

Rae:

Following is GasEDI's proposed language for consideration by the Short Term Sale and Purchase Contract Subcommittee:

Oral Transaction Procedure portion of Section 1.2:

1.2.a If the parties select "Oral Transaction Procedure", they will use the following Transaction Confirmation Procedure. Any gas sale, purchase or exchange transaction may be effected orally or electronically with the offer and acceptance communicated constituting the valid, binding and enforceable agreement of the parties. The parties are legally bound from the time they agree to transaction terms. Any such transaction is considered a "writing" and to have been "signed". Notwithstanding the previous sentence, the parties agree that Confirming Party shall confirm a transaction by sending the other party a Transaction Confirmation by facsimile or mutually agreeable electronic means by the close of the next Business Day. Confirming Party adopts its confirming letterhead or the like as its signature on any Transaction Confirmation and as the identification and authentication of Confirming Party.

1.2.b If a Transaction Confirmation sent by Confirming Party is materially different from the other party's understanding of the agreement referred to in Section 1.2.a, that party shall give Confirming Party Notice clearly identifying such difference on Confirming Party's Transaction Confirmation and returning the annotated Transaction Confirmation to the Confirming Party by the Confirm Deadline. The failure of the other party to so notify Confirming Party by the Confirm Deadline is further evidence of the agreement between the parties and constitutes the other party's acknowledgement that the terms of the transaction described in Confirming Party's Transaction Confirmation are accurate.

1.2.c If the other party does not receive a Transaction Confirmation from Confirming Party by the deadline set out in Section 1.2.a, then the other party shall notify Confirming Party by sending its own Transaction Confirmation by the close of the Business Day following the deadline set out in 1.2.a. If a Transaction Confirmation sent by the other party is materially different from Confirming Party's understanding of the agreement referred to in Section 1.2.a, Confirming Party shall give the other party Notice clearly identifying such difference on the other party's Transaction Confirmation and returning the annotated Transaction Confirmation to the other party by the Confirm Deadline. The failure of Confirming Party to so notify the other party by the Confirm Deadline is further evidence of the agreement between the parties and constitutes the Confirming Party's acknowledgement that the terms of the transaction described in the other party's Transaction Confirmation are accurate.

1.2.d The entire agreement between the parties shall be those provisions contained in (i) an effective Transaction Confirmation, (ii) the oral or electronic agreement of the parties, (iii) the Base Contract, and (iv) these General Terms and Conditions. In the event of a conflict among the foregoing, the terms of each shall govern in the priority listed in the previous sentence.

Written Transaction Procedure portion of Section 1.2:

1.2.a If the parties select "Written Transaction Procedure", they will use the following Transaction Confirmation Procedure. Any gas sale, purchase or exchange transaction may be effected orally or electronically. The parties agree that Confirming Party shall confirm an oral transaction by sending the other party a Transaction Confirmation by facsimile or mutually agreeable electronic means by the close of the next Business Day. Confirming Party adopts its confirming letterhead or the like as its signature on any Transaction Confirmation and as the identification and authentication of Confirming Party.

1.2.b If a Transaction Confirmation sent by Confirming Party is materially different from the other party's understanding of the agreement referred to in Section 1.2.a, that party shall give Confirming Party Notice clearly identifying such difference on Confirming Party's Transaction Confirmation and returning the annotated Transaction Confirmation to the Confirming Party by the Confirm Deadline. The failure of the other party to so notify Confirming Party by the Confirm Deadline constitutes the other party's agreement that the terms of the transaction described in Confirming Party's Transaction Confirmation are accurate.

1.2.c If the other party does not receive a Transaction Confirmation from Confirming Party by the deadline set out in Section 1.2.a, then the other party shall notify Confirming Party by sending its own Transaction Confirmation by the close of the Business Day following the deadline set out in Section 1.2.a. If a Transaction Confirmation sent by the other party is materially different from Confirming Party's understanding of the agreement referred to in Section 1.2.a, Confirming Party shall give the other party Notice clearly identifying such difference on the other party's Transaction Confirmation and returning the annotated Transaction Confirmation to the other party by the Confirm Deadline. The failure of Confirming Party to so notify the other party by the Confirm Deadline constitutes the Confirming Party's agreement that the terms of the transaction described in the other party's Transaction Confirmation are accurate.

1.2.d The entire agreement between the parties shall be those provisions contained in (i) an effective Transaction Confirmation, (ii) the Base Contract, (iii) these General Terms and Conditions, and (iv) the oral or electronic agreement of the parties. In the event of a conflict among the foregoing, the terms of each shall govern in the priority listed in the previous sentence.

Sections 1.3-1.5:

1.3 Communications occurring via a telephone conversation may be recorded by either party and each party consents to same without further notice to, or consent from, the other party. Each party shall, to the extent required by applicable law, give notice to, and obtain the consent from, each of its employees, contractors and other representatives who may have their communications recorded hereunder. Any recordings of communications relevant to a transaction may be used as evidence in any legal, arbitration or other dispute resolution procedure, and the parties hereby expressly waive all rights to, and expressly agree not to, contest or otherwise argue against such use of any recordings relevant to the disputed transaction.

1.4 Each party shall be entitled, upon reasonable request, to access the recording(s), if any, associated with a disputed transaction made by the other party.

1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any transaction, or assert or otherwise raise any defences or arguments related to any transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the person(s) who entered into the transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require the transaction to be in writing and/or executed by one or both parties.

For reference:

EEI Master Power Purchase & Sale Agreement:

Section 2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party (i) consents to the creation of a tape or electronic recording ("Recording") of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties' agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.