**Co-chair’s Work Paper – R18007**

This work paper was developed by the co-chairs of the WGQ Business Practice Subcommittee (BPS), Electronic Delivery Mechanism (EDM) Subcommittee and the Contracts Subcommittee as a result of the October 24, 2018 joint subcommittees meeting. The purpose of this work paper is to identify a potential scope of work and roadmap for addressing Request R18007.

As verified by the requestors, Request 18007 has asked NAESB to consider standards development to address the following:

1. The conversion of the NAESB Base Contract for Sale and Purchase of Natural Gas (WGQ Standard No. 6.3.1) into a digital “smart” contract that can be used with distributed ledger technology
2. The application of the digital “smart” contract and distributed ledger technologies to support efficiencies in the current natural gas settlement process

To address these requests, the co-chairs of the joint subcommittees are proposing the subcommittees undertake the following first steps to continue the consideration of the request and any resulting standards development.

1. To address item A, the subcommittees should identify components of a digital NAESB Base Contract for Sale and Purchase of Natural Gas (WGQ Standard No. 6.3.1) to provide a corresponding/supporting dataset(s) (WGQ Standard No. 6.4.x) that may be exchanged electronically.
2. To address item B, the subcommittees should identify components of NAESB WGQ Invoice (WGQ Standard No. 3.4.1) and related datasets to provide a dataset as well as supporting documents for a natural gas purchase and sales transaction and the settlement and reconciliation process that results from the use of either the WGQ Standard No. 6.3.1 or a new digital Standard No. 6.4.x
3. Identify supporting standards for the use and implementation of items 1 and 2 above
4. Review the EDM standards for any corresponding changes/additions to existing EDM standards in order to support items 1, 2 and 3 above
5. A Proof of Concept would be hosted by Industry volunteer participants to validate the proposed standards prior to their formal adoption of any proposed standards by NAESB.