

# 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 - FEBRUARY 16, 2005 - MINUTES Draft - February 22, 2005

When Wednesday, February 16, 2005; 1:30 - 3:30 pm, Calgary Time.  
Where Petro-Canada; 150 - 6 Avenue SW, Calgary.  
Thank You Sharon Huckell and Petro-Canada 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
Kris Lautermilch	ConocoPhillips Canada Limited
Deanna Welch	ConocoPhillips Canada Limited
Rob McKay	Constellation Energy Commodities Group, Inc. (Tele-conference)
Niall Armstrong	Direct Energy Marketing Limited
Diana Andel	EnCana Gas Marketing
Pam Webster	EnCana Gas Marketing
Ian Anderson	GasEDI
Rosa McDonald	Imperial Oil Resources Limited
Ernie Kohnke	Louis Dreyfus Holding Company Inc. (Tele-conference)
Kathy Bolan	Nexen Marketing
Sharon Huckell	Petro-Canada
Mark McNevin	Talisman Energy Inc.
Allan Koester	TransCanada PipeLines Limited

■ Approval of Minutes - Ian Anderson

◆ February 2, 2005, Meeting: approved without change.

- Discussion
  - ◆ “Affiliate” definition:
    - **Decision: Need for “Affiliate” to be determined by Sharon Huckell once we have seen all provisions in which it will be used; exclude Regulated Affiliate.**
  - ◆ “Person” definition:
    - **Decision: Delete if not needed. Subsequent to the meeting, Sharon Huckell and Ian Anderson scanned the New GasEDI Base Contract and determined that “Person” is not needed, so it will be deleted.**
  - ◆ “Regulated Affiliate” definition:
    - **Decision: Need for “Regulated Affiliate” to be determined by Sharon Huckell once we have seen all provisions in which it will be used; probably delete.**
  - ◆ Section 3.2:
    - **Decision: In both the Cover Standard and Spot Price Standard versions of Section 3.2, change “Subject to Section 10.5, the sole and exclusive remedy of the parties in the event of a breach of a Firm obligation shall be recovery of the following:” to “In the event of a breach of a Firm obligation, the Performing Party shall be entitled to recovery of the following:”. Note: the concept contained in “In addition to any liability for Imbalance Charges, which shall not be recovered twice by the following remedy” has been moved to a trailing sentence in both versions of Section 3.2.**
  - ◆ Section 3.3 (Proposed): Option to Terminate a Single Transaction:
    - **Decision: Niall Armstrong, Direct Energy Marketing Limited, to develop an option to terminate a Transaction. The language should be brief, and track the overall Early Termination of the Contract concepts.**
    - **Decision: Add a check box to the Cover Page - Default is Does Not Apply.**
    - **Decision: Put the changes into the February 23, 2005, draft.**
  - ◆ Section 7.3:
    - **Decision (during the meeting): Change “hereunder” to “pursuant to Section 7.2” and delete “above”.**
    - **Decision (subsequent to the meeting): Because there are no payments due Buyer pursuant to Section 7.2, delete Section 7.3 and renumber Sections 7.4 - 7.8 as Sections 7.3 - 7.7, and make conforming changes.**
  - ◆ Section 10:
    - **See event flow chart attached to this agenda.**
  - ◆ Section 10.4:
    - **Decision: Sharon Huckell, Petro-Canada and Niall Armstrong, Direct Energy Marketing Limited, to develop revised language, and revisions to related defined terms.**
    - **Decision: Put the changes into the February 23, 2005, draft.**
  - ◆ Section 10.5:
    - **Decision: No revisions required.**
  - ◆ Section 14.1:
    - **Decision: Change “affiliate” to “Affiliate” in the 3<sup>rd</sup> last line.**
  - ◆ Section 14.11:
    - **Decision: Delete “, including all Transactions hereunder,” in both places.**
    - **Decision: Niall Armstrong, Direct Energy Marketing Limited, to develop revised language regarding guarantees.**
    - **Decision (subsequent to the meeting): Delete “also” in the first line.**

- Next Meeting
  - ◆ None scheduled.

## 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>) .

# Section 10 Scenarios (Event of Default = Non Payment)

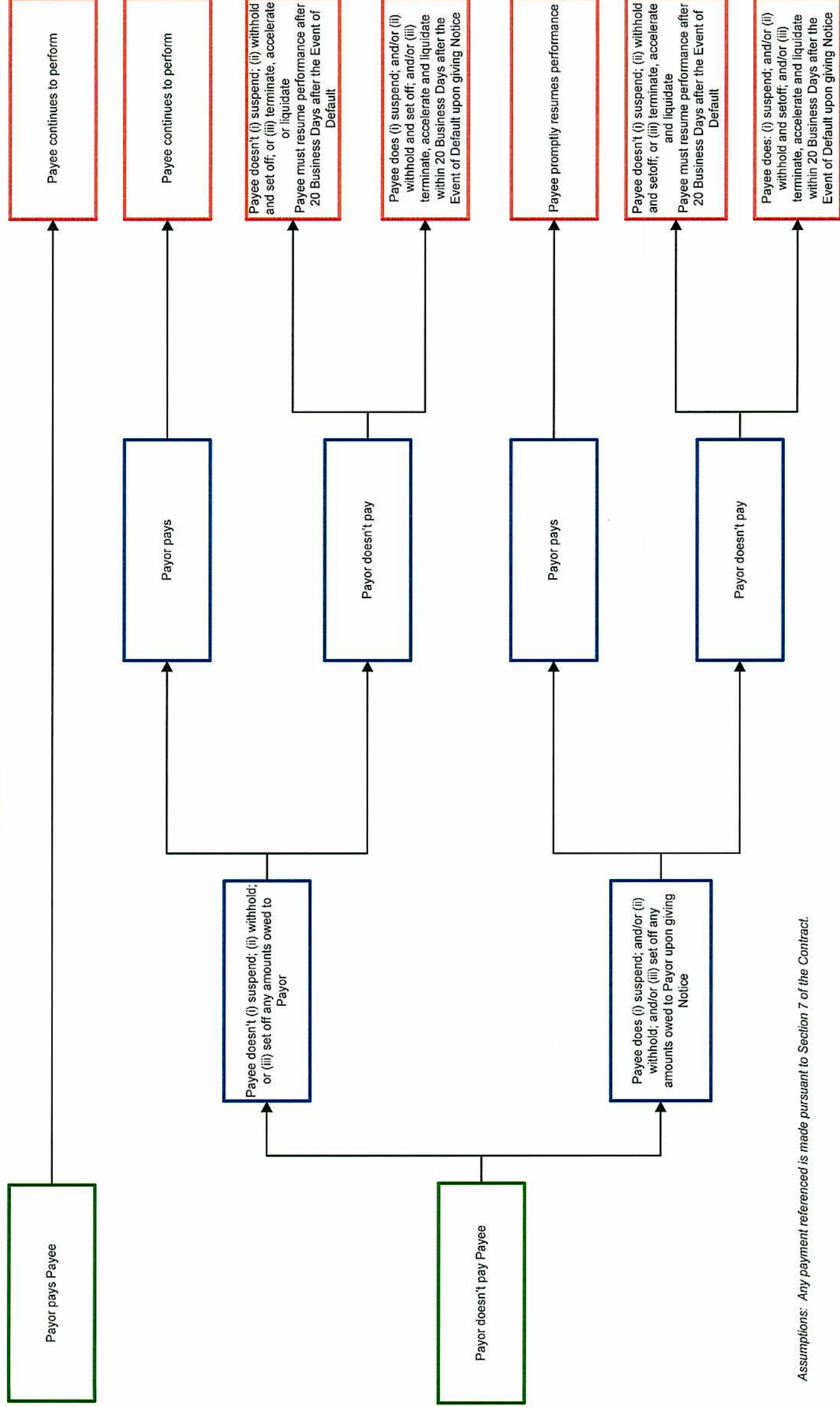
Timeline:  
Payment Date

Payment Date + 1 Business Day

Section 10.2

Payment Date + 2 Business Days

Payment Date + 3 Business Days (and more)  
Section 10.3 (Event of Default)



Assumptions: Any payment referenced is made pursuant to Section 7 of the Contract.