

# GasEDI

c/o Canadian Association of Petroleum Producers  
2100 - 350 - 7 Ave SW, Calgary, AB, Canada T2P 3N9

<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 - SEPTEMBER 22, 2004 - MINUTES Final - October 18, 2004

When Wednesday, September 22, 2004; 11:00 am - 1:00 pm Calgary Time  
Where CAPP, 2100 First Canadian Centre, 350 - 7 Avenue SW, Calgary, AB  
Thank You CAPP for hosting this meeting.

■ Call to Order - Niall Armstrong

■ 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

Shane Freitag	Borden Ladner Gervais LLP (Tele-conference)
David Field	Cargill Energy
Brent Ohr	Cargill Energy
Angela Blanchard	Cinergy Canada
Deanna Welch	ConocoPhillips Canada Limited
Pat Butler	Coral Energy Canada Inc.
Luanne Duffy	Devon Canada Corporation
Niall Armstrong	Direct Energy Marketing Limited
Jodi Marshall	Direct Energy Marketing Limited
Penny Allen	EnCana Gas Marketing
Diana Andel	EnCana Gas Marketing
Pam Webster	EnCana Gas Marketing
Jim Afaganis	Enmax Corporation
Monica Richards	Energy-Koch Trading Canada, ULC
Ian Anderson	GasEDI
Ernie Kohnke	Louis Dreyfus Holding Company Inc. (Tele-conference)
Kathy Bolan	Nexen Marketing
Sharron Roberts	Nexen Marketing
Jane Peck Hay	Paramount Energy Trust
Kelli Grier	Petro-Canada

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Sandra Lord	Petro-Canada Oil & Gas
Mary-Lou Zimmer	Phoenix Energy Marketing Consultants Inc. (Tele-conference)
Lory Volpi	Seminole Canada Gas Company
Diane Pettie	Sempra Energy Trading (Canada) Limited
Kelly Holtby	Suncor Energy Marketing Inc.
Mark McNevin	Talisman Energy Inc.
Jim Sloan	Talisman Energy Inc.
Shannon Glover	TD Commodity and Energy Trading Inc.
Son Tran	TransAlta
Shane R. Stevenson	TransCanada PipeLines Limited

- Approval of Minutes of August 24, 2004, Meeting - Ian Anderson  
Approved as circulated.
  
- Discussion
  - ◆ Promotion to prospective new participants - Ian Anderson
    - Ian Anderson reported that he had met with Shaun Polczer, Daily Oil Bulletin, and that an article is expected shortly.
    - **Ian Anderson has plans under development to ask CAPP (Canadian Association of Petroleum Producers), SEPAC (Small Explorers and Producers Association of Canada) and CEPA (Canadian Energy Pipeline Association) to broadcast information to their memberships.**
  - ◆ Copyright of the NAESB 2002 Base Contract - Ian Anderson
    - Ian Anderson reported that he has contacted NAESB regarding NAESB's copyright of the NAESB 2002 Base Contract and use of language from the NAESB 2002 Base Contract in the New GasEDI Base Contract. Rae McQuade, Executive Director of NAESB responded "We would have no problem with you using the language used in our contract as long as you do not represent your contract as a NAESB contract, and as long as your contract is not a direct copy of ours, which clearly is the case - as it will be referenced as the GasEDI contract and it was developed separately for the Canadian market. Glad our work products could be of help."
  - ◆ Credit Subcommittee - Pam Webster
    - Meeting held September 15, 2004.
    - **The plan is to develop a Credit Annex, immediately following completion of the New GasEDI Base Contract, and leave "more complex" Section 10.1 items to be part of the Credit Annex.**
    - **Some participants believe the current version of Section 7.2 "doesn't work" - this is to be re-reviewed by the Credit Subcommittee.**
  - ◆ Force Majeure Subcommittee - Diane Pettie
    - Meeting held September 1, 2004.
    - Generally, participants want to resolve the language style issues which have been criticized by the courts.
    - There was extensive discussion about the "Modified Traditional" and "Delivery Point Specific" concepts. There is a desire to reduce the number and variety of Special Provisions which may be developed by users of the New GasEDI Base Contract.
      - ★ **Decision: Invite industry to vote.**

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- ★ **Options:**
    - (a) **Traditional Concept or Delivery Point Specific Concept.**
    - (b) **Only one concept to be in the New GasEDI Base Contract, or include both concepts with a cover sheet check box.**
    - (c) **Provide an opportunity for comments to be submitted as part of the voting procedure.**
  - ★ **Voting procedure:**
    - (a) **Each “company family” (regardless of size) has only one vote.**
    - (b) **Each consultant / advisor / lawyer, etc, with multiple clients has only one vote.**
    - (c) **Any entity can vote, whether or not an active participant in the project to develop the New GasEDI Base Contract - EXCEPT that a consultant / advisor / lawyer must be an already active participant (by the start of this meeting) to be eligible to vote.**
    - (d) **The ballot will describe the conceptual options and the voting rules. Ballots are to be circulated by email as quickly as possible, and returned to Ian Anderson (also by email) by the close of business on Friday, October 8. Ian Anderson will summarize the results and circulate same in preparation for the next Force Majeure Subcommittee Meeting.**
    - (e) **This will not be a secret ballot. Votes and comments will be attributed, to assist the Force Majeure Subcommittee in its deliberations.**
  - **There was also extensive discussion about the possible requirement for commercially reasonable efforts to mitigate an event of Force Majeure. This is to be addressed by the Force Majeure Subcommittee.**
  - **The next Force Majeure Subcommittee was rescheduled to Thursday, October 14.**
  - ◆ **Miscellaneous Subcommittee - Shannon Glover**
    - Meeting held September 9, 2004.
    - **Some issues have been forwarded for consideration by the Credit Subcommittee.**
    - The Market Value definition is broad enough to include NGX.
    - Section 6.3.b being changed to “Seller’s option” - like Section 6.3.a.
    - **All GST language will be vetted by a GST expert, once the GST language has been finalized.**
    - **Can Sections 6.3.a and 6.3.b be combined? Should Section 6.3.b include (iv) and (v) from Section 6.3.a? Penny Allen advises the government will always bill the seller if the government subsequently decides GST is chargeable after the parties have agreed to zero-rate a transaction.**
    - Arbitration has been deleted. This is agreed by the Committee of the Whole.
    - **Confidentiality has been added - without a check box on the cover sheet. Suggestion that some changes need to be made to the confidentiality section - Shannon Glover has the detailed notes.**
    - **Limitations (Section 13.1) is still to be reviewed.**
    - **Note: Canada Customs and Revenue Agency has been renamed Canada Revenue Agency - need to modify Section 6.3.**
    - **Section 14.11 - switch sentence sequence. Language still to be reviewed.**

- **Miscellaneous Subcommittee should review definitions of Contract, Base Contract and Section 1.2.d for inter-relationships.**

## ■ Next Meetings

### ◆ Credit Subcommittee

When Monday September 27, 2004; 1:30-3:30 pm, Calgary Time  
Where EnCana Gas Marketing, 1800 Bankers Hall East, 855 - 2 Street SW, Calgary  
Contact Pam Webster; 403-268-6643; [pamela.webster@encana.com](mailto:pamela.webster@encana.com)  
RSVP Pam Webster by noon Calgary Time on Friday September 24 if you plan to attend.  
Tele-Conference Available for non-Calgary participants; please advise Pam Webster by noon Calgary Time on Friday September 24 if you wish to participate by tele-conference.

### ◆ Miscellaneous Subcommittee

When Thursday October 7, 2004; 1:30-3:00 pm, Calgary Time  
Where Coral Energy Canada Inc., 3500 TransCanada Tower, 450 - 1 St. SW, Calgary  
Contact Pat Butler; 403-216-3574; [pbutler@coral-energy.com](mailto:pbutler@coral-energy.com)  
RSVP Pat Butler by noon Calgary Time on Wednesday October 6 if you plan to attend.  
Tele-Conference Available for non-Calgary participants; please advise Pat Butler by noon Calgary Time on Wednesday October 6 if you wish to participate by tele-conference.

### ◆ Force Majeure Subcommittee

When Thursday October 14, 2004; 9:30 -11:30 am, Calgary Time  
Where Petro-Canada, Petro-Canada Tower, 150 - 6 Avenue SW, Calgary  
Contact Sandra Lord; 403-296-4224; [SLORD@petro-canada.ca](mailto:SLORD@petro-canada.ca)  
RSVP Sandra Lord by noon Calgary Time on Wednesday October 13 if you plan to attend.  
Tele-Conference Available for non-Calgary participants; please advise Sandra Lord by noon Calgary Time on Wednesday October 13 if you wish to participate by tele-conference.

### ◆ Committee of the Whole

When Thursday October 21, 2004; 11:00 am - 1:00 pm, Calgary Time  
Where CAPP, 2100 First Canadian Centre, 350 - 7 Avenue SW, Calgary  
Contact Ian Anderson; 403-243-1079; [ian@isanderson.com](mailto:ian@isanderson.com)  
RSVP Ian Anderson by noon Calgary Time on Wednesday October 20 if you plan to attend.  
Tele-Conference Available for non-Calgary participants; please advise Ian Anderson by noon Calgary Time on Wednesday October 20 if you wish to participate by tele-conference.

## FURTHER INFORMATION

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