**1. Recommended Action: Effect of EC Vote to Accept Recommended Action:**

Accept as requested X Change to Existing Practice

X Accept as modified below Status Quo

Decline

**2. TYPE OF MAINTENANCE**

**Per Request:** **Per Recommendation:**

Initiation Initiation

X Modification X Modification

Interpretation Interpretation

Withdrawal Withdrawal

Principle (x.1.z) Principle (x.1.z)

Definition (x.2.z) Definition (x.2.z)

X Business Practice Standard (x.3.z) X Business Practice Standard (x.3.z)

Document (x.4.z) Document (x.4.z)

Data Element (x.4.z) Data Element (x.4.z)

Code Value (x.4.z) Code Value (x.4.z)

X12 Implementation Guide X12 Implementation Guide

Business Process Documentation Business Process Documentation

**3. RECOMMENDATION**

**SUMMARY:**

Per NAESB Request No. R15007 from TVA (Valerie Crockett) dated August 5, 2015

NAESB WGQ Contracts Subcommittee (SC) reviewed and and discussed revising NAESB WGQ Standard no. 6.3.1 (Base Contract) per the request as follows:

Revise the Cover Page of the WGQ Base Contract (Standard No. 6.3.1) to add a question which could be answered by a Y/N check box response, conveying the concept of the following suggested (*pro-forma*) language:

Is the party a producer, processor, fabricator, refiner, or merchandiser of the commodity that is the subject of the contract? Y/N

Based on the SC review and discussions the SC hereby recommends a revision to the Base Contract’s existing Cover Page per the attached Exhibit A. Further, based on the SC’s discussion and in recognition that CFTC has not issued applicable final rules on the Dodd-Frank Act, the group decided at this time, not to proceed with updates to the prior NAESB White Paper on CFTC impacts and assoicated Exhibit C SWAP Decision Tree.

Exhibit A: <https://www.naesb.org/member_login_check.asp?doc=wgq_rat030416_r15007_rec_030416_attachment.doc>

**STANDARDS LANGUAGE:**

**4. SUPPORTING DOCUMENTATION**

**a. Description of Request:**

Tennessee Valley Authority (TVA) requests NAESB to revise the Cover Page of the WGQ Base Contract (Standard No. 6.3.1) to add a question which could be answered by a Y/N check box response, conveying the concept of the following suggested (pro-forma) language:

Is the party a producer, processor, fabricator, refiner, or merchandiser of the commodity that is the subject of the contract?

TVA futher explained that this self-identification provision on the Cover Page would help any end-users determine whether counterparties are commercial market participants for purposes of the CFTC's volumetric optionality test.

**b. Description of Recommendation:**

**WGQ Contracts Subcommittee**

WGQ Contracts Subcommittee (SC) recommendation is to adopt the revised NAESB Base Contract’s Cover Page per the attached Exhibit A. Further, the group agreed at this time to delay any further efforts to update the prior NAESB White Paper on Contract Impacts from CFTC Rules implementing the Dodd-Frank act including updates to the Exhibit C SWAP Decision Tree.

See the SC meeting minutes, meeting minute attachments, filed comments and various document drafts for the supporting documentation, discussion, and voting records for the following dates:

September 8, 2015

October 6, 2015

October 27, 2015

The results of the discussion and vote by the SC attendees on October 27, 2015 on the recommendation was [unanimous?] in favor.

Industry members participating in the meetings from time to time and submitting comments included approximately 36 individuals representing 33 separate entities.

**c. Business Purpose:**

See Meeting minutes set forth in item b. above.

1. **Commentary/Rationale of Subcommittee(s)/Task Force(s):**

See Meeting minutes set forth in item b. above.