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**Sent:** Wednesday, August 7, 2019 12:44 PM  
**To:** 'Sylvia@44Farris.com' <[Sylvia@44Farris.com](mailto:Sylvia@44Farris.com)>  
**Subject:** Language and other items

… … …

NAESB Credit Support Addendum: This CSA constitutes an Addendum to that certain Base Contract for Sale and Purchase of Natural Gas, as identified on the front page herein, between the parties (“Base Contract”), and supplements, forms part of, and amends the Base Contract affecting transactions thereunder. Capitalized terms used in this CSA that are not herein defined will have the meanings ascribed to them in the Base Contract. In the event of a conflict between the terms of this CSA and the Base Contract, the terms of this CSA shall apply for the purposes of this CSA.

Oral and Written transaction need to remain an election as written:

1. Effectuating the transaction is an election to determine **when** a transaction **legally** binds the parties
2. The focus seemed to be on “ written”; however, parties default to “Oral” in the base contract.  I have not negotiated any contracts where “written” was elected.
3. Transaction confirmations:  (a) Oral election - Binding oral agreements are then documented by a transaction confirmation (b)  Written election -  the written transaction confirmation is the binding agreement (in this case oral or any other method for the initial transaction does not bind the parties

Digital paperless confirmations  approach?

Change the definition of Transaction Confirmation:

1. Confirmation (paper) definition:  "Transaction Confirmation" shall mean a *document*, **similar to the form of Exhibit A**, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
2. Confirmation (digital) Confirmation:   “Transaction Confirmation” shall mean the NAESB 6.4x digital representation, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period”.
3. 1.2 “mutually agreeable electronic means” is established on the NAESB Cover Transaction Confirmations (page 1) (LGE/KU fax and email).  – Default to 6.4X here?

I’m not sure how to “move” the many executed paper agreements to the digital process at this point.  No matter what they exist on paper as the binding agreement.

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