



North American Energy Standards Board

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Home Page: www.naesb.org

July 11, 2003

TO: NAESB WGQ Contracts Subcommittee

FROM: Suzanne Calcagno (UBS Warburg Energy) & Keith Sappenfield (EnCana Corporation), Co-Chairs WGQ Contracts Subcommittee, Rae McQuade (NAESB Executive Director)

RE: Agenda for NAESB WGQ Contracts Subcommittee Meeting – July 23 & 24, 2003

There is a face-to-face meeting scheduled for Wednesday and Thursday (if needed), July 23 & 24, 2003. The group will continue its work on the "NAESB WGQ Credit Support Addendum" and "USER'S GUIDE to the Credit Support Addendum" in accordance with the discussion of our meetings of June 24, 2003 and the telephone conference of July 10, 2003. The agenda for the meeting is provided below and conference calling will be available. Please contact the NAESB Office to confirm your interest in this meeting either in person or via conference call. Also, please feel free to call the NAESB office should you have any questions or comments. Conference calling number, password and conference leader information will be available by calling the NAESB Office at 713-356-0060. We look forward to your attendance at the WGQ Contracts Subcommittee meeting.

NORTH AMERICAN ENERGY STANDARDS BOARD WGQ CONTRACTS SUBCOMMITTEE MEETING

Location:

AEP's Offices, 155 W. Nationwide Boulevard, Suite 500

Columbus, Ohio 43215

(See meeting arrangement posted on NAESB WGQ Contracts web site for more information on AEP Office location and nearby hotels)

Wednesday, July 23, 2003 – 10:00 a.m. to 6:00 p.m., Eastern Time

Thursday, July 24, 2003 -- 8:00 a.m. to Noon, Eastern Time (as needed)

DRAFT AGENDA

July 23, 2003

- 10:00 a.m.
1. Welcome & Administrative Items
 - Antitrust Guidelines
 - Agenda Adoption
 - Review and approved minutes for the June 24, 2003 meeting and July 10, 2003 conference call

 2. Continue review & discussion of comments on the "NAESB WGQ Credit Support Addendum" and "User's Guide" (See document versions posted for this meeting and related comments)
 - "Draft WGQ Credit Support Addendum"
 - Review and incorporate in CSA revised Paragraphs 4, 5 & 6 (Revised paragraphs to be posted on or before Noon on July 18, 2003).
 - "Draft USER'S GUIDE"
 - Review and incorporate in User's Guide the timelines developed in association with Paragraphs 4, 5 & 6 in CSA above (Revised timelines to be posted with the above Paragraphs 4, 5 & 6).
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3. Possible “balanced” vote on outstanding issues and WGQ Contracts Subcommittee Recommendation (as applicable)
 - Title of CSA to be either “Credit Support Addendum” or “Model Credit Support Addendum”
 - Should NAESB WGQ Adopt EEI Collateral Annex in lieu of CSA and User’s Guide
 - Definition of “Credit Rating” in Paragraph 2.
 - Include provision in CSA to exclude certain Base Contract transactions from calculations of Exposure under CSA.
 - Add email address to Credit Related Notices and revise User’s Guide to explain email related activities.
 - Add Custodian definition and revised language on impact on use of a Custodian by Secured Party
 - Move former Paragraph 7 (h) (Pledging party’s costs related to Letter of Credit) to User’s Guide.
 - Retain Paragraph 13 (g) (renumbered 13 (f)) on bankruptcy provision between CSA parties.
 - Other issues that develop during the meeting
 - Draft Recommendation (to be posted on or before July 18, 2003)
4. Discuss dates & times for next meetings or conference calls, if necessary.
5. Next Steps and Other Business
 - ISDA/NAESB Gas Annex – request for comments
6. Adjourn

Work papers are the documents referenced for the July 23 & 24, 2003 Face to Face Meeting -- (posted on the NAESB Web Site – <http://www.naesb.org/wgq/contract.asp>):
