

Request for Proposal

Natural Gas Services for the Alberta Electric System Operator (“AESO”) New System Coordination Centre

Please describe your offer in response to the AESO’s requirements for a full-service natural gas retailer as detailed below.

1.0 Contract Form

- ⇒ Please provide a copy of any contract which would apply to the AESO, for both retail service and any fixed price transactions you may recommend or offer.

2.0 Invoicing

You would act as the natural gas retailer for the AESO’s new System Coordination Center by procuring natural gas and transportation service on the AESO’s behalf, and would provide settlement of the above to the AESO. The System Coordination Centre is currently under construction with a projected in-service date of August 2006. The location of the New System Coordination Centre is in Calgary.

- ⇒ Please provide a sample of the invoice format (summary and details) that the AESO would receive from you, and describe it.
- ⇒ Describe your reconciliation process to ensure that the AESO is being billed accurately for natural gas commodity and transportation service.
- ⇒ Describe how you would handle excess gas consumption (over and above forecasted levels) or consumption shortfalls (less than the forecast amount is consumed).
- ⇒ Please describe how the AESO’s data is handled, managed, and housed by your billing and settlement process. Include in this an indication of whether this function is performed in-house, or outsourced to a third party.
- ⇒ Is the AESO’s raw billing data directly accessible by the AESO? If so, how?

3.0 Natural Gas Pricing

- ⇒ Please provide a pricing strategy and proposal, making use of the AESO’s indicative consumption forecast found as an attachment to this RFP.

4.0 Other Services

- ⇒ Please provide detailed descriptions of other natural gas related services you would propose to provide to the AESO. Include examples where appropriate.

5.0 Fees

- ⇒ Please outline any and all fees and charges that will be levied to the AESO. If possible, please provide a breakdown of your fees into components representing each of the following categories;
- Billing, Settlement, Invoicing
 - Credit
 - Other Services

6.0 References

- ⇒ Please provide the names and contact information for 3 of your customers that we may contact for reference purposes. Ideally, these should be customers requiring similar services of a natural gas provider as the AESO.

7.0 Request For Proposal General Terms and Conditions

- ⇒ The issuance of this RFP does not bind the AESO to accept the lowest or any proposal. Receipt of a proposal does not, in any way, constitute acceptance of the terms of that proposal. All proposals are due by 12 noon MST on August 4, 2005. Any proposal received at the AESO offices after this time will be returned unopened. Three copies of each proposal are to be delivered to:

Alberta Electric System Operator
2500, 330 - 5th Ave SW
Calgary, AB T2P 0L4
Attention: Paul Barry

Any questions can be directed to Owen Craig of the AESO at 539-2734. Answers deemed material to other respondents will be forwarded to RFP recipients.

Attachment:
Expected consumption forecast

Request for Proposal - Attachment

Natural Gas Services for the Alberta Electric System Operator (“AESO”) New System Coordination Centre

The forecasted seasonal demand for the New System Coordination Centre is as follows:

Month	Heating Hours	Gas Consumption (GJ)
January	744	995
February	672	898
March	744	995
April	686	922
May	631	859
June	437	623
July	356	530
August	389	569
September	551	760
October	692	932
November	720	963
December	744	995
Total	7,366	10,041

Notes:

1. Heating is defined as temperature below 60 deg F