; and provides for at least ten (10) days prior notice to the CRCOG of cancellation or non-renewal:

- a. Comprehensive Commercial General Liability Insurance, including blanket Contractual Liability Insurance, Premises/Operations, Independent Contractors, and Products/Completed Operations Insurance issued by an insurance company licensed to conduct business in the State of Connecticut with limits not less than: \$1,000,000 for all damages because of bodily injury sustained by each person as the result of each occurrence and \$2,000,000 bodily injury aggregate per policy year; and limits of \$2,000,000 for all property damage aggregate per policy year or a limit of \$1,000,000 Combined Single Limit (CSL). All, if any, deductibles are the sole responsibility of the contractor to pay and/or indemnify.
- b. Automobile Liability Insurance issued by an insurance company licensed to conduct business in the State of Connecticut with limits not less than: \$500,000 for all damages because of bodily injury sustained by each person as a result of any occurrence and \$500,000 aggregate per policy year; and limits of \$500,000 for all damages because of property damage sustained as the result of any one occurrence or \$500,000 Combined Single Limit (CSL). All, if any, deductibles are the sole responsibility of the contractor to pay and/or indemnify.
- c. Workers' Compensation Insurance in accordance with Connecticut State Statutes.

H. Indemnification

To the fullest extent permitted by law, the Contractor shall release, defend, indemnify, and hold harmless CRCOG and the members of the Consortium from any and all suits, claims, losses, damages, costs (including, without limitation, reasonable attorney fees) compensation, penalties, fines, liabilities or judgments or any name or nature for:

- (1) Bodily injury, sickness, disease or death; and/or
- (2) Damage to or destruction of property, real or personal; and/or
- (3) Financial losses (including, without limitation, those caused by loss of use)

sustained by any person or concern of CRCOG or any members of the Consortium, which is caused or alleged to have been caused in whole or in part, by the negligent act(s) or omission(s) of the Contractor, its officers, employees, agents, or Subcontractors, in the performance of any resulting contract or from the inaccuracy of any representation or warranty of the Contractor contained in the Contract Documents. This indemnity should not be affected by other portions of the specifications relating to insurance requirements.

To the fullest extent permitted by law, the Contractor agrees to release, defend, indemnify and hold harmless CRCOG and any member of the Consortium, from any loss, claim, cost, penalty, fine or damage that may arise out of the failure of the Contractor, its officers, agents, employees, or Subcontractors to comply with any laws or regulations of the United States and the State of Connecticut. This undertaking shall not be affected by other portions of these specifications relating to insurance requirements.

I. Affirmative Action

The Capitol Region Council of Governments, through its policies on Equal Employment Opportunity and Affirmative Action, pledges its support and cooperation to private and public agencies that are promoting public policy in this vital area of human relations. Vendors will be required to sign the certificate incorporated in this RFP relative to Equal Employment Opportunity and Minority/Female Business Enterprise and return it with their response.

J. Severability

If any terms or provisions of this Request for Proposals shall be found to be illegal or unenforceable, then such term or provision shall be deemed stricken and the remaining portions of this document shall remain in full force and effect.

**ATTACHMENT A
CURRENT PARTICIPANT ROSTER**

The matrix below delineates the communities/agencies that are currently part of this RFP. Please note that approximately 80% of the volume currently under contract falls within CNG's territory. The remaining 20% is serviced by Yankee.

CNG	Yankee Gas
Avon	Bristol
Bloomfield	Cheshire
Canton	East Granby
CREC	Hartford*
CRCOG	Meriden
East Hartford	Middletown
Farmington	Newtown
Glastonbury	Plainville
Greater Hartford Transit District	Torrington
Hartford*	Vernon
Manchester	Windsor*
New Britain	Windsor Locks
Newington	
West Hartford	
Wethersfield	
Windsor*	

***Has accounts in both territories.**

**Captiol Region Council of Governments
Natural Gas Consortium
Average Monthly Usage**

CCF at the Meter
Average of Volume

Flow Month

Utility	Company/Service Location	July	August	September	October	November	December	January	February	March	April	May	June	Annual Total
CNG	Avon Board of Education	2,090	11,440	10,282	22,469	30,993	38,753	54,045	47,289	50,667	28,449	17,421	5,701	319,600
CNG	Avon, Town of	659	843	1,017	2,045	4,082	6,558	7,574	6,627	7,101	2,979	1,600	737	41,823
CNG	Bloomfield Bd. of Education	1,219	1,558	2,152	6,695	11,525	16,940	19,702	17,240	18,471	10,170	6,495	1,994	114,161
CNG	Bloomfield, Town of	437	496	635	6,205	9,984	15,204	17,656	15,449	16,552	8,155	4,836	637	96,246
Yankee	Bristol Board of Education	758	1,014	2,126	13,047	21,757	18,000	16,784	14,686	15,735	5,497	5,374	1,373	116,152
Yankee	Bristol, Town of	1,050	1,274	1,759	6,556	9,828	20,000	29,109	25,470	27,290	10,582	7,018	1,724	141,659
CNG	Canton Board of Education	1,000	820	1,320	3,680	7,010	11,500	18,356	16,061	17,209	7,456	4,368	2,000	90,780
CNG	Canton, Town of	200	215	277	804	1,620	3,177	5,941	5,199	5,570	2,382	1,214	550	27,149
CNG	Capitol Region Council of Govt	-	1	8	19	29	73	129	113	121	7	3	-	503
Yankee	Cheshire Board of Education	624	848	1,630	2,105	3,310	3,400	4,211	3,685	3,948	2,562	1,893	331	28,546
Yankee	Cheshire, Town of	5,816	6,060	7,397	15,390	18,661	21,000	32,737	28,645	30,691	18,793	14,027	6,245	205,461
CNG	CREC	750	1,109	1,541	5,079	7,646	9,356	4,537	3,970	4,253	1,639	957	740	41,576
Yankee	East Granby, Town of	1,193	1,059	559	1,168	2,062	2,850	6,743	5,900	6,322	1,813	1,137	773	31,579
CNG	East Hartford, Town of	256	953	1,158	6,407	10,703	15,000	32,308	28,269	30,288	12,935	6,510	336	145,123
CNG	Farmington, Town of	643	325	756	3,082	5,269	7,000	12,761	11,166	11,963	5,202	2,544	179	60,890
CNG	Glastonbury, Town of	1,605	1,932	5,721	12,628	16,384	25,529	41,579	36,382	38,980	18,113	12,778	2,363	213,994
CNG	Greater Hartford Transit District													50,000*
CNG	Hartford, City of	9,188	9,147	18,601	87,929	230,557	316,948	277,103	242,465	259,784	80,006	35,647	12,000	1,579,376
CNG	Hartford Public Schools, City of	9,775	8,016	12,903	35,973	68,524	112,414	419,910	367,421	393,665	122,524	54,180	15,500	1,620,805
Yankee	Hartford, City of	20	20	70	450	1,050	1,580	1,336	1,169	1,253	712	380	200	8,241
CNG	Manchester, Town of	1,848	2,562	4,546	11,407	13,365	20,161	30,851	26,994	28,923	13,056	7,025	2,768	163,505
Yankee	Meriden, City of	635	690	848	2,599	4,384	13,950	14,234	12,455	13,344	2,595	1,708	841	68,284
Yankee	Middletown Board of Education	312	355	729	3,936	6,983	17,000	19,100	16,713	17,906	5,621	3,979	400	93,035
Yankee	Middletown, City of	1,391	1,661	2,278	6,699	7,087	20,000	24,237	21,207	22,722	8,733	7,275	2,122	125,413
CNG	New Britain, City of													300,000*
CNG	Newington, Town of	985	698	942	2,790	6,189	9,701	17,240	15,085	16,162	7,331	4,298	698	82,119
Yankee	Plainville Board of Education	1,430	1,390	2,794	11,636	13,674	24,000	25,202	22,052	23,627	11,681	9,019	610	147,115
Yankee	Plainville, Town of	146	132	214	1,681	2,967	5,700	7,935	6,943	7,439	2,341	1,542	152	37,191
Yankee	Torrington, City of	744	1,271	1,530	2,697	3,900	5,239	5,138	4,496	4,817	2,363	2,098	1,140	35,432
Yankee	Vernon Public Works	300	600	1,200	4,960	11,700	15,810	8,697	7,610	8,153	5,582	1,427	150	66,189
CNG	West Hartford, Town of	387	401	180	2,199	3,651	4,000	5,660	4,952	5,306	4,104	3,624	400	34,864
CNG	West Hartford, Town of	1,510	1,195	2,172	3,384	4,040	4,000	7,041	6,161	6,601	1,538	551	2,400	40,592
CNG	Wethersfield Bd of Ed	729	1,260	3,263	6,828	10,604	13,220	15,797	13,823	14,810	7,845	5,202	1,305	94,686
CNG	Wethersfield, Town of	379	383	498	2,234	4,249	8,973	15,770	13,799	14,785	9,286	2,653	423	73,432
CNG	Windsor , Town of	34	32	67	212	616	922	1,211	1,059	1,135	233	162	63	5,746
Yankee	Windsor , Town of	124	124	210	2,604	4,920	8,401	10,744	9,401	10,073	4,225	867	150	51,843
Yankee	Windsor Locks Board of Ed	272	425	1,586	2,627	3,325	5,900	6,561	5,741	6,151	2,927	2,949	1,173	39,636
		48,509	60,308	92,970	300,223	562,649	822,260	1,217,938	1,065,696	1,141,817	429,435	232,762	68,179	

*New Consortium member, estimated monthly volumes not currently available.

SAMPLE SIDE LETTER AGREEMENT

(Member Name and Address)

Re: Natural Gas Sales Agreement concerning the purchase of a firm supply of natural gas for a Procurement Cooperative to be administered by the Capitol Region Council of Governments (“CRCOG”); such supply to be provided by _____.

Dear _____ and _____:
(Member) (Marketer)

This letter (“Letter Agreement”) is intended to confirm the agreement of _____, CRCOG and the Town/Agency of _____ (the “Member”) as one of the members of the Natural Gas Procurement Cooperative (each a “Member”, collectively, the “Members”) to participate in a Natural Gas Sales Agreement (the “Agreement”) for the purchase of natural gas for the period commencing July 1, 2008 and ending June 30, 2011.

On or about February 1, 2007, each Member signed a “Participation Confirmation Form for Natural Gas Service: 2008-2011.” By signing that form, the Member both committed to participate in CRCOG’s Natural Gas Procurement Cooperative and demonstrated its understanding that CRCOG would conduct a bidding process and make an award on the Member’s behalf.

To that end, the parties agree that _____ will provide all of the natural gas supply required by the Member, as defined by the accounts listed as part of Attachment A to the Natural Gas Sales Agreement, during the term of the Agreement and under the terms and conditions contained in the Agreement to be attached to this letter.

Further, the Member agrees to participate in the Consortium’s Procurement Cooperative, namely to purchase all of Member’s supply from _____ as defined by the accounts listed as part of Attachment A and pay for such supply at the agreed-to prices subject to and in accordance with the terms and conditions of any and all attachments thereto. If the Member fails to meet its obligations under this letter, and any and all attachments thereto, _____ shall have the option to pursue its legal remedies against the Member.

Finally, CRCOG agrees to act as the administrator of the Agreement, namely to manage any renewal options, or other administrative tasks that exist under the Agreement. Acting as the administrator does not include any of the following day-to-day management tasks:

monitoring consumption, delivery schedules, billing arrangements, or responsibility for any payments under the Agreement.

Please acknowledge your acceptance of the terms contained in this letter by signing all copies of this letter where indicated below, retaining one original for your file, and returning two to my attention.

Sincerely,

Lyle D. Wray, PhD
Executive Director, CRCOG

Accepted and agreed to:

_____ (marketer)

By: _____

Name: _____

Date: _____

Accepted and agreed to:

Member: _____

By: _____

Name: _____

Date: _____

**ATTACHMENT C
PRICE PROPOSAL**

To be submitted on your firm's letterhead **separately in Envelope #2.**

PART I. PRICE QUOTATIONS

All pricing shall be furnished in accordance with the instructions provided in the RFP. Please attach additional information hereto to address items 2-4 specified in the RFP's Proposal Format section under Envelope #2.

July 1, 2008 – June 30, 2011

	A	+	B	+	C	=	D
LDC	MARKUP		INDICATIVE BASIS*		INDICATIVE NYMEX*		COMMODITY PRICE
CNG ACCOUNTS	\$ _____/ccf		\$ _____/ccf		\$ _____/ccf		\$ _____/ccf
YANKEE ACCOUNTS	\$ _____/ccf		\$ _____/ccf		\$ _____/ccf		\$ _____/ccf

**Respondents are reminded to attach documentation in support of the monthly weights used.*

OPTIONAL "DEDUCT" FOR REMOVING PAYMENT AGENT SERVICES FROM THE SCOPE OF REQUIRED SERVICES: \$ _____ / CCF

Please specify any related terms or conditions:

PART II. RESPONDENT INFORMATION

Submitted by _____ Date _____

Signature _____ Title _____

Telephone _____ Fax _____

ATTACHMENT D CONTRACT TERMS AND CONDITIONS

General Terms

The following language shall serve as the basis for all resulting contracts and shall be subject to attachments as needed. Note that “we” represents the awarded marketer and “you” represents the Consortium.

1. **Quantity:** As specified on the front page, we will deliver to you and you will purchase from us on a firm basis your full requirements of natural gas for your current uses and specified customer meter locations on each day during the Delivery period of this Agreement up to any limits imposed by your Local Distribution Company (“LDC”). Natural gas requirements for accounts not in use, planned or inadvertently excluded from the list of meter locations furnished to you, shall be subject to all agreed upon terms and conditions, inclusive of price.
2. **Service and Obligations:** During the term of this Agreement, you agree to enter into and maintain a contract with your LDC for firm transportation from the specified Citygate Receipt Point(s) to your meter locations and to comply with your LDC’s requirements to maintain that status. You also agree to designate us as your agent to manage your gas supply and delivery according to your LDC’s guidelines. We will maintain status as a qualified agent with your LDC, manage, schedule and balance gas deliveries for you, and do other related functions with your LDC. We will prepare daily and monthly estimated quantities of your full requirement of natural gas for your specified meter locations based upon historical usage data that you provide to us at the initiation of this contract. If you promptly and properly inform us of any and all events that may materially impact your facility’s usage as compared to weather-adjusted historical usage (such as equipment outages, shutdowns, or changes in operating hours) and otherwise comply with all of the terms of this Agreement, we will pay all properly imposed charges or penalties assessed by your LDC or our pipeline transporter. You are responsible for and indemnify us against any penalties resulting from your failure to advise us of a material change in operations or to fully comply with this Agreement.
3. **Billing and Payment:** We will be appointed as the billing agent for the members of the Consortium, as defined in the Capitol Region Council of Governments’ 2007 RFP for Natural Gas-Commodity, Transportation and Related Services, and shall therefore be expected to provide billing services in accordance with the provision(s) of that document.
4. **Measurement:** Your LDC will determine the quantity and heating value of the natural gas at the Citygate Receipt Point(s) and Delivery Location(s) according to its procedures for measurement.

5. **Title, Warranty and Limitation of Liabilities:** We warrant that we will have and you will receive title to the natural gas at the Citygate Receipt Point(s), free and clear of all liens and encumbrances, except for those that result from any act by you or by a person claiming through you. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR SPECIAL, PUNITIVE, CONSEQUENTIAL OR INDIRECT DAMAGES, LOST PROFITS OR ANY BUSINESS INTERRUPTION DAMAGES, IN TORT, CONTRACT OR OTHERWISE.
6. **Taxes:** You are liable for and must pay (or reimburse us if we have paid) all taxes applicable to the gas at or after delivery to the Citygate receipt point, including, but not limited to, sales and gross receipts taxes. If you are exempt from any taxes, you must provide us with an exemption certificate and any other necessary information to allow us to make proper and timely payments and file required returns. We will pay all taxes imposed on the gas before you receive title at the Citygate Receipt Point(s).
7. **Credit:** Prior to the commencement of the services hereunder or any time thereafter, we may require you to provide us with credit information sufficient for us to make reasonable inquiry into your creditworthiness. If your credit at any time is found to be unsatisfactory to us or if you default on your obligation under this agreement, we may, in addition to any other legal remedies, suspend deliveries hereunder or terminate this agreement. We may require assurance of your ability to pay or require different payment terms whenever it reasonably appears to us that your financial condition requires such change. Upon your failure to deliver to us either requested credit information or ability to pay assurances within 48 hours of such request, we may suspend deliveries under this agreement or terminate the agreement.
8. **Termination:** In the event that we terminate for cause, default, or negligence on the part of the buyer, we will calculate the difference between the contract price specified and the market price (as determined by us in a commercially reasonable manner) for the natural gas quantities hedged through the remainder of the contract term, and aggregate or net such market damages to a single amount. If the amount is more than zero, you must pay such to us upon demand for it.

If you terminate for cause, default, or negligence on the part of the seller, we shall be responsible for reimbursing the members of the Consortium for any or all direct costs incurred.

9. **Penalties:** As long as this contract is in full force and effect, if you do not accept delivery of the gas that you are required to purchase, you must pay any penalties imposed by the pipeline or your LDC. Additionally, if we have to resell the gas for less than the price specified on the front page of this agreement, you must pay us that difference for each day of the default and any incidental costs incurred by us as a result of your failure.

10. **Force Majeure:** Neither party will be liable to the other, if we fail to perform any obligation under this Agreement because of “Force Majeure” events. The term Force Majeure shall mean those events not reasonably anticipated or within the control of the claiming party such as, but not limited to, acts of God, industrial disturbance, acts of the public enemy, actions of governments or regulatory bodies, future changes in laws, rules, regulations or utility practices, or pipeline failure. Whoever experiences such an event must immediately notify the other of the nature of the event and how long it is expected to last. If the event continues for longer than is reasonable, either party may terminate this Agreement. This paragraph does not apply to your obligation to pay for natural gas that you have received, or to pay for any other amounts that you are liable for under this Agreement.
11. **Assignment:** Each party may assign rights and obligations under this Agreement with the prior written consent of the other, which shall not be unreasonably withheld.
12. **Miscellaneous:** The terms of this Agreement may be altered by a Rider that contains specific provisions for your LDC and such other provisions as may be mutually agreed upon or required by your state. NO OTHER PROMISES, AGREEMENTS, OR WARRANTIES, EXCEPT THESE GENERAL TERMS, THE TERMS ON THE FRONT PAGE, AND ANY RIDER SHALL BE DEEMED A PART OF THIS AGREEMENT, NOR SHALL ANY ALTERATION OR AMENDMENT OF THIS AGREEMENT BE EFFECTIVE WITHOUT THE WRITTEN CONSENT OF BOTH PARTIES.

The individual executing this Agreement and any other notice shall have the authority to make such decisions. The waiver of any party of a breach of any provision hereof by the other party shall not be deemed to be a waiver of any other provision or of any subsequent or continuing breach of such provision. All notices under this Agreement shall be deemed given to a party, (i) if delivered by hand or sent by overnight courier, on the day of delivery, (ii) if sent by registered or certified mail return receipt requested, on the date of receipt, (iii) if transmitted by facsimile, at the time the sender receives the receiver’s transmission confirmation.

13. **Insurance:** We shall procure and maintain for the duration of the contract term, including any and all extensions, the required insurance coverages for services and goods provided by the Contractor. We shall pay the cost of such insurance, including any and all deductibles.

The policies shall be written by companies licensed to do business in the State of Connecticut. Any and all exceptions shall be reviewed by you.

All renewal certificates shall be furnished at least thirty (30) days prior to policy expiration. All such insurance policies shall contain an agreement by the insurer that

it will not cancel or effect any material change in such policy except upon thirty (30) days prior written notice, ten (10) days notice for non-payment. Failure to maintain insurance coverage as required and to name CRCOG and the Consortium (as defined in the Capitol Region Council of Governments' 2004 RFP for Natural Gas-Commodity, Transportation and Related Services), as additional insureds, will be grounds for termination of the contract.

Such insurance shall be written for not less than specified, or required by applicable federal, state and/or municipal law, regulation or requirement, whichever is greater. It is agreed that the scope and limits of the insurance specified are minimum requirements and shall in no way limit or exclude CRCOG or the Consortium from additional limits or coverage provided under our policies.

Accordingly, we shall furnish a certificate of insurance which includes the coverages and limits set forth below; identifies the CRCOG and the Consortium as additional insureds; and provides for at least thirty (30) days prior notice to the CRCOG of cancellation or non-renewal, or ten (10) days notice for non-payment:

- a. Comprehensive Commercial General Liability Insurance, including blanket Contractual Liability Insurance, Premises/Operations, Independent Contractors, and Products/Completed Operations Insurance issued by an insurance company licensed to conduct business in the State of Connecticut with limits not less than: \$1,000,000 for all damages because of bodily injury sustained by each person as the result of each occurrence and \$2,000,000 bodily injury aggregate per policy year; and limits of \$2,000,000 for all property damage aggregate per policy year or a limit of \$1,000,000 Combined Single Limit (CSL). All, if any, deductibles are the sole responsibility of the contractor to pay and/or indemnify.
 - b. Automobile Liability Insurance issued by an insurance company licensed to conduct business in the State of Connecticut with limits not less than: \$500,000 for all damages because of bodily injury sustained by each person as a result of any occurrence and \$500,000 aggregate per policy year; and limits of \$500,000 for all damages because of property damage sustained as the result of any one occurrence or \$500,000 Combined Single Limit (CSL). All, if any, deductibles are the sole responsibility of the contractor to pay and/or indemnify.
 - c. Workers' Compensation Insurance in accordance with Connecticut State Statutes.
14. **Side Letter Agreements:** For the purposes of this agreement, each Side Letter executed by each municipality/agency, attached hereto, shall be considered an integral part of this Agreement and such Side Letter shall be enforceable under the terms and conditions of this Agreement.

ATTACHMENT E
CAPITOL REGION COUNCIL OF GOVERNMENTS
EQUAL EMPLOYMENT OPPORTUNITY AND MINORITY/FEMALE
BUSINESS ENTERPRISE CERTIFICATION FORM

The undersigned certifies that _____ is an
(Name of Company)
Equal Opportunity Employer and is in compliance with federal and State rules and
regulations pertaining to Equal Employment Opportunity and Affirmative Action.

(Bidder's Signature)

IF APPLICABLE:

The undersigned also certifies that _____
(Name of Company)

is a Minority/Female Business Enterprise and is in compliance with federal and state rules
and regulations pertaining to Minority/Female Business Enterprise designations.

(Bidder's Signature)

Today's Date)