



NORTH AMERICAN ENERGY STANDARDS BOARD

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NAESB ANNOUNCEMENT AVAILABILITY OF INDUSTRY SURVEY FOR NATURAL GAS LIQUIDS CONTRACT

The NAESB Wholesale Gas Quadrant Contracts Subcommittee is considering the development of a NAESB Natural Gas Liquids Master Purchase Sale or Exchange Agreement. In December of last year, our Board of Directors approved the 2012 annual plan, in which this was an item (Annual Plan item nos. 7a and 7b, http://www.naesb.org/pdf4/wgq_2012_annual_plan.docx, Request R11019: <http://www.naesb.org/pdf4/r11019.doc>). If the contract is developed by NAESB, it is expected that it would take the form of a Natural Gas Liquids (NGL) Master Purchase Sale or Exchange Agreement similar to the NAESB Base Contract for Sale and Purchase of Natural Gas, and it would increase the efficiency and decrease the costs of trading NGL commodities by reducing the amount of time and resources required to negotiate contacts between companies.

While NAESB has already begun to receive comments from its membership regarding the request to develop an NGL Master Purchase Sale or Exchange Agreement, in order to reach the broadest possible audience in the consideration of this request, NAESB is reaching out to other industry groups for their guidance. The subcommittee would appreciate input from interested parties on this topic, either through comments provided or through the completion of a survey which can be accessed from the web site (<http://www.naesb.org/wgq/contract.asp>) or directly from this link: http://www.naesb.org/pdf4/wgq_contracts010612survey.doc. The survey addresses the following:

What approach should NAESB take in development of the new Natural Gas Liquids Master Purchase Sale or Exchange Agreement?

- a. Develop Natural Gas Liquids Master Agreement based on the Leadership for Energy Automated Processing (LEAP) group documents.
- b. Develop a new Natural Gas Liquids Master Purchase Sale or Exchange Agreement based on the NAESB Base Contract for Sale and Purchase of Natural Gas that would be revised to reflect crude oil, NGL and similar commodities.
- c. Develop a new Natural Gas Liquids Master Purchase Sale or Exchange Agreement based on another existing agreement.
- d. No development is needed as other standards contracts are available that will support trading of NGL commodities

and NAESB would welcome any other comments, which can be sent to naesb@naesb.org. The subcommittee is open to any interested party for participation at no fee, and membership in NAESB is not required.



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The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities. It is composed of over three hundred corporate members in the energy industry and many more non-member volunteers who contribute to the drafting and adopting of NAESB standards. To learn more about NAESB, go to www.naesb.org, contact Denise Rager (drager@naesb.org) or call 713-356-0060.