

TEXAS GENERAL LAND OFFICE (GLO)

Natural Gas Sales Procedures

How to buy natural gas from the Public Customer Gas Program:

STEP 1. Do you qualify for Transportation Services on an LDC?

First, it must be determined if your location(s) qualifies for transportation services. This depends on the Local Distribution Company (LDC) that provides service to your location(s). Each distribution company has varying requirements to have gas transported on their system. Contact the GLO to see what it takes to qualify. The GLO may ask you to sign a Letter of Authorization (LOA) to have the distribution company release consumption data relative to your location(s). The GLO will access data and share results.

STEP 2: If qualified, then choose from these two options:

OPTION 1: Using a Request for Proposal Process (RFP)

Download a copy of our Sample RFP for draft reference if you do not already have a base form. Have your legal team and/or procurement department customize the draft for your specific circumstance. Present your final RFP draft to the GLO for approval prior to sending out for bids.

Select desired bidder from RFP responses. Present the GLO with a copy of the bidder's contract and confirmation, as well as a letter from their executive stating the desire to enter into that contract based on the terms and conditions stated.

The GLO will promptly evaluate if it can meet or beat the proposal. If so, the GLO will provide an offer in the form of the form contract noted above. If not, the GLO will provide comments to the contract submitted or grant approval of the contract. If executing with the GLO, execute contracts and return to the GLO. If executing with another supplier, execute contracts and send a copy to the GLO.

OPTION 2: Eliminating the RFP

Public customers can avoid the RFP process by contracting directly with the GLO.

Have your legal team and/or procurement department download the GLO Interagency Cooperation Contract or Interlocal Cooperation Contract and Contract Exhibits to review. These are standardized contract forms.

Provide the GLO with the last 12 months of invoices from your local gas distribution company (LDC).

The GLO will calculate a price at which it can provide services. Also, the GLO will show what historical savings would have been reaped based on that pricing. The GLO will complete the GLO form contract with Exhibits and present it to the public customer for execution.

The public customer must provide timely notification to the LDC before it can convert, usually with at least 30 days prior written notice.