

OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES



Request for Proposals

For Gas Transportation and Storage Services for
OG&E Natural Gas Generation Facilities

April 9, 2018

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Contents

A. REQUEST OBJECTIVE	4
B. OG&E SERVICE REQUIREMENTS.....	5
C. CONTENT OF PROPOSALS	7
D. QUESTIONS AND SUBMISSION OF PROPOSALS.....	8
E. EVALUATION PROCESS	10
F. NEGOTIATIONS.....	12
G. CONFIDENTIALITY	12
H. APPLICABLE LAWS.....	13
Attachment 1: Plant Specific Data	14
Attachment 2: Insurance and Indemnification	18
Attachment 3: Firm Gas Transportation and Storage Service Agreement	19
Attachment 4: Notice of Intent to Bid.....	55
Attachment 5: Confidentiality Agreement	56
Attachment 6: Bidder Acknowledgment Form	60
Attachment 7: Bidders Proposed Pricing	61

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

DISCLAIMER

Prospective bidders are advised that the information contained in this Request for Proposal (“RFP”) has been prepared by Oklahoma Gas and Electric Company (“OG&E”) solely to assist prospective respondents in deciding whether to submit a proposal. OG&E does not purport this information to be all-inclusive or to contain all of the information that a prospective respondent may need to consider in order to submit a proposal. Neither OG&E, its employees, officers or directors will be deemed to have made any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, or in any document or information made available to respondent, whether or not the aforementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this document.

OG&E reserves the right to modify or supplement this RFP. No part of this RFP and no part of any subsequent correspondence by OG&E, its employees, officers or directors shall be taken as providing legal, financial, or other advice. Nor shall this RFP or any subsequent correspondence by OG&E related to this RFP be considered as establishing a contract or contractual obligation. A contractual obligation would arise only if and when definitive agreements have been approved and executed by the appropriate parties having authority to enter into and approve such agreements.

OG&E may, in its sole discretion and without limitation, refuse to accept any and all proposals and OG&E reserves the right to evaluate all proposals and proceed in the manner it deems appropriate including, but not limited to the waiver of any requirements or requests for additional information. No respondent shall have any claim whatsoever against OG&E, its employees, officers or directors as a result of rejection by OG&E of any proposal submitted.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

A. REQUEST OBJECTIVE

1. Purpose of the Request for Proposal (“RFP”)

OG&E is seeking proposals from bidders for OG&E’s requirements for natural gas transportation services for its natural gas fired generating plants at four different locations. The purpose of this RFP is to solicit, through a competitive bidding process, the gas transportation and related services which OG&E determines will result in a competitive delivered cost of natural gas fuel to each plant and still provide the reliability and flexibility that best serves the needs of OG&E and its customers in the future. The competitive bidding process is designed to ensure that all qualified bidders are treated in an equitable and consistent manner. This RFP outlines OG&E’s requirements and provides information and instructions to prospective bidders participating in this solicitation.

2. Company Description

OG&E, an Oklahoma Corporation, is a public utility and a member of the Southwest Power Pool (SPP) engaged in generating, transmitting, purchasing, distributing and selling electricity in Oklahoma and Arkansas. More than half of OG&E’s electric generating facilities use natural gas as the primary fuel. The facilities subject to this bid are identified in Attachment No. 1 to this RFP. Natural gas for these facilities will be purchased by OG&E under various gas supply contracts.

3. RFP Process and Timing

The following table outlines the anticipated schedule for the RFP.

Milestone Date	Activity
February 9, 2018	Notify OCC of Intent to Bid Gas Transportation for OG&E
March 9, 2018	Draft of RFP Documents to OCC, Attorney General, Non-Competitive Representative, Independent Evaluators, and posted on OG&E Website
April 6, 2018	Technical Conference
April 9, 2018	Final RFP Issued to bidders on Website
May 11, 2018	Bid Deadline
May 18, 2018	Evaluation Complete, Top bidder(s) selected
July 20, 2018	Contract Negotiations Complete
July 27, 2018	Contract Awarded

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

4. Term of Services Required

OG&E is seeking bids for gas transportation and related services on a plant-specific basis that are consistent with OG&E’s projected operations and the requirements specified in this RFP. OG&E is seeking bids for such services to begin for each respective plant based on the table below as well as the respective terms.

Plant	Date Required for Service	Term
Horseshoe Lake Plant	May 1, 2019	5 years
Seminole Plant	May 1, 2019	5 years
Redbud Plant	April 1, 2019	5 years
McClain Plant	April 1, 2019	5 years

Table: Required Service Begin Dates and Terms

B. OG&E SERVICE REQUIREMENTS

OG&E desires firm gas transportation options for each plant. Each potential transporter may bid on providing firm gas transportation service to fulfill the complete requirements for each plant. Additionally OG&E will consider proposals that incorporate interruptible service during the months of October through May.

1. Bid Granularity

Potential transporters are required to bid each desired plant individually. OG&E will accept an additional aggregated bid for those plants that potential transporters bid individually. For example, if three plants are bid individually per requirement, the potential transporter can aggregate these three plants into an additional single bid that conforms to Attachment No. 7.

2. Plant Information

Attachment No. 1 to this RFP provides specific information for each of the facilities. The Redbud and McClain Plants are jointly owned generation resources. OG&E is representing all owners and their respective transportation and storage requirements for the Redbud and McClain Plants in this RFP. Each owner will have their own transportation agreement(s) representing their specific MDQ upon successful completion of negotiations. Allocation of individual costs for a facility will be at the discretion of the owners.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

3. No Notice

Individual units can start and stop anytime throughout the operating day and OG&E is requesting no notice service.

4. Maximum Daily Quantity Requirements

Attachment 1 indicates the required Maximum Daily Quantity (MDQ) for each plant. OG&E is requiring all bidders propose language that takes into account the potential reductions in the MDQ due to retirement of a unit or the entire plant prior to the end of term of the contract. The currently planned unit retirements can be seen in OG&E's 2015 Integrated Resource Plan that can be obtained at www.oge.com under Regulatory Filings.

5. Hourly Swing (Load Following) Requirements

The potential transporter must have the capability to provide the MHQ listed for each plant in Attachment 1.

6. Gas Storage/Cash Out Requirements

OG&E is providing bidders the option to offer either a cash out service where any swing volumes of gas are cashed out at the end of each gas day or a storage service where a running balance of the quantity of gas in storage (up to a prescribed limit) is kept by both parties. In Attachment 1, OG&E has provided its estimated injection and withdrawal volumes. Upon request of bidder, OG&E will provide the last two years of receipt and delivery data for consideration by the bidder.

7. Minimum Delivery Pressure

OG&E is requesting that bidders provide bids based on the minimum delivery pressures for each plant at the point of custody transfer as shown in Attachment 1.

8. Pipeline Connection Requirements

Any Bidder preparing a proposal based on the construction of a new pipeline into any of OG&E's generating facilities is responsible for conducting its own preliminary interconnection study for the project. All pipeline cost, including any header construction and connection to existing gas lines leading to the units, must be included in the Bidder's price schedule (Attachment No. 7). OG&E reserves the right, at its discretion, to negotiate with successful Bidders to reduce the cost of such interconnection for the benefit of its customers, if an alternative option appears viable. OG&E also reserves the right to perform the header, header connection construction, or pipeline

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

connection from outlet flange itself or to contract with a third party to do so, if it deems such action to be in the best interest of its customers.

All new pipeline proposals must conform to the requirements shown below:

1. OG&E must be notified prior to and have the right to witness all meter inspections, tests, and calibrations.
2. Meter telemetry information will be made available to OG&E within a timely manner to accommodate OG&E's hourly operations.
3. Heat content data and gas composition must be available to OG&E.

C. CONTENT OF PROPOSALS

1. **Facilities to Bid** - An identification of which plant that is of interest to the transporter, routes, maps, connection cost and construction time;
2. **Access to Gas Supply** – an identification, both in a listing and on a map, of the receipt points and interconnects available to receive gas purchased by OG&E and the available capacity of each receipt point and interconnect;
3. **Transporter Facilities** – a description and map of the pipelines including their available capacity, that would be used to serve OG&E's facilities;
4. **Service Reliability** – a history of pipeline operations including information on curtailments, operational flow orders and interruptible service;
5. **Financial Stability** – copies of annual reports, audited financial statements, federal and state government filings, bond ratings, tariffs and relevant information related to any actions, proceedings, judgements, etc. within the last five (5) years; and,
6. **Insurance and Indemnity** – evidence of necessary insurance coverage including meeting OG&E's minimum requirements, attached to this RFP as Attachment No. 2.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Nomination Requirements and Procedures

The potential transporter must provide all relevant information regarding the nominations requirements and procedures that would be applied to OG&E. This would include: (a) the timing requirements for nominations and changes to nominations; (b) the hourly, daily and monthly flexibility with regard to quantities; and, (c) receipt and delivery point capacity and flexibility (including timing) regarding changes in location designations and quantities.

In addition, the potential transporter must specify the daily and hourly swing limits that will be provided to OG&E. With regard to daily swing limits, OG&E is requesting the ability to nominate at the delivery point from zero to one hundred percent (100%) of the proposed firm MDQ without penalty.

1. Balancing

The potential transporter must provide all relevant information regarding the balancing requirements and procedures that would be applied to OG&E. This would include: (a) the type of balancing, i.e., hourly, daily, monthly, etc.; (b) the acceptable tolerance levels; and, (c) the procedures for correcting deficits by both parties.

2. Quantities and Pricing Proposal

Attachment No. 7 to this RFP provides the form that each bidder must fill out with their proposed quantities and pricing in order to have their bid considered in the evaluation process.

3. Draft Gas Transportation Agreement

An example gas transportation agreement is attached to this RFP in Attachment No. 3. Bidders are required to provide either a completed version of Attachment No. 3 or propose a gas transportation agreement that will be used during negotiations upon award of successful bid. During negotiations, OG&E explicitly reserves the right to modify the terms of the example or bidder supplied agreement.

D. QUESTIONS AND SUBMISSION OF PROPOSALS

1. Notice of Intent to Bid

Bidders will have thirty (30) days from the date of issuance of the draft RFP to submit a completed Notice of Intent to Bid Form included as Attachment No. 4 to the GASRFP2018@oge.com email address. Submission of the form does not obligate bidders to submit a proposal nor does failure to submit the form preclude the potential transporter from submitting a proposal. However, submission

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

of the form ensures that the potential transporter is included on the correspondence list for any follow-up information about the RFP.

2. OG&E Questions E-Mail Box

All questions and requests and any other inquiries or contact about the RFP should be directed via e-mail to GASRFP2018@oge.com. Subject to OG&E's consideration of confidentiality concerns as described in the next two paragraphs, OG&E intends to post all questions submitted by Bidders, as well as OG&E's responses to these questions, on the RFP website at <https://oge.com/wps/portal/oge/about-us/do-business/rfp-rfi> (RFP Website). OG&E's objective in posting these questions and answers is to ensure that all Bidders have equal access to information that may be potentially relevant to their proposals. OG&E expects to provide answers to questions only to the extent OG&E determines, in its sole discretion, that it will be practicable to provide answers within two (2) business days after receipt of the question.

- A.** OG&E does not expect that it will be required to provide information that is confidential to OG&E in response to Bidder questions. However, if OG&E determines that a Bidder's question calls for an answer that would contain such confidential information and that the provision of such confidential information is necessary and appropriate in furtherance of its consideration of the Bidder's proposal, the confidentiality agreement in Attachment 5 that is required to be completed and returned by each Bidder will be utilized. Each potential Bidder that has timely executed and returned the confidentiality agreement to the GASRFP2018@oge.com email will receive an email response that contains the information that is deemed confidential by OG&E
- B.** Similarly, OG&E does not expect any questions Bidders may submit to contain information that the Bidder considers to be confidential. If a Bidder believes that certain information contained in a question the Bidder intends to submit should be treated as confidential, the Bidder is strongly urged to attempt to exclude all of the information the Bidder believes to be confidential from the question by redaction or other means the Bidder believes appropriate prior to submitting the question. Alternatively, if the Bidder believes that it is necessary or advisable to submit the question without redacting confidential information, the Bidder should, without providing any confidential information, notify OG&E in writing of the purpose of the question and the nature of the confidential information contained therein, such that OG&E can make a determination as to whether the Bidder's question requires the disclosure, either by the Bidder or by OG&E, of

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

confidential information, or whether such disclosure is unnecessary or can be avoided for purposes of the RFP process. If OG&E determines that the disclosure of information confidential to the Bidder is necessary and appropriate in furtherance of its consideration of the Bidder's proposal, OG&E may provide an executed confidentiality agreement pursuant to which, such question may be submitted, although OG&E reserves the right to respond in any manner that OG&E determines to be appropriate in the circumstances. In the event that any question containing information that the Bidder considers to be confidential is timely submitted to OG&E pursuant to the confidentiality agreement, OG&E will send a copy of the question and answer to the Bidder by certified mail.

3. Delivery of Proposals

An electronic copy of each proposal will be emailed to GASRFP2018RESPONSES@OGE.COM by the deadline of **1:00 PM CDT on May 11, 2018**. OG&E members and others involved with this RFP process will not have access to this email address until after 1:00 PM CDT on May 11, 2018. All proposals from an affiliate of OG&E shall submit with its bid proposal a list containing the names and titles of the members of the "Bid Team" participants and an executed Acknowledgment as set out in Attachment 6 to this RFP.

E. EVALUATION PROCESS

OG&E will evaluate both the price and non-price characteristics of eligible proposals. OG&E's objective is to select the proposal(s) that provides the best overall value to our customers.

1. Acceptance / Rejection

Each bidder is advised that this is a request for proposals for consideration and acceptance by OG&E. OG&E reserves the right, in its sole discretion, to accept or reject any or all proposals made in response to this RFP. OG&E will evaluate all the information provided in response to this RFP to aid in the determination of which proposals are viable and consistent with OG&E's evaluation requirements. All decisions and conclusions concerning the interpretation, evaluation and acceptance or rejection of any proposal shall be in the sole discretion of OG&E.

2. Threshold Requirements

All proposals must meet the threshold criteria listed below to be eligible for consideration. The use of threshold criteria is designed to screen out incomplete or unreasonable proposals and to ensure that

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

all proposals contain consistent information to maintain a fair and equitable evaluation process. Proposals that do not conform to the threshold criteria will be rejected and the bidder will be informed of the rejection. All proposals that pass the threshold criteria will be eligible for the next stage of the evaluation. To be eligible for evaluation, the following threshold criteria must be met:

- a. All proposals are submitted on time;
- b. Attachment 7 is completed for each individual plant bid and for any aggregate bid;
- c. Complete and accurate information (including all necessary supporting documentation and/or explanations) is provided which responds to all facets of this RFP;
- d. The proposed gas transportation service is reasonably designed to meet OG&E's projected requirements and timeline, as described in this RFP, for each plant without undue exposure to liability, penalties, charges or other expenses not accounted for in the proposal;
- e. The firm transportation capacity must not be capacity dedicated to others and must not be subject to curtailment or interruption for any reason other than normal industry accepted force majeure conditions. All curtailments must be prorated; and
- f. All bidders are required to either provide a completed version of Attachment No. 3 or provide a proposed gas transportation agreement that will be used during negotiations upon award of successful bid plus a copy of all relevant tariffs, statements of standard operating conditions or other terms and conditions affecting the proposed service, must be included with the proposal.

3. Evaluation

The primary component of the evaluation process will be the delivered cost of gas to OG&E's plants. To this end, proposals will be ranked relative to each other and combined, to the extent necessary, in order for OG&E to achieve a competitive delivered cost to the plants subject to this RFP. The evaluation process will center on the gas transportation cost included in the proposals (including the construction costs of any facilities, if required). In addition, OG&E will evaluate the proposals based on analyses of key factors influencing cost including, but not limited to, adequacy of gas supply, variations in plant operations, the implications of penalty provisions (imbalance, overrun, nominations, etc.), combinations of plant proposal options, and other related factors.

4. Other Evaluation Criteria

OG&E's primary non-cost criterion is flexibility. OG&E prefers proposals that offer significant levels of responsiveness and flexibility in combination with low cost. The integration of gas supply

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

nominations and unit dispatch is important from both an operations and a cost standpoint and, therefore, OG&E will consider the value of nominations flexibility, swing capability and cost exposure in its analysis. For example, proposals that offer the ability to swing within a wide range from one day to the next at a reasonable cost will be preferred.

OG&E also prefers proposals that can demonstrate that a reliable and secure amount of gas supply will be available for the facilities included in the proposal. To assess reliability, OG&E will consider the history of pipeline operations in the relevant area, proposed agreement terms and conditions, and experience with operational flow orders, curtailments and interruptions.

OG&E will also, among other non-price factors, consider the viability of the bidder. OG&E requires that the potential transporter be financially sound. Viability also includes the ability of the potential transporter to demonstrate that it can provide OG&E the service required at the time needed, without cost exposure to OG&E and with minimal risk of any delays. Potential transporters that are proposing new construction must also demonstrate the ability to secure any approvals or permits in the time necessary for the specified in-service dates described under Article 4.

F. NEGOTIATIONS

Negotiations between OG&E and the potential transporter(s) must be completed in a sufficient time to meet the in-service date.

G. CONFIDENTIALITY

OG&E, its agents and contractors will maintain the confidentiality and proprietary nature of the information 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”), and/or the Public Utility Division Staff of the OCC, and the Arkansas Public Service Commission (“APSC”) or its Staff. In the event the OCC or its staff, or the APSC or its staff, releases information, OG&E, its agents or contractors will not be liable for such disclosure. Each Bidder is required to complete a confidentiality agreement which is included in this RFP package as Attachment No. 5.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

H. APPLICABLE LAWS

The laws of the State of Oklahoma, excluding its conflict of laws' provisions, shall apply to this RFP and any and all agreements between the potential transporter and OG&E.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Attachment 1: Plant Specific Data

Description of Seminole Plant: Units 1, 2, 3

Seminole Station Legal Description	Section 25, Township 6 North, Range 5 East, Seminole Co.
Mailing Address	14102 Old Highway 99 Konawa, OK 74849-4400
Physical Location	1/2 Mile North of Konawa on HWY 3
Number of Units	3 steam turbines
Maximum Hourly Quantity	14,873 MMBtu/D
Storage/Cash-out Injection	75,000 MMBtu/D
Storage/Cash-out Withdrawal	75,000 MMBtu/D
Minimum Delivery Pressure	80 PSIG
Type of Service Requested	Firm, 1/16th Service with storage or cash-out

Max Daily Quantity by Month

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
180,000	180,000	180,000	180,000	180,000	200,000	200,000	200,000	200,000	180,000	180,000	180,000

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Description of McClain Plant

McClain Station Legal Description	Section 36, Township 12 North, Range 5 West, Canadian Co.
Mailing Address	801 NE 34 th ST, Newcastle, Oklahoma 73065
Physical Location	1/2 Mile East of I-44 Service Road on NE 34th Street
Joint Owners	Oklahoma Gas & Electric – 77% Oklahoma Municipal Power Authority – 23%
Number of Units	2 on 1 Combined Cycle
Maximum Hourly Quantity	1/16 th of Maximum Daily Quantity
Storage/Cash-out Injection	25,204 MMBtu/D
Storage/Cash-out Withdrawal	23,179 MMBtu/D
Minimum Delivery Pressure	500 PSIG
Type of Service Requested	Firm, 1/16th Service with storage or cash-out

McClain Plant Max Daily Quantity by Month

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
84,542	84,542	84,542	84,542	84,542	84,542	84,542	84,542	84,542	84,542	84,542	84,542

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Description of Redbud Plant

Redbud Station Legal Description	Section 17, Township 14 North, Range 1 East, Oklahoma Co.
Mailing Address	20922 N. Triple XXX Road, Luther, OK 73054
Physical Location	1/2 Mile North of Rt. 66 on Triple XXX Road
Joint Owners	Oklahoma Gas & Electric (OG&E) – 51% Oklahoma Municipal Power Authority – 13% Grand River Dam Authority – 36%
Number of Units	4 combined cycle gas turbines
Maximum Hourly Quantity	1/16 th of Maximum Daily Quantity
Storage/Cash-out Injection	60,000 MMBtu/D
Storage/Cash-out Withdrawal	55,197 MMBtu/D
Minimum Delivery Pressure	525 PSIG
Type of Service Requested	Firm, 1/16th Service with storage or cash-out

Redbud Plant Max Daily Quantity by Month

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Attachment 2: Insurance and Indemnification

Potential transporters shall submit, with the proposal, evidence of insurance coverage required by local governing authorities and the State of Oklahoma. Also, the potential transporter shall submit evidence of workers' compensation, public liability, personal injury and property damage insurance coverage in an amount sufficient to indemnify OGE from injury or damage occurring during the execution of any agreement with OGE.

Each potential transporter shall give detailed information on its insurance coverage. Each potential transporter 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:

a. Comprehensive Liability Insurance

The potential transporter shall maintain and keep in effect during the entire term of any agreement with OGE, or any renewal thereof, policies of comprehensive liability insurance insuring the potential transporter and naming OGE as an additional insured including comprehensive coverage with minimum limits of at least five million dollars (\$5,000,000.00) per occurrence. Such policies will have no more than a thirty thousand dollar (\$30,000.00) deductible per occurrence for the potential transporter. The potential transporter shall be responsible for any liability in excess of five million dollars (\$5,000,000.00).

b. Indemnity

The potential transporter shall indemnify OGE 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 transporter.

OGE shall promptly notify the potential transporter of any claim asserted against OGE on account of any injury or alleged injury to persons or damage to property and shall promptly deliver to the potential transporter 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 OGE any such claim of injury or alleged injury to persons or damage to property. The potential transporter shall defend any such suit with attorneys of its own selection. OGE shall have the right, at its discretion, to participate in such defense at its own expense.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Attachment 3: Firm Gas Transportation and Storage Service Agreement

THIS CONTRACT AND AGREEMENT made and entered into this ____ Day of ____, 2018 by and between _____ ("Transporter"), a _____ Corporation, whose principal place of business is _____, _____, and OKLAHOMA GAS AND ELECTRIC COMPANY ("OG&E"), an Oklahoma Corporation, whose principal place of business is Oklahoma City, Oklahoma.

WITNESSETH

WHEREAS, OG&E is engaged as a public utility in the generation and sale of electricity and owns and operates certain electric generating plants as identified in Article 1, to which plants, additions, or extensions may later be made by OG&E; and, which existing and contemplated plants and extensions and additions thereto are hereinafter referred to as "OG&E's Plants" as defined in Article 1; and,

WHEREAS, OG&E is a public utility that provides electric service to consumers within the States of Oklahoma and Arkansas and the parties recognize that the service to be provided by Transporter to OG&E under this Agreement is in support of public utility operations and the continuing performance of such service is critical in the public interest; and,

WHEREAS, OG&E intends to purchase natural gas from producers at various points accessible by Transporter where same is produced, as well as from producers located on other gas pipeline companies that have Interconnects with Transporter, and intends to procure additional Gas supply contracts for purchase of Gas for the operation of OG&E's Plants; and,

WHEREAS, OG&E desires Transporter, and Transporter is willing, to provide Gas transportation service for Gas purchased by OG&E to OG&E's _____ Plant (as defined in this Agreement) in quantities specified in this Agreement upon the terms and conditions hereinafter set forth, and the performance of various services as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual obligations herein contained, Transporter and OG&E contract and agree as follows:

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 1 - GENERAL DEFINITIONS

Except in those certain instances where the context states another meaning, the following terms, when used in this Agreement, shall have the following meanings:

1. **Btu** shall mean one (1) British thermal unit and is defined as the quantity of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-eight and five-tenths (58.5) degrees Fahrenheit to fifty-nine and five-tenths (59.5) degrees Fahrenheit at a constant pressure of fourteen and seventy-three hundredths (14.73) psia.
2. **Commercial Operation Date** shall mean the date the plant is released by the startup team to Market Operations group for unconstrained dispatch in the SPP Integrated Marketplace.
3. **Contract Year** shall mean a period of twelve (12) Months commencing at nine (9) a.m. Central Prevailing Time on required in service date and ending at nine (9) a.m. Central Prevailing Time on required in service date of the succeeding year.
4. **Cubic Foot of Gas** shall mean the volume of Gas contained in one (1) cubic foot of space at a standard pressure base of fourteen and seventy-three hundredths (14.73) psia and a standard temperature base of sixty (60) degrees Fahrenheit.
4. **Daily Imbalance Report** shall mean a report maintained by Transporter, furnished to OG&E, and agreed to by an authorized representative of OG&E, which reflects, on an hourly basis by Delivery Point, Deliveries to OG&E. Information for this report shall be obtained from Transporter's SCADA System for all points accessible by Transporter's SCADA System.
5. **Day** shall mean the twenty-four (24) hour period beginning at nine (9) a.m. Central Prevailing Time on one calendar day and ending at nine (9) a.m. Central Prevailing Time of the following calendar day.
6. **Deliveries** shall mean quantities of Gas delivered by Transporter on behalf of OG&E to Primary Delivery Points as measured by Transporter's SCADA System.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

7. **Delivery Point** shall mean a point where Gas physically leaves Transporter's Pipeline System and is transferred to the custody of OG&E or its designated agent.

8. **Firm Transportation** shall mean a level of transportation service that is not subject to interruption for any reason other than a Force Majeure event as defined in Article 17 of this agreement; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges set forth in Article 8 related to its interruption after the nomination is made to the Transporter until the change in deliveries and receipts is confirmed by the Transporter.

9. **Gas** shall mean natural gas consisting of a mixture of hydrocarbons or hydrocarbons and non-combustible gases, consisting essentially of methane. Such gas may be in its natural state produced from wells or residue resulting from any processing of natural gas and that meets the quality specifications contained in either Article 12 or the applicable Gas Purchase Contract.

10. **Gas Purchase Contract(s)** shall mean the existing contracts in effect and those added during the term of this Agreement, which OG&E has for the purchase of Gas from suppliers connected directly to the pipeline or other designated Receipt Points connecting to Transporter's pipeline.

11. **Gross Heating Value** shall mean the number of Btu's produced by the complete combustion, at constant pressure, of the amount of Gas which would occupy a volume of one (1) cubic foot at a temperature of sixty (60) degrees Fahrenheit, at a constant pressure of fourteen and seventy-three hundredths (14.73) psia and under standard gravitational force (acceleration 980.665 centimeters per second squared) with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air and when the water formed by such combustion is condensed to the liquid state.

12. **Hour or Hourly** shall mean a period of sixty (60) consecutive minutes commencing and ending on the hour.

13. **Imbalance** shall mean the difference between Receipts and Deliveries.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

14. **Interconnect** shall mean a connection between Transporter and another party permitting the transfer of Gas in one or both directions.
15. **Loop Calibration** shall mean a calibration from the primary sensing element through the data acquisition system.
16. **Mcf** shall mean one thousand (1,000) cubic feet.
17. **MMBtu** shall mean one million (1,000,000) Btu's.
18. **Month** shall mean a period of one (1) calendar Month commencing at nine (9) a.m. Central Standard Time on the first Day of the Month and ending at nine (9) a.m. Central Standard Time on the first Day of the succeeding Month.
19. **Nominated Quantity** shall mean the quantity of gas supply that has been nominated by shipper to Transporter and confirmed to be received by the pipeline for the delivery period specified in the nomination.
20. **OG&E's Plants**, which term shall include both singular and plural, shall mean the electric generating stations hereinafter described in Attachment 1.
21. **Pipeline System** shall mean Transporter's pipeline system including gathering and transmission pipelines, compressor stations, metering equipment, scrubbers, separators and other devices that may be necessary to receive, transport and deliver Gas to OG&E's Plants from the various producing fields or sources where Gas is purchased by OG&E.
22. **Primary Delivery Point** shall mean a Delivery Point specifically identified on Exhibit D to this Agreement.

OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES

23. **Primary Receipt Point** shall mean a Receipt Point specifically identified on Exhibit C to this Agreement.
24. **Psia** shall mean pounds per square inch absolute.
25. **Psig** shall mean pounds per square inch gauge.
26. **Receipt Point** shall mean the location at which Gas physically enters Transporter's Pipeline System and is transferred to the custody of Transporter.
27. **Receipts** shall mean quantities of Gas received by Transporter on behalf of OG&E at Receipt Points as identified on Exhibit C as measured by Transporter's SCADA System.
28. **SCADA System** shall mean Transporter's System Control and Data Acquisition System. Transporter shall provide OG&E with access to Transporter's SCADA System to obtain all information necessary to monitor the Gas flows and pressures into and out of Transporter's Pipeline System for OG&E's account and in total. Transporter shall also provide OG&E with "real time" electronic flow meter within 2 hours of real time at each delivery point.
29. **Service Commencement Date** shall mean the first day the pipeline is available to provide full service
30. **Service Month** shall mean a Month in which Transporter provides service to OG&E.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 2 - EFFECTIVE DATE AND TERM

A. EFFECTIVE DATE

This Agreement shall become effective on Service Commencement Date as defined in article 1 above.

B. TERM

The services provided to OG&E by Transporter as specified under this Agreement shall begin at nine (9) a.m. Central Prevailing Time on _____, 2019 and shall terminate at nine (9) a.m. Central Prevailing Time on _____, 2024, unless earlier terminated pursuant to the terms of this Agreement.

ARTICLE 3 - OBLIGATIONS OF TRANSPORTER

- A. During the Term of this Agreement, Transporter will efficiently maintain and operate its Pipeline System to adequately gather, meter, transport and deliver to OG&E's Plants from the Receipt Point(s) to the Delivery Point(s) on a firm basis and in accordance with all the provisions of this Agreement, the quantities of Gas nominated by OG&E.
- B. Transporter shall install and maintain the meters necessary to meter all Gas received by it at each well or source of supply from which OG&E is purchasing Gas received by Transporter. Transporter shall also furnish OG&E with the reports listed on Exhibit B, when specified on Exhibit B, which will enable OG&E to make payment to the persons entitled thereto for all Gas received by Transporter on behalf of OG&E.

ARTICLE 4 - OBLIGATIONS OF OG&E

- A. OG&E shall compensate Transporter for all the services provided by Transporter to OG&E pursuant to the terms of this Agreement.
- B. OG&E warrants that it will have good title to, or the good right to deliver, the Gas that is provided to Transporter for transportation pursuant to this Agreement, and that such Gas shall be free and

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

clear of all liens, encumbrances and adverse claims.

ARTICLE 5 - TRANSPORTATION OF GAS UNDER THIS AGREEMENT

- A. OG&E shall have the right to transport on Transporter's Pipeline System on any Day covered by this Agreement, an amount of Gas ranging from zero (0) MMBtu up to the Maximum Daily Quantity ("MDQ") specified for each of OG&E's Plants on Exhibit E to this Agreement on a Firm Basis. **(EXHIBIT C TO BE COMPLETED BY BIDDER).**
- B. OG&E shall have the right to request, and Transporter the obligation to deliver, during any Hour of any Day covered by this Agreement, an amount of Gas equal to one sixteenth (1/16) of the applicable Nominated Quantity.
- C. Transporter represents and warrants that the capacity covered by the MDQ limits specified in Exhibit E to this Agreement is not dedicated to any other party nor subject to interruption or curtailment for any reason not specifically permitted by the terms of this Agreement.
- D. Transporter represents and warrants that the firm transportation service to be provided pursuant to this Agreement is Transporter's highest priority firm service. Transporter further agrees that such firm transportation service shall be available to OG&E with no requirement for prior notice of its intended utilization by OG&E and without regard to any Imbalance which may be created by such utilization.
- E. All volumes of Gas received and delivered pursuant to this Agreement shall be accounted for in thermal equivalent volumes.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 6 - OG&E'S VOLUME REQUIREMENTS

A. NOMINATIONS

All nominations provided by OG&E are agreed upon gas supply volumes that have been purchased by OG&E from specified gas suppliers for the corresponding gas day. Those nominations are representative of the gas supply that the transporter should expect to receive but actual volumes that flow can and will vary from the nomination due to factors beyond the control of OG&E. OG&E will nominate on a dry MMBtu basis and Transporter will deliver OG&E's nomination to OG&E's designated Primary Delivery Point(s) less any pipeline fuel allowance and /or other charges agreed to by the parties.

1. Notice and Flexibility

a. Daily Nominations

- (1) OG&E will notify Transporter as soon as possible of any changes in the nomination quantities by Receipt Point for the succeeding Day or current Day.
- (2) OG&E will make reasonable efforts to revise its nominations as gas volume changes are known during the Day as conditions warrant.

b. Hourly, Daily and Monthly Imbalances

OG&E and the prospective transporter will negotiate contractual language that addresses how the parties will handle hourly daily and monthly imbalances. There are a variety of mechanisms that can accomplish this task, but industry wide standardization is lacking in this area.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 7 - CHARGES

(THIS SECTION TO BE PREPARED BY BIDDER)

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 8 - ADJUSTMENT TO AGREEMENT CHARGES

(THIS SECTION TO BE PREPARED BY BIDDER)

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 9 - RECEIPT AND DELIVERY POINTS

A. RECEIPT POINTS

1. Primary Receipt Points

. Exhibit B to this Agreement shall identify OG&E's Primary Receipt Points as of the effective date of this Agreement (**EXHIBIT B TO BE COMPLETED BY BIDDER**).

B. DELIVERY POINTS

1. Primary Delivery Points

The Primary Delivery Points to OG&E's Plants, as of the effective date of this Agreement, are specified in Exhibit D to this Agreement (**EXHIBIT C TO BE COMPLETED BY BIDDER**).

C. PRESSURE

1. The Gas received by Transporter on behalf of OG&E shall be of sufficient pressure required to enable the Gas to enter Transporter's facilities at the Receipt Point. Transporter shall maintain pipeline pressures at each Primary Receipt Point no higher than the maximum pressure limits specified on Exhibit B.
2. The Gas delivered to OG&E at each of OG&E's Primary Delivery Points shall not be less than the minimum pressures specified on Exhibit C to this Agreement. Transporter may deliver Gas at any Primary Delivery Point at such higher pressure as is practicable, up to the maximum pressures identified on Exhibit C.

D. ACCESS

Transporter shall have the right of ingress and egress to and on the property of OG&E during normal business hours or with prior notification for the purpose of installing or removing necessary pipelines, equipment, instruments and measuring devices that are the property of Transporter and for making inspections and repairs. At the termination of this Agreement, Transporter shall have the right to remove all of its properties, fixtures and equipment and it is agreed that all such properties, fixtures and equipment shall remain the property of Transporter, even though affixed to the realty of OG&E.

ARTICLE 10 - MEASUREMENT OF GAS

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

- A. Transporter shall measure Gas received pursuant to OG&E Gas Purchase Contracts in effect as of the date of this Agreement in accordance with the applicable contract to the extent such contract terms differ from the specifications of this Article 10. All other Gas, including future OG&E supplies, shall be measured in accordance with this Article 10.

- B. All Gas transmitted to the Delivery Points at OG&E's Plants shall be metered at the Delivery Point through Transporter's metering equipment. Transporter is required to install electronic Gas flow measurement equipment at all of OG&E's Primary Delivery Points. The Gas shall be measured with either A) orifice meters using flange taps whose computations of volume are made in accordance with provisions of Gas Measurement Committee Report No. 3 of the American Gas Association ("AGA") as reprinted and revised August 1992, together with all subsequent revisions, supplements, and appendices to said Report or B) AGA Report No. 9 for Multipath Ultrasonic Meters. Transporter is responsible for the installation, maintenance, and calibration of the measurement equipment. Likewise all measurement equipment shall comply with AGA's technical requirements for Gas measurement equipment.

- C. The Gross Heating Value of the Gas in Btu's per cubic foot and specific gravity received and delivered hereunder shall be determined from a sample of Gas taken by the means of a continuous accumulator, a spot sample, a Gas chromatograph, or any other method approved by the AGA. The values for specific gravity obtained while Gas is being delivered shall be recorded to the nearest one thousandth (0.001) and shall be the applicable specific gravity of Gas for the period under consideration.

- D. Unless otherwise agreed, Transporter or its designated agent shall install, maintain, and operate all facilities and equipment for the accurate measurement of Gas received and delivered hereunder. OG&E or its designated agent shall have access to the measuring equipment at all reasonable times, but readings, calibrations, and adjustments thereof, shall be done by Transporter, unless otherwise agreed.

- E. OG&E or its designated agent shall have the right to be present at the time of any scheduled installation, testing, cleaning, changing, repairing, inspection, calibration, or adjusting of the

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

measuring equipment. Transporter shall complete and forward to OG&E a copy of the Equipment Service Record for all maintenance work.

- F. Transporter shall schedule and conduct monthly, quarterly, and annual audits of the performance of the Gas measurement equipment. Transporter shall provide OG&E with a minimum of one week's advance notice of any audits in order for OG&E or its designated agent to schedule witnessing of any work performed. If Transporter cancels a scheduled audit, at least one week's advance notice shall be provided to OG&E before the reschedule date. All audits shall be in conformance with National Institute of Standards and Technology ("NIST") and American Gas Association ("AGA") standards.
- G. In addition to the monthly audits, Transporter will conduct a minimum of four audits per year. These will consist of three quarterly and one annual audit. Audit times will be given consideration for ambient conditions so as not to exceed the limits of the calibration equipment. To successfully pass the Loop Calibration check, the temperature loop, the static pressure loop, and the differential pressure loop must indicate calibration within specified tolerances. Because of the nature of the measurement equipment, tolerances will change with changes in calibrated ranges. Regardless of the calibrated range of the equipment being calibrated, tolerances shall be determined using AGA standards and shall be agreed upon by OG&E and Transporter. An example of an OG&E/Transporter agreed upon tolerance specification for measurement loops with transmitters of the ranges shown in the following example reads: To successfully pass the audit check, the temperature loop must be within plus or minus 0.49 degrees Fahrenheit (within a calibrated range of 0 to 150 degrees Fahrenheit), the static pressure loop within plus or minus 0.33 pounds per square inch (PSI) (within a calibrated range of 0 to 150 PSI), and the differential pressure loop within plus or minus 0.48 inches of water (H₂O) (within a calibrated range of 0 to 250 inches of water).

If any equipment fails to pass the Quarterly Audit (defined below), Transporter shall recalibrate and retest using the guidelines as required for an Annual Audit (defined below).

1. Monthly Audit shall include:
 - a. Clean and inspect the orifice plates on all metering runs.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

2. Quarterly Audit shall include:
 - a. A single point temperature check against an NIST traceable digital thermometer measuring the actual Gas temperature (flowing/non-flowing).
 - b. A three point check of the differential pressure and static pressure measurement equipment using NIST traceable calibration equipment.
 3. Annual Audit shall include:
 - a. A five-point temperature check using an NIST traceable dry block temperature bath.
 - b. A five point differential pressure and static pressure check using NIST traceable calibration equipment.
- H. If, for any reason, OG&E or its designated agent does not agree with the calibration audit procedures or results, the reason(s) will be put in writing and the calibration audit will be performed again within the next seven (7) days as agreed upon by the parties by an independent third party, such as Standard Labs. If the independent third party agrees with Transporter's procedures and results, OG&E shall pay the cost of the third party audit. If the third party disagrees with Transporter's procedures and results, Transporter shall pay the cost of the third party audit. The results of the independent third party calibration audit shall be binding on OG&E and Transporter.
- I. Maintenance Reports will be maintained electronically in a spreadsheet or database format. Transporter shall complete Maintenance Reports for all work performed on the measurement system. A copy of all reports shall be provided to OG&E. These will include signatures of both the Transporter and OG&E representatives. While OG&E may not be present for emergency work, Transporter is required to complete and forward a copy of such maintenance to OG&E.
- J. Transporter will perform all calibration and maintenance work with equipment whose calibration is traceable to the NIST. The NIST certification shall have occurred within the previous twelve months. Transporter shall utilize calibration equipment having an accuracy of four (4) times

OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES

greater than the device being served. Transporter must obtain OG&E's approval prior to using any calibration equipment having an accuracy of less than four (4) times greater than the device being served. Transporter shall perform all correction to the NIST traceable certification data as stated by the manufacturers of the various devices. These primarily consist of, but are not limited to, the effects of local gravity, ambient temperature, and head pressure. If, upon test, the total effects of the measurement equipment inaccuracy produce flow measurement within plus or minus one percent (1%) correct flow rate, previous readings of such equipment after the last preceding test shall be considered correct, but the equipment shall be adjusted to record accurately. If, on any test, the measuring equipment inaccuracy is found to produce Gas flow measurements exceeding plus or minus one percent (1%), or if at any time the measuring equipment should be out of service or not registering, Gas received or delivered through the period during which the measuring equipment was registering inaccurately or was out of service or not registering shall be estimated and agreed upon by the use of the following methods:

1. By using the registration of any check measuring equipment installed by either party if registering accurately; or
2. By computing error if percentage of error is ascertainable by calibration, test, or mathematical calculation; or
3. By estimating the quantity received or delivered and/or its thermal content by reference to actual deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

If the period during which the measuring equipment at the Delivery Point(s) had been registered inaccurately, or had been out of service or not registering, is not definitely known or agreed upon, correction shall be made for the time elapsed since the measuring equipment was previously tested and found to be registering within one percent (1%) of accuracy or had been adjusted to register accurately.

- K. Volumes of Gas as metered at the Delivery Points at OG&E's Plants will be adjusted on the basis of the Gross Heating Value expressed in Btu's per Cubic Foot of Gas at standard conditions. For

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Delivery Points utilizing on-line chromatography in conjunction with electronic flow measurements, volume adjustments for Btu will be performed within the electronic flow measurement system, applying the calculated Btu to corresponding volumes in intervals not to exceed one (1) hour. For Delivery Points utilizing continuous accumulator sample methods, Gas analyses results from an off-site chromatograph will be applied to volumes for periods not to exceed one (1) Month. For Delivery Points utilizing spot sample methods, Gas analyses results from an off-site chromatograph will be applied to volumes for periods not to exceed three (3) Months. If any device used in the process of measuring Btu's becomes inoperative or incorrectly measures the Btu content, it shall be repaired or adjusted so as to measure such Btu content as nearly accurate as mechanically possible. If any such device is found to be inoperative or creates an error in the Btu computation of 3% or greater, the Btu content shall be estimated and agreed upon using the best data available.

- L. Transporter shall perform the following measurement/maintenance tasks at OG&E's Plants **(BIDDER SHOULD LINE OUT THOSE STATIONS NOT INCLUDED IN ITS PROPOSAL)**:
1. Transporter shall check and correct chromatograph, meter and printer errors at OG&E's Horseshoe Lake, Seminole, Redbud and McClain Plants.
 2. Transporter shall maintain the meter run and associated valves and instrumentation as well as coalescing filters at each of OG&E's plants awarded through this RFP process.
 3. OG&E shall provide Transporter with a minimum of one week's advance notice of any tests in order for Transporter to schedule the necessary personnel.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 11 - GAS QUALITY

A. SPECIFICATIONS

1. The Gas received by Transporter on behalf of OG&E pursuant to OG&E Gas Purchase Contracts in effect as of the date of this Agreement shall meet the minimum quality specifications in the applicable Gas Purchase Contract. All other Gas, including future OG&E supplies, received by Transporter on behalf of OG&E and delivered to OG&E under this Agreement shall meet the following minimum quality specifications:
 - a. The Gas shall in no event contain in excess of seven (7) pounds of water vapor per million (1,000,000) Cubic Feet of Gas.
 - b. Transporter shall guarantee a hydrocarbon dew point of -10 °F or less at the delivery pressure of 900 psig.
 - c. Transporter shall provide gas phase diagrams with the bid showing hydrocarbon dew point and hydrate formation temperatures graphed with respect to pressure and temperature.
 - b. The Gas shall be free of objectionable liquids and solids and other potentially harmful matter and shall be commercially free from dust, gum, gum-forming constituents, free water and other liquids and solids which may become separated from the Gas in the course of transportation through Transporter's Pipeline System.
 - c. The Gas shall not contain more than one-fourth (1/4) grain of hydrogen sulfide per one hundred (100) Cubic Feet of Gas.
2. Gas made available for receipt by Transporter must meet or exceed the quality specifications listed in Article 11(A)(1) or such higher standards as may be required at Primary Delivery Point(s). If at any time, Gas made available for receipt shall fail to conform to any of the quality specifications set forth in Article 11(A)(1), Transporter may, at its option, refuse to accept receipt of such Gas. Transporter shall notify OG&E of any deficiency in the quality of the Gas it receives on behalf of OG&E as soon as Transporter becomes aware of any such deficiency.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 12 - LAWSUITS, TRIALS AND OTHER PROCEEDINGS

A. EXPERT WITNESS TESTIMONY

1. OG&E may request, and Transporter shall provide, Transporter personnel to present testimony on behalf of OG&E in lawsuits, regulatory proceedings and/or arbitration proceedings in which Transporter is not a party.
2. Transporter may request, and OG&E shall provide, OG&E personnel to present testimony on behalf on Transporter in lawsuits, regulatory proceedings and/or arbitration proceedings in which OG&E is not a party.
3. For lawsuits, regulatory proceedings and/or arbitration proceedings in which both OG&E and Transporter are a party, each shall be responsible for the costs incurred by its own personnel in developing and presenting testimony.

B. TIME SPENT FOR LAWSUITS, TRIALS AND OTHER PROCEEDINGS

1. OG&E may request, and Transporter shall provide, Transporter personnel to provide litigation support to OG&E in lawsuits, regulatory proceedings and/or arbitration proceedings in which Transporter is not a party. Such litigation support would include, but not be limited to, meetings with OG&E personnel and outside counsel, researching and furnishing data in response to interrogatories and litigation preparation ("Discovery") and travel (e.g., field trips) as necessary.
2. Transporter may request, and OG&E shall provide, OG&E personnel to provide litigation support to Transporter in lawsuits, regulatory proceedings and/or arbitration proceedings in which OG&E is not a party. Such litigation support would include, but not be limited to, meetings with Transporter personnel and outside counsel, researching and furnishing data in response to interrogatories and litigation preparation ("Discovery") and travel (e.g., field trips) as necessary.
3. For lawsuits, regulatory proceedings and/or arbitration proceedings in which both OG&E and Transporter are a party, each shall be responsible for the costs incurred by its own personnel in providing the required litigation support.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 13 - FORCE MAJEURE

A. FORCE MAJEURE DEFINED

1. The term Force Majeure means an event: (i) that was not within the control of the party claiming its occurrence; (ii) that could not have been prevented or avoided by such party through the exercise of due diligence; and (iii) that prohibits or prevents such party from performing its obligations under this Agreement. Events that may give rise to a claim of Force Majeure include, but are not limited to:
 - a. Acts of God or Act of Providence, including without limitation, epidemics, landslides, hurricanes, floods, washouts, lightning, earthquakes, storm warnings, extreme heat or extreme cold, any other adverse weather conditions, and threats of any of the foregoing and whether preceded by, concurrent with, or followed by acts or omissions of any human agency, whether foreseeable or not, which may directly or indirectly contribute to or result in a party's inability to perform its obligations;
 - b. Acts of Government, including without limitations, laws, orders, rules, decrees, judgements, judicial actions, regulations, acts of arrest or restraint, and threats of any of the foregoing, by any government (de jure or de facto) or any agency, subdivision or instrumentality thereof, having, claiming, or asserting authority or jurisdiction over the severance, production, gathering, transportation, handling, sale, delivery or redelivery of the gas to be transported pursuant to this Agreement, when any such Act of Government directly or indirectly contributes to or results in a party's inability to perform its obligations, provided such governmental action has been resisted in good faith by all reasonable legal means;
 - c. Acts of Civil Disorder, including without limitation, acts of sabotage, acts of the public enemy, acts of war (declared or undeclared), blockages, insurrections, riots, mass protests or demonstrations, and threats of any of the foregoing, and police action in connection with or in reaction to any such Acts of Civil Disorder, when any such Act of Civil Disorder directly or indirectly contributes to or results in a party's inability to perform its obligations;

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

- d. Acts of Industrial Disorder, including without limitations, strikes, lockouts, picketing, and threats of any of the foregoing, when any such Act of Industrial Disorder directly or indirectly contributes to or results in a party's inability to perform its obligations; provided however, that the settlement of any labor dispute to prevent or end any such Act of Industrial Disorder shall be within the sole discretion of the party involved in such labor dispute and the requirement above that any inability shall be corrected with reasonable diligence does not apply to labor disputes;
 - e. Failures of Facilities, including without limitations, freezing of wells or lines of pipe, failures resulting from fire, washouts, mechanical breakdowns of, malfunctions of or necessities for making repairs or alterations to, furnaces, reactors, plant installation, machinery, lines of pipe, pumps, compressors, valves, gauges, or any of the equipment herein or thereon, and cratering, blowout, or failure of any well or wells to produce, when any such Failure of Facilities directly or indirectly contributes to or results in a party's inability to perform its obligations, and regardless of whether such Failure of Facilities may have resulted from fault, negligence, omission, or inadvertence, directly or indirectly, of a party hereto, or by any person acting on its behalf or under its direction; or,
 - f. Any occurrence, condition, situation, or threat thereof, not covered by paragraphs (a) through (e) above, which renders a party unable to perform its obligations, provided such occurrence, conditions, situation, or threat thereof is not under or within the control of the party claiming such inability, and also provided, such party could not have prevented such occurrence, condition, situation or threat thereof, by the exercise of reasonable diligence.
2. Neither party shall be entitled to the benefit of Force Majeure under any of the following circumstances:
- a. To the extent such party was negligent, in whole or in part, in causing, or exacerbating the impact of, such Force Majeure or to the extent that such Force Majeure is the result of, or exacerbated by, acts, omissions or the negligence of such party's affiliates;

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

- b. To the extent such party failed to use due diligence or failed to utilize all reasonable dispatch and reasonable efforts in preventing, removing or overcoming such Force Majeure, provided, however, that this Article 13(A)(2) shall not be construed as requiring the settlement of strikes, lockouts or similar labor-related disturbances by acceding to the demands of opposing parties when such course of action is inadvisable in the discretion of the party having the labor-related disturbance;
- c. To the extent such party's inability to perform was caused by the party's lack of funds;
- d. To the extent such party's inability to perform was caused by such party's failure to contract for, obtain or otherwise maintain the quantities of Gas nominated by OG&E;
- e. Transporter shall not be allowed to use economic hardship as a condition of Force Majeure meaning specifically that Transporter shall not be allowed disrupt OG&E's firm transportation service from any Receipt Point(s) for Transporter's opportunity to obtain a higher transport rate from a third party.

B. PROCEDURE FOR CLAIM OF FORCE MAJEURE

1. Procedure for Existence of a Force Majeure Event

The party raising a claim of a Force Majeure event shall, as soon as is reasonably practical after knowledge of such event, notify the other party hereto by telephone or telegram concerning the existence of a Force Majeure, and within ten (10) Days of the beginning of the Force Majeure event shall confirm in writing to the other party all available facts and circumstances surrounding the existence of the event claimed to be Force Majeure, including, but not limited to, its causes, the duration or expected duration of the Force Majeure, the efforts expended to correct or attempt to correct the event, the claimed effect on such party's obligations or performance under this Agreement and the efforts expended to mitigate the effect on such party's obligations or performance under this Agreement. The party shall, upon request, promptly provide all necessary documentation, supporting facts and calculations necessary to verify all of the foregoing.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

2. Procedure for Duration and Effect of a Force Majeure Event

The party raising a claim of a Force Majeure event shall, as soon as practicable, notify the other party when a claimed Force Majeure event is terminated, and in any event within ten (10) Days of the end of the Force Majeure condition, and shall confirm in writing to the other party all available facts and circumstances surrounding the duration and effect of the claimed Force Majeure event, including the obligations of this Agreement which the Force Majeure event is claimed to suspend under Sections C and D of this Article 13.

C. EFFECT OF A FORCE MAJEURE EVENT

If any party is rendered unable, wholly or in part, by a Force Majeure event, to perform its obligations under this Agreement, other than the obligation to make payments for service actually rendered and for payments then due, it is agreed that performance of the respective obligations of any party, insofar as they are affected by such a Force Majeure event, shall be suspended from the inception of such inability until it is corrected but for no longer period. The party claiming such inability shall give notice thereof to the other parties as soon as practicable after the occurrence of the Force Majeure event. If such notice is first given by telephone or radio communication, it shall be confirmed promptly in writing giving full particulars. The party claiming the inability shall promptly correct such inability to the extent it may be corrected through the exercise of reasonable diligence. The term of this Agreement shall not be extended beyond its normal expiration date by any periods of time during which performance is suspended by a Force Majeure event. A party shall not be liable to the other parties for any losses or damages, regardless of the nature thereof and howsoever occurring, whether such losses or damages be direct or indirect, immediate or remote, by reason of, caused by, arising out of, or in any way attributable to the suspension of performance of any obligation by a party when such suspension occurs because that party is rendered unable, wholly or in part, by a Force Majeure event, to perform its obligations.

D. EFFECT ON OG&E'S TRANSPORTATION CHARGES

If a Force Majeure event occurs which prevents either party from fulfilling its obligations pursuant to this Agreement, all fixed charges set forth in Article 7 shall be refunded and all minimum volume requirements shall be reduced by a factor of [1/the number of Days in the applicable time period for the minimum volume] for each Day from the commencement of the Force Majeure event until such Force Majeure event is terminated.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

E. CURTAILMENT

Transporter shall have the right to curtail or discontinue firm transportation services in whole or in part on all or a portion of its system at any time for reasons of Force Majeure only. Transporter shall make every reasonable effort to provide alternative transportation services if a curtailment occurs. Transporter shall provide OG&E such notice of the curtailment by telephone as soon as is reasonable under the circumstances. Transporter shall provide written notification consistent with Article 23.

ARTICLE 14 - ARBITRATION

The provisions in this Article shall apply to all disputes arising under this Agreement. To initiate an arbitration proceeding, one party shall serve a notice on the other party which requests arbitration and outlines the issue(s) the party requesting arbitration desires to be arbitrated. The party receiving the notice shall respond within ten (10) Days to either accept or reject the pursuit of arbitration proceedings. If arbitration is rejected by the party receiving a notice requesting arbitration, then the parties may seek judicial resolution of any disputes arising under this Agreement. If arbitration is to be pursued, the parties may agree upon a sole arbitrator, or if a sole arbitrator cannot be agreed upon, a panel of three arbitrators shall be named, one to be selected by Transporter, one to be selected by OG&E and one to be selected by the other two (2) arbitrators. Transporter and OG&E shall each select an arbitrator within twenty (20) Days of the date of one party's written notice to the other party that arbitration is being pursued. If the two arbitrators previously appointed by Transporter and OG&E cannot agree upon a third arbitrator with fifteen (15) Days, then Transporter or OG&E may apply to the American Arbitration Association for appointment of the third arbitrator.

The arbitrator(s) shall proceed to inquire into and determine the question and controversies at issue as disclosed in the noticing party's notice of arbitration, and shall give to both parties reasonable notice of the time and place where the arbitrator(s) may take such evidence as it/they may deem reasonable and may hear arguments of counsel or others. If, within fifteen (15) days of the appointment of the sole arbitrator, or the third arbitrator as the case requires, the arbitrator(s) shall decline or fail to act, the parties may agree upon a replacement arbitrator(s) or apply to the American Arbitration Association to appoint others to act in their place. After considering the evidence and hearing the testimony and arguments that

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

may be submitted by each party, the arbitrator(s) shall state the decision or award, in writing, within 180 Days after his/their selection or appointment. The decision or award, when delivered to both parties, shall be final and binding, and each party expressly agrees to be bound conclusively thereby as to any of the matters submitted to the arbitrator(s). Judgement may be entered upon such decision or awarded in any court of competent jurisdiction.

The non-privileged documents, books and papers of both parties as far as they are relevant to any matters submitted to arbitration, shall be open to examination of the other party and the arbitrator(s). Privileged books and papers of both parties, except legal memoranda or communications between an attorney and client, as relevant to any matters submitted to arbitration, shall be open to in-camera examination by the arbitrator(s), provided such arbitrator(s) signs a confidentiality agreement with the disclosing party.

Each party shall be responsible for the fees and expenses it incurs during the arbitration, including those fees and expenses incurred by each party's arbitrator, with the exception that the parties shall bear equally all the fees and expenses of the third arbitrator.

Except as otherwise specified herein, the arbitration shall be conducted in accordance with the Commercial Arbitration Rules of American Arbitration Association.

ARTICLE 15 - TERMINATION

A. FAILURE TO DELIVER

OG&E shall have the right to terminate this Agreement if Transporter fails to provide the Gas transportation services specified in this Agreement for more than seven (7) consecutive Days or more than fifteen (15) Days within a Contract Year exclusive of a Force Majeure event.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

B. FAILURE TO PAY

Transporter shall have the right to terminate this Agreement if OG&E fails to pay Transporter for services provided pursuant to this Agreement for a consecutive period of not less than thirty (30) Days from the date the payment was due provided that the amounts unpaid are not in dispute.

C. BREACH

1. Except as otherwise specifically provided in Sections A and B of this Article 19, if either party shall fail to perform any of the obligations specified in this Agreement (unless such failure may be excused by Force Majeure), then, and in that event, the other party may, at its option (without waiving any other remedy for breach hereof), serve written notice on the party in default specifying wherein the default has occurred and indicating election to cancel this Agreement due to the specified default.
2. The party in default shall have thirty (30) Days from receipt of such notice to remedy such default to the satisfaction of the other party, including to pay or indemnify the other party for all loss or damage incurred as a result of the specified default. Upon failure of the party in default to remedy the default to the satisfaction of the other party, this Agreement shall be cancelled from and after the expiration of such thirty (30) Day period.

D. OBLIGATIONS

Termination of this Agreement for any reason shall not release any party from any obligation that may have accrued prior to such termination, nor shall it preclude any party from exercising any remedies it may have in law or equity to enforce such obligations.

ARTICLE 16 - EFFECT OF WAIVER

The failure of any party to insist in any one or more instances upon strict performance of any provisions of this Agreement by any party, or to take advantage of any of its rights, shall not be construed as a waiver by it of any such provisions or the relinquishment by it of any such rights in respect of any subsequent nonperformance of such provisions, but the same shall continue and remain in full force and effect.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 17 - GOVERNING LAWS AND REGULATIONS

- A. This Agreement shall be deemed a contract made in the State of Oklahoma for all purposes and shall be governed and construed according to the law of that state. Transporter and OG&E consent and agree that jurisdiction and venue with respect to any dispute arising under this Agreement shall be vested in the District Court of Oklahoma County.
- B. If any governmental authority shall take any action (1) which subjects either party to any materially greater or different regulation or jurisdiction than that existing on the date of this Agreement, or (2) which materially adversely affects the rights and benefits of the party affected by such action, then upon written notice to the other party, the party so affected may cancel and terminate this Agreement effective one (1) Day prior to the effective date of such governmental action without further obligation to the other party except, in the case of OG&E, to make payment for services rendered and, in the case of either Transporter or OG&E, to correct any Gas Imbalance existing on the date of such termination. However, nothing contained herein shall preclude the parties from renegotiating, rather than terminating, this Agreement if they so choose.
- C. Transporter shall be responsible for filing all necessary reports and/or notices required by law or regulation, and OG&E shall provide Transporter with any necessary compliance information requested by Transporter in connection with preparing such reports and/or notices.

ARTICLE 18 - AMENDMENTS

This Agreement shall comprise the entire Agreement between the parties with respect to the subject matter. Amendments shall not be valid unless in writing and signed by both parties.

ARTICLE 19 - NOTICES

Any notice, request, statement, correspondence, payment or other communication required to be in writing shall be considered properly delivered when actually received by the party to which it is addressed. Written notices and communications may be sent by U.S. Mail, by e-mail or by hand delivery. Such

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

notices and communications may also be sent via the Internet or network E-mail when these addresses become available and are provided to each party. Unless otherwise specified in writing, addresses for notices and written communications are as follows:

TO TRANSPORTER:

U.S. Mail: _____

E-mail: _____

Hand: _____

Operations and Contractual Notices: _____

Payments: _____

Statements: _____

TO OG&E:

U.S. Mail: P.O. Box 321 – M/C 404, Oklahoma City, OK 73101-0321

E-mail: TBD upon completion of contract

Hand: 321 N. Harvey, Oklahoma City, OK 73109

Operations and Contractual Notices: Attn: Fuels and Market Operations

Payments: Attn: Manager, Operations Accounting M/C 707

Statements: Attn: Manager, Gas M/C 404 (1 copy)

Attn: Manager, Operations Accounting M/C 707 (1 copy)

ARTICLE 20 - SUCCESSORS AND ASSIGNS

A. This Agreement shall extend to, be binding upon and inure to the benefit of, all respective successors, trustees and assigns of the parties hereto. Either party may make an assignment hereunder; however, neither party may make such an assignment without having obtained a prior written consent of the other party, which consent shall not be unreasonably withheld.

B. There shall be no third-party beneficiary of this Agreement and the provisions contained in this

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Agreement do not impart any enforceable rights to anyone who is not a party or a successor or assignee of a party hereto.

ARTICLE 21 - SEVERABILITY

If any provision of this Agreement is declared invalid or unenforceable, all other provisions shall remain in full force and effect. If, however, the absence of such provision or any part thereof would cause the maintenance of this Agreement to result in a material adverse departure from the benefits that would otherwise have been realized from this Agreement by any party, this Agreement may be terminated at the option of such party upon twenty (20) Days' written notice to all other parties, but only after a good faith attempt to remedy such absence.

ARTICLE 22 - BILLING AND PAYMENT

- A. Transporter shall, by not later than 5:00 p.m. Central Prevailing Time of the fifth (5th) working Day of the Month, issue an estimated monthly invoice to OG&E of applicable Agreement charges for the services provided during the previous Month pursuant to this Agreement, by means of mail or electronic transfer of documentation. The actual monthly invoice to cover charges for services shall be issued to OG&E by the tenth (10th) working day of the Month. Both the estimated and actual monthly invoice shall detail the monthly charges including setting forth the Mcf and MMBtu received at the Receipt Points and delivered at the Delivery Points on behalf of OG&E for each Day of the Month. The actual monthly invoice shall include information sufficient to explain and support all charges and adjustments shown on the actual monthly invoice. The parties shall bill for all other charges at appropriate times.
- B. Subject to Section D of this Article 26, all payments on bills submitted by either party shall be due and payable by wire transfer on or within twenty (20) Days (excluding the following Federal holidays: New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day) of the party's receipt date. In the event either party fails to make payments as required under this Article 26, such party may be assessed a late charge of 1/365th of the sum of one (1)

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

percentage point plus the prime rate in effect at the Chase Manhattan Bank in New York, New York on the first Day of the Month in which the payment became delinquent times the delinquent amount for each calendar Day by which payment is late.

C. If any overcharge or undercharge in any form shall be found pertaining to an invoice that has been paid, the requisite adjustments shall be made, provided, however, that no retroactive adjustments shall be made for any overcharge or undercharge beyond a period of twenty-four (24) months from the date of the original invoice. If necessary, Transporter shall refund to OG&E or OG&E shall make an additional payment to Transporter (whichever the case may be) within thirty (30) Days after final determination of the necessary adjustments.

D. If there is a bona fide dispute regarding applicable Agreement charges, the disputing party may withhold payment of that part of the bill which is in dispute until that dispute is resolved. If the dispute is resolved against the party withholding payments, such party shall pay interest at the rate specified in Section B of this Article 26 from the date payment was otherwise due.

E. Remittance to Transporter should be made by wire transfer to:

ABA No. _____
Account No. _____

F. Remittance to OG&E should be made by wire transfer to:

Boatmen's First National Bank
Oklahoma City, Oklahoma
ABA No. 103000017
Account No. 362070101204295

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

ARTICLE 23 - NONDISCLOSURE AND CONFIDENTIALITY

- A. No party hereto shall disclose any terms of this Agreement, or any information provided by either party in the administration of this Agreement, except upon the prior written consent of the other party; provided, however, that no party will be precluded from revealing such terms when required (1) in filing reports with governmental entities, (2) in an investigation or proceeding involving a governmental authority with jurisdiction over that party, (3) to a parent corporation or subsidiaries of that parent corporation, (4) to the auditors or consultants of a party, as long as such persons agree to protect the confidentiality of this Contract, or (5) by legal counsel based on advice that disclosure is required by law or regulation. OG&E may disclose Articles 11 and 14 to OG&E's Gas suppliers under the terms of OG&E's Gas Purchase Contracts, as long as such Gas supplier agrees in writing to abide by the confidentiality provisions of this Article 27. The parties hereto will make every effort to protect the confidentiality of the terms of this Agreement. Where disclosure is required, notice shall be given to the other party and, to the extent possible, such notice shall be given in advance of disclosure.
- B. Prior to disclosure of the terms of this Agreement to a corporate affiliate, auditors or consultants of any party, such affiliate or consultants shall first agree in writing to protect the confidentiality of the information being disclosed. Prior to making any disclosure of the terms of this Agreement to governmental entities, the disclosing party shall use reasonable efforts to have such governmental entity to agree in writing to protect the confidentiality of the information being disclosed.

ARTICLE 24 - RECORDS

- A. Transporter and OG&E shall keep all records pertaining to the performance of this Agreement for a period of not less than six (6) years from date of transaction with the provision that any records pertaining to any ongoing or anticipated litigation will be held longer as designated by OG&E or Transporter. Prior to the destruction of any records pertaining to the performance of this Agreement, Transporter or OG&E shall notify the other party of its desire to destroy any such records and the other party shall have the right to obtain such records prior to their destruction.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

- B. The parties agree that the necessary records of the parties, insofar as they pertain to the terms of this Agreement, shall be made available, upon reasonable notice, at each party's respective place of business for inspection and examination by any authorized employee or agent (including a certified public accountant) of OG&E or Transporter during regular business hours with the exception that certain records must be reviewed by persons other than employees of OG&E or Transporter as may be specified in certain Articles of this Agreement; provided however, that nothing in this Article 28 shall require either party to divulge to the other party information regarding its costs under this Agreement.

ARTICLE 25 - ADDITIONAL CHARGES BY AGREEMENT ONLY

The charges specified in this Agreement shall constitute the sole and entire compensation payable to the parties for the service specified under this Agreement. Transporter shall not, by tariff or otherwise, seek to collect from OG&E any additional amounts in connection with such specified services. If either party requests the other party to perform services not specified under this Agreement, charges for such services shall be established by separate agreement.

ARTICLE 26 - INDEMNITIES

- A. Transporter shall protect, indemnify, and save harmless OG&E, its affiliated companies and its officers, directors, stockholders, employees, agents, and servants from and against all liabilities, losses, claims, damages, penalties, causes of action, suits (including suits for personal injuries or death in connection with the services specified in this Agreement, including reasonable attorney's fees and expenses) caused by the negligence or willful and wanton acts of Transporter, including Transporter's employees, agents, and servants arising out of or in connection with Transporter's obligations under this Agreement, and shall pay any judgements of any nature rendered against such person for such injuries or damage due to or arising out of or in connection with such negligence or willful and wanton acts of Transporter and Transporter's employees, agents, and servants.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

- B. OG&E shall protect, indemnify, and save harmless, Transporter, its affiliated companies and officers, directors, stockholders, employees, agents, and servants from and against all liabilities, losses, claims, damages, penalties, cause of action, suits (including suits for personal injuries or death in connection with the services specified in this Agreement, including reasonable attorney's fees and expenses) caused by the negligence or willful and wanton acts of OG&E, including OG&E's employees, agents and servants arising out of or in connection with its obligations under this Agreement, and shall pay any judgements of any nature rendered against such person for such injuries or damage due to or arising out of or in connection with such negligence or willful and wanton acts of OG&E and OG&E's employees, agents and servants.
- C. If any liability, loss, claim, damage, penalty, cause of action or suit arises from the joint negligence or willful and wanton acts of Transporter and OG&E, each party shall be responsible for only that portion of the liability, loss, claim, damage, penalty, cause of action or suit caused by its negligence or willful and wanton acts.

ARTICLE 27 - CONSTRUCTION OF TERMS

- A. The terms of this Agreement have been arrived at after mutual negotiation and, therefore, it is the intention of the parties that its terms not be construed against any of the parties by reason of the fact that it was prepared by one of the parties.
- B. Section, subsection and paragraph captions, and the order of the sections, subsections and paragraphs in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- D. Where the context requires, any defined term may be used in any tense without affecting its definition except as to the tense thereof.
- E. All references to OG&E and Transporter herein shall include any designee(s) of the parties.

ARTICLE 28 - CUMULATIVE REMEDIES AND RIGHTS

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

All remedies, options and rights herein granted and reserved to OG&E or Transporter in the event of failure to perform or breach of this Agreement shall be cumulative, and in addition to all other rights and remedies which OG&E or Transporter would have in law in or equity by reason of any breach of this Agreement if such rights, remedies and options had not been included herein, or exercised.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers as of the date first referenced.

OKLAHOMA GAS AND ELECTRIC COMPANY

By

Title

ATTEST:

TRANSPORTER

By

Title

ATTEST:

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

**EXHIBIT A
List of Reports Required by OG&E**

1. Monthly Invoice with summary page identifying fixed and variable charges in line item format.
2. Hourly Deliveries within two hours of real-time for each generating unit provided in excel spreadsheet format.
3. Monthly supporting documentation report. This report includes daily nominations, retained fuel, daily receipts, and daily deliveries by generating unit and daily cash-out calculations in Excel spreadsheet format.
4. Overrun supporting documentation reports. These reports include daily and hourly overrun calculations for volumes in excess of OG&E's contractual MDQ, MHQ and 1/16th service in Excel spreadsheet format.
5. Monthly on-line confirmations by shipper report. This report includes vendor name, receipt point and volumes delivered by Vendor to transporter on a daily basis in Excel spreadsheet format.

Note: All reports listed will be delivered to OG&E electronically.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

**EXHIBIT B
PRIMARY RECEIPT POINT(S)**

This Exhibit "B" to the Firm Intrastate Gas Transportation Service Agreement by and between _____ ("Transporter") and OKLAHOME GAS AND ELECTRIC COMPANY ("Shipper"), dated _____, is for all purposes made part of said Agreement.

PRIMARY RECEIPT POINT(S)

All active non-restricted Major Interconnect Point(s) of Receipt and East Zone Pool Gas, for the Transportation System as listed and which may be viewed at www._____.com. The Parties agree that TRANSPORTER may revise the Major Interconnect Point(s) of Receipt from time to time to add or delete interconnects, and such revisions shall be incorporated into this Agreement without amendment to this Agreement. The parties also agree that to the extent any gas received by TRANSPORTER has been previously transported upstream in interstate commerce, such transportation will have been provided in accordance with Section 311 of the NGPA.

SHIPPER understands and agrees that it may not be able to obtain all of the MDQ from any single one of the Point(s) of Receipt but can obtain the MDQ from a combination of Point(s) of Receipt. SHIPPER further understands that:

- (1) SHIPPER'S ability to obtain gas at any Point of Receipt is subject to any capacity limitation at that Point of Receipt and confirmation between TRANSPORTER and the operator of such Point of Receipt; and
- (2) TRANSPORTER will not, in any way, be liable to SHIPPER if capacity is not available at any particular Point of Receipt as long as capacity up to SHIPPER'S nominations, not to exceed the MDQ, is available at a combination of Point(s) of Receipt.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

**EXHIBIT C
PRIMARY DELIVERY POINT**

This Exhibit "C" to the Firm Intrastate Gas Transportation Service Agreement by and between _____ ("Transporter") and OKLAHOMA GAS AND ELECTRIC COMPANY ("Shipper"), dated _____, is for all purposes made part of said Agreement.

PRIMARY DELIVERY POINT

Plant Name

Location (Delivery Point)

Legal Description

Mailing Address

Physical Location

Minimum Delivery Pressure

Maximum Delivery Pressure

Minimum Delivery Temperature

Maximum Delivery Temperature

Maximum Hourly Quantity

Maximum Daily Quantity

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Attachment 4: Notice of Intent to Bid

Prospective bidders are strongly encouraged to complete this Notice of Intent to Bid Form and return it to OGE by March 23, 2018. Completion of this Form will result in the prospective bidder being placed on the correspondence list for any further information and updates. Submission of a completed Notice of Intent to Bid Form is the only way bidders can be assured of receiving all correspondence about this RFP.

CONTACT PERSON: _____

COMPANY: _____

ADDRESS: _____

TELEPHONE: _____

FAX: _____

SIGNATURE: _____

DATE: _____

BIDS ARE DUE ON May 11, 2018

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Attachment 5: Confidentiality Agreement

This Confidentiality Agreement (“Agreement”) is made and effective this ___ day of March, 2018, by and between Oklahoma Gas and Electric Company (“OG&E”), its subsidiaries and affiliates, located at 321 N. Harvey, Oklahoma City, Oklahoma 73102 and _____ located at _____. For purposes of this Agreement, both OG&E and _____ are in a position to have access to Confidential Information which will be disclosed from one party (“Disclosing Party”) to the other party (“Recipient”).

WHEREAS, each Disclosing Party possesses certain information which is either non-public, confidential, or proprietary in nature (hereinafter referred to as “Confidential Information”); and

WHEREAS, each Recipient is willing to receive disclosure of the Confidential Information pursuant to the terms of this Agreement for the purpose of discussing and evaluating various options for natural gas transportation to OG&E’s fleet of natural gas fired generating units.

THEREFORE, in consideration for the mutual undertakings of each Disclosing Party and each Recipient under this Agreement, the parties agree as follows:

1. **Definitions.**

As used in this Agreement, the term “**Confidential Information**” means all information, data and experience, whether of a legal, technical, business, engineering, operational or economic nature, not generally known to the public, proprietary in nature, or which would constitute a trade secret under the U.S. Uniform Trade Secrets Act, which is used, developed, or obtained pursuant to this Agreement and or supplied to or obtained by Recipient from Disclosing Party relating to business and/or research and development efforts, including without limitation, research, results of research, findings, products, proposals, formulas, test results, product development, discoveries, processes, designs, drawings, engineering studies, marketing reports, financial information, technical information, know-how, technology, prototypes, ideas, inventions, improvements, data, files, information relating to the supplier and customer identities and lists, accounting records, business and marketing plans, marketing reports, method of doing business, and all similar information, and all copies and tangible embodiments thereof (in whatever form or medium). Confidential Information may be either the property of Disclosing Party or information provided to Disclosing Party by a corporate affiliate of Disclosing Party or by a third party.

As used in this Agreement, the term “**Recipient**” shall include each Recipient, representatives and employees of each Recipient, and all affiliates, subsidiaries, and related companies of each Recipient.

As used in this Agreement, the term “**Employees**” includes third parties retained for professional advice (including, without limitation, attorneys, accountants, consultants, bankers, and financial advisors) and for temporary administrative, clerical, or programming support.

As used in this Agreement, the term “**Need to Know**” means that the Confidential Information is essential for each Recipient or Employee to perform his or her responsibilities in connection with the purposes of this Agreement.

2. **Exclusions.**

OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES

Confidential Information does not include information that: (a) is or becomes available to the public through no breach of this Agreement; (b) was previously known by either Recipient without any obligation to hold it in confidence; (c) is received from a third party free to disclose such information without restriction; (d) is independently developed by either Recipient without use of Confidential Information of Disclosing Party; (e) is approved for release by written authorization of either Disclosing Party, but only to the extent of and subject to such conditions as may be imposed in such written authorizations; (f) is required by law or regulation to be disclosed, but only to the extent and for the purposes of such required disclosure as determined by an opinion of counsel; or (g) is disclosed in response to a valid order of a court or other governmental body of the United States or any of its political subdivisions, but only to the extent of and for the purposes of such order; provided, however, that each Recipient will first notify Disclosing Party of the order and permit Disclosing Party to seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement.

3. **Recipient's Obligations.**

A. Each Recipient agrees that the Confidential Information is to be considered confidential and proprietary to Disclosing Party, and each Recipient shall hold, maintain and treat the same in confidence and trust, shall not disclose to any unauthorized entity or person, and shall not use the Confidential Information for any unauthorized purpose. The Confidential Information can and will only be used for the purposes of the business, potential business discussions, and authorized purposes between each Disclosing Party and Recipient. The Confidential Information shall only be disclosed to each Recipient's officers, directors, or employees with a specific need to know. Each Recipient will advise those employees who gain access to Confidential Information of their obligations regarding the Confidential Information. Each Recipient will not disclose, publish, or otherwise reveal any of the Confidential Information received from Disclosing Party to any other party whatsoever except with the specific prior written authorization of Disclosing Party.

B. Confidential Information furnished in tangible form shall not be duplicated by either Recipient except for purposes of this Agreement. Each Recipient shall, within twenty (20) days of a written request by Disclosing Party, return all Confidential Information received in written or tangible form, including copies, or reproductions or other media containing such Confidential Information, or, if so directed by Disclosing Party, destroy all such Confidential Information. Recipient shall also, within ten (10) days thereafter, certify in writing that it has satisfied all obligations with respect to destruction.

4. **Ownership of Confidential Information.**

All Confidential Information (including copies thereof) shall remain the property of the Party so disclosing, and shall be returned to that Disclosing Party after the Recipient's need for it has expired, or upon the request of that Disclosing Party, and in any event, upon termination of this Agreement.

5. **Term and Termination.**

This Agreement shall terminate two years from the Effective Date of this Agreement. This Agreement may be terminated at any earlier date by mutual written agreement of the parties. However, the termination of this Agreement shall not relieve either party of the obligations imposed by this Agreement with respect to Confidential Information disclosed prior to the effective date of the termination of this Agreement and the provisions of Sections 3, 4, 5, 6 and 9 of this Agreement shall survive the termination of this Agreement for a period of five (5) years from the date of its termination, provided

OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES

that the obligations of the parties with respect to trade secrets shall continue for the maximum period allowable under applicable law.

6. **No License or Warranty.**

Nothing contained herein shall be construed as granting or conferring any patent, copyright, trademark, or other proprietary rights, by license or otherwise, in any Confidential Information disclosed hereunder. No warranties of any kind are given for the Confidential Information disclosed under this Agreement.

7. **Governing Law and Equitable Relief.**

This Agreement shall be governed and construed in accordance with the laws of the State of Oklahoma, and each Recipient consents to the exclusive jurisdiction of the state courts located therein for any dispute arising out of this Agreement. Both parties agree that an impending or existing violation of any provision of this Agreement would cause such Disclosing Party irreparable injury for which it would have no adequate remedy at law, and that such Disclosing Party will be entitled to seek immediate injunctive relief prohibiting such violation without the posting of bond or other security, and/or seek specific performance of Recipient's obligations under this Agreement. Such rights of each Disclosing Party are to be in addition to any remedies otherwise available to Disclosing Party at law or in equity. The prevailing party in any dispute to enforce this Agreement shall be entitled to recover from the losing party its costs and a reasonable attorney's fee to be determined by the court.

8. **Final Agreement.**

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may not be modified, amended, or waived, except by a written instrument duly executed by both parties.

9. **No Assignment.**

This Agreement shall not be assigned by either party without the prior written consent of the other. Any assignment in violation of this Section will be void. This Agreement will be binding upon the parties and their respective successors and assigns.

10. **Severability.**

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such provision will be deemed deleted from this Agreement. The Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

11. **No Implied Waiver.**

Either party's failure to insist in any one or more instances upon strict performance by the other party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or delay in performance of any term hereof.

12. **Authority.**

Each party warrants that it has the authority to enter into this Agreement and to lawfully make the disclosures and other obligations contemplated hereunder.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

13. **Headings.**

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OKLAHOMA GAS AND ELECTRIC
COMPANY

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR PROPOSAL FOR GAS TRANSPORTATION SERVICES**

Attachment 7: Bidders Proposed Pricing

Line Item	Evaluation Parameters	Prospective Bidder	
03	Pipeline Size		Inches
04	Pipeline Distance		Miles
05	Delivery Pressure		PSIG
06	Completion Time		Months
07	(B) Service Level		
08	Term	5 Years	
09	Service	Firm, No Notice and Load Following	
10	Hourly Swing	1/16 Backed By Cashout or Storage	
11	(C) Fixed Charges		
12	Firm Transportation Service		
13	MDQ		MMBtu/D
14	MHQ		MMBtu/H
15	Demand Fee		\$/Month
16	Rate		\$/MMBtu-Month
17	Firm Storage Service		
18	MSQ		MMBtu
19	MDIQ		MMBtu/D
20	MDWQ		MMBtu/D
21	Demand Fee		\$/Month
22	Rate		\$/MMBtu-Month
23	Facilities		
24	Pipeline, Metering, and Compression (If Required)		\$/Month
25	Rate		\$/MMBtu-Month
26	Total Fixed Charges		
27	Annual Demand Fee		\$/Year
28	Monthly Demand Fee		\$/Month
29	Rate		\$/MMBtu-Month
30	(D) Variable Charges		
31	Cashout-Out Service		
32	Commodity Fee - Deliveries		\$/MMBtu
33	Retained Fuel - Transportation		%/MMBtu
34	Retained Fuel - Storage		%/MMBtu
35	Overrun Service		\$/MMBtu
36	Balancing Service		\$/MMBtu
<p>Bidders have the option to offer Firm Storage Service or Cashout Service. Bidders offering Firm Storage Service please use line items 18, 21 and 22. Bidders offering Cashout Service please answer "YES" in line item 31, and provide your parameters separately.</p>			