



Gas Industry Standards Board

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via email and posting

TO: GISB Contract Subcommittee Participants & Posting for Interested Industry Participants
FROM: Rae McQuade, Executive Director
Cary Metz, Chairman, GISB Contracts Subcommittee
RE: Final Minutes of the Contracts Subcommittee Meeting – September 13, 2001
DATE: September 24, 2001

GAS INDUSTRY STANDARDS BOARD
GISB CONTRACTS SUBCOMMITTEE MEETING – CONFERENCE CALL
September 13, 2001 – 2:00 p.m. to 4:00 p.m. Central
FINAL MINUTES

1. Administrative

Participants were welcomed, attendance was taken, and the antitrust statement was read. The September 13th agenda was adopted with the change identified in the meeting, and the September 5th agenda was adopted with the changes identified in the meeting.

2. Review of outstanding items

Workpaper 3 The subcommittee discussed point 4 on the workpaper (from GasEDI, Section
posted 8/27 1.5) which reads as follows:

“The parties hereby expressly waive all rights to, and expressly agree not to, contest any Transaction, or assert or otherwise raise any defences or arguments related to any Transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into the Transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require the Transaction to be in writing and/or executed by one or both parties.”

After much discussion, a strawman vote was taken to determine if the concept would be included in the contract. The result was: 2 Yes, 12 No, and 2 Abstain. As such, the concept will not be addressed in the contract.

Bullet seven, as written below, was discussed.

“To be consistent with GISB Business Practice Standard 1.3.14, suggest adding ‘*Dekatherm* shall mean one million British Thermal Units’.

After discussion, a strawman vote was taken to determine if the definition of Dekatherm should be included in the contract and if the term Dekatherm should replace the use of “MMBtu” throughout the contract. The result was: 0 Yes, 9 No, and 6 Abstain. The vote did not pass.

Canadian Some participants voiced the concern that they did not have enough time to
Addendum prepare for the discussion on Canadian issues. As such, the Canadian
Addendum will be discussion at the next meeting.



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Ian Anderson asked for general comments regarding the layout of the Canadian Addendum. One suggestion was to move the "Canadian GST Number" line and the "Termination Currency" checkbox from the cover sheet to the page labeled Canadian Addendum in order to reduce pages.

There was much discussion as to how companies would use the addendum. Examples of some of the items discussed are as follows:

- Would companies look at the addendum as an amendment to the contract, which would require a signature line on the addendum?
- Would companies consider the addendum as part of the contract, and as such, a signature line on the addendum would not be necessary?
- If companies agree that the Canadian addendum would become part of a contract that was already in place, would the parties need to execute the cover sheet again or would it be an amendment to the existing contract?

It was suggested that the subcommittee develop the language for the addendum, and the parties entering into the contract with addendum or the addendum would determine what business process they would require.

It was suggested that the default listed on the coversheet for Section 2.25 might not be applicable for the Canadian Addendum.

The subcommittee discussed various ways to indicate that standard addendum(s) are made part of the contract. The group agreed to add the following to the coversheet in the "Special Provisions" box:

Special Provisions:

GISB Standard Addendum(s):

Additional standard addendums may be approved in the future, and the above method allows the parties to list those addendums that were negotiated as part of the contract.

3. Next Steps

October 1, 2001, 2:00-4:00 cct. Joint conference call to determine the direction for long-term contract. Options are as follows:

- Use the modified GISB as both the long term and short-term contract by deleting references to short term
- Develop a standard long term addendum to the modified GISB
- Develop a separate long term contract

October 9, 2001, 2:00-4:00 CCT. The items for discussion are:

- Any changes to modified GISB resulting from joint meeting of October 1, 2001
- Vote to forward modified GISB to the GISB office for industry comment
- Proceed with Canadian addendum

4. Adjourn

The meeting adjourned 4:00 pm CCT.