

Date: December 7, 2000

To: GISB Contracts Subcommittee

From: AEP Energy Services, Inc.  
Mitch Dutton, Cathy Szasz and Jan Shaffer

Re: EEI Master Power Purchase & Sale Agreement  
Section 2.4 Additional Confirmation Terms

We propose that language similar to that found in the EEI Master Power Purchase & Sale Agreement (Section 2.4) be considered for inclusion in the GISB Base Contract for Short-Term Sale and Purchase of Natural Gas.

Following is that language:

“2.4 Additional Confirmation Terms. If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.”

(Note: Section 2.3 outlines the confirmations procedures.)