

1 FUNDS TRANSFER AGENCY AGREEMENT

2 This Funds Transfer Agency Agreement ("FTA Agreement") is made and entered into as of
3 [_____, 199_] by [Marketer] ("Buyer"), [Bank] ("Fund Transfer Agent" or "FTA"), and [Supplier]
4 ("Seller").

5 ARTICLE I

6 SCOPE OF AGREEMENT

7 1.1 SPECIAL PROVISION TO NATURAL GAS SALE AND PURCHASE CONTRACT: This FTA
8 Agreement constitutes a Special Provision to that certain Base Contract for Short-Term Sale and
9 Purchase of Natural Gas dated _____, 199_, between Buyer and Seller ("Base Contract"), and is
10 intended to supplement the General Terms and Conditions ("GT&C") affecting all Transactions
11 thereunder wherein Buyer and Seller assume the respective roles indicated above. Capitalized terms
12 used in this FTA Agreement, which are not herein defined, will have the meanings ascribed to them in the
13 GT&C.

14 1.2 TERM: This FTA Agreement shall commence on _____, 199_, and continue on a
15 Month-to-Month basis until terminated by any party upon 30 days written notice to the other parties;
16 provided, however, that this FTA Agreement may not be terminated prior to the expiration of the latest
17 Delivery Period of any Transaction Confirmation(s) previously agreed to by the parties subject to this FTA
18 Agreement. The obligation to make payment hereunder, including any related adjustments, shall survive
19 the termination or cancellation of this FTA Agreement.

20 1.3 APPOINTMENT OF FUNDS TRANSFER AGENT ("FTA"): Seller and Buyer hereby appoint
21 FTA as their agent under this FTA Agreement and all related documents, instruments and agreements
22 ("Related Agreement(s)"), and authorize the FTA, in such capacity, to exercise such powers and perform
23 such duties as are expressly delegated to the FTA by the terms of this FTA Agreement and the Related
24 Agreements, together with such other powers as are reasonably incidental thereto. The FTA shall not
25 have any duties or responsibilities to, or any fiduciary relationship with, Buyer or Seller, and no implied
26 covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this FTA
27 Agreement or any Related Agreement or otherwise exist with respect to the FTA, except those expressly
28 set forth herein.

29
30

ARTICLE II
TRANSACTION PROCEDURE

31 2.1 MODIFICATION TO BASE CONTRACT: The parties will use the following Transaction
32 Confirmation procedure in lieu of the procedure set out in Sections 1.2 and 1.3 of the GT&C.

33 2.2 EXECUTION OF TRANSACTION CONFIRMATION BY BUYER AND SELLER: Should Buyer
34 and Seller come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery
35 Period subject to this FTA Agreement, the Confirming Party shall, and the other party may, record that
36 agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile,
37 to the other party and to the FTA by the close of the Business Day following the date of agreement. If a
38 sending party's Transaction Confirmation is agreeable to the receiving party, the receiving party will
39 execute the Transaction Confirmation and communicate copies thereof to the sending party and to the
40 FTA by facsimile transmission by the close of the Business Day following receipt.

41 2.3 CONFIRMATION OF TRANSACTION BY FTA: Upon the FTA's receipt of a Transaction
42 Confirmation executed by both Buyer and Seller or of non-conflicting Transaction Confirmations from both
43 Buyer and Seller, FTA will verify (i) that Buyer has contracted with a repurchaser to take delivery of a like
44 quantity of gas at the Delivery Point(s) identified on the Transaction Confirmation under the same
45 Performance Obligation (firm or interruptible); (ii) that Buyer's repurchaser has agreed to make payment
46 through the FTA of the funds due for its purchase of the gas delivered and accepted at such Delivery
47 Point(s); and (iii) that the price to be paid by the repurchaser for such gas is not less than the price set
48 out on the Transaction Confirmation between Buyer and Seller. The FTA will confirm its verification
49 within 24 hours of its receipt of the executed Transaction Confirmation(s) by executing the FTA
50 Confirmation Statement, as provided below, as a Special Condition at the bottom of the Transaction
51 Confirmation and returning copies of such executed FTA Confirmation Statement to Buyer and Seller by
52 facsimile transmission. (An example of this form of Transaction Confirmation is attached as Exhibit A-1.)

53 Special Condition - FTA Confirmation Statement

54 *[Bank]*, as the Fund Transfer Agent (FTA), has reviewed the foregoing Transaction Confirmation
55 and hereby confirms to Seller and Buyer that it shall make payment on behalf of Buyer to Seller
56 for the gas delivered subject to this Transaction Confirmation pursuant to the terms and
57 conditions to its FTA Agreement with Buyer and Seller. FTA further confirms that Buyer has
58 contracted for the repurchase of a corresponding quantity of gas at the Delivery Point(s) identified
59 above, under the same Performance Obligation and at a price greater than the price set out

60 above, and that Buyer's repurchaser has agreed to make payments for such gas directly to FTA.

61 *[Bank]:* _____

62 2.4 CONFIRMATION EXECUTION REQUIRED: If Seller or Buyer has not received the FTA's
63 Confirmation Statement within 24 hours after communication of the executed Transaction Confirmation to
64 FTA, such party shall contact FTA and the other party by telephone regarding such non-receipt. The
65 parties acknowledge that their agreement will not be binding until FTA executes its FTA Confirmation
66 Statement and communicates a copy of such to Seller.

67 2.5 NO MODIFICATION; ENTIRE AGREEMENT: A fully executed and confirmed Transaction
68 Confirmation may not be modified without the written consent of Buyer, Seller and the FTA. The entire
69 agreement between the parties shall be those provisions contained in both the Base Contract, as
70 supplemented by this FTA Agreement, and any effective Transaction Confirmation. In the event of a
71 conflict among the terms of (i) a Transaction Confirmation, (ii) the Base Contract, and the GT&E, the
72 terms of the documents shall govern in the priority listed in this sentence.

73 ARTICLE III
74 PAYMENTS

75 3.1 PAYMENT FROM FTA: FTA shall pay Seller by wire transfer for the benefit of Buyer on the
76 next Business day following receipt of funds paid by Buyer's repurchaser, and in accordance with FTA
77 wire instructions contained in Section 3.2 below. Buyer shall not be required to enter into any other
78 contractual or other arrangements in order to effectuate payments to Seller. FTA's obligation to make
79 payment to Seller hereunder is specifically conditioned upon FTA's receipt of funds from Buyer's
80 repurchaser.

81 3.2 PAYMENT ADDRESS: All payments from Buyer to Seller shall be sent through FTA via Fed
82 Funds to Seller at the address set out herein. Only Seller may request revisions to the address
83 specified for payment herein, which requests shall not be made more than two times per year, unless due
84 to merger or mandated by State or Federal regulations.

85 *[Supplier'] - Wire Transfer Account*

86 Bank: *[Supplier's Bank]*

87 Account No. *[000-00-000000]* ABA # *[000000000]*

88 *[City, State]*

89 Invoice Reference No. _____

90 Please include invoice reference number _____ in the text field of your wire transfer.

91
92 ARTICLE IV
NOTICES

93 4.1 NOTICE REQUIREMENTS: Any notice provided for in this FTA Agreement, or any notice
94 which any party may desire to give to the others, shall be in writing and shall only be deemed to be duly
95 delivered upon receipt. Such notice shall in each instance be sent by facsimile or other mutually
96 acceptable electronic means, and confirmed by a telephone call as soon as possible during common
97 business hours, to the contacts set out below.

98 4.2 NOTICES TO FTA:

99	<u>Primary Contact:</u>	<u>Emergency Contact:</u>
100	[name]	[name]
101	Telephone No:	Telephone No:
102	Facsimile No:	Facsimile No:

103 4.3 NOTICES TO BUYER:

104	<u>Primary Contact:</u>	<u>Emergency Contact:</u>
105	[name]	[name]
106	Telephone No:	Telephone No:
107	Facsimile No:	Facsimile No:

108 4.4 NOTICES TO SELLER:

109	<u>Primary Contact:</u>	<u>Emergency Contact:</u>
110	[name]	[name]
111	Telephone No:	Telephone No:
112	Facsimile No:	Facsimile No:

113 4.5 CHANGE OF CONTACTS: Any party may change the designated contact and telephone or
114 facsimile numbers for notices upon seven days written notice.

115 As evidence of their agreement hereto, the parties have caused this FTA Agreement to be duly
116 executed in triplicate originals by their authorized representatives as of the date first written above.

117 BUYER:

118 By: _____

119 Name: _____

120 Title: _____

SELLER:

By: _____

Name: _____

Title: _____

121 FUNDS TRANSFER AGENT:

122 By: _____

123 Name: _____

124 Title: _____

1 SPECIAL PROVISION TO NATURAL GAS SALE AND PURCHASE CONTRACT:

2 This Special Provision amends that certain Base Contract for Short-Term Sale and Purchase of Natural
3 Gas dated _____, 199_, between [Repurchaser] and [Marketer] ("Base Contract"), and
4 is intended to supplement the General Terms and Conditions ("GT&C") affecting all Transactions
5 thereunder wherein [Repurchaser] is buyer and [Marketer] is seller. Capitalized terms used in this
6 Agreement, which are not herein defined, will have the meanings ascribed to them in the GT&C.

7 1. DEFINITION OF "FTA": The term "FTA" or "Funds Transfer Agent" will refer to:

8 [Bank]

9 [Bank's address]

10 2. CONFIRMATION OF TRANSACTION BY FTA: Buyer and Seller will send copies of their
11 respective Transaction Confirmations to FTA. Seller will obtain confirmation by the FTA that Seller has
12 contracted with a supplier to deliver a like quantity of gas at the Delivery Point(s) identified on the
13 Transaction Confirmation, under the same Performance Obligation (firm or interruptible) and at a price no
14 greater than the price set out on the Transaction Confirmation between Buyer and Seller. Such
15 confirmation will be documented by the FTA's execution of the FTA Confirmation Statement, as provided
16 below, as a Special Condition at the bottom of the Transaction Confirmation sent by Seller to Buyer. (An
17 example of this form of Transaction Confirmation is attached as Exhibit A-2.)

18

19 Special Condition - FTA Confirmation Statement

20 _____, as the Fund Transfer Agent (FTA), has reviewed the
21 foregoing Transaction Confirmation and confirms that Seller has contracted for delivery of a
22 corresponding quantity of gas at the Delivery Point(s) identified above, under the same
23 Performance Obligation and at a price no greater than the price set out above. FTA will accept
24 payment from Buyer on behalf of Seller under the terms and conditions of the Base Contract.

25 [FTA]: _____

26 3. NO MODIFICATION: The payment instructions may not be modified during the operative
27 period of a binding Transaction Confirmation, nor may any other provision of the Base Contract or the
28 Transaction Confirmation be modified during the operative period of a binding Transaction Confirmation
29 without the written consent of Buyer, Seller and FTA.

**TRANSACTION CONFIRMATION EXHIBIT A
FOR IMMEDIATE DELIVERY**

Letterhead/Logo

Date: _____, 199__
Transaction Confirmation #:

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of Receipt unless otherwise specified in the Base Contract.

SELLER: [Supplier]

Attn: _____
Phone: _____
Fax: _____
Base Contract No. _____

BUYER: [Marketer]

Attn: _____
Phone: _____
Fax: _____
Base Contract No. _____

Performance Obligation: _____ Firm (Fixed) _____ Interruptible

<u>Transporter</u>	<u>Transporter Contract No.</u>	<u>Daily Quantity</u>	<u>Delivery Point(s)</u>	<u>Price \$/MMBtu (Dth)</u>	<u>Delivery Period</u>

Special Condition: FTA Confirmation Statement

Seller: _____

By: _____
Title: _____
Date: _____

Buyer: _____

By: _____
Title: _____
Date: _____

FTA Confirmation Statement:

[Bank], as the Funds Transfer Agent (FTA), has reviewed the foregoing Transaction Confirmation and hereby confirms to Seller and Buyer that it shall make payment on behalf of Buyer to Seller for the gas delivered subject to this Transaction Confirmation pursuant to the terms and conditions to its FTA Agreement with Buyer and Seller. FTA further confirms that Buyer has contracted for the repurchase of a corresponding quantity of gas at the Delivery Point(s) identified above, under the same Performance Obligation and at a price greater than the price set out above, and that Buyer's repurchaser has agreed to make payments for such gas directly to FTA.

[Bank]: _____
Name: _____
Title: _____
Date: _____

**TRANSACTION CONFIRMATION EXHIBIT A
FOR IMMEDIATE DELIVERY**

Letterhead/Logo

Date: _____, 199__
Transaction Confirmation #:

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of Receipt unless otherwise specified in the Base Contract.

SELLER: [Marketer] Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____	BUYER: [Repurchaser] Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____
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Performance Obligation: ____ Firm (Fixed) ____ Interruptible

Transporter	Transporter Contract No.	Daily Quantity	Delivery Point(s)	Price \$/MMBtu (Dth)	Delivery Period

Special Condition: FTA Confirmation Statement

Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____
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FTA Confirmation Statement:
[Bank], as the Funds Transfer Agent (FTA), has reviewed the foregoing Transaction Confirmation and confirms that Seller has contracted for delivery of a corresponding quantity of gas at the Delivery Point(s) identified above, under the same Performance Obligation and at a price no greater than the price set out above. FTA will accept payment from Buyer on behalf of Seller under the terms and conditions of the Base Contract.

[Bank]: _____
 Name: _____
 Title: _____
 Date: _____