

# 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 - JULY 21, 2005 - MINUTES Draft - July 21, 2005

When Thursday, July 21, 2005; 11:00 am - 12:30 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	BP Canada Energy Company
Brent Molesky	Burlington Resources Canada Ltd.
David Field	Cargill Energy
Angela Blanchard	Cinergy Canada
Kris Lautermilch	ConocoPhillips Canada Limited
Susan Leong	ConocoPhillips Canada Limited
Rob McKay	Constellation Energy Commodities Group, Inc. (Tele-conference)
Pat Butler	Coral Energy Canada Inc. (Tele-conference)
Niall Armstrong	Direct Energy Marketing Limited
Penny Allen	EnCana Gas Marketing
Diana Andel	EnCana Gas Marketing
Pam Webster	EnCana Gas Marketing
Ian Anderson	GasEDI
Sharron Roberts	Nexen Marketing
Jane Peck Hay	Paramount Energy Trust
Sharon Huckell	Petro-Canada Oil & Gas
Sandra Lord	Petro-Canada Oil & Gas
Mary-Lou Zimmer	Phoenix Energy Marketing Consultants Inc. (Tele-conference)
Son Tran	TransAlta Energy Marketing
Kevin Engel	TransCanada PipeLines Limited
Janine Watson	TransCanada PipeLines Limited

- Approval of Minutes - Ian Anderson
  - ◆ June 27, 2005, Meeting - Approved subject to changing Brent Ohr to being with BP Canada Energy Company.
  
- Discussion
  - ◆ Recognition:
    - Niall Armstrong thanked everyone for coming and for the outstanding effort to develop an excellent New GasEDI Base Contract.
  - ◆ June 30, 2005, Draft "Walk Through".
    - Niall Armstrong and Ian Anderson advised the nature of and reasons for all changes vs the June 21, 2005, Draft. The separate document entitled "Commentary: June 30, 2005, Draft", dated July 15, 2005, provides a summary.
  - ◆ Ian Anderson reported that Sections 6.2, 6.3, 6.4 and 6.5 are still being reviewed by Blair Nixon (Felesky Flynn); updated language has been promised by July 27, 2005.
    - **Action by Ian Anderson.**
  - ◆ Section 11, Option A, Section 11.2:
    - Decision: It was agreed to clarify the intent of the language by adding the words "pursuant to a Transaction" after the words "of Gas" to the lead-in, so the lead-in would read:
      - ★ "Force Majeure" means any event not reasonably within the control of the Claiming Party which event prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas pursuant to a Transaction, including, without limitation, the following events:
        - **Action by Ian Anderson.**
  - ◆ Section 11, Option B, Section 11.2.b:
    - Decision: It was agreed to make "Liquid Delivery Point" a defined term, remove the quotation marks from around "Liquid Delivery Point" in the first line, and add the following definition to Section 2:
      - ★ "Liquid Delivery Point" means a point so designated on the Cover Sheet.
    - **Action by Ian Anderson.**
  - ◆ Section 4.3:
    - There was discussion about the interaction between Sections 10.2, 10.3 and 11.5 and Section 4.3.
    - Decision: It was agreed to modify Section 4.3 by replacing the 3<sup>rd</sup> sentence, so Section 4.3 would read:
      - ★ The parties shall use commercially reasonable efforts to avoid the imposition of any Imbalance Charges. If a party receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. Imbalance Charges are payable by the party that caused such Imbalance Charges. Notwithstanding the provisions of Sections 10.2, 10.3 and 11.5, if the other party had sufficient ability to avoid any Imbalance Charges through a revision of the nomination with the Transporter during the Nomination Change Period, then that other party shall be deemed to have caused such Imbalance Charges. A party shall be reimbursed promptly by the other party if that party pays Imbalance Charges that were caused by the other party.
    - **Action by Ian Anderson.**

- ◆ Section 10:
    - There was discussion about the possibility of “gaming” under the language of Section 10.
    - Decision: Leave Section 10 as-is; parties may choose to develop Special Provisions.
  - ◆ Release for general use formats - Decisions:
    - Font: Stay with Ariel 10 Pt.
    - Margins: Stay with about 1".
    - GTC: Secure Acrobat (cannot modify in any way).
    - Cover Sheet: Open Acrobat, Word 2000, WordPerfect.
    - Transaction Confirmation: Open Acrobat, Word 2000, WordPerfect.
  - ◆ Solicit consensus that the New GasEDI Base Contract should be released for general use:
    - Niall Armstrong and Ian Anderson noted that several participants have advised, by email, that they approve release of the June 30, 2005, Draft for general use.
    - There was strong consensus within the meeting that the June 30, 2005, Draft, as modified above, should be released for general use.
    - It is recognized that use of the New GasEDI Base Contract is voluntary.
    - It is recognized the users may develop their own Special Provisions.
  - ◆ **Processes and Remaining Tasks:**
    - **Ian Anderson to update and circulate the June 30, 2005, Draft - today if possible**
    - **Ian Anderson to work with Blair Nixon re the GST language (Sections 6.2, 6.3, 6.4 and 6.5) and update the Draft as soon as possible.**
    - **Ian Anderson to solicit - by email - comments on / approval of the final version.**
    - **Target: release for general use on August 31, 2005.**
  - ◆ As noted above - thanks to all for incredible efforts to bring this project to fruition!
- Next Meeting
- ◆ None planned.

## 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>) .