

# 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 - OCTOBER 21, 2004 - MINUTES Final - December 9, 2004

When Thursday, October 21, 2004; 11:00 am - 1:00 pm, Calgary Time  
Where CAPP, First Canadian Centre, 350 - 7 Avenue SW, Calgary

■ 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

Brent Molesky	Burlington Resources Canada Ltd.
Brent Ohr	Cargill Energy
Pat Butler	Coral Energy Canada Inc.
Luanne Duffey	Devon Canada Corporation
Niall Armstrong	Direct Energy Marketing Limited
Jodi Marshall	Direct Energy Marketing Limited
Penny Allen	EnCana Gas Marketing
Pam Webster	EnCana Gas Marketing
Ian Anderson	GasEDI
Kathy Bolan	Nexen Marketing
Sharron Roberts	Nexen Marketing
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
Shannon Glover	TD Commodity and Energy Trading Inc.
Son Tran	TransAlta
Allan Koester	TransCanada PipeLines Limited

■ Approval of minutes of September 22, 2004, Meeting - Ian Anderson

◆ Approved without change.

■ Discussion

- ◆ Promotion to prospective new participants - Ian Anderson
  - Daily Oil Bulletin - Thursday, September 23, 2004
  - CAPP (Canadian Association of Petroleum Producers)
    - ★ Ian Anderson reported that CAPP has agreed to circulate the Invitation to Participate.
  - SEPAC (Small Explorers and Producers Association of Canada)
  - CEPA (Canadian Energy Pipeline Association)
- ◆ Credit Subcommittee - Pam Webster
  - There has been extensive discussion about Suspension Rights.
    - ★ Decided can suspend immediately on Notice for non-payment.
    - ★ Decided can suspend immediately upon demanding Performance Assurance, and tightened up the deadline for complying with demand for Performance Assurance.
    - ★ “Potential Event of Default” definition deleted.
    - ★ More complex credit issues are to be left to a Credit Annex; only include minimal language within the New GasEDI Base Contract to account for a possible Credit Annex.

◆ Force Majeure Subcommittee - Diane Pettie

- Summary of Force Majeure Ballot results::

	Active Participants	Others	Totals
Traditional Concept	11	3	14
Delivery Point Specific Concept	18	1	19
Only one Concept to be in the Contract	20	3	23
A Cover Sheet choice between the two Concepts	9	1	10

In addition, 8 parties submitted comments along with their votes, and 1 party submitted comments with no choices indicated.

- There was no clear consensus.
- The decision of the Force Majeure Subcommittee is to include both concepts in the New GasEDI Base Contract, and to provide a choice check box on the Cover Sheet and/or the Transaction Confirmation.
- ◆ Miscellaneous Subcommittee - Shannon Glover
  - “Base Contract” and “Contract” definitions and Section 1.2.d are still being reviewed for consistency.
  - Section 14.11 language being reviewed for completeness.
  - Some additional definitions are being developed.
  - The Cover Sheet and Confirmation pages are still to be modified.
- ◆ Processes and Remaining Tasks - Niall Armstrong
  - Need to do an end-to-end review of a clean copy of the New GasEDI Base Contract.
  - Need to develop a “how to use” commentary.

- Need to develop a training program.
- How to finalize:
  - ★ Participants read and comment on a clean draft.
  - ★ Committee of the Whole meeting convened to a section-by-section review - in early 2005.
  - ★ Subcommittee chairs develop draft commentaries.
  - ★ Will require both clean and “changes highlighted” copies of the draft.
  - ★ Participants to provide suggested wording changes, with reasons.
  - ★ Request pro-bono reviews by outside counsel. Some suggestions were made, and individuals agreed to approach those people.
  - ★ Need 4-6 weeks for final review by participants.
  - ★ Circulate the “final review” copies to everyone at once - both active participants and others.
  - ★ Target to circulate to industry by mid January, 2005.

- Next Meeting
  - When Thursday, December 9, 2004; 11:00 am - 1:00 pm, Calgary Time.
  - Where CAPP, First Canadian Centre, 350 - 7 Avenue SW, Calgary.
  - Chair Niall Armstrong; Direct Energy Marketing Limited; 403-290-6726; [niall.armstrong@na.centrica.com](mailto:niall.armstrong@na.centrica.com).
  - RSVP Ian Anderson; 403-243-1079; [ian@isanderson.com](mailto:ian@isanderson.com) by noon Calgary Time on Wednesday December 8 if you plan to attend.
  - Tele-Conference Available for non-Calgary participants; please advise Ian Anderson; 403-243-1079; [ian@isanderson.com](mailto:ian@isanderson.com) by noon Calgary Time on Wednesday December 8 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>) .