

# GasEDI

c/o Canadian Association of Petroleum Producers  
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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 - MARCH 10, 2005 - MINUTES Final - June 27, 2005

When Thursday, March 10, 2005; Noon - 4:30 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 Ohr Cargill Energy
  - Angela Blanchard Cinergy Canada
  - Kris Lautermilch ConocoPhillips Canada Limited
  - Deanna Welch ConocoPhillips Canada Limited
  - Rob McKay Constellation Energy Commodities Group, Inc. (Tele-conference)
  - Gerg Shomper Constellation Energy Commodities Group, Inc. (Tele-conference)
  - Pat Butler Coral Energy Canada Inc. (Tele-conference)
  - Luanne Duffy Devon Canada Corporation
  - Niall Armstrong Direct Energy Marketing Limited
  - Diana Andel EnCana Gas Marketing
  - Pam Webster EnCana Gas Marketing
  - Ian Lydiatt Energy Trust Marketing Ltd.
  - Jeff Piercy Enmax Corporation
  - Ian Anderson GasEDI
  - Rosa McDonald Imperial Oil Resources Limited
  - Ernie Kohnke Louis Dreyfus Holding Company Inc. (Tele-conference)
  - Kerrie Logan Macleod Dixon (Tele-conference)
  - Kathy Bolan Nexen Marketing
  - Sharron Roberts Nexen Marketing
  - Jane Peck Hay Paramount Energy Trust
  - Sandra Lord Petro-Canada Oil & Gas

Lory Volpi  
Diane Pettie  
Son Tran

Seminole Canada Gas Company  
Sempra Energy Trading (Canada) Limited  
TransAlta Energy Marketing

- Approval of Minutes - Ian Anderson
  - ◆ January 27, 2005, Meeting - Approved without change.
  
- Discussion
  - ◆ Recognition:
    - Niall Armstrong thanked everyone for the outstanding effort to develop an excellent New GasEDI Base Contract.
  - ◆ Outside Counsel Review:
    - Will take place following the few clean-ups resulting from this Walk Through.
    - Kathy Bolan advised that David Mann of Fraser Milner has agreed to review the final version.
  - ◆ Walk Through of the General Terms and Conditions:
    - All sections of the February 23, 2005, Draft were approved as circulated except as follows:
      - ★ **All changes noted below are to be forwarded to Ian Anderson by 5:00 pm on Thursday, March 24, 2005.**
      - ★ **Ian Anderson is to circulate an updated draft, including all changes noted below, by 5:00 pm on Monday, March 28, 2005.**
      - ★ **Any required changes include changes to related defined terms.**
      - ★ "Firm" definition was split out as its own paragraph, instead of being part of the "Failure Day" definition (this was a formatting error in the February 23, 2005, Draft). Done by Ian Anderson.
      - ★ **Section 3.3: To be cleaned up by a team including JannaLyn Allen, Niall Armstrong, Angela Blanchard, Jane Peck Hay, Rosa McDonald, Mark McNevin and Jeff Piercy. Also make related changes to the Cover Sheet if/as necessary (might want to specify the number of days to act, Failure Day quantities, etc).**
      - ★ **Section 4.3: To be cleaned up / simplified by a team including David Field, Brent Molesky and Pam Webster.**
      - ★ **Section 7.1: To be cleaned up by Kerrie Logan.**
      - ★ Section 7.2, top box: Added space between 'either "Closest" and between 'or "Next". Done by Ian Anderson.
      - ★ Section 7.3: Put back in Section 7.3 from the January 24, 2005, Draft, and reword to read "In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.". Also make compensating Section number changes throughout the General Terms and Conditions. Done by Ian Anderson.
      - ★ Section 7.6 (as renumbered per above): Changed "of any credit support document" to "of a Credit Annex or any other credit support document". Done by Ian Anderson.
      - ★ **Sections 9.2 and 9.3: To be cleaned up by a team including Niall Armstrong and Jeff Piercy.**
      - ★ Section 10.3, 3<sup>rd</sup> line: Moved the comma so the line reads "... Section 10.2, immediately upon giving Notice suspend ...". Done by Ian Anderson.

- ★ **Section 10.4: To be cleaned up by a team including Niall Armstrong, Sharon Huckell, Jeff Piercy and Pam Webster. Move operational language from the related definitions to the body.**
  - ★ Section 11.3: Moved romanette “(iv)” and modified punctuation so the language will read “... finances, Seller’s ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer’s ability to purchase Gas at a lower or more advantageous price than the Contract Price; or (iv) a regulatory agency ...”. Done by Ian Anderson.
  - ★ **Section 11.5: A team including Kerrie Logan, Diane Pettie and Jeff Piercy are to add the concept that giving Notice is a condition precedent to claiming benefits of Force Majeure.**
  - ★ Section 13.1c: Changed lines 3 and 4 to read “... DAMAGES, INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, ARISING BY STATUTE ...”. Done by Ian Anderson.
  - ★ Section 14.1:
    - (a) Deleted “ (and shall not relieve the assigning party from liability hereunder)” from the 3<sup>rd</sup> line.
    - (b) Deleted “any such ” from the 7<sup>th</sup> line.
    - (c) In the 7<sup>th</sup> line, changed “the transferor shall” to “the assignor or transferor, as applicable, shall”.
    - (d) All done by Ian Anderson.
  - ★ Section 14.5: In the 3<sup>rd</sup> line, changed “exclusive” to non-exclusive”. Done by Ian Anderson.
  - ★ **Section 14.10: To be made consistent with other sections (particularly Section 13) by Niall Armstrong.**
  - ★ **Section 14.14: Diane Pettie to develop language to the effect that UN/CITRAL does not apply to this Contract.**
  - ★ Renumbered the pages so the Cover Sheet is Pages 1 and 2 of LL, the General Terms and Conditions is Pages 3 - NN of LL, and the Transaction Confirmation is Pages NN+1 - LL, where LL is the total number of pages in the Cover Sheet, the General Terms and Conditions, and the Transaction Confirmation. This numbering is consistent with the NAESB 2002 Base Contract. Done by Ian Anderson.
  - ★ **Additional minor typo’s, etc, are to be forwarded to Ian Anderson.**
- Process:
- ★ It was agreed that the updated draft would form the basis for “final” review by both participants and outside counsel.
  - ★ Outside counsel will be invited to review the draft for consistency, fundamental flaws, and enforceability.
  - ★ Outside counsel will be encouraged to not redraft or negotiate changes.

■ Next Meeting

- ◆ To be scheduled, based on the draft to be issued on March 28, 2005, and reviews of that draft.

## 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>) .