Gap Risk: A Comparison of Terms Across Master Trading Agreements

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	**ISDA® 2002 Master Agreement**	**ISDA® North American Gas Annex**	**NAESB 2002**	**NAESB 2006**
I. AUTOMATIC EARLY TERMINATION					
Designation Option?	Part 1(e) of Schedule requires a designation as to whether "Automatic Early Termination" [will][will not] apply to each of the contracting parties. Note - may apply to one party, both or neither depending on contracting-parties preferences.	Same as 1992 ISDA.	No explicit option in Annex.	No election option on the Base Contract. Pursuant to § 3.4, parties may provide for a "Termination Option" in a Transaction Confirmation under "Special Conditions" executed in writing by both parties.	No explicit option on the Base Contract. However, Transaction Confirm allows "Special Conditions" to be written in, which, in accordance with § 3.4, the parties may use to designate a length of nonperformance that will trigger the Termination Option.
If Automatic Early Termination Option Selected in Schedule	Under § 6(a), if one of the types of Bankruptcy Events of Default that are specified has occurred (types include those listed in § 5(a)(vii)(1),(3),(5),(6) and, when applicable (8)), then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence. If this occurs, under § 6(e)(iii), the Early Termination Amount will be subject to such adjustments "as are appropriate and permitted by applicable law to reflect any payments or deliveries made by one party to the other during the period from the relevant Early Termination Date to the date for payment."	Same as 1992 ISDA.	"Gas Transactions" under Gas Annex will be considered "Transactions" under the Agreement and Automatic Early Termination will also apply to Gas Transactions if Automatic Early Termination selected in Schedule.	N/A	N/A
II. ASSIGNMENT / TRANSFER					
Is it Permitted?	Yes, under § 7. but requires prior written consent of the other, non-assigning party. All assignments/transfers that are done without prior written consent are void. This is also considered an Event of Default.	Same as 1992 ISDA.	N/A	Yes, § 14.1 permits assignment/transfer but only with the prior written consent of the non-assigning party which will not be unreasonably withheld or delayed but allows for such assignment/transfer without the prior written consent as stated under the below exceptions. If an assignment/transfer occurs without prior written consent the assignor shall remain principally liable for and shall not be relieved of or discharged from any obligations.	Yes, under § 15.1. Requires prior written consent of the other, non-assigning party. Exceptions to this requirement are outlined below. Consent may not be unreasonably withheld or delayed. If an assignment/transfer occurs without prior written consent, the assignor shall remain principally liable for and shall not be relieved of or discharged from any obligations.
Exceptions to Prior Written Consent Requirement	There are 2 exceptions listed under § 7: (a) allows a party to assign/transfer, without prior written consent, when a consolidation, amalgamation, merger or a transfer of substantially all of its assets with another entity has occurred, as long as the assignment/transfer does not prejudice any other right or remedy under the Agreement. (b) allows a party to assign/transfer, without prior written consent, all or any part of its interest in any Payments on Early Termination payable to it by a Defaulting Party.	There are 2 exceptions listed under § 7: (a) allows a party to assign/transfer, without prior written consent, when a consolidation, amalgamation, merger or a transfer of substantially all of its assets with another entity has occurred, as long as the assignment/transfer does not prejudice any other right or remedy under the Agreement. (b) allows a party to assign/transfer, without prior written consent, all or any part of its interest in any Early Termination Amount payable to it by a Defaulting Party, together with any amounts payable on or with respect to that interest and any other rights associated with that interest, pursuant to the requirements outlined in § 8 (contractual currency), § 9(h) (interest and compensation) and § 11(expenses).	N/A	Two Exceptions: § 14.1(i) provides that either party may without prior written consent transfer, sell, pledge, encumber or assign the NAESB or the accounts, revenues or proceeds in connection with any financing or other financial arrangement. § 14.1(ii) provides that either party may without written consent transfer its interest to any parent or affiliate by assignment, merger or otherwise. "affiliate" is not a defined term.	There are 2 exceptions listed under § 15.1. § 15.1(i) allows a party to transfer, sell, pledge, encumber or assign the NAESB or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, without prior written consent. § 15.1(ii) allows a party to transfer its interest in any parent or Affiliate by assignment, merger or otherwise, without prior written consent (similar to ISDA exception in § 7(a)). "Affiliate" is a defined term in § 2.2
Merger Without Assumption	Under § 5(a)(viii)(1), an Event of Default will occur if a consolidation, amalgamation, merger, transfer, reorganization occurs, and either (1) the resulting, surviving or transferee entity does not assume all the obligations of such party or the Credit Support Provider under the Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement, OR (2) the benefits of any Credit Support Document fail to extend to the resulting, surviving or transferee entity.	Under § 5(a)(viii)(1), an Event of Default will occur if a consolidation, amalgamation, merger, transfer, reorganization, reincorporation or reconstitution occurs, and either (1) the resulting, surviving or transferee entity does not assume all the obligations of such party or the Credit Support Provider or any Credit Support Document to which it or its predecessor was a party, OR (2) the benefits of any Credit Support Document fail to extend to the resulting, surviving or transferee entity.	N/A	N/A	N/A
III. LIQUIDATED DAMAGES FOR NON-PERFORMANCE					
Designation Option?	N/A	N/A	Yes. Under § (l)(3)(b)(ii), parties must select the type of Performance Obligation remedy to be used when there is an unexcused failure to take or deliver any quantity of Gas. There are 2 options: Cover Standard and Spot Price Standard.	Yes. Elected on the Base Contract between "Cover Standard" or "Spot Price Standard."	Same as 2002 NAESB.

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Cover Standard (default option)	N/A	N/A	Defined in § (k)(vi) and outlined in § (b)(ii) Option A. If the Seller is the breaching party, it must pay the positive difference between: (Buyer Purchase Price – Contract Price) * quantity Seller failed to deliver. No Replacement Available - if the Buyer has used commercially reasonable efforts to replace the the Gas, and no replacement is available, then the sole and exclusive remedy for the Buyer is: (Spot Price – Contract Price) * quantity Seller failed to deliver. Spot Price is defined in § (k)(xxi) as the Spot Price Index, which is defined in § (k)(xxii) as "Daily Midpoint" price published in Gas Daily by Platts, in the column "Daily Price Survey" under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant day, or, if an alternative index or price is specified in either the Confirmation or § (l)(6), then such alternative index or price. If the Buyer is the breaching party, it must pay the positive difference between: (Contract Price – Seller Sale Price) * quantity Buyer failed to take. No Replacement Available - if the Seller has used commercially reasonable efforts to sell the Gas to a third party, and no sale is available, then the sole and exclusive remedy for the Seller is: (Contract Price – Spot Price) * quantity Buyer failed to take. Transportation Cost Adjustment – the difference between Buyer Purchase Price/Seller Sale Price and the Contract Price must be adjusted for "commercially reasonable differences in transportation costs to or from the Delivery Points."	"Cover Standard" defined under § 2.10 and remedies stated under § 3.2. Generally same as ISDA Gas Annex. "Cover Standard" doesn't contain language referencing the "portion of gas not otherwise replaced or sold."	Cover Standard is defined in § 2.12 and remedies stated under § 3.2. Generally same as ISDA Gas Annex. ""Cover Standard" contains language referencing the "portion of gas not otherwise replaced or sold"
Spot Price Standard	N/A	N/A	Defined in § (k)(xxi) and outlined in § (b)(ii) Option B. If the Seller is the breaching party, it must pay the positive difference between: (Spot Price – Contract Price) * quantity Seller failed to deliver. Note – same calculation when no replacement available. See Spot Price definition under Cover Standard above. If the Buyer is the breaching party, it must pay the positive difference between: (Contract Price - Spot Price) * quantity Buyer failed to take. If parties wish to use Spot Price Index other than Gas Daily, they must specify which publication in § (l)(6).	"Spot Price" defined under § 2.26 and remedies stated under § 3.2. Generally same as ISDA Gas Annex.	"Spot Price defined in § 2.31 and remedies stated in § 3.2. Generally same as ISDA Gas Annex. If parties wish to use Spot Price other than Gas Daily, they must specify which publication in Base Contract.
Imbalance Charges	N/A	N/A	Under § c(iii), the parties shall use "commercially reasonable efforts to avoid imposition of any Imbalance Charges." If Imbalance Charges occur because Buyer receives quantities of Gas greater then or less than the Scheduled Gas, then Buyer shall pay charges. If Imbalance Charges occur because Seller delivers quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay charges.	Under § 4.3. Defined under § 2.19. Same as ISDA Gas Annex.	Same as 2002 NAESB.
Accelerated Payment	N/A	N/A	Under § f(iii), nonperforming party must pay performing party liquidated damages under (b)(ii) or (b)(iii) within 5 local business days after performing party presents non-performing party with invoice that sets forth the basis upon which such amount was calculated.	Set out under § 7.3. Same as ISDA Gas Annex.	Same as 2002 NAESB.
Good Faith Dispute of Charge	N/A	N/A	Under § f(iv), if the invoiced party, in good faith, disputes the amount of any such invoice, they must immediately pay the amount they concede to be correct, and must provide supporting documentation that is acceptable in industry practice to support the amount paid or disputed. In the event parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights.	Set out under § 7.4. Same as ISDA Gas Annex. 2002 version doesn't include language "without undue delay" re providing supporting documents.	Under § 7.4. Same as ISDA except that 2006 NAESB requires supporting documentation to be provided "without undue delay" and ISDA does not include that language.
Alternative Damage	N/A	N/A	Under § b(iii), the parties may agree to Alternative Damages in a Confirmation executed in writing by both parties.	Defined under § 2.1 and set out under § 3.3. Same as ISDA Gas Annex.	Same as 2002 NAESB.
IV. ADEQUATE ASSURANCES (VS. MARGINING RIGHTS)					
Adequate Assurances Under Law (*e.g.*, UCC 2-609)	N/A	N/A	N/A	N/A	N/A

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Adequate Assurances Under Contract	N/A	N/A	N/A	Set out under § 10.1: If either party has reasonable grounds for insecurity regarding the performance by the other party, it may demand Adequate Assurance of Performance.	Set out under § 10.1 (a) Does include reference to "Guarantor, if applicable" wrt occurrence of a material change in the creditworthiness (b) Expressly grants to the demanding party a first priority security interest in, lien on, and right of set off against any such cash and thereby protecting the demanding party from the other party's creditor claims. § 10 – If reasonable grounds for insecurity, a party may demand in writing "Adequate Assurance of Performance" in form and amount reasonably acceptable to requesting party.
Acceptable Forms of Adequate Assurances	N/A	N/A	N/A	Definition within § 10.1: "Adequate Assurance of Performance" means sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to the requesting party, including, but not limited to standby letter of credit, prepayment, security interest in an asset, guaranty.	Includes explicit reference to "cash" Definition within § 10.1: "Adequate Assurance of Performance" sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to the requesting party, including, but not limited to cash, standby letter of credit, prepayment, security interest in an asset, guaranty.
Transfer Timing for Adequate Assurances	N/A	N/A	N/A	48 hours, but at least 1 Business Day following written request.	48 hours, but at least 1 Business Day following written request.
Events of Default for Failure to Transfer Credit Protection	ISDA Credit Support Annex: Event of Default only if margin failure continues for 2 Business Days after notice.	Not expressly included as an Event of Default but 2002 versions modifies the definition of "Specified Transaction" to include credit protection transaction.	N/A	Yes, under § 10.2.	Same as 2002 NAESB.
Negotiable Collateral Terms (*e.g.*, Variation Margin, Independent Amounts, Thresholds, Minimum Transfer Amounts, etc.)	Yes, under ISDA Credit Support Annex.	Yes, under ISDA Credit Support Annex.	Yes, under ISDA Credit Support Annex.	Yes, under NAESB Credit Support Annex, or could be incorporated into any Special Provisions agreed to by the parties..	Same as 2002 NAESB.
V. MARKET DISRUPTION EVENTS & DISRUPTION FALLBACKS					
A. MARKET DISRUPTION EVENTS					
Price Source Disruption:	**Per § 7.4(d) of 2005 Commodity Definitions, deemed applicable unless specified otherwise in a Confirmation.	**Per § 7.4(d) of 2005 Commodity Definitions, deemed applicable unless specified otherwise in a Confirmation.	N/A	N/A	Included as § 14 (Market Disruption).
Failure of index to announce or publish the Floating Price	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Yes.
Temporary or permanent discontinuance or unavailability of the index or the temporary or permanent closing of any exchange acting as the index	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Yes.
If Commodity Reference Price is Commodity Reference Dealers, then the failure to obtain at least 3 quotes	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	If no agreement after 2 Business Days, each party obtains at least 2 quotes from non-affiliated market participants and average the four quotes.
If a Price Materiality Percentage is specified in a Confirmation and the Specified Price for a Commodity Reference Price differs from Commodity Reference Dealer price by more than the specified Price Materiality Percentage	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	N/A
Material change in formula	**Per § 7.4(d) of 2005 Commodity Definitions, deemed applicable unless specified otherwise in a Confirmation.	**Per § 7.4(d) of 2005 Commodity Definitions, deemed applicable unless specified otherwise in a Confirmation.	N/A	N/A	Yes, under § 14(e).
Applicable	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Yes.
Parties must agree that change is "material"	N/A	N/A	N/A	N/A	Yes.
Trading Disruption – Trading Suspension	**Per § 7.4(d) of 2005 Commodity Definitions, deemed applicable unless specified otherwise in a Confirmation.	**Per § 7.4(d) of 2005 Commodity Definitions, deemed applicable unless specified otherwise in a Confirmation.	N/A	N/A	Yes, under § 14(b).
The failure of trading to commence or the permanent discontinuation or *material* suspension of trading on the exchange or market acting as the index "Material" defined as (a) suspension for entire Pricing Day or (b) suspension after opening which continues until regularly scheduled closing that is not announced more than one hour prior to such suspension	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Yes - "Material" not defined.

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Trading Disruption – Trading Limitation. There is a material limitation on trading. ISDA defines "material" trading limitation as: (i) Exchange establishes limits on the range within which prices may fluctuate; and (ii) the closing/settlement price is at the upper or lower limit of that range.	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Yes, under § 14(b).
Disappearance of Commodity Reference Price. Permanent discontinuation of trading, listing of the Price, other permanent unavailability of Commodity Reference Price (other than due to unavailability of Price Source/status of trading).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	N/A
Material Change in Content. There is a material change in the content, composition or constitution of the Commodity.	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	N/A
Tax Disruption. There is an imposition of a tax (excise, severance, sales, use, value-added, transfer, stamp…) that raises or lowers the Relevant Price on the Pricing Date. [**Note:** This Market Disruption Event only applies if specified by the parties.]	Yes, if 2005 Commodity Definitions apply (specified in Schedule) *AND* if the parties expressly state that this Market Disruption Event applies.	Yes, if 2005 Commodity Definitions apply (specified in Schedule) *AND* if the parties expressly state that this Market Disruption Event applies.	N/A	N/A	N/A
B. DISRUPTION FALLBACKS					
Fallback Reference Price. Calculation Agent uses the price for the first alternate Commodity Reference Price specified in Confirmation and not subject to a Market Disruption Event (if any). If there is not an alternate Commodity Reference Price, then fallback to the next Disruption Fallback.	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Under § 14, the parties must negotiate in good faith for 2 Business Days.
Delayed Publication or Announcement. The price is determined based upon a price in respect of the original Pricing Date published retrospectively on the first Commodity Business Day in which there is no Market Disruption Event.	Yes, if 2005 Commodity Definitions apply (specified in Schedule). **Unless otherwise specified, applies concurrently with Negotiated Fallback and Delayed Publication/Announcement. **Maximum Days of Disruption - 2 Commodity Business Days before move to next Fallback.	Yes, if 2005 Commodity Definitions apply (specified in Schedule). **Unless otherwise specified, applies concurrently with Negotiated Fallback and Delayed Publication/Announcement. **Maximum Days of Disruption - 2 Commodity Business Days before move to next Fallback.	N/A	N/A	N/A
Postponement. Pricing Date is deemed the first succeeding Commodity Business Day in which there is no Market Disruption Event.	Yes, if 2005 Commodity Definitions apply (specified in Schedule). **Unless otherwise specified, applies concurrently with Delayed Publication/Announcement and Postponement. **Maximum Days of Disruption - 5 Commodity Business Days before move to next Fallback; however, if Negotiated Fallback applies concurrently with Postponement and Delayed Publication or Announcement, then Max Days of Disruption is 2 Commodity Business Days before move to next Fallback.	Yes, if 2005 Commodity Definitions apply (specified in Schedule). **Unless otherwise specified, applies concurrently with Delayed Publication/Announcement and Postponement. **Maximum Days of Disruption - 5 Commodity Business Days before move to next Fallback; however, if Negotiated Fallback applies concurrently with Postponement and Delayed Publication or Announcement, then Max Days of Disruption is 2 Commodity Business Days before move to next Fallback.	N/A	N/A	N/A
Negotiated Fallback. Negotiation in good faith. If parties are able to agree to a price before (i) or (ii) apply, then such agreement trumps a subsequent publication price.	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Yes, under § 14(b).
Fallback Reference Dealers. Obtain up to 4 quotes from 4 leading dealers selected by the Calculation Agent and average these quotes. If 3 quotes are obtained, then disregard the highest and the lowest. If less than 3 quotes are obtained, then fallback to the next Disruption Fallback.	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	Yes, if 2005 Commodity Definitions apply (specified in Schedule).	N/A	N/A	Each party obtains two quotes within 2 Business Days and such quotes are averaged (if one party does not obtain two quotes, then the other party's two quotes are averaged) [Similar to ISDA's Fallback Reference Dealers].
No Fault Termination. Transaction will be terminated and the close-out will be calculated at mid-market.	Yes, if 2005 Commodity Definitions apply (specified in Schedule) *AND* if the parties expressly state that this Disruption Fallback applies.	Yes, if 2005 Commodity Definitions apply (specified in Schedule) *AND* if the parties expressly state that this Disruption Fallback applies.	N/A	N/A	N/A
Calculation Agent Determination. The Calculation Agent determines the price taking into account latest quotes and other information as it deems relevant in good faith.	Yes, if 2005 Commodity Definitions apply (specified in Schedule) *AND* if the parties expressly state that this Disruption Fallback applies.	Yes, if 2005 Commodity Definitions apply (specified in Schedule) *AND* if the parties expressly state that this Disruption Fallback applies.	N/A	N/A	N/A
VI. SUSPENSION RIGHTS (PRE-TERMINATION)					
Contractual Right to Suspend Performance without Terminating Trades	Yes (§ 2(a)(iii)(1)). "Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default of Potential Event of Default with respect to the other party has occurred and is continuing."	Same as 1992 ISDA.	N/A	Set out under § 10.2. Non-Defaulting Party has the right "to immediately withhold and/or suspend deliveries or payments."	Same as 2002 NAESB.
Triggering Events	Event of Default or Potential Event of Default has occurred and is continuing.	Same as 1992 ISDA.	Event of Default or Potential Event of Default has occurred and is continuing, no Early Termination Date in respect of a relevant Transaction has occurred or been effectively designated, and/or any other condition specified in the Agreement to be a condition precedent.	Only Events of Default. It doesn't contain reference to "Additional Event of Default."	Events of Default or Additional Event of Default (§ 2.1).
Time Limitation on Right to Suspend	No.	No.	No.	No.	No.
VII. FORCE MAJEURE					
A. ELEMENTS OF FORCE MAJEURE					

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	ISDA® 1992 Master Agreement	**ISDA® 2002 Master Agreement**	**ISDA® North American Gas Annex**	**NAESB 2002**	**NAESB 2006**
Event not within reasonable control of party claiming force majeure	N/A	Yes - § 5(b)(ii). **Only applies in the context of Force Majeure Termination Event -- (*e.g.*, failures to make or receive payments or perform under Credit Support Documents) and does NOT apply to force majeure affecting physical commodity supply transactions.	Same as NAESB.	Set out under § 11 - "any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2."	Same as 2002 NAESB.
Duty to Overcome, Reasonable Dispatch	N/A	Yes - § 5(b)(ii). **Only applies in the context of Force Majeure Termination Event -- (*e.g.*, failures to make or receive payments or perform under Credit Support Documents) and does NOT apply to force majeure affecting physical commodity supply transactions.	Same as NAESB.	Yes. "Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance." Not Force Majeure Event: "the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch."	Same as 2002 NAESB.
Not Foreseeable	N/A	N/A	Same as NAESB.	N/A	N/A
B. CARVE-OUTS					
Loss of Buyer's Market/ Buyer's inability to use or resell	N/A	N/A	Same as NAESB.	Yes. Not Force Majeure Event: "economic hardship, to include, without limitation, . . . Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2"	Same as 2002 NAESB.
Loss/failure of Seller's supply/ Seller's inability to sell	N/A	N/A	Same as NAESB.	Yes. Not Force Majeure Event: "economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price . . . or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; . . . or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2."	Same as 2002 NAESB.
Curtailment	N/A	N/A	Same as NAESB.	Yes. Not Force Majeure Event: "the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed."	Same as 2002 NAESB.
List of Force Majeure Events	N/A	(i) Office cannot make or receive payments (or deliveries, if repo transaction), or it becomes impossible or impracticable for such Office to perform, receive or comply; or (ii) Party or its Credit Support Provider cannot make or receive payment under the Credit Support Document or comply with a material provision of such Credit Support Document, or it becomes impossible or impracticable for such party or Credit Support Provider to perform, receive or comply.	Same as NAESB.	Set out under § 11.2. Same as 2006 version except that 2002 does not include "acts of terror".	"Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction."
Consequences of Force Majeure	N/A	Termination Event - see § 5(b)(ii).	Same as NAESB.	Upon notice, not liable for failure to perform a Firm obligation, to the extent caused by Force Majeure, except payments (invoicing and set-off amounts) and imbalance charges. Non-claiming party is excused with respect to the corresponding obligations.	Same as 2002 NAESB.
Product-specific Force Majeure Provisions	N/A	N/A	Same as NAESB.	Yes, parties can agree to alternative Force Majeure provision for an individual trade in a Transaction Confirmation executed in writing by both parties.	Same as 2002 NAESB.
VIII. COMMUNICATION WITH COUNTERPARTIES					

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	**ISDA® 2002 Master Agreement**	**ISDA® North American Gas Annex**	**NAESB 2002**	**NAESB 2006**
Notices	§ 12 of the Master Agreement. Given to address/number/detail provided the Schedule, notice effective as follows: (i) If in person, on the date it is delivered; (ii) If by fax, on date received, (sender has the burden to prove receipt which will not be met by sender's transmission report); (iii) If by certified or registered mail, on date delivered or attempted to be delivered; (iv) If by electronic messaging, on date received. ; provided the date of delivery is a Local Business Day during business hours, otherwise communication will be deemed given and effective on the first following day that is a Local Business Day. NOTE: Notice of Event of Default or Early Termination Date may not be given by fax or electronic messaging.	§ 12 of the Master Agreement. Given to address/number/detail provided the Schedule, notice effective as follows: (i) If in person, on the date it is delivered; (ii) If by fax, on date received, (sender has the burden to prove receipt which will not be met by sender's transmission report); (iii) If by certified or registered mail, on date delivered or attempted to be delivered; (iv) If by electronic messaging, on date received. (v) If by e-mail, effective on date delivered (02 ISDA only). ; provided the date of delivery is a Local Business Day during business hours, otherwise communication will be deemed given and effective on the first following day that is a Local Business Day. NOTE: Notice of Event of Default or Early Termination Date may not be given by electronic messaging or e-mail.	N/A	§ 9: Notice effective as follows: (i) If by fax, upon sender's confirmation report, except that if received after 5 p.m., the next Business Day; (ii) If or by overnight, on next Business Day, or earlier if confirmed by receiving party; and If by first class mail, five Business Days after mailing.	§ 9: Expressly provides for notices to be in writing, and otherwise are effective as follows: (i) If by fax, upon sender's confirmation report, except that if received after 5 p.m., the next Business Day; (ii) If by courier or overnight mail, on next Business Day, or earlier if confirmed by receiving party; and (iii) If by first class mail, five Business Days after mailing.
Confirmation Procedures	§ 9(e)(ii). Parties are legally bound when they enter into a transaction (whether oral or not), and will enter into a TC as soon as practicable. The TC can be created by exchange of faxes, telexes, e-mails, etc., all of which shall be sufficient to form a binding confirmation.	Same as 1992 ISDA.	Defaults to § 9(e)(ii) of ISDA Master, but generally terms are negotiated consistent with NAESB.	§§ 1.2 and 1.3. Parties may elect written or oral confirmation procedures on the Cover Sheet: Oral: (i) Oral agreement is a writing, and Confirming Party may send a TC; (ii) TC including any non-commercial terms is non-binding unless signed; Written: (i) Agreement will not be binding until the exchange of non-conflicting TCs or the passage of the Confirm Deadline without objection from the receiving party. Transaction Confirmation Exchange: (i) Receiving Party may object to the sending party's TC by Confirm Deadline. (ii) The failure to object in writing to the TC by the Confirm Deadline or to send a separate TC in response constitutes an agreement (but not as to non-commercial terms for oral agreements). Neither TC is binding unless material differences between timely sent TCs are resolved.	Same as 2002 NAESB.
Change of Account / Withholding of Taxes / Events of Default	Change of Account: § 2(b) provides for giving notice to the other party at least 5 Local Business Days prior to the scheduled date for the payment or delivery to which the change applies. Withholding of Taxes: § 2(d) provides that the party withholding amounts on account of a Tax must (i) notify the other party, (ii) promptly pay the relevant authority the amount withheld, (iii) forward an official receipt (or certified copy) to the other party evidencing payment, and (iv) in the event the Tax is an Indemnifiable Tax, pay to the other party an additional amount to ensure the amount received by the other party equals the full amount it would have received had there been no deduction or withholding. Events of Default: The cure periods specified in the various § 5(a) Events of Default are measured by the giving of notice by the non-defaulting party. If a party exercises its right to early termination following an Event of Default pursuant to § 6(a), and "Automatic Early Termination" is *not* selected on the Schedule, it may designate an Early Termination Date with respect to outstanding Transactions by not more than 20 days notice.	Change of Account: § 2(b) provides for giving notice to the other party at least 5 Local Business Days prior to the scheduled date for the payment or delivery to which the change applies. Withholding of Taxes: § 2(d) provides that the party withholding amounts on account of a Tax must (i) notify the other party, (ii) promptly pay the relevant authority the amount withheld, (iii) forward an official receipt (or certified copy) to the other party evidencing payment, and (iv) in the event the Tax is an Indemnifiable Tax, pay to the other party an additional amount to ensure the amount received by the other party equals the full amount it would have received had there been no deduction or withholding. Events of Default: The cure periods specified in the various § 5(a) Events of Default are measured by the giving of notice by the non-defaulting party. If a party exercises its right to early termination following an Event of Default pursuant to § 6(a), and "Automatic Early Termination" is *not* selected on the Schedule, it may designate an Early Termination Date with respect to outstanding Transactions by not more than 20 days notice.	N/A	Change of Account: § 9.1 provides that payment information may be provided in writing from time to time. Withholding of Taxes: N/A Events of Default: The Non-Defaulting Party's right to elect to cease making payments or deliveries after an Event of Default is contingent on giving notice to the Defaulting Party. Non-Defaulting Party has a right to designate an Early Termination Date within 20 days of notice of such.	Change of Account: § 9.4 provides that a party receiving a commercially acceptable notice of change in payment instructions or other payment information shall not be obligated to implement such change until 10 Business Days after receipt of such notice. Withholding of Taxes: N/A Events of Default: Same as 2002 NAESB.
Recordings	N/A	N/A	N/A	Under § 1.4, the parties agree that each may record telephone conversations regarding the Contract. Under § 7.6, the parties must make such recordings, if any, reasonably available (after notice and at the requesting party's expense) for inspection or audit when necessary to confirm the accuracy of any statement, charge, payment, or computation.	Same as 2002 NAESB.
IX. NETTING					
Netting provision? Any limitations or conditions?	Yes, under § 2(c). If on a date amounts are payable in the same currency and in respect of the same Transaction, the amounts payable are netted. Parties may elect (in the Schedule or a Confirmation) to net amounts payable on the same date and in the same currency in respect to two or more Transactions.	Yes, under § 2(c). If on a date amounts are payable in the same currency and in respect of the same Transaction, the amounts payable are netted. Parties may elect (in the Schedule or a Confirmation) for "Multiple Transaction Payment Netting" to apply. If applicable, the parties may net amounts payable on the same date and in the same currency in respect to two or more Transactions.	Yes, through § 2(c) of ISDA.	§ 7.7 Parties net all undisputed amounts under the Contract to provide for one netted payment. No payment may be netted against Credit Support Obligations or against cover damages.	Same as 2002 NAESB.
X. SETOFF					

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	ISDA® 2002 Master Agreement	ISDA® North American Gas Annex	NAESB 2002	NAESB 2006
Setoff provision? Any limitations or conditions?	Not contained in 1992 ISDA although it is often incorporated in the Schedule.	Addition of Set-off to the 2002 version as § 6(f) § 6(f) - Setoff occurs where there is: 1. Default, 2. A credit event upon merger, or 3. A termination event that includes all outstanding transactions (1) Who can setoff? Only the two parties can setoff between each other, but it does not distinguish between the defaulting party paying the non-defaulting party and vice versa. (2) What can be setoff? Any other amounts payable, regardless of whether they arise under the same agreement, can be setoff. The non-defaulting party shall give notice to the defaulting party of their choice to effect setoff under this section. Any obligation to be included in setoff that is not ascertained may be included through a good faith estimate. This provision is without prejudice to any right of setoff otherwise provided for.	Yes, through § 6(f) of 2002 ISDA or Schedule for 1992 ISDA (if incorporated there).	§ 10.3.2 (a) Elected on the Base Contract (b) Other Agreement Setoffs - 1 option (if Other Agreement Setoffs apply- bilateral setoff is the only option) (c) Non-Defaulting Party may set off and no prior notice required to be given by the Non-Defaulting Party to Defaulting Party.	§ 10.3.2 (a) Elected on the Base Contract. (b) Other Agreement Setoffs -2 options -if Other Agreement Setoffs apply - - Bilateral (default option) or - Triangular (c) Non-Defaulting Party is authorized to set off and no prior notice required to be given by Non-Defaulting Party to Defaulting Party. (d) Bilateral set off substantially similar to 2002 NAESB. (1) Who can setoff? The parties must select bilateral or triangular setoff. Bilateral setoff is the default option. (2) What can be setoff? The parties must select whether other agreements or arrangements between the parties can be setoff. Setoff of other agreements and arrangements is the default option. Collateral and margin may be setoff under either option. The nondefaulting party has permissive authority to apply setoff and does not have to give prior notice. Any obligation to be included in setoff amount that is not ascertained shall be included through a good faith estimate. Any amount not yet due, but included in setoff, shall be discounted to net present value.
XI. CONFIDENTIALITY					
Confidentiality provision and general obligations	Not contained in 1992 ISDA although it is often incorporated in the Schedule.	Not contained in 1992 ISDA although it is often incorporated in the Schedule.	N/A	Yes, under § 14.10. The provision applies by default but the parties may elect to make it inapplicable.	Yes, under § 15.10. The provision applies by default but the parties may elect to make it inapplicable.
Exceptions to non-disclosure?	N/A	N/A	N/A	Yes, under § 14.10. (i) to comply with any applicable law, order, regulation, or exchange rule. (ii) to the extent necessary to enforce the Contract. (iii) to the extent necessary to implement any transaction. (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index.	Same as 2002 NAESB, with the addition of "regulatory agency's reporting requirements."
XII. EVENTS OF DEFAULT/ TERMINATION EVENTS					
Failure to pay	Yes - § 5(a)(i). 3 Local Business Day cure period after notice of default. **Note that failure to deliver does not apply to physical delivery of commodities. In the ISDA, § 5(a)(i) failures to deliver apply only to financial transactions such as repos.	Yes - § 5(a)(i). Same as 1992 ISDA, except 1 Local Business Day cure period after notice of default. **Note that failure to deliver does not apply to physical delivery of commodities. In the ISDA, § 5(a)(i) failures to deliver apply only to financial transactions such as repos.	Yes - ISDA § 5(a)(i). 3 Local Business Day cure period after notice of default. **Note that failure to deliver does not apply to physical delivery of commodities. In the ISDA, § 5(a)(i) failures to deliver apply only to financial transactions such as repos.	Yes - § 10.2(viii). Event of Default if the amount due is not paid on or before the 2nd Business Day following written notice that payment is due.	Same as 2002 NAESB.
False representation or warranty	Yes - § 5(a)(iv). Applies to representations by a party under the ISDA or its Credit Support Provider under a Credit Support Document. Key language - "incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated". No cure period.	Same as 1992 ISDA. No cure period.	Yes - ISDA § 5(a)(iv). Applies to representations by a party under the ISDA or its Credit Support Provider under a Credit Support Document. Key language - "incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated." No cure period.	N/A	N/A
Failure to perform	Yes - § 5(a)(ii). 30 day cure period after notice of default.	Yes - § 5(a)(ii). 30 day cure period after notice of default. 2002 ISDA adds new subsection (2) - Event of Default if a party disaffirms, disclaims, repudiates, rejects or challenges the validity of the Master Agreement, any Confirmation or Transaction. No cure period applies to subsection (2).	Yes - ISDA § 5(a)(ii). 30 day cure period after notice of default.	Yes, under § 10.2(vi) with respect to Credit Obligations.	Same as 2002 NAESB.
Bankruptcy	Yes - § 5(a)(vii). Applies to a party, its Credit Support Provider or any Specified Entity. For (i) involuntary bankruptcy filings and (ii) situations where a secured party takes control of all assets or files a distress/attachment action on debtor, 30 day cure period applies to have the proceeding dismissed.	Yes - § 5(a)(vii). Applies to a party, its Credit Support Provider or any Specified Entity. For (i) involuntary bankruptcy filings and (ii) situations where a secured party takes control of all assets or files a distress/attachment action on debtor, 15 day cure period applies to have the proceeding dismissed.	Yes - ISDA § 5(a)(vii). Applies to a party, its Credit Support Provider or any Specified Entity. For (i) involuntary bankruptcy filings and (ii) situations where a secured party takes control of all assets or files a distress/attachment action on debtor, 30 day cure period applies to have the proceeding dismissed.	Yes, under § 10.2(i)-(v). Triggers Non-Defaulting Party's right to declare an Early Termination Date under § 10.3.	Same as 2002 NAESB.

Gap Risk: A Comparison of Terms Across Master Trading Agreements

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	**ISDA® 2002 Master Agreement**	**ISDA® North American Gas Annex**	**NAESB 2002**	**NAESB 2006**
Failure to satisfy credit requirements	Yes - § 5(a)(iii). Applies to: (1) failures of a party or Credit Support Provider to perform under or comply with Credit Support Document (following any grace period therein); (2) expiration or termination of a Credit Support Document before all ISDA obligations are satisfied without other party's consent; or (3) party or Credit Support Provider disaffirms, disclaims, repudiates or rejects or challenges the validity of a Credit Support Document. No cure periods built into the ISDA Master. Under sub (1), cure periods only apply if specified in the appliable Credit Support Document (Credit Support Annex, guaranty, etc.).	Yes - § 5(a)(iii). Same as 1992 ISDA, except that 2002 ISDA also specifies that a failure of a security interest granted under a Credit Support Document also constitutes an Event of Default. As in 1992 ISDA, no cure periods build into the ISDA Master. Cure periods only apply in subsection (1) if specified in the Credit Support Document.	Yes - ISDA § 5(a)(iii). Applies to: (1) failures of a party or Credit Support Provider to perform under or comply with Credit Support Document (following any grace period therein); (2) expiration or termination of a Credit Support Document before all ISDA obligations are satisfied without other party's consent; or (3) party or Credit Support Provider disaffirms, disclaims, repudiates or rejects or challenges the validity of a Credit Support Document. No cure periods built into the ISDA Master. Under subsection (1), cure periods only apply if specified in the appliable Credit Support Document (Credit Support Annex, guaranty, etc.).	Yes, under § 10.2(vii). Applies to a party's failure to perform ay obligation to the other party with respect to any Credit Support Obligations relating to the Contract.	Same as 2002 NAESB.
Party consolidates, amalgamates, merges or transfers assets	Yes - § 5(a)(viii). Applies to a party and its Credit Support Provider when it merges or transfers substantially all of its assets to another entity and (1) the resulting or transferee entity fails to assume all obligations of the party or Credit Support Provider under the ISDA or Credit Support Document, or (2) benefits of a Credit Support Document fail to extend to the performance of the resulting or transferee entity. No cure period.	Yes - § 5(a)(viii). Same as 1992 ISDA, except triggering events expanded to include a reorganization, reincorporation or reconstitution. No cure period.	Yes - ISDA § 5(a)(viii). Applies to a party and its Credit Support Provider when it merges or transfers substantially all of its assets to another entity and (1) the resulting or transferee entity fails to assume all obligations of the party or Credit Support Provider under the ISDA or Credit Support Document, or (2) benefits of a Credit Support Document fail to extend to the performance of the resulting or transferee entity. No cure period.	N/A	N/A
Default under specified transaction	Yes - § 5(a)(v). Applies to a party, Credit Support Provider, and any "Specified Entity" of othe party stated in the Schedule: (1) default under "Specified Transaction" which leads to early termination, liquidation or acceleration of such Specified Transaction; (2) defaults in making payment on last payment date of, or upon early termination of, a Specified Transaction (and only if no grace period is stated in the Specified Transaction, a 3 Local Business Day cure period is deemed to apply to the failure to pay); or (3) disaffirms, disclaims, repudiates or rejects a Specified Transaction. "Specified Transaction": any transaction between an ISDA party (or its Credit Support Provider or Specified Entity, if any) and the other ISDA party (or its Credit Support Provider or Specified Entity, if any) that falls in laundry list of financial derivative transactions (*e.g.*, rate swap, commodity swap, commodity option, forex, floor, cap, "any other similar transaction", etc.). Definition in 1992 ISDA does not reference any physical commodity forward agreements.	Yes - § 5(a)(v). Similar to 1992 ISDA with a few notable differences: (1) Greater distinction made between payment defaults under Specified Transactions and delivery defaults under Specified Transactions, but in either case, default still must lead to early termination, liquidation and acceleration. (2) Can be triggered by a default under a credit support arrangement relating to a Specified Transaction. (3) For failures to make final payment or early termination payment, cure period reduced from 3 Local Business Days to 1 Local Business Day. (4) Repudiation section modified to include "challenges the validity of" to expand the scope, and also repudiation must be evidenced by a document or other confirming evidence executed and delivered by Defaulting Party, its Credit Support Provider or Specified Entity (as applicable). (5) "Specified Transaction" definition broadened to include additional types of transactions and market participants, as well as catch-all language that includes forward agreements - "forward purchase or sale or a security, commodity or other financial instrument or interest". In adding this language, the definition in 2002 ISDA does include commodity forward agreements.	Yes - ISDA § 5(a)(v). Applies to a party, Credit Support Provider, and any "Specified Entity" of othe party stated in the Schedule: (1) default under "Specified Transaction" which leads to early termination, liquidation or acceleration of such Specified Transaction; (2) defaults in making payment on last payment date of, or upon early termination of, a Specified Transaction (and only if no grace period is stated in the Specified Transaction, a 3 Local Business Day cure period is deemed to apply to the failure to pay); or (3) disaffirms, disclaims, repudiates or rejects a Specified Transaction. "Specified Transaction": any transaction between an ISDA party (or its Credit Support Provider or Specified Entity, if any) and the other ISDA party (or its Credit Support Provider or Specified Entity, if any) that falls in laundry list of financial derivative transactions (*e.g.*, rate swap, commodity swap, commodity option, forex, floor, cap, "any other similar transaction", etc.). Definition in 1992 ISDA does not reference any physical commodity forward agreements.	N/A	Yes, under § 10.2. It is an Event of Default for a party to be an affected party with respect to any Additional Event of Default, if that election is made in the Base Contract, and Specific Transactions are listed.
Cross Default	Applies only if elected in the ISDA Schedule - § 5(a)(vi). If a party, its Credit Support Provider or Specified Entity: (1) defaults on "Specified Indebtedness" (individually or collectively) in an amount equal to or greater than the "Threshold Amount" stated in the Schedule and such indebtedness becomes, ***or is capable of being declared***, due and payable before it otherwise was due, ***or*** (2) defaults in making payments under Specified Indebtedness in an amount equal to or greater than the Threshold Amount. "Specified Indebtedness" = indebtedness for borrowed money "Threshold Amount" = specified for each party in the Schedule (if Cross Default applies). Cross Default v. Cross-Acceleration: Standard in ISDA is true cross default—Event of Default arises if indebtedness actually has been accelerated, or is capable of being accelerated but has not yet been. Some parties delete the underlined/italicized language above to provide for "cross acceleration"—meaning Event of Default only arises if debt actually has been accelerated (not merely capable of being accelerated).	Applies only if elected in the ISDA Schedule - § 5(a)(vi). Same as 1992 ISDA, except amounts under subs (1) and (2) can be aggregated when determining whether the Threshold Amount has been met. Same issues regarding cross default v. cross acceleration in the 2002 ISDA.	Applies only if elected in the ISDA Schedule - § 5(a)(vi). If a party, its Credit Support Provider or Specified Entity: (1) defaults on "Specified Indebtedness" (individually or collectively) in an amount equal to or greater than the "Threshold Amount" stated in the Schedule and such indebtedness becomes, ***or is capable of being declared***, due and payable before it otherwise was due, ***or*** (2) defaults in making payments under Specified Indebtedness in an amount equal to or greater than the Threshold Amount. "Specified Indebtedness" = indebtedness for borrowed money "Threshold Amount" = specified for each party in the Schedule (if Cross Default applies). Cross Default v. Cross-Acceleration: Standard in ISDA is true cross default—Event of Default arises if indebtedness actually has been accelerated, or is capable of being accelerated but has not yet been. Some parties delete the underlined/italicized language above to provide for "cross acceleration"—meaning Event of Default only arises if debt actually has been accelerated (not merely capable of being accelerated).	N/A	Yes, under § 10.2. It is an Event of Default for a party to be an affected party with respect to any Additional Event of Default, if that election is made in the Base Contract, and Transactional or Indebtedness Cross Default selections are made.
Failure by Party's Guarantor	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	Yes, under § 10.2, Events of Default are those events relating to either a party or a party's guarantor.	Same as 2002 NAESB. The definition of Indebtedness Cross Default in § 2.23 also covers a guarantor's default.
False representation or warranty	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	N/A	N/A
Failure to make payment required or perform	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Pay above.	Same as 2002 NAESB.
Bankruptcy	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Bankruptcy above.	Same as 2002 NAESB.
Failure to be in effect	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	N/A	N/A

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	**ISDA® 2002 Master Agreement**	**ISDA® North American Gas Annex**	**NAESB 2002**	**NAESB 2006**
Rejection of Guaranty	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	See Failure to Satisfy Credit Requirements above.	N/A	N/A
Illegality	Yes - § 5(b)(i). Applies if an event/circumstance occurs after a Transaction is entered into which makes it illegal for an Office, an ISDA party or its Credit Support Provider to make or receive payments/deliveries (does not apply to physical commodities) or comply with material provisions of the ISDA relating to such Transaction.	Yes - § 5(b)(i). Generally the same as 1992 ISDA.	N/A	N/A	N/A
Force Majeure Event	N/A	Yes - § 5(b)(ii). Only applies to force majeure affecting payments/deliveries under financial transactions. Does not apply to force majeure affecting physical commodity delivery obligations (separately covered in ISDA Commodity Annexes). Event that prevents an Office, party or its Credit Support Provider from making or receiving payments/deliveries when required under the ISDA or Credit Support Document, or otherwise causes performance to be impossible or impracticable. Office, party or Credit Support Provider must use reasonable efforts to overcome the Force Majeure Event, but need not incur a loss (other than immaterial or incidental expenses).	Yes - subsection (h) of the Annex applies to Gas Transactions and explicitly states that § 5(b)(ii) of the 2002 ISDA does not apply to Gas Transactions. Force Majeure events include (A) physical events, (B) weather-related events, (C) interruption and/or curtailment, (D) acts of others (strikes, lockouts, etc.), and (E) governmental actions.	Yes, under § 11.2. Generally the same as the ISDA Gas Annex.	Same as 2002 NAESB.
Tax Event	Yes - § 5(b)(ii). Applies if due to (1) an action taken by a taxing authority or (2) a Change in Tax Law, there is a substantial likelihood that on the next payment date a party (A) will be required to pay an additional amount for an Indemnifiable Tax, or (B) would receive a payment from which an amount is deducted/withheld becuase of the changed Tax, and no additional amount is required to be paid in respect of that Tax.	Yes - § 5(b)(iii). Same as 1992 ISDA.	Yes - ISDA § 5(b)(iii). Similar to "Tax Event", but applies when the Tax Event arises not because of a change in existing tax law but because of a merger or transfer of all/substantially all assets of a party or its Credit Support Provider to another entity.	N/A	N/A
Tax Event Upon Merger	Yes - § 5(b)(iii). Similar to "Tax Event", but applies when the Tax Event arises not because of a change in existing tax law but because of a merger or transfer of all/substantially all assets of a party or its Credit Support Provider to another entity.	Yes - § 5(b)(iv). Same as 1992 ISDA.	Applies only if elected in the ISDA Schedule - § 5(b)(iv). Arises if a party, its Credit Support Provider or Specified Entity mergers or transfers all/substantially all of its assets to another entity and the resulting or transferee entity is "materially weaker" than the party/Credit Support Provider/Specified Entity immediately prior to such event. "Materially weaker" is not defined in the 1992 ISDA. Parties sometimes prefer to clarify in the ISDA Schedule.	N/A	N/A
Credit Event Upon Merger	Applies only if elected in the ISDA Schedule - § 5(b)(iv). Arises if a party, its Credit Support Provider or Specified Entity mergers or transfers all/substantially all of its assets to another entity and the resulting or transferee entity is "materially weaker" than the party/Credit Support Provider/Specified Entity immediately prior to such event. "Materially weaker" is not defined in the 1992 ISDA. Parties sometimes prefer to clarify in the ISDA Schedule.	Applies only if elected in the ISDA Schedule - § 5(b)(v). Similar to 1992 ISDA, except a new term "Designated Event" expands on the triggers which might lead to the Event of Default. Apart from mergers or transfers (same as 1992), also includes: (1) Direct or indirect acquisition of the beneficial ownership of (A) the equity interests having the power to elect a majority of the board of directors of the party, its Credit Support Provider or Specified Entity, or (B) any other ownership interest giving it control over the party, its Credit Support Provider or Specified Entity; and (2) Effecting any substantial change in capital structure by issuing, incurring or guaranteeing debt, or issuing (A) preferred stock or convertible securities, or (B) any other form of ownership interest.	Applies only if Additional Events of Default are specified in the ISDA Schedule - § 5(b)(v).	N/A	N/A
Additional Termination Event	Applies only if Additional Events of Default are specified in the ISDA Schedule - § 5(b)(v).	Applies only if Additional Events of Default are specified in the ISDA Schedule - § 5(b)(vi).	For Events of Default, ISDA requires that *all outstanding Transactions must be terminated* upon designating an Early Termination Date. § 6(a). For Termination Events, ISDA requires that *all "Affected Transactions"* (*i.e.*, those affected by the Termination Event) *must be terminated* upon designating an Early Termination Date. § 6(b)(iv). For certain Termination Events (*e.g.*, Illegality, Tax Event, Tax Event Upon Merger), ISDA may require the Affected Party to attempt to transfer the Transaction to avoid the Termination Event within 30 days after giving notice of the Termination Event. § 6(b)(ii)-(iii).	N/A	Yes, under § 10.2(ix). Applies only if Additional Events of Default are specified in the Base Contract.
XIII. NON-DEFAULTING PARTY'S RIGHTS					
Declare Early Termination Date	For Events of Default, § 6(a) permits the non-defaulting party to declare an Early Termination Date by not more than 20 days notice. If "Automatic Early Termination" is elected in the Schedule, such Early Termination is *automatic upon the occurrence* of the Bankruptcy-related Events of Default listed in § 5(a)(vii)(1), (3), (5)-(6), and to the extent analogous thereto, (8). The Automatic Early Termination is effective *immediately prior to* the institution of a proceeding or petition contemplated by § 5(a)(vii)(4). For certain Termination Events (*e.g.*, Illegality, Tax Event, Tax Event Upon Merger), ISDA may require the Affected Party to attempt to transfer the Transaction to avoid the Termination Event within 30 days after giving notice of the Termination Event. § 6(b)(ii)-(iii).	Same as 1992 ISDA.	N/A	Under § 10.3 the Non-Defaulting Party has the right, by notice to the Defaulting Party, to designate a day, no earlier than the day such notice is given and no later than 20 days after such notice is given, as an Early Termination Date.	Same as 2002 NAESB.

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	**ISDA® 2002 Master Agreement**	**ISDA® North American Gas Annex**	**NAESB 2002**	**NAESB 2006**
Withhold payments to Defaulting Party	Yes, under § 2(a)(iii) - each payment obligation is subject to the conditions precedent that (a) no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, and (b) no Early Termination Date has occurred or been effectively designated regarding the relevant Transaction.	Yes, under § 2(a)(iii) - each payment obligation is subject to the conditions precedent that (a) no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, and (b) no Early Termination Date has occurred or been effectively designated regarding the relevant Transaction.	N/A	After notice of an Event of Default has been delivered to the Defaulting party, § 10.2 permits the Non-Defaulting Party to elect to immediately withhold payment.	Same as 2002 NAESB.
Suspension of Performance upon Event of Default	Yes, under § 2(a)(iii) - each payment obligation is subject to the conditions precedent that (a) no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, and (b) no Early Termination Date has occurred or been effectively designated regarding the relevant Transaction. Under § 6(c)(ii), no payments or deliveries under §§ 2(a)(i) or 2(e) are required to be made in respect of a Transaction upon the occurrence or designation of an Early Termination Date regarding such Transaction.	Yes, under § 2(a)(iii) - each payment obligation is subject to the conditions precedent that (a) no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, and (b) no Early Termination Date has occurred or been effectively designated regarding the relevant Transaction. Under § 6(c)(ii), no payments or deliveries under §§ 2(a)(i) or 9(h)(i) are required to be made in respect of a Transaction upon the occurrence or designation of an Early Termination Date regarding such Transaction.	N/A	After notice of an Event of Default has been delivered to the Defaulting party, § 10.2 permits the Non-Defaulting Party to elect to immediately suspend deliveries.	Same as 2002 NAESB.
XIV. TERMINATION PAYMENT					
Termination of all v. less than all transactions upon Early Termination Date?	For Events of Default, ISDA requires that *__all outstanding Transactions must be terminated__* upon designating an Early Termination Date. § 6(a). For Termination Events, ISDA requires that *__all "Affected Transactions"__* (*i.e.*, those affected by the Termination Event) *__must be terminated__* upon designating an Early Termination Date. § 6(b)(iv). For certain Termination Events (*e.g.*, Illegality, Tax Event, Tax Event Upon Merger), ISDA may require the Affected Party to attempt to transfer the Transaction to avoid the Termination Event within 30 days after giving notice of the Termination Event. § 6(b)(ii)-(iii).	Generally the same as 1992 ISDA, except for Illegality and Force Majeure Termination Events, a new "Waiting Period" applies before a party can designate an Early Termination Date. For Illegality, waiting period generally is 3 Local Business Days and for Force Majeure Events the waiting period generally is 8 Local Business Days. *See* § 6(b)(iv)(2) and definition of "Waiting Period" in § 14.	Yes, through §§ 5 and 6 of ISDA.	Early Termination Damages: If the non-defaulting party sends notice of an Early Termination Date within 20 days of the Event of Default and if Early Termination Damages apply is selected in the Base Contract, parties would calculate as per § 10.3.1 taking into account the mark to market value of the terminated transactions. If select Early Termination Damages do not apply, no mark to market calculation is done.	Same as 2002 NAESB.
Calculation of Termination/Settlement Payment	Under § 6(e), parties elect (in the Schedule) both a payment measure (either Market Quotation or Loss) and a payment method (either First Method or Second Method).	Calculation of payments is made pursuant to § 6(e) and in either of the below cases is subject to set-off provided for in § 6(f). For Events of Default, Early Termination Amount = Close-out Amount(s) + Unpaid Amounts due to the Non-defaulting Party - Unpaid Amounts due to Defaulting Party. If positive, Defaulting Party pays. If negative, Non-defaulting Party pays the absolute value. For Termination Events, calculation depends on whether there is 1 or 2 Affected Parties. If 1 Affected Party, the calculation is the same as the calculation under Events of Default. If 2 Affected Parties, each party determines a Close-out Amount. Early Termination Amount = Half the difference between the parties' determination of Close-out Amount + Unpaid Amounts owing to X - Unpaid Amounts owing to Y. If positive, Y pays to X. If negative, X pays the absolute value to Y. If termination is due to Illegality or Force Majeure, the Close-out Amounts shall be determined using the mid-market quotations without regard to the Determining Party's creditworthiness.	N/A	Under § 10.3.1, the Non-Defaulting Party shall determine the amounts owed by each party with respect to all gas delivered and received and the Market Value of each Terminated Transaction. The Non-Defaulting Party will then liquidate and accelerate each Terminated Transaction at its Market Value and pay the parties according to whether the Market Value exceeds or is less than the Contract Price.	Same as 2002 NAESB.
Notice of Termination Payment	Under § 6(d), as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will provide the other party a statement showing the calculations of the payment amount and the details of the account to which it is to be paid.	Same as 1992 ISDA.	N/A	Under § 10.4, the Non-Defaulting Party shall deliver notice to the Defaulting Party of the Net Settlement Amount, including a written statement explaining the calculation of such amount.	Same as 2002 NAESB.
Termination Payment Due	Termination Payments are due pursuant to § 6(d)(ii): For an Early Termination as a result of an Event of Default, the termination payment is payable on the day that notice of it is effective. For an Early Termination as a result of a Termination Event, the termination payment is payable 2 Local Business Days after the day that notice of it is effective.	Same as 1992 ISDA.	N/A	Under § 10.4, the Net Settlement Amount shall be paid by the close of business on the second Business Day following its notice.	Same as 2002 NAESB.
Disputes regarding Termination Payment	N/A	N/A	N/A	N/A	N/A
XV. BILLING DISPUTES					
Pay disputed v. only undisputed invoiced amounts	N/A	N/A	Under subsection (f)(iv) invoiced party may, in good faith, dispute the amount of any invoice or any part thereof, and pay such amount as it conceds to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practive to support the amount paid or disputed.	§ 7.4. Generally same as ISDA Gas Annex. 2002 version doesn't include language "without undue delay" re providing supporting documents.	§ 7.4. Generally same as ISDA Gas Annex. 2006 version requires supporting documentation to be provided "without undue delay."
XVI. CREDIT AND COLLATERAL TRIGGERS					
Adequate Assurance of Performance	No triggers specified in the ISDA MA. Parties will often add triggers in the Schedule including Adequate Assurance of Performance.	No triggers specified in the ISDA MA. Parties will often add triggers in the Schedule including Adequate Assurance of Performance.	No triggers specified in the Gas Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	§ 10.1 – reasonable grounds for insecurity (including but not limited to a material change in creditworthiness of Y). "Material" is not defined.	§ 10.1 – reasonable grounds for insecurity (including but not limited to a material change in creditworthiness of Y or its Guarantor if applicable). "Material" is not defined.

	Financial		Physical Natural Gas		
	ISDA® 1992 Master Agreement	ISDA® 2002 Master Agreement	ISDA® North American Gas Annex	NAESB 2002	NAESB 2006
Collateral Thresholds	N/A	N/A	No triggers specified in the Gas Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	N/A	N/A
Downgrade Event	N/A	N/A	No triggers specified in the Gas Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	N/A	N/A
Credit Support Annex	N/A	N/A	No triggers specified in the Gas Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	N/A	N/A
Financial Information	N/A	N/A	N/A	N/A	N/A

	Physical Power			Other
	ISDA® North American Power Annex	**EEI Version 2.1 (2000)**	**WSPP Agreement**	**NAESB NGL**
I. AUTOMATIC EARLY TERMINATION				
Designation Option?	No explicit option in Annex.	No explicit option on Cover Sheet or Confirmation Letter. However, under Article 5.2(i), if an Event of Default has occurred and is continuing, the Non-Defaulting Party may designate a day (which may be as early as the day that the notice of the Event of Default is provided in writing), to accelerate all amounts owed and to liquidate and terminate all Transactions. While this is not an automatic termination, it does accelerate the termination timeline.	No - There is no automatic termination option on the Confirmation Letter sample - which is Exhibit C. Any Special Terms or Exceptions need to be listed as an Attachment. Under § 22.3 (b) - In the event of default, the non-defaulting party may terminate all WSPP transactions between the parties so long as it exercises that right to terminate within 30 days (or longer if the parties agree to an extension). Although not an automatic termination, this allows the non-defaulting party to terminate transactions quickly.	No explicit option on Base Contract. "Special Conditions" can be written in the Confirmation, as per Base Contract, no explicit mention of "Termination Options" within the Base Contract.
If Automatic Early Termination Option Selected in Schedule	§ 6(c)(i) of the ISDA MA is amended to clarify that termination of Power Transactions will be liquidated and terminated as soon as reasonably practicable after the Early Termination Date, if they cannot be liquidated and terminated under applicable law on the Early Termination Date.	There is no option on Cover Sheet or Confirmation Letter.	No - There is no option on the Confirmation Letter sample - which is Exhibit C. Any Special Terms or Exceptions need to be listed as an Attachment.	Early Termination Damages: If the non-defaulting party sends notice of an Early Termination Date within 20 days of the Event of Default and if Early Termination Damages apply is selected in the Base Contract, parties would calculate as per § 10.3.1 taking into account the mark to market value of the terminated transactions.
II. ASSIGNMENT / TRANSFER				
Is it Permitted?	N/A	Yes in Article 10.5, but requires prior written consent of the other, non-assigning party. Exceptions to this requirement are outlined below. Consent may be withheld at the sole discretion of the non-assigning party. If an assignment/transfer occurs without prior written consent, the assignor shall remain principally liable for and shall not be relieved of or discharged from any obligations.	Under § 14 -Yes - but generally requires prior written consent and approval of all other Parties unless an exception applies (see below).	Set out in § 16. Yes, but requires prior written consent of the other, non-assigning party. Exceptions to this requirement are outlined below: - Consent may not be unreasonably withheld or delayed, provided an Event of Default has not occurred. - Any attempted assignment in violation of this section shall be void and of no force and effect.
Exceptions to Prior Written Consent Requirement	N/A	There are 3 exceptions listed under Article 10.5. These exceptions do not relieve the assigning party from liability. The assignee must agree, in writing, to be bound by the terms and conditions of the Agreement. If requested by the non-assigning party, the assigning party must deliver, to the assignee, tax and enforceability assurance. The 3 exceptions: (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements (same as § 15.1(i) of the 2006 NAESB) (ii) allows a party to transfer or assign this Agreement to its affiliate as long as such affiliate's creditworthiness is equal to or higher than the assigning party. (iii) allows a party to transfer or assign this Agreement to any person or entity that succeeds to all or substantially all of the assets of the non-assigning party, as long as such successor's creditworthiness is equal to or higher than the assigning party.	Yes - (§ 14 still) In the case of a Successor in Operations, reasonable creditworthy assurances must be provided if required by the non-assigning Party. Any successor or assignee of the rights of any Party, whether by voluntary transfer, judicial or foreclosure sale or otherwise, shall be subject to all the provisions and conditions of this Agreement and Confirmation(s) (where applicable) to the same extent as though such successor or assignee were the original Party under this Agreement or the Confirmation(s), and no assignment or transfer of any rights under this Agreement or any Confirmation(s) shall be effective unless and until the assignee or transferee agrees in writing to assume all of the obligations of the assignor or transferor and to be bound by all of the provisions and conditions of this Agreement and any Confirmation(s) (where applicable).	There are 2 exceptions listed under § 16.1. - § 16.1(i) allows a party to transfer, sell, pledge, encumber or assign this Contract or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements - § 16(2) allows a party to transfer its interest to any parent or Affiliate or successor of its business by assignment, merger or otherwise without the prior approval of the other party "Upon any such assignment, transfer, or assumption, under (i) or (ii) above, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder." "Affiliate" is a defined term under § 2.3
Merger Without Assumption	N/A	Under Article 5.1(f), an Event of Default will occur if a consolidation, amalgamation, merger, or transfer occurs and the resulting, surviving, or transferee entity does not assume all the obligations of the Agreement.	Not an express default if successor/assignee fails to assume obligations post-merger; however, per § 14, assignment/transfer is not deemed effective until successor or transferee agrees in writing to assume all of assignor's obligations under the Agreement and each Confirmation.	N/A
III. LIQUIDATED DAMAGES FOR NON-PERFORMANCE				
Designation Option?	N/A	N/A [Damages in Article 4.]	No - none stated in form of Confirmation (Exhibit C). Any Special Terms or Exceptions must be listed in an Attachment by the parties.	Yes. Selection on Base Contract Cover Page between "Cover Standard" or "Spot Price Standard."

	Physical Power			Other
	ISDA® North American Power Annex	EEI Version 2.1 (2000)	WSPP Agreement	NAESB NGL
Cover Standard (default option)	§ (c)(i)-(ii) describe the remedies for Seller and Buyer Failure: For Seller Failure, the payment amount is obtained by subtracting the Contract Price from the Replacement Price. Replacement Price is defined as the price at which Buyer purchases replacement product in a commercially reasonable manner at the Delivery Point, plus reasonable additional purchase costs plus additional transmission charges. Buyer also has the option to use the market Price at the Delivery Point for the product. For Buyer Failure, the payment amount is obtained by subtracting the Sales Price from the Contract Price. Sales Price is defined as the price at which Seller resells the product in a commercially reasonable manner at the Delivery Point; the proceeds are reduced by reasonable additional sales costs plus additional transmission charges. Seller also has the option to use the market Price at the Delivery Point for the product.	Article 4.1 Seller Failure and Buyer Failure match ISDA Power Annex.	Yes - § 21.3. Definitions of "Resale Price" and "Replacement Price" anticipate Seller covering by reselling deficient quantities, or Purchaser covering by replacing deficient quantities. Purchaser Default: If Purchaser schedules/receives less than hourly Contract Quantity, then Purchaser owes Seller liquidated damages equal to: (i) (Contract Price - Resale Price) x deficienty quantity not taken, plus (ii) extra transmission charges, if any, incurred by Seller to obtain the Resale Price (less any transmission charges avoided based on Purchaser's schedule/receipt of a deficiency quantity). Seller Default: If Seller schedules/delivers less than the hourly Contract Quantity, then Seller owes Purchaser liquidated damages equal to: (i) (Replacement Price - Contract Price) x deficient quantity not delivered, plus (ii) extra transmission charges, if any, incurred by Purchaser to obtain the Replacement Price (less any transmission charges avoided based on Seller's schedule/delivery of a deficiency quantity). The non-performing party also owes any tariff charges incurred by the performing party. If any value is negative, neither party owes liquidated damages. Parties must mitigate damages in a commercially reasonable manner.	Remedies under § 3..2 Cover Standard is defined in § 2.18. "Cover Standard" contains language referencing "any quantity for which no replacement is available" and "no such replacement or sale is available for all or any portion of the Contract Quantity of Product."
Spot Price Standard	See market price discussion under Cover Standard above.	See market price discussion under Cover Standard above.	Yes, but under definitions of "Resale Price" and "Replacement Price", only absent a sale (in determining the Resale Price) or absent a purchase (in determining the Replacement Price) do the parties look to market prices at the Delivery Point (*i.e.* , spot standard) in making liquidated damage calculations under § 21.3.	Outlined in § 3.2. Spot Price is defined in § 2.54. § 2.54: If parties wish to use Spot Price other than the price for the Product listed in the Oil Price Information Service (OPIS), they must specify which publication on a Confirmation.
Imbalance Charges	N/A	N/A	Yes - under § 21.3(a)(3), the non-performing party is responsible for any charges incurred by performing party under open-access transmission or FERC-approved tariffs.	Under § 4.3. Defined under § 2.33.
Accelerated Payment	Under § (c)(i)-(ii), if Accelerated Payment Damages is selected under (j)(3), nonperforming party must pay performing party within 5 local business days after performing party presents non-performing party with invoice that sets forth the basis upon which such amount was calculated.	If elected on the Cover Sheet Accelerated Payment of Damages will apply. Expedited payment to be due within five (5) Business Days of invoice receipt.	No, unless expressly agreed by the parties in Special Terms or Exceptions listed in a Confirmation.	None. Payment date is 5th Business Day after date of invoice which is much sooner than natural gas NAESBs.
Good Faith Dispute of Charge	N/A	Article 6.3 - A party may, in good faith, dispute the correctness of any invoice in writing within 12 months of the date of the invoice. Payment of the undisputed portion must be paid when due along with notice of the objection. Payment of the disputed amount is not due until the dispute is resolved. Once the dispute is resolved, any required payment (or returned overpayment) must be made within 2 business days of the resolution, and must include interest accrued at the prime interest rate plus two percent.	Yes - under § 21.3(d), if the non-performing party disputes charges, it must pay the full amount of damages upfront. After informal dispute resolution (required by § 34.1), any remaining dispute is referred to binding dispute resolution (required under § 34.2).	Under § 7.5. Requires supporting documentation acceptable to industry practice. Does not require supporting documentation to be provided "without undue delay".
Alternative Damage	N/A	N/A	Yes - permitted but not required. Under § 21.3(e), after non-performance, the parties can enter into a "Damages Settlement Transaction"--a new transaction to make up and settle the previous failure to deliver/receive. Neither party is reuqired to agree to a Damages Settlement Transaction.	N/A
IV. ADEQUATE ASSURANCES (VS. MARGINING RIGHTS)				
Adequate Assurances Under Law (*e.g.* , UCC 2-609)	N/A	N/A	Yes, not expressly waived under the Agreement.	N/A

	Physical Power			Other
	ISDA® North American Power Annex	**EEI Version 2.1 (2000)**	**WSPP Agreement**	**NAESB NGL**
Adequate Assurances Under Contract	If clause (j) is elected, Power Annex § (a)(iii).	Articles 8.1 (b) (Party B's requirement to provide Performance Assurance) and 8.2 (b) (Party A's requirement to provide Perfomance Assurance) – Elective provisions on the Cover Sheet. Parties elect to apply the provisions per party. Reasonable grounds that creditworthiness or performance has become unsatisfactory: request in writing "Performance Assurance" in an amount determined by the requesting party in a commercially reasonable manner.	Yes - § 27. If a party's creditworthiness, financial responsibility or performance viability becomes unsatisfactory, the dissatisfied party ("First Party") can require the other party ("Second Party") to provide adequate assurance of performance. Events which may trigger a request for adequate assurances include, but are not limited to: (i) Second Party or its Guarantor failing to perform or defaulting under other contracts; (ii) Second Party has exceeded trading limits; (iii) Second Party or Guarantor is downgraded; (iv) Other material adverse change in Second Party's financial condition; or (v) Substantial changes in market prices which materially, adversely affect Second Party's ability to perform. Amount of adequate assurances is limited to First Party's reasonable estimation of the Termination Payment (if any) that would be owed by the Second Party as if it had defaulted and the Agreement terminated early.	Set out in § 10.1: (a) Does include reference to "Guarantor, if applicable" with occurrence of a material change in creditworthiness. (b) Expressly grants to the demanding party a first priority security interest in, lien on, and right of against an Adequate Assurance of Performance in the form of cash transferred from other party to demanding party. Reasonable grounds for insecurity may demand Adequate Assurance of Performance in the form of a continuing first priority security interest in the form of cash to the requesting party.
Acceptable Forms of Adequate Assurances	N/A	"Performance Assurance" means collateral in the form of either cash, Letters of Credit, or other security acceptable to the Requesting Party.	§ 27 - The Second Party can elect which form of adequate assurance to provide, subject to the First Party's acceptance in its reasonably exercised discretion: (i) letter of credit, (ii) cash prepayment, (iii) posting of other acceptable collateral, (iv) guaranty, or (v) other mutually agreeable method of satisfying the First Party.	Includes explicit reference to "cash" in § 10.1. Definition of Adequate Assurance of Performance is in § 2.2. Adequate Assurance of Performance is a continuing first priority security interest in the form of cash.
Transfer Timing for Adequate Assurances	N/A	3 Business Days following receipt of written notice.	Within 3 Business Days of the First Party's demand - § 27.	On or before the second Business Day following Notice that payment is due.
Events of Default for Failure to Transfer Credit Protection	N/A	Yes.	Yes - § 22.1(d).	Yes. Additional right to "offset all or any portion of the unpaid balance against monies owed by the Defaulting Party".
Negotiable Collateral Terms (*e.g.*, Variation Margin, Independent Amounts, Thresholds, Minimum Transfer Amounts, etc.)	Yes, under ISDA Credit Support Annex.	Yes, if elected by the parties on the Cover Sheet under Articles 8.1(c)/8.2(c), or EEI Collateral Annex.	None; however, § 27 states that nothing in the Agreement will affect any separate credit arrangement between the parties, if any.	Could also be incorporated into any Special Provisions agreed to by the parties.
V. MARKET DISRUPTION EVENTS & DISRUPTION FALLBACKS				
A. MARKET DISRUPTION EVENTS				
Price Source Disruption:	N/A	N/A	Yes - § 38.2.	Included as § 15
Failure of index to announce or publish the Floating Price	N/A	N/A	Yes - § 38.2, definition of "Market Disruption Event", subsection (a).	Yes.
Temporary or permanent discontinuance or unavailability of the index or the temporary or permanent closing of any exchange acting as the index	N/A	N/A	Yes - § 38.2, definition of "Market Disruption Event", subsections (c)-(d).	Yes.
If Commodity Reference Price is Commodity Reference Dealers, then the failure to obtain at least 3 quotes	N/A	N/A	N/A	If no agreement after 2 Business Days, each party obtains at least 2 quotes from non-affiliated market partiicpants and averages the four quotes.
If a Price Materiality Percentage is specified in a Confirmation and the Specified Price for a Commodity Reference Price differs from Commodity Reference Dealer price by more than the specified Price Materiality Percentage	N/A	N/A	N/A	N/A
Material change in formula	N/A	N/A	Yes - § 38.2.	Yes, under § 15(e).
Applicable	N/A	N/A	Yes - § 38.2, definition of "Market Disruption Event", subsection (e).	Yes.
Parties must agree that change is "material"	N/A	N/A	Not expressly stated, but generally both parties must use good faith in determining whether the Market Disruption Event has occurred. § 38.2, definition of "Market Disruption Event".	Yes.
Trading Disruption – Trading Suspension	N/A	N/A	Yes - § 38.2.	Yes, under § 15(b).
The failure of trading to commence or the permanent discontinuation or *material* suspension of trading on the exchange or market acting as the index "Material" defined as (a) suspension for entire Pricing Day or (b) suspension after opening which continues until regularly scheduled closing that is not announced more than one hour prior to such suspension	N/A	N/A	Yes - § 38.2, definition of "Market Disruption Event", subsection (b). "Material" not defined in the WSPP.	Yes. "Material" is not defined.

	Physical Power			Other
	ISDA® North American Power Annex	EEI Version 2.1 (2000)	WSPP Agreement	NAESB NGL
Trading Disruption – Trading Limitation. There is a material limitation on trading. ISDA defines "material" trading limitation as: (i) Exchange establishes limits on the range within which prices may fluctuate; and (ii) the closing/settlement price is at the upper or lower limit of that range.	N/A	N/A	N/A	§ 14(b)
Disappearance of Commodity Reference Price. Permanent discontinuation of trading, listing of the Price, other permanent unavailability of Commodity Reference Price (other than due to unavailability of Price Source/status of trading).	N/A	N/A	N/A	N/A
Material Change in Content. There is a material change in the content, composition or constitution of the Commodity.	N/A	N/A	N/A	N/A
Tax Disruption. There is an imposition of a tax (excise, severance, sales, use, value-added, transfer, stamp…) that raises or lowers the Relevant Price on the Pricing Date. [**Note:** This Market Disruption Event only applies if specified by the parties.]	N/A	N/A	N/A	N/A
B. DISRUPTION FALLBACKS				
Fallback Reference Price. Calculation Agent uses the price for the first alternate Commodity Reference Price specified in Confirmation and not subject to a Market Disruption Event (if any). If there is not an alternate Commodity Reference Price, then fallback to the next Disruption Fallback.	N/A	N/A	N/A	Negotiation in good faith for 2 Business Days.
Delayed Publication or Announcement. The price is determined based upon a price in respect of the original Pricing Date published retrospectively on the first Commodity Business Day in which there is no Market Disruption Event.	N/A	N/A	N/A	Each party obtains two quotes within 2 Business Days and such quotes are averaged (if one party does not obtain two quotes, then the other party's two quotes are averaged). Similar to the ISDA's Fallback Reference Dealers.
Postponement. Pricing Date is deemed the first succeeding Commodity Business Day in which there is no Market Disruption Event.	N/A	N/A	N/A	N/A
Negotiated Fallback. Negotiation in good faith. If parties are able to agree to a price before (i) or (ii) apply, then such agreement trumps a subsequent publication price.	N/A	N/A	Negotiated fallback applies first - § 38.2. The parties have 12 Business Days after the Market Disruption Event occurred to negotiate the Floating Price before moving to the next fallback.	If parties have not agreed on or before the 2nd Business Day following affected Day, then replacement price shall be determined within the next 2 Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, up to two quotes for price of Product for the affected Day and averaging the 4 quotes.
Fallback Reference Dealers. Obtain up to 4 quotes from 4 leading dealers selected by the Calculation Agent and average these quotes. If 3 quotes are obtained, then disregard the highest and the lowest. If less than 3 quotes are obtained, then fallback to the next Disruption Fallback.	N/A	N/A	Fallback reference dealers (*i.e.*, market quotes) applies second - § 38.2. If the parties can't agree on Floating Price after 12 days of negotiations, then each party obtains a maximum of 4 quotes from dealers or brokers. Quotes are exchanged between the parties no later than 22 days after the Market Disruption Event occurred. A simple average of the quotes determines the Floating Price.	N/A
No Fault Termination. Transaction will be terminated and the close-out will be calculated at mid-market.	N/A	N/A	N/A	N/A
Calculation Agent Determination. The Calculation Agent determines the price taking into account latest quotes and other information as it deems relevant in good faith.	N/A	N/A	N/A	N/A
VI. SUSPENSION RIGHTS (PRE-TERMINATION)				
Contractual Right to Suspend Performance without Terminating Trades	N/A	Yes, under Article 5.7.	Yes - § 22.2(a).	Yes, set out under § 10.2. Non-defaulting party has the right to "immediately withhold and/or suspend deliveries, offset all or any portion of the unpaid balance against monies owed by the Defaulting Party or withhold or suspend payments".
Triggering Events	Event of Default or Potential Event of Default has occurred and is continuing, no Early Termination Date in respect of a relevant Transaction has occurred or been effectively designated, and/or any other condition specified in the Agreement to be a condition precedent.	Event of Default or Potential Event of Default has occurred and is continuing.	If an Event of Default has occurred and is continuing, § 22.2(a).	Events of Default (§ 10.2) or Additional Event of Default (§ 2.1)
Time Limitation on Right to Suspend	10 NERC Business Days (after which condition precedent specified in ISDA § 2(a)(iii)(1) ceases to be a condition precedent).	10 NERC Business Days (suspension shall not continue for longer than this time period).	In no event will a suspension continue for longer than ten (10) Business Days; such suspension is available only once for each default. This ten (10) day suspension period does not affect the thirty (30) day period for exercising a right of termination under § 22.2(b). The Non-Defaulting Party has the unilateral right to exercise its rights including its termination rights at any time within the suspension period.	Yes, set out under § 10.2. "No suspension of performance shall continue for more than 10 Business Days unless an early termination date has been declared".
VII. FORCE MAJEURE				
A. ELEMENTS OF FORCE MAJEURE				

	Physical Power			Other
	ISDA® North American Power Annex	EEI Version 2.1 (2000)	WSPP Agreement	NAESB NGL
Event not within reasonable control of party claiming force majeure	Same as EEI.	Yes (and not the result of negilgence). See Articles 1.23 and 3.3. "which is not within the reasonable control of, or the result of the negligence of, the Claiming Party."	Known as "Uncontrollable Forces" in § 10. The term "Uncontrollable Force" means an event or circumstance which prevents one Party from performing its obligations under one or more transactions, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which by the exercise of due diligence the claiming Party is unable to avoid, cause to be avoided, or overcome.	Set out in § 11. Yes, under § 11.1. "Any cause not reasonably within the control of the party claiming suspension, as further defined in § 11.2"
Duty to Overcome, Reasonable Dispatch	Same as EEI.	Yes. "which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided." "The Claiming Party shall remedy the Force Majeure with all reasonable dispatch."	Yes (still § 10) - Any Party rendered unable to fulfill any of its obligations by reason of an Uncontrollable Force shall give prompt notice of such fact and shall exercise due diligence, as provided above, to remove such inability within a reasonable time period. There is no duty to overcome any transmission interruption listed in subsection (1) in the "Curtailment" description below.	Yes - "Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance." Not Force Majeure Event: "the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch;"
Not Foreseeable	Same as EEI.	Yes. "which event or circumstance was not anticipated as of the date the Transaction was agreed to."	N/A	N/A
B. CARVE-OUTS				
Loss of Buyer's Market/ Buyer's inability to use or resell	Same as EEI.	Yes. Not Force Majeure Event: "(i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product purchased hereunder."	Yes (§ 10) - The following shall not be considered "Uncontrollable Forces": (i) Seller's cost of obtaining capacity and/or energy; or (ii) Purchaser's inability due to the price of the capacity and/or energy, to use or resell such capacity and/or energy.	Yes. Not Force Majeure Event: - "Seller's ability to sell Product at a higher or more advantageous price than the Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract" . - "loss of buyer's market(s) or buyer's inability to use or resell product, except, in either case, as provided in § 11.2.
Loss/failure of Seller's supply/ Seller's inability to sell	Same as EEI.	Yes. Not Force Majeure Event: "the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price."	Yes (§ 10) - The following shall not be considered "Uncontrollable Forces": (i) Seller's cost of obtaining capacity and/or energy; or (ii) Purchaser's inability due to the price of the capacity and/or energy, to use or resell such capacity and/or energy.	Yes. Not Force Majeure Event: "the loss or failure of Seller's Product supply or depletion of reserves, except, in either case, as provided in § 11.2."
Curtailment	Same as EEI.	Yes. Not Force Majeure Event: "based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred."	Transmission interruptions considered Uncontrollable Force (§ 10) = An interruption in transmission service is considered an Uncontrollable Force: (1) if the parties agreed on a specific transmission path at the time of the transaction, obtained firm transmission, and that firm transmission was interrupted, that would be a force majeure event. There is no due diligence obligation associated with interruptions under this subparagraph (1). (2) If the parties did not agree on a specific transmission path, and a party's firm transmission was interrupted due to a force majeure event, then the party which booked the firm transmission may not declare force majeure if it could obtain alternate energy or means of delivering the energy to the delivery point. Service Schedule B- 3.9 - Unit Commitment Service is intended to have assured availability however, scheduled energy deliveries may be interrupted or curtailed under certain conditions.	Not included as a non-Force Majeure Event
List of Force Majeure Events	Same as EEI.	N/A	§ 10: So long as the elements of an Uncontrollable Force are met (see description above), "Uncontrollable Force" may include and is not restricted to flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, act of terrorism, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority.	Includes "acts of terror" § 11.2 (iii) "interruption and/or curtailment of Firm transportation and/or storage by Transporters" deleted and replaced with "interruption, Allocation, and/or curtailment of Carrier services, including maritime perils, collisions, and other similar events.
Consequences of Force Majeure	Same as EEI.	Upon notice, excuse from performance, to the extent either party is prevented by Force Majeure from performing, other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure. Non-claiming party is excused with respect to the corresponding obligations.	No Party shall be relieved by operation of § 10 of any liability to pay for power delivered to the Purchaser or to make payments then due or which the Party is obligated to make with respect to performance which occurred prior to the Uncontrollable Force.	Upon notice, not liable for failure to perform its obligations, to the extent caused by Force Majeure, except payments (invoicing and set-off amounts) and imbalance charges.
Product-specific Force Majeure Provisions	Same as EEI.	Yes (*e.g.* , "Firm (No Force Majeure)")	§ 10. Explanations of transmission-related Uncontrollable Forces are included (see details under the Curtailment explanation section above).	Yes, parties can agree to alternative Force Majeure provisions in a Confirmation executed in writing by both parties.
VIII. COMMUNICATION WITH COUNTERPARTIES				

Gap Risk: A Comparison of Terms Across Master Trading Agreements

	Physical Power			Other
	ISDA® North American Power Annex	**EEI Version 2.1 (2000)**	**WSPP Agreement**	**NAESB NGL**
Notices	N/A	Article 10.7: Notice effective as follows: (i) If by fax or hand delivery, as of close of business if received during business hours, and if after business hours, then upon close of next Business Day; and If by overnight mail or courier, on next Business Day after sent.	§ 12.1 - (excludes Oral notices from § 10 that states that oral notice much be promptly followed by written notice) - formal notices must be in writing and are considered properly delivered in person or sent by either registered or certified mail (postage prepaid),prepaid telegram, fax or overnight delivery (with record of receipt).	Set out in § 9. Notice shall be considered given when received on a Business Day by the addressee. (i) If by fax, upon sender's confirmation report, except that if received after 5 p.m., the next Business Day; (ii) If or by overnight, on next Business Day, or earlier if confirmed by receiving party; and (iii) If by first class mail, five Business Days after mailing. Notices: § 9.1. includes reference to "payment instructions" Notices must be in writing. Includes § 9.4.
Confirmation Procedures	Defaults to § 9(e)(ii) of ISDA Master, but generally terms are negotiated consistent with EEI.	Article 2.3: Written confirmation procedure, but neither party is obligated to send a confirmation. Options are as follows: (i) Seller may send confirmation w/in 3 Business Days after trade entered into, and Buyer must object in writing within two Business Days of receipt; (ii) if Seller fails to send a confirmatin, then Buyer may send its confirmation, and Seller shall have two Business Days from receipt to object; and (iii) if both Seller and Buyer send a confirmation, and neither party object within two Business Days, Seller's confirmation shall be deemed accepted unless (a) Seller's confirmation was sent more than 3 Business Days from the date of the trade and (b) Buyer's confirmation was sent prior to the Seller's confirmation, in which case Buyer's confirmation shall be deemed accepted. A failure to timely object under (i) or (ii) shall be deemed acceptance.	§ 32 - Confirmations are required to provide minimum Standard Confirmation Provisions (as listed in Sample Confirmation in Exhibit C) and must be made in writing by a Documentary Writing (DW) or Electronic Writing or an Electronic Platform Confirmation. § 32.2 covers the process from confirming Standard Confirmations Provisions. If the transaction is less than 1 week in duration, the confirmation can be through DW (including a confirm that is not executed by both parties but is binding under § 32.2.3) or and Electronic Writing. § 32.2.2 - written confirmation is required for all Standard Confirmation Provisions beyond 1 week in duration and can be made by a Documentary Writing executed by both parties or a DW not executed by both but binding under § 32.2.3. § 32.2.3 states the DW must be received by the Purchaser within 5 bus days of the date of the agreement to the transaction. The purchaser has 5 bus days from the date of receipt to accept or propose modifications. If no response is received within that time frame, the seller's DW is considered accepted and is the final Confirmation. If the Seller fails to provide a proposed Documentary Writing within the five Business Days period, then, within the immediately subsequent five Business Days, the Purchaser may submit a proposed Documentary Writing to the Seller. The Seller shall then have five Business Days from date of receipt to accept or propose modifications to the proposed Documentary Writing. If the Seller does not respond within that time period, the Purchaser's proposed Documentary Writing shall be considered as accepted and shall be the final Confirmation.	§§ 1.2 & 1.3 - Parties may elect written or oral confirmation procedures on the Cover Sheet: Oral: (iii)(i) Oral agreement is a writing, and Confirming Party may send a Confirmation; (iv)(ii) Confirmation including any non-commercial terms is non-binding unless signed. Written: (ii) Agreement will not be binding until the exchange of non-conflicting Confirmations or the passage of the Confirm Deadline without objection from the receiving party. Confirmation Exchange: (iv)(iii) Receiving Party may object to the sending party's Confirmation by Confirm Deadline. (v)(iv) The failure to object in writing to the Confirmation by the Confirm Deadline or to send a separate Confirmation in response constitutes an agreement (but not as to non-commercial terms for oral agreements); Neither Confirmation is binding unless material differences between timely sent Confirmations are resolved.
Change of Account / Withholding of Taxes / Events of Default	N/A	Change of Account: N/A Withoholding of Taxes: N/A Events of Default: Article 5.1. Certain Events of Default require the Non-Defaulting Party to provide written notice to the other Party (and opportunity to cure) before an Event of Default arises: (i) failure to perform any material covenant or obligation set forth in the EEI; (ii) the failure of a Party's Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with the EEI.	Notices regarding changes in account information not specified. § 22.1: Certain potential defaults require the Non-Defaulting Party to provide written notice to the other Party (and opportunity to cure) before an Event of Default arises: (i) failures to pay, (ii) failure to provide good and clear title or to have made accurate representations and warranties, and (iii) Guarantor's failure to perform material covenant under any guarantee. Notices regarding withholding of taxes not specified.	Change of Account: § 9.4 provides that a party receiving a commercially acceptable notice of change in payment instructions or other payment information shall not be obligated to implement such change until 10 Business Days after receipt of such notice. Withholding of Taxes: N/A Events of Default: Same as 2002 NAESB.
Recordings	N/A	Article 2.5 provides that each party consents to the creation of a telephone conversation unless one or both parties expressly objects at the beginning of the conversation.	§ 32.5: Each Party consents to the recording by the other Party, without any further notice, of telephone conversations between representatives of the Parties, which contain agreements to or discussion concerning the terms of a specific transaction. All such recordings may be introduced and admitted into evidence for the purpose of proving agreements to terms, and any objection to such introduction or admission for such purpose is hereby expressly waived.	Same as 2002 NAESB.
IX. NETTING				
Netting provision? Any limitations or conditions?	See § 12 of ISDA/Schedule	Article 6.4. Payments of all undisputed charges across all transactions are netted into one amount, except for accelerated payments for cover damages.	§ 28 - Netting of payments is not required but is allowed via Exhibit A to the Agreement or within a Confirmation or some other agreement setting out the terms in addition or in lieu of Exhibit A. Exhibit A allows electee to designate a date when netting becomes effective. Once Exhibit A is agreed to, the party must provide at least 30 Days withdrawal notice on a change in netting status. Concurrently notice must be provided to all parties that have ongoing or committed future transactions with. § 28.1 - The Parties' obligations to net include the netting of all payments received by the Parties in the same calendar month.	§ 7.3. - Parties net, unless otherwise elected on the Base Contract Page.
X. SETOFF				

	Physical Power			Other
	ISDA® North American Power Annex	EEI Version 2.1 (2000)	WSPP Agreement	NAESB NGL
Setoff provision? Any limitations or conditions?	Yes, through § 6(f) of 2002 ISDA or Schedule for 1992 ISDA (if incorporated there).	Article 5.6- There are 3 options for parties to elect in the Cover Sheet: *Option A:* 1) Who can setoff? The Non-Defaulting Party. 2) What can be setoff? Any other agreement, instrument, or undertaking. This option is without prejudice to rights of setoff that exist in law, contract or otherwise. *Option B:* 1) Who can setoff? The Non-Defaulting Party or its Affiliates can setoff from the Defaulting Party or its Affiliates. 2) What can be setoff? Any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party or any of their Affiliates. This option is without prejudice to any other rights of setoff. *Option C:* No set-off - Neither option A or B applies.	§ 22.3(d) - Non-defaulting party can setoff, at its election, amounts owing between the parties under the Agreement and any Confirmation against Termination Payment so that all amounts are aggregated and/or netted into a single liquidated amount. Such net termination amount is due within 3 Business Days after the date notice of termination is received.	§ 10.3.2 (a) Elected on the Base Contract (b) Other Agreement Setoffs: bilateral or triangular (c) Non-Defaulting Party may set off and without prior notice to Defaulting Party (1) Who can setoff? The parties must select bilateral or triangular setoff. Bilateral setoff is the default option. (2) What can be setoff? The parties must select whether other agreements or arrangements between the parties can be setoff. Setoff of other agreements and arrangements is the default option. Collateral and margin may be setoff under either option. The nondefaulting party has permissive authority to apply setoff and does not have to give prior notice. Any obligation to be included in setoff amount that is not ascertained shall be included through a good faith estimate. Any amount not yet due, but included in setoff, shall be discounted to net present value.
XI. CONFIDENTIALITY				
Confidentiality provision and general obligations	N/A	Article 10.11- If elected on the Cover Sheet as applicable, neither party shall disclose the terms or conditions of a Transaction under the Master Agreement.	Under § 30.1 - Terms of transactions and any other information exchanged between the Parties relating to such transactions shall be confidential, subject to certain exceptions to disclosure. Information that was or is in the public domain (other than as a result of a breach of the confidentiality obligation) is not confidential information.	§ 16.11 (a) Elected on the Base Contract (b) Default option (applies) (c) Includes "to the extent necessary to comply with a Governmental Authority's reporting requirements" as an exception to confidentiality. "Governmental Authority" defined in § 2.30
Exceptions to non-disclosure?	N/A	In order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection wth any court or regulatory proceeding; provided, to the extent practicable, the Parties use reasonable efforts to prevent or limit the disclosure.	§ 30.1: Disclosure of confidential information is permitted if (i) required by law, (ii) required in any litigation or dispute, (iii) if the parties consent to disclosure, which consent shall not be unreasonably withheld, (iv) required in a regulatory proceeding, (v) required by NERC or a regional reliability council, (vi) required to obtain transmission service, or (vii) made to a developer of power index prices (so long as there is written confidentiality agreement in place with developer and the index is an aggregation of prices and does not identify single transaction terms).	§ 10.3 – All transactions terminated except if Excluded Transactions. No § 3.4, but could add new section under Special Provisions.
XII. EVENTS OF DEFAULT/ TERMINATION EVENTS				
Failure to pay	Yes - ISDA § 5(a)(i). 3 Local Business Day cure period after notice of default. **Note that failure to deliver does not apply to physical delivery of commodities. In the ISDA, § 5(a)(i) failures to deliver apply only to financial transactions such as repos.	Yes. Event of Default if failure is not remedied within 3 Business Days.	Under § 22.1 - Yes - the failure to make payment (when the payment date has been missed) within 2 Business Days after written notice.	Yes, under § 10.2(viii).
False representation or warranty	Yes - ISDA § 5(a)(iv). Applies to representations by a party under the ISDA or its Credit Support Provider under a Credit Support Document. Key language - "incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated." No cure period.	Yes. No cure period.	Under § 22.1 - Yes -failure to provide clear and good title or to have made accurate representations and warranties if not cured within 5 Business Days after written notice.	Yes, under § 10.2(x).
Failure to perform	Yes - ISDA § 5(a)(ii). 30 day cure period after notice of default.	Yes (except as provided in Article 4). Event of Default if such failure is not remedied within 3 Business Days after written notice.	No language on failure to perform explicity - just failure to provide clear and good title or to have made accurate representations and warranties.	Yes, under § 10.2(vi) with respect to Credit Obligations, and § 10.2(xii) with respect to a material breach.
Bankruptcy	Yes - ISDA § 5(a)(vii). Applies to a party, its Credit Support Provider or any Specified Entity. For (i) involuntary bankruptcy filings and (ii) situations where a secured party takes control of all assets or files a distress/attachment action on debtor, 30 day cure period applies to have the proceeding dismissed.	Yes. No cure period.	Under § 22.1 - institution of proceedings indicating bankruptcy or insolvency.	Yes, under § 10.2(i)-(v).

Gap Risk: A Comparison of Terms Across Master Trading Agreements

	Physical Power			Other
	ISDA® North American Power Annex	**EEI Version 2.1 (2000)**	**WSPP Agreement**	**NAESB NGL**
Failure to satisfy credit requirements	Yes - ISDA § 5(a)(iii). Applies to: (1) failures of a party or Credit Support Provider to perform under or comply with Credit Support Document (following any grace period therein); (2) expiration or termination of a Credit Support Document before all ISDA obligations are satisfied without other party's consent; or (3) party or Credit Support Provider disaffirms, disclaims, repudiates or rejects or challenges the validity of a Credit Support Document. No cure periods built into the ISDA Master. Under subsection (1), cure periods only apply if specified in the appliable Credit Support Document (Credit Support Annex, guaranty, etc.).	Yes. No cure period beyond what is provided in Article 8.	Under § 22.1 -Yes -failure to provide adequate assurances of creditworthiness within 3 Business Days of demand for such assurances.	Yes, under § 10.2(vii).
Party consolidates, amalgamates, merges or transfers assets	Yes - ISDA § 5(a)(viii). Applies to a party and its Credit Support Provider when it merges or transfers substantially all of its assets to another entity and (1) the resulting or transferee entity fails to assume all obligations of the party or Credit Support Provider under the ISDA or Credit Support Document, or (2) benefits of a Credit Support Document fail to extend to the performance of the resulting or transferee entity. No cure period.	Yes if such successor fails to assume all obligations under this Agreement pursuant to an agreement reasonably satisfactory to the other Party.	Successor is subject to the same provisions as the original Party and the written consent of the other party to the agreement.	N/A
Default under specified transaction	Yes - ISDA § 5(a)(v). Applies to a party, Credit Support Provider, and any "Specified Entity" of othe party stated in the Schedule: (1) default under "Specified Transaction" which leads to early termination, liquidation or acceleration of such Specified Transaction; (2) defaults in making payment on last payment date of, or upon early termination of, a Specified Transaction (and only if no grace period is stated in the Specified Transaction, a 3 Local Business Day cure period is deemed to apply to the failure to pay); or (3) disaffirms, disclaims, repudiates or rejects a Specified Transaction. "Specified Transaction": any transaction between an ISDA party (or its Credit Support Provider or Specified Entity, if any) and the other ISDA party (or its Credit Support Provider or Specified Entity, if any) that falls in laundry list of financial derivative transactions (*e.g.*, rate swap, commodity swap, commodity option, forex, floor, cap, "any other similar transaction", etc.). Definition in 1992 ISDA does not reference any physical commodity forward agreements.	N/A	N/A	Yes, if selected on Cover Sheet - Additional Event of Default under § 10.2(ix) with respect to Indebtedness.
Cross Default	Applies only if elected in the ISDA Schedule - § 5(a)(vi). If a party, its Credit Support Provider or Specified Entity: (1) defaults on "Specified Indebtedness" (individually or collectively) in an amount equal to or greater than the "Threshold Amount" stated in the Schedule and such indebtedness becomes, ***or is capable of being declared***, due and payable before it otherwise was due, ***or*** (2) defaults in making payments under Specified Indebtedness in an amount equal to or greater than the Threshold Amount. "Specified Indebtedness" = indebtedness for borrowed money "Threshold Amount" = specified for each party in the Schedule (if Cross Default applies). Cross Default v. Cross-Acceleration: Standard in ISDA is true cross default—Event of Default arises if indebtedness actually has been accelerated, or is capable of being accelerated but has not yet been. Some parties delete the underlined/italicized language above to provide for "cross acceleration"—meaning Event of Default only arises if debt actually has been accelerated (not merely capable of being accelerated).	Yes, if elected on the Cover Sheet for the specified amount. Cross Default is the default under agreements or instruments relating to indebtedness for borrowed money in an amount not less than the specified Cross Default Amount or a default in making payments in an amount not less than the Cross Default Amount. Cross Default can apply to the Parties individually or other specified entities (typically a Guarantor or Affiliate) as specified on the Cover Sheet.	N/A	Yes, if selected on Cover Sheet - Additional Event of Default under § 10.2(ix) with respect to Indebtedness.
Failure by Party's Guarantor	See Failure to Satisfy Credit Requirements above.	Yes, under Article 5.1(h): (i) representation by Guarantor is false or misleading; (ii) failure of Guarantor to make payment or perform under any guaranty made in connection with the Agreement; (iii) Guarantor becomes Bankrupt; (iv) failure of Guarantor's guaranty to be in full force and effect; or (v) Guarantor shall repudiate, disaffirm, disclaim, or reject in whole or in party, or challenge the validity of the guaranty. Cure period only for (ii) above: 3 Business Days after written notice.	Under § 22.1 -Yes - Events of default applicable to a Party's Guarantor include all lines listed below.	The definition of Indebtedness Cross Default in § 2.34 also covers a guarantor's default.
False representation or warranty	See Failure to Satisfy Credit Requirements above.	Yes. No cure period.	Yes.	
Failure to make payment required or perform	See Failure to Satisfy Credit Requirements above.	Yes. EOD if failure is not remedied within 3 Business Days.	Yes - failure to make payment when required if not cured within 3 Business Days after written notice.	Same as NAESB.
Bankruptcy	See Failure to Satisfy Credit Requirements above.	Yes. No cure period.	Yes.	Same as NAESB.
Failure to be in effect	See Failure to Satisfy Credit Requirements above.	Yes. EOD if failure occurs prior to the satisfaction of all obligations under the Agreement. No cure period.	Yes.	N/A

	Physical Power			Other
	ISDA® North American Power Annex	**EEI Version 2.1 (2000)**	**WSPP Agreement**	**NAESB NGL**
Rejection of Guaranty	See Failure to Satisfy Credit Requirements above.	Yes. No cure period.	Yes.	N/A
Illegality	N/A	N/A	N/A	N/A
Force Majeure Event	Yes - subsection (b)(iii) of the Annex applies to Power Transactions and explicitly states that § 5(b)(ii) of the 2002 ISDA does not apply to Power Transactions. Force Majeure events include (A) physical events, (B) weather-related events, (C) interruption and/or curtailment, (D) acts of others (strikes, lockouts, etc.), and (E) governmental actions.	N/A	N/A - "Uncontrollable Force" is not an Event of Default.	N/A
Tax Event	Yes - ISDA § 5(b)(iii). Similar to "Tax Event", but applies when the Tax Event arises not because of a change in existing tax law but because of a merger or transfer of all/substantially all assets of a party or its Credit Support Provider to another entity.	N/A	N/A	N/A
Tax Event Upon Merger	Applies only if elected in the ISDA Schedule - § 5(b)(iv). Arises if a party, its Credit Support Provider or Specified Entity mergers or transfers all/substantially all of its assets to another entity and the resulting or transferee entity is "materially weaker" than the party/Credit Support Provider/Specified Entity immediately prior to such event. "Materially weaker" is not defined in the 1992 ISDA. Parties sometimes prefer to clarify in the ISDA Schedule.	N/A	N/A	N/A
Credit Event Upon Merger	Applies only if Additional Events of Default are specified in the ISDA Schedule - § 5(b)(v).	N/A	N/A	N/A
Additional Termination Event	For Events of Default, ISDA requires that *__all outstanding Transactions must be terminated__* upon designating an Early Termination Date. § 6(a). For Termination Events, ISDA requires that *__all "Affected Transactions"__* (*i.e.*, those affected by the Termination Event) *__must be terminated__* upon designating an Early Termination Date. § 6(b)(iv). For certain Termination Events (*e.g.*, Illegality, Tax Event, Tax Event Upon Merger), ISDA may require the Affected Party to attempt to transfer the Transaction to avoid the Termination Event within 30 days after giving notice of the Termination Event. § 6(b)(ii)-(iii).	N/A	N/A	Yes, see Additional Event of Default under § 10.2(ix) with respect to Indebtedness, Cross Default, or as decided by the parties.
XIII. NON-DEFAULTING PARTY'S RIGHTS				
Declare Early Termination Date	N/A	Article 5.2 permits the Non-Defaulting Party to designate a date, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an Early Termination Date.	§ 22.2(b): The Non-Defaulting party can terminate all transactions upon written notice to the Defaulting Party. Non-Defaulting Party must terminate within 30 days following the date the Event of Default becomes known to it (except such 30-day limitation does not apply to bankruptcy by a Party or its Guarantor), or longer if the Parties agree to an extension.	Same as 2002 NAESB.

	Physical Power			Other
	ISDA® North American Power Annex	**EEI Version 2.1 (2000)**	**WSPP Agreement**	**NAESB NGL**
Withhold payments to Defaulting Party	N/A	Yes, under Article 5.2(ii).	§ 22.2(b): Non-Defaulting Party can withhold any payments it owes to Defaulting Party for obligations incurred prior to termination until the Defaulting Party pays the Termination Payment to the Non-Defaulting Party.	Same as 2002 NAESB.
Suspension of Performance upon Event of Default	N/A	Yes, under Article 5.2(iii).	Yes, § 22.2(a). See details in Section VI herein.	Same as 2002 NAESB.
XIV. TERMINATION PAYMENT				
Termination of all v. less than all transactions upon Early Termination Date?	Yes, through §§ 5 and 6 of ISDA.	Article 5.2. All Transactions.	§ 22.2(b): If termination right is elected, all WSPP transactions must be terminated and liquidated (cannot elect to terminate some but not all).	§ 10.3 – All transactions terminated except if Excluded Transactions. No § 3.4, but could add new section under Special Provisions.
Calculation of Termination/Settlement Payment	N/A	Non-Defaulting Party calculates a Settlement Amount for each Terminated Transaction. Article 1 defines the relevant terms: Settlement Amount, Gains, Losses, and Costs.	§ 22.3(a): Non-Defaulting Party estimates Gains and Losses for each Terminated Transaction plus costs associated with such termination in order to calculate the Termination Payment. Non-Defaulting Party compares the value of the Terminated Transactions to replacement transactions available in the market. Non-Defaulting Party can use reference dealer quotes, index prices and third party offers in determining the value of replacement transactions. Set off applies as elected. Present Value Rate discount applies.	Same as 2002 NAESB.
Notice of Termination Payment	N/A	Article 5.4 requires the Non-Defaulting Party to deliver to the Defaulting Party, as soon as practicable after a liquidation, notice of whether amounts are due to or due from the Non-Defaulting Party. The notice must include a written statement explaining in reasonable detail the calculation of such amount.	§ 22.3(c): Non-Defaulting Party aggregates and sets off (as appropriate) all Gains, Losses and Costs and notifies the Defaulting Party.	Same as 2002 NAESB.
Termination Payment Due	N/A	Under Article 5.4, payment is due within 2 Business Days after notice of payment is effective.	§ 22.3(c) and (d): Within 3 Business days of the date notice of termination was received.	Same as 2002 NAESB.
Disputes regarding Termination Payment	N/A	Article 5.5 provides that where the Defaulting Party disputes the calculation of the termination payment, it must provide the Non-Defaulting Party a detailed written explanation for the basis of its dispute within 2 Business Days. If the Defaulting Party is the party owing payment, before notice of its dispute it must transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.	§ 22.3(f): Submitted to informal dispute resolution as provided in § 34.1 and then applying dispute resolution pursuant to § 34.2 if the informal dispute resolution does not succeed in resolving the dispute.	N/A
XV. BILLING DISPUTES				
Pay disputed v. only undisputed invoiced amounts	N/A	Article 6.3. Pay undisputed amount to be paid when due. Undisputed amount will be paid within two Business Days of resolution along with interest.	§ 9.4 - Disputing party pays the entire billed amount when due, subject to true-up once the dispute is resolved. Disputes must be brought within 2 years from the date of the original bill, or otherwise the dispute is waived.	§ 7.5. Does not require supporting documentation to be provided "without due delay".
XVI. CREDIT AND COLLATERAL TRIGGERS				
Adequate Assurance of Performance	No triggers specified in the Power Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	Yes. As specified on the Cover Sheet. Article 8.1/8.2 (b) provides for the ability to call for Performance Assurance in an amount determined commercially reasonable if there are reasonable grounds to believe a party's creditworthiness has become unsatisfactory. Upon receipt of notice the party has three Business Days to provide such assurance. Failure to do so results in an Event of Default.	None, other than the non-exhaustive list of events listed in § 27 where the First Party can require adequate assurances from the Second Party (see description above).	§ 10.1 – reasonable grounds for insecurity (including but not limited to a material change in creditworthiness or financial condition of Y or its Guarantor if applicable). "Material" is not defined.

	Physical Power			Other
	ISDA® North American Power Annex	EEI Version 2.1 (2000)	WSPP Agreement	NAESB NGL
Collateral Thresholds	No triggers specified in the Power Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	Yes. As specified on the Cover Sheet. Article 8.1/8.2 (c) Collateral Threshold - if the Termination Payment exceeds a Collateral Threshold as established by the parties on the Cover Sheet, the other party may call for Performance Assurance in the amount equal to the amount by whivh the Termination Payment plus any Independent Amount exceeds the Collateral Threshold. Such assurance will be delivered within three Business Days of the date of such request. Failure to do so results in an Event of Default.	Yes, if a Party exceeds credit or trading limits stated in a Confirmation or any other agreement between the Parties, Adequate Assurance rights under § 27 may arise. See further details in Section IV herein.	N/A
Downgrade Event	No triggers specified in the Power Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	Yes. As specified on the Cover Sheet. Article 8.1/8.2 (d) Downgrade Event provides for the ability to call for Performance Assurance in the event of a Downgrade Event as defined on the Cover Sheet. Failure to provide Performance Assurance or a guaranty or other credit assurance acceptable to the requesting party within three Business Days of receipt of notice results in an Event of Default.	Yes, credit downgrade below investment grade may trigger Adequate Assurance rights under § 27. See further details in Section IV herein.	N/A
Credit Support Annex	No triggers specified in the Power Annex. Parties will often add triggeres in the ISDA Schedule including Adequate Assurance of Performance.	Optional to be added by parties.	N/A	N/A
Financial Information	N/A	Yes. As specified in the Cover Sheet. Article 8.1/8.2 (a) provides three options for the provision of Financial Information: Option A: When requested, a party will deliver a copy of its annual report within 120 days following the end of the fiscal year. When requested, a party will deliver a copy of its quarterly report within 60 days after the end of each of its first three fiscal quarters of each fiscal year. Option B: Same as Option A, except instead of delivering a copy of Party A/B reports (as applicable), will deliver the reports of the entities specified in the Cover Sheet. Option C: The parties may request from each other the information specified in the Cover Sheet. If no option is selected, Option C is the default.	N/A	N/A