

THE PORT AUTHORITY OF NY & NJ

**PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302**

5/17/2013

ADDENDUM # 2

To prospective Respondent for Request for Prequalification Information # 33240: Natural Gas Services at Selected New York and New Jersey Facilities of the Port Authority of New York and New Jersey:

Due back on 5/22/2013, no later than 2:00PM

BIDDER'S QUESTIONS AND ANSWERS

The following information is available in response to questions submitted by prospective Bidders. The responses should not be deemed to answer all questions, which have been submitted by Bidders to the Port Authority. It addresses only those questions, which the Port Authority has deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Bidder does not mean or imply, nor should it be deemed to mean or imply, any meaning, construction, or implication with respect to the terms.

The Port Authority makes no representations, warranties or guarantees that the information contained herein is accurate, complete or timely or that such information accurately represents the conditions that would be encountered during the performance of the Contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Bidder, by submitting its Bid, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefore in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its Commissioners, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Bidder required by this Bid or Contract and the Bidder agrees that it shall not hold the Port Authority liable or responsible therefore in any manner whatsoever.

Q1: Will the New Jersey bid for natural gas need to include the New Jersey Sales and Use Tax of 7%?

A1: Yes.

PS11All

Q2: Since the Port Authority is currently only requesting Basis pricing for their accounts, should the bid only contain NJ Sales and Use Tax as applied to Basis?

A2: Correct. Your bids for Basis should include NJ Sales and Use tax, but only as that tax is applied to Basis.

Q3: Is World Energy's \$0.08/dekatherm fee to be included in our bids for the auction?

A3: Yes. Please see Part IV, section 4, Fee Structure, for additional information.

Q4: Should 7% Sales Use Tax also be applied to the \$0.08/dekatherm World Energy fee or is that a separate adder?

A4: The World Energy fee is a separate adder.

Q5: Is the intent to award all account groups to one supplier?

A5: If there are five account groups, the Port Authority could conceivably make contract awards to five different suppliers.

Q6: It appears the Port Authority is requesting pricing for 20% Swing and Full Swing. Can we offer a different swing in our bids?

A6: No. Bids must be in accordance with the final auction schedule released to qualified suppliers prior to Auction Day.

Q7: Are suppliers required to bid on 20% Swing and Full Swing? Or can we pick and choose?

A7: Suppliers are not required to bid on all tranches and may bid on any, all, or none.

Q8: Are suppliers required to bid on every term length?

A8: Suppliers are not required to bid on all tranches and may bid on any, all, or none.

Q9: Regarding Swing, what volume will the PA base the Swing on?

A9: The volumes that are in the data exhibit noted as Appendix I.

Q10: Will the volume that is to be billed based on usage? Is the volume on the cycle that is read?

A10: The bill should be based on usage for the meter read cycle. Please note that the PA is asking for City Gate pricing. That is, if a supplier receives burner-tip volumes from the utility, those volumes should be grossed up to reflect the actual volume delivered to the City Gate. That grossed up volume should be billed at the Contract rate.

Q11: Which billing month price is used for accounts that use cycle billing? For example, an account whose usage is read on June 2nd for usage between May 3rd and June 2nd, is that usage billed at the June price or prorated between May and

June, so for example if the account used 31 dth, 29 dth is billed at the May price and 2dth is billed at the June price?

A11: The supplier must choose one system and use it consistently to bill, the Port Authority will not mandate one or the other.

Q12: Regarding “citygate equivalent” billing – the Port Authority is requesting billing based on city-gate volumes, essentially asking suppliers to gross up the volumes rather than gross up their price. Would it be possible to gross up the price versus the usage? This applies to all firm accounts that qualify for POR. If a supplier participates in a POR program, whereby the utility invoices the commodity on behalf of the ESCO, that they base that on burner tip usage as opposed to city-gate.

A12: The Port Authority is requesting dual billing, not consolidated. Per the solicitation, billing will be based on city-gate volumes.

Q13: Are the following NGRID rate codes DAILY or MONTHLY?

Acct 1357530716 = RC 6Gw

Acct 1162545670 = RC T2-2

Acct 1357535341 = RC 6G2

Also, please advise if the following account behind Coned is DAILY or MONTHLY balanced

Acct 44212308949003 = RC Trans Non-Res

A13: All of the accounts in question have been identified as “Monthly” balanced.

In addition, the rate code for NGRID account: 1357530716 was incorrectly listed as rate code listed as 6Gw. The correct rate code for this account is: 6G2 TC Govt.

Q14: Please confirm that the address we are to submit the Prequalification Information due 5/22 is as follows:

The Port Authority of NY & NJ

Procurement Department

Attn: Bid/Proposal Custodian

Two Montgomery Street, 3rd Floor

Jersey City, NJ 07302

A14: Correct.

Q15: Can a different address for the final payment be specified?

A15: Please respond as requested in Part IV and provide a payment address on the signature page. This address can be updated once an award has been made by submitting a written address change request to the Bid Custodian.

Q16: What quantity of time is an “option period”?

A16: Each Option period is approximately 30 days, or one meter read date for each account within an account group. The exact quantity of time may vary if there are staggered meter read dates for different accounts within an account group. Please see Part II, section 7, Option Period(s) for specific information.

Q17: Port Authority requests that each monthly summary billing invoice separately list each of the individual accounts. Would it be acceptable for individual invoices to be submitted for individual accounts? (Part III 3 a)

A17: No.

Q18: Would the PA consider a mutually agreeable rate at the time of the Option Period?

A18: Please see Part II "Option Period.":

"Two (2) Option periods. Each Option period shall cover one Meter Read Date for all accounts within each Account Group, in each case, upon price agreement for such by the Port Authority and the Contractor".

Q19: In the case of forward fixed price positions that the Port Authority has asked the supplier to create, those positions create a risk for the supplier should the Port Authority terminate the contract, including for convenience. Standard industry practice is that those positions would be liquidated and the charges/credits provided to the customer. There is no language in the agreement which would allow for that. Would the Port Authority consider language in the contract to address that concern?

A19: Please note that the Port Authority does not have the option to terminate this contract for convenience.

Q20: In reference to Part II, section 3(i): Many suppliers do not act as consultants and, as such, do not advise customers on when to lock prices nor do they assist them directly in making those decisions. Most suppliers provide market information that allows the customer to make informed decisions on their energy purchases but do not advise due to Dodd-Frank implications. Would the Port Authority consider rewording this requirement to eliminate the words "advise" and "assist"?

A20: The Port Authority has asked suppliers to "advise...of market events or conditions in order to assist the Port Authority in identifying opportunities to convert..." The Port Authority is not asking suppliers to advise customers on when to lock prices, but rather to provide information that would help the Port Authority make this determination.

Q21: Is there a minimum level of good faith effort required for M/WBE?

A21: No.

Q22: Would the Port Authority consider waiving its right to consent when mergers and acquisitions occur?

A22: No.

Q23: We are a large corporation and by signing the certifications, we are required to certify to those all the way up the organization. Would the Port Authority accept certification at the retail gas legal entity level?

A23: Please see the Standard Contract Terms and Conditions, Part III Contractor's Integrity Provisions for requirements.

Q24: One POD ID showed up as an invalid account number per the World Energy POD ID account summary, it is PG000009900804723904. Please advise on status of this account.

A24: This POD ID number is what is printed on the invoice for this account. This number has been confirmed with the utility.

Q25: Can you please confirm the Rate Class for accounts 700535071993008 and 442123089490037 behind Coned?

A25: Account number 442123089490037 is currently being supplied by another supplier (although it is not under contract). It is being served under rate code 912, which is a "Trans Non-Res" rate class. After further review, account 700535071993008 has been removed from the solicitation.

Q26: Please detail which Gas Daily point is used for each account group for the adjusted market cost/outside swing usage in Part V, 1a?

A26: Please see the definition of "Adjusted Market Cost/Outside Swing Usage (\$)" in Part V, section 1a: "Incremental volumes outside the swing will be priced at the GDM monthly average plus/minus \$0.15/Dth, for the delivery month based on the delivery split into the affected LDC's city-gate (e.g. currently 60% Transco Z6 NY and 40% TETCO M3 for Public Service Electric & Gas (PSEG))."

Q27: In Part I-6, 7. Firm Offer, it says "Exceptions taken or Conditions imposed by A Bidder to any Portion of the Contract Documents shall result in Rejection of the Bid." Does this mean that no exception or negotiation to the Contract Terms and Conditions as submitted by the Port Authority is allowed?

A27: Correct.

Q28: Is it the intent of the Port Authority that the Contract between the parties would incorporate both the Request for Prequalification Information (RFPI) with addenda as well as the RFPI response...or does the Contract consist of the RFPI with addenda?

A28: Please see Part I, section 7. Firm Offer.

Q29: Will the Port Authority allow exceptions permitting pass-through of costs or charges upon the event of: 1) any changes to laws or regulations which increase the costs of supply as a result of those changes in law or regulation; or 2) changes to the Port Authority's consumption usage, different than the contracted amount, during the term of the Agreement?

A29: Please see Part III, section 3(g) and Part V, page 4, "Swing".

This communication should be initialed by you and annexed to your Response upon submission.

In case any Respondent fails to conform to these instructions, its Response will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

Kathy Leslie Whelan, Manager
Commodities & Services Division

RESPONDENT'S FIRM NAME:

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO
Mr. Richard A. Grehl, WHO CAN BE REACHED AT (201) 395-3441 or at
rgrehl@panynj.gov.