

TO: Rae McQuade, GISB
FROM: Dolores Chezar, KeySpan Energy
RE: Purchase Gas Contract

KeySpan's Comments on the Proposed GISB Purchase Gas Contract:

1. We support Con Ed's comments except for their proposed changes to 14.10. We support the GISB proposed change to this section. In many companies (including KeySpan) the shared services group is set up as one or more separate companies. These shared services may include the legal and strategic support services. If Con Ed's proposed change were adopted legal and strategic support would be precluded from providing input to the Utility on purchase gas contracts.
2. Section 2.2: We request a clarification as to the reason for the change to the definition and the significance of adding "international" before BTU.
3. Section 11: In addition to Con Ed 's comments we would need this section further modified to exclude, for example, hurricanes and freeze-off s as force majeure events under a long-term contract. Many existing multi-year contracts exclude these events because the supplier knows in advance (unlike an earthquake) that such an event is likely to occur and can make adjustments and continue to perform. We would propose that the Force Majeure Section be included in the check off -Box where parties can indicate whether they agree to the GISB form language (this would be the default) or to individually crafted language.
4. Section 14.5 Box: We object to the use of Texas as the default in a multi-year contract. Many multi-year contracts specify other States such as New York and we see no reason to use Texas as the default. We suggest that Section 14.5 be modified to require parties to specify the choice of law or in the alternative to list all States in the check-off box.