**NAESB WGQ Executive Committee Meeting – February 25, 2016**

**NAESB WGQ Contracts Subcommittee Chair – Summary of Industry Comments**

**Review and Vote on R15007** – TVA request to add to the NAESB Base Contract Cover Page a Yes/No check box for parties to identify their CFTC status for natural gas transactions.

Recommendation: NAESB WGQ Contracts SC held a balance vote in favor (5.6 to 2.3) to add a check box to the Cover Page of the NAESB Base Contract. The vote was by representative of 17 participating companies in all 5 WGQ segments.

Industry Comment Summaries:

1. Kim McFarlane, Encana: Does not favor this recommendation.
	1. NAESB’s past modifications of NAESB Base contract is when applies to most users, Encana states this provision does not affect most users.
	2. Recommendation is a remedy to current problem with CFTC’s volumetric optionality test where rules are not finalized and thus recommendation is premature.
	3. Better solution is use of Special Provisions between affected parties
	4. Most users of prior NAESB contracts are not going to replace them with this new version is very unlikely.
	5. Recommendation is very minor change affecting only one segment of users, it is premature and better handled with Special Provisions.
2. David Portz, David A. Portz PC: Does not support the recommendation. States it is premature since CFTC has not completed Trade Option rules and a better solution is Special Provision between the parties.
3. Mary Klyasheff, WEC Energy Utilities: Does not support recommendation and prefer CFTC matters be handled through contract negotiations using Special Provisions.

NAESB WGQ Contract Subcommittee Chair Responses:

Comments are clear and no response is required by the Chair. During final meeting, vote and discussions, these or very similar comments were expressed prior to the vote.