Kim Mai in Practical Law The Journal: Understanding the NAESB Base Contract

By Kim Mai | May 6, 2026

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Haynes Boone Partner Kim Mai authored an article for *Practical Law The Journal* outlining key features of the NAESB Base Contract, emphasizing its role as a standardized framework for the sale and purchase of natural gas that streamlines transactions and reduces disputes. She highlights how parties can customize the agreement through special provisions and credit support arrangements to better manage risk and address specific commercial needs.

Read an excerpt below.

The Base Contract is a standard form contract published and copyrighted by the NAESB, an organization that develops and promotes standards for the natural gas and electric industries. It is used for the purchase and sale of natural gas in transactions involving physical delivery of the agreed commodity (for more on physically settled over-the-counter oil and gas transactions, see Hedging Oil and Gas Production: Issues and Considerations on Practical Law). Most purchases and sales of natural gas in the US physical market are transacted under the Base Contract. The current and most widely used version of the Base Contract is the 2006 version, though the 2002 version is also commonly used.

The Base Contract allows parties to tailor their agreements through special provisions that modify its standardized general terms and conditions (GTC) to address unique deal circumstances while maintaining industry-wide standards. Additionally, the following standard forms are typically included with the Base Contract:

- The Transaction Confirmation.
- The Credit Support Addendum (CSA).
- The Canadian Addendum (CA).

Together, these NAESB forms provide a comprehensive and standardized framework that streamlines the contracting process, makes transactions more accessible, reduces disputes, and promotes market stability.

Read the full article in *Practical Law The Journal* here.

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