

GasEDI STANDARD CONTRACT
OVERVIEW and COMPARISON to
GISB BASE CONTRACT (1996 VERSION)

GasEDI

June 1, 2001

References

GasEDI

- GasEDI:
 - ◆ October 26, 2000, version.
- GISB 1996:
 - ◆ GISB Standard 6.3.1, dated May 13, 1996.

Sections

GasEDI

- Cover Sheet
- 1: Purpose and Procedures
- 2: Definitions
- 3: Performance Obligation
- 4: Transportation, Nominations and Imbalances
- 5: Quality and Measurement
- 6: Taxes
- 7: Billing, Payment and Audit
- 8: Title, Warranty and Indemnity
- 9: Notices
- 10: Financial Responsibility, Defaults and Remedies
- 11: Force Majeure
- 12: Term
- 13: Miscellaneous
- 14: Limitations
- Special Provisions
- Transaction Confirmation

Cover Sheet

GasEDI

■ GasEDI:

- ◆ Identify parties.
- ◆ Provide banking information.
- ◆ Provide contact information.
- ◆ Check boxes and blanks to select options in General Terms and Conditions.
- ◆ Highlight addition of Special Provisions, if any.
- ◆ Signatures.
- ◆ Disclaimer: GasEDI not liable.

■ GISB 1996:

- ◆ Same as GasEDI.
- ◆ Disclaimer: GISB not liable.

1: Purpose and Procedures

GasEDI

- Basis:
 - ◆ GasEDI: Firm, interruptible, EFP transactions.
 - ◆ GISB 1996: Same as GasEDI.

1: Purpose and Procedures

GasEDI

■ Procedure:

- ◆ GasEDI: Oral or electronic.
- ◆ GISB 1996: Oral, EDI or written.

■ GasEDI:

- ◆ Elimination of written option eliminates “unknown status” between oral agreement and written follow-up.
 - Can achieve effect of written option by always following up with Transaction Confirmation.
- ◆ Electronic provides more electronic communication options than just EDI.

1: Purpose and Procedures

GasEDI

■ Confirmation Procedure:

◆ GasEDI:

- Confirming Party send, by end of next Business Day:
 - ★ Other party can only object by marking-up.
- If not received by deadline, other party has 2 Business Days to send:
 - ★ Confirming Party can only object by marking-up.
- Failure to object indicates acceptance.
- Eliminates “battle of the Transaction Confirmations”.

◆ GISB 1996:

- Can have “crossed Transaction Confirmations”.

1: Purpose and Procedures

GasEDI

- Priorities:
 - ◆ GasEDI:
 - Effective Transaction Confirmation.
 - Oral or electronic agreement.
 - Base Contract.
 - General Terms and Conditions.
 - ◆ GISB 1996:
 - Transaction Confirmation.
 - Base Contract.
 - General Terms and Conditions.

1: Purpose and Procedures

GasEDI

- Single Integrated Contract Provision:
 - ◆ GasEDI: Included.
 - ◆ GISB 1996: Same as GasEDI.

1: Purpose and Procedures

GasEDI

- Recording of Conversations:
 - ◆ GasEDI: Included, with access rights.
 - ◆ GISB 1996: Silent.

1: Purpose and Procedures

GasEDI

- Parties Bound by Employee(s) and Representative(s):
 - ◆ GasEDI: Included.
 - ◆ GISB 1996: Silent.

2: Definitions

GasEDI

■ GasEDI:

- ◆ Similar to GISB 1996.
- ◆ Changes vs GISB 1996:
 - 10³m³ added.
 - Btu changed to Btu(IT) (= GISB Standard).
 - Business Day changed.
 - Contract changed.
 - GJ added (= GISB Standard).
 - Several others added or changed.
- ◆ All defined terms defined in this section.

■ GISB 1996:

- ◆ Btu not consistent with GISB Standard.
- ◆ Some defined terms not defined in this section.

3: Performance Obligation

GasEDI

- Sale and Purchase:
 - ◆ GasEDI: Seller will sell and deliver, and Buyer will receive and purchase ...
 - ◆ GISB 1996: Same as GasEDI.

3: Performance Obligation

GasEDI

■ Remedies for Non-Performance:

◆ GasEDI:

- Cover Standard / Spot Price Standard:
 - ★ Selected on the Cover Sheet.
- The choice made determines the financial compensation to be paid:
 - ★ To Buyer if Seller does not deliver.
 - ★ To Seller if Buyer does not take.

◆ GISB 1996: Same as GasEDI.

3: Performance Obligation

GasEDI

■ Breach by Seller – Cover Standard vs Spot Price Standard:

◆ Gas prices:

- Contract = \$2.00
- Replacement = \$2.50
- Spot = \$3.00

◆ Cover Standard:

- Buyer chooses to replace gas: damages = \$0.50 = \$2.50 - \$2.00
- Buyer chooses to not replace gas: damages = \$1.00 = \$3.00 - \$2.00

◆ Spot Price Standard:

- Buyer not required to replace gas: damages = \$1.00 = \$3.00 - \$2.00

3: Performance Obligation

■ Breach by Buyer – Cover Standard vs Spot Price Standard:

- ◆ Gas prices:
 - Contract = \$3.00
 - Replacement = \$2.50
 - Spot = \$2.00
- ◆ Cover Standard:
 - Seller chooses to resell gas: damages = \$0.50 = \$3.00 - \$2.50
 - Seller chooses to not resell gas: damages = \$1.00 = \$3.00 - \$2.00
- ◆ Spot Price Standard:
 - Seller not required to resell gas: damages = \$1.00 = \$3.00 - \$2.00

4: Transportation, Nominations and Imbalances

GasEDI

- Transportation:
 - ◆ GasEDI: Seller to Delivery Point, with pressure obligation; Buyer from Delivery Point.
 - ◆ GISB 1996: Same as GasEDI.

4: Transportation, Nominations and Imbalances

GasEDI

- Nominations and Scheduling:
 - ◆ GasEDI: Parties shall coordinate, with sufficient time to meet deadlines of all affected transporters.
 - ◆ GISB 1996: Same as GasEDI.

4: Transportation, Nominations and Imbalances

GasEDI

■ Imbalance Charges:

- ◆ GasEDI: Parties shall endeavour to avoid Imbalance Charges, and any Imbalance Charges actually incurred shall accrue to the party causing the imbalance.
- ◆ GISB 1996: Same as GasEDI.

5: Quality and Measurement

GasEDI

- Quality:
 - ◆ GasEDI:
 - Meet pressure, quality and heat content requirements of receiving transporter.
 - ◆ GISB 1996:
 - Same as GasEDI.

5: Quality and Measurement

GasEDI

- Quantity:
 - ◆ GasEDI: MMBtu dry, Dekatherm dry, GJ or 10^3m^3 .
 - ◆ GISB 1996: MMBtu dry.

5: Quality and Measurement

GasEDI

- Measurement:
 - ◆ GasEDI: Per Receiving Transporter.
 - ◆ GISB 1996: Same as GasEDI.

6: Taxes

GasEDI

- GasEDI:
 - ◆ Select:
 - Seller pays before and at Delivery Point (Cover Sheet).
 - Buyer pays at and after Delivery Point (Cover Sheet).
 - ◆ Either party may provide other with exemption certificate.
- GISB 1996:
 - ◆ Same as GasEDI.
- GST (Canadian Goods and Services Tax):
 - ◆ GasEDI: Detailed provisions.
 - ◆ GISB 1996: Silent (Contract is US only).

7: Billing, Payment and Audit

■ Concepts:

◆ Invoice:

- Seller invoices Buyer, with supporting documentation.

◆ Payment:

- Buyer pays Seller – later of Payment Date or 10 Days after receipt of invoice.

◆ Audit:

- Parties have related audit rights.

7: Billing, Payment and Audit

GasEDI

■ Invoice:

- ◆ GasEDI:
 - Seller invoices Buyer, with supporting documentation.
 - Provision for “rolling corrections”.
- ◆ GISB 1996:
 - Same as GasEDI.

7: Billing, Payment and Audit

GasEDI

- Payment type:
 - ◆ GasEDI: Manner specified on Cover Sheet, in immediately available funds.
 - ◆ GISB 1996: Same as GasEDI.

7: Billing, Payment and Audit

GasEDI

■ Payment Date:

- ◆ GasEDI:
 - Later of Payment Date or 10 days after receipt of invoice.
 - First Business Day following non-Business Day.
- ◆ GISB 1996: Same as GasEDI.

7: Billing, Payment and Audit

GasEDI

- Dispute:
 - ◆ GasEDI:
 - Pay amount not in dispute, with documentation to support the dispute (= GISB Standard).
 - ◆ GISB 1996:
 - Same as GasEDI.

7: Billing, Payment and Audit

GasEDI

- Payments due to Buyer:
 - ◆ GasEDI: Similar to payments due to Seller.
 - ◆ GSIB 1996: Same as GasEDI.

7: Billing, Payment and Audit

GasEDI

■ Interest (on late payments):

◆ GasEDI:

- US\$: Wall Street Journal, Money Rates, prime rate + 2% pa.
- CA\$: Toronto Dominion Bank, Calgary Main Branch, prime rate + 2% pa.

◆ GISB 1996:

- Wall Street Journal, Money Rates, prime rate + 2% pa.

7: Billing, Payment and Audit

GasEDI

- Payment currency:
 - ◆ GasEDI: Currency of Contract Price.
 - ◆ GISB 1996: Silent (Contract is US\$ only).

7: Billing, Payment and Audit

GasEDI

- Netting:
 - ◆ GasEDI: Allowed.
 - ◆ GISB 1996: Silent.

7: Billing, Payment and Audit

GasEDI

- Audit:
 - ◆ GasEDI: Allowed.
 - ◆ GISB 1996: Allowed.

7: Billing, Payment and Audit

GasEDI

- Payment acceleration:
 - ◆ GasEDI: Allowed.
 - ◆ GISB 1996: Silent.

8: Title, Warranty and Indemnity

GasEDI

- Title and control:
 - ◆ GasEDI: Passes from Seller to Buyer at Delivery Point.
 - ◆ GISB 1996: Same as GasEDI.

8: Title, Warranty and Indemnity

GasEDI

- Warranty of Title:
 - ◆ GasEDI: Seller passes good, clear, title to Buyer.
 - ◆ GISB 1996: Same as GasEDI.

8: Title, Warranty and Indemnity

GasEDI

- Warranty of Merchantability / Fitness for Purpose:
 - ◆ GasEDI: Disclaimed.
 - ◆ GISB 1996: Silent.

8: Title, Warranty and Indemnity

GasEDI

■ Indemnity:

- ◆ GasEDI: Seller indemnifies Buyer before title transfer; Buyer indemnifies Seller after title transfer.
- ◆ GISB 1996: Same as GasEDI.

8: Title, Warranty and Indemnity

GasEDI

■ Seller Liable to Buyer:

- ◆ GasEDI: Gas off-spec; failure to transfer good and merchantable title.
- ◆ GISB 1996: Gas off-spec.

8: Title, Warranty and Indemnity

GasEDI

- Incidental, Consequential, Special or Punitive Damages:
 - ◆ GasEDI: No liability.
 - ◆ GISB 1996: No liability.

9: Notices

■ Notices:

- ◆ GasEDI: Fax, electronic, overnight courier, hand delivery.
- ◆ GISB 1996: Fax, electronic, overnight courier, first class mail, hand delivery.

9: Notices

GasEDI

■ Payments:

- ◆ GasEDI: ACH (credit), check, EFT, FEDI, wire transfer.
- ◆ GISB 1996: ACH, check, wire transfer.

10: Financial Responsibility, Defaults and Remedies

GasEDI

- GasEDI:
 - ◆ Detailed provisions.
- GISB 1996:
 - ◆ Designed for very short term contracts – up to 1 month.
 - ◆ Credit status rarely changes much during a month.
 - ◆ Provisions could be used in unintended ways.
 - ◆ Many users of GISB 1996 have supplemented with Special Provisions.

10: Financial Responsibility, Defaults and Remedies

■ GISB 1996:

- ◆ Provisions could be used in unintended ways:
 - Financially weakening Seller could use against financially strong Buyer:
 - ★ Demand grossly excessive “adequate assurance of performance” – such as “standby irrevocable letter of credit”.
 - ★ If Buyer does not comply, Seller withholds gas.
 - ★ If Buyer does comply, Seller uses to strengthen its financial position.
 - No quick defense for Buyer vs Seller:
 - ★ Takes time to defend against “reasonable grounds for insecurity”.
 - If Buyer does not comply - may raise industry questions about Buyer’s financial status.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI:

- ◆ Concept of “reasonable grounds for insecurity” retained.
- ◆ Value of “Performance Assurance” limited:
 - Shall not exceed “Total Termination Payment”.
- ◆ Deals more precisely with different forms of risk:
 - Credit:
 - ★ Will Buyer pay Seller?
 - Performance:
 - ★ Will Seller transfer good title to Buyer?

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Definitions:

◆ Event of Default:

- Failure to pay when due if not remedied within 2 Business Days.
- Failure to pay an Accelerated Payment Invoice when due.
- Bankruptcy, etc.
- Failure to provide Performance Assurance.
- Numerous failures to deliver or receive Gas, unless excused by the other party's Non-Performance or prevented by Force Majeure.
Greater of:
 - ★ 4 cumulative Days.
 - ★ >5% of Days in a Delivery Period.
- Failure to perform any other material obligation under the Contract if not remedied within 5 Business Days.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Definitions:

- ◆ Potential Event of Default:
 - Any event or circumstance which would, with Notice, the passage of time, or both, constitute an Event of Default.
- ◆ Non-Performance:
 - Failure to purchase and receive, or sell and deliver, Gas, which is not excused because of the non-performance of the other party or by Force Majeure.
- ◆ Non-Performing Party:
 - Party which is failing to purchase and receive, or sell and deliver, Gas, which failure is not excused because of the non-performance of the other party or by Force Majeure.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Definitions:

◆ Accelerated Payment Invoice:

- Invoice sent by a Performing Party demanding payment (within 3 Business Days) of amounts due for breach of a Firm obligation to sell and deliver or receive and purchase Gas.

◆ Performance Assurance:

- Security in the form, amount and term reasonably specified by the party demanding the Performance Assurance, including, but not limited to:
 - ★ Standby irrevocable letter of credit.
 - ★ Prepayment.
 - ★ Security interest in an asset acceptable to the demanding party.
 - ★ Performance bond or guarantee by an entity acceptable to the party demanding the Performance Assurance.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Definitions:

- ◆ Contract Value of a Transaction:
 - NPV of Gas remaining under a Transaction, based on the Contract Price.
- ◆ Market Value of a Transaction:
 - NPV of gas remaining under a Transaction, based on market price.
- ◆ Costs:
 - All reasonable costs, legal fees and expenses incurred by the Non-Defaulting Party to replace a Transaction or in connection with termination of a Transaction.
- ◆ Early Termination Date:
 - Date on which all Transactions terminate, as specified by a Non-Defaulting Party in consequence of an Event of Default.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Definitions:

◆ Termination Payment:

- Difference between the Market Value and the Contract Value (of a Transaction), adjusted for Costs, as of the Early Termination Date.

◆ Total Termination Payment:

- Sum of the Termination Payments for all Transactions terminated. The Total Termination Payment is a reasonable pre-estimate of the loss suffered, and is not intended as a penalty.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Performance Assurance:

- ◆ If a party has reasonable grounds for insecurity regarding the payment, performance or enforceability of any obligation such party may demand Performance Assurance:
 - Whether or not an Event of Default, Non-Performance or Potential Event of Default has occurred.
 - Which Performance Assurance shall be provided within 5 Business Days.
- ◆ The Performance Assurance shall not exceed:
 - The Total Termination Payment ... as if all Transactions had been terminated;
 - Plus all other outstanding amounts owed or accrued.

10: Financial Responsibility, Defaults and Remedies

GasEDI

- GasEDI: Suspend Performance / Withhold Money:
 - ◆ If an Event of Default or Potential Event of Default occurs, the Non-Defaulting Party shall have the right to, in addition to any other remedies available hereunder:
 - Upon 1 Business Day's Notice, suspend its performance under any or all Transactions under the Contract; and/or
 - Withhold any amounts owed to the Defaulting Party under the Contract, any Transaction or any other agreement between the parties (whether or not yet due) and setoff against such withheld amounts any amounts owed the Non-Defaulting Party hereunder (whether or not yet due).

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Early Termination:

- ◆ Upon the occurrence of an Event of Default, the Non-Defaulting Party may, for so long as the Event of Default is continuing, terminate, accelerate and liquidate all Transactions then outstanding or not yet commenced by:
 - Providing Notice to the Defaulting Party.
 - Establishing an early termination date, between 1 and 20 Business Days following the Event of Default, on which all such Transactions shall terminate.
- ◆ If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate the Total Termination Payment and notify the Defaulting Party of such amount.

10: Financial Responsibility, Defaults and Remedies

GasEDI

- GasEDI: Liquidation Amount:
 - ◆ The Non-Defaulting Party may net the Total Termination Payment against all other amounts owing (whether or not yet due) between the parties under the Contract and any other agreements between the parties.
 - ◆ This amount constitutes the “Liquidation Amount” payable by the Defaulting Party within 2 Business Days or payable by the Non-Defaulting Party on the 25th of the Month following the Early Termination Date, as applicable.
 - ◆ A disputed amount hereunder shall be paid by the Defaulting Party, subject to refund.

10: Financial Responsibility, Defaults and Remedies

GasEDI

■ GasEDI: Non-Performance:

- ◆ In the event a party is a Non-Performing Party, the Performing Party shall have the right to, in addition to any other remedies available:
 - Withhold payments due the Non-Performing Party for the period of the applicable Non-Performance and net or set-off amounts due the Performing Party against such withheld amounts;
 - During the period of the applicable Non-Performance, upon at least 1 Business Day's Notice, suspend its performance under any or all Transactions; and/or
 - If the Non-Performing Party fails to pay any Accelerated Payment Invoice when due, the Performing Party may, without further Notice to the Non-Performing Party, declare an Early Termination Date with respect to the particular Transaction to which the Non-Performance relates.

10: Financial Responsibility, Defaults and Remedies

■ GasEDI: Non-Performance:

- ◆ The failure of the Performing Party to exercise any of these rights or remedies shall not constitute a waiver of:
 - The Non-Performance;
 - The requirement for payment for breach of a Firm obligation to sell and deliver or receive and purchase Gas; or
 - Any of the other rights or remedies of the Performing Party in connection therewith.

10: Financial Responsibility, Defaults and Remedies

GasEDI

- GasEDI: Rights, Set-offs, Etc:
 - ◆ Each party reserves to itself all rights, set-offs, counterclaims, and other defences which it is or may be entitled to arising from the Contract.

Eligible Financial Contract

- Significance of qualifying as an “eligible financial contract”:
 - ◆ Not subject to a bankruptcy CCAA stay order:
 - CCAA = Companies Creditors Arrangements Act (Canada).
 - ◆ Solvent party can use the contractual remedies on insolvency set out in Section 10.

Eligible Financial Contract

GasEDI

- Transactions done under the GasEDI contract will likely qualify as an “eligible financial contract” because:
 - ◆ Natural gas fits the definition of a “commodity” set out by the Court of Appeal:
 - Fungible.
 - Exchange traded.
 - Volatile market.
 - Sufficient volume traded to ensure a competitive price.

 - ◆ And ...

Eligible Financial Contract

GasEDI

- ◆ Gas traded under the GasEDI contract should exhibit the “key elements” the Court identified as signifying a forward commodity contract”:
 - Buyer and seller of a commodity.
 - Defined contract term of more than 1 day.
 - Defined quantity of the commodity.
 - Defined point(s) of delivery and receipt.
 - Defined price or pricing mechanism.
 - Customized (or customizable) by individual negotiation.
 - Parties know each other and take credit issues into account when entering into the contract.

Credit Annex

GasEDI

- The GasEDI Standard Contract does not include a Credit Annex:
 - ◆ Nature of the terms of a Credit Annex suggests these may only be applicable to “large” firms:
 - Credit rated by S&P, Moody’s, DBRS, etc.
 - Listed on a public stock exchange.
 - ◆ May deter small, closely held, gas sellers and buyers from accepting the GasEDI Standard Contract.

11: Force Majeure

GasEDI

■ Payments:

- ◆ GasEDI: Must always be made – no Force Majeure relief.
- ◆ GISB 1996: Same as GasEDI.

11: Force Majeure

GasEDI

■ Definition:

- ◆ GasEDI: Any event beyond the reasonable control of the party claiming; and the parties shall make reasonable efforts to mitigate and resolve.
- ◆ GISB 1996: Same as GasEDI.
- ◆ Exceptions (Section 11.3) cannot claim Force Majeure:
 - Interruption of interruptible transportation.
 - Failure to remedy.
 - Economic hardship.

11: Force Majeure

GasEDI

■ Notice:

- ◆ GasEDI: Initially orally, follow-up in writing asap.
- ◆ GISB 1996: Same as GasEDI.

11: Force Majeure

- What effect does a claim of Force Majeure have on the GasEDI contract?
 - ◆ Suspended, not terminated.
 - ◆ Does not suspend obligation to pay.

11: Force Majeure

- How broad is the definition of triggering events, and does your event fit the description?
 - ◆ Doesn't have to be a catastrophic event.
 - ◆ Does have to be unforeseen (ie: "not present in normal business calculations").

11: Force Majeure

- What impact must the event have on the party who wants to claim Force Majeure?
 - ◆ Must cause failure to deliver/receive:
 - ATCOR Test: “A supplier need not show that the event made it impossible to carry out the contract, but must show that the event created, in commercial terms, a real and substantial problem, one that makes performance commercially unfeasible.”
 - ★ Ie: is performance commercially reasonable and feasible?

11: Force Majeure

- What about field plant gas? Consider the following as a Special Provision (this is not in the GasEDI Standard Contract):
 - ◆ If the Delivery Point is a field plant outlet, then Force Majeure includes events which occur upstream of the Delivery Point. If the Delivery Point is a point other than a field plant outlet, events which affect the transportation of gas from the field plant outlet to the Delivery Point do not constitute Force Majeure unless the parties agree otherwise in a Transaction Confirmation or unless the events affect the entire geographic region.

12: Term

GasEDI

■ Termination:

- ◆ GasEDI: Later of 30 days Notice or expiration of latest Delivery Period of any Transaction Confirmation(s).
- ◆ GSIB 1996: Same as GasEDI.

12: Term

GasEDI

- Certain provisions survive termination:
 - ◆ GasEDI: Audit, payments, indemnity.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Binding / benefit:
 - ◆ GasEDI: Successors, assigns, etc.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Assignment:
 - ◆ GasEDI:
 - Consent required, cannot be unreasonably withheld.
 - Except consent not required for assignment to parent, affiliate.
 - Transferor not relieved of any obligations.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Severability:
 - ◆ GasEDI: Any provision severable, rest continues enforceable.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Waiver:
 - ◆ GasEDI: Not deemed to be waiver of anything else.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Complete understanding:
 - ◆ GasEDI: Set forth herein, all Transactions merged.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Amendments:
 - ◆ GasEDI: Only in writing.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Governing law:
 - ◆ GasEDI: Specified on Cover Sheet.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Laws, rules and regulations:
 - ◆ GasEDI: Contract subject to all applicable laws, rules, orders, regulations, etc, of any governmental authority, at any level, having jurisdiction.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Third party beneficiaries:
 - ◆ GasEDI: None.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

■ Authority:

- ◆ GasEDI: Parties warrant they have authority to enter into and perform.
- ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

■ Currency Conversion:

- ◆ GasEDI: Average of Bank of Canada noon spot exchange rates.
- ◆ GISB 1996: Silent (Contract is US\$ only).

13: Miscellaneous

GasEDI

■ Arbitration:

- ◆ GasEDI: Optional - Per International Arbitration Rules of the American Arbitration Association.
- ◆ GISB 1996: Silent.

13: Miscellaneous

GasEDI

- Headings:
 - ◆ GasEDI: Silent.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- Confidentiality:
 - ◆ GasEDI: Silent.
 - ◆ GISB 1996: Same as GasEDI.

13: Miscellaneous

GasEDI

- No Exclusivity:
 - ◆ GasEDI: Silent.
 - ◆ GISB 1996: Same as GasEDI.

- No Exclusivity Concept:
 - ◆ Neither party shall have ... rights of or exclusive dealings with the other party regarding the purchase or sale of gas by reason of ... this agreement ...

14: Limitations

GasEDI

■ Limitations:

- ◆ GasEDI: All warranties and liabilities are specifically provided; no warranty of merchantability or fitness for a particular purpose.
- ◆ GISB 1996: Silent.

Special Provisions

GasEDI

■ Standard Contract:

- ◆ GasEDI: Special Provisions can be added to the Standard Contract by noting such on the Cover Sheet.
- ◆ GISB 1996: Same as GasEDI.

■ Transaction Confirmation:

- ◆ GasEDI: Special Provisions can be added to any Transaction by noting such on the Transaction Confirmation.
- ◆ GISB 1996: Same as GasEDI.

Transaction Confirmation

GasEDI

- GasEDI and GISB 1996:
 - ◆ Identify Seller and Buyer.
 - ◆ Identify Price.
 - ◆ Identify Delivery Period.
 - ◆ Identify Delivery Point(s).
 - ◆ Identify Quantity.
 - ◆ Identify Performance Obligation.
 - ◆ Identify Special Provisions.
 - ◆ Signatures.
- GasEDI only:
 - ◆ Check box for Canadian Export Zero Rating (GST issue).

Disclaimer

- Information herein has been developed for training purposes - such information should not be considered a comprehensive treatment of any subject:
 - ◆ Comments reflect the views of the author and are not intended to provide legal advice.
 - ◆ Readers should not act or rely on information provided herein without seeking specific legal advice.

GasEDI STANDARD CONTRACT

OVERVIEW and COMPARISON to

GISB BASE CONTRACT (1996 VERSION)

GasEDI

Ian Anderson

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Business Reengineering ● Electronic Commerce ● EDI

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