

OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSALS
FOR GAS STORAGE SERVICES



Request for Proposals

Oklahoma Gas and Electric Company

December 22nd, 2021

Version: 2.0
Date: 12/22/2021
RFP Number: 2021 Gas Storage

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A. REQUEST FOR PROPOSALS OBJECTIVE

Oklahoma Gas & Electric Company (“OG&E”), an Oklahoma Corporation, is a public utility engaged in generating, transmitting, purchasing, distributing, and selling electricity in Oklahoma. Some of OG&E’s electric generating facilities use natural gas as the primary fuel.

Via this Request for Proposals (“RFP”) OG&E is seeking proposals for natural gas storage as further defined below. OG&E will determine results based on the lowest aggregate delivered cost to each of OG&E’s gas-fired plants and still provide the reliability and flexibility that best serves the needs of OG&E and its customers during the term of the agreement.

B. Potential Options

1. Traditional Storage

- a. Minimum 20,000 Dekatherm daily injection
- b. Minimum 30,000 Dekatherm daily withdrawal
- c. Max Storage Quantity \geq 500,000 Dth

2. Park and Loan

- a. Minimum 25,000 Dekatherm daily Park
- b. Minimum 40,000 Dekatherm daily Removal

3. Call Options with Surety

- a. Minimum of 20,000 Dth
- b. Must be switchable between OGT or EOIT
- c. Fixed Price

4. Transportation Diversity Enhancement

- a. Interconnection between OGT/Enable (Energy Transfer)/Southern Star to OG&E Pool/Delivery Point
- b. Must be Firm
- c. Minimum of 5,000 Dth

5. Greenfield

- a. Geographical proximity to OG&E generation facilities.
- b. Optional: Bi-directional flow
- c. Pipeline connectivity expansion

C. CONTENT OF PROPOSALS

Proposals submitted to OG&E must contain the items described below and also include the signed Certification that is contained in this RFP.

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1. Deliverability to OG&E Facilities

Deliverability to OG&E's facilities may require the construction of a interconnects from the potential storage service provider's facilities to OG&E's generating facilities. OG&E will utilize any potential storage provider to facilitate the movement of natural gas from one pipeline system to another. The potential storage service provider must identify which OG&E facilities it intends to bid on and provide the following Proposals for each facility:

- a. A map identifying the route of the proposed connection from the storage provider's system to OG&E's facility and its length.
- b. The estimated cost of the connection; and
- c. The time required to construct the connection.

2. Storage Provider Facilities

The potential storage provider must describe the transportation routes and list the pipelines, and their available capacity, necessary for delivering OG&E's gas requirements from the potential sources of supply to each of OG&E's facilities. The proposed routes, as well as alternatives, must also be depicted on a map.

3. Service Reliability

For each of the pipeline systems involved in the transportation of gas to OG&E's facilities, the potential storage provider must certify in writing that the pipeline system is appropriately licensed by the U.S. Department of Transportation, if applicable, and adheres to all applicable federal, state and local government rules and regulations and also provide a history of pipeline operations. The potential storage provider must identify the number of curtailments that have occurred in the last five (5) years, the time and length of each event, and the conditions under which the curtailment occurred. The potential storage provider must identify any operational constraints which may affect delivery of gas to OG&E's facilities. Potential service provider must also provide a listing of all operational flow orders issued within the last five years, the date(s) imposed and lifted, and the conditions underlying each operational flow order.

4. Storage Resiliency

Potential storage provides must detail how the proposed storage services will maintain the ability to respond during extreme events. Extreme events may be identified as, but are not limited to sudden changes in gas receipts due to reliability events on the electrical system and ambient conditions that are substantially outside (e.g. -50 degrees) the historical normal range for the same period.

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5. Financial Stability

Potential storage providers selected for Phase II must provide, for the last three (3) years, copies of their annual reports, audited financial statements, Form 10Ks, FERC Form 2s and related state filings if applicable. Potential storage providers must also provide their current bond rating, a list of any outstanding certificate filings at FERC or with a state Commission, and the most recent pipeline tariff.

Potential storage providers selected for Phase II shall include a complete list of all actions, proceedings, judgments, or liens, if any, currently pending or threatened against the potential storage provider. The list shall include all proceedings filed by or against the potential storage provider, predecessor companies, parent companies, holding companies, affiliated companies or ownership personnel over the last five years. A proposal shall fully disclose the nature of the filings, pending or ultimate resolution, and all other relevant facts.

6. Insurance and Indemnity

Potential storage providers selected for Phase II shall submit, with the proposal, evidence of insurance coverage required by local governing authorities and the State of Oklahoma. Also, the potential storage provider shall submit evidence of workers' compensation, public liability, personal injury, automobile liability, pollution liability and property damage insurance coverage in an amount sufficient to indemnify OG&E from injury or damage occurring during the execution of any agreement with OG&E.

Potential storage providers selected for Phase II shall give detailed Proposals on its insurance coverage. Each potential storage provider shall be expected to maintain the minimum insurance coverage as set out in the proposal. The required coverage shall meet all Workers Compensation, Federal Employer's Liability Act, and other applicable requirements, and include coverage for environmental incidents.

The following insurance coverages represent the minimum requirements and these requirements may be modified if required by OG&E:

a. Comprehensive Liability Insurance

The potential storage provider shall maintain and keep in effect during the entire term of any agreement with OG&E, or any renewal thereof, policies of comprehensive liability insurance insuring the potential storage provider and naming "OGE Energy Corp and its subsidiaries" as an additional insured and waiver of subrogation rights including comprehensive coverage with minimum limits of at least twenty-five million dollars (\$25,000,000.00) per occurrence.

b. Indemnity

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The potential storage provider shall indemnify, defend and hold harmless OG&E and its parents and affiliates against any and all loss, liability, penalties, damages, expenses, attorneys' fees, judgments, and/or settlements incurred by reason of injury or death or claim of injury or death of any and all persons, or damage or claim of damage to any and all property of any nature, but without limiting any of the foregoing, arising out of any act or omission on the part of the potential storage provider.

OG&E shall promptly notify the potential storage provider of any claim asserted against OG&E on account of any injury or alleged injury to persons or damage to property and shall promptly deliver to the potential storage provider the original or a true copy of any summons or other process, pleading or notice issued in any suit or other proceeding to assert or enforce against OG&E any such claim of injury or alleged injury to persons or damage to property. The potential storage provider shall defend any such suit with attorneys of its own selection. OG&E shall have the right, at its discretion, to participate in such defense at its own expense.

D. SUBMISSION OF PROPOSALS

Bids in response to this RFP will be accepted until 5 p.m. Central Time on February 21, 2021. Proposals will be logged in when received and a receipt will be provided. Bids should be addressed to:

Shawn McBroom
Senior Manager Commercial Operations
Gas Transportation RFPs
Oklahoma Gas & Electric Company
P.O. Box 321 – Mail Code WE50
Oklahoma City, OK 73101-0321

Danny Trent
Manager, Fuels
Gas Transportation RFPs
Oklahoma Gas & Electric Company
P.O. Box 321 – Mail Code WE50
Oklahoma City, OK 73101-0321

Inquires related to this RFP must be in writing and directed to the Manager of Fuels at the above address or via e-mail at **ogefuelrfp@oge.com**. **Do not submit any bids, including carbon copy to the parties listed above, all bids must be submitted to ogefuelrfp@oge.com. Any bids submitted to individuals of OG&E will be rejected and the submitting parties' bid will be disallowed.**

E. CONFIDENTIALITY

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Each potential bidder receiving this RFP shall treat the Proposals in the RFP as confidential and proprietary and distribute it only to those personnel responsible for preparing a proposal. OG&E, its agents and contractors will maintain the confidentiality and proprietary nature of the Proposals contained in each response to this RFP. OG&E reserves the right to release responses to this RFP, including related documents, to the Oklahoma Corporation Commission ("OCC"), Arkansas Public Service Commission ("APSC"), and/or Oklahoma or Arkansas Attorney General's offices upon request.

F. ACCEPTANCE/REJECTION

OG&E reserves the right, at its sole discretion, to accept or reject any or all proposals made in response to this RFP. OG&E will evaluate all the Proposals provided in response to this RFP to aid in the determination of which proposals are viable and consistent with OG&E's requirements for reliable service.

G. DISCLAIMER AND OTHER TERMS / CERTIFICATION

1. General.

By submitting a proposal in response to the RFP, the potential service/storage provider agrees that any costs incurred in responding to this RFP, or in support of activities associated with this RFP, including presentations to OG&E, are to be borne by the potential service/storage provider and may not be billed to OG&E. OG&E shall incur no obligation or liability whatsoever to anyone by reason of issuance of this RFP, or action by anyone relative thereto.

Although OG&E has the right to select a potential service/storage provider from those who submit proposals to OG&E, the submission of a response to this RFP does not constitute and should not be construed as any agreement or promise by OG&E to grant or award business to any specific potential service/storage provider. Nothing in this RFP, which merely requests that potential service/storage providers who may be interested in obtaining OG&E's business in performing the services discussed in this RFP, shall mean or be construed as meaning that OG&E has promised or incurred any obligation to any potential service/storage provider unless and until OG&E specifically contracts in writing with a potential service/storage provider to provide the services discussed in this RFP.

2. Evaluation and Notification

OG&E shall have complete discretion in determining which potential service/storage provider, if any, shall be awarded a contract to perform the services outlined in the RFP. In addition to price, all other factors included in this RFP and response thereto may be used by OG&E to evaluate proposals submitted in response to this RFP. OG&E has no

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obligation to detail to any potential service/storage provider the results of the proposal evaluation process or the reason(s) why a potential service/storage provider was or was not selected.

3. Duration and Terms of Agreement

Contract terms, including length of contract, will be determined by OG&E at the time of the contract award, if any to a potential service/storage provider. Although some specific contract terms may be determined at the time of the contract award, if any, to a company in connection with the RFP, it is anticipated that any contract will be substantially similar to the contractual terms that OG&E generally requires with a minimum of revisions. While OG&E will consider revising some of the specific language within any contract following negotiations with a successful bidding potential service/storage provider, the inclusion of terms that are substantially similar to those generally required by OG&E is mandatory. OG&E reserves the rights to require that a contract with any potential service/storage provider awarded business in connection with the RFP include other specific terms and conditions if OG&E decides that its best interests are served through the inclusion of such terms and conditions. In the event that OG&E and any potential service/storage provider that is initially selected to be awarded a contract in connection with the RFP cannot agree on the terms and conditions of a written contract, then OG&E reserves the right to select an alternate potential service/storage provider to be awarded a contract in connection with the RFP.

No modification to the company's response to the RFP and the terms and conditions therein shall be valid unless in a written document executed by OG&E. Oral comments or responses made by OG&E personnel with respect to any question shall not be binding upon OG&E. The contents of submitted proposals, and any subsequent material submitted may be referenced in the contract, if any, that is awarded and may be considered to be contractual obligations of the successful potential service/storage provider unless otherwise agreed to in writing by OG&E. No information should be submitted that could not be incorporated into a contract.

4. Award

OG&E reserves the right to make one award, multiple awards or no award under this RFP. Additionally, OG&E may cancel this RFP at any time, if so doing is in the best interest of OG&E.

5. Ownership and Rights

Upon receipt by OG&E of a response to the RFP, all submitted documents and other materials submitted by a potential service/storage provider and other electronic material and all information included therein shall become the property of OG&E. Responses may

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be reviewed and evaluated by individuals (other than competing companies) at the discretion of OG&E.

6. Pricing

A potential service/storage provider submitting a response shall keep the prices, terms and conditions contained in its response to this RFP firm and irrevocable for one hundred and eighty (180) days after the response to the RFP is submitted. Upon award, if any, of any contract following this RFP, the potential service/storage provider's RFP response, the prices, terms and conditions may be altered solely as provided in the terms and conditions of a contract executed by OG&E and the recipient of the award.

7. Clarification

OG&E or its agent reserves the right to obtain clarification of any point in a bidding potential service/storage provider's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a bidding potential service/storage provider to respond to such a request for additional information or clarification could result in rejection of that potential service/storage provider's response or responses.

8. Publicity

Any publicity giving reference to this RFP, whether in the form of press releases, brochures, photographic coverage, or verbal announcement, shall be only with the specific approval of OG&E.

9. Prime Responsibility

If a response to the RFP includes any materials or services provided by an entity other than the bidding potential service/storage provider, it will be mandatory for the bidding company to act as the prime contractor for the procurement and maintenance of the entire services delivery as specified in this RFP. In addition, the successful bidding potential service/storage provider will be responsible for meeting all other requirements of this RFP. A response to the RFP must clearly indicate the product(s) and/or service(s) that are not provided or supplied by the bidding potential service/storage provider.

10. RFP Compliance

A potential service/storage provider shall meet the terms, conditions and specifications of the RFP.

11. Governing Law; Dispute Resolution

The potential service/storage provider agrees that the terms and conditions of this RFP, any response thereto and any contract awarded to any potential service/storage provider

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under this RFP shall exclusively be subject to and governed by the laws of the State of Oklahoma excepting its laws regarding conflicts of law. In addition the potential service/storage provider agrees that any dispute between OG&E and the potential service/storage provider with respect to this RFP or any response thereto shall be resolved as follows. The parties shall first use reasonable efforts to discuss and negotiate a resolution of the controversy. If the efforts to negotiate a resolution do not succeed, the parties agree that the state and federal courts in Oklahoma County, Oklahoma shall have sole and exclusive jurisdiction and venue with respect to any such proceeding. The parties acknowledge and agree that they waive any objections to the jurisdiction of and venue in these courts. **THE PARTIES FURTHER EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY IRREVOCABLY WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY LEGAL PROCEEDING THAT RELATES TO THIS RFP AND THE SUBJECT MATTER THEREOF.** The prevailing party, if any, in any legal proceeding related to this RFP shall have the right to recover its reasonable attorneys' fees and costs.

12. Certification.

The undersigned hereby certifies that all of the required items are included in this potential service/storage provider's response to the RFP and that all items including quoted prices have been submitted in accordance with the instructions set forth in this RFP.

The undersigned further certifies that the proposal submitted is made in good faith without fraud, collusion, or connection of any kind with any other company; and that this potential service/storage provider is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

I further certify that I am an authorized representative of the below identified company and that said company agrees to the terms and conditions stated in the RFP and the company's response thereto.

Company _____

Name _____

Title _____

Signature _____

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Date _____

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Attachment 1: OG&E Generating Plants Subject to this RFP and their Locations

<u>Facility Name</u> -1	<u>Location (Delivery Point)</u> -2
Mustang Station	Section 36, Township 12 North, Range 5 West, Canadian County
Muskogee Station	Section 21, Township 15 North, Range 19 East, Muskogee County
Horseshoe Lake Station	Section 15, Township 12 North, Range 001 East, Oklahoma County
Seminole Station	Section 25, Township 06 North, Range 005 East, Seminole County
Redbud Station	Section 17, Township 14 North, Range 001 East, Oklahoma County
McClain Station	Section 35, Township 10 North, Range 004 West, McClain County
OG&E Frontier Plant	Section 08, Township 11 North, Range 004 East, Oklahoma County
Tinker Station	Section 14, Township 11 North, Range 002 West, Oklahoma County

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Attachment 2: OG&E MDQ For Generating Plants Subject to this RFP

<u>Gas Plant</u>	<u>MDQ MMBtu</u>	<u>Pipeline System</u>
Seminole Plant	180,000	Enable
Horseshoe Lake Plant	62,000	Enable
McClain Plant	69,300	Enable
Redbud Plant	102,000	OGT
Mustang Plant	55,440	OGT
Muskogee Plant	228,000	Enable
Tinker Plant	5,959	OGT
Frontier Plant	25,000	Southern Star

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RFP TIMELINE

Milestone Date	Activity
November 18, 2021	Notify OCC of Intent to Bid Gas Transportation for OG&E
December 23, 2021	Draft of RFP Documents to OCC, Attorney General, Non-Competitive Representative, Independent Evaluators, and posted on OG&E Website
January 20, 2022	Technical Conference
January 24, 2022	Final RFP Issued to bidders on Website
February 21, 2022	Bid Submittal Deadline
March 28, 2022	Evaluation Complete, Top bidder(s) selected
April 25, 2022	Contract Negotiations Complete
May 9, 2022	Contract Awarded

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