

Credit Support Addendum to the Base Contract for Sale and Purchase of Natural Gas

This Credit Support Addendum ("CSA") is entered into as of this _____ day of _____, 20__.

The parties to this CSA are the following:

Party A

Party B

_____ and _____

 Base Contract Date: _____ Base Contract Date: _____
 Base Contract Number: _____ Base Contract Number: _____

Credit Related Notices:

Attn: _____
 Phone: _____ Fax: _____
 E-mail Address: _____

Attn: _____
 Phone: _____ Fax: _____
 E-mail Address: _____

Wire Transfer or ACH Numbers (if applicable):

Bank: _____
 ABA: _____
 ACCT: _____
 Other Details: _____

Bank: _____
 ABA: _____
 ACCT: _____
 Other Details: _____

This CSA is published by the North American Energy Standards Board, Inc. The parties hereby agree to the following provisions offered in said CSA Elections.

Credit Support Provider	Party A : _____ Party B : _____	Interest Rate	_____
Eligible Collateral	Party A: ? Cash 100% ? Letters of Credit 100%* ? Other _____ % Party B: ? Cash 100% ? Letters of Credit 100%* ? Other _____ % * - See Definition of Valuation Percentage.	Valuation Percentage	_____
		Minimum Transfer Amount	Party A: _____ Party B: _____
Transfer Method for Other Eligible Collateral	Party A: _____ Party B: _____	Notification Time	? 1 p.m. Eastern Prevailing Time ? Other _____ Prevailing Time
		Close of Business	? 5 p.m. Eastern Prevailing Time ? Other _____ Prevailing Time
Collateral Threshold	? See attached Rating Matrix ? Flat amounts Party A: _____ Party B: _____	Rounding Amount	Party A: _____ Party B: _____
Eligibility Requirements to Hold Cash	Party A: _____ Party B: _____	Custodian Requirements	_____ _____ _____
? OPTION A for CSA Paragraphs 4, 5 and 6 – OR – ? OPTION B for CSA Paragraphs 4, 5 and 6 (Exhibit A for elections is attached.) ? Special Provisions Number of sheets attached: _____			

IN WITNESS WHEREOF, the parties hereto have executed the first page of this CSA in duplicate.

Party A Name _____
 By _____
 Name: _____
 Title: _____

Party B Name _____
 By _____
 Name: _____
 Title: _____

GENERAL TERMS AND CONDITIONS
of the
CREDIT SUPPORT ADDENDUM
to the
BASE CONTRACT FOR PURCHASE AND SALE OF NATURAL GAS

Paragraph 1. Purpose

This CSA constitutes an Addendum to that certain Base Contract for Sale and Purchase of Natural Gas, as identified on the front page herein, between the parties ("Base Contract"), and supplements, forms part of, and amends the Base Contract affecting transactions thereunder. Capitalized terms used in this CSA that are not herein defined will have the meanings ascribed to them in the Base Contract. In the event of a conflict between the terms of this CSA and the Base Contract, the terms of this CSA shall apply for the purposes of this CSA.

The terms set forth below shall have the meanings ascribed to them below. Other terms are also defined elsewhere in the Base Contract and shall have the meanings ascribed to them therein.

Paragraph 2. Definitions.

As used in this CSA:

"Cash" shall mean United States Dollars.

"Close of Business" shall have the meaning set forth in the elections on Page 1 herein.

"Collateral Requirement" shall have the meaning set forth in Paragraph 3 herein.

"Collateral Threshold" shall mean, with respect to a party, the amount, if any, set forth in the elections on Page 1 herein for such party; provided, however, that the Collateral Threshold for a party that is a Defaulting Party shall be zero (0) upon the occurrence and during the continuance of an Event of Default.

"Credit Support Default" shall have the meaning set forth in Paragraph 10 herein.

"Credit Support Provider", if applicable, shall mean the entity set forth in the elections on Page 1 herein.

"Custodian" shall mean an entity that meets the Custodian Requirements set forth in the elections on Page 1 herein.

"Defaulting Party" shall have the meaning set forth in Paragraph 10 herein.

"Demand Date" shall mean, with respect to a party's (i) demand for the Transfer of Eligible Collateral pursuant to Paragraph 4 herein, (ii) demand for Reduction or Substitution of Posted Collateral pursuant to Paragraph 5 herein, and/or (iii) demand for Disputed Calculations pursuant to Paragraph 6 herein:

- (a) the date on which a demand is made, if such demand is received prior to the Notification Time on a Business Day; or
- (b) the following Business Day if a demand is made on a non-Business Day or after the Notification Time on a Business Day.

"Eligible Collateral" shall have the meaning set forth in the elections on Page 1 herein.

"Exposure" shall mean the Net Settlement Amount, as calculated by the Secured Party in good faith and in a commercially reasonable manner, that the Pledging Party would owe to the Secured Party if an Early Termination Date had been designated as of the date of such calculation as provided for in Section 10 of the Base Contract; provided that such calculations shall be at the mid point between the bid price and the offer price.

"Interest Amount" shall mean the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Cash held by the Secured Party on that day, determined for each such day as follows: (x) the amount of Cash on that day; multiplied by (y) the Interest Rate for that day; divided by (z) 360.

"Interest Period" shall mean the period from (and including) the last Business Day on which an Interest Amount was Transferred (or if no Interest Amount has yet been Transferred, the Business Day on which Cash was Transferred to the Secured Party) to (but excluding) the Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" shall have the meaning set forth in the elections on Page 1 herein.

"Letter of Credit" shall have the meaning set forth in Paragraph 7 (a) herein.

"Letter of Credit Default" shall have the meaning set forth in Paragraph 7(b) herein.

"Minimum Transfer Amount" shall mean the amount set forth in the elections on Page 1 herein for a party.

"Notification Time" shall have the meaning set forth in the elections on Page 1 herein.

"Pledging Party" shall have the meaning set forth in Paragraph 3 herein.

"Posted Collateral" shall mean (1) all Eligible Collateral and all proceeds thereof that have been Transferred to or received by the Secured Party hereunder and not Transferred to the Pledging Party pursuant to Paragraph 4 or released by the Secured Party, (2) any Interest Amount or portion thereof held by the Secured Party and not Transferred pursuant to Paragraph 8(c), and (3) any Cash received and held by the Secured Party after drawing on any Letter of Credit.

"Reference Market Maker" shall mean a leading dealer in the relevant market that is not an affiliate of either party selected by a party determining any disputed calculations pursuant to Paragraph 6 herein in a commercially reasonable manner from among dealers which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit.

"Rounding Amount" shall mean the amount set forth in the elections on Page 1 herein for a party.

"Secured Party" shall have the meaning set forth in Paragraph 3(b) herein.

"Letter of Credit Issuer Requirements" shall have the meaning set forth in the elections on Page 1 herein.

"Transfer" or "Transferred" shall mean, with respect to any Eligible Collateral, Posted Collateral, or Interest Amount, and in accordance with the instructions of the appropriate party:

(i) in the case of Cash, payment or delivery by wire transfer in immediately available federal funds into one or more bank accounts set forth on Page 1 herein (or as otherwise specified in a demand Notice);

(ii) in the case of Letters of Credit, delivery of the Letter of Credit by the Pledging Party to the Secured Party at the address specified in this CSA (or as otherwise specified in a demand Notice) or delivery of an executed amendment to such Letter of Credit (extending the term or increasing the amount available to the Secured Party thereunder) by the Pledging Party, to the Secured Party; and for purposes of Paragraph 5, return of the Letter of Credit by the Secured Party to the Pledging Party or delivery of an executed amendment (which amendment shall be given by the Pledging Party to the Secured Party) to the Letter of Credit in form and substance satisfactory to the Secured Party, reducing the amount available to the Secured Party thereunder from the **Pledging Party to the Secured Party**, in each case to the address specified in the applicable demand letter or this CSA; and

(iii) in the case of any other Eligible Collateral, the Transfer methodology specified by the parties in the elections on Page 1 herein.

(iv) in any case in which Eligible Collateral or Posted Collateral is in the form of a Letter of Credit, the deadlines set forth in Paragraph 7 (h).

(iv) In connection with each Transfer of any Eligible Collateral to the Secured Party pursuant to this CSA, the Secured Party will, upon request of the Pledging Party, provide a receipt in form and substance reasonably satisfactory to the Pledging Party showing the Eligible Collateral Transferred to it. In connection with each Transfer of any Posted Collateral to the Pledging Party

pursuant to this CSA, the Pledging Party will, upon request of the Secured Party, provide a receipt in form and substance reasonably satisfactory to the Secured Party showing the Posted Collateral Transferred to it.

"Valuation Percentage" shall mean the percentage set forth in the elections on Page 1 herein for each form of Eligible Collateral; provided with respect to Letters of Credit the Valuation Percentage shall be 100% unless either (i) a Letter of Credit Default shall apply with respect to such Letter of Credit or (ii) 20 or fewer Business Days remain prior to the expiration of such Letter of Credit, in which case the Valuation Percentage shall be zero (0).

"Value" shall mean the Valuation Percentage multiplied by the amount of Posted Collateral; provided with respect to Letters of Credit, such amount shall be the amount then available to be unconditionally drawn under the Letter of Credit held by the Secured Party.

Paragraph 3. Calculation of Collateral Requirement.

On any Business Day, the "Collateral Requirement" for a party (the "Pledging Party") means the Secured Party's Exposure minus the sum of:

- (a) the Pledging Party's Collateral Threshold; plus
- (b) the Value of all Posted Collateral then held by the party other than the Pledging Party (the "Secured Party"), and any accrued Interest Amount that has not yet been Transferred to the Pledging Party;

provided, however, that, the Collateral Requirement of the Pledging Party will be deemed to be zero (0) whenever the calculation of such Pledging Party's Collateral Requirement yields a number less than zero (0).

OPTION A: Paragraphs 4, 5, and 6

If the parties select Option A of the elections on Page 1 herein, the following Paragraphs 4, 5 and 6 shall apply.

Paragraph 4. Transfer of Eligible Collateral.

On any Business Day on which (i) no Credit Support Default with respect to the Secured Party has occurred and is continuing, (ii) no Event of Default with respect to the Secured Party has occurred and is continuing, (iii) no Early Termination Date has occurred or been designated by the Pledging Party for which there exist any unsatisfied payment obligations under the Base Contract, and (iv) the Pledging Party's Collateral Requirement equals or exceeds its Minimum Transfer Amount, the Secured Party may demand, by Notice to the Pledging Party, that the Pledging Party Transfer to the Secured Party, and the Pledging Party shall Transfer or cause to be Transferred to the Secured Party, Eligible Collateral for the benefit of the Secured Party having a Value on the date of Transfer at least equal to the Pledging Party's Collateral Requirement. The amount of Eligible Collateral required to be Transferred hereunder shall be rounded up to the nearest integral multiple of the Rounding Amount. Unless otherwise agreed to in writing by the parties, the Pledging Party shall Transfer the Eligible Collateral by the Close of Business on the Business Day following the Demand Date. Any Letter of Credit or other type of Eligible Collateral (other than Cash) shall be Transferred to the address specified in this CSA or to such address as the Secured Party shall specify in its demand, pursuant to this Paragraph 4. Any demand made by the Secured Party pursuant to this Paragraph 4 shall specify wire transfer information for the account(s) to which Eligible Collateral in the form of Cash shall be Transferred if different than that set forth in this CSA. Notwithstanding anything to the contrary in this CSA, in the event of a Credit Support Default or an Event of Default, with respect to the Pledging Party which gives rise to an obligation to Transfer Eligible Collateral, the Pledging Party shall have no obligation to Transfer such Eligible Collateral if such event is cured or otherwise no longer exists prior to the time that such Eligible Collateral is required to be provided hereunder.

Paragraph 5. Reduction and Substitution of Posted Collateral.

(a) On any Business Day a Pledging Party may demand, by Notice to the Secured Party, a reduction in the amount of Posted Collateral previously provided by the Pledging Party for the benefit of the Secured Party, and the Secured Party shall comply with said demand, provided that after giving effect to the demanded reduction in Posted Collateral, (i) the Pledging Party shall have a Collateral Requirement of zero (0) as of the date the Secured Party would be required to return the requested Posted Collateral, (ii) no Credit Support Default with respect to the Pledging Party has occurred and is continuing, (iii) no Event of Default with respect to the Pledging Party has occurred and is continuing, and (iv) no Early Termination Date has occurred or been designated by the Secured Party for which there exist any unsatisfied payment obligations under the Base Contract. The amount of the Posted Collateral reduction shall be made by the Secured Party if such amount equals or exceeds the Secured Party's

Minimum Transfer Amount; provided however, such amount actually returned by the Secured Party shall be rounded down to the nearest integral multiple of the Rounding Amount. Unless otherwise agreed in writing by the parties, the Secured Party shall effect a permitted reduction in Posted Collateral by the Close of Business on the Business Day following the Demand Date for such reduction. If a permitted reduction in Posted Collateral is to be effected by a reduction in the amount that may be drawn under an outstanding Letter of Credit previously issued for the benefit of the Secured Party, the Secured Party shall promptly take such action as is reasonably necessary to cooperate with the Pledging Party to effectuate such reduction.

(b) Except when (i) a Credit Support Default with respect to the Pledging Party has occurred and is continuing, or (ii) an Event of Default with respect to the Pledging Party has occurred and is continuing, or (iii) no Early Termination Date has occurred or been designated by the Secured Party for which there exist any unsatisfied payment obligation under the Base Contract, the Pledging Party may substitute new Eligible Collateral for existing Posted Collateral of equal or greater Value (provided that, if such substitute Eligible Collateral is of a type not designated as Eligible Collateral in the elections on Page 1 herein, then the substitution may not occur unless the Secured Party consents to such substitution). Upon the Transfer to the Secured Party of the substitute Eligible Collateral, the Secured Party shall Transfer the relevant replaced Posted Collateral (as specified by the Pledging Party) to the Pledging Party by the Close of Business on the second Business Day after such Transfer has been effected. Notwithstanding anything herein to the contrary, no such substitution shall be permitted unless (x) the substitute Eligible Collateral is Transferred to the Secured Party prior to, the release of the Posted Collateral to be returned to the Pledging Party and, if applicable, the security interest in, and lien upon, such substituted Eligible Collateral granted pursuant hereto in favor of the Secured Party shall have been perfected as required by applicable law and shall constitute a first priority perfected security interest therein and general first lien thereon, and (y) after giving effect to such substitution, the Value of such substitute Eligible Collateral, together with all other Posted Collateral held by the Secured Party, shall equal or exceed the Pledging Party's Collateral Requirement. Each substitution of Eligible Collateral shall constitute a representation, warranty and agreement by the Pledging Party that the substituted Eligible Collateral shall be subject to and governed by the terms and conditions of this CSA, including without limitation and if applicable, the security interest in, general first lien on and right of offset against, such substituted Eligible Collateral granted pursuant to Paragraph 13(a) in favor of the Secured Party.

(c) The Transfer of any Posted Collateral by the Secured Party to the Pledging Party in accordance with this Paragraph 5 shall be deemed a release by the Secured Party of its security interest, general first lien and right of offset granted pursuant to Paragraph 13(a) hereof only with respect to such returned Posted Collateral.

Paragraph 6. Disputed Calculations.

(a) If the Pledging Party disputes the amount of Eligible Collateral requested by the Secured Party and such dispute relates to the amount of the Exposure as determined by the Secured Party, then the Pledging Party shall (i) notify the Secured Party of the existence and nature of the dispute not later than the Close of Business on the first Business Day following the Demand Date, and (ii) Transfer Eligible Collateral to or for the benefit of the Secured Party in accordance with Paragraph 4 and in an amount equal to the Pledging Party's own calculation of its Collateral Requirement as determined, in accordance with Paragraph 3. Such calculation shall be made in good faith and a commercially reasonable manner that is consistent with Section 10 of the Base Contract. In all such cases, the parties thereafter shall promptly consult with each other in order to reconcile the two conflicting calculations. If the parties have not been able to resolve their dispute on or before the Notification Time on the second Business Day following the Demand Date, then the amount of the Exposure shall be recalculated with each party requesting quotations from one (1) Reference Market-Maker by the Notification Time on the third (3rd) Business Day following the Demand Date (taking the arithmetic average of those quotations obtained to obtain the average Exposure, provided, that, if only one (1) quotation can be obtained, then that quotation shall be used and if no quotations can be obtained, then the Secured Party's calculation shall control) for the purpose of recalculating the Exposure of each transaction in respect of which the parties disagree as to the Exposure thereof. The Pledging Party shall inform the Secured Party of the quotation it has obtained, if any, by the Notification Time on the third (3rd) Business Day following the Demand Date. The Secured Party shall inform the Pledging Party of the results of such recalculation in reasonable detail by the Notification Time on the fourth (4th) Business Day following the Demand Date. Eligible Collateral shall thereupon be provided, returned, or reduced, if necessary, by the Close of Business on the fifth (5th) Business Day following the Demand Date. If the Pledging Party fails to dispute the amount of the Collateral requirement within the time period specified above, then the Pledging Party shall Transfer or cause to be Transferred to the Secured Party, Eligible Collateral for the benefit of the Secured Party having a Value on the date of Transfer at least equal to the Pledging Party's Collateral Requirement, as originally demanded by the Secured Party.

(b) If the Secured Party disputes the amount of Eligible Collateral to be reduced by the Secured Party and such dispute relates to the amount of the Exposure claimed by the Pledging Party, then the Secured Party shall (i) notify the Pledging Party of the existence and nature of the dispute by the Close of Business on the first Business Day following the Demand Date for such reduction, and (ii) effect the reduction of Eligible Collateral to or for the benefit of the Pledging Party in accordance with Paragraph 5 and in an amount equal to the Secured Party's own estimate,

made in a commercially reasonable manner, of the Pledging Party's Collateral Requirement as determined in accordance with Paragraph 3. In all such cases, the parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts. If the parties have not been able to resolve their dispute on or before the Notification Time on the second (2nd) Business Day following the Demand Date for such reduction, then the Secured Party's Exposure shall be recalculated by each party requesting quotations from one (1) Reference Market-Maker by the Notification Time on the third (3rd) Business Day following the Demand Date for such reduction (taking the arithmetic average of those quotations obtained to obtain the average Exposure; provided, that, if only one (1) quotation can be obtained, then that quotation shall be used and if no quotations can be obtained, then the Secured Party's calculations shall control) for the purpose of recalculating the Exposure of each transaction in respect of which the parties disagree as to the Exposure thereof. The Pledging Party shall inform the Secured Party of the quotation it has obtained, if any, by the Notification Time on the third (3rd) Business Day after the Demand Date. The Secured Party shall inform the Pledging Party of the results of such recalculation in reasonable detail by the Notification Time on the fourth (4th) Business Day after the Demand Date for such reduction. Eligible Collateral shall thereupon be provided, returned, or reduced, if necessary, by the Close of Business on the fifth (5th) Business Day after the Demand Date for such reduction. If the Secured Party fails to dispute the amount of the demanded reduction within the time period specified above, then the Secured Party shall Transfer or cause to be Transferred to the Pledging Party, Eligible Collateral for the benefit of the Pledging Party having a Value on the date of Transfer at least equal to the Pledging Party's demanded reduction.

OPTION B: Paragraphs 4, 5, and 6

If the parties select Option B of the elections on Page 1 herein, the following Paragraphs 4, 5 and 6 and the related timing requirements and party information set forth in the Exhibit A to this CSA shall apply.

Paragraph 4. Transfer of Eligible Collateral.

On any Business Day on which (i) no Credit Support Default with respect to the Secured Party has occurred and is continuing, (ii) no Event of Default with respect to the Secured Party has occurred and is continuing, (iii) no Early Termination Date has occurred or been designated by the Pledging Party for which there exist any unsatisfied payment obligations under the Base Contract, and (iv) the Pledging Party's Collateral Requirement equals or exceeds its Minimum Transfer Amount, the Secured Party may demand, by Notice to the Pledging Party, that the Pledging Party Transfer to the Secured Party, and the Pledging Party shall Transfer or cause to be Transferred to the Secured Party, Eligible Collateral for the benefit of the Secured Party having a Value on the date of Transfer at least equal to the Pledging Party's Collateral Requirement. The amount of Eligible Collateral required to be Transferred hereunder shall be rounded up to the nearest integral multiple of the Rounding Amount. Unless otherwise agreed to in writing by the parties, the Pledging Party shall Transfer the Eligible Collateral by the Close of Business on the ('A') Business Day following the Demand Date. Any Letter of Credit or other type of Eligible Collateral (other than Cash) shall be Transferred to the address specified in this CSA or to such address as the Secured Party shall specify in its demand, pursuant to this Paragraph 4. Any demand made by the Secured Party pursuant to this Paragraph 4 shall specify wire transfer information for the account(s) to which Eligible Collateral in the form of Cash shall be Transferred if different than that set forth in this CSA. Notwithstanding anything to the contrary in this CSA, in the event of a Credit Support Default or an Event of Default, with respect to the Pledging Party which gives rise to an obligation to Transfer Eligible Collateral, the Pledging Party shall have no obligation to Transfer such Eligible Collateral if such event is cured or otherwise no longer exists prior to the time that such Eligible Collateral is required to be provided hereunder.

Paragraph 5. Reduction and Substitution of Posted Collateral.

(a) On any Business Day a Pledging Party may demand, by Notice to the Secured Party, a reduction in the amount of Posted Collateral previously provided by the Pledging Party for the benefit of the Secured Party, and the Secured Party shall comply with said demand, provided that after giving effect to the demanded reduction in Posted Collateral, (i) the Pledging Party shall have a Collateral Requirement of zero (0) as of the date the Secured Party would be required to return the requested Posted Collateral; (ii) no Credit Support Default with respect to the Pledging Party has occurred and is continuing; (iii) no Event of Default with respect to the Pledging Party has occurred and is continuing; and (iv) no Early Termination Date has occurred or been designated by the Secured Party for which there exist any unsatisfied payment obligations under the Base Contract. The amount of the Posted Collateral reduction shall be made by the Secured Party if such amount equals or exceeds the Secured Party's Minimum Transfer Amount; provided however, such amount actually returned by the Secured Party shall be rounded down to the nearest integral multiple of the Rounding Amount. Unless otherwise agreed in writing by the parties, the Secured Party shall effect a permitted reduction in Posted Collateral by the Close of Business on the ('B') Business Day following the Demand Date for such reduction. If a permitted reduction in Posted Collateral is to be effected by a reduction in the amount that may be drawn under an outstanding Letter of Credit previously issued for the benefit of the Secured Party, the Secured Party shall promptly take such action as is reasonably necessary to cooperate with the Pledging Party to effectuate such reduction.

(b) Except when (i) a Credit Support Default with respect to the Pledging Party has occurred and is continuing, or (ii) an Event of Default with respect to the Pledging Party has occurred and is continuing or (iii) no Early Termination Date has occurred or been designated by the Secured Party for which there exist any unsatisfied payment obligation under the Base Contract, the Pledging Party may substitute new Eligible Collateral for existing Posted Collateral of equal or greater Value on the **(‘C’)** Business Day following the Demand Date thereof (provided that, if such substitute Eligible Collateral is of a type not designated as Eligible Collateral in the elections on Page 1 herein, then the substitution may not occur unless the Secured Party consents to such substitution). Upon the Transfer to the Secured Party and/or its Custodian of the substitute Eligible Collateral, the Secured Party and/or its Custodian shall Transfer the relevant replaced Posted Collateral (as specified by the Pledging Party) to the Pledging Party by the Close of Business on the **(‘D’)** Business Day after such Transfer has been effected. Notwithstanding anything herein to the contrary, no such substitution shall be permitted unless (x) the substitute Eligible Collateral is Transferred to the Secured Party and/or its Custodian simultaneously with, or has been Transferred to the Secured Party and/or its Custodian prior to, the release of the Eligible Collateral to be returned to the Pledging Party and, if applicable, the security interest in, and lien upon, such substituted Eligible Collateral granted pursuant hereto in favor of the Secured Party shall have been perfected as required by applicable law and shall constitute a first priority perfected security interest therein and general first lien thereon, and (y) after giving effect to such substitution, the Value of such substitute Eligible Collateral, together with all other Posted Collateral held by the Secured Party, shall equal or exceed the Pledging Party’s Collateral Requirement. Each substitution of Eligible Collateral shall constitute a representation, warranty and agreement by the Pledging Party that the substituted Eligible Collateral shall be subject to and governed by the terms and conditions of this CSA, including without limitation and if applicable, the security interest in, general first lien on and right of offset against, such substituted Eligible Collateral granted pursuant to Paragraph 12(a) in favor of the Secured Party.

(c) The Transfer of any Eligible Collateral by the Secured Party and/or its Custodian to the Pledging Party in accordance with this Paragraph 5 shall be deemed a release by the Secured Party of its security interest, general first lien and right of offset granted pursuant to Paragraph 12(a) hereof only with respect to such returned Eligible Collateral.

Paragraph 6. Disputed Calculations.

(a) If the Pledging Party disputes the amount of Eligible Collateral requested by the Secured Party and such dispute relates to the amount of the Exposure as determined by the Secured Party, then the Pledging Party shall (i) notify the Secured Party of the existence and nature of the dispute not later than the Close of Business on the **(‘A’)** Business Day following the Demand Date that the demand for Eligible Collateral is made by the Secured Party pursuant to Paragraph 4, and (ii) Transfer Eligible Collateral to or for the benefit of the Secured Party in accordance with Paragraph 4 and in an amount equal to the Pledging Party’s own calculation of its Collateral Requirement, in accordance with Paragraph 3. Such calculation shall be made in good faith and a commercially reasonable manner that is consistent with Section 10 of the Base Contract. In all such cases, the parties thereafter shall promptly consult with each other in order to reconcile the two conflicting calculations. If the parties have not been able to resolve their dispute on or before the Notification Time on the **(‘E’)** Business Day following the Demand Date, then the amount of the Exposure shall be recalculated with each party requesting quotations from one (1) Reference Market-Maker by the Notification Time on the **(‘F’)** Business Day following the Demand Date (taking the arithmetic average of those quotations obtained to obtain the average Exposure, provided, that, if only one (1) quotation can be obtained, then that quotation shall be used and if no quotations can be obtained, then the Secured Party’s calculation shall control) for the purpose of recalculating the Exposure of each transaction in respect of which the parties disagree as to the Exposure thereof. The **(‘A1’)** Party shall inform the **(‘A2’)** Party of the quotation it has obtained, if any, by the Notification Time on the **(‘G’)** Business Day following the Demand Date. The **(‘A3’)** Party shall inform the **(‘A4’)** Party of the results of such recalculation in reasonable detail by the Notification Time on the **(‘H’)** Business Day following the Demand Date. Eligible Collateral shall thereupon be provided, returned, or reduced, if necessary, by the Close of Business on the **(‘I’)** Business Day following the Demand Date. If the Pledging Party fails to dispute the amount of the Collateral requirement ~~within the time period specified above~~ by the Close of Business on the Demand Date, then the Pledging Party shall Transfer or cause to be Transferred to the Secured Party, Eligible Collateral for the benefit of the Secured Party having a Value on the date of Transfer at least equal to the Pledging Party’s Collateral Requirement, as demanded by the Secured Party.

(b) If the Secured Party disputes the amount of Eligible Collateral to be reduced by the Secured Party and such dispute relates to the amount of the Exposure claimed by the Pledging Party, then the Secured Party shall (i) notify the Pledging Party of the existence and nature of the dispute by the Close of Business on the **(‘J’)** Business Day following the Demand Date for such reduction, and (ii) effect the reduction of Eligible Collateral to or for the benefit of the Pledging Party in accordance with Paragraph 5 and in an amount equal to the Secured Party’s own estimate, made in a commercially reasonable manner, of the Pledging Party’s Collateral Requirement in accordance with Paragraph 3. In all such cases, the parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts. If the parties have not been able to resolve their dispute on or before the Notification Time

on the ('K') Business Day following the Demand Date for such reduction, then the Secured Party's Exposure shall be recalculated by each party requesting quotations from one (1) Reference Market-Maker by the Notification Time on the ('L') Business Day following the Demand Date for such reduction (taking the arithmetic average of those quotations obtained to obtain the average Exposure; provided, that, if only one (1) quotation can be obtained, then that quotation shall be used and if no quotations can be obtained, then the Pledging Party's calculations shall control) for the purpose of recalculating the Exposure of each transaction in respect of which the parties disagree as to the Exposure thereof. The ('A5') Party shall inform the ('A6') Party of the quotation it has obtained, if any, by the Notification Time on the ('M') Business Day after the Demand Date. The ('A7') Party shall inform the ('A8') Party of the results of such recalculation in reasonable detail by the Notification Time on the ('N') Business Day after the Demand Date for such reduction. Eligible Collateral shall thereupon be provided, returned, or reduced, if necessary, by the Close of Business on the ('O') Business Day after the Demand Date for such reduction. If the Secured Party fails to dispute the amount of the demanded reduction within the time period specified above by the Close of Business on the Demand Date, then the Secured Party shall Transfer or cause to be Transferred to the Pledging Party, Eligible Collateral for the benefit of the Pledging Party having a Value on the date of Transfer at least equal to the Pledging Party's demanded reduction.

Paragraph 7. Letters of Credit.

Eligible Collateral provided in the form of a Letter of Credit shall be subject to the following provisions.

- (a) Each "Letter of Credit" shall be an irrevocable, transferable, standby letter of credit, issued by an entity that meets the requirements of a Letter of Credit Issuer Requirements set forth in the elections on Page 1 herein in a form reasonably acceptable to the Secured Party.
- (b) "Letter of Credit Default" shall mean with respect to an outstanding Letter of Credit that is held by the Secured Party as Posted Collateral the occurrence of any of the following events: (i) the issuer of such Letter of Credit shall fail to maintain meet the Letter of Credit Issuer Requirements set forth in the elections on Page 1 herein, (ii) the issuer of such Letter of Credit goes bankrupt; (iii) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (iv) the issuer of such Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (v) such Letter of Credit shall expire or terminate, or shall fail or cease to be in full force and effect (other than in accordance with its terms) prior to the satisfaction of all obligations of the Pledging Party under each transaction to which such Letter of Credit shall relate without the written consent of the other party; provided, however, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to the Pledging Party in accordance with the terms of this CSA. Upon the occurrence of a Letter of Credit Default, the Pledging Party agrees to Transfer to the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case on or before the second Business Day after the occurrence thereof (or the fifth (5) Business Day after the occurrence thereof if and only if clause (i) under the definition of Letter of Credit Default applies).
- (c) Unless otherwise agreed in writing by the parties, each Letter of Credit shall be provided in accordance with this Paragraph 7 and each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledging Party shall (i) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit, (ii) Transfer either a substitute Letter of Credit or other Eligible Collateral, in each case at least twenty (20) Business Days prior to the expiration of the outstanding Letter of Credit, and (iii) Transfer for the benefit of the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case within one (1) Business Day, if the bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provided that, as a result of the Pledging Party's failure to perform in accordance with (i), (ii), or (iii) above, the Pledging Party's Collateral Requirement would be greater than zero (0).
- (d) As one method of providing Posted Collateral, the Pledging Party may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.
- (e) Upon or at any time after the occurrence of an Event of Default with respect to the Pledging Party and/or the designation of an Early Termination Date by the Secured Party, the Secured Party may draw on the entire undrawn portion of any outstanding Letter(s) of Credit upon submission to the bank issuing such Letter of Credit in accordance with the specific requirements of the Letter of Credit. Cash proceeds received from drawing upon the Letter of Credit shall be deemed Posted Collateral as security for the Pledging Party's obligations to the Secured Party and the Secured Party shall have the rights and remedies set forth in this CSA with respect to such Cash proceeds. Notwithstanding the Secured Party's receipt of Cash under the Letter of Credit, the Pledging Party shall remain liable (i) for any failure to Transfer sufficient Posted

Collateral, and (ii) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party.

- (f) A Pledging Party may substitute a Letter of Credit for one or more other outstanding Letter(s) of Credit issued for the benefit of the Secured Party, provided that the Value of such substitute Letter of Credit shall be at least equal to the Value of the Letter(s) of Credit being replaced, and provided further that no Letter of Credit shall be canceled unless and until the Letter of Credit to be substituted therefor shall have been validly executed, issued and Transferred for the benefit of the Secured Party in accordance with applicable law.
- (g) In all cases, the costs and expenses incurred by the Pledging Party to establish, renew, substitute, cancel, and/or increase the amount of (as the case may be) a Letter of Credit shall be borne by the Pledging Party.
- (h) In any case in which Eligible Collateral or Posted Collateral is in the form of a Letter of Credit (which permits draws based on a facsimile copy), the deadlines set forth in this CSA for providing such collateral to the other party may be met by providing a facsimile copy of the Letter of Credit with an original transmitted by overnight courier for delivery on the next Business Day. [Insert from Page 3]

Paragraph 8. Care and Use of Cash.

Eligible Collateral provided in the form of Cash shall be subject to the following provisions.

(a) **Eligibility to Hold Cash.**

(i) If a party is not eligible to hold Cash as set forth in the elections on Page 1 herein, then such Cash shall be held in a Collateral Account in accordance with the provisions of Paragraph 8(e). [Moved from (iii) below]

(ii) The Secured Party or its Custodian will be entitled to hold Cash provided that the following conditions, as applicable, are satisfied: (1) the Secured Party is not a Defaulting Party, (2) the Secured Party or its Credit Support Provider, if applicable, meets the Eligibility Requirements to Hold Cash requirements set forth in the elections on Page 1 herein, (3) Cash shall be held only in any jurisdiction within the United States, and (4) the Custodian meets the Custodian Requirements set forth in the elections on Page 1 herein. If a party or its Custodian is not eligible, or subsequently becomes ineligible, to hold Posted Collateral pursuant to this Section, then it shall be considered a "Downgraded Party" or a "Downgraded Custodian", as the case may be, and Posted Collateral shall be maintained in accordance with Paragraph 8(e).

(iii) Upon Notice by the Secured Party to the Pledging Party of the appointment of a Custodian, the Pledging Party's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by the Secured Party for which the Custodian is acting. The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

- (b) **Use of Cash.** Notwithstanding the provisions of applicable law, if the Secured Party is eligible to hold cash in accordance with Paragraph 8(a), is not a Defaulting Party and no Early Termination Date has occurred or been designated by the Pledging Party as a result of an Event of Default with respect to the Secured Party, then the Secured Party shall have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Cash it holds, free from any claim or right of any nature whatsoever of the Pledging Party, including any equity or right of redemption by the Pledging Party.

- (c) **Interest Payments on Cash.** So long as no Event of Default with respect to the Pledging Party has occurred and is continuing, and no Early Termination Date (for which any unsatisfied payment obligations of the Pledging Party exist) has occurred or been designated as the result of an Event of Default with respect to the Pledging Party and to the extent that an obligation to Transfer Posted Collateral would not be created or increased by the Transfer, the Secured Party will upon written request Transfer to the Pledging Party, in lieu of any interest or other amounts paid or deemed to have been paid with respect to the Cash (all of which may be retained by the Secured Party), the Interest Amount on the third Business Day of each calendar month. On or after the occurrence of an Event of Default with respect to the Pledging Party or an Early Termination Date as a result of an Event of Default with respect to the Pledging Party, the Secured Party shall retain any such Interest Amount as additional Eligible Collateral hereunder until the obligations of the Pledging Party under the Base Contract have been satisfied.

- (d) Care of Cash. Without limiting the Secured Party's rights under Paragraph 8(b), the Secured Party will exercise reasonable care to assure the safe custody of all Cash held by it as Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Cash, including, without limitation, any duty to enforce or preserve any rights pertaining thereto.
- (e) Holding of Cash by a Custodian. The provisions of Paragraph 8(b) will apply to the parties; provided, however, that if a party or its Custodian is not eligible to hold Cash pursuant to Paragraph 8(a) (the event that caused it or its Custodian, if any, to be ineligible to hold Cash shall be a "Credit Rating Event"; if such Credit Rating Event occurs with respect to a party, such party shall be the "Downgraded Party"; and if such Credit Rating Event occurs with respect to a party's Custodian, such Custodian shall be the "Downgraded Custodian"), then: (1) the provisions of Paragraph 8(b) will not apply with respect to the Downgraded Party as the Secured Party for so long as either the Secured Party or its Custodian, if any, remain a Downgraded Party or a Downgraded Custodian, respectively, and (2) the Downgraded Party shall be required to deliver (or cause the Downgraded Custodian to deliver, as the case may be) by the Close of Business on the second (2nd) Business Day following such Credit Rating Event all Cash in its possession or held on its behalf (i) to a Custodian that meets the Custodian Requirements, and (ii) to a segregated, safekeeping or custody account ("Collateral Account") within such Custodian with the title of the Collateral Account indicating that the property contained therein is being held as Posted Collateral for the Downgraded Party; provided, that, if the Credit Rating Event occurs with respect to a party's Custodian that is holding Posted Collateral on behalf of such party, then such Downgraded Custodian may also deliver such Posted Collateral to such party if such party is not a Downgraded Party, and (iii) the parties agree to enter into a control agreement ("Control Agreement") with the Custodian maintaining the Collateral Account. The Control Agreement shall be in such form as shall be reasonably acceptable to each of the parties and shall provide for such items as the timing and release of the funds in the Collateral Account and the investment and reinvestment of Cash held in the Collateral Account. The Control Agreement shall further provide that Custodian shall serve as Custodian with respect to the Posted Collateral in the Collateral Account, and shall hold such Posted Collateral in accordance with the terms of this CSA and for the security interest of the Downgraded Party and, subject to such security interest, for the ownership of the non-Downgraded Party. The parties further agree that notwithstanding the fact that Cash is being held by a Custodian in a Collateral Account pursuant to a Control Agreement, the Downgraded Party shall be required to make interest payments to the non-Downgraded Party in an amount equal to the Interest Amount in accordance with the provisions of Paragraph 8(c).

Paragraph 9. Notices

- (a) "Notice" shall mean a notice or other communication in respect of this CSA. Notice may be given in any manner set forth below to the address or number or in accordance with the electronic messaging system details provided on Page 1 of this CSA and will be deemed effective as indicated:
- (i) if in writing and delivered in person or by courier, on the Business Day it is delivered;
 - (ii) if sent by facsimile transmission, on the date that transmission is received by the recipient in legible form (which may be evidenced by a transmission report generated by the sender's facsimile machine) unless such facsimile transmission is received on a non-Business Day or after the Close of Business then such facsimile shall be deemed to have been received on the next following Business Day.
 - (iii) if sent by certified or registered mail or the equivalent (return receipt requested), on the Business Day that mail is delivered or its delivery is attempted; or
 - (iv) if sent by electronic messaging system, on the date that electronic message is received, unless such electronic message is received on a non-Business Day or after the Close of Business, then such electronic message shall be deemed to have been received on the next following Business Day.
- (b) Any other Notice, including but not limited to, Notice of an Event of Default, must be given pursuant to Section 9 of the Base Contract.

Paragraph 10. Credit Support Default

- (a) A "Credit Support Default" shall exist with respect to a party (the "Defaulting Party") if:

- (i) a party fails (or fails to cause its Custodian, as applicable) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it, and such failure continues for one (1) Business Day after Notice of that failure is provided to that party; or
 - (ii) a party fails to comply with or perform any material agreement or obligation provided for in this CSA, and such failure continues for one (1) Business Day after Notice of that failure is provided to that party; or
 - (iii) a party or its Custodian fails to comply with any of the obligations under Paragraph 8 herein and the failure continues for one (1) Business Day after notice of the failure is given to that party.
- (b) Credit Support Default shall constitute and have the effect of an Event of Default set forth in Section 10.2 (vi) of the Base Contract.

Paragraph 11. Representations and Warranties.

Each party continuously represents and warrants to the other party that: (a) it has the power and authority under the law of the jurisdiction of its organization or incorporation and under its organizational and constituent documents to grant to the Secured Party a valid, enforceable, first-priority security interest in, and lien on, all Posted Collateral (other than Letters of Credit) that it Transfers as the Pledging Party, and has taken all necessary actions to authorize the granting and perfection of that security interest and lien; (b) as of each date on which it, as the Pledging Party, Transfers Eligible Collateral to the Secured Party or to any agent of the Secured Party for the benefit of the Secured Party (or, in the case of after-acquired Posted Collateral, at the time the Secured Party or its agent acquires rights therein), it has title to, and will be the sole owner of such Eligible Collateral, free and clear of any security interest, lien, pledge, charge, encumbrance, or other interests or restrictions other than the security interest granted to the Secured Party hereby; (c) the Secured Party will have a valid and perfected first-priority security interest in, and lien on, all Posted Collateral (other than Letters of Credit) upon receipt thereof; (d) the performance by it of its obligations under this CSA will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted pursuant to this CSA; and (e) in connection with the delivery, issuance, renewal, substitution, or increase (as the case may be) which constitutes a Transfer of a Letter of Credit, such Letter of Credit is the legal, valid and binding obligation of the Issuer thereof, enforceable in accordance with its terms.

Paragraph 12. Certain Rights and Remedies.

- (a) **Secured Party's Rights and Remedies.** If at any time (i) an Event of Default with respect to the Pledging Party has occurred and is continuing, or (ii) an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Pledging Party, then the Secured Party may do any one or more of the following: (x) exercise any of the rights and remedies of a secured party with respect to the Posted Collateral, including any such rights and remedies under law then in effect; (y) exercise its rights of setoff against any and all property of the Pledging Party in the possession of the Secured Party or its agent; and (z) draw on any outstanding Letter of Credit issued for its benefit under its terms and this CSA. The Secured Party shall either (y) apply the proceeds of the Posted Collateral realized upon the exercise of any such rights or remedies to reduce the Pledging Party's obligations under the Base Contract or this CSA (the Pledging Party remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full and/or (z) hold such proceeds as collateral security for the Pledging Party's obligations under the Base Contract or this CSA, subject to the Secured Party's obligation to return the proceeds after such obligations are satisfied in full.
- (b) **Pledging Party's Rights and Remedies.** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default with respect to the Secured Party, then: (i) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount, if any, to the Pledging Party; and (ii) the Pledging Party may do any one or more of the following: (x) exercise any of the rights and remedies of a pledgor with respect to the Posted Collateral, including any such rights and remedies under law then in effect; (y) to the extent that the Posted Collateral or the Interest Amount is not Transferred to the Pledging Party as required in (i) above, setoff amounts payable by the Pledging Party to the Secured Party against the Posted Collateral held by the Secured Party or to the extent its rights to setoff are not exercised, withhold payment of any remaining amounts payable by the Pledging Party, up to the value of any remaining Posted Collateral held by the Secured Party, until the Posted Collateral is Transferred to the Pledging Party; and/or (z) exercise rights and remedies available to the Pledging Party under the terms of any Letter of Credit.

Paragraph 13. General.

- (a) To secure its obligations under the Base Contract and all outstanding transactions, each party, as the Pledging Party, hereby grants to the other party, as the Secured Party, a present and continuing first-priority security interest in, and lien on (and right of setoff against), all Posted Collateral (other than Letters of Credit) Transferred to the Secured Party hereunder. Each party agrees to take such action as the other party reasonably requires in order to perfect or maintain the other party's first-priority continuing security interest in, and lien on (and right of setoff against), such Posted Collateral.
- (b) Each party will pay its own costs and expenses in connection with performing its obligations under this CSA and neither party will be liable for any costs or expenses incurred by the other party in connection herewith.
- (c) This CSA has been and is made solely for the benefit of the parties and their permitted successors and assigns, and no other entity shall acquire or have any right under or by virtue of this CSA.
- (d) No failure or delay by either party hereto in exercising any right, power, privilege, or remedy hereunder shall operate as a waiver thereof.
- (e) The headings in this CSA are for convenience of reference only, and shall not affect the meaning or construction of any provision thereof.

DISCLAIMER: The purposes of this CSA are to facilitate trade, avoid misunderstandings and make more definite the terms of margining arrangements related to contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this CSA by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CSA ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CSA OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CSA ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CSA.**