

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
May 9-11, 2006

Wholesale Gas Quadrant

TAB 15

Subcommittee Updates

- This material is for review only. No action is needed.
- The material in tab 15 corresponds to agenda item 3 of the WGQ EC agenda.
- The sections includes:
 - BPS Minutes of April 13, 2006
 - Contracts Draft Recommendation out for comment
- No materials were provided for Information Requirements, EDM, Technical or Interpretations subcommittees although the progress in these groups will be covered by the subcommittee leadership.

North American Energy Standards Board

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TO: Wholesale Gas Quadrant (WGQ) Business Practices Subcommittee (BPS)
 Participants and Interested Industry Parties

FROM: BPS Chairs (Tina Burnett, Richard Smith, Kim Van Pelt, LDC Vacancy, Services
 Vacancy) and DeDe Kirby, NAESB Meeting/Project Manager

RE: WGQ Business Practices Subcommittee Draft Minutes – April 13, 2006

DATE: May 1, 2006

**NORTH AMERICAN ENERGY STANDARDS BOARD
 WHOLESAL GAS QUADRANT
 BUSINESS PRACTICES SUBCOMMITTEE CONFERENCE CALL
 April 13, 2006; 10:30 a.m. – 12:30 p.m. Central
 DRAFT MINUTES**

1. Administrative

Ms. Burnett called the meeting to order. Ms. Kirby gave the anti-trust advice and took the roll of participants. Ms. Davis asked that R04029 be removed from the agenda until the BPS had further information from Mr. Story. The revision was made and Ms. Davis moved to adopt the agenda as revised. Mr. Young seconded the motion. The revised agenda was adopted by consensus. Several modifications were made to the March 7, 2006 minutes. The total number of votes on R05027 was changed to 14, after Ms. McCain identified that she was not qualified to vote because Ms. Burch was present at the meeting. Ms. Davis moved to adopt the minutes as modified and Mr. Young seconded the motion. The revised minutes were adopted by consensus. (Revisions can be viewed in [Final Minutes](#).)

2. Review of the following Business Practices Requests:

R05015 National Fuel Gas Distribution – Discussion and vote

Request: Add language to the NAESB WGQ Implementation Guide(s) discussing the use of discretionary verbs.

Mr. Novak stated that the [R05015 Work Paper Submitted by M.Novak, National Fuel](#) was a work paper that offered draft answers to frequently asked questions of NAESB and the use of “should” in the standards. He added that related questions had been submitted to NAESB several times, and that, most recently, Sandia National Laboratories had made a similar comment to the WGQ technical standards.

Ms. Davis stated that she had concerns over making a global change to the standards in light of the request, as discussed at the 03/07/2006 meeting. Mr. Novak stated that the more appropriate method to address the questions would be to post “Frequently Asked Questions” on the NAESB website or include them in the standards manuals.

Mr. Young stated that although “should” has various meanings, it does not mean “shall.” He added that organizations that implement on a voluntary basis would still do so if the term “shall” was used in the standards.

Several changes were made to the work paper. These modifications can be viewed in [R05015 - Frequently Answered Questions Document](#).

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Mr. Novak made the following motion:

The BPS recommends that the attached work paper be posted as a link on the Wholesale Gas Quadrant home page and be titled “Frequently Asked Questions Concerning NAESB WGQ Standards.”

Ms. Chezar seconded the motion. The motion passed with 15 votes in favor, and two abstentions.¹ The final draft in clean form can be viewed in [R05015 - Frequently Asked Questions Document - Clean](#).

Vote on R05015 Motion

Wholesale Gas Quadrant Balanced Voting by Segment Tally

Segment	Votes Cast			Balanced Vote		
	YES	NO	TOTAL	YES	NO	TOTAL
End Users	2	0	2	2	0	2
LDCs	2	0	2	2	0	2
Pipeline	9	0	9	2	0	2
Producer	1	0	1	1	0	1
Services	1	0	1	1	0	1
Total	15		15	8	0	8

Motion passes

R05030 El Paso Natural Gas – Discussion

Request: Modify specified transaction sets to allow for variable monthly release quantities, variable monthly bid quantities and variable monthly award quantities, subject to variable monthly minimum offer quantities.

Mr. Novak noted that he did not want to make this request mandatory, in light of the discussion during the 03/07/2006 meeting. However, he noted that he still supported the request. Mr. Griffith stated that El Paso had misinterpreted the process available in the data elements already in the standards. He added that seasonal code values address the needs of El Paso and that including language in the standards for this request would be redundant. Mr. Griffith stated that he would submit to the NAESB office the necessary items to withdraw the request.

3. Next Meeting and Agenda

Ms. Van Pelt stated that the BPS would delay action on R04029 until Mr. Story was able to answer the subcommittee’s questions. At this time, she noted that no requests were triaged to the BPS. Ms. Van Pelt will schedule a meeting of the BPS in May after the WGQ Executive Committee meeting.

¹ Voting record is located in the attendance chart.

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4. Adjourn

Ms. Davis moved to adjourn and Ms. McCain seconded the motion. The meeting was adjourned at 11:55 a.m. Central.

5. Attendance and Voting Record

Name	Organization	Vote 1
End Users:		
Valerie Crockett	Tennessee Valley Authority	Y ²
Tina Burnett	Boeing	Y
Amy Hamilton	PICO	Nv
LDCs:		
Mike Novak	National Fuel	Y
Dolores Chezar	Key Span Gas Dist.	Y
Pipelines:		
Mark Gracey	Tennessee Gas Pipeline	A
Kathryn Burch	Duke Energy Gas Transmission	Y
Christopher Burden	Williams Gas Pipeline	Nv
Dale Davis	Williams Gas Pipeline	Y
Bill Griffith	Colorado Interstate	Y
Brenda Horton	Kern River Gas	Y
Iris King	Dominion	Y
Paul Love	Natural Gas Pipeline	Y
Marcy McCain	Duke Energy Gas Transmission	Nv
Deborah Plattsmier	Sabine Pipeline	Y
Kim Van Pelt	Panhandle Eastern	Y
Randy Young	Gulf South Pipeline	Y
Micki Schmitz	Northern Natural Gas	A
Producer:		
Randy Mills	Chevron	Y
Services:		
Leigh Spangler	Latitude Technologies	Y
Administrative:		
DeDe Kirby	NAESB	

² Please note that a “Y” indicates a yes vote, a “N” indicates a no vote, an “A” indicates an abstention, and a “nv” indicates not voting.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: WGQ Contracts S/C

**Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

1. Recommended Action:

- Accept as requested
- Accept as modified below
- Decline

**Effect of EC Vote to Accept
Recommended Action:**

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Replace the existing NAESB WGQ Base Contract for Sale and Purchase of Natural Gas (NAESB WGQ Standard 6.3.1) with a modified version of such contract to reflect current industry practices and applicable terms and conditions.

The Proposed modified NAESB WGQ Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) dated April 27, 2006 is attached as APPENDIX "A-1".

APPENDIX "A-2" is a blackline of the NAESB Base Contract dated April 27, 2006 compared to the currently effective NAESB Base Contract dated April 19, 2002 (NAESB WGQ Version 1.7).



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: WGQ Contracts S/C

**Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

STANDARDS LANGUAGE:

4. SUPPORTING DOCUMENTATION

a. Description of Request:

2006 WGQ Annual Plan Item No. 6: Review and update NAESB Base Contract for Sale and Purchase of Natural Gas to reflect current industry practices and applicable terms and conditions and

Request R05014: Review the current NAESB WGQ's "Base Contract for Purchase and Sale of Natural Gas" (NAESB WGQ Standard 6.3.1) [BASE CONTRACT] for possible update and revisions to reflect current industry practices and applicable general terms and conditions. A list of certain areas for update and revision is attached as "Exhibit A" dated May 10, 2005. This initial list of areas for review was developed from comments received from BG LNG Services, EnCana Marketing, Florida Power & Light and National Fuel Gas Distribution, NiSource and former comments extracted from the meetings on the Model ISDA Gas Annex.

This request includes a recommendation for a notice to be issued to the natural gas industry to solicit other comments or areas of the BASE CONTRACT to be revised in addition to the list attached as "Exhibit A". The time period for additional comments is recommended to be 30 days after the initial meeting of the NAESB WGQ Contracts subcommittee that we recommend be assigned to process this request on a high priority basis.

b. Description of Recommendation:

WGQ Contracts Subcommittee

See the WGQ Contracts Subcommittee (SC) meeting minutes, meeting minute attachments and filed comments for the supporting documentation under the SC meetings and task group meetings noted below (number of participants). Appendix "B-1" is the **Mission Statement** adopted by the SC at its October 11, 2005 meeting to guide the SC's discussions and review of comments. Appendix "B-2" is a list of comments that were incorporated into the new NAESB Base Contract as a result of the SC meetings.

September 8, 2005 (31)
 October 11, 2005 (45)
 November 4, 2005 (Sec. 6 task group) (30)
 November 7, 2005 (Sec. 10 & 11 task group) (58)
 November 23, 2005 (23)
 December 14, 2005 (57)
 January 10, 2006 (65)
 January 24, 2006 (67)
 February 16, 2006 (55)
 March 9, 2006 (52)
 March 16, 2006 (Cover Page task group) (11)



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: WGQ Contracts S/C

**Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

March 21, 2006 (54)

April 3, 2006 (49)

April 10, 2006 (51)

April 27, 2006 (46)

All revisions set forth in the proposed modified NAESB Base Contract were reached by consensus of the SC during the meetings, except for the issues resolved by balanced votes. Balance votes were conducted for specific proposed revisions as follows:

- **Section 10.3.2, March 21, 2006**

Motion: Motion to add the Triangular Setoff Language as an option on the Cover Sheet subject to agreement on language

Motion Passed

- **Section 11, March 21, 2006**

Motion: Motion to add further modification to Force Majeure Provisions other than acts of terror.

Motion Did Not Pass

- **Section 8.4, April 27, 2006**

Motion: Motion to adopt the Customs language proposed by National Fuel Gas Distribution.

Motion Passed

- **Section 10.3.2, April 27, 2006**

Motion: Motion to adopt the El Paso language for Triangular Setoff

Motion Passed.

- **Section 14, April 27, 2006**

Motion: Motion to adopt New Market Disruption Language as Section 14 and renumber Section 14 – Miscellaneous as New Section 15.

Motion Passed.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: **WGQ Contracts S/C**

Request No.: **2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

Motion on Recommendation:

Replace the existing NAESB WGQ Base Contract for Sale and Purchase of Natural (NAESB WGQ Standard 6.3.1) with the modified NAESB WGQ Base Contract for Sale and Purchase of Natural Gas dated April 27, 2006 as reflected in the attachment.

Discussion on the motion:

Motion made by Craig Colombo and seconded by Ellen Klecka at the NAESB WGQ Contracts Subcommittee meeting held on April 27, 2006.

Vote on the Motion

The vote on the motion was a **balanced vote** with the following tally by Segment (participant abstentions by segment are noted in []). Specific votes of participants are set forth in the meeting minutes of April 27, 2006:

Segment	Votes Cast			Balanced Vote		
	YES	NO	TOTAL	YES	NO	TOTAL
End Users [0]	3	0	3	2	0	2
LDCs [1]	4	1	5	1.6	0.4	2
Pipeline [2]				0	0	0
Producer [1]	5	0	5	2	0	2
Services [0]	8	0	8	2	0	2
Total	20	1	21	7.6	0.4	8

Motion Passes

c. Business Purpose:

The business purpose is to update and replace the existing NAESB WGQ Standard 6.3.1 to reflect current industry practices and applicable terms and conditions.

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

The commentary/rationale to support the new standard is set forth in the meeting minutes noted for the meetings identified above in Section 4.b.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: WGQ Contracts S/C

**Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

APPENDIX "A-1"

**COVER SHEET
For**

NAESB WGQ Base Contract for Sale and Purchase of Natural Gas dated April 27, 2006

Clean Version

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date:

The parties to this Base Contract are the following:

PARTY A [INSERT COUNTERPARTY LEGAL ENTITY NAME]	PARTY NAME	PARTY B [INSERT COUNTERPARTY LEGAL ENTITY NAME]
	ADDRESS	
WWW: _____	BUSINESS WEBSITE	WWW: _____
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
US FEDERAL: OTHER:	TAX ID NUMBERS	US FEDERAL: OTHER:
	JURISDICTION OF ORGANIZATION	
Corporation LLC Limited Partnership Partnership LLP Other: _____	COMPANY TYPE	Corporation LLC Limited Partnership Partnership LLP Other: _____
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ COMMERCIAL	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ SCHEDULING	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ CONTRACT AND LEGAL NOTICES	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ CREDIT	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ TRANSACTION CONFIRMATIONS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ACCOUNTING INFORMATION		
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

<p>Section 1.2 Transaction Procedure Oral (default) OR Written</p>	<p>Section 10.2 Additional Events of Default No Additional Events of Default (default) Indebtedness Cross Default Party A: _____ Party B: _____ Transactional Cross Default <u>Additional Specified Transactions:</u> _____</p>
<p>Section 2.7 Confirm Deadline OR 2 Business Days after receipt (default) _____ Business Days after receipt</p>	
<p>Section 2.8 Confirming Party OR Seller (default) Buyer</p>	
<p>Section 3.2 Performance Obligation OR Cover Standard (default) Spot Price Standard</p>	<p>Section 10.3.1 Early Termination Damages OR Early Termination Damages Apply (default) Early Termination Damages Do Not Apply</p>
<p>Note: The following Spot Price Publication applies to both of the immediately preceding.</p>	
<p>Section 2.31 Spot Price Publication OR Gas Daily Midpoint (default) _____</p>	<p>Section 10.3.2 Other Agreement Setoffs OR Other Agreement Setoffs Do Not Apply Other Agreement Setoffs Apply (default) Bilateral (default) Triangular</p>
<p>Section 6 Taxes OR Buyer Pays At and After Delivery Point (default) Seller Pays Before and At Delivery Point</p>	
<p>Section 7.2 Payment Date OR 25th Day of Month following Month of delivery (default) Day of Month following Month of delivery</p>	<p>Section 15.5 Choice Of Law _____</p>
<p>Section 7.2 Method of Payment Wire transfer (default) Automated Clearinghouse Credit (ACH) Check</p>	<p>Section 15.10 Confidentiality OR Confidentiality applies (default) Confidentiality does not apply</p>
<p>Section 7.7 Netting OR Netting applies (default) Netting does not apply</p>	
<p>Special Provisions Number of sheets attached: _____</p> <p>Addendum(s): _____</p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

[INSERT COUNTERPARTY LEGAL ENTITY NAME]	<i>PARTY NAME</i>	[INSERT COUNTERPARTY LEGAL ENTITY NAME]
By: _____	<i>SIGNATURE</i>	By: _____
[Insert Name]	<i>PRINTED NAME</i>	[Insert Name]
[Insert Title]	<i>TITLE</i>	[Insert Title]

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction. Contract Price includes reimbursement to Seller for all production, severance, and other such taxes imposed on the Gas prior to delivery at the Delivery Point.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract, and shall include, but not be limited to, ANSI ASC X.12, Instant Messaging or XML.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future,

contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable.

2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The

amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements. Buyer represents and warrants that it will complete any reporting as required by applicable laws and regulations.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending

party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early

Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one, and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure,

and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidenced—on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$_____/MMBtu or _____				
Delivery Period: Begin: _____, ____ End: _____, ____				
Performance Obligation and Contract Quantity: (Select One) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top; padding: 5px;"> Firm (Fixed Quantity): _____ MMBtus/day EFP </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of Buyer or Seller </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> Interruptible: Up to _____ MMBtus/day </td> </tr> </table>		Firm (Fixed Quantity): _____ MMBtus/day EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of Buyer or Seller	Interruptible: Up to _____ MMBtus/day
Firm (Fixed Quantity): _____ MMBtus/day EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of Buyer or Seller	Interruptible: Up to _____ MMBtus/day		
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):				
Special Conditions:				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: WGQ Contracts S/C

**Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

APPENDIX "A-2"

**COVER SHEET
For**

**Blackline of the NAESB WGQ Base Contract for Sale and Purchase of Natural Gas dated April 27,
2006**

Compared to

The NAESB WGQ Base Contract for Sale and Purchase of Natural Gas Dated April 19, 2002

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date:

The parties to this Base Contract are the following:

PARTY A [INSERT COUNTERPARTY LEGAL ENTITY NAME]	PARTY NAME	PARTY B [INSERT COUNTERPARTY LEGAL ENTITY NAME]
	ADDRESS	
WWW: _____	BUSINESS WEBSITE	WWW: _____
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
US FEDERAL: OTHER:	TAX ID NUMBERS	US FEDERAL: OTHER:
	JURISDICTION OF ORGANIZATION	
Corporation LLC Limited Partnership Partnership LLP Other: _____	COMPANY TYPE	Corporation LLC Limited Partnership Partnership LLP Other: _____
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ COMMERCIAL	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ SCHEDULING	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ CONTRACT AND LEGAL NOTICES	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ CREDIT	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ TRANSACTION CONFIRMATIONS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ACCOUNTING INFORMATION		
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure OR Oral (default) Written	Section 10.2 Additional Events of Default No Additional Events of Default (default) Indebtedness Cross Default Party A: _____ Party B: _____ Transactional Cross Default <u>Additional Specified Transactions:</u> _____ _____
Section 2.7 Confirm Deadline OR 2 Business Days after receipt (default) _____ Business Days after receipt	Section 10.3.1 Early Termination Damages OR Early Termination Damages Apply (default) Early Termination Damages Do Not Apply
Section 2.8 Confirming Party OR Seller (default) Buyer _____	Section 10.3.2 Other Agreement Setoffs OR Other Agreement Setoffs Do Not Apply Other Agreement Setoffs Apply (default) Bilateral (default) Triangular
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.31 Spot Price Publication OR Gas Daily Midpoint (default) _____	Section 15.5 Choice Of Law _____
Section 6 Taxes OR Buyer Pays At and After Delivery Point (default) Seller Pays Before and At Delivery Point	Section 15.10 Confidentiality OR Confidentiality applies (default) Confidentiality does not apply
Section 7.2 Payment Date OR 25 th Day of Month following Month of delivery (default) Day of Month following Month of delivery	Special Provisions Number of sheets attached: _____ Addendum(s): _____
Section 7.2 Method of Payment Wire transfer (default) Automated Clearinghouse Credit (ACH) Check	
Section 7.7 Netting OR Netting applies (default) Netting does not apply	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

[INSERT COUNTERPARTY LEGAL ENTITY NAME]	PARTY NAME	[INSERT COUNTERPARTY LEGAL ENTITY NAME]
By: _____	SIGNATURE	By: _____
[Insert Name]	PRINTED NAME	[Insert Name]
[Insert Title]	TITLE	[Insert Title]

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.79.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. ~~However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.~~¹

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.²

¹ Modification by Contracts Subcommittee on 04/03/2006.

² Cinergy MT – Accepted with modification on 4/10/2006.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of a majority of the voting power of the entity or person.³

2-1-2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2-2-2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2-3-2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2-4-2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.any day(s) except Saturday, Sunday or Federal Reserve Bank holidays.

2-5-2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2-6-2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2-7-2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.⁴

2-8-2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction. Contract Price includes reimbursement to Seller for all production, severance, and other such taxes imposed on the Gas prior to delivery at the Delivery Point.

2-9-2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2-10-2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2-11-2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond,⁵ guaranty, or other good and sufficient security of a continuing nature.

2-12-2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2-13-2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2-14-2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2-15-2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract, and shall include, but not be limited to, ANSI ASC X.12, Instant Messaging or XML.⁶

2-16-2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

³ AEP – Accepted on 2/16/2006.

⁴ Louis Dreyfus – Accepted on 2/16/2006.

⁵ Modifications made to definition as a result of modifications made in Section 10.1.

⁶ NFGD – Tentatively accepted on 2/16/06.

2-17-2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2-18-2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.⁷

2-19-2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. "Indebtedness Cross Default" ~~shall mean~~ shall mean if selected on the Base Contract by the parties with respect to a party, that it experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable.⁸

2-20-2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2-21-2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2-22-2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2-23-2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2-24-2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2-25-2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract obligation of a party to this Contract to the other under those agreements or types of agreements identified in the Base Contract.⁹

2-26-2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2-27-2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" ~~shall mean~~ shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.¹⁰

2-28-2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2-29-2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

⁷ Cinergy – Accepted on 2/16/2006 and 4/10/2006.

⁸ Cinergy – Accepted on 2/16/2006 and accepted with modification on 4/10/2006.

⁹ Cinergy – Accepted on 2/16/2006 and with modification on 4/10/2006.

¹⁰ Cinergy – Accepted on 2/16/2006 and with modification on 4/10/2006.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available¹¹; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available¹²; ~~or and~~ (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas¹³, then in addition to (i) or (ii) above, as applicable,¹⁴ the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold¹⁵ shall be an amount equal to¹⁶ any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold¹⁷ ~~difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s)~~.¹⁸ Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

¹¹ Revision from ISDA meetings: Accepted on 1/10/2006 and with modification on 3/21/2006.

¹² Revision from ISDA meetings: Accepted on 1/10/2006 and with modification on 3/21/2006.

¹³ Revision from ISDA meetings: proposed for insertion at a different point: Accepted on 1/10/2006 and on 3/21/2006.

¹⁴ Modification by Contracts Subcommittee on 1/10/2006; Accepted on 3/21/2006.

¹⁵ Revision from ISDA meetings: Accepted on 1/10/2006 and on 3/21/2006.

¹⁶ Revision from ISDA meetings: Accepted on 1/10/2006 and on 3/21/2006.

¹⁷ Modification by Contracts Subcommittee on 1/10/2006: Accepted on 3/21/2006.

¹⁸ Modification by Contracts Subcommittee on 1/10/2006: Accepted on 3/21/2006.

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay¹⁹. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the

¹⁹ Modification by Contracts Subcommittee on 12/14/2005; Accepted on 3/21/2006; Language added to Section 8 on 4/3/2006.

Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume²⁰ any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION ~~1544~~.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death)²¹ or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death)²² or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

~~8.4. Notwithstanding the foregoing, the parties agree that the delivery of and the transfer of title to of all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); p~~Provided, however, that in the event Seller ~~took~~ title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements. Buyer represents and warrants that it will complete any reporting as required by applicable laws and regulations.²³

~~8-4-8.5.~~ Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments instructions,²⁴ and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and²⁵ may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten (10) Bbusiness Ddays after receipt of such Notice.²⁶

²⁰ Revision from ISDA Meetings: Accepted on 3/21/2006.

²¹ Modification by Contracts Subcommittee on 12/14/2005: Accepted on 3/21/2006.

²² Modification by Contracts Subcommittee on 12/14/2005: Accepted on 3/21/2006.

²³ NFGD: Accepted on 4/10/2006.

²⁴ Modification by Contracts Subcommittee on 3/9/2006: Accepted on 3/21/2006.

²⁵ Modification by Contracts Subcommittee on 3/9/2006: Accepted on 3/21/2006.

²⁶ Modification by Contracts Subcommittee on 3/9/2006: Accepted with modification on 3/21/2006.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable²⁷), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, ~~and for the a term, and from an issuer, all as~~²⁸ reasonably acceptable to X, including, but not limited to cash²⁹, a standby irrevocable letter of credit, a prepayment, a security interest in an asset ~~or a performance bond or guaranty (including the issuer of any such security)~~. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.³⁰

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its ~~guarantor~~ Guarantor³¹ shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; ~~or~~ (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; ~~or ix) be the affected party with respect to any Additional Event of Default;~~³² then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ~~or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate~~³³ ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is ~~reasonably practicable~~ legally permissible³⁴, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

²⁷ Modification by Contracts Subcommittee on 1/24/2006: Accepted with modification on 3/21/2006.

²⁸ Modification by Contracts Subcommittee on 3/21/2006.

²⁹ Modification by Contracts Subcommittee on 1/24/2006: Accepted with modification on 3/21/2006.

³⁰ Cinergy: Accepted with modification on 1/24/2006 and on 3/21/2006.

³¹ Cinergy: Accepted on 1/24/2006 and on 3/21/2006.

³² Cinergy: Accepted on 3/21/2006.

³³ Modification by Contracts Subcommittee on 1/24/2006: Accepted with modification on 3/21/2006.

³⁴ Modification by Contracts Subcommittee on 1/24/2006: Accepted with modification on 3/21/2006.

The parties have selected either “Early Termination Damages Apply” or “Early Termination Damages Do Not Apply” as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, “Contract Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and “Market Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to “evergreen provisions”) shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either “Other Agreement Setoffs Apply” or “Other Agreement Setoffs Do Not Apply” as indicated on the Base Contract.

Other Agreement Setoffs Apply:**Bilateral Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to³⁵ may setoff any Net Settlement Amount against (i) ~~any Net Settlement Amount owed to the Non-Defaulting Party against~~ any margin or other collateral held by ~~it a party~~ in connection with any Credit Support Obligation relating to the Contract; ~~or and~~ (ii) ~~any Net Settlement Amount payable to the Defaulting Party against~~ any amount(s) ~~payable (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount by the Defaulting Party to the Non-Defaulting Party~~ under any other agreement or arrangement between the parties.

Triangular Setoff Option:

~~The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.~~

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount ~~owed to the Non-Defaulting Party~~ against any margin or other collateral held by ~~it a party~~³⁶ in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of ~~such the Net Settlement amount~~ Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.³⁷

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

³⁵ Modification by Contracts Subcommittee 4/3/2006.

³⁶ Cinergy: Accepted on 3/9/2006 and on 3/21/2006 with modification.

³⁷ Modification by Contracts Subcommittee on 3/21/2006.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror³⁸; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement/Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, ~~and~~ Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have

³⁸ ISDA Meetings: Accepted on 1/10/2006 and 3/21/2006.

not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two ~~(2)~~ following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three ~~(3)~~ decimal places. If the fourth ~~(4th)~~ decimal number is five ~~(5)~~ or greater, then the third ~~(3rd)~~ decimal number shall be increased by one ~~(1)~~, and if the fourth ~~(4th)~~ decimal number is less than five ~~(5)~~, then the third ~~(3rd)~~ decimal number shall remain unchanged.³⁹

Section 14. SECTION 15. MISCELLANEOUS

14.1-15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2-15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3-15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4-15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5-15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6-15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7-15.7. There is no third party beneficiary to this Contract.

14.8-15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9-15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10-15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, ~~or~~ (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v)⁴⁰ to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

³⁹ EnCana Marketing: Accepted with modification on 3/9/2006 and Accepted with modification on 4/3/2006.

⁴⁰ EEI Language: Accepted for further discussion on 3/9/2006; Accepted with modifications on 4/3/2006.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidenced on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.⁴¹

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

⁴¹ LDC Language: Accepted with modification on 3/9/2006; Accepted with modification on 4/3/2006.

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$_____/MMBtu or _____				
Delivery Period: Begin: _____, ____ End: _____, ____				
Performance Obligation and Contract Quantity: (Select One) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top; padding: 5px;"> Firm (Fixed Quantity): _____ MMBtus/day EFP </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of Buyer or Seller </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> Interruptible: Up to _____ MMBtus/day </td> </tr> </table>		Firm (Fixed Quantity): _____ MMBtus/day EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of Buyer or Seller	Interruptible: Up to _____ MMBtus/day
Firm (Fixed Quantity): _____ MMBtus/day EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of Buyer or Seller	Interruptible: Up to _____ MMBtus/day		
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):				
Special Conditions:				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

**RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE****Requester: WGQ Contracts S/C****Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014****APPENDIX "B-1"****NAESB WGQ Subcommittee Mission Statement**

The following mission statement was adopted by the WGQ Contracts Subcommittee on October 11, 2005.

Our mission under Request R05014 is to recommend to the Wholesale Gas Quadrant Executive Committee a revised NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB WGQ Standard 6.3.1 dated April 19, 2002) (NAESB Base Contract) that maintains the usefulness of the agreement and broad usage throughout the industry, regardless of whether a party is a buyer or seller. The revised NAESB Base Contract should reflect changes in the industry, improve the interface with other industry agreements, facilitate continued wide-spread use among different classes of counterparties and geographic regions, and expedite the contracting process between the counterparties.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: WGQ Contracts S/C

**Request No.: 2006 WGQ Annual Plan Item 6
AND EnCana Gas Marketing R05014**

APPENDIX "B-2"

**COVER SHEET
For**

**Spreadsheet of Compilation of Comments
incorporated into
the NAESB WGQ Base Contract for Sale and Purchase of Natural Gas dated April 27, 2006**

**NAESB WGQ Contracts Subcommittee
Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
Compiled May 1, 2006**

This document contains a compilation of the comments and proposed modifications to the NAESB Base Contracts that were submitted by participants, posted as work papers for subcommittee meetings, and finally accepted as modifications to the Base Contract by the WGQ Contracts Subcommittee. (Please note that in some cases, the Contracts Subcommittee accepted the proposed language but made further modifications to the language during the meeting. When that is the case, a note has been made in the "Outcome" column of this table). The comments submitted were in response to the initial request for comments on Request R05014¹ and also submitted throughout the subcommittee's deliberations. The comments were individually posted as work papers and are available (in redline format in most cases) for download from the NAESB website at <http://www.naesb.org/wgq/contract.asp>. Please note that modifications to the Base Contract made solely as a result of discussion during the subcommittee meetings can be found by reviewing the meeting minutes.

Organization	Section	Comment	Outcome
Cinergy Marketing & Trading	2	Proposed Definition: "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Cover Sheet.	Accepted on 3/9/06; Further modified by Contracts Subcommittee on 4/10/06
American Electric Power	2	Proposed Definition: "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.	Accepted on 2/16/06; Further modified by Contracts Subcommittee on 04/27/06
Nicor Gas Company	2	Revised Definition: "Business Day(s)"	Accepted on 4/27/06
LOUIS DREYFUS ENERGY SERVICES L.P.	2	Revised Definition: "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.	Accepted on 2/16/06 with note to further discuss integrated agreement issue; Accepted on 4/27/06
National Fuel Gas Distribution	2	Revised Definition: "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract, and shall include, but not be limited to, ANSI ASC X.12, Instant Messaging or XML.	Accepted on 2/16/06 and 4/27/06
Cinergy Marketing & Trading	2	Proposed Definition: "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.	Accepted on 3/9/06 and 4/10/06

¹ The WGQ Contracts Subcommittee solicited comments on proposed changes to the NAESB Base Contract before beginning work on Request R05014. Comments were due on October 7, 2005.

**NAESB WGQ Contracts Subcommittee
 Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
 Compiled May 1, 2006**

Organization	Section	Comment	Outcome
Cinergy Marketing & Trading	2	Proposed Definition: "Indebtedness Cross Default" shall mean with respect to a party, that it or its Guarantor experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of any money in an aggregate amount greater than the threshold specified on the Cover Sheet with respect to such party or its Guarantor, if any, which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable.	Accepted on 3/9/06; Further modified by Contracts Subcommittee on 4/10/06
Cinergy Marketing & Trading	2	Proposed Definition: Specified Transaction(s) shall mean any obligation of a party to this Contract or its Guarantor incurred under any other agreement(s) between the parties to this Contract, or instrument(s) or undertaking(s) issued or executed by one party to, or in favor of, the other party.	Accepted on 3/9/06; Further modified by Contracts Subcommittee on 4/10/06
Cinergy Marketing & Trading	2	Proposed Definition: "Transactional Cross Default" shall mean with respect to a party, that it or its Guarantor shall be in default, however therein defined, under any Specified Transaction.	Accepted on 3/9/06; Further modified by Contracts Subcommittee on 4/10/06
Revisions from WGQ ISDA Meetings	3.2 Cover	Revised Language: The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s), reduced by any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) reduced by any quantity for which no sale is available; or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale for all or any portion of the Gas is available for some or all of the Contract Quantity of Gas, then [for any portion of the Contract Quantity for which no replacement or sale is available]/[in addition to (i) or (ii) above, as applicable,] the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity minus the sum of (a) the quantity [for which no such replacement or sale is available] for such Day(s) plus (b) the quantity of Gas, if any, sold or purchased using the Cover Standard as provided in (i) and (ii) above, as applicable. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.	Accepted in part and Declined in part on 01/10/06; Further modified by Contracts Subcommittee on 3/21/06

**NAESB WGQ Contracts Subcommittee
Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
Compiled May 1, 2006**

Organization	Section	Comment	Outcome
Revisions from WGQ ISDA Meetings	8.1	Revised Language: Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume	Underline accepted by Contracts Subcommittee on 3/21/06
National Fuel Gas Distribution	8.4 (new)	New Section [unnumbered]: Notwithstanding the foregoing, the parties agree that the delivery and transfer of title of all Gas under this Contract shall take place within the Customs territory of the Transaction Country. Provided, however, that in the event Seller took title to the Gas outside the Customs territory of the Transaction Country, Seller represents and warrants that it is importer of record for all Gas entered and delivered into the Transaction Country, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all record keeping requirements.	Supported on 11/04/05, forward to WGQ Contracts; Accepted on 4/10/06; Further modified by Contracts Subcommittee on 4/27/06
Nicor Gas Company	9.4	In reviewing the NAESB further, you can see that "Business Days", (plural) is capitalized throughout the document. You may want to follow your suggestion of changing the definition of "Business Day" to "Business Day(s) under Section 2 and also then capitalize "business days" under Section 9.4. Doing so may fix these two small discrepancies in the current draft.	Accepted by Contracts Subcommittee 4/27/06
Cinergy Marketing & Trading	10.1	Revised Language: If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of either a material change in the creditworthiness of Y or the occurrence of an Adequate Assurance Trigger with respect to Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security). Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance (other than letters of credit) transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.	Underline supported on 11/07/05, forward to WGQ Contracts; other changes declined; Accepted with modification by WGQ Contracts on 01/24/06; Further modified by Contracts Subcommittee on 3/21/06

**NAESB WGQ Contracts Subcommittee
Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
Compiled May 1, 2006**

Organization	Section	Comment	Outcome
Cinergy Marketing & Trading	10.2	<p>Revised Language: In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or (ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.</p>	Supported on 11/07/05, forward to WGQ Contracts; Unresolved/Tabled by WGQ Contracts on 01/24/06; Underline accepted by Contracts Subcommittee on 3/21/06
Cinergy Marketing & Trading	10.3.2 Bilateral	<p>10.3.2 The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; or and (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) (including any excess cash margin or collateral) payable owed or held by the Defaulting Party to the Non-Defaulting Party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties. The amount resulting under any setoff pursuant to the preceding sentence shall be referred to as the "Final Payment Amount".</p>	Accepted with modification on 4/27/06
El Paso Exploration & Production	10.3.2 Triangular	<p>The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.</p>	Accepted on 4/27/06

**NAESB WGQ Contracts Subcommittee
 Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
 Compiled May 1, 2006**

Organization	Section	Comment	Outcome
Revisions from WGQ ISDA Meetings	11.2	<p>Revised Language: Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of primary Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, terrorism, sabotage, insurrections or wars, acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.</p>	<p>Underline supported on 11/07/05, forward to WGQ Contracts; other changes declined; Accepted by Contracts Subcommittee on 01/10/06 and 3/21/06</p>
Cinergy Marketing & Trading	11.3	<p>I'm working on a contract with a customer and one of the Special Provisions they want to include is to replace the word "Agreement" at the end of Section 11.3 (iii) with the word "Contract". I agree 100% with this requested change because throughout the NAESB, the word "Contract", not "Agreement" is used. When I checked the latest red-lined version out on the website, I was shocked to find that this change wasn't there. I did a word search and, luckily, this is the only place in the NAESB where this error occurs.</p>	<p>Accepted by Contracts Subcommittee on 04/27/06</p>
LOUIS DREYFUS ENERGY SERVICES L.P.	12	<p>Revised Language: This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, Section 14.10, the obligations to make payment hereunder, the obligation of either party to indemnify the other pursuant hereto, the waiver of jury trial provision (if applicable), and the arbitration provision (if applicable), shall survive the termination of the Base Contract or any transaction</p>	<p>Accepted on 01/10/2006 except for inclusion of Section 14.10 in the language; Accepted on 3/21/06</p>

**NAESB WGQ Contracts Subcommittee
Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
Compiled May 1, 2006**

Organization	Section	Comment	Outcome
EnCana Marketing	14	<p>New Section [14.13]: If a Market Disruption Event has occurred during a Trading Day, then the parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price) for the affected Trading Day, and if the parties have not so agreed on or before the second Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined within the next two (2) following Business Days with each party obtaining in good faith two quotes from a leading dealer in the relevant market and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the Floating Price. "Floating Price" means the price or a portion of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for the method of determining the Floating Price has occurred. "<u>Trading Day</u>" means a day in respect of which the relevant price source published the relevant price.</p>	<p>Accepted for further discussion at 3/9/06 meeting; Further modified by Contracts Subcommittee on 4/3/06</p>

**NAESB WGQ Contracts Subcommittee
Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
Compiled May 1, 2006**

Organization	Section	Comment	Outcome
Interested LDCs	15	<p>We do not support the provision in <i>footnote 132</i>, which has to do with substitute pricing where a specific index is not available. While the concept is acceptable, the actual formula or methodology for determining a replacement Contract price due to a missing “Index Component” cannot be standardized or universally applied. Such specific approaches should be negotiated between counterparties as special provisions. The proposed language in <i>footnote 133</i>, which deals with digital records as legal evidence, has some merit from a technologic perspective; as written, however, it could impair an attorney’s ability to challenge the authenticity of the electronic record. We thus propose replacing this provision with the following language, which address the requirement for proper document authentication:</p> <p><i>“Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recorded, the Transaction Confirmation or the Imaged Agreement on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence but preserve all other objections as to admissibility.”</i></p> <p>Finally, the Interested LDCs oppose the proposal in <i>footnote 134</i>, regarding representations and warranties of contracting parties, because (1) it is in part covered by the Adequate Assurance of Performance provision in Section 10.1, and (2) it characterizes the Base Contract as a “forward contract” and parties to it as “forward contract merchants”—something which may be determined only in the proper legal forum and might not be upheld by a court of law. Thus, while the protections this provision seeks in the form of warranties and representations might bind the counterparties to the agreement, it would not necessarily bind a third party, such as a court, to this agreement between the two parties.</p>	<p>Language added to redline contract for further discussion on 2/16/06; Language in italics accepted on 3/9/06 for inclusion in Section 15; Further modified by Contracts Subcommittee on 4/3/06 and 4/27/06</p>

**NAESB WGQ Contracts Subcommittee
Compilation of Proposed Modifications Accepted by WGQ Contracts Subcommittee
Compiled May 1, 2006**

Organization	Section	Comment	Outcome
National Fuel Gas Distribution	15.10	<p>Revised Language: Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's routine reporting requirements including gas cost recovery proceedings or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.</p>	<p>Underline language accepted with modification on 2/16/06; Accepted for further discussion on 3/9/06; Further modification by Contracts Subcommittee on 4/3/06</p>

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
May 9-11, 2006

Wholesale Gas Quadrant

TAB 16

2006 Annual Plan

- The 2006 plan as approved by the Board of Directors in March 2006 is included. Should the WGQ EC determine that changes are to be made to the plan as a result of the subcommittee updates; a motion to approve the changes for forwarding to the Board for approval would be required. The motion would require a simple majority to pass.
- The materials in Tab 16 correspond to agenda item 3 for the WGQ EC agenda.

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WGQ Annual Plan – Revised by the Board of Directors 3-23-06

Item Description	Completion ¹	Assignment ²
Gas-Electric Activities		
1 Development of standards regarding an Energy Day (R04016) Status: Withdrawn by requestors on 2-28-06.	Withdrawn ³	WGQ BPS (with WEQ BPS)
Electronic Delivery Mechanisms and Related Activities		
2 Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI). Status: Pending Activities of the WEQ EC.	Pending WEQ PKI activities	EDM
3 Partner with the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations. Status: Underway.	2 nd Q, 2006	EC Officers
4 Review of minimum technical characteristics in Appendices B, C, and D of the WGQ QEDM Manual Status: Not Started.	2 nd Q, 2006	EDM
5 Prepare a joint analysis with the Retail Quadrants for AS2 and AS3 protocols as compared to the NAESB IET. Status: Not Started.	4 th Qtr. 2006	EDM & Retail TEIS
Contracts Activities		
6 Review and update NAESB Base Contract for Sale and Purchase of Natural Gas to reflect current industry practices and applicable terms and conditions. (R05014) Status: Underway.	2 nd Q, 2006	Contracts
Gas Quality		
7 Part B of R03035: Develop a uniform process for reporting the underlying assumptions and methodologies for determining gas quality specifications from measured data. Status: Underway.	1 st Q, 2006	BPS
8 Part C of R03035: Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG). Draft such standards as appropriate. Status: Tabled on Board of Directors instructions.	Tabled ⁴	Not assigned at this time.
Program of Standards Maintenance & Fully Staffed Standards Work⁵		
Business Practice Requests	Ongoing	Assigned by the EC ⁶
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI X12 Subcommittee

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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WGQ Annual Plan – Revised by the Board of Directors 3-23-06

Item Description	Completion ¹	Assignment ²
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC ⁶
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC ⁶
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC ⁶

Provisional Activities⁷

Respond to requests as received that are related to Docket No. RM05-28-000 (Gas-Electric Interdependency)

Respond to directives related to the conclusions of the NAESB reports submitted in Docket No. RM05-28-000

Review and develop a Canadian Supplement to the ISDA Gas Annex

Notes: (a) Priority is given to action items that are carry-overs from the 2005 Annual Plan.

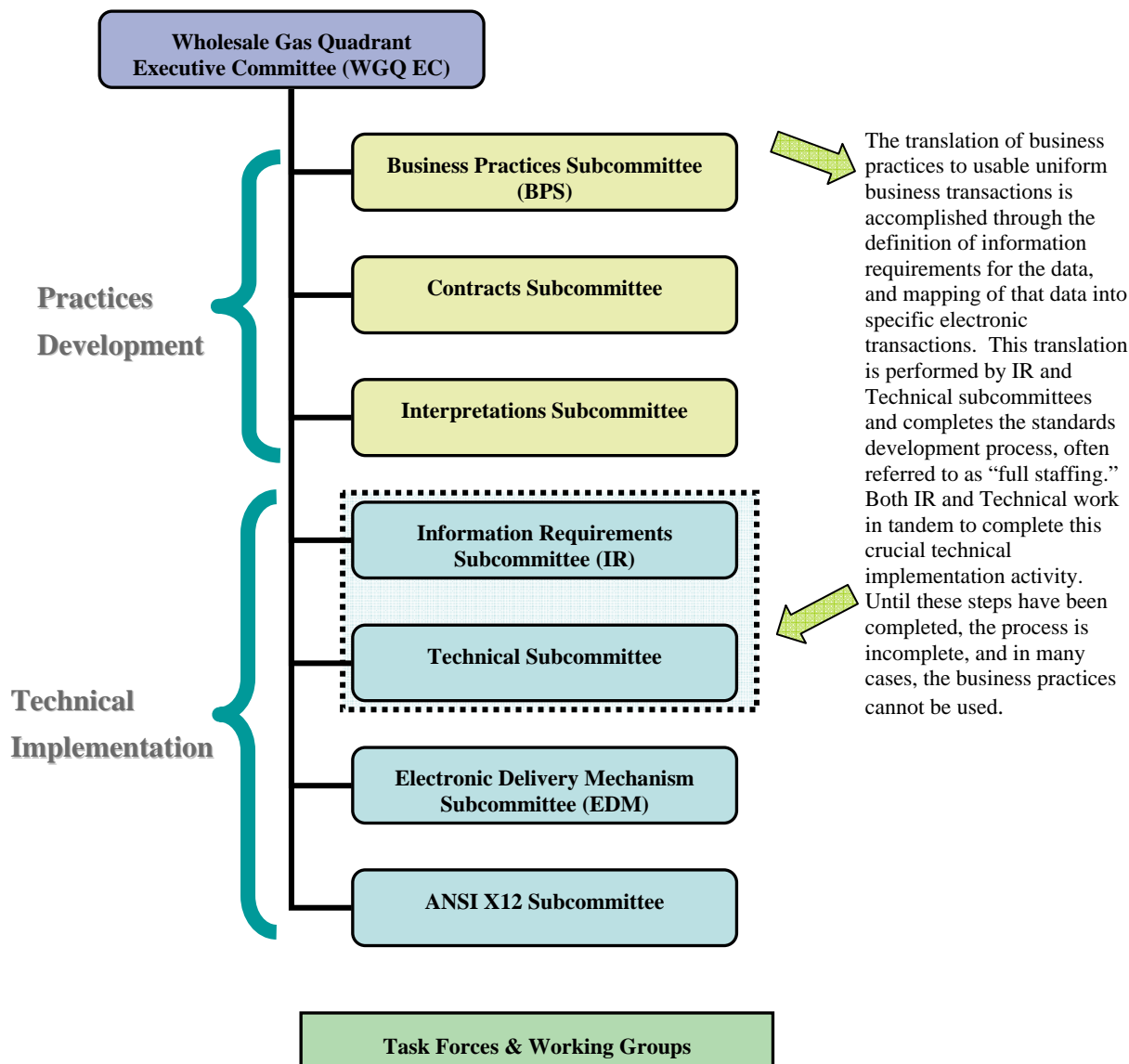
(b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

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NAESB WGQ EC and Subcommittee Leadership:

Executive Committee: Jim Buccigross, Chair and Mike Novak, Vice-Chair

Business Practices Subcommittee: Kim Van Pelt, Tina Burnett and Richard Smith

Information Requirements Subcommittee: Dale Davis

Technical Subcommittee: Kim Van Pelt

Contracts Subcommittee: Suzanne Calcagno, Keith Sappenfield

Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden

Interpretations Subcommittee: Paul Love

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End Notes:

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

² The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

³ The Board of Directors determined to table standards development efforts on item 1 at the June 22, 2005 meeting. As a result of the notational ballots received from the Board of Directors on February 17, 2006 endorsing the Gas-Electric Interdependency Report, and the subsequent filing with the FERC on February 24, 2006, both Request Nos. R04016 and R04020 were withdrawn by the submitters.

⁴ At its meeting on June 21, 2005, the Board of Directors unanimously voted to keep Part C of Request R03035 in abeyance, and to instruct the WGQ Executive Committee to add Part B to the Annual Plan for 2006 with the understanding that work related to the reporting of gas quality specifications is associated with the development of reporting procedures and not the standardization of the measurement itself.

⁵ This work is considered routine maintenance and thus the items are not separately numbered.

⁶ The EC assigns maintenance of existing standards on a request by request basis.

⁷ To the extent that it is determined that any of the provisional activities should be worked upon during the year as a result of a specific request for standards development or a FERC action, the Board has the discretion to modify the annual plan. Additionally, provisional activities will remain on the Annual Plan for one year pending the filing of a formal request or a decision to add them to the plan as active items.

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
May 9-11, 2006

Wholesale Gas Quadrant

TAB 17

Recommendations for vote as WGQ standards

- The recommendations for standards adoption are included in this section and were sent out for a 30-day comment period. If comments were received, they directly follow the recommendation.
- The recommendations included correspond to the following requests and no comments have been received to date:
 - R03035B - Standardize methodologies for calculating gas quality parameters
 - R98081/R98082 – Define a means of requesting and sending a dataset that communicates RTU Alarms/Define a means of requesting and sending a dataset to communicate RTU Events
 - R99013 – Define a means of requesting and providing pre-approved bidders list used in capacity release
 - R00022/R00023 – Add Right of First Refusal Indicator and Right of First Refusal Terms data elements to the Offer Download, Offer Upload and Offer Upload Notification, with corresponding validation codes added to the Offer Upload Quick Response/Add Rollover Rights Indicator and Rollover Rights Terms data elements to the header level of the Offer Download (5.4.1), Offer Upload (5.4.7) and Offer Upload Notification (5.4.9), with corresponding validation codes added to the Offer Upload Quick Response (5.4.8)
 - R02003/R02004 - Add a new Capacity Release data element - Discount Indicator/Add new code values for the discount indicator in the Capacity Release Data Sets
- To approve the recommendations would require 67% of each of the WGQ EC members) and 40% of each segment's EC members.
- The materials in Tab 17 correspond to agenda item 4 for the WGQ EC agenda.

RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Florida Power & Light

Request No.: R03035B

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add proposed NAESB WGQ Standard 4.3.z1 to the WGQ Quadrant Electronic Delivery Mechanism Manual.

STANDARDS LANGUAGE:

4.3.z1 For the locations posted pursuant to NAESB WGQ Standard No. 4.3.90, the Transportation Service Provider (TSP) should provide on its Informational Postings Web Site a list that identifies the industry standard (or other methodology, as applicable) used by the TSP for the following:

- Procedures used for obtaining natural gas samples,
- Analytical test method(s),
- Calculation method(s), in conjunction with any physical constant(s) and underlying assumption(s).

RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Florida Power & Light

Request No.: R03035B

BUSINESS PROCESS DOCUMENTATION (for addition, modification or deletion of business process documentation language)

Standards Book: NAESB WGQ Quadrant Electronic Delivery Mechanism Manual:

Language: Modify Sections C and D of the QEDM adopted by the WGQ EC May 12, 2005:

(see attached)

TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

Document Name and No.:

Description of Change:

No technical changes needed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

R03035: Establish standards relating to gas quality specifications and measurement, as follows:

- B. Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.**

Note: The scope of the request was further delineated by the NAESB Board of Directors at its meeting of June 22, 2005. The following is an excerpt from the minutes for such meeting: "...and to instruct the WGQ Executive Committee to add Part B to the Annual Plan for 2006 with the understanding that work related to the reporting of gas quality specifications is associated with the development of reporting procedures and not the standardization of the measurement itself."

b. Description of Recommendation:

Business Practices Subcommittee

See meeting minutes for the following Business Practices Subcommittee meetings:

- October 6, 2005
- October 20, 2005
- November 17, 2005
- January 12, 2006

MOTION: January 12, 2006

Approve the standard as indicated (above) and send the draft standard to the WGQ Information Requirements Subcommittee.

RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Florida Power & Light

Request No.: R03035B

4.3.z1 For the locations posted pursuant to NAESB WGQ Standard No. 4.3.90, the Transportation Service Provider (TSP) should provide on its Informational Postings Web Site a list that identifies the industry standard (or other methodology, as applicable) used by the TSP for the following:

- Procedures used for obtaining natural gas samples,
- Analytical test method(s),
- Calculation method(s), in conjunction with any physical constant(s) and underlying assumption(s).

Wholesale Gas Quadrant Balanced Voting by Segment Tally

Segment	Votes Cast			Balanced Vote		
	YES	NO	TOTAL	YES	NO	TOTAL
End Users	4	0	4	2	0	2
LDCs	5	0	5	2	0	2
Pipeline	11	0	11	2	0	2
Producer	1	0	1	1	0	1
Services	0	0	0	0	0	0
Total	21	0	21	7	0	7

Information Requirements Subcommittee

See meeting minutes for the following Information Requirements Subcommittee meetings:
February 22, 2006

MOTION; February 22, 2006

The WGQ Information Requirements Subcommittee (IR) is transferring this item to the WGQ EDM Subcommittee for determination of the location of the proposed standard 4.3.z1 in the QEDM (Quadrant Electronic Delivery Mechanism) Manual adopted by the WGQ Executive Committee in May 2005. In addition, IR has determined that no other changes need to be made.

Vote				Balance	Balance	Balance
	For	Against	Total	d	d	d
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	7	0	7	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	7	0	7	2.00	0.00	2

RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Florida Power & Light

Request No.: R03035B

Technical Subcommittee

See meeting minutes for the following Technical Subcommittee meetings:
February 24, 2006

The WGQ Technical Subcommittee is transferring this item to the WGQ EDM Subcommittee for determination of the location of the proposed standard 4.3.z1 in the QEDM (Quadrant Electronic Delivery Mechanism) Manual adopted by the WGQ Executive Committee in May 2005. In addition, based on IR's determinations, Technical has determined that no other changes need to be made.

Motion:

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	0	0	0	0
Services	0	0	0	0
Pipelines	3	2	0	0
Producers	0	0	0	0
Totals	3	2	0	0

Motion passes

Electronic Delivery Mechanism Subcommittee

See meeting minutes for the following Electronic Delivery Mechanism Subcommittee meeting:
March 1, 2006

The WGQ Electronic Delivery Mechanism Subcommittee processed this request by inserting standard 4.3.z1 at the end of the numbered standards list on page 35 (top) of the WGQ QEDM (Quadrant Electronic Delivery Mechanism) manual adopted by the WGQ Executive Committee (EC) in May 2005. In addition, the standard was also inserted following the gas quality standards under the Informational Postings functional lookup section at the top of page 41 in the same manual. See attached for example.

Motion:

Add proposed standard 4.3.z1 to Sections C and D of the WGQ Quadrant Electronic Delivery Mechanism Manual adopted by the WGQ EC in May 2005 as indicated in the attached work paper.

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	0	0	0	0
Services	1	1	0	0
Pipelines	7	2	0	0
Producers	0	0	0	0
Totals	8	3	0	0

Motion passes

c. Business Purpose:

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE**Requester: Florida Power & Light****Request No.: R03035B****ATTACHMENT****WGQ QEDM Manual, adopted by WGQ EC in May of 2005; Page 35 - Section C. WGQ
Quadrant Electronic Delivery Mechanism Related Standards, subsection – Standards.**

Add proposed standard 4.3.z1 following the previously adopted standard 4.3.s4 as indicated below:

4.3.s4 Data provided pursuant to NAESB WGQ Standard No. [S2] should be provided in a tabular downloadable file to be described by the Transportation Service Provider. The first row of the file should contain the column headers.

4.3.z1 For the locations posted pursuant to NAESB WGQ Standard No. 4.3.90, the Transportation Service Provider (TSP) should provide on its Informational Postings Web Site a list that identifies the industry standard (or other methodology, as applicable) used by the TSP for the following:

- Procedures used for obtaining natural gas samples.
- Analytical test method(s).
- Calculation method(s), in conjunction with any physical constant(s) and underlying assumption(s).

RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Florida Power & Light

Request No.: R03035B

**WGQ QEDM Manual, adopted by WGQ EC in May of 2005; Page 41 – Section D. WGQ
Quadrant Electronic Delivery Mechanism Related Standards by Function- subsection on
Information Postings Related Standards**

Add proposed standard 4.3.z1 following previously adopted standard 4.3.s2 as indicated below:

4.3.s2 The Transportation Service Provider (TSP) should provide on its Informational Postings Web Site daily average gas quality information for prior gas day(s), to the extent available, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) should be provided in a downloadable format. Information should be reported in units as specified in the tariff or general terms and conditions. In any event, compliance with gas quality requirements is in accordance with the TSP's tariff or general terms and conditions.

The following are examples of gas quality attributes that could be included in the posting for the applicable Gas Day(s) and location(s):

- Heating Value
- Hydrocarbon Components, % of C1 – Cnn, as used in determining Heating Value
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans
- Mercury and/or any other contaminants being measured
- Other pertinent gas quality information that is specified in the TSP's tariff or the general terms and conditions.

4.3.z1 For the locations posted pursuant to NAESB WGQ Standard No. 4.3.90, the Transportation Service Provider (TSP) should provide on its Informational Postings Web Site a list that identifies the industry standard (or other methodology, as applicable) used by the TSP for the following:

- Procedures used for obtaining natural gas samples.
- Analytical test method(s).
- Calculation method(s), in conjunction with any physical constant(s) and underlying assumption(s).



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

**Request Nos.: R98081
and R98082**

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

This data set should be published in ASC X12 Version 5030, as changes requested from X12 were approved for this version.

SUMMARY:

- Add a new mutually agreed flowing gas dataset Measurement Events/Alarms (NAESB WGQ Standard 2.4.z1) including a Technical Implementation of Business Practices, Sample Paper, Data Dictionary, and Code Values Dictionary, Data Element Cross Reference to ASC X12, Sample ASC X12 Transaction, ASC X12 Transaction Set, and Transaction Set Tables. **Note- This data set should be published in ASC X12 Version 5030.**
- Update list of HTTP transaction-set Code Values in the Related Standards section of each implementation guide.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

**Request Nos.: R98081
and R98082**

DATA DICTIONARY (for new documents and addition, modification or deletion of data elements)

Document Name and No.: NAESB WGQ Standard 2.4.z1 Measurement Events/Alarms

See Attached

CODE VALUES LOG (for addition, modification or deletion of code values)

Document Name and No.: NAESB WGQ Standard 2.4.z1 Measurement Events/Alarms

See Attached

BUSINESS PROCESS DOCUMENTATION (for addition, modification or deletion of business process documentation language)

Standards Book: NAESB WGQ Standard 2.4.z1 Measurement Events/Alarms

Language: Technical Implementation of Business Practices and Sample Paper
See Attached

Standards Book: Nominations Related Standards
 Flowing Gas Related Standards
 Invoicing Related Standards
 WGQ Quadrant Electronic Delivery Mechanism Related Standards
 Capacity Release Related Standards
 Additional Standards

Language: Related Standards		
Add the following row to the HTTP transaction-set Code Values table after the 'G814RRIN, 2.4.8, Response to Request for Information' row.		
G814MEAA	2.4.z	Measurement Events/Alarms



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Williams Gas Pipeline Request Nos.: R98081
and R98082**

TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

Document Name and No.: NAESB WGQ Standard 2.4.z1 Measurement Events/Alarms

Description of Change:
See attached Data Element Cross to ASC X12, Sample ASC X12 Transaction, EDI Transaction Set, and Transaction Set Tables

4. SUPPORTING DOCUMENTATION

a. Description of Request:

R98081: Develop a means of requesting and sending RTU alarm data.

AND

R98082: Develop a means of requesting and sending RTU event data.

b. Description of Recommendation:

EBB to Internet Implementation Task Force (EITF)

See minutes for the following EITF meeting:

- December 2, 1998

MOTION: IR 32

For R98081 and R98082, instruct IR to accommodate a mutually agreeable business practice which allows the requesting and sending of RTU Alarm and RTU event information.

Motion passed unanimously.

Business Practices Subcommittee

See minutes for the following BPS meeting:

- October 9, 2002

Motion #1 – 10/9/02

In response to IR's question number 1 regarding R98081 and R98082, BPS has determined that it is not necessary to develop data groupings or data ordering for the proposed Measurement Events/Alarms dataset.

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	1	0	1	1.00	0.00	1
LDCs	0	0	0	0.00	0.00	0
Pipelines	7	0	7	2.00	0.00	2



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

**Request Nos.: R98081
and R98082**

Producers	0	0	0	0.00	0.00	0
Services	2	0	2	2.00	0.00	2
	10	0	10	5.00	0.00	5

Motion #2 – 10/9/02

In response to IR's question number 2 regarding R98081 and R98082, BPS has determined that it is not necessary to develop guidelines for the proposed Measurement Events/Alarms dataset similar to those proposed in NAESB WGQ Standards [2.3.z1], [2.3.z2], and [2.3.z3] as reflected in the recommendation for R96009.

(note: 2.3.z1, 2.3.z2, and 2.3.53 were enumerated in NAESB WGQ Version 1.7 as 2.3.51, 2.3.52 and 2.3.53)

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	1	0	1	1.00	0.00	1
LDCs	0	0	0	0.00	0.00	0
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	2	0	2	2.00	0.00	2
	11	0	11	5.00	0.00	5

Motion Passes

Information Requirements Subcommittee

See minutes for the following Information Requirements Subcommittee meetings:

- September 2000
- October 9, 2001
- April 16, 2002
- May 14, 2002
- July 25, 2002
- August 20, 2002
- October 15, 2002
- December 10, 2002
- March 31, 2004
- March 17, 2005

Motion – March 17, 2005:

The proposed implementation for R98081/R98082 adopted by IR at its March 31, 2004 meeting should be modified as indicated on the attached workpaper.

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End	0	0	0	0.00	0.00	0



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request Nos.: R98081
and R98082

Vote				Balance	Balance	Balance
	For	Against	Total	For	Against	Total
Users						
LDCs	0	0	0	0.00	0.00	0
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	8	0	8	2.00	0.00	2

Motion Passes

Motion – October 26, 2005:

Add the following changes to the proposed implementation adopted by the WGQ IR on March 15, 2005:

- On the Sample Paper delete the times for the 'Report Beginning Date' and 'Report Ending Date'
- On the Sample Paper add the D-U-N-S® number for the 'Preparer' and 'Statement Recipient'
- Add the following abbreviations:
 - Activity Type – (Act Type)
 - Report Beginning Date – (Rpt Beg Date)
 - Report Ending Date – (Rpt End Date)

Vote				Balance	Balance	Balance
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	7	0	7	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	7	0	7	2.00	0.00	2

Motion Passes

Technical Subcommittee

See minutes for the following Information Requirements Subcommittee meetings:

- March 16, 2005
- July 12, 2005
- August 26, 2005
- January 17-18, 2006



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

**Request Nos.: R98081
and R98082**

Motion:

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	0	0	0	0
Services	0	0	0	0
Pipelines	6	2	0	0
Producers	0	0	0	0
Totals	6	2	0	0

Motion passes

c. Business Purpose:

To provide, on a mutually agreed basis, a means for obtaining historical measurement RTU events and alarms data.

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

N/A


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Requester: Williams Gas Pipeline
**Request Nos.: R98081
and R98082**
TECHNICAL IMPLEMENTATION OF BUSINESS PROCESS

The Measurement Events/Alarms document is a mutually agreeable data set sent by the **preparer** to the **statement recipient**. It is used to send measurement data events and alarms for a given **device station number** or **meter ID**.

The **statement date/time** will indicate the date and time at which the statement was produced. The **report beginning date** and **report ending date** will indicate the first and last day of the report period. The **preparer ID** is an industry common code indicating the party who prepared the statement. The **preparer name** is the person who is responsible for responding to inquiries about the statement. The **statement recipient ID** is an industry common code indicating the party who is to receive the statement. Parties should mutually agree to use the Transportation Service Provider's proprietary entity code when the D-U-N-S® Number is not available.

The detail segment of the statement indicates the meter ID and/or the device station number for which the measurement events/alarms information is being reported. There may be multiple meter IDs per device station number. On a mutually agreeable basis, **location data** may be included in the statement.

Activity type indicates whether the information is for an event or an alarm. **Activity date/time** indicates the date and time at which the event/alarm occurred. The **message text** explains the event/alarm that occurred at the specified activity date/time. Multiple events/alarms may be reported on each statement.

**RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE**

Requester: Williams Gas Pipeline

Request Nos.: R98081
and R98082**SAMPLE PAPER TRANSACTION****[Header]**

Preparer Name: Measuring Company, Ltd.
Preparer ID: 082786553
Statement Recipient Name: A Favorite Customer, Inc.
Statement Recipient ID: 260862892
Statement Date/Time: July 17, 2003 @ 7:00 P.M.
Report Beginning Date: July 14, 2003
Report Ending Date: July 15, 2003

**[
Detail]:**

Activity Date/Time: July 14, 2003@ 2:00 P.M.
Activity Type: Event
Meter ID: East of Here (001234900)
Message Text: Orifice diameter was: 1.250
Now: 0.750



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Williams Gas Pipeline Request Nos.: R98081 and R98082
Attachment**

Data Dictionary

Measurement Events/Alarms

Standard No. 2.4.z1

Business Name (Abbreviation)	Definition	EBB Usage	EDI / FF Usage	Condition
Activity Date/Time (Act D/T)	The date and time (including seconds, if applicable) when the activity occurred.	M	M	
Activity Type (Act Type)	Indicates the type of activity being reported.	M	M	
Device Station Number (Sta No)	The station number assigned to this device by the operator	C	C	Mandatory when Meter ID is not present.
Location Data	Unique identification of a point.			
Location Code * ** (Loc)		MA	MA	
Location Name *** (Loc Name)		MA	nu	
Location Proprietary Code (Loc Prop)		MA	MA	



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline Request Nos.: R98081 and R98082
Attachment

Business Name (Abbreviation)	Definition	EBB Usage	EDI / FF Usage	Condition
Message Text (Message)	The textual message.	M	M	
Meter ID (Meter ID)	The Operator's ID number for the measurement device being reported. Proprietary meter number.	C	C	Mandatory when Device Station Number is not present.
Preparer Data	The name of the business party preparing the report.			
Preparer ID * 4 (Prep ID)		M	M	
Preparer ID Proprietary Code (Prep ID Prop)		C	C	Mandatory when Preparer ID is not present.
Preparer Name *** (Prep Name)		M	nu	
Report Beginning Date (Rpt Beg Date)	The first day of the report period	M	M	
Report Ending Date (Rpt End Date)	The last day of the report period	M	M	
Statement Date/Time (Stmnt D/T)	Date and time the statement was produced.	M	M	
Statement Recipient Data	The intended user of the statement.			



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline Request Nos.: R98081 and R98082
Attachment

Business Name (Abbreviation)	Definition	EBB Usage	EDI / FF Usage	Condition
Statement Recipient ID* 4 (Recipient)		M	M	
Statement Recipient ID Proprietary Code (Recipient Prop)		C	C	Mandatory when Statement Recipient ID is not present.
Statement Recipient Name *** (Recipient Name)		M	nu	

RELEVANT FOOTNOTES:

* Indicates Common Code

** When a Transportation Service Provider's proprietary location code is employed pursuant to this standard, the parties agree that nominations, confirmations, scheduled quantities, and capacity release documents employing such code should be for one gas day at a time, and used only until there is a verified common code for the point associated with the proprietary location code. This would include daily nominations over a weekend. Within two months following the availability of the location the parties should employ the common code and no longer employ the proprietary code for identifying such location in the data sets related to the identified standards.

*** The Transportation Service Provider's version of the name.

⁴ Refer to NAESB Standard No. 0.3.2


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Requester: Williams Gas Pipeline
**Request Nos.: R98081
and R98082**
Attachment
CODE VALUES DICTIONARY
Activity Type

Code Value Description	Code Value Definition	Code Value
Alarm	[no definition necessary]	A
Event	[no definition necessary]	E

DATA ELEMENT CROSS REFERENCE TO ASC X12

Usage Codes: M - Mandatory, C - Conditional, SO - Sender's Option, BC - Business Conditional, MA - Mutually Agreeable, nu - not used

Heading:

Segment	Usage	Segment Name/GISB Data Element Name
ST	M	Transaction Set Header
BGN	M	Beginning Segment
DTM	M	Statement Date/Time
DTM	M	Report Beginning Date
	M	Report Ending Date
LCD	MA	Location Code/Location Proprietary Code
N1	M	Statement Recipient ID/Statement Recipient ID Proprietary Code
N1	M	Preparer ID/Preparer ID Proprietary Code

Detail:

Segment	Usage	Segment Name/GISB Data Element Name
LIN	M	Activity Type
DTM	M	Activity Date/Time
MTX	M	Message Text
NM1	C	Device Station Number
	C	Meter ID

Summary:

Segment	Usage	Segment Name/GISB Data Element Name
SE	M	Transaction Set Trailer

SAMPLE ASC X12 TRANSACTION

ST*814*123456789
BGN*00*1*20030717****M5
DTM*102****DT*200307171900
DTM*582****RD8*20030714-20030715
N1*40**1*260862892
N1*41**1*082786553
LIN**A9*E
DTM*945****DT*200307141400
MTX**Orifice diameter was: 1.250 Now: 0.750
NM1*M1*3*****SV*001234900
SE*11*123456789

814 General Request, Response or Confirmation

Functional Group ID=**GE**

Heading:

	<u>Pos. No.</u>	<u>Seg. ID</u>	<u>Name</u>	<u>Req. Des.</u>	<u>Max.Use</u>	<u>Loop Repeat</u>
Must Use	0100	ST	Transaction Set Header	M	1	
Must Use	0200	BGN	Beginning Segment	M	1	
Must Use	0310	DTM	Date/Time Reference	O	>1	
	0315	LCD	Place/Location Description	O	1	
						>1
Must Use	0400	N1	Party Identification	O	1	

Detail:

	<u>Pos. No.</u>	<u>Seg. ID</u>	<u>Name</u>	<u>Req. Des.</u>	<u>Max.Use</u>	<u>Loop Repeat</u>
						>1
Must Use	0100	LIN	Item Identification	O	1	
Must Use	0400	DTM	Date/Time Reference	O	>1	
Must Use	0730	MTX	Text	O	>1	
						>1
Must Use	0800	NM1	Individual or Organizational Name	O	1	

Summary:

	<u>Pos. No.</u>	<u>Seg. ID</u>	<u>Name</u>	<u>Req. Des.</u>	<u>Max.Use</u>	<u>Loop Repeat</u>
Must Use	0300	SE	Transaction Set Trailer	M	1	

NAESB WGQ Measurement Events/Alarms

Recommendation Attachment R98081 & R98082

Segment: **ST** Transaction Set Header
Position: 0100
Loop:
Level: Heading
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u> <u>Des.</u>	<u>Data</u> <u>Element</u>	<u>Name</u>	<u>Attributes</u>
Must Use	ST01	143	Transaction Set Identifier Code 814	M 1 ID 3/3 General Request, Response or Confirmation
Must Use	ST02	329	Transaction Set Control Number	M 1 AN 4/9

Segment: **BGN** Beginning Segment
Position: 0200
Loop:
Level: Heading
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u> <u>Des.</u>	<u>Data</u> <u>Element</u>	<u>Name</u>	<u>Attributes</u>
Must Use	BGN01	353	Transaction Set Purpose Code 00 Original	M 1 ID 2/2
Must Use	BGN02	127	Reference Identification <i>The number assigned by the preparer of the measurement events and alarms document.</i>	M 1 AN 1/50
Must Use	BGN03	373	Date <i>The measurement events and alarms issue date.</i>	M 1 DT 8/8
Must Use	BGN07	640	Transaction Type Code M5 Measurement Events and Alarms	O 1 ID 2/2

Segment: **DTM** Date/Time Reference
Position: 0310
Loop:
Level: Heading
Usage: Optional (Must Use)
Max Use: >1
Notes: For NAESB WGQ, this segment should occur once for each value in the DTM01.

Data Element Summary

	Ref.	Data	Name	Attributes
	Des.	Element		
Must Use	DTM01	374	Date/Time Qualifier <i>Refer to "DTM Segments (Heading)" table for usage and values.</i>	M 1 ID 3/3
Must Use	DTM05	1250	Date Time Period Format Qualifier <i>Refer to "DTM Segments (Heading)" table for usage and values.</i>	X 1 ID 2/3
Must Use	DTM06	1251	Date Time Period <i>Statement Date/Time, Report Beginning Date, Report Ending Date</i> <i>Refer to "DTM Segments (Heading)" table for usage and values.</i>	X 1 AN 1/35

Segment: **LCD** **Place/Location Description**
Position: 0315
Loop:
Level: Heading
Usage: Optional
Max Use: 1
Notes: *For NAESB, this segment is mutually agreed.*

Data Element Summary

	<u>Ref.</u>	<u>Data</u>	<u>Name</u>	<u>Attributes</u>
	<u>Des.</u>	<u>Element</u>		
Must Use	LCD02	98	Entity Identifier Code LCN Gas Nomination Location	O 1 ID 2/3
Must Use	LCD05	66	Identification Code Qualifier <i>When a Transportation Service Provider's proprietary location code is employed pursuant to this standard, the parties agree that nominations, confirmations, scheduled quantities, and capacity release documents employing such code should be for one gas day at a time, and used only until there is a verified common code for the point associated with the proprietary location code. This would include daily nominations over a weekend. Within two months following the availability of the location the parties should employ the common code and no longer employ the proprietary code for identifying such location in the datasets related to the identified standards.</i>	X 1 ID 1/2
			DR Gas Industry Standards Board (GISB) Data Reference Number (DRN) <i>For NAESB WGQ, this code value may only be used when sending the Location Code.</i>	
			SV Service Provider Number <i>For NAESB WGQ, this code value may only be used when sending the Location Proprietary Code.</i>	
Must Use	LCD06	67	Identification Code Location Code/Location Proprietary Code	X 1 AN 2/17

The data element maximum length indicated is reduced from that which is specified in the ASC X12 standards.

NAESB WGQ Measurement Events/Alarms

Recommendation Attachment R98081 & R98082

Segment: **N1** Party Identification**Position:** 0400**Loop:** N1 Optional (Must Use)**Level:** Heading**Usage:** Optional (Must Use)**Max Use:** 1**Notes:** For NAESB WGQ, this segment should occur once for each value in the N101.**Data Element Summary**

	Ref.	Data			Attributes
	Des.	Element	Name		
Must Use	N101	98	Entity Identifier Code		M 1 ID 2/3
			40	Receiver Statement Recipient ID	
			41	Submitter Preparer ID	
Must Use	N103	66	Identification Code Qualifier		X 1 ID 1/2
				Parties should mutually agree to use the Transportation Service Provider's proprietary entity code when the D-U-N-S® Number is not available.	
			1	D-U-N-S Number, Dun & Bradstreet For NAESB WGQ, this code value may only be used when sending the Statement Recipient ID or Preparer ID.	
			SV	Service Provider Number For NAESB WGQ, this code value may only be used when sending the Statement Recipient ID Proprietary Code or Preparer ID Proprietary Code.	
Must Use	N104	67	Identification Code		X 1 AN 2/17
				Statement Recipient ID/Statement Recipient ID Proprietary Code, Preparer ID/Preparer ID Proprietary Code	

The data element maximum length indicated is reduced from that which is specified in the ASC X12 standards.

Segment: **LIN** **Item Identification**
Position: 0100
Loop: LIN Optional (Must Use)
Level: Detail
Usage: Optional (Must Use)
Max Use: 1
Notes: *For NAESB WGQ, this segment is mandatory.*

Data Element Summary

	Ref.	Data			Attributes
	Des.	Element	Name		
Must Use	LIN02	235	Product/Service ID	Qualifier	M 1 ID 2/2
			A9	Activity	
Must Use	LIN03	234	Product/Service ID		M 1 AN 1/48
			Activity Type		
			A	Alarm	
			E	Event	

Segment: **DTM** **Date/Time Reference**
Position: 0400
Loop: LIN Optional (Must Use)
Level: Detail
Usage: Optional (Must Use)
Max Use: >1
Notes: *For NAESB WGQ, this segment is mandatory.*

Data Element Summary

	Ref.	Data		Attributes
	Des.	Element	Name	
Must Use	DTM01	374	Date/Time Qualifier 945 Activity	M 1 ID 3/3
Must Use	DTM05	1250	Date Time Period Format Qualifier DT Date and Time Expressed in Format CCYYMMDDHHMM RTS Date and Time Expressed in Format CCYYMMDDHHMMSS	X 1 ID 2/3
Must Use	DTM06	1251	Date Time Period Activity Date/Time	X 1 AN 1/35

Segment: **MTX** Text
Position: 0730
Loop: LIN Optional (Must Use)
Level: Detail
Usage: Optional (Must Use)
Max Use: >1
Notes: *For NAESB WGQ, this segment is mandatory.*

Data Element Summary

	<u>Ref.</u>	<u>Data</u>		<u>Attributes</u>
	<u>Des.</u>	<u>Element</u>	<u>Name</u>	
Must Use	MTX02	1551	Textual Data Message Text	X 1 AN 1/4096

NAESB WGQ Measurement Events/Alarms

Recommendation Attachment R98081 & R98082

Segment: **NM1** Individual or Organizational Name
Position: 0800
Loop: NM1 Optional (Must Use)
Level: Detail
Usage: Optional (Must Use)
Max Use: 1
Notes: For NAESB WGQ, this segment is mandatory. Either the Device Station Number or the Meter ID must be sent.

Data Element Summary

	<u>Ref. Des.</u>	<u>Data Element</u>	<u>Name</u>	<u>Attributes</u>
Must Use	NM101	98	Entity Identifier Code <i>Refer to "NM1 Segments (Detail)" table for usage and values.</i>	M 1 ID 2/3
Must Use	NM102	1065	Entity Type Qualifier 3 Unknown	M 1 ID 1/1
Must Use	NM108	66	Identification Code Qualifier <i>Refer to "NM1 Segments (Detail)" table for usage and values.</i>	X 1 ID 1/2
Must Use	NM109	67	Identification Code <i>Device Station Number, Meter ID</i>	X 1 AN 2/80

Refer to "NM1 Segments (Detail)" table for usage and values.

NAESB WGQ Measurement Events/Alarms

Recommendation Attachment R98081 & R98082

Segment: **SE** Transaction Set Trailer
Position: 0300
Loop:
Level: Summary
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u>	<u>Data</u>	<u>Name</u>	<u>Attributes</u>
	<u>Des.</u>	<u>Element</u>		
Must Use	SE01	96	Number of Included Segments	M 1 N0 1/10
Must Use	SE02	329	Transaction Set Control Number	M 1 AN 4/9

TRANSACTION SET TABLES

DTM Segments (Heading)

Element Name (DTM06)	Usage	DTM01	DTM05
Statement Date/Time	M	102	DT
Report Beginning Date/Report Ending Date	M / M	582	RD8 DTS

NM1 Segments (Detail)

Element Name (NM109)	Usage	NM101	NM108
Device Station Number	C	RL	32
Meter ID	C	M1	SV



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add a new mutually agreed capacity release dataset Pre-approved Bidders List (NAESB WGQ Standard 5.4.z) including a Technical Implementation of Business Process, Sample Paper, Data Dictionary, Data Element Cross Reference to ASC X12, Sample ASC X12 Transaction, and ASC X12 Data Set. **Note-This data set should be published in ASC X12 Version 5030.**
- Modify the dataset Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14) to change the usage of the data element 'Data Begin Date' from M to C and add a condition.
- Modify the dataset Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14) to change the usage of the following data elements from SO to C and add a condition for each:
 - Data Begin Time
 - Data End Date
- Add the code value 'Pre-approved Bidders List' to the Code Value Dictionary for the data element "Data Sets Requested" in the following documents:
 - Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14)
 - Response to Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.15)



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

- Modify the Technical Implementation of Business Process for the Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14) to accommodate the new mutually agreed 'Pre-approved Bidders List' data set.
- Modify the Technical Implementation of Business Process for the Response to Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.15) to accommodate the new mutually agreed 'Pre-approved Bidders List' data set.
- Update list of HTTP transaction-set Code Values in the Related Standards section of each implementation guide.

DATA DICTIONARY (for new documents and addition, modification or deletion of data elements)

Document Name and No.:

NAESB WGQ Standard No. 5.4.z Pre-approved Bidders List

See attached.

Document Name and No.:

NAESB WGQ Standard 5.4.14 Upload of Request for Download of Posted Datasets

Business Name	Definition	Usage	Condition
Data Begin Date	The beginning date for the period over which the requested datasets were posted.	<u>MC</u>	<u>Mandatory when Data Sets Requested is not Pre-approved Bidders List.</u> <u>If Data Sets Requested is Pre-approved Bidders List, this data element is not used.</u>
Data Begin Time	The beginning time for the period over which the requested datasets were posted.	<u>SOC</u>	<u>Sender's Option when Data Sets Requested is not Pre-approved Bidders List.</u> <u>If Data Sets Requested is Pre-approved Bidders List, this data element is not used.</u>
Data End Date	The ending date for the period over which the requested datasets were posted.	<u>SOC</u>	<u>Sender's Option when Data Sets Requested is not Pre-approved Bidders List</u> <u>If Data Sets Requested is Pre-approved Bidders List, this data element is not used.</u>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline Request No.: R99013

CODE VALUES LOG (for addition, modification or deletion of code values)

Document Name and No.:

**NAESB WGQ Standard 5.4.14
NAESB WGQ Standard 5.4.15**

**Upload of Request for Download of Posted Datasets
Response to Upload of Request for Download of
Posted Datasets**

Data Sets Requested

Code Value Description	Code Value Definition	Code Value
Pre-approved Bidders List	[no definition necessary]	<u>OA</u>

BUSINESS PROCESS DOCUMENTATION (for addition, modification or deletion of business process documentation language)

Standards Book: Capacity Release Related Standards

Data Set:

NAESB WGQ Standard 5.4.14 Upload of Request for Download of Posted Datasets

Language: Technical Implementation of Business Process
<p>Modify the second and third paragraphs as follows:</p> <p>In the Request, the data requester indicates what type(s) of report(s) are being requested by specifying the data sets requested field. This may include any or all of offers, bids, awards, operationally available, unsubscribed capacity, replacement capacity (where applicable), system wide notices, or withdrawals, or pre-approved bidders list (where mutually agreed).</p> <p>For data sets being requested other than the pre-approved bidders list, the requester must specify the time period for which data is being requested. For the pre-approved bidders list the date and time information is not applicable. There are three time period formats from which to choose. The requester can use only the data begin date, the data begin date and data begin time, or the data begin date and data end date. If no data end date is specified, the end date is essentially the data process date and time, which is included on the response document. The data process date and time is the date and time the transportation service provider processed the request and may be considered a "current to" date and time.</p>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

Data Set:

NAESB WGQ Standard 5.4.15

Response to Upload of Request for Download of Posted Datasets

Language: Technical Implementation of Business Process

Modify the second paragraph as follows:

The **data sets requested** field from the request is echoed back in the Response. The **data availability code**, which is included in the Response for each type of document originally requested, indicates whether there are any documents meeting the date criteria specified in the request when the document being requested is other than the pre-approved bidders list. For the pre-approved bidders list, the data availability code indicates whether the requested data is currently available or the document is supported. The **data process date** and **data process time** are contained in the response. These indicate the date and time the response was processed. In addition, for the documents other than the pre-approved bidders list, the data process date and time ~~and~~ may be considered a "current to" date and time. Where no data end date ~~was~~ is specified in the request, the data process date and time also represents the end date and time.

Standards Book:

- Nominations Related Standards**
- Flowing Gas Related Standards**
- Invoicing Related Standards**
- WGQ Quadrant Electronic Delivery Mechanism Related Standards**
- Capacity Release Related Standards**
- Additional Standards**

Language: Related Standards

Add the following row to the HTTP transaction-set Code Values table after the 'G843BDQR, 5.4.19, Bid Upload Quick Response' row.

G105PABL	5.4.z	Pre-approved Bidders List
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TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

Document Name and No.:

NAESB WGQ Standard 5.4.14
NAESB WGQ Standard 5.4.15

Upload of Request for Download of Posted Datasets
Response to Upload of Request for Download of Posted Datasets

Upload of Request for Download of Posted Datasets, 5.4.14
Data Element Xref to X12
Heading DTM: Modify usage of data element 'Data Begin Date' from M to C.
Heading DTM: Modify usage of data element 'Data Begin Time' from SO to C.
Heading DTM: Modify usage of data element 'Data End Date' from SO to C.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

ASC X12

Heading DTM 050: Replace the segment notes as follows:

'For NAESB WGQ, this segment is conditional.

[skip a blank line]

If the Data End Date is not transmitted or the value of the Data End Date is after the request processing date, the request processing date will be substituted for the Data End Date.'

Heading DTM 050: DTM01: Mark code value '007' as not used. Add the element note 'Refer to "DTM Segment (Heading)" table for usage and values.'

Heading DTM 050: DTM06: Mark code values 'D8', 'DTS', 'RD8' as not used. Add the element note 'Refer to "DTM Segment (Heading)" table for usage and values.'

Heading DTM 050: DTM07: Replace the element note with the following:

'Refer to "DTM Segment (Heading)" table for usage and values.

[skip a blank line]

Data Begin Date, Data Begin Time, Data End Date'

Transaction Set Tables

Insert the following table and usage section above the 'LIN 235/234 Pairs (Detail)' table:

DTM Segment (Heading)

Element Name (DTM07)	Usage	DTM01	DTM06
Data Begin Date	C1	007	D8
Data Begin Date, Data Begin Time	C2	007	DTS
Data Begin Date, Data End Date	C3	007	RD8

Usage:

C1 When the Data Sets Requested data element is not equal to '16' (Pre-approved Bidder List), the Data Begin Date data element is mandatory.

C2 When the Data Sets Requested data element is not equal to '16' (Pre-approved Bidder List), the Data Begin Date data element is mandatory and the Data Begin Time data element is sender's option.

C3 When the Data Sets Requested data element is not equal to '16' (Pre-approved Bidder List), the Data Begin Date data element is mandatory and the Data End Date data element is sender's option.

LIN 235/234 Pairs (Detail) table: For the data element Data Sets Requested, insert the following code value and its corresponding description in numerical order:

Element Name	Usage	Elem 235	Elem 234	Description
Data Sets Requested	M	OA	16	Pre-approved Bidders List

Response to Upload of Request for Download of Posted Datasets, 5.4.15

Transaction Set Tables

LIN 235/234 Pairs (Detail) table: For the data element Data Sets Requested, insert the following code value and its corresponding description in numerical order:

Element Name	Usage	Elem 235	Elem 234	Description
Data Sets Requested	M	OA	16	Pre-approved Bidders List



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Accommodate the mutually agreeable capacity release related business practice of downloads of approved bidders list and the associated request for approved bidders list download.

b. Description of Recommendation:

EBB Internet Implementation Subcommittee

REVISED MOTION:

EII Task Force recommends request nos. R99012 and R99013 be declined because the approved bidders list may be displayed using EBB/EDM without developing EDI/EDM or FF/EDM alternatives.

Balanced Vote: February 25, 1999 2.37 In Favor 4.63 Opposed

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	2	2	0.00	2.00	2
Pipelines	14	1	15	1.87	0.13	2
Producers	0	1	1	0.00	1.00	1
Services	1	3	4	0.50	1.50	2
	15	7	22	2.37	4.63	7

Motion Fails

MOTION:

IR43: Instruct Information Requirements Subcommittee to accommodate the mutually agreeable capacity release related business practice of download of the approved bidders list and the associated request for approved bidders list download.

List data elements removing approved bidder indicator.

Add bidder company name with a usage of senders option to the list for the development of the EDI data sets.

Balanced Vote: February 25, 1999 6.27 In Favor 0.73 Opposed

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Requester: Williams Gas Pipeline
Request No.: R99013

LDCs	2	0	2	2.00	0.00	2
Pipelines	7	4	11	1.27	0.73	2
Producers	1	0	1	1.00	0.00	1
Services	5	0	5	2.00	0.00	2
	15	4	19	6.27	0.73	7

Motion Passes
Information Requirements Subcommittee

See minutes for the following NAESB WGQ Information Requirements Subcommittee meetings:

- September 10, 2002
- November 13, 2002
- June 30, 2005

MOTION – November 13, 2002

- Add a new mutually agreed capacity release dataset Pre-approved Bidders List (NAESB WGQ Standard 5.4.z) including a Technical Implementation of Business Process and Sample Paper. – see attached workpaper.
- Modify the dataset Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14) as follows:

Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14)

Business Name	Definition	Usage	Condition
Data Begin Date	The beginning date for the period over which the requested datasets were posted.	<u>MC</u>	<u>Mandatory when Data Sets Requested is not Pre-approved Bidders List.</u> <u>If Data Sets Requested is Pre-approved Bidders List, this data element is not used.</u>
Data Begin Time	The beginning time for the period over which the requested datasets were posted.	<u>SOc</u>	<u>Sender's Option when Data Sets Requested is not Pre-approved Bidders List.</u> <u>If Data Sets Requested is Pre-approved Bidders List, this data element is not used.</u>
Data End Date	The ending date for the period over which the requested datasets were posted.	<u>SOc</u>	<u>Sender's Option when Data Sets Requested is not Pre-approved Bidders List</u> <u>If Data Sets Requested is Pre-approved Bidders List, this data element is not used.</u>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

- Add the following code value to the data dictionary for the data element "Data Sets Requested" in the following documents:
 - Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14)
 - Response to Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.15)

Data Sets Requested

Code Value Description	Code Value Definition	Code Value
Pre-approved Bidders List	[no definition necessary]	16

- Modify the second and third paragraphs of the TIBP for the Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14):

In the Request, the data requester indicates what type(s) of report(s) are being requested by specifying the **data sets requested** field. This may include any or all of offers, bids, awards, operationally available, unsubscribed capacity, replacement capacity (where applicable), system wide notices, ~~or~~ withdrawals, or pre-approved bidders list (where mutually agreed).

For data sets being requested other than the pre-approved bidders list, the requester must specify the time period for which data is being requested. For the pre-approved bidders list the date and time information is not applicable. There are three time period formats from which to choose. The requester can use only the **data begin date**, the **data begin date and data begin time**, or the **data begin date and data end date**. If no data end date is specified, the end date is essentially the data process date and time, which is included on the response document. The data process date and time is the date and time the transportation service provider processed the request and may be considered a "current to" date and time.

- Modify the second paragraph of the TIBP for the Response to Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.15):

The **data sets requested** field from the request is echoed back in the Response. The **data availability code**, which is included in the Response for each type of document originally requested, indicates whether there are any documents meeting the date criteria specified in the request when the document being requested is other than the pre-approved bidders list. For the pre-approved bidders list, the data availability code indicates whether the requested data is currently available or the document is supported. The **data process date** and **data process time** are contained in the response. These indicate the date and time the response was processed. In addition, for the documents other than the pre-approved bidders list, the data process date and time and may be considered a "current to" date and time. Where no data end date was specified in the request, the data process date and time also represents the end date and time.

Balanced Vote: November 13, 2002 3.00 In Favor 0.00 Opposed

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

LDCs	0	0	0	0.00	0.00	0
Pipelines	4	0	4	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	1	0	1	1.00	0.00	1
	5	0	5	3.00	0.00	3

Motion Passes

MOTION – June 30, 2005

Based on the proposed implementation adopted by IR at its meeting of November 13, 2002, the following modifications should be made:

- For the data element “Pre-approved Bidder’s Data” and the corresponding indented data elements, the name should be changed to “Pre-approved Bidder” (no apostrophe ‘s’); and
- Code Values Log for the following two data sets, the code value description should be changed from ‘Pre-approved Bidder’s List’ to ‘Pre-approved Bidders List’:
 - NAESB WGQ Std. 5.4.14 Upload of Request for Download of Posted Datasets
 - NAESB WGQ Std. 5.4.15 Response to Upload of Request for Download of Posted Datasets

Balanced Vote: June 30, 2005 2.00 In Favor 0.00 Opposed

Vote				Balance	Balance	Balance
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	7	0	7	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	7	0	7	2.00	0.00	2

Technical Subcommittee

See minutes for the following NAESB WGQ Technical Subcommittee meetings:

- September 3, 2003
- October 6, 2003
- February 2, 2005 (request code from X12)
- June 29, 2005
- July 12, 2005
- August 26, 2005

Motion:

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	0	0	0	0



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Williams Gas Pipeline

Request No.: R99013

Services	0	0	0	0
Pipelines	6	2	0	0
Producers	0	0	0	0
Totals	6	2	0	0
Motion passes				

c. Business Purpose:

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

TECHNICAL IMPLEMENTATION OF BUSINESS PROCESS

The Pre-approved Bidders List dataset is a mutually agreed report from the **transportation service provider** to a **requester company**. The **pre-approved bidder** is a party that has been determined by the transportation service provider to be a pre-approved bidder for the purposes of capacity release. The data on the report is current as of the **statement date/time**.

The requester company and the transportation service provider are identified in the report by their entity common code number. Parties should mutually agree to use the Transportation Service Provider's proprietary entity code when the D-U-N-S® Number is not available.

When mutually agreed, the party requesting the report submits an Upload of Request for Download of Posted Datasets (NAESB WGQ Standard 5.4.14).

SAMPLE PAPER TRANSACTION**ABC Pipeline Company****Pre-approved Bidders List**

Transportation Service Provider: ABC Pipeline Company (006144656)

Requester: I.M. Requester Company (808300594)

Statement Date: May 17, 2003
Statement Time: 3:14 PM

Pre-approved Bidders: I M Okay Company (086427531)
Big City LDC (108822132)
Independent Power Co. (006933672)

Data Dictionary

Pre-approved Bidders List

Standard No. 5.4.z

Level	Business Name (Abbreviation)	Definition	EBB Usage	EDI/FF Usage	Condition
Dtl	Pre-approved Bidder Data	A party which has been pre-approved for capacity release bidding purposes.			
Dtl	Pre-approved Bidder* ⁴ (PAB)		M	M	
Dtl	Pre-approved Bidder Name (PAB Name)		M	M	
Dtl	Pre-approved Bidder Proprietary Code (PAB Prop)		C	C	Mandatory when Pre-approved Bidder is not present.
Hdr	Requester Company Data	The requesting company.			
Hdr	Requester Company Code * ⁴ (Req)		nu	M	
Hdr	Requester Company Proprietary Code (Req Prop)		nu	C	Mandatory when Requester Company Code is not present.
Hdr	Statement Date/Time (Stmt D/T)	Date and time the statement was produced.	M	M	

Level	Business Name (Abbreviation)	Definition	EBB Usage	EDI / FF Usage	Condition
Hdr	Transportation Service Provider Data	Identifies the party providing the requested service.			
Hdr	Transportation Service Provider * ⁴ (TSP)		M	M	
Hdr	Transportation Service Provider Name (TSP Name)		M	M	
Hdr	Transportation Service Provider Proprietary Code (TSP Prop)		C	C	Mandatory when Transportation Service Provider is not present.

RELEVANT FOOTNOTES:

* Indicates Common Code

*** The Transportation Service Provider's version of the name.

⁴ Refer to NAESB Standard No. 0.3.2

DATA ELEMENT CROSS REFERENCE TO ASC X12

Usage Codes: M - Mandatory, C - Conditional, SO - Sender's Option, BC - Business Conditional, MA - Mutually Agreeable, nu - not used

Heading:

Segment	Usage	Segment Name/GISB Data Element Name
ST	M	Transaction Set Header
BGN	M	Beginning Segment
NM1	M	Requester Company/Requester Company Proprietary Code
NM1	M	Transportation Service Provider Name
	M	Transportation Service Provider/ Transportation Service Provider Proprietary Code

Detail:

Segment	Usage	Segment Name/GISB Data Element Name
HL	M	Hierarchical Level segment (Party)
DTM	M	Statement Date/Time
NM1	M	Pre-approved Bidder Name
	M	Pre-approved Bidder/Pre-approved Bidder Proprietary Code

Summary:

Segment	Usage	Segment Name/GISB Data Element Name
SE	M	Transaction Set Trailer

SAMPLE ASC X12 TRANSACTION

ST*105*123456789
BGN*00*1*20030517****F2
NM1*R6*3*****1*808300594
NM1*SJ*3*ABC Pipeline Company*****1*006144656
HL*1**CP
DTM*102****DT*200305171514
NM1*JR*3*I M Okay Company*****1*086427531
NM1*JR*3*Big City LDC*****1*108822132
NM1*JR*3*Independent Power Co.*****1*006933672
SE*10*123456789

105 Business Entity Filings

Functional Group ID=**BF**

Heading:

	<u>Pos. No.</u>	<u>Seg. ID</u>	<u>Name</u>	<u>Req. Des.</u>	<u>Max.Use</u>	<u>Loop Repeat</u>
Must Use	0100	ST	Transaction Set Header	M	1	
Must Use	0200	BGN	Beginning Segment	M	1	
			LOOP ID - NM1			>1
Must Use	1100	NM1	Individual or Organizational Name	M	1	

Detail:

	<u>Pos. No.</u>	<u>Seg. ID</u>	<u>Name</u>	<u>Req. Des.</u>	<u>Max.Use</u>	<u>Loop Repeat</u>
			LOOP ID - HL			>1
Must Use	0100	HL	Hierarchical Level	M	1	
Must Use	0200	DTM	Date/Time Reference	O	>1	
			LOOP ID - NM1			>1
Must Use	0500	NM1	Individual or Organizational Name	O	1	
Must Use	5000	SE	Transaction Set Trailer	M	1	

NAESB WGQ Pre-approved Bidders List

Recommendation Attachment R99013

Segment: **ST** Transaction Set Header
Position: 0100
Loop:
Level: Heading
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u>	<u>Data</u>	<u>Name</u>	<u>Attributes</u>
	<u>Des.</u>	<u>Element</u>		
Must Use	ST01	143	Transaction Set Identifier Code 105 Business Entity Filings	M 1 ID 3/3
Must Use	ST02	329	Transaction Set Control Number	M 1 AN 4/9

NAESB WGQ Pre-approved Bidders List

Recommendation Attachment R99013

Segment: **BGN** Beginning Segment
Position: 0200
Loop:
Level: Heading
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u> <u>Des.</u>	<u>Data</u> <u>Element</u>	<u>Name</u>	<u>Attributes</u>
Must Use	BGN01	353	Transaction Set Purpose Code 00 Original	M 1 ID 2/2
Must Use	BGN02	127	Reference Identification <i>The number assigned by the transportation service provider.</i>	M 1 AN 1/50
Must Use	BGN03	373	Date <i>The pre-approved bidders list issue date.</i>	M 1 DT 8/8
Must Use	BGN07	640	Transaction Type Code F2 Pre-approved Bidders List	O 1 ID 2/2

NAESB WGQ Pre-approved Bidders List

Recommendation Attachment R99013

Segment: **NM1** Individual or Organizational Name
Position: 1100
Loop: NM1 Mandatory
Level: Heading
Usage: Mandatory
Max Use: 1
Notes: For NAESB WGQ, this segment should occur once for each value in the NM101 element.

Data Element Summary

	<u>Ref. Des.</u>	<u>Data Element</u>	<u>Name</u>	<u>Attributes</u>
Must Use	NM101	98	Entity Identifier Code R6 Requester Requester Company Code SJ Service Provider Transportation Service Provider	M 1 ID 2/3
Must Use	NM102	1065	Entity Type Qualifier 3 Unknown	M 1 ID 1/1
	NM103	1035	Name Last or Organization Name Transportation Service Provider Name For NAESB WGQ, this element is mandatory when NM101 = 'SJ' (Transportation Service Provider).	X 1 AN 1/60
Must Use	NM108	66	Identification Code Qualifier 1 D-U-N-S Number, Dun & Bradstreet For NAESB WGQ, this code value may only be used when sending the Requester Company Code or Transportation Service Provider. SV Service Provider Number For NAESB WGQ, this code value may only be used when sending the Requester Company Proprietary Code or the Transportation Service Provider Proprietary Code.	X 1 ID 1/2
Must Use	NM109	67	Identification Code Requester Company Code/Requester Company Proprietary Code, Transportation Service Provider/Transportation Service Provider Proprietary Code The data element maximum length indicated is reduced from that which is specified in the ASC X12 standards.	X 1 AN 2/17

NAESB WGQ Pre-approved Bidders List

Recommendation Attachment R99013

Segment: **HL** Hierarchical Level
Position: 0100
Loop: HL Mandatory
Level: Detail
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u>	<u>Data</u>	<u>Name</u>	<u>Attributes</u>
	<u>Des.</u>	<u>Element</u>		
Must Use	HL01	628	Hierarchical ID Number <i>sequential line item number</i>	M 1 AN 1/12
Must Use	HL03	735	Hierarchical Level Code CP Client or Party	M 1 ID 1/2

Segment: **DTM** **Date/Time Reference**
Position: 0200
Loop: HL Mandatory
Level: Detail
Usage: Optional (Must Use)
Max Use: >1
Notes: *For NAESB WGQ, this segment is mandatory.*

Data Element Summary

	Ref.	Data		Attributes
	Des.	Element	Name	
Must Use	DTM01	374	Date/Time Qualifier 102 Issue	M 1 ID 3/3
Must Use	DTM05	1250	Date Time Period Format Qualifier DT Date and Time Expressed in Format CCYYMMDDHHMM	X 1 ID 2/3
Must Use	DTM06	1251	Date Time Period <i>Statement Date/Time</i>	X 1 AN 1/35

NAESB WGQ Pre-approved Bidders List

Recommendation Attachment R99013

Segment: **NM1** Individual or Organizational Name
Position: 0500
Loop: NM1 Optional (Must Use)
Level: Detail
Usage: Optional (Must Use)
Max Use: 1
Notes: For NAESB WGQ, this segment is mandatory.

Data Element Summary

	<u>Ref.</u>	<u>Data</u>	<u>Attributes</u>
	<u>Des.</u>	<u>Element</u> <u>Name</u>	
Must Use	NM101	98 Entity Identifier Code JR Bidder	M 1 ID 2/3
Must Use	NM102	1065 Entity Type Qualifier 3 Unknown	M 1 ID 1/1
Must Use	NM103	1035 Name Last or Organization Name Pre-approved Bidder Name	X 1 AN 1/60
Must Use	NM108	66 Identification Code Qualifier 1 D-U-N-S Number, Dun & Bradstreet For NAESB WGQ, this code value may only be used when sending the Pre-approved Bidder. SV Service Provider Number For NAESB WGQ, this code value may only be used when sending the Pre-approved Bidder Proprietary Code.	X 1 ID 1/2
Must Use	NM109	67 Identification Code Pre-approved Bidder/Pre-approved Bidder Proprietary Code	X 1 AN 2/17

The data element maximum length indicated is reduced from that which is specified in the ASC X12 standards.

NAESB WGQ Pre-approved Bidders List

Recommendation Attachment R99013

Segment: **SE** Transaction Set Trailer
Position: 5000
Loop:
Level: Detail
Usage: Mandatory
Max Use: 1

Data Element Summary

	<u>Ref.</u>	<u>Data</u>	<u>Name</u>	<u>Attributes</u>
	<u>Des.</u>	<u>Element</u>		
Must Use	SE01	96	Number of Included Segments	M 1 N0 1/10
Must Use	SE02	329	Transaction Set Control Number	M 1 AN 4/9



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

**Request No.: R00022
Request No.: R00023**

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add the following four data elements to the header level of the data sets indicated below:

Data Elements added:
 Right of First Refusal Indicator
 Right of First Refusal Terms
 Rollover Rights Indicator
 Rollover Rights Terms

Applicable Data Sets:
 NAESB WGQ Standard 5.4.1 Offer Download
 NAESB WGQ Standard 5.4.7 Offer Upload
 NAESB WGQ Standard 5.4.9 Offer Upload Notification

- Add two code values for the data element Right of First Refusal Indicator in the following data sets:

NAESB WGQ Standard 5.4.1 Offer Download
 NAESB WGQ Standard 5.4.7 Offer Upload
 NAESB WGQ Standard 5.4.9 Offer Upload Notification



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

- Add two code values for the data element Rollover Rights Indicator in the following data sets:

NAESB WGQ Standard 5.4.1	Offer Download
NAESB WGQ Standard 5.4.7	Offer Upload
NAESB WGQ Standard 5.4.9	Offer Upload Notification
- Add six error and four warning code values for the data element Validation Code (Heading) in the following data sets:

NAESB WGQ Standard 5.4.8	Offer Upload Quick Response
--------------------------	-----------------------------
- Add the ability to send the Right of First Refusal Terms and the Rollover Rights Terms to NAESB WGQ Standard 5.4.17 Note/Special Instruction.

DATA DICTIONARY (for new documents and addition, modification or deletion of data elements)

Document Name and No.: NAESB WGQ Standard No. 5.4.7 Offer Upload

Business Name (Abbreviation)	Definition	EBB Usage	EDI/FF Usage	Condition
<u>Right of First Refusal Indicator</u> (ROFR Ind)	<u>An indicator which tells bidders on a permanent release whether the releasing contract has right of first refusal provisions.</u>	<u>BC</u>	<u>BC</u>	<u>May be used only when the Permanent Release Indicator indicates a permanent release and the transportation service provider requires this right of first refusal information.</u>
<u>Right of First Refusal Terms</u> (ROFR Terms)	<u>A description of the right of first refusal terms and conditions.</u>	<u>C</u>	<u>C</u>	<u>Mandatory when Releasing Shipper's Right of First Refusal Indicator is present and indicates that there is a right of first refusal provision(s).</u>
<u>Rollover Rights Indicator</u> (Rollover Ind)	<u>An indicator which tells bidders on a permanent release whether the releasing contract has a rollover rights provision.</u>	<u>BC</u>	<u>BC</u>	<u>May be used only when the Permanent Release Indicator indicates a permanent release and the transportation service provider requires this rollover rights information.</u>
<u>Rollover Rights Terms</u> (Rollover Terms)	<u>A description of the rollover rights provision.</u>	<u>C</u>	<u>C</u>	<u>Mandatory when Releasing Shipper's Rollover Rights Indicator is present and indicates that there is a rollover rights provision.</u>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

**Request No.: R00022
Request No.: R00023**

**Document Name and No.: NAESB WGQ Standard No. 5.4.1
NAESB WGQ Standard No. 5.4.9** **Offer Download
Offer Upload Notification**

Business Name (Abbreviation)	Definition	EBB Usage	EDI/FF Usage	Condition
<u>Right of First Refusal Indicator (ROFR Ind)</u>	<u>An indicator which tells bidders on a permanent release whether the releasing contract has right of first refusal provisions.</u>	<u>C</u>	<u>C</u>	<u>Mandatory when present and processed in the Offer Upload.</u>
<u>Right of First Refusal Terms (ROFR Terms)</u>	<u>A description of the right of first refusal terms and conditions.</u>	<u>C</u>	<u>C</u>	<u>Mandatory when present and processed in the Offer Upload.</u>
<u>Rollover Rights Indicator (Rollover Ind)</u>	<u>An indicator which tells bidders on a permanent release whether the releasing contract has a rollover rights provision.</u>	<u>C</u>	<u>C</u>	<u>Mandatory when present and processed in the Offer Upload.</u>
<u>Rollover Rights Terms (Rollover Terms)</u>	<u>A description of the rollover rights provision.</u>	<u>C</u>	<u>C</u>	<u>Mandatory when present and processed in the Offer Upload.</u>

CODE VALUES LOG (for addition, modification or deletion of code values)

**Document Name and No.: NAESB WGQ Standard No. 5.4.1
NAESB WGQ Standard No. 5.4.7
NAESB WGQ Standard No. 5.4.9** **Offer Download
Offer Upload
Offer Upload Notification**

Data Element: Right of First Refusal Indicator

Code Value Description	Code Value Definition	Code Value
<u>No</u>	<u>Releasing contract does not have a right of first refusal provision.</u>	<u>N</u>
<u>Yes</u>	<u>Releasing contract has a right of first refusal provision.</u>	<u>Y</u>

Data Element: Rollover Rights Indicator

Code Value Description	Code Value Definition	Code Value
<u>No</u>	<u>Releasing contract does not have a rollover rights provision.</u>	<u>N</u>
<u>Yes</u>	<u>Releasing contract has a rollover rights provision.</u>	<u>Y</u>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

**Request No.: R00022
Request No.: R00023**

Document Name and No.: NAESB WGQ Standard No. 5.4.8 Offer Upload Quick Response

Data Element: Validation Code (Heading)

Code Value	Code Value Description	Code Value Definition
<u>E543</u>	<u>Invalid Right of First Refusal Indicator</u>	<u>[no definition necessary]</u>
<u>E544</u>	<u>Missing Right of First Refusal Indicator</u>	<u>[no definition necessary]</u>
<u>E545</u>	<u>Missing Right of First Refusal Terms</u>	<u>[no definition necessary]</u>
<u>E546</u>	<u>Invalid Rollover Rights Indicator</u>	<u>[no definition necessary]</u>
<u>E547</u>	<u>Missing Rollover Rights Indicator</u>	<u>[no definition necessary]</u>
<u>E548</u>	<u>Missing Rollover Rights Terms</u>	<u>[no definition necessary]</u>
<u>W826</u>	<u>Right of First Refusal Indicator not processed</u>	<u>[no definition necessary]</u>
<u>W827</u>	<u>Right of First Refusal Terms not processed</u>	<u>[no definition necessary]</u>
<u>W828</u>	<u>Rollover Rights Indicator not processed</u>	<u>[no definition necessary]</u>
<u>W829</u>	<u>Rollover Rights Terms not processed</u>	<u>[no definition necessary]</u>

TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

**Document Name and No.: NAESB WGQ Standard No. 5.4.1 Offer Download
NAESB WGQ Standard No. 5.4.7 Offer Upload
NAESB WGQ Standard No. 5.4.8 Offer Upload Quick Response
NAESB WGQ Standard No. 5.4.9 Offer Upload Notification
NAESB WGQ Standard No. 5.4.17 Note/Special Instruction**

Offer Download, 5.4.1		
Data Element Xref to X12		
Header NTE: Insert two new rows after the "Right to Amend Primary Points Terms" data element row so that the end result is as follows:		
NTE	C	Right of First Refusal Terms
NTE	C	Rollover Rights Terms
Header N9: Insert two new rows after the "Recall Notification Period Indicator – Intraday 2" data element row so that the end result is as follows:		
N9	C	Right of First Refusal Indicator
N9	C	Rollover Rights Indicator
ASC X12		



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

**Request No.: R00022
Request No.: R00023**

Heading NTE segment (position 030): NTE02: Add the data elements “Right of First Refusal Terms” and “Rollover Rights Terms” to the end of the list of data elements so that the end result is as follows:

Special Terms and Miscellaneous Notes, Releasing Shipper's Contingency Terms, Bid Tie-breaking Method, Bid Evaluation Method, Recall/Reput Terms, Not a Stand-alone Offer Terms and Conditions, Right to Amend Primary Points Terms, Right of First Refusal Terms, Rollover Rights Terms

Heading N9 segment (position 290):

N901: Mark code values “40”, “41”, “42”, “43”, “44”, “45” as not used. Insert an element note as follows:

Refer to “N9 Segments (Heading)” table for usage and values.

N902: Mark code values “N” and “Y” as not used. Replace element note as follows:

Refer to “N9 Segments (Heading)” table for usage and values.

Business Day Indicator, Recall Notification Period Indicator - Timely, Recall Notification Period Indicator - Early Evening, Recall Notification Period Indicator - Evening, Recall Notification Period Indicator - Intraday1, Recall Notification Period Indicator - Intraday 2, Right of First Refusal Indicator, Rollover Rights Indicator

Transaction Set Tables

NTE Segments (Heading) table: Add two new rows at the bottom of the table as follows:

Element Name	Usage	NTE01	NTE02 Description
Right of First Refusal Terms	C7	REC	Right of First Refusal Terms
Rollover Rights Terms	C8	REV	Rollover Rights Terms

In addition, add the following two new notes under the “Notes:” section beneath the table:

C7 Mandatory when heading N901 = ‘46’ and N903 = ‘NTE’.

C8 Mandatory when heading N901 = ‘47’ and N903 = ‘NTE’.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

Insert a new table after the "PID Segments (Heading)" table so that the end result is as follows:

N9 Segments (Heading)

Element Name (N902)	Usage	N901	N902	N902 Description	N903	N903 Description
Business Day Indicator	C	40	Y N	Yes No	not used	
Recall Notification Period Indicator – Timely	C	41	Y N	Yes No	not used	
Recall Notification Period Indicator – Early Evening	C	42	Y N	Yes No	not used	
Recall Notification Period Indicator – Evening	C	43	Y N	Yes No	not used	
Recall Notification Period Indicator – Intraday 1	C	44	Y N	Yes No	not used	
Recall Notification Period Indicator – Intraday 2	C	45	Y N	Yes No	not used	
Right of First Refusal Indicator	C	46	Y N	Yes No	864 NTE	see n1
Rollover Rights Indicator	C	47	Y N	Yes No	864 NTE	see n1

Notes:

n1 This element (N903) will contain '864' when the terms are in the corresponding 864 transaction or the element will contain 'NTE' when the terms are in a NTE segment of this transaction.

Offer Upload, 5.4.7

Data Element Xref to X12

Header NTE: Insert two new rows after the "Right to Amend Primary Points Terms" data element row so that the end result is as follows:

NTE	C	Right of First Refusal Terms
NTE	C	Rollover Rights Terms

Header N9: Insert two new rows after the "Recall Notification Period Indicator – Intraday 2" data element row so that the end result is as follows:

N9	BC	Right of First Refusal Indicator
N9	BC	Rollover Rights Indicator

ASC X12

Heading NTE segment (position 030): NTE02: Add the data elements "Right of First Refusal Terms" and "Rollover Rights Terms" to the end of the list of data elements so that the end result is as follows:

Not a Stand-alone Offer Terms and Conditions, Special Terms and Miscellaneous Notes, Releasing Shipper's Contingency Terms, Bid Tiebreaking Method, Bid Evaluation Method, Recall/Reput Terms, Right to Amend Primary Points Terms, Right of First Refusal Terms, Rollover Rights Terms



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

Heading N9 segment (position 290): Replace the segment note as follows: "For NAESB WGQ, this segment is business conditional."

N901: Mark code values "40", "41", "42", "43", "44", "45" as not used. Insert an element note as follows:

Refer to "N9 Segments (Heading)" table for usage and values.

N902: Mark code values "N" and "Y" as not used. Replace element note as follows:

Refer to "N9 Segments (Heading)" table for usage and values.

Business Day Indicator, Recall Notification Period Indicator - Timely, Recall Notification Period Indicator - Early Evening, Recall Notification Period Indicator - Evening, Recall Notification Period Indicator - Intraday1, Recall Notification Period Indicator - Intraday 2, Right of First Refusal Indicator, Rollover Rights Indicator

Transaction Set Tables

NTE Segments (Heading) table: Add two new rows at the bottom of the table as follows:

Element Name	Usage	NTE01	NTE02 Description
Right of First Refusal Terms	C6	REC	Right of First Refusal Terms
Rollover Rights Terms	C7	REV	Rollover Rights Terms

In addition, add the following two new notes under the "Notes:" section beneath the table:

C7 Mandatory when heading N901 = '46' and N903 = 'NTE'.

C8 Mandatory when heading N901 = '47' and N903 = 'NTE'.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

Insert a new table after the "LIN 235/234 Pairs (Heading)" table so that the end result is as follows:

N9 Segments (Heading)

Element Name (N902)	Usage	N901	N902	N902 Description	N903	N903 Description
Business Day Indicator	C	40	Y N	Yes No	not used	
Recall Notification Period Indicator – Timely	C	41	Y N	Yes No	not used	
Recall Notification Period Indicator – Early Evening	C	42	Y N	Yes No	not used	
Recall Notification Period Indicator – Evening	C	43	Y N	Yes No	not used	
Recall Notification Period Indicator – Intraday 1	C	44	Y N	Yes No	not used	
Recall Notification Period Indicator – Intraday 2	C	45	Y N	Yes No	not used	
Right of First Refusal Indicator	C	46	Y N	Yes No	864 NTE	see n1
Rollover Rights Indicator	C	47	Y N	Yes No	864 NTE	see n1

Notes:

n1 This element (N903) will contain '864' when the terms are in the corresponding 864 transaction or the element will contain 'NTE' when the terms are in a NTE segment of this transaction.

Offer Upload Quick Response, 5.4.8

Transaction Set Tables

Errors and Warnings (Heading) table: Insert the following in numerical order:

Validation Code	Description
E543	Invalid Right of First Refusal Indicator
E544	Missing Right of First Refusal Indicator
E545	Missing Right of First Refusal Terms
E546	Invalid Rollover Rights Indicator
E547	Missing Rollover Rights Indicator
E548	Missing Rollover Rights Terms
W826	Right of First Refusal Indicator not processed
W827	Right of First Refusal Terms not processed
W828	Rollover Rights Indicator not processed
W829	Rollover Rights Terms not processed

Offer Upload Notification, 5.4.9

Data Element Xref to X12

Header NTE: Insert two new rows after the "Right to Amend Primary Points Terms" data element row so that the end result is as follows:

NTE	C	Right of First Refusal Terms
NTE	C	Rollover Rights Terms



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

**Request No.: R00022
Request No.: R00023**

Header N9: Insert two new rows after the "Recall Notification Period Indicator – Intraday 2" data element row so that the end result is as follows:

N9	C	Right of First Refusal Indicator
N9	C	Rollover Rights Indicator

ASC X12

Heading NTE segment (position 030):

NTE01:

Mark code value "REC" as used. Insert an element note as follows: "Right of First Refusal Terms"
Mark code value "REV" as used. Insert an element note as follows: "Rollover Rights Terms"

NTE02: Add the data elements "Right of First Refusal Terms" and "Rollover Rights Terms" to the end of the list of data elements so that the end result is as follows:

Not a Stand-alone Offer Terms and Conditions, Right to Amend Primary Points Terms, Special Terms and Miscellaneous Notes, Recall/Reput Terms, Releasing Shipper's Contingency Terms, Right of First Refusal Terms, Rollover Rights Terms

Heading N9 segment (position 290):

N901: Mark code values "40", "41", "42", "43", "44", "45" as not used. Insert an element note as follows:

Refer to "N9 Segments (Heading)" table for usage and values.

N902: Mark code values "N" and "Y" as not used. Replace element note as follows:

Refer to "N9 Segments (Heading)" table for usage and values.

Business Day Indicator, Recall Notification Period Indicator - Timely, Recall Notification Period Indicator - Early Evening, Recall Notification Period Indicator - Evening, Recall Notification Period Indicator - Intraday1, Recall Notification Period Indicator - Intraday 2, Right of First Refusal Indicator, Rollover Rights Indicator

Transaction Set Tables


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

Insert a new table after the "LIN 235/234 Pairs (Heading)" table so that the end result is as follows:

N9 Segments (Heading)

Element Name (N902)	Usage	N901	N902	N902 Description	N903	N903 Description
Business Day Indicator	C	40	Y N	Yes No	not used	
Recall Notification Period Indicator – Timely	C	41	Y N	Yes No	not used	
Recall Notification Period Indicator – Early Evening	C	42	Y N	Yes No	not used	
Recall Notification Period Indicator – Evening	C	43	Y N	Yes No	not used	
Recall Notification Period Indicator – Intraday 1	C	44	Y N	Yes No	not used	
Recall Notification Period Indicator – Intraday 2	C	45	Y N	Yes No	not used	
Right of First Refusal Indicator	C	46	Y N	Yes No	864 NTE	see n1
Rollover Rights Indicator	C	47	Y N	Yes No	864 NTE	see n1

Notes:

n1 This element (N903) will contain '864' when the terms are in the corresponding 864 transaction or the element will contain 'NTE' when the terms are in a NTE segment of this transaction.

Note/Special Instruction, 5.4.17

ASC X12

Detail MIT segment (position 010): MIT01:

Insert code value 'REC' with the code value note "Right of First Refusal Terms"

Insert code value 'REV' with the code value note "Rollover Rights Terms"

Detail MSG segment (position 080): MSG01: Add the data elements "Right of First Refusal Terms" and "Rollover Rights Terms" to the end of the list of data elements so that the end result is as follows:

Comments and Notes, Not a Stand-alone Offer Terms and Conditions, Special Terms and Miscellaneous Notes, Releasing Shipper's Contingency Terms, Bid Tie-breaking Method, Bid Evaluation Method, Recall/Reput Terms, Not a Stand-alone Bid Terms and Conditions, Bidder's Contingency Terms, Right to Amend Primary Points Terms, Right of First Refusal Terms, Rollover Rights Terms



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

4. SUPPORTING DOCUMENTATION

a. Description of Request:

R00022: Add Right of First Refusal Indicator and Right of First Refusal Terms data elements to the header level of the Offer Download (5.4.1), Offer Upload (5.4.7) and Offer Upload Notification (5.4.9). It is also requested that validation codes be added to the Offer Upload Quick Response (5.4.8).

R00023: Add Rollover Rights Indicator and Rollover Rights Terms data elements to the header level of the Offer Download (5.4.1), Offer Upload (5.4.7) and Offer Upload Notification (5.4.9). It is also requested that validation codes be added to the Offer Upload Quick Response (5.4.8).

b. Description of Recommendation:

Business Practices Subcommittee

See meeting minutes for the following Business Practices Subcommittee meetings:

- March 15, 2001
- March 29, 2001

MOTIONS March 29, 2001

R00022: BPS instructs the Information Requirements Subcommittee to accommodate the business conditional business practice of specifying in the Offer Upload whether the contract has right of first refusal provisions and, if so, include the terms. If this information is provided, it also should be included in the Offer Upload Notification and the Offer Download

Vote				Balance	Balance	Balance
	For	Against	Total	For	Against	Total
End Users	1	0	1	1.00	0.00	1
LDCs	1	0	1	1.00	0.00	1
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	1	0	1	1.00	0.00	1
	11	0	11	5.00	0.00	5

Motion Passes

R00023: BPS instructs the Information Requirements Subcommittee to accommodate the business conditional business practice of specifying in the Offer Upload whether the contract has rollover rights provisions and, if so, include the terms. If this information is provided, it also should be included in the Offer Upload Notification and the Offer Download..


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: R00022

Request No.: R00023

Vote				Balance	Balance	Balance
	For	Against	Total	For	Against	Total
End Users	1	0	1	1.00	0.00	1
LDCs	1	0	1	1.00	0.00	1
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	1	0	1	1.00	0.00	1
	11	0	11	5.00	0.00	5

Motion Passes
Information Requirements Subcommittee

See meeting minutes for the following Information Requirements Subcommittee meetings:

- February 4, 2005
- March 16, 2006

Motion – 2/4/05:

Adopt the proposed implementation for R00022 & R00023 (see minutes of February 4, 2005 for exact wording of motion).

Vote				Balance	Balance	Balance
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	8	0	8	2.00	0.00	2

Motion Passes
Motion – 3/16/2006:

By motion February 22, 2005, IR adopted a proposed implementation for R00022/R00023. The following Code Values Table replaces the one contained in that proposed implementation. The remainder of the previously proposed implementation remains unchanged.

Document Name and No.: Offer Upload Quick Response

NAESB WGQ Std. 5.4.8

Data Element: Validation Code (Heading)

Code Value	Code Value Description	Code Value Definition
E	Invalid Right of First Refusal Indicator	[no definition necessary]



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: **Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

Request No.: **R00022**

Request No.: **R00023**

Code Value	Code Value Description	Code Value Definition
<u>E</u>	<u>Invalid Rollover Rights Indicator</u>	[no definition necessary]
<u>E</u>	<u>Missing Right of First Refusal Indicator</u>	[no definition necessary]
<u>E</u>	<u>Missing Right of First Refusal Terms</u>	[no definition necessary]
<u>E</u>	<u>Missing Rollover Rights Indicator</u>	[no definition necessary]
<u>E</u>	<u>Missing Rollover Rights Terms</u>	[no definition necessary]
<u>W</u>	<u>Right of First Refusal Indicator not processed</u>	[no definition necessary]
<u>W</u>	<u>Right of First Refusal Terms not processed</u>	[no definition necessary]
<u>W</u>	<u>Rollover Rights Indicator not processed</u>	[no definition necessary]
<u>W</u>	<u>Rollover Rights Terms not processed</u>	[no definition necessary]

Vote				Balance	Balance	Balance
	For	Against	Total	d	d	d
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	9	0	9	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	9	0	9	2.00	0.00	2

Motion Passes

Technical Subcommittee

See meeting minutes for the following Technical Subcommittee meetings:

- February 24, 2006
- March 15, 2006

Motion:

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	0	0	0	0
Services	0	0	0	0
Pipelines	7	2	0	0
Producers	0	0	0	0
Totals	7	2	0	0
Motion passes				



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Enron Gas Pipeline Group
(Transwestern)
Enron Gas Pipeline Group
(Transwestern)**

**Request No.: R00022
Request No.: R00023**

c. Business Purpose:

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add new data element "Discount Indicator – Non-reservation" (detail level) and corresponding code values in the following data sets:

NAESB WGQ Standard No. 5.4.1	Offer Download
NAESB WGQ Standard No. 5.4.7	Offer Upload
NAESB WGQ Standard No. 5.4.9	Offer Upload Notification

- Add three code values for the data element "Discount Indicator" in the following data sets:

NAESB WGQ Standard No. 5.4.1	Offer Download
NAESB WGQ Standard No. 5.4.7	Offer Upload
NAESB WGQ Standard No. 5.4.9	Offer Upload Notification

- Add three validation codes (detail level) in NAESB WGQ Standard No 5.4.8 – Offer Upload Quick Response.


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Requester: Tennessee Gas Pipeline
 ANR Gas Pipeine

Request No.: R02003
Request No.: R02004

DATA DICTIONARY (for new documents and addition, modification or deletion of data elements)

Document Name and No.: NAESB WGQ Standard No. 5.4.7 **Offer Upload**

Business Name (Abbreviation)	Definition	EBB Usage	EDI/FF Usage	Condition
<u>Discount Indicator – Non-reservation Data</u>	<u>An indicator which tells bidders whether the Releasing Shipper intends for non-reservation discounts associated with a contract to be passed to the Replacement Shipper.</u>			
<u>Discount Indicator – Non-reservation</u> <u>(Disc Ind Non-res)</u>		BC	BC	<u>The discount indicator is used by Transportation Service Providers that discount charges other than the reservation charge.</u>
<u>Discount Indicator – Non-reservation Description</u> <u>(Disc Ind Non-res Desc)</u>		BC	nu	

Document Name and No.: NAESB WGQ Standard No. 5.4.1 **Offer Download**
 NAESB WGQ Standard No. 5.4.9 **Offer Upload Notification**

Business Name (Abbreviation)	Definition	EBB Usage	EDI/FF Usage	Condition
<u>Discount Indicator – Non-reservation Data</u>	<u>An indicator which tells bidders whether the Releasing Shipper intends for non-reservation discounts associated with a contract to be passed to the Replacement Shipper.</u>			



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

<p><u>Discount Indicator – Non-reservation</u> (Disc Ind Non-res)</p>		<p><u>C</u></p>	<p><u>C</u></p>	<p><u>Mandatory when present and processed in the Offer Upload.</u></p> <p><u>For EBB, at least one of Discount Indicator – Non-reservation or Discount Indicator – Non-reservation Description is required.</u></p>
<p><u>Discount Indicator – Non-reservation Description</u> (Disc Ind Non-res Desc)</p>		<p><u>C</u></p>	<p><u>nu</u></p>	<p><u>Mandatory when present and processed in the Offer Upload.</u></p> <p><u>For EBB, at least one of Discount Indicator – Non-reservation or Discount Indicator – Non-reservation Description is required.</u></p>

CODE VALUES LOG (for addition, modification or deletion of code values)

Document Name and No.: NAESB WGQ Standard No. 5.4.1 Offer Download
 NAESB WGQ Standard No. 5.4.7 Offer Upload
 NAESB WGQ Standard No. 5.4.9 Offer Upload Notification

Data Element: Discount Indicator – Non-reservation

Code Value Description	Code Value Definition	Code Value
<p><u>No - all non-reservation discounts should not be passed to the replacement shipper.</u></p>	<p>[no definition necessary]</p>	<p><u>N</u></p>
<p><u>Yes – all non-reservation discounts should be passed to the replacement shipper.</u></p>	<p>[no definition necessary]</p>	<p><u>Y</u></p>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

Data Element: Discount Indicator

Code Value Description	Code Value Definition	Code Value
<p>The rates associated with the <u>capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in the discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in the discount or negotiated rate agreement to be paid by the releasing shipper.</u></p>	<p>[no definition necessary]</p>	<p><u>5</u></p>
<p>The rates associated with the <u>capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate times the replacement shipper's contract TQ (Transportation Quantity), with the remaining charges, if any, to be paid by the releasing shipper.</u></p>	<p>[no definition necessary]</p>	<p><u>6</u></p>



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

Code Value Description	Code Value Definition	Code Value
<p>The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate, with the remaining charges, if any, to be paid by the releasing shipper. Such payment may be in the form of a reduction of credit to the releasing shipper.</p>	[no definition necessary]	Z

Data Set: NAESB WGQ Standard No. 5.4.8 Offer Upload Quick Response

Data Element: Validation Code (Detail)

Code Value	Code Value Description	Code Value Definition
E629	Missing Discount Indicator - Non-reservation	[no definition necessary]
E630	Invalid Discount Indicator - Non-reservation	[no definition necessary]
W904	Discount Indicator - Non-reservation not used	[no definition necessary]



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: Tennessee Gas Pipeline **Request No.:** R02003
 ANR Gas Pipeine **Request No.:** R02004

TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

Document Name and No.: **NAESB WGQ Standard No. 5.4.1** **Offer Download**
 NAESB WGQ Standard No. 5.4.7 **Offer Upload**
 NAESB WGQ Standard No. 5.4.8 **Offer Upload Quick Response**
 NAESB WGQ Standard No. 5.4.9 **Offer Upload Notification**

Offer Download, 5.4.1				
Data Element Xref to X12				
Detail PO1: Insert a new row after the "Rate Schedule" data element row so that the end result is as follows:				
C Discount Indicator – Non-reservation				
ASC X12				
Detail PO1 segment (position 010):				
PO107: Add the data element "Discount Indicator – Non-reservation" to the end of the list of data elements so that the end result is as follows:				
Rate Form/Type Code, Location/Quantity Type Indicator, Reservation Rate Basis, Discount Indicator, Rate Schedule, Discount Indicator – Non-reservation				
PO116: Mark as used. Insert an element note as follows:				
Refer to "PO1 235/234 Pairs (Detail)" table for usage and values.				
PO117: Mark as used. Insert an element note as follows:				
Refer to "PO1 235/234 Pairs (Detail)" table for usage and values.				
Transaction Set Tables				
PO1 235/234 Pairs (Detail) table: Insert a new row after the "Rate Schedule" data element row as follows:				
Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator – Non-reservation	C	RA	N Y	No - all non-reservation discounts should not be passed to the replacement shipper. Yes – all non-reservation discounts should be passed to the replacement shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	5	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in the discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in the discount or negotiated rate agreement to be paid by the releasing shipper.

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	6	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate times the replacement shipper's contract TQ (Transportation Quantity), with the remaining charges, if any, to be paid by the releasing shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	7	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate, with the remaining charges, if any, to be paid by the releasing shipper . Such payment may be in the form of a reduction of credit to the releasing shipper.

Offer Upload, 5.4.7

Data Element Xref to X12

Detail PO1: Insert a new row after the "Rate Schedule" data element row so that the end result is as follows:

BC Discount Indicator – Non-reservation

ASC X12

Detail PO1 segment (position 010):

PO107: Add the data element "Discount Indicator – Non-reservation" to the end of the list of data elements so that the end result is as follows:

Location/Quantity Type Indicator, Rate Form/Type Code, Rate Schedule, Discount Indicator, Reservation Rate Basis, Discount Indicator – Non-reservation

PO116: Mark as used. Insert an element note as follows:

Refer to "PO1 235/234 Pairs (Detail)" table for usage and values.

PO117: Mark as used. Insert an element note as follows:

Refer to "PO1 235/234 Pairs (Detail)" table for usage and values.

Transaction Set Tables



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: Insert a new row after the "Rate Schedule" data element row as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator – Non-reservation	BC	RA	N	No - all non-reservation discounts should not be passed to the replacement shipper. Yes – all non-reservation discounts should be passed to the replacement shipper.
			Y	

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	5	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in the discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in the discount or negotiated rate agreement to be paid by the releasing shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeine**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	6	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate times the replacement shipper's contract TQ (Transportation Quantity), with the remaining charges, if any, to be paid by the releasing shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	7	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate, with the remaining charges, if any, to be paid by the releasing shipper . Such payment may be in the form of a reduction of credit to the releasing shipper.

Offer Upload Quick Response, 5.4.8

Transaction Set Tables

Errors and Warnings (Detail) table: Insert the following in numerical order:

Validation Code	Description
E629	Missing Discount Indicator – Non-reservation
E630	Invalid Discount Indicator – Non-reservation
W904	Discount Indicator – Non-reservation not used

Offer Upload Notification, 5.4.9

Data Element Xref to X12

Detail PO1: Insert a new row after the "Rate Schedule" data element row so that the end result is as follows:

C Discount Indicator – Non-reservation

ASC X12



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeine**

**Request No.: R02003
Request No.: R02004**

Detail PO1 segment (position 010):

PO107: Add the data element "Discount Indicator – Non-reservation" to the end of the list of data elements so that the end result is as follows:

Location/Quantity Type Indicator, Rate Schedule, Rate Form/Type Code, Discount Indicator, Reservation Rate Basis, Discount Indicator – Non-reservation

PO116: Mark as used. Insert an element note as follows:

Refer to "PO1 235/234 Pairs (Detail)" table for usage and values.

PO117: Mark as used. Insert an element note as follows:

Refer to "PO1 235/234 Pairs (Detail)" table for usage and values.

Transaction Set Tables

PO1 235/234 Pairs (Detail) table: Insert a new row after the "Rate Schedule" data element row as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator – Non-reservation	C	RA	N	No - all non-reservation discounts should not be passed to the replacement shipper.
			Y	Yes – all non-reservation discounts should be passed to the replacement shipper.

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	5	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in the discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in the discount or negotiated rate agreement to be paid by the releasing shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeine**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	6	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate times the replacement shipper's contract TQ (Transportation Quantity), with the remaining charges, if any, to be paid by the releasing shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**

**Request No.: R02003
Request No.: R02004**

PO1 235/234 Pairs (Detail) table: For the data element "Discount Indicator", insert an additional code value in the Elem 234 and Description columns, so that the end result is as follows:

Element Name	Usage	Elem 235	Elem 234	Description
Discount Indicator	MA	R9	7	The rates associated with the capacity being released may include rates subject to a discount or negotiated rate arrangement between the releasing shipper and the transportation service provider. Nominations to points that are not listed as a discounted or negotiated rate point in such discount or negotiated rate agreement will result in additional charges consistent with the terms set forth in such discount or negotiated rate agreement. Subject to the terms of the release, these charges can be paid by either the replacement or releasing shipper provided, however, that the replacement shipper shall pay no more than the applicable maximum rate, with the remaining charges, if any, to be paid by the releasing shipper . Such payment may be in the form of a reduction of credit to the releasing shipper.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

R02003 Requesting a new Capacity Release data element - Discount Indicator – Non-Reservation. The element will be used to indicate if the Releasing Shipper intends for non-reservation discounts associated with a contract to be passed to the replacement shipper.

R02004 New code values for the discount indicator in the Capacity Release Data Sets.

b. Description of Recommendation:

Business Practices Subcommittee

See meeting minutes for Business Practices Subcommittee as follows:

- May 8, 2002
- June 6, 2002

Motion: R02003 – June 6, 2002



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Requester: **Tennessee Gas Pipeline
ANR Gas Pipeline** Request No.: **R02003**
Request No.: **R02004**

BPS instructs the Information Requirements Subcommittee to accommodate the following business conditional business practice in the Offer Upload and throughout the remaining Capacity Release business process: the ability for the releasing shipper to indicate whether non-reservation discounts associated with the contract are to be passed to the replacement shipper.

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	1	1	0	0
LDCs	2	2	0	0
Services	1	1	0	0
Pipelines	9	2	0	0
Producers	0	0	0	0
Totals	13	6	0	0

Motion Passes

Information Requirements Subcommittee

See meeting minutes for Information Requirements Subcommittee as follows:

- March 13, 2005
- April 15, 2005
- December 2, 2005

Motion: December 2, 2005:

Adopt the proposed implementation for R02003 / R02004 as set forth on the attached work paper (Attachment 2 to minutes).

Vote				Balance	Balance	Balance
	For	Against	Total	d For	d Against	d Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	8	0	8	2.00	0.00	2

Motion Passes


RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
**Requester: Tennessee Gas Pipeline
ANR Gas Pipeline**
**Request No.: R02003
Request No.: R02004**
Technical Subcommittee

See meeting minutes for Technical Subcommittee as follows:

- March 15, 2006

Motion:

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	0	0	0	0
Services	0	0	0	0
Pipelines	7	2	0	0
Producers	0	0	0	0
Totals	7	2	0	0
Motion passes				

c. Business Purpose:
d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
May 9-11, 2006

Wholesale Gas Quadrant

TAB 18

Minor Corrections

- To approve the minor corrections would require 67% of each of the WGQ EC members) and 40% of each segment's EC members.
- The materials in Tab 18 correspond to agenda item 5 for the WGQ EC agenda.
- Included for vote to approve as minor corrections are:
 - Internet ET
 - Trading Partner Agreement
 - WGQ EDM
 - Correction to condition for data element in the Request for Information – NAESB WGQ 2.4.7
 - Introductory section of "Usage Requirements" area in all manuals
 - Introductory section of "HTTP" area in all manuals
 - NAESB WGQ 2.3.21

To: NAESB Office, WGQ/REQ/RGQ Executive Committee Chairs

From: WGQ EDM & REQ/RGQ TEIS Subcommittees

Subject: Minor Correction – NAESB Internet ET (slated for Version 1.8 publication)

Date: March 1, 2006

On March 1, 2006, the WGQ EDM Subcommittee determined that the NAESB Internet ET Implementation Manual (slated for Version 1.8) has the following minor correction that needs to be made:

On page 29 of the NAESB Internet ET (slated for Version 1.8 publication), in the gray-boxed example (bottom of the page), there are not blank lines inserted as they should be to separate parts of the message. See highlighted yellow text below (excerpt from current implementation manual). Without the blank lines, the MIME-multi-part parser will not work properly (meaning, the automated program reading the file cannot distinguish between one instruction and the next):

EXAMPLE: AN X12 EDI FILE ENCRYPTED WITH PGP

```
content-type: multipart/encrypted; boundary=--boundary2--200309090001;
protocol="application/pgp-encrypted"
----boundary2--200309090001
content-type: application/pgp-encrypted
Version: 1
----boundary2--200309090001
content-type: application/octet-stream
-----BEGIN PGP MESSAGE-----
Version: PGP 6.5
hQCMAzRG1pEOIOvdAQP+JMr0m/9+8yOL60Z9Vr6fFV81FCExB/o0xmwiMkiwYsHsz0e8sb7Er340MrNA/dw3taGMj
mI+CXyRF/PLEdg1NZE1ZCtNeL4YdIHAMLWwODG1QxhSucz8rMSgQ5mZzcOJwBdWLW70efgsu/9U1juJjYc1uZ6C03
eFQv/43fkB+a1ATtgydxX4g8QK664ad+Jo/XUICSmWBL66fqJR1KLeLf4wTaqGyl74Aq48WpwwglEh785zC03UAW0
qq0ugMt86dPeyd91e2JigqwDYef/DYEK0J9BGiGpS/uAupNKj80cp2IWClxKOGUbxpVNOnNTqWHS/GntegvDE/7/
ewCxDxsnmQS95p0l14lQZlRQbeNaqx2Dq/ra9g65HNchOCzjul5Vi8HHf6Yhg2WnROe+npByyCue6rihqgNVOJwj0
cVzpb4JE+gMDf3q4ISUblFv7/+SSFHDdnhdC5YTpqf1Bc3B07hiLmtTXqNit31EbX9.UVElObzSa9Zhx6C6/eSl7N
uf5ZTDsh9nrk+QQJ6FeC9W4cqXLj7IZySaRO8Vtff+4ktqeuYusT4kSpnk027aw40/5jomUkfb22CAe4=
=Oiuo
-----END PGP MESSAGE-----
----boundary2--200309090001--
```

This example needs to be corrected to insert a blank lines as indicated below:

EXAMPLE: AN X12 EDI FILE ENCRYPTED WITH PGP

```
content-type: multipart/encrypted; boundary=--boundary2--200309090001;
protocol="application/pgp-encrypted"

----boundary2--200309090001
content-type: application/pgp-encrypted

Version: 1

----boundary2--200309090001
content-type: application/octet-stream
```

-----BEGIN PGP MESSAGE-----

Version: PGP 6.5

hQCMAzRGlpEOIOvdAQP+JMr0m/9+8yOL60Z9Vr6fFV81FCExB/o0xmwiMkiwYsHsz0e8sb7Er340MrNA/dw3taGMj
mI+CXyRF/PLEdg1NZE1ZCtNeL4YdIHAMLWwODG1QxhSucz8rMSgQ5mZzcOJwBdWLW70efgsu/9U1juJjYcluZ6C03
eFQv/43fkB+a1ATtgydxX4g8QK664ad+Jo/XUICSmWBL66fqJR1KLeLf4wTaqGy174Aq48WpwwglEh785zC03UAW0
qg0ugMt86dPeyd91e2JigqwDYef/DYEKD0J9BGiGpS/uAupNKj80cp2IWC1xKOGUbxpVNOnTqWHS/GntegvDE//
ewCxDxsnmQS95p01141QZ1RQbeNaqx2Dq/ra9g65HNchOCzjul5Vi8HHf6Yhg2WnROe+npByyCue6rihqgNVOJwj0
cVzpb4JE+gMdf3q4ISub1Fv7/+SSFHDDnhdc5YTpqf1Bc3B07hiLmtTXqNit31EbX9.UVE1ObzSa9ZhxbC6/eS17N
uf5ZTDsh9nrk+QQJ6FeC9W4cqXLj7IZySaRO8Vtff+4ktqeuHysT4kSpnk027aw40/5jomUkfb22CAe4=
=Oiuo

-----END PGP MESSAGE-----

-----boundary2--200309090001-

On April 6, 2006, the Retail Gas Quadrant/Retail Electric Quadrant Technical Electronic Implementation Subcommittee voted unanimously in support of the above referenced minor correction.

To: NAESB Office, WGQ Executive Committee Chairs
From: WGQ EDM Subcommittee
Subject: Minor Correction – WGQ EDM Version 1.7
Date: March 1, 2006

On March 1, 2006, the WGQ EDM Subcommittee determined that the WGQ EDM Implementation Manual Version 1.7, as published by NAESB on December 31, 2003, has the following minor correction that needs to be made:

On page 77, in the gray-boxed example, there is not a blank line inserted between “Content-Type: application/pgp-signature” and “-----BEGIN PGP MESSAGE-----” as seen highlighted in yellow below (excerpt from current implementation manual). Without the blank line, the MIME-multi-part parser will not be able to detect the beginning of the PGP Signature (meaning, the automated program reading the file cannot distinguish between one instruction and the next):

```
request-status=EEDM601: Public Key Invalid*
comments=Please contact 1-800-555-1212 for correct public key*
```

```
--GISB7868--
--8760
```

```
Content-Type: application/pgp-signature
-----BEGIN PGP MESSAGE-----
```

```
Version: 2.6.2
```

```
iQCVAwUBMJrRF2N9oWBghPDJAQE9UQQAAt7LuRVndBjrk4EqYBlb3
h5QXIX/LC//JV5bNvkZIGPicEmI5iFd9boEgvpirHtIREEqLQRkYNoBAct
FBZmh9GC3C041WGquMbrbxc+nls1TIKIA08rVi9ig/2Yh7LFrK5Ein57U/
W72vgSxLhe/zhdfoIT9BrnHOxEa44b+EI=
=ndaj
```

```
-----END PGP MESSAGE-----
```

```
--8760--.
```

This example needs to be corrected to insert a blank line between
“Content-Type: application/pgp-signature” and “-----BEGIN PGP MESSAGE-----”
as seen below:

```
request-status=EEDM601: Public Key Invalid*  
comments=Please contact 1-800-555-1212 for correct public key*
```

```
--GISB7868--  
--8760
```

```
Content-Type: application/pgp-signature
```

```
-----BEGIN PGP MESSAGE-----
```

```
Version: 2.6.2
```

```
iQCVAwUBMJrRF2N9oWBghPDJAE9UQQAtI7LuRVndBjrk4EqYBlb3  
h5QXIX/LC//JV5bNvkZIGPlcEmI5iFd9boEgvpHtIREEqLQRkYNoBAc  
FBZmh9GC3C041WGquMbrbxc+nls1TIKIA08rVi9ig/2Yh7LFrK5Ein57U/  
W72vgSxLhe/zhdfoIT9BrnHOxEa44b+EI=  
=ndaj
```

```
-----END PGP MESSAGE-----
```

```
--8760--.
```

To: NAESB Office, WGQ Executive Committee Chairs

From: Dale Davis, Williams Gas Pipeline

Subject: Minor Correction:
R98040, R98050 and R01018 – Storage Information NAESB WGQ
0.4.z1

Date: April 26, 2006

In February, 2005, the WGQ Executive Committee adopted the recommendation for R98040, R98050 and R01018 which included, for the most part, a new data set for Storage Information. Another aspect to the recommendation was to make needed corresponding modifications to the Request for Information, NAESB WGQ Standard 2.4.7. Set forth below is a minor correction to the condition for one of data elements that was modified in the Request for Information:

Document Name and No.: Request for Information, NAESB WGQ Std. 2.4.7

Business Name (Abbreviation)	Definition	EDI / FF Usage	Condition
Location Data	Unique identification of a point.		
Location Code * ** (Loc)		C	Mandatory when Data Sets Requested is 'Allocation for a specified location', otherwise not used.
Location Proprietary Code (Loc Prop)		C	Mandatory when Data Sets Requested the following two conditions are present: <ul style="list-style-type: none"> • <u>Data Sets Requested</u> is 'Allocation for a specified location' and • Location Code is not present; Otherwise not used.

To: NAESB Office, WGQ Executive Committee Chairs

From: Dale Davis, Williams Gas Pipeline

Subject: Minor Correction
RE: Usage Requirements descriptions shown under tabs 6 and greater in the Introduction section for all of the NAESB WGQ Standards Implementation Manuals

Date: April 26, 2006

In the course of assisting the NAESB Office in the preparation of the publication for NAESB WGQ Version 1.8 it has come to my attention that there is a minor correction that needs to be made to the Usage Requirements descriptions shown under Tabs 6 and greater in the Introduction section for all of the NAESB WGQ Standards Implementation Manuals. Specially, in the Introduction of each of the NAESB WGQ Implementation Manuals, there is an explanation regarding the usages in the standards (e.g. mandatory, conditional, mutually agreed, etc.). This section incorporates NAESB WGQ Standard 1.2.2, however, the punctuation is confusing. I would like to propose the following revision:

Usage Requirements

All data elements in the Data Dictionary, Data Element Cross Reference to ASC X12, and ASC X12 Transaction Set and Transaction Set Tables indicate the usage of that element. The data element usage definitions are set forth in according to NAESB WGQ Standard 1.2.2 are: which states:

All trading partners should accept all NAESB WGQ standard data elements. Usage should be characterized as either mandatory, conditional, sender's option, business conditional, and mutually agreeable.

Mandatory (M) means the data element (information) must be supplied in the transaction. Conditional (C) means that the presence of data in a field is determined by the presence or lack of data in another field within the transmittal or related data sets.

Sender's option (SO) means that this element is optional for the sender to send and, if sent, the receiver should receive and process.

Business conditional (BC) means the data element is based on current variations in business practice. The business practice will be described herein, with an example. Over time, NAESB WGQ expects that as business practices are standardized, elements will move out of this category. Business Conditional elements which are not supported/required by the receiver will be acknowledged in the response document with a warning message code indicating that the data elements were ignored by the receiver. (In some instances, this category will be used for country-to-country issues. Annually, NAESB WGQ will consider whether any data element will continue to be categorized with this usage code.)

Mutually agreeable (MA) means that the data element is mutually agreed to between trading partners. It must be presented to NAESB WGQ for technical implementation. It does not, by its definition, create a NAESB WGQ standard business practice. Usage of this element in no way can be mandated for inclusion by either trading partner in order to achieve a level of service.

To: NAESB Office, WGQ Executive Committee Chairs

From: Christopher Burden, Williams Gas Pipeline

Subject: Minor Correction
RE: HTTP reference in the Related Standards – Hypertext Transfer Protocol (HTTP) section for all of the NAESB WGQ Standards Implementation Manuals

Date: April 26, 2006

In the course of assisting the NAESB Office in the preparation of the publication for NAESB WGQ Version 1.8 it has come to my attention that there is a minor correction that needs to be made to the Related Standards – Hypertext Transfer Protocol (HTTP) section for all of the NAESB WGQ Standards Implementation Manuals. In the Related Standards – Hypertext Transfer Protocol (HTTP) section, 2nd paragraph, of each of the NAESB WGQ Implementation Manuals, there is reference to the version of HTTP and where to locate the HTTP information in the WGQ EDM manual, however, effective with the adoption by the Executive Committee of the NAESB Internet ET Manual (May 6, 2004) and the WGQ QEDM Manual (May 12, 2005), the NAESB WGQ no longer has the referenced WGQ EDM manual. Such changes were ratified by the membership July 1, 2005 and will be included in NAESB WGQ Version 1.8. Therefore, we need to update the language to reflect referencing both the NAESB Internet ET as well as the WGQ QEDM manuals. I would like to propose the following revision:

Related Standards – Hypertext Transfer Protocol (HTTP)

The Hypertext Transfer Protocol (HTTP) is an application-level protocol with the lightness and speed necessary for distributed, collaborative, hypermedia information systems. It is a generic, stateless, object-oriented protocol which can be used for many tasks, such as name servers and distributed object management systems, through extension of its request methods (commands). A feature of HTTP is the typing of data representation, allowing systems to be built independently of the data being transferred.

HTTP has been in use by the World-Wide Web global information initiative since 1990. Appendix A of in ~~the~~ both the NAESB Internet Electronic Transport (Internet ET) and the NAESB WGQ Quadrant Electronic Delivery Mechanism (WGQ QEDM) Related Standards manuals contains a listing of the HTTP version(s) supported by NAESB WGQ.

To: NAESB Office, WGQ Executive Committee Chairs

From: Dale Davis

Subject: Minor Correction
 RE: NAESB WGQ Standard Version 1.7 (FERC Order 587-S) -

Date: May 4, 2006

It has come to my attention that while processing the recommendation for R98011/R98012 and R98001, one change adopted by the Business Practices Subcommittee did not get included in the recommendation adopted by the Executive Committee on September 16, 1999 as ratified December 10, 2003.

Background:

These requests deal with Allocations (NAESB WGQ 2.4.3) - who does them, who should be providing the allocating instructions, and the level of detail in the allocations. The business practice standards resulting from these requests were adopted by the Executive Committee at its September 16, 1999 meeting. While the Information Requirements (IR) was developing the corresponding implementation for the standards, IR sent the following question to the Business Practices Subcommittee (BPS):

During the processing of R98011 / R98012, IR reviewed the modifications to standard 2.3.21. In the standard it says, in part:

During the processing of R98011 / R98012, IR reviewed the modifications to standard 2.3.21. In the 4th paragraph of this standard it says:

A TSP can agree to send the operational allocated quantities on a daily basis to a SR rather than accept the Upload of Request for Download for operational allocated quantities.

The operational allocated quantities are communicated via the Allocation (NAESB WGQ Standard 2.4.3).

Subsequent to the Executive Committee's adoption of Standard 2.3.21, the data set Request for Information (NAESB WGQ Standard 2.4.7) was developed for the purposes of requesting, among other documents, the Allocation and the Shipper Imbalance (NAESB WGQ Standard 2.4.4).

IR recommended to BPS that the 4th paragraph of Standard 2.3.21, as noted above, be modified to reflect the way in which the Allocation and the Shipper Imbalance may be requested pursuant to the Request for Information.

At the BPS meeting of July 30, 2003, BPS unanimously approved the following change to the 4th paragraph:

A TSP can agree to send the operational allocated quantities on a daily basis to a SR rather than accept the ~~Upload of Request for Download~~ Request for Information (NAESB WGQ Standard 2.4.7) for operational allocated quantities.

When the recommendation for the technical implementation was presented to the Executive Committee in September, 1999, the above modification was inadvertently omitted. Therefore, I believe a minor correction needs to be made to NAESB WGQ Standard 2.3.21 to incorporate the modification approved by the BPS as indicated above.