



**Purchasing Contract  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 26  
AGENDA DATE: Thu 06/09/2005  
PAGE: 1 of 3**

**SUBJECT:** Approve a revision to the authorization for each existing master gas supply agreements to supply natural gas to Austin Energy's power plants by increasing the aggregate amount by \$92 million per fiscal year, for a revised amount not to exceed \$245 million per fiscal year.

**AMOUNT & SOURCE OF FUNDING:** Funding will be available through Austin Energy's electric fuel charge revenue.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Purchasing  
**DEPARTMENT:**for Austin Energy;

**DIRECTOR'S**  
**AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** Sandy Calles, Sr. Buyer, 512-322-6487

**PRIOR COUNCIL ACTION:** April 13, 2000 initial program authorization. Amendment #1 for increase to current level June 14, 2001

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** These contracts were awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No Subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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Austin Energy conducts the natural gas supply program in order to acquire the gas needed to operate the Holly, Decker and Sand Hill power plants. The gas supply program consists of a pool of suppliers that currently numbers thirty-four and provides Austin Energy with the flexibility to purchase natural gas for periods that run from one day to one year. Austin Energy solicits bids from the pool and purchases its gas needs from the lowest responsive bidder(s). The master gas supply agreements, including the industry standard Base Contract for Sale and Purchase of Natural Gas published by the North American Energy Standards Board, Inc., provide a framework for the parties to buy or sell natural gas but do not obligate the parties otherwise. The agreements may remain in effect indefinitely; however, either party may cancel a contract upon thirty days written notice. Suppliers are added/deleted from the pool of eligible vendors as they become available/unavailable to provide service.

Council approved the program in April 2000 with annual funding of \$88.1 million. The funding level was increased to \$153 million in June 2001 to reflect increased natural gas market prices which then averaged approximately \$5.00/MMBtu. The revised authorization of \$245 million reflects current price levels of approximately \$7.50/MMBtu as well as updated projections of Austin Energy's gas requirements. Expenditures under this authority reflect the market prices paid to Austin Energy's gas suppliers.



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**Current Contract Pool:**

Anadarko Energy Services	Houston, TX
Aspire Energy LLC	The Woodlands, TX
BP Energy Company	Houston, TX
Burlington Resources Trading Inc.	Houston, TX
Centerpoint Energy Gas Services, Inc.	Houston, TX
ChevronTexaco Natural Gas	Houston, TX
Cinergy Marketing & Trading LP	Houston, TX
Cimarex Energy Services, Inc.	Tulsa, OK
ConocoPhillips Company	Houston, TX
Cook Inlet Energy Supply LLC	Los Angeles, CA
Coral Energy Resources, LP	Houston, TX
Devon Gas Services, LP	Oklahoma City, OK
Duke Energy Marketing America, LLC	Houston, TX
Dynegy Marketing and Trade	Houston, TX
ETC Marketing Company, Ltd	Dallas, TX
El Paso Reata Energy, LP	Houston, TX
ExxonMobil Gas Marketing Company	Irving, TX
Frontera Gas Supply, Inc.	Houston, TX
Integra Energy	Amarillo, TX
Kinder Morgan Energy Partners LP	Houston, TX
Lower Colorado River Authority	Austin, TX
Magnus Energy Marketing, Ltd	Plano, TX
National Energy & Trade, LP	Houston, TX
Natural Gas Trading Corporation	Sugar Land, TX
NGTS, LLC	Dallas, TX
Occidental Energy Marketing, Inc.	Houston, TX
ONEOK Energy Marketing & Trading Company, LP	Tulsa, OK
Richardson Energy Marketing, Ltd.	Ft. Worth, TX
Structured Energy Services, Ltd. Co.	Missouri City, TX
Tenaska Marketing Ventures	Omaha, NE



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Texas Municipal Gas Corp.	Houston, TX
TotalFinaElf Gas & Power North America, Inc.	Houston, TX
TXU Portfolio Management Co. LP	Dallas, TX
Virginia Power Energy Marketing, Inc.	Glen Allen, VA