

## **Comments from Reliant Energy**

Suggested changes to Section 7 of the GISB Short Term Sale and Purchase of Natural Gas Contract:

A new provision should be added to Section 7 that would allow a “performing party” the right to accelerate the payment of liquidated damages. Without acceleration rights, a party could be forced to wait a significant amount of days (depending on when the failure to perform occurs) to determine if the other party will continue to perform under the contract. We suggest that this provision be available for the parties to choose as an option on the Base Contract.

Suggested language is as follows:

“7.5 If a party is liable for damages under Section 3.2 (“the “Non-Performing Party”), the other party (the “Performing Party”) may accelerate the payment related to the non-performance by sending the Non-Performing Party an invoice (an “Accelerated Payment Invoice”) for such amount setting forth the calculation thereof and a statement that pursuant to this Section 7.5 such amount is due in three (3) Business Days. If the Performing Party does not deliver an Accelerated Payment Invoice, amounts payable pursuant to Section 3.2 shall be invoiced and payable in accordance with Sections 7.1 and 7.2. Netting shall not apply to any accelerated payment obligation; provided, however, that the party due payment under an Accelerated Payment Invoice may net all sums due thereunder against any amounts payable by it when making payments under Section 7. Notwithstanding Section 7.2, the Non-Performing Party shall pay when invoiced any disputed amounts regarding any payment required to be made under this Section 7.5, subject to refund of any amount overpaid with interest at the rate provided in Section 7.2 in the event that the dispute is resolved in favor of the Non-Performing Party.”