

GasEDI

c/o Canadian Association of Petroleum Producers
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<http://www.gasedi.ca>

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NEW GasEDI BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS

Mission: Develop a New GasEDI Base Contract for Sale and Purchase of Natural Gas (“New GasEDI Base Contract”) based on: the GasEDI Base Contract for Short-Term Sale and Purchase of Natural Gas as published by GasEDI on October 26, 2000, (“GasEDI 2000 Base Contract”); the North American Energy Standards Board (“NAESB”) Base Contract for Sale and Purchase of Natural Gas as published by NAESB on April 19, 2002, and its addenda (“NAESB 2002 Base Contract”); the NAESB General Terms and Conditions for Day Trade Interruptible Contract as published by NAESB on April 16, 1998; and additional recommendations from committee participants.

COMMITTEE MEETING - JUNE 25, 2004 - MINUTES Final - July 20, 2004

When Friday, June 25, 2004; 11:00 am - 1:00 pm Calgary Time
Where CAPP, 2100 First Canadian Centre, 350 - 7 Avenue SW, Calgary, AB

■ Call to Order - Ian Anderson

■ Anti-Trust Guideline - Ian Anderson

We shall not engage in any discussion which could have the affect of influencing prices, supply or markets, and we shall assist each other to comply with this guideline.

■ Attendees

Paramy P. Graff	Apache Corporation (Tele-conference)
Debbie Klingzahn	ATCO Midstream Ltd.
Shane Freitag	Borden Ladner Gervais LLP (Tele-conference)
Allen Kirk	BP Canada Gas & Power
David A. Webster	Calpine Corporation (Tele-conference)
David Field	Cargill Energy
Brent Ohr	Cargill Energy
Bill Bauer	Cinergy Canada
JannaLyn Allen	Cinergy Marketing & Trading, LP
Maribeth Bedevian	Cinergy Marketing & Trading, LP (Tele-conference)
Kris Lautermilch	ConocoPhillips Canada Limited
Deanna Welch	ConocoPhillips Canada Limited
Angela Jones	Cook Inlet Energy Supply (Tele-conference)
Nancy Rodd	Cook Inlet Energy Supply (Tele-conference)
Jason Wong	Cook Inlet Energy Supply (Tele-conference)
Pat Butler	Coral Energy Canada Inc.
Niall Armstrong	Direct Energy Marketing Limited
Jodi Marshall	Direct Energy Marketing Limited
Jim Hawkins	EnCana Corporation
Diana Andel	EnCana Gas Marketing
Ian Anderson	GasEDI

Jeff Leggett	Imperial Oil Limited
Ernie Kohnke	Louis Dreyfus Holding Company Inc.
Ruby H. Melton	Louis Dreyfus Holding Company Inc. (Tele-conference)
David Izett	McCarthy TéTrault LLP (Tele-conference)
Kathy Bolan	Nexen Canada Ltd.
Sharron Roberts	Nexen Inc.
Mary-Lou Zimmer	Phoenix Energy Marketing Consultants Inc. (Tele-conference)
Lory Volpi	Seminole Canada Gas Company
Curt Reinan	Sierra Pacific (Tele-conference)
Scott M. Le Bouef	Stroock & Stroock & Lavan LLP (Tele-conference)
Andrea Decore	Suncor Energy Marketing Inc.
Katalin Kiss	Suncor Energy Marketing Inc.
Shannon Glover	TD Commodity and Energy Trading Inc.
Jane Peck Hay	Thackray Burgess
Son Tran	TransAlta
Allan Koester	TransCanada PipeLines Limited

■ Discussion

◆ Committee Chair

Niall Armstrong (Direct Energy Marketing Limited) agreed to accept the position of Committee Chair.

◆ Discussion

- There was general consensus that we should develop a new GasEDI Base Contract for Sale and Purchase of Natural Gas (New GasEDI Base Contract).
- Bases for the New GasEDI Base Contract should be:
 - ★ GasEDI Base Contract for Short-Term Sale and Purchase of Natural Gas as published by GasEDI on October 26, 2000, (GasEDI 2000 Base Contract).
 - ★ NAESB Base Contract for Sale and Purchase of Natural Gas as published by NAESB on April 19, 2002, and its addendums (NAESB 2002 Base Contract). Addendums include: Canadian Addendum; Model Credit Support Addendum.
 - ★ NAESB General Terms and Conditions for Day Trade Interruptible Contract as published by NAESB on April 16, 1998.
 - ★ Special Provisions as proposed by users of the various Contracts.
 - ★ Additional recommendations from Committee participants.
- Keep the structure and style generally consistent with the GasEDI 2000 Base Contract and the NAESB 2002 Base Contract.
- Make sure the New GasEDI Base Contract is useable in Canada and the USA.
- Take the “best” pieces / concepts from the various sources.
- Target for a preliminary draft during September, 2004, and final release for general use by the end of 2004.
- Challenging areas are expected to be Credit and Force Majeure.
- The GasEDI 2000 Base Contract and the NAESB 2002 Base Contract have “broadly similar” credit concepts.
- Force Majeure concepts need to reflect liquidity at the delivery point.
- Jane Peck Hay agreed to find out whether APIN would be willing to share the current draft of their Gas Supply Agreement with the Committee. (APIN has subsequently denied this request on the grounds the current draft is “too rough”.)

- It was agreed to create 3 Subcommittees to work on portions of the New GasEDI Base Contract: Credit Subcommittee (Sections 7 and 10); Force Majeure Subcommittee (Section 11); Miscellaneous Subcommittee (all the rest). Participants volunteered to join these Subcommittees as detailed below.
- ◆ Credit Subcommittee (Sections 7 and 10)
 - Kris Lautermilch ConocoPhillips Canada Limited (Organize First Meeting)
 - Shane Freitag Borden Ladner Gervais LLP
 - Allen Kirk BP Canada Gas & Power
 - David A. Webster Calpine Corporation
 - David Field Cargill Energy
 - Bill Bauer Cinergy Canada
 - JannaLyn Allen Cinergy Marketing & Trading, LP
 - Maribeth Bedevian Cinergy Marketing & Trading, LP
 - Pat Butler Coral Energy Canada Inc.
 - Niall Armstrong Direct Energy Marketing Limited
 - Jim Hawkins EnCana Corporation
 - Diana Andel EnCana Gas Marketing
 - Ernie Kohnke Louis Dreyfus Holding Company Inc.
 - Ruby H. Melton Louis Dreyfus Holding Company Inc.
 - Kathy Bolan Nexen Canada Ltd.
 - Sharon Huckell Petro-Canada
 - Mary-Lou Zimmer Phoenix Energy Marketing Consultants Inc.
 - Lory Volpi Seminole Canada Gas Company
 - Andrea Decore Suncor Energy Marketing Inc.
 - Katalin Kiss Suncor Energy Marketing Inc.
 - Shannon Glover TD Commodity and Energy Trading Inc.
 - Allan Koester TransCanada PipeLines Limited
- ◆ Force Majeure Subcommittee (Section 11)
 - Jane Peck Hay Thackray Burgess (Organize First Meeting)
 - Paramy P. Graff Apache Corporation
 - Allen Kirk BP Canada Gas & Power
 - Brent Ohr Cargill Energy
 - Jim Hawkins EnCana Corporation
 - Diana Andel EnCana Gas Marketing
 - Jeff Leggett Imperial Oil Limited
 - Ernie Kohnke Louis Dreyfus Holding Company Inc.
 - Ruby H. Melton Louis Dreyfus Holding Company Inc.
 - Sandra Lord Petro-Canada
 - Andrea Decore Suncor Energy Marketing Inc.
 - Katalin Kiss Suncor Energy Marketing Inc.
- ◆ Miscellaneous Subcommittee (Everything Else)
 - Shannon Glover TD Commodity and Energy Trading Inc. (Organize First Meeting)
 - Paramy P. Graff Apache Corporation
 - Shane Freitag Borden Ladner Gervais LLP
 - JannaLyn Allen Cinergy Marketing & Trading, LP
 - Deanna Welch ConocoPhillips Canada Limited
 - Pat Butler Coral Energy Canada Inc.
 - Jodi Marshall Direct Energy Marketing Limited
 - Jim Hawkins EnCana Corporation

Diana Andel	EnCana Gas Marketing
Ernie Kohnke	Louis Dreyfus Holding Company Inc.
Ruby H. Melton	Louis Dreyfus Holding Company Inc.
Sharron Roberts	Nexen Inc.
Mary-Lou Zimmer	Phoenix Energy Marketing Consultants Inc.
Lory Volpi	Seminole Canada Gas Company
Curt Reinan	Sierra Pacific
Katalin Kiss	Suncor Energy Marketing Inc.
Son Tran	TransAlta

- Next Meeting
 - When Tuesday, July 20, 2004; 11:00 am - 1:00 pm Calgary Time
 - Where CAPP, 2100 First Canadian Centre, 350 - 7 Avenue SW, Calgary, AB
 - Contact Ian Anderson, 403-243-1079, ian@isanderson.com

FURTHER INFORMATION

Please contact Ian Anderson (403-243-1079, ian@isanderson.com) or Niall Armstrong (403-290-6726, niall.armstrong@na.centrica.com), or visit GasEDI's web site (<http://www.gasedi.ca>) .