

# 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.

### CREDIT SUBCOMMITTEE MEETING - NOVEMBER 17, 2004 - MINUTES Final - December 6, 2004

When Wednesday, November 17, 2004; 1:30 - 3:30 pm, Calgary Time.  
Where Seminole Canada Gas Company, 1000 - 530 - 8 Avenue SW, Calgary.  
Thank You Lory Volpi and Seminole Canada Gas Company for hosting this meeting.

■ Call to Order - Kris Lautermilch

■ Anti-Trust Guideline - Kris Lautermilch

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

David Field	Cargill Energy
JannaLyn Allen	Cinergy Marketing & Trading, LP
Kris Lautermilch	ConocoPhillips Canada Limited
Deanna Welch	ConocoPhillips Canada Limited
Niall Armstrong	Direct Energy Marketing Limited
Diana Andel	EnCana Gas Marketing
Pam Webster	EnCana Gas Marketing
Ian Anderson	GasEDI
Linda Davis	Louis Dreyfus Holding Company Inc.
Kathy Bolan	Nexen Marketing
Sharon Huckell	Petro-Canada
Lory Volpi	Seminole Canada Gas Company
Mark McNevin	Talisman Energy Inc.
Shannon Glover	TD Commodity and Energy Trading Inc.
Allan Koester	TransCanada PipeLines Limited

■ Approval of Minutes - Ian Anderson

- ◆ November 3, 2004, Meeting: approved; only change was in the Discussion / Items referred to next meeting / Section 10.2: change the 2<sup>nd</sup> instance of “immediately” to “promptly”.

- Discussion
  - ◆ Section 10.2: Which language is correct: “immediately upon giving Notice” or “promptly upon giving Notice”?
    - Decided to use “immediately”.
  - ◆ Liquidated damages for benefit of party suffering because of suspension? Section 10 or Section 3.2?
    - Decided to revise Sections 10.2.a and 10.2.b: Liquidated damages will be for the benefit of the Suspending Party.
    - It was agreed that the Suspending Party does not have any liability to the other party, and that there is no need to include specific language covering this because the existing language makes it clear that the Suspending Party has suspension rights.
  - ◆ Should Section 10.2 start with something like “Provided no Event of Default is declared ...”?
    - **Not discussed.**
  - ◆ Consider possible conflicts between suspension rights and gas scheduling deadlines.
    - **Not discussed.**
  - ◆ "Credit Annex" definition: is revised definition OK.
    - **Not discussed.**
  - ◆ Sections 10.2.a and 10.2.b: "at law or equity" conflicts with Section 13.1. What does Credit want to do?
    - Sections 10.2.a and 10.2.b: Deleted “at law or equity”.
    - **Section 13.1: Decided to add a “catch all” at the end. Sharon Huckell developed proposed language - which will be considered by the Miscellaneous Subcommittee.**
  - ◆ Section 10.3(ii): Consider changing "... early termination date, which date shall be between 1 and 20 Business Days following the Event of Default ..." to "... early termination date, which date shall no earlier than the Day such Notice is given and no later than 20 Days following the Event of Default ...".
    - Decided to leave the existing language as-is.
  - ◆ Section 10.3: Should this Section make it clear that the Non-Defaulting Party’s right to initiate termination is eliminated if the Non-Defaulting Party grants a waiver of the related Event of Default?
    - Section 10.3: Changed the lead-in from
      - ★ “If an Event of Default occurs with respect to a party (the "Defaulting Party"), then the other party (the "Non-Defaulting Party")”
      - ★ to
      - ★ “If an Event of Default occurs with respect to a party (the "Defaulting Party"), which has not been expressly waived by the Non-Defaulting Party, then the other party (the "Non-Defaulting Party")”.
  - ◆ “Event of Default: Definition:
    - Concern that the existing language re (iv) leaves it very unclear as to when an Event of Default has occurred.
      - ★ **Issue passed to the Miscellaneous Subcommittee for consideration.**
    - Merger without assumption.
      - ★ **Not discussed.**
    - Cross-default with other agreements.
      - ★ **Not discussed.**

- Consider removal or at least amendment of (vi) as this is too much of a catch all; all significant events which would constitute an event of default are clearly outlined within the agreement and by leaving this open-ended provision, it could allow a non-material event to lead to onerous termination payments.

- ★ **Not discussed.**

- ◆ “Market Value” Definition:

- Is definition consistent with ISDA?

- ★ **Not discussed.**

- Next Meeting

When	Monday, December 6, 2004; 1:30 - 3:30 pm, Calgary Time.
Where	Petro-Canada, 28 <sup>th</sup> Floor, West Tower, 150 - 6 Avenue SW, Calgary.
Chair	Kris Lautermilch; ConocoPhillips Canada Limited; 403-233-4224; <a href="mailto:K.Lautermilch@ConocoPhillips.com">K.Lautermilch@ConocoPhillips.com</a> .
RSVP	Sharon Huckell; 403-296-3187; <a href="mailto:shuckell@petro-canada.ca">shuckell@petro-canada.ca</a> by noon Calgary Time on Friday December 3 if you plan to attend.
Tele-Conference	Available for non-Calgary participants; please advise Sharon Huckell; 403-296-3187; <a href="mailto:shuckell@petro-canada.ca">shuckell@petro-canada.ca</a> by noon Calgary Time on Friday December 3 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 Kris Lautermilch, (403-233-4224, [K.Lautermilch@ConocoPhillips.com](mailto:K.Lautermilch@ConocoPhillips.com)), or visit GasEDI's web site (<http://www.gasedi.ca>) .