

February 1, 2012

**NJ SEM NATURAL GAS BID**  
**January 31, 2012**

The New Jersey Sustainable Energy Joint Meeting (herein after referred to as the “NJ SEM”) has solicited bids for Natural Gas from Third party Suppliers (TPS) in New Jersey. The NJ SEM’s Request for Bid (RFB) was advertised on January 20, 2012 and Bids were due on January 31, 2012. Bids were received from 5 NJBPU-Licensed Suppliers: Hudson Energy, Great Eastern Energy, LLC., Glacial Energy Hess Corporation, and Woodruff Energy.

Bid results (Prices are \$/Decatherm):

**12 Month Term**

**Total Unit Price**

<b>Great Eastern Energy</b>	<b>\$5.5085</b>
<b>Woodruff Energy</b>	<b>\$1.84 – does not conform</b>
<b>Glacial Energy</b>	<b>\$6.3953</b>
<b>Hudson Energy</b>	<b>\$4.9541 – bid withdrew</b>
<b>Hess Corp</b>	<b>\$5.158</b>

**Hudson Energy is the lowest responsible bidder for the 12 month term, however, after an award to Hudson had been made, the sales representative of Hudson Energy contacted BSG and withdrew their bid due to a mistake. Please see below from Hudson Energy –**

*“Cost elements above the commodity cost were applied to the price using the wrong units of measure. Simply put, certain elements of the final price were applied in \$/therm as opposed to \$/dTh (MMBTU). This caused the offered price to be severely undervalued. The errors previously mentioned were significant and unfortunately HES [sic] was forced to request to withdraw its bid.”*

**With Hudson’s bid withdrawn, Hess Corporation is the lowest responsible bidder for the 12 month term.**

**BSG recommends that the NJ SEM move forward with Hess Corporation at the fixed price of \$5.158/dth for the 12 month term. The term will begin on April 1, 2012 and will continue until March 31, 2013.**

If you have additional questions regarding this bid, feel free to contact Mike Mandzik/Tara Pasca of BSG at 908-497-8900.