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Rae McQuade, President
North American Energy Standards Board
801 Travis, Suite 1675
Houston, TX 77002

Re: Standards Request No. R15007 ("Request to add a new party self-identification line to Cover Page of the WGQ Base Contract (Standard No. 6.3.1) which conveys each party's CFTC classification for purposes of Dodd Frank compliance")

Dear Ms. McQuade:

I am an attorney with an energy commodities practice based in Houston. For many years I have assisted market participants in the wholesale gas marketplace with their contracting, including their completion of the NAESB Base Contract for Sale and Purchase of Natural Gas (the "Base Contract"). I participated the Wholesale Gas Quadrant drafting committee efforts with regard to the Base Contract in 2006 and 2011, and was involved as well with reviewing the terms of such master preceding its initial rollout. I am hereby responding to the NAESB WGQ's request for comments on the WGQ Contracts Subcommittee's October 27, 2015 recommendation ("Subcommittee Recommendation") to modify the changes initially proposed on August 5, 2015 in respect of Standards Request No. R15007 referenced above ("R15007"). This comment letter is submitted on my own part as an effort to assist NAESB processes, and not on behalf of any of my clients.

The Description of Request included in 4.a. of the Subcommittee Recommendation form indicated that the addition of a self-identification question with multiple check-box answer fields would help Base Contract users determine whether their counterparties are commercial market participants for purposes of the CFTC's volumetric optionality test. I believe the proposed text's lack of congruence with the present formulation of the CFTC's volumetric optionality test prevents it from serving that purpose. The CFTC's regulations applicable to trade options, codified at 17 C.F.R. §32.3, state solely these pertinent

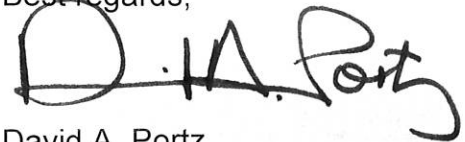
classifications for a market participant: *producer, processor, commercial user* and *merchant handler*. In contrast, the proposed NAESB text states as follows: "Party is a producer, processor, fabricator, refiner, commercial user, or merchandiser of the Gas under this [C]ontract." While omitting the pertinent words "merchant handler", the R15007 text also includes the words "fabricator", "refiner" and "merchandiser", which are not included in the applicable regulation. This mismatch of terms makes the proposed text valueless for a party's assessment whether its counterparty falls within the pertinent CFTC classifications.

I note as well that the CFTC Trade Option rules are not yet finalized, so it is premature to embed the proposed text in the Base Contract at present. Action at this time would also create a disparity with other formats being used for gas transactions in the marketplace, which their sponsoring entities would be reticent to prematurely address. Perhaps NAESB is motivated to act swiftly on R15007 so as to incorporate such change when rolling out a new Base Contract with the recently proposed copyright modification? I believe that rushing the timing on this R15007 would not serve the marketplace nor stimulate adoption of such new version of the Base Contract.

The Special Provisions seem to me the most suitable place for parties to include terms covering this matter. This is particularly true given that there is a wide variety of views of what sort of text is appropriate. I suspect you'll see comments on R15007 reflecting that many market participants believe nothing at all need be said in the Base Contract on this subject at present.

Thank you for accepting these submitted comments. I welcome correspondence in relation to same.

Best regards,

A handwritten signature in black ink, appearing to read "D. A. Portz". The signature is stylized with a large, looped initial "D" and a long, sweeping underline that extends to the right.

David A. Portz