

Date: September 8, 2000

To: GISB Contracts Subcommittee Members

From: AEP Energy Services, Inc. (AEPES)  
Mitch Dutton, Cathy Szasz and Janis Shaffer

Re: Proposed Partial Curtailment Language

AEPES proposes consideration of "partial curtailment" language similar in concept to the following to be added to Section 11 Force Majeure:

- (a) In the event of Force Majeure that causes Seller to curtail its deliveries under this Gas Contract, Seller will supply its obligations under this Gas Contract prior to supplying any interruptible sales customers on the Upstream Pipeline and will supply its obligations under this Agreement on a pro rata basis with its obligations under Seller's firm sales agreements with third parties providing for deliveries into the Upstream Pipeline's pipeline system at or upstream of the Delivery Point. Seller shall be obligated to curtail deliveries to interruptible sales customers prior to curtailing any deliveries to Buyer only in the event, and only to the extent, that such curtailment increases the supply of gas available for delivery to the Delivery Point. Notwithstanding the foregoing, in the event Seller is subject to any law, regulation or order prohibiting Seller from curtailing customers or pro rata deliveries, or both, in the manner set forth in this Section, or restricting Seller's ability to curtail or pro rate customers, nothing in this Section shall be construed to require Seller to curtail or pro rate such customers to the extent of such prohibition or restriction. Seller shall curtail deliveries to its interruptible customers and pro rate deliveries to its firm customers to the extent it can do so without violating applicable laws, regulations or orders.
- (b) In the event of Force Majeure that causes Buyer to curtail its takes under this Gas Contract, Buyer will comply with its obligations under this Gas Contract prior to taking gas from any interruptible suppliers delivering gas to Buyer at the Delivery Point and will fulfill its obligations under this Gas Contract on a pro rata basis with its obligations under Buyer's firm purchase agreements with third parties delivering gas to Buyer at the Delivery Point. Buyer shall be obligated to curtail takes of interruptible supply prior to curtailing any takes from Seller only in the event, and only to the extent, that such curtailment increases Buyer's ability to take delivery of gas at the Delivery Point.