

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**



Request for Information

Oklahoma Gas and Electric Company

July 1st, 2021

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Date: 6/30/2021
RFI Number: 2021 Gas Storage

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REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

A. REQUEST OBJECTIVE

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

OG&E is seeking proposals through a Request For Information ("RFI") to gather potential availability and cost of storage services (i.e. physical storage, park and loan, etc.) options from qualified bidders that can adhere to OG&E's requirements for gas storage services for all OG&E generating facilities beginning on November 1, 2021, and continuing for a term of at least three (3), but not to exceed ten (10) years based on the structure of the submitter's offering. OG&E also has interest in proposals that include greenfield or build out options that provide storage services with a direct line to one or more generating facilities, no term limits for these proposals. Any storage service options beyond what OG&E has identified will be entertained and responding parties are encouraged to identify additional options that they desire to propose. The purpose of this RFI process is to gather information about available options of the gas storage and related services of which OG&E determines will result in the lowest aggregate delivered cost to each of OG&E's gas-fired plants and still provide the reliability and flexibility that best serves the needs of OG&E and its customers during the term of the agreement.

This RFI process will be conducted in two (2) phases. Phase I, to which this RFI is directed, consists of a pre-qualifying phase. Phase I is intended to identify those entities that are interested in bidding for OG&E's gas storage business and, of the interested entities, which ones have the financial resources, physical plant, and gas storage access necessary to provide OG&E the reliable and flexible service it requires. Phase II, which will be the subject of a future Request For Proposal ("RFP"), will be directed at those bidders who successfully completed Phase I and will require detailed proposals from which OG&E will select one or more storage service providers. **OG&E may elect not to progress to Phase II.**

B. SERVICES REQUIRED

1. Gas Storage

OG&E desires gas storage service options with the ability to service any OG&E natural gas generating facility identified in Attachment No. 1 of this RFI. Options provided may require the construction of a connection from an existing pipeline system to OG&E's facilities. OG&E requires firm, reliable natural gas supply service for all submitted proposals.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

2. Gas Supply

In addition to fulfilling OG&E's requirements for gas storage services, the potential storage service provider must supply the storage capacity at the supply points identified in their proposal. The gas supply shall connect to a pipeline system with available interconnects with other pipelines which allows for the effective and efficient utilization of the gas storage service for OG&E generating facilities.

The potential storage provider must also identify (with a listing and on a map) all interconnects with other pipelines where the storage provider can receive gas, the available capacity of each receipt point, and the location of the supply areas on the other pipelines.

The availability, reliability, and quality of the gas supplied by the potential storage provider is a highly relevant component to this RFI. These components will be carefully evaluated toward the viability of a potential gas storage provider. In addition, the potential storage provider must provide information about the availability, quantity, and quality of gas from all the identified supply areas.

Any proposals that fail to comply with OG&E requirement to provide firm, reliable natural gas supply to its generation facilities will not be eligible for Phase II.

C. CONTENT OF PROPOSALS

Proposals submitted to OG&E must contain the information described below.

1. Deliverability to OG&E Facilities

Deliverability to OG&E's facilities may require the construction of interconnects from the potential storage service provider's existing facilities to OG&E's generating facilities (Attachments 1 & 2 provide additional details and current information regarding OG&E's generating facilities). OG&E will utilize any potential storage service options provided there is an ability to move natural gas from one pipeline system to another under OG&E's current Natural Gas Transportation contracts. The potential storage service provider must identify which OG&E facilities it intends to bid on and provide the following information for each facility:

1. A map identifying the route of the proposed connection from the storage provider's system to OG&E's facility and its length;

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

2. The estimated cost of the connection; and
3. The time required to construct the connection.

Phase II of the competitive bidding process will request firm price information for gas transportation to both plants.

2. Storage Provider Facilities

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

3. Service Reliability

For each of the pipeline systems involved in the transportation of gas to OG&E's facilities, the potential storage provider must certify in writing that the pipeline system is appropriately licensed by the U.S. Department of Transportation, if applicable, and adheres to all applicable federal, state, and local government rules and regulations, and also provide a history of pipeline operations. The potential storage provider must identify if the pipeline has curtailed customers, and, if so, how many occasions within the last five (5) years, the timing (when each curtailment occurred and how long it lasted), and the conditions under which each curtailment occurred. The potential storage provider must identify any operational constraints which may affect delivery of gas to OG&E's facilities. The potential service provider must also provide a listing of all operational flow orders issued within the last five (5) years, the date(s) imposed and lifted, and the conditions underlying each operational flow order. Finally, the potential storage provider must identify the number of times within the last five (5) years that interruptible service to any customer has been interrupted and the duration of the interruptions.

4. Storage Resiliency

Potential storage providers must provide information as to how the proposed storage services maintains the ability to appropriately respond during extreme events. Extreme events may be identified as, but are not limited to volatile load demand from OG&E generating facilities related to electrical system reliability events and ambient conditions with sudden divergence of up to +/- 50 degrees from the historically normal ambient conditions prescribed for the like period.

5. Financial Stability

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

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

Potential storage providers selected for Phase II shall include a complete list of all actions, proceedings, judgments, or liens, if any, currently pending or threatened against the potential storage provider. The list shall include all proceedings filed by or against the potential storage provider, predecessor companies, parent companies, holding companies, affiliated companies, or ownership personnel over the last five (5) years. A proposal shall fully disclose the nature of the filings, pending or ultimate resolution, and any and all other relevant facts.

6. Insurance and Indemnity

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

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

The following insurance coverages represent the minimum requirements:

a. Comprehensive Liability Insurance

The potential storage provider shall maintain and keep in effect during the entire term of any agreement with OG&E, or any renewal thereof, policies of comprehensive liability insurance insuring the potential storage provider, and naming OG&E 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 storage provider. The potential storage

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

provider shall be responsible for any liability in excess of five million dollars (\$5,000,000.00).

b. Indemnity

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

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

D. SUBMISSION OF PROPOSALS

Proposals in response to this RFI will be accepted until 5:00 p.m. Central Time on July 16, 2021. Proposals will be logged in when received and a receipt will be provided. Proposals should be addressed to:

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

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

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

Inquires related to this RFI must be in writing and directed to the Manager of Fuels at the above address or via e-mail at gasmanager@oge.com.

E. CONFIDENTIALITY

OG&E requests that each potential bidder receiving this RFI treats the information in the RFI as confidential and proprietary and distribute it only to those personnel responsible for preparing a proposal. OG&E, its agents and contractors will maintain the confidentiality and proprietary nature of the information contained in each response to this RFI. OG&E reserves the right to release responses to this RFI, including related documents, to the Oklahoma Corporation Commission, Arkansas Public Service Commission, and/or Oklahoma or Arkansas Attorney General's offices upon request.

F. ACCEPTANCE/REJECTION

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

G. APPLICABLE LAWS

The laws of the State of Oklahoma shall apply to any and all agreements between the potential storage provider and OG&E.

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

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

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

**OKLAHOMA GAS & ELECTRIC COMPANY
REQUEST FOR INFORMATION FOR GAS
STORAGE SERVICES -- PRE-QUALIFYING PHASE**

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

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