

Subj: **NAESB's draft CSA Comment from CMS Energy**  
Date: 8/21/03 5:33:09 PM Central Daylight Time  
From: Francis Berkemeier  
To: WGQ Contracts Subcommittee

I regret that my participation in yesterday's conference call was delayed. The progress made on the CSA to date is very impressive and I am pleased with the effort. The following are the few comments that I have and they may or may not have been mentioned by someone else:

1. In the definition of "Exposure" under Paragraph 2, I suggest adding a comma after the word "Amount" in line 1 and after the word "manner" in line 2. I would also add the word "of" between the word "as" and "the" in line 3.
2. In Paragraph 6 for Option A and B, I am concerned that the time provided for notification of "the existence and nature of the dispute" could be unrealistically short. Under Option B the problem is not critical because the parties must agree on specific but as yet unspecified times and will presumably do so with the necessary thought about what they are doing. Under Option A ,however, the time prescribed could in actuality be as short as an hour or less because of an overlap in time when the "Notification Time" is late in the "Business Day". I am of the belief that the time allowed for such notification should in no event be less than 1 Business Day and would accordingly insert "first Business Day following the" immediately preceding "Demand Date" in the 3rd line of Option A, Paragraphs 6(a) and 6(b). Consistent with this change I would also modify the final sentence of those two Paragraphs by replacing "by the Close of Business on the Demand Date" with "within the time specified above". This last change should also be made in the final sentence of Paragraphs 6(a) and 6(b) under Option B because there will then be no possible inconsistency with the timing requirements otherwise agreed to by the parties in the earlier portions of those Paragraphs. The possibility of such an inconsistency does exist with the current language.

I would greatly appreciate it if you would confirm your receipt of these comments.

Thanks MUCH.  
Frank