

# UNDERSTANDING THE NAESB WGQ CONTRACTS

## WHEN

**April 23, 9 A.M.— 5 P.M.**  
**April 24, 8:30 A.M.— Noon**

## WHERE

**1301 Fannin**  
**13th Floor, San Jacinto Room**  
**Houston, Texas 77002**

## PURPOSE OF SEMINAR

To provide a hands-on discussion of the WGQ NAESB Wholesale Gas Quadrant contracts, including the recent changes to each. The course focuses on understanding and administering the provisions of each of these contracts and crafting provisions that satisfy individual corporate needs.

## WHO SHOULD ATTEND

Traders, contract administrators, accountants, lawyers, risk managers and back-office personnel.

## FORMAT

Through the use of both formal presentations, incorporating slides and handouts, and open discussions, attendees will be presented with the latest information and uses of the NAESB contracts and be given an opportunity to discuss questions that every company faces when using NAESB contracts.

## CONTENT

### *NAESB Base Contract for the Sale and Purchase of Natural Gas*

What are the pros and cons of using the Base Contract instead of developing a company-specific gas purchase contract?

What changes were made to the Base Contract in the 2006 revisions and why?

If the Base Contract is going to be used for a long term transaction, what modifications or special provisions are required?

Should your company use the oral or written transaction procedures?

How should transaction confirmations be handled?

Do your back office systems require certain contractual provisions?

Should the Base Contract be used for EFP deals?

What performance obligation makes sense for your company—cover or spot?

Should netting be used under the Base Contract?

Do the 2006 changes to financial responsibility provisions of the Base Contract address your company's internal risk management rules?

What terms in the "boilerplate"—definitions, recitals and miscellaneous—are essential to understanding the Base Contract?

What special provisions should be added? What special provisions are circulating in the industry?

What changes should be made to the Base Contract if your transactions take place in Canada?

### *Credit Support Addendum (CSA)*

How often is the CSA used in transactions involving the NAESB Base Contract?

When and why should the CSA be used?

Does the use of the CSA affect your company's interval risk management rules?

### *Funds Transfer Agent Agreement (FTAA)*

How can your company enter into gas transactions with women- and minority-owned businesses (WMBE) that do not meet your company's credit requirements?

What are the responsibilities for each of the principals under the FTAA?

How can your company put an FTAA in place?

Can the FTAA be used for other counterparties that do not meet your company's internal credit requirements?

### *Day Trade interruptible Contract (DTI)*

How can the DTI minimize the risk for your company of flowing gas without a contract in place?

How can the DTI be put in place within seconds?

How long should the DTI stay in place?

### *Trading Partner Agreement (TPA)*

How can your company nominate gas under the Base Contract or DTI using EDI?

How do you negotiate a TPA with an interstate pipeline?

Which party is responsible for sending data at each stage of an EDI transaction?

### *Model Operational Balancing Agreement (MOBA)*

Why would your company want to use the MOBA?

How can your company use the MOBA to assist in negotiating an OBA with an interstate party?

Are interstate pipelines required to enter into an MOBA?

## FOR MORE INFORMATION

Phone 713-356-0060, or go to [www.naesb.org/materials/training.asp](http://www.naesb.org/materials/training.asp) to see a detailed schedule.

**TO REGISTER**

Fax the form below to 713-356-0067, or mail it to NAESB, 1301 Fannin, Suite 2350, Houston, TX 77002.

**CANCELLATION POLICY**

Refunds requested in writing prior to April 9 will be subject at a \$30 processing fee. No refunds will be granted after April 9.

**REGISTRATION FORM**

*Wholesale Gas Quadrant Contracts Class*

April 23-24, 2008

Name: \_\_\_\_\_

E-mail: \_\_\_\_\_

Company: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Form of Payment: Check \_\_\_\_\_ Visa \_\_\_\_\_

MasterCard \_\_\_\_\_ American Express \_\_\_\_\_

Card No.: \_\_\_\_\_

Exp.: \_\_\_\_\_ Amount charged: \_\_\_\_\_

Signature: \_\_\_\_\_

Registration fee: Members, \$800; nonmembers, \$1,000  
*Register by April 9 and save \$200 (Members, \$600, nonmembers \$800)*

Continuing Legal Education (CLE) credit pending with the State Bar of Texas.

North American Energy Standards Board  
1301 Fannin, Suite 2350  
Houston, TX 77002



*Important class information  
enclosed. Register early and  
save!*



**UNDERSTANDING THE  
NAESB WGQ  
CONTRACTS**

**April 23-24, 2008  
HOUSTON**