



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

**North American Energy Standards Board
Board of Directors Meeting
March 20, 2003**



**NORTH AMERICAN ENERGY STANDARDS BOARD
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**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

WELCOME AND OPENING REMARKS

- The meeting specifics are:

WHERE: American Gas Association
400 North Capitol Street, NW
Washington D.C. 20001

Fourth Floor

AGA Main Phone Number: 202-824-7000

WHEN: Thursday, March 20
9:00 a.m. to 12:30 p.m. Eastern

Please feel free to call (713-356-0060) if you have any questions or comments, or additions to the agenda. If you would prefer attending by conference call, the NAESB Office can provide the conference calling information. The materials are posted on the NAESB Home Page in the "Board of Directors" area for attendees to download.

- For further assistance please reach:

Veronica Thomason at (713) 356 - 0060

- The officers presiding over the Board of Directors meeting are:

Bill Boswell	- Chairman and CEO
Leonard Haynes	- Vice Chairman Retail Electric Quadrant
Michael Desselle	- Vice Chairman Wholesale Electric Quadrant
Mark Maassel	- Vice Chairman Retail Gas Quadrant
Rae McQuade	- Executive Director, COO & Secretary

- The antitrust counsel for the meeting is:

Joelle Ogg - John & Hengerer

- The general counsel of the organization is:

Jay Costan - McGuireWoods

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD 2003 BOARD TERMS - Wholesale Gas Quadrant

END USER SEGMENT		TERM END:
Jim Downs	Manager of Gas and Regulatory and Federal Compliance, Calpine Corp.	Dec 31, 2004
Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L	Dec 31, 2004
John Procaro	Vice President & COO, Cinergy	Dec 31, 2004
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	Dec 31, 2005
Jim Templeton	Principal, Comprehensive Energy Services	Dec 31, 2005
LDC SEGMENT		TERM END:
Bill Boswell	Assistant Secretary, Dominion	Dec 31, 2004
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	Dec 31, 2004
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Dec 31, 2004
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	Dec 31, 2005
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co	Dec 31, 2005
PIPELINE SEGMENT		TERM END:
Terry McGill	Enbridge Energy Company, Inc.	Dec 31, 2004
John Somerhalder	President, El Paso Energy Pipeline Group	Dec 31, 2004
Shelley Corman	Vice President, Enron Transportation Services Company (Transwestern)	Dec 31, 2004
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Dec 31, 2005
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	Dec 31, 2005
PRODUCER SEGMENT		TERM END:
Randy Mills	Regulatory Manager, ChevronTexaco	Dec 31, 2004
William T. Benham	Vice President - Regulatory Affairs, BP Energy Company	Dec 31, 2005
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
SERVICES SEGMENT		TERM END:
Sylvia Munson	Principal, Elite Computer Consultants	Dec 31, 2004
V A C A N C Y		Dec 31, 2004
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	Dec 31, 2005
Lyn Maddox	President & COO, PG&E Energy Group Trading	Dec 31, 2005
G. William Hebenstreit	Vice President Contract Services, El Paso Merchant Energy	Dec 31, 2005

OFFICERS: Bill Boswell is CEO and 2002 chairman of the Board of Directors. Rae McQuade as Executive Director serves as Secretary and COO. Michael Desselle is the WEQ Vice Chairman. Leonard Haynes is the REQ Vice Chairman. Mark Maassel is the RGQ Vice Chairman.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2003 BOARD TERMS - Retail Electric Quadrant

DISTRIBUTOR SEGMENT		TERM END:
Dave Koogler	Director - Regulation & Competition, Dominion Virginia Power (SERC NERC Region).	Dec 31, 2005
Bill Bourbonnais	Assistant Vice President - Transmission, Wisconsin Public Service Corporation (MAIN NERC Region)	Dec 31, 2005
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company	Dec 31, 2004
Leonard Haynes	Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region)	Dec 31, 2004
END USER SEGMENT		TERM END:
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2004
SERVICES SEGMENT		TERM END:
H. Ward Camp	Vice President Regulatory and Strategic Alliances, Distribution Control Systems, Inc.	Dec 31, 2005
Stacey Park	Director, The Structure Group	Dec 31, 2005
J Cade Burks	President, EC Power	Dec 31, 2004
John Williams	Chief Executive Officer and Co-founder, 8760.	Dec 31, 2004
SUPPLIER SEGMENT		TERM END:
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2004
Richard Zelenko	General Manager, Dominion Retail Inc.	Dec 31, 2004

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NORTH AMERICAN ENERGY STANDARDS BOARD 2003 BOARD TERMS - Wholesale Electric Quadrant

END USER SEGMENT		TERM END:
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	Dec 31, 2005
James B. Rouse	Associate Director Energy Policy, Praxair, Inc.	Dec 31, 2004
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Dec 31, 2004
Michael J. Travieso	People's Counsel, Maryland People's Counsel	Dec 31, 2005
Ron Jackups	Vice President, Electric System Operations, Cinergy	Dec 31, 2005
Brett Perlman	Commissioner, Public Utility Commission of Texas	Dec 31, 2004
LDC SEGMENT		TERM END:
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Dec 31, 2005
Jim Miller	Vice President, Southern Company Services Inc.	Dec 31, 2004
Ted Humann	Senior Vice President Transmission, Basin Electric Power Cooperative	Dec 31, 2005
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Dec 31, 2004
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Dec 31, 2005
V A C A N C Y	To be filled from the Competitive Retailer Sub-Segment	Dec 31, 2004
GENERATION SEGMENT		TERM END:
Forrest E. Reeves	Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration	Dec 31, 2004
Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	Dec 31, 2005
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Dec 31, 2004
David McMillan	Director Market Design, Calpine	Dec 31, 2005
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Dec 31, 2005
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	Dec 31, 2004
TRANSMISSION SEGMENT		TERM END:
W Terry Boston	Executive Vice President, Tennessee Valley Authority	Dec 31, 2004
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	Dec 31, 2005
Dale Landgren	Vice President and Chief Strategic Officer, American Transmission Company	Dec 31, 2004
Carroll Waggoner	Sunflower Electric Power Corporation	Dec 31, 2005
John H. Zemanek	Vice President Transmission, Entergy	Dec 31, 2004
Michael Desselle	Director Public Policy, American Electric Power	Dec 31, 2005

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MARKETER/BROKER SEGMENT		TERM END:
Steve Oliver	Vice President of Bulk Power Marketing Transmission Services, Bonneville Power Administration /Power Business Line	Dec 31, 2005
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	Dec 31, 2005
Thomas A. Smith	Manager of Power Marketing, Tri -State Generation & Transmission Association, Inc.	Dec 31, 2004
John Meyer	Vice President - Asset Commercialization, Reliant Energy	Dec 31, 2005
Dowell Hudson	Vice President Special Projects, Energy Markets, Ontario Power Generation	Dec 31, 2004
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Marketing Inc.	Dec 31, 2004

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NORTH AMERICAN ENERGY STANDARDS BOARD 2003 BOARD TERMS - Retail Gas Quadrant

DISTRIBUTORS SEGMENT		TERM END:
Craig White	Acting Chief Operating Officer, Philadelphia Gas Works	Dec 31, 2004
Glen R. Schwalbach	Assistant Vice President Corporate Planning, Wisconsin Public Service Corporation	Dec 31, 2003
Mark T. Maassel	Vice President Regulatory & Government Policy, NiSource, Inc.	Dec 31, 2004
Paul J. Szykman	Manager - Rates & Strategic Planning, UGI Utilities, Inc.	Dec 31, 2003
Joseph F. Bodanza	Senior Vice President for Finance Operations & Regulatory Affairs, KeySpan Energy	Dec 31, 2003
V A C A N C Y		Dec 31, 2002
END USERS SEGMENT		TERM END:
Matthew G. Parsell	Assistant Director, Natural Gas Division, Indiana Office of Utility Consumer Counselor	Dec 31, 2004
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2003
V A C A N C Y		Dec 31, 2003
V A C A N C Y		Dec 31, 2003
V A C A N C Y		Dec 31, 2002
SERVICE PROVIDERS SEGMENT		TERM END:
Leigh Spangler	President, Latitude Technologies Inc.	Dec 31, 2004
Dave Pfeifer	Vice President - Energy, EnForm Consulting, LP	Dec 31, 2004
Dave Darnell	President & CEO, Systrends Inc.	Dec 31, 2003
Greg Lander	Principal, CapacityCenter.com	Dec 31, 2003
Richard J. Rudden	President & CEO, R. J. Rudden Associates, Inc.	Dec 31, 2003
V A C A N C Y		Dec 31, 2002
SUPPLIER SEGMENT		TERM END:
Randy Magnani	Director C&I Operations, Amerada Hess Corporation	Dec 31, 2004
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2003
V A C A N C Y		Dec 31, 2003
V A C A N C Y		Dec 31, 2003
V A C A N C Y		Dec 31, 2002



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March 3, 2003

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Meeting Schedule

Dear Board Members,

Below is the 2003 meeting schedule for Board of Director meetings. All meetings will be accessible by phone, and meeting materials for each meeting will include a ballot for notational voting. All Board meetings will be transcribed.

Date	Time	Location
Thursday, March 20	9:00 am to 12:30 pm Eastern	AGA Offices, Washington D.C.
Thursday, June 26	9:00 am to 12:30 pm Central	Houston, Texas at IAH Airport
Thursday, September 18	9:00 am to 12:30 pm Central	Driskill Hotel, Austin, Texas
Thursday, December 4	9:00 am to 12:30 pm	Location to be Determined

Best Regards,

Rae

Rae McQuade
NAESB Executive Director & COO



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ANTITRUST GUIDELINES

- Joelle Ogg will review the antitrust guidelines and monitor the meeting. The points are:

Antitrust guidelines direct meeting participants to avoid discussion of topics or behavior that would result in anticompetitive behavior including: restraint of trade and conspiracies to monopolize, unfair or deceptive business acts or practices, price discriminations, division of markets, allocation of production, imposition of boycotts, and exclusive dealing arrangements.

Any views, opinions or positions presented or discussed by meeting participants are the views of the individual meeting participants and their organizations. Any such views, opinions or positions are not the views, positions or opinions of NAESB, the NAESB Board of Directors, or any NAESB Committee or Subcommittee, unless specifically noted otherwise.

As it is not the purpose of the meeting to discuss any antitrust topics, if anyone believes we are straying into improper areas, please let us know and we will redirect the conversation.



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BOARD OF DIRECTORS MEETING MATERIALS
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AGENDA



North American Energy Standards Board

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March 3, 2003

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Meeting Agenda for the NAESB Board Meeting - March 20, 2003

Dear Board Members,

As noted in previous correspondence, the first Board meeting in 2003 will be held in Washington D.C., hosted by the American Gas Association on March 20, 2003. The specifics of the meeting are:

Where: American Gas Association
400 North Capitol Street, NW
Washington D.C. 20001

Fourth Floor

AGA Main Phone Number: 202-824-7000

When: Thursday, March 20
9:00 a.m. to 12:30 p.m. Eastern

A draft agenda for the meeting is attached, and the materials for the meeting will be provided shortly to the Directors, and will be posted on the NAESB Home Page in the "Board of Directors" area for each quadrant for attendees to download. This meeting, as with all NAESB meetings, is open for attendance by any interested party. Should you wish to participate via conference call, please call the NAESB office for instructions (713-356-0060).

Please feel free to call the NAESB office should you have any questions or comments. We look forward to seeing you at the Board meeting.

Best Regards,

Rae

Rae McQuade
NAESB Executive Director & COO



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NORTH AMERICAN ENERGY STANDARDS BOARD OF DIRECTORS MEETING American Gas Association, Washington, D.C.

**Thursday, March 20, 2003 – 9:00 a.m. to 12:30 pm Eastern
DRAFT AGENDA**

- | | | |
|------------|----|--|
| 9:00 a.m. | 1. | Welcome & Administrative Items <ul style="list-style-type: none">• Antitrust Guidelines• Welcome to New Board Members• Agenda Adoption• Adoption of Minutes from 11-21-02 |
| 9:15 a.m. | 2. | Executive Director's Report <ul style="list-style-type: none">• Department of Energy Work with NAESB on the Funds Transfer Agent Agreement• American National Standards Institute Committees• Membership Report |
| 9:30 a.m. | 3. | Financial Report <ul style="list-style-type: none">• Year End Report 2002• Accrual Based Report 2003 YTD |
| 9:45 a.m. | 4. | Executive Committee Report <ul style="list-style-type: none">• Wholesale Gas Quadrant• Wholesale Electric Quadrant• Retail Gas Quadrant• Retail Electric Quadrant |
| 10:30 a.m. | | Break |
| 10:45 a.m. | 5. | Parliamentary Committee Report and Resolutions <ul style="list-style-type: none">• Review of and Discussion Regarding NAESB Operating Procedures• Resolution to Adopt NAESB Operating Procedures |
| 11:15 a.m. | 6. | Memorandum of Understanding (NERC/NAESB/ISO-RTO Council) and Resolution <ul style="list-style-type: none">• FERC Report• Review of and Discussion Regarding Draft Memorandum of Understanding 2-28-03• Resolution to Adopt MOU |
| Noon | 7. | Managing Committee Report <ul style="list-style-type: none">• Review of Managing Committee Meeting on Creditworthiness held on 3-6-03 |
| 12:15 pm | 8. | Old and New Business <ul style="list-style-type: none">• Installation of Leonard Haynes as NAESB Board Chairman 2003 |
| 12:30 pm | | Adjourn |



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MINUTES



North American Energy Standards Board

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TO: NAESB Board of Directors, Posting for Interested Industry Participants
FROM: Meghan McMillan, NAESB Staff
RE: Draft Minutes from the NAESB Board of Directors Meeting - November 21, 2002
DATE: November 22, 2002

**NAESB Board of Directors Meeting
Thursday, November 21, 2002
8:00am - 12:00pm
Draft Minutes**

1. Welcome & Administrative Items

Mr. Boswell opened the meeting and welcomed participants. Mr. Costan gave the antitrust guidelines. No changes were made to the agenda. Mr. Desselle moved to adopt the agenda as written and Mr. Anderson seconded. A procedural vote was taken. The agenda was adopted unanimously. Mr. Boswell noted this is the first Board meeting in which all four quadrants are seated. He welcomed the members from the Retail Gas Quadrant (RGQ). Introductions were made for the RGQ Board members.

2. Adoption of Minutes from September 23, 2002

Mr. Zelenko moved to adopt the minutes and Mr. Desselle seconded. No changes were made to the minutes. A procedural vote was taken. The minutes were adopted as written.

3. Parliamentary and Management Committee Updates

Mr. Boswell noted there were two actions before the Board. Mr. Costan reviewed the resolutions. Copies were made and distributed to the members of the Board. Mr. Boswell referred members to the resolution contained in the Board book, and reviewed the resolutions. Mr. Anderson moved and Mr. Williams seconded the approval of the resolution. The vote was taken and the resolution passed unanimously. A corrected version of Appendix D to the resolution was presented later in the meeting. Mr. Haynes motioned that the board vote to approve these changes and Mr. Hudson seconded. A vote was taken and the motion passed unanimously. (See attached resolution).

The second action addressed identifying Board member volunteers from the RGQ for the parliamentary committee. It was also noted the RGQ should elect a vice chair who will serve as a member of the managing committee. Ms. McQuade will send out a request for nominations for vice chair and run an election for the position. Mr. Boswell extended an invitation for interested parties to attend the Parliamentary Committee meeting at 12:30 p.m.

4. Annual Plans

Mr. Boswell noted that the RGQ's annual plan will probably be approved by notational vote at a later time. He referred members to the draft RGQ plan included in the Board book.

Mr. Buccigross was invited to review the Wholesale Gas Quadrant's (WGQ's) progress on their annual plan. He noted a change to the credit worthiness item, which is now ongoing. Mr. Deforest voiced concerns about the Retail Electric Quadrant (REQ) focusing too much on policy. Mr.



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Buccigross noted the sensitivity to that issue is present on the WGQ side and the WGQ annual plan is specific about not developing policy, and that the same action would apply to the REQ activities. Mr. Boswell reviewed the language in item 11 of the WGQ annual plan. It was suggested that each annual plan include the same language. Mr. Boswell asked Mr. Buccigross to craft some wording that makes it clear that creditworthiness should be restricted to the development of standards which implement existing policy. It was suggested this language be added to every plan to cover all work in each quadrant rather than simply modifying a single item. Ms. McQuade agreed to prepare such language as a preamble to each annual plan.

Mr. Buccigross was invited to review the REQ annual plan. Ms. McQuade noted that items 16 and 17 now have end dates. Mr. Koogler moved to approve the plan with these changes and Mr. Magwood seconded. A vote was taken, and the motion carried unanimously.

Mr. Buccigross reviewed the Wholesale Gas Quadrant (WGQ) 2003 annual plan. Mr. Sappenfield recommended item 2 be removed from the active list and added to the provisional items list pending a request for action on this particular item. Mr. Mucci moved to adopt the WGQ 2003 annual plan with this modification and Mr. Williams seconded. A vote was taken, and the motion carried unanimously.

Mr. Buccigross reviewed the 2003 WEQ annual plan. It was noted that because this plan was completed after the last EC meeting subcommittees and talk forces have not yet been established. Mr. Anderson moved to adopt the WEQ annual plan and Ms. Ogenyi seconded. Ms. Hain voiced concerns that the adoption of this plan might be premature. Mr. Brown encouraged PJM to submit their concerns for the record so that they could be considered. A vote was taken and the motion to adopt the WEQ 2003 annual plan carried unanimously.

4. Finance Report and Draft 2003 Budget

Ms. McQuade and Ms. Wishart reviewed the financial report for 2002 included in the Board book. Mr. Boswell stated the Managing Committee met and proposed a resolution that we adopt the 2003 budget. The motion is being made by the managing committee to adopt the 2003 budget. The motion was seconded by Mr. Smith. Ms. McQuade reviewed the 2003 budget. Mr. Brown asked why production of standards was not listed as an expense. Ms. McQuade stated this was because we also sell the standards manuals so the expense of preparing the standards materials is considered a cost of goods sold which is part of the income statement rather than part of the expense statement. After other discussion, a vote was taken, and the 2003 budget was adopted unanimously with no changes.

5. Membership Report

Ms. McQuade reviewed the membership report.

6. Discussions with ISOs and Communications with the Electronic Scheduling Collaborative

Mr. Desselle updated the board on the progress with the RTOs and ISOs. Mr. Boswell stated NAESB has provided the ISOs and RTOs with the annual plan for the WEQ, and has similarly requested development plans from them. Concerns were raised on duplicative efforts between the two groups, the need for expertise in the development of many of the standards listed on the WEQ annual plan, and the assurance that as the organizations go forward, there will be a level playing field. Mr. Anderson urged NAESB to form a technical advisory committee to give the ISOs and



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RTOs a place at the table. Mr. Desselle stated the we were working with the ISOs and RTOs to better understand hw they want to interact with us. Similarly, we have had communications with the Electronic Scheduling Collaborative and OASIS Standards Collaborative – where there is significant concern regarding duplication of efforts. We have asked the two groups to work with us where they deem it appropriate.

7. Adoption of the NAESB-NERC Memorandum of Understanding

Mr. Boswell referred members to the document included in the Board book. He proposed after the MOU has been reviewed and the comments read the board vote to adopt the MOU. Mr. Desselle reviewed the purpose of the MOU. Ms. Hain voiced concerns that the MOU may be premature considering the negotiations that will occur between the ISOs NAESB and NERC. She suggested it might be necessary to have a three-way JIC. Mr. McMillan voiced concerns about more third parties might want MOUs instead of participating in the process. He proposed there might be a need for some conditions under which third party MOUs may be created. Mr. Hudson recommended calling the question. Mr. Boston suggested that NAESB might consider having two members from each of the five segments as representatives. Mr. Boswell stated it is up to each organization how many members they have as representatives. Mr. Boston seconded the call of question. A vote was taken and the motion to adopt the MOU passed unanimously with Mr. Anderson and Mr. Rouse abstaining.

Mr. Boswell informed the members that a press release will be issued stating that the Board has adopted the MOU, and the JIC will hopefully be up and running by the end of the year. Mr. Desselle encouraged volunteers who are interested in being on the JIC to contact him. Ms. McQuade will send out an email to recruit volunteers.

8. Other Business

Ms. McQuade reviewed the change to the privacy policy that would permit NAESB to use list serves in subcommittee communication. Mr. Williams moved to adopt these changes and Mr. Anderson seconded. The motion passed unanimously.

Mr. Magwood voiced concerns about the times of meetings for the Executive Committee. He suggested Thursday, Friday and Saturday or Sunday, Monday and Tuesday. Ms. McQuade stated the EC meetings are autonomous with the exception of retail because their annual plans are very close and they may be doing this type of development jointly. The calendar has been sent to NERC to determine if there are conflicts. Mr. Chapman suggested picking a central location (possibly Houston) in which to hold most of the meetings. Ms. McQuade noted that the office would pass these comments along a meetings are scheduled

9. Adjourn

The meeting adjourned on Thursday, November 21, 2002 at 11:53 a.m.



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10. Board Attendance and Voting Record

BOARD ATTENDANCE AND VOTING RECORD		PRESENT	V1	V2	V3	V4	V5	V6
WGQ:								
END USER SEGMENT								
Jonathan Puckett	Duke Energy North America.	Absent						
Joe Stepenovitch	Florida P&L	Phone	Y	Y	Y	Y	Y	Y
John Procaro	Cinergy	Yes (Ballot)	Y	Y	Y	Y	Y	Y
Janie Mitcham	Reliant Energy	Phone	Y	Y	Y	Y	Y	Y
Jim Templeton	Comprehensive Energy Services	Phone	Y	Y	Y	Y	Y	Y
LDC SEGMENT								
Bill Boswell	Dominion	Yes	Y	Y	Y	Y	Y	Y
Adrian Chapman	Washington Gas Light Company	Yes	Y	Y	Y	Y	Y	Y
Reed Horting	PECO Energy Co.	Phone	Y	Y	Y	Y	Y	Y
Walt DeForest	National Fuel Gas Distribution	Phone	Y	Y	Y	Y	Y	Y
Lee Stewart	Southern California Gas Co.	Yes	Y	Y	Y	Y	Y	Y
PIPELINE SEGMENT								
Terry McGill	Enbridge Energy Company, Inc.	Phone	Y	Y	Y	Y	Y	Y
John Somerhalder	El Paso Energy Pipeline Group	Absent						
Shelley Corman	Enron Transportation Services Company (Transwestern)	Phone	Y	Y	Y	Y	Y	Y
Ron Mucci	Williams	Yes	Y	Y	Y	Y	Y	Y
Richard Kruse	Duke Energy Gas Transmission	Phone	Y	Y	Y	Y	Y	Y
PRODUCER SEGMENT								
Randy Mills	ChevronTexaco	Phone	Y	Y	Y	Y	Y	Y
Johannes Walzebuck	ExxonMobil Gas Marketing Company	Phone	Y	Y	Y	Y	Y	Y
V A C A N C Y	V A C A N C Y	Vacancy						
V A C A N C Y	V A C A N C Y	Vacancy						
V A C A N C Y	V A C A N C Y	Vacancy						
SERVICES SEGMENT								
Sylvia Munson	Elite Computer Consultants	Phone	Y	Y	Y	Y	Y	Y
V A C A N C Y	V A C A N C Y	Vacancy						
Rick Lentz	Tatum CIO	Yes	Y	Y	Y	Y	Y	Y
Lyn Maddox	PG&E Energy Group Trading	Phone	Y	Y	Y	Y	Y	Y
Marty Patterson	IDACORP Energy	Absent						



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BOARD ATTENDANCE AND VOTING RECORD		PRESENT	V1	V2	V3	V4	V5	V6
REQ:		PRESENT	V1	V2	V3	V4	V5	V6
DISTRIBUTOR SEGMENT								
Dave Koogler	Dominion Virginia Power (SERC NERC Region).	Yes	Y	Y	Y	Y	Y	Y
Bill Bourbonnais	Wisconsin Public Service Corporation (MAIN NERC Region)	Yes	Y	Y	Y	Y	Y	Y
Johnny Magwood	Baltimore Gas and Electric Company	Yes	Y	Y	Y	Y	Y	Y
Leonard Haynes	Georgia Power Company (SERC NERC Region)	Yes	Y	Y	Y	Y	Y	Y
END USER SEGMENT								
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Ballot	Y	Y	Y	Y	Y	Y
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
SERVICES SEGMENT								
V A C A N C Y		Vacancy						
Stacey Park	The Structure Group	Phone	Y	Y	Y	Y	Y	Y
J Cade Burks	EC Power	Phone	Y	Y	Y	Y	Y	Y
John Williams	8760, Inc.	Yes	Y	Y	Y	Y	Y	Y
SUPPLIER SEGMENT								
Helen Burt	TXU Energy	Phone	Y	Y	Y	Y	Y	Y
Waters Davis	Reliant Energy Retail Services	Phone	Y	Y	Y	Y	Y	Y
Gillan Taddune	Green Mountain Energy	Yes	Y	Y	Y	Y	Y	Y
Richard Zelenko	Dominion Retail Inc.	Yes	Y	Y	Y	Y	Y	Y
WEQ:		PRESENT	V1	V2	V3	V4	V5	V6
END USER SEGMENT								
John A. Anderson	Electricity Consumers Resource Council (ELCON)	Yes	Y	Y	Y	Y	Abst.	Y
James B. Rouse	Praxair, Inc.	Yes	Y	Y	Y	Y	Abst.	Y
Carol Guthrie	ChevronTexaco Energy Research and Technology Company	Absent						
Michael J. Travieso	Maryland People's Counsel	Absent						
Ron Jackups	Cinergy	Ballot	Y	Y	Y	Y	Y	Y
V A C A N C Y	To be filled from the Regulatory Sub-Segment	Vacancy						
LDC SEGMENT								
Frank Johnson	Consumers Energy	Yes	Y	Y	Y	Y	Y	Y
Jim Miller	Southern Company Services Inc.	Absent						



North American Energy Standards Board

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BOARD ATTENDANCE AND VOTING RECORD		PRESENT	V1	V2	V3	V4	V5	V6
Ted Humann	Basin Electric Power Cooperative	Yes	Y	Y	Y	Y	Y	Y
Arthur G. Fusco	Central Electric Power Cooperative Inc.	Phone	Y	Y	Y	Y	Y	Y
Mark B. Bonsall	Salt River Project	Phone	Y	Y	Y	Y	Y	Y
V A C A N C Y	To be filled from the Competitive Retailer Sub-Segment	Vacancy						
GENERATION SEGMENT								
Forrest E. Reeves	Southwestern Power Administration	Yes	Y	Y	Y	Y	Y	Y
Charles W. Severance	Wisconsin Public Service Corporation	Yes	Y	Y	Y	Y	Y	Y
John J. Dellas	Consumers Energy	Phone	Y	Y	Y	Y	Y	Y
David McMillan	Calpine	Yes	Y	Y	Y	Y	Y	Y
Thomas Ingwers	Sacramento Municipal Utility District	Phone	Y	Y	Y	Y	Y	Y
Gloria Ogenyi	Conectiv Energy Supply, Inc.	Yes	Y	Y	Y	Y	Y	Y
TRANSMISSION SEGMENT								
W Terry Boston	Tennessee Valley Authority	Yes	Y	Y	Y	Y	Y	Y
Peter Flynn	National Grid USA	Absent						
Dale Landgren	American Transmission Company	Phone	Y	Y	Y	Y	Y	Y
Carroll Waggoner	Sunflower Electric Power Corporation	Yes	Y	Y	Y	Y	Y	Y
John H. Zemanek	Entergy	Yes	Y	Y	Y	Y	Y	Y
Michael Dessle	American Electric Power	Yes	Y	Y	Y	Y	Y	Y
MARKETER/BROKER SEGMENT								
Steve Oliver	Bonneville Power Administration /Power Business Line	Phone	Y	Y	Y	Y	Y	Y
R. Scott Brown	Exelon Generation Power Team	Yes	Y	Y	Y	Y	Y	Y
Thomas A. Smith	Tri-State Generation & Transmission Association, Inc.	Yes	Y	Y	Y	Y	Y	Y
V A C A N C Y	V A C A N C Y	Vacancy						
Dowell Hudson	Ontario Power Generation	Yes	Y	Y	Y	Y	Y	Y
Joseph Hartsoe	American Electric Power Marketing Inc.	Phone	Y	Y	Y	Y	Y	Y
RGQ:		PRESENT	V1	V2	V3	V4	V5	V6
DISTRIBUTOR SEGMENT								
Craig White	Philadelphia Gas Works	Phone	Y	Y	Y	Y	Y	Y
Glen Schwalbach	Wisconsin Public Service Corp.	Yes	Y	Y	Y	Y	Y	Y
Mark Maassel	NiSource, Inc.	Phone	Y	Y	Y	Y	Y	Y
Paul Szykman	UGI Utilities, Inc.	Yes	Y	Y	Y	Y	Y	Y
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
END USER SEGMENT								



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BOARD ATTENDANCE AND VOTING RECORD		PRESENT	V1	V2	V3	V4	V5	V6
Matthew Parsell	Indiana Office of Utility Consumer Counselor	Ballot	Y	Y	Y	Y	Y	Y
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
SERVICES SEGMENT								
Leigh Spangler	Latitude Technologies Inc.	Phone	Y	Y	Y	Y	Y	Y
David Pfeifer	EnForm Consulting, L.P.	Yes	Y	Y	Y	Y	Y	Y
David Darnell	Systrends Inc.	Yes	Y	Y	Y	Y	Y	Y
Greg Lander	CapacityCenter.com	Phone	Y	Y	Y	Y	Y	Y
Richard Rudden	RJ Rudden Associates, Inc.	Phone	Y	Y	Y	Y	Y	Y
V A C A N C Y		Vacancy						
SUPPLIER SEGMENT								
Randy Magnani	Amerada Hess Corporation	Absent						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						
V A C A N C Y		Vacancy						

Votes¹:

- V1 Certificate and Bylaws Changes
- V2 2003 WGQ Annual Plan
- V3 2003 WEQ Annual Plan
- V4 2003 Budget Adoption
- V5 Adoption of NERC/NAESB MOU
- V6 Adoption of Amended Privacy Policy

NAESB:

Rae McQuade	Executive Director
JoAnn Garcia	NAESB Staff
Meghan McMillan	NAESB Staff
Darla Wishart	Check and Balances (phone)
Jay Costan	McGuireWoods, General Counsel

1 The recorded votes do not represent all votes taken. They mirror the ballot presented in the Board materials for which the NAESB office received some notational votes. The other votes taken at the Board meeting were recorded in the minutes as unanimous in favor. Should any of those votes not been unanimous in favor, they would have been recorded separately in the above table.



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Observers to the Meeting:

Arnaout, Mariam	AGA	Phone
Bray, Mike	Shell Gas Transmission	Present
Brooks, Dick	Systrends, Inc.	Present
Buccigross, Jim	8760, Inc.	Phone
Burch, Kathryn	Duke Energy	Phone
Chezar, Dolores	KeySpan	Phone
Davis, Dale	Williams Gas Pipeline	Present
Davis, Ed	Entergy Services	Present
Hain, Mary	PJM	Present
Hawks, Jack	PG&E Energy Trading	Phone
Hess, Theresa	Reliant Energy Retail Services	Present
Jacques, Ron	Cinergy	Phone
Johnson, Dave	Systrends, Inc.	Present
King, Iris	Dominion Transmission	Phone
Novak, Michael	National Fuel	Phone
Oberski, Lou	Dominion	Present
Paulson, Lawrence	Hoffman-Paulson Associates	Present
Rossignoli, Joe	National Grid	Phone
Schwecke, Rodger	Southern California gas Co.	Present
Scott, Donna	Transwestern	Phone
Shea, Karen	CPUC	Phone
Van Pelt, Kim	CMS Panhandle Eastern Pipeline	Phone
Voeck, Julie	American Transmission Company	Phone
Young, Randy	Gulf South Pipeline	Phone



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NORTH AMERICAN ENERGY STANDARDS BOARD

Resolution Regarding Proposed Clarifying Amendments to Certificate and Bylaws

November 21, 2002

WHEREAS, the Certificate and Bylaws of the North American Energy Standards Board have now been in effect for over 10 months; and

WHEREAS, a need to effect certain clarifying amendments has been noted with regard to (i) provisions of the Certificate relating to the governance responsibilities of the Board; (ii) provisions of the Certificate relating to responsibilities of the Executive Committee; (iii) provisions of the Certificate and Bylaws relating to non-voting members; and (iv) provisions of the Certificate and Bylaws relating to votes to approve or amend Quadrant Procedures; and

WHEREAS, the Parliamentary Committee has reviewed and recommends proposed changes to the Certificate and Bylaws designed to achieve the purposes described above, which are attached hereto as Appendices A-D, respectively;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of NAESB hereby adopts the changes to the Certificate and Bylaws of NAESB attached hereto as Appendices A-D; and,

FURTHER RESOLVED, that the Executive Director and General Counsel of NAESB are authorized and directed to take such steps as necessary to implement the changes approved herein and to make them effective under Delaware law, including filing a Restated Certificate of Incorporation, if deemed appropriate.

Appendix A

Revise Article III, Section 4 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 4. ~~The~~**Among its other duties of governance, the** Board of Directors shall be responsible for approving the budget ~~and Annual Plan(s)~~, initiating and recommending charter changes, maintaining contacts within the natural gas and electric industries and with government agencies, and selecting counsel and the external auditor for NAESB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

CLEAN VERSION:

Section 4. Among its other duties of governance, the Board of Directors shall be responsible for approving the budget and Annual Plan(s), initiating and recommending charter changes, maintaining contacts within the natural gas and electric industries and with government agencies, and selecting counsel and the external auditor for NAESB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

Appendix B

Revise Article III, Section 5 of the Certificate to read as follows:



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BLACKLINED VERSION:

Section 5. (a) The Executive Committee, ~~which shall also exercise general supervision of NAESB's affairs, shall establish NAESB's policies. The Executive Committee shall be responsible for establishment of procedures which will:~~ (1) ~~facilitate the~~ **development and** formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) ~~consider the~~ **considering and coordinating its** work ~~of~~**with** existing standards-setting organizations and **with regard to** standards already developed, and (3) ~~establish~~**establishing** an accessible library of transactions developed by members of NAESB for future consideration by NAESB in the standards development process.

(b) In addition, the Executive Committee shall be responsible for: (1) recommending the initiation, maintenance, and approval of standards-related activities; (2) establishing working committees as it deems necessary to perform NAESB's **standards development functions** pursuant to procedures set forth in the By-Laws; (3) preparing **recommendations to the Board on** the ~~budget and~~ **Annual Plan**; (4) setting priorities for standards to be developed or modified **pursuant to the Annual Plan**; and (5) ~~overseeing the NAESB staff~~; and (6) ~~directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.~~

CLEAN VERSION:

Section 5. (a) The Executive Committee shall be responsible for (1) the development and formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) considering and coordinating its work with existing standards-setting organizations and with regard to standards already developed, and (3) establishing an accessible library of transactions developed by members of NAESB for future consideration by NAESB in the standards development process.

(b) In addition, the Executive Committee shall be responsible for: (1) recommending the initiation, maintenance, and approval of standards-related activities; (2) establishing working committees as it deems necessary to perform NAESB's standards development functions pursuant to procedures set forth in the By-Laws; (3) preparing recommendations to the Board on the Annual Plan; (4) setting priorities for standards to be developed or modified pursuant to the Annual Plan; and (5) directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

Appendix C

Revise Article IV, Section 3 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 3. Non-voting members. Non-voting members shall include, ~~but not be limited to, federal, state, and local agencies; non-profit research organizations, trade and industry organizations; consumer advocate groups; and similar entities~~ **any person or entity, including a governmental entity, that has a legitimate business interest in a Quadrant of NAESB and desires to join as a non-voting member.**

CLEAN VERSION:



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Section 3. Non-voting members. Non-voting members shall include any person or entity, including a governmental entity, that has a legitimate business interest in a Quadrant of NAESB and desires to join as a non-voting member.

Revise ARTICLE 5, Section 5.2 of the Bylaws to read as follows:

BLACKLINED VERSION:

Section 5.2 Non-Voting Members

As provided in Article IV, Section 3 of the Certificate, Non-Voting Members ~~shall~~**may** include, but not be limited to, federal, state and local agencies; non-profit research organizations; and similar entities.

CLEAN VERSION:

Section 5.2 Non-Voting Members

As provided in Article IV, Section 3 of the Certificate, Non-Voting Members may include, but not be limited to, federal, state and local agencies; non-profit research organizations, and similar entities.

Appendix D

Revise Article V, Section 5 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 5. The By-Laws may be adopted or amended by the Board on an affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, ~~provided that, The~~ **procedures pertaining to of any Segment separately Quadrant attached to the By-Laws must first laws as an Exhibit, or any amendment of such procedures, may be approved accepted for consistency by the Board by a simple majority of the Directors representing such Segment vote.**

CLEAN VERSION:

Section 5. The By-Laws may be adopted or amended by the Board on an affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant. The procedures of any Quadrant attached to the By-laws as an Exhibit, or any amendment of such procedures, may be accepted for consistency by the Board by a simple majority vote.

Revise Article XVIII, Section 18.1 of the Bylaws to read as follows:

BLACKLINED VERSION:

The Bylaws of NAESB may be amended by the Board in the manner described in the Certificate; ~~provided, however, that each, Each~~ **Each** Quadrant's Exhibit may be adopted or amended by majority vote of the Directors representing that Quadrant or as may be specified ~~under~~**in** the procedures contained in that Quadrant's Exhibit. **Votes on consistency of Quadrant procedures with the Certificate and Bylaws are in the manner described in Article V, Section 5 of the Certificate.**

CLEAN VERSION:



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The Bylaws of NAESB may be amended by the Board in the manner described in the Certificate. Each Quadrant's Exhibit may be adopted or amended by majority vote of the Directors representing that Quadrant or as may be specified in the procedures contained in that Quadrant's Exhibit. Votes on consistency of Quadrant procedures with the Certificate and Bylaws are in the manner described in Article V, Section 5 of the Certificate.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

EXECUTIVE DIRECTOR'S REPORT



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

March 12, 2003

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Executive Director's Report to the Board of Directors

Project with the Department of Energy:

Working with the Department of Energy, we have prepared a CD tutorial for the Funds Transfer Agent Agreement, which is an addendum to the base contract for purchases and sales of natural gas – both NAESB standards for the wholesale gas quadrant. The CDs are being pressed and should be delivered to the Department of Energy this month.

ANSI Subcommittees:

Mr. Buccigross, Mr. Desselle and I met with an ANSI representative on February 7 to discuss participation in various ANSI subcommittees. As we are an accredited Standards Development Organization, we can join several ANSI subcommittees as non-voting members. In particular, he recommended that we consider:

National Policy Committee	Responsible for broad-based policy and position decisions regarding national standards issues and government relations and public policy decisions
Organizational Member Forum	Provides a forum for dialog on national standards and conformity assessment issues
Homeland Security	ANSI is the coordinator for all private industry standards issues with the Department of Homeland Security.

We have prepared information for ANSI regarding homeland security and should receive additional information. Our office is contacting ANSI regarding participation in the other two groups.

Membership Report:

The membership of the organization is 390 organizations, with the breakdown of:

Wholesale Gas	133
Retail Gas	42
Wholesale Electric	169
Retail Electric	46

The subcommittee participation on average includes 10 to 25% non-members. Canadian participation is increasing. The report is attached.

NAESB Membership List - Statistics
as of March 12, 2003

Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	Total	133
	End Users	19
	Distributors	25
	Pipelines	41
	Producers	13
	Services	35
REQ Segments	TOTAL	46
	End Users	5
	Distributors	25
	Services	11
	Suppliers	5
RGQ Segments	TOTAL	42
	End Users	4
	Distributors	21
	Services	9
	Suppliers	8
WEQ Segments	TOTAL	169
	End Users	16
	Distributors	30
	Transmission	46
	Generation	38
	Marketers	34
	None Specified	5
TOTAL		390

North American Energy Standards Board Membership List and Letters of Intent
as of March 12, 2003

Quadrant		Organization	Segment	Contact	Sub-Segment
Retail Electric Quadrant:	1	8760	s	John S. Williams	
	2	Alabama Power	d	John Russom	
	3	Allegheny Power	d	Jason W. Corin	
	4	Ameren Services Company	d	Jean M. Mason, Peggy Ladd	
	5	American Electric Power	d	Thomas J. Ringenbach	
	6	American Public Power Association	d	Deborah Penn	
	7	Baltimore Gas & Electric Co.	d	Ruth Kiselewich	
	8	Boeing Co.	e	Keith C. Warner	
	9	Calpine Energy Services, LP	su	Janet Dixon	
	10	Cinergy Services, Inc.	d	Paul K. Jett	
	11	Consolidated Edison Company of NY	d	Richard G. Muzikar	
	12	Consumers Energy	d	Ronald Carrier	
	13	Defense Energy Support Center	e	Lisa Robert	
	14	Detroit Edison Company	d	William J. Newbold, Jr.	
	15	Distribution Control Systems, Inc.	s	H. Ward Camp	
	16	Dominion Retail	su	William Barkas	
	17	Dominion Virginia Power	d	David F. Koogler	
	18	Duke Power	d	N.E. (Ed) Tucker	
	19	EC Power International	s	Judy Bailey	
	20	Electric Reliability Council of Texas (ERCOT)	s	Sam R. Jones	
	21	Energy East Management Corporation	d	Eric Wilen	
	22	Exelon Energy Delivery	d	Charles Tenorio	
	23	Georgia Power Company	d	Michael Garrett	
	24	Green Mountain Energy Company	su	Heidi Schrab	
	25	Gulf Power Company	d	Joel Thomas Kilgore	
	26	LCEC, Inc.	d	William F. Hetherington	
	27	MidAmerican Energy	d	James E. Wilson	
	28	Mississippi Power Company	d	Dorman Davis	
	29	National Grid USA	d	Eric P. Cody, Cathy Yetman	
	30	Office of Public Advocate, State of Maine	e	Barbara Alexander	
	31	Ohio Consumers Council	e	Randy Corbin	
	32	Pennsylvania Office Of Consumer Advocate	e	Tanya J. McCloskey	
	33	PMO Link, Inc.	s	Geoffrey Hingle	
	34	PPL Solutions, LLC	s	James M. Minneman	
	35	Public Service Electric & Gas	d	Terrence Moran	
	36	Reliant Energy Retail Services, LLC	su	Theresa L. Hess	
	37	Savannah Electric and Power Company	d	Karen L. Prentice	
	38	SchlumbergerSema	s	George C. Roberts	
	39	Southern California Edison	d	Gail Higashi	
	40	Southern Company Services	s	Mark S. Jarrett	
	41	Structure Group	s	Stacey Park	
	42	System Trends	s	Dick Brooks	
	43	Teleryx	s	Ron Abel	
	44	TXU Energy Retail	su	Felecia Lokey	
	45	Wisconsin Electric	d		
	46	Wisconsin Public Service Corporation	d	William L. Bourbonnais	
Wholesale Gas Quadrant:	1	8760	s	John Williams, Jim Buccigross	
	2	AEP Energy Services, Inc.	s	Cathy Szasz	

3	AIG Energy Trading	s	Carl Peterson
4	Ameren Corporation	l	Scott Glaeser
5	ANR Pipeline Company	pl	Joseph Pollard
6	Apache Corporation	pr	Michele Markey
7	Aquila Energy	s	Scott Eckerman
8	Arizona Public Service Company	e	Gary Duede, Kelly Daly
9	Ballard Natural Gas, LLC	s	Susan Thibodeaux
10	Baltimore Gas & Electric Co.	l	Ashish Mehta
11	Boeing Co.	e	Tina Patton
12	BP Energy	pr	Bill Benham
13	Bridgeline Gas Marketing	pl	Georgia Blanchard
14	Burlington Resources	pr	Paul Keeler
15	Calpine Energy Services, LP	e	Janet Dixon, Craig Chancellor
16	Caminus	s	Heather Woods
17	Cargill Incorporated	s	Kathy Gerken
18	CGI Group	s	Carl Caldwell
19	Chevron/Texaco	pr	Randy Mills
20	Cinergy	e	John Procario
21	Cinergy Marketing and Trading	s	Randy Bevis
22	CMS Panhandle Eastern Pipe Line Co.	pl	William Grygar, Kim Van Pelt
23	Columbia Gas Distribution Co.	l	Andrew Sonderman
24	Columbia Gas Transmission	pl	Steve Melton
25	Columbia Gulf Transmission Co.	pl	Michael Hansen
26	Comprehensive Energy Services	e	Jim Templeton
27	Conoco, Inc.	pr	Allan Knopp
28	Consolidated Edison Company of NY	l	Mary Jane McCartney
29	Coral Energy Resources, L.P.	s	LuAnn Martell
30	Dauphin Island Gathering Partners	pl	Katie Rice
31	Defense Energy Support Center	e	Veronica Jones, Jacob Moser
32	Department of Energy	e	Christopher Freitas
33	Dominion Exploration and Production, Inc.	pr	David Ogden
34	Dominion Resources (Previously CNG)	l	William Boswell
35	Dominion Transmission, Inc.	pl	Gary Sypolt
36	DTE Energy Trading, Inc	s	Marcia Hissong
37	Duke Energy Gas Transmission- Texas Eastern	pl	Richard Kruse
38	Dynege Inc.	s	Jason Cox
39	Edison Mission Marketing and Trade	e	Christian Hnat, William Roberts
40	El Paso Merchant Energy	e	Bill Hebenstreit
41	El Paso Natural Gas	pl	John Somerhalder
42	El Paso Oil and Gas	pr	Art Slagle
43	Elite Computer Consultants	s	Wayne Holtkamp
44	Enbridge Pipelines	pl	Joan Schnepf
45	EnCana Energy Services	s	Keith Sappenfield
46	EnCana Corporation	pr	Keith Sappenfield
47	The Energy Authority, Inc.	s	Marsha Sebert
48	Energy East Management Corporation	l	Marjorie Perlman
49	Entergy Services, Inc.	e	Arlynn Kelleher, Terry Shields
50	Equitable Gas Company	l	Steve Rafferty
51	Equitrans, L.P.	pl	Mina Speicher
52	ExxonMobil Gas Marketing	pr	Richard Smith
53	Florida Power & Light Company	e	Dona Gussow, Joe Stepenovitch
54	Great Lakes Gas Transmission	pl	Gene Fava
55	Gulf South Pipeline	pl	Claire Burum
56	H S Resources Inc.	pl	Carol Hall

57	Hatch Associates Limited	s	Dan McEvoy
58	IDACORP Energy	s	Marty Patterson
59	Imperial Irrigation District	e	Javier Esparza
60	IPNet Solutions, Inc.	s	Bisher Ahdab
61	Iroquois Gas Transmission System	pl	Tom Gwilliam
62	Kern River Gas Transmission Company	pl	Janie Nielsen
63	Key Span Energy	l	Dolores Chezar
64	Laclede Gas Co.	l	Kenneth Neises
65	Latitude Technologies	s	Leigh Spangler
66	Louis Dreyfus Energy Services L.P.	s	Mary Ellen Bell
67	Lower Colorado River Authority	e	Mickey Bell
68	Marathon Oil Company	pr	Hugh Roberts
69	Mewbourne Oil Company	pr	Michael F. Shepard
70	Michigan Consolidated Gas Co.	l	Bernard Kramer
71	Mid Continent Market Center	pl	Delaine Kurth
72	Midland Cogeneration Venture	e	Lee Smith
73	Mirant Americas Energy Marketing	s	Scott McGough
74	Mississippi River Transmission	pl	Robert Trost
75	National Fuel Gas Distribution	l	Michael Novak
76	National Fuel Gas Supply Corp.	pl	Dave Reitz
77	Natural Gas Pipeline Co of America	pl	Paul Love
78	Niagra Mohawk Power Corporation	l	Bruce Garcy
79	Nicor Gas	l	Nancy Brucher
80	NiSource Inc.	l	M. Christopher Maturro
81	Northeast Gas Markets, LLC	s	Melissa Ferullo
82	Northern Border	pl	
83	Northern Natural Gas	pl	Mary Darveaux
84	Northwest Natural Gas Company	l	Randolph Friedman
85	NOVA Gas Transmission Ltd.	pl	Doug Miller
86	NRG Power Marketing	s	Arlene Jorgensen Hilstead
87	Occidental Energy Marketing Inc. (OEMI)	pr	Carol Wilson
88	Ocean Energy Inc.	pr	Veronica L. Cavazos
89	Oklahoma Natural Gas Company	l	Bill Kimler
90	OM	s	Gerry Vurciago
91	Pacific Gas & Electric	l	John Breen
92	PacifiCorp Power Marketing Inc.	e	Don Winslow
93	PECO Energy Co.	l	Reed Horting
94	Pemex Gas y Petroquimica Basica	pl	Lic. Antonio Roqueri
95	Peoples Gas Light & Coke Co.	l	Raulando de Lara
96	PG&E Energy Trading	s	Lyn Maddox
97	PG&E Gas Transmission	pl	Jay Story
98	Portland Natural Gas Transmission System	pl	David Morgan
99	PPL Energy	e	Joseph Cammarano
100	Public Service Electric & Gas	l	David Wohlfarth
101	Questar Pipeline Co.	pl	Scott Hansen
102	Quorum Business Solutions Inc.	s	Douglas Allen
103	Reliant Energy Gas Transmission Company	pl	Larry Thomas
104	Reliant Energy Services, Inc.	e	Gary Hinners, John Orr
105	Resource Data International	s	Konni Keuter
106	Sabine Pipe Line LLC	pl	Jan Rogers
107	Salt River Project Agricultural Improvement & Power District	e	Diane McVicker
108	SCANA Corporation	pl	Jacquelyn Gettle
109	Sempra Energy - Southern California Gas Co.	l	Lee Stewart
110	Shell Gas Transmission, LLC	pl	Chuck Cook

111	Southern Company	e	Norrie McKenzie
112	Southern Natural Gas Co.	pl	Prince McDougal
113	Southwest Gas Corporation	l	Larry Black
114	Sterling Commerce	s	Jeff Clavert
115	Tatum CIO Partners	s	Eric Lentz
116	Tennessee Gas Pipeline	pl	Larry Smith
117	Tiger Natural Gas	s	Tracy Phillips
118	Tractebel Energy Marketing, Inc.	s	Mark Hodges
119	TransCanada Pipelines	pl	Doug Miller
120	Transwestern Pipeline Co.	pl	Donna Scott
121	Trinity Apex Solutions, Inc.	s	Brad Lane
122	TXU Energy Trading Co.	s	Ellen Dailey, Brad Jones
123	TXU Lone Star Pipeline Company	pl	Dean Murray
124	UBS Warburg Energy	s	Suzanne Calcagno
125	Vector Pipeline L.P.	pl	Amy Bruhn
126	Viking Gas Transmission Company	pl	Sherry Hiller
127	Washington Gas Light Co.	l	Tim Sherwood
128	Westcoast Energy Inc.	pl	Miranda Barnes
129	Westfield Gas & Electric Light Dept.	l	Joyce Bodak
130	Williams Energy Services Co.	s	Tammy Grant
131	Williams Gas Pipeline	pl	Dale Davis
132	Williston Basin Interstate Pipeline	pl	Keith Tiggelaar
133	Wisconsin Public Service Corporation	l	Patrick Fox

Wholesale Electric Quadrant:

1	ACES Power Marketing LLC	m	Roy J. True	muni
2	AIG Energy Trading Inc.	m	Carl Peterson	niou
3	Alabama Electric Cooperative, Inc.	d	Kenneth J. Skroback	muni
4	Allegheny Energy	d	Mark A. Mader	iou
5	Allegheny Energy	g	Cecilia Liang-Nicol	merc
6	Allegheny Energy	m	Herb Yan	iou
7	Allegheny Energy	t	Terri J. Grabiak	iou
8	Alliant Energy Corporate Services, Inc.	d	Eric J. Guelker	iou
9	American Electric Power Marketing, Inc.	m	Barbara Radous	iou
10	American Electric Power Service Corp.	d	Thomas Ringenbach	iou
11	American Electric Power Service Corp.	t	John Stough	iou
12	American Municipal Power - Ohio, Inc.	d	Pat Frazier, Chris Norton	muni
13	American Transmission Company LLC	t	Dale Landgren, Julie Voeck	itc
14	Arizona Public Service Company	t	Mark W. Hackney	
15	Arizona Residential Utility Consumer Office	e	Lindy Funkhouser	comres
16	Arkansas Electric Cooperative Corporation	g	Ricky Bittle	muni
17	? Arkansas Electric Cooperative Corporation	t	Ricky Bittle	nd
18	? Arkansas Electric Cooperative Corporation	d	Ricky Bittle	nd
19	Avista Corp.	t	Scott A. Waples	
20	Baltimore Gas & Electric Company	t	John J. Moraski, Ralph Bourquin	iou
21	Basin Electric Power Cooperative	t	Dan Klempel	muni
22	Basin Electric Power Cooperative	m	David Raatz	nd
23	Basin Electric Power Cooperative	g	Jason Doerr	muni
24	Basin Electric Power Cooperative	d	Ted Humann	muni
25	Boeing Company	e	Steve LaFond	lind
26	Bonneville Power Administration	d	Leslie Pompel, Tara Exe	other
27	Bonneville Power Administration	g	Leslie Pompel, Tara Exe	fed
28	Bonneville Power Administration	m	Leslie Pompel, Tara Exe	fed
29	Bonneville Power Administration	t	Barbara Rehman	fed

30	BP America Inc.	e	Jeanne Zaiontz	lind
31	Buckeye Power, Inc.	d	Peter H. Buros	nd
32	Calpine Corporation	g	David McMillan	merc
33	Cap Gemini Ernst and Young	m	William F. Hunter	niou
34	Central Electric Power Cooperative	d	C. Pinckney Roberts, Arthur Fusco	muni
35	ChevronTexaco Energy Research and Technology	e	Carol Guthrie	sgen
36	Cinergy	e	Matthew Smith	enduse
37	Cinergy	g	Matthew Smith	iou
38	Cinergy	m	Matthew Smith	iou
39	Cleco Power, LLC	t	Keith Comeaux	iou
40	Columbus Southern Power Company	g	Barbara Radous	merc
41	Comprehensive Energy Services	e	Jim Templeton	enduse
42	Conectiv Energy Supply, I nc.	g	Gloria Ogenyi	merc
43	Conectiv Energy Supply, Inc.	m	Gloria Ogenyi	iou
44	Conectiv Power Delivery	t	Tsion Messick	iou
45	Connecticut Municipal Elec. Energy Cooperative	d	Brian E. Forshaw	muni
46	Consolidated Edison Co, of New York, Inc.	t	Joseph P. Oates	iou
47	Consolidated Edison Co, of New York, Inc.	d	Terry Agriss	iou
48	Consumers Energy Company	d	Steven L. Gaarde	iou
49	Consumers Energy Company	g	Steven L. Gaarde	iou
50	Dairyland Power Cooperative	t	Bruce Staples	muni
51	Department of the Interior, Bureau of Reclamation	g	Deborah M. Linke	fed
52	Detroit Edison	d	David G. Nick	iou
53	Dominion Energy Marketing, Inc.	g	Lou Oberski	iou
54	Duke Energy Corp.	d	Ollie Frazier	iou
55	Duke Energy Corp.	t	David A. McRee	iou
56	Duke Energy North America	g	Bill D. Blevins	merc
57	Duke Energy North America	m	Michael F. Gildea	iou
58	Dynergy Marketing and Trade	m	Jason Cox	niou
59	Edison Electric Institute	n	David Owens, Dave Dworzak	n
60	El Paso Corporation	g	Dennis M. Price	merc
61	El Paso Merchant Energy	m	Sam Beason	niou
62	Electric Reliability Council of Texas (ERCOT)	n	Sam R. Jones	n
63	Electricity Consumers Resource Council (ELCON)	e	John Anderson	lind
64	EnCana Midstream	e	Keith Sappenfield	lind
65	Energy East Management Corporation	t	Marjorie Perlman	iou
66	Entergy Services, Inc.	t	Edward J. Davis	iou
67	Entergy Services, Inc.	m	F. Jay Poche	iou
68	Exelon Corporation - PECO Energy	d	John F. Leonard, Jr.	iou
69	Exelon Energy Delivery	t	John Blazekovich	iou
70	Exelon Generation - Power Team	m	Linda Clarke	iou
71	Exelon Generation Company LLC	g	Regina Carrado	iou
72	ExxonMobil Gas Marketing	e	Steve Sayuk	sgen
73	Florida Municipal Power Agency	g	Rick Casey	muni
74	Florida Municipal Power Agency	d	Steven H. McElhanev	muni
75	Florida Power & Light Company	m	Joe Stepenovitch	iou
76	Florida Power & Light Company	t	Marty Mennes	iou
77	Georgia Transmission Corporation	t	Gary D. Tipps, Ross Kovacs	muni
78	Hydro One Networks	t	Dave Barrie	itc
79	Hydro - Quebec Transenergie	t	Victor Bissonnette	
80	Indiana Municipal Power Agency	g	Dick Foltz	muni
81	Maryland Peoples Counsel	e	Michael J. Travieso	comres
82	Michigan Electric Transmission Company LLC	t	Charles V. Waits	itc
83	Michigan Public Power Agency	d	James R. Nickel, Daniel E. Cooper	muni

84	Midwest Independent Transmission System Operator+J96	n	Bill Phillips	n
85	Mirant Corp.	m	Susann D. Felton	niou
86	Missouri River Energy Services	d	Brian Zavesky	
87	Modesto Irrigation District	t	Roge Van Hoy	muni
88	Municipal Energy Agency of Mississippi	d	C. Neil Davis	muni
89	National Association of Regulatory Utility Commissioners	E	Lou Ann Westerfield	
90	National Grid USA	t	Masheed Rosenqvist	itc
91	National Rural Electric Cooperative Assoc.		Barry Lawson	
92	New York State Dept. of Public Service	e	William Heinrich	reg
93	North Carolina Eastern Municipal Power Agency	g	Jessie C. Tilton III	muni
94	North Carolina Electric Membership Corporation	d	David Beam	muni
95	North Carolina Electric Municipal Power Agency #1	m	Clay A. Norris	muni
96	North Carolina Electric Municipal Power Agency #1	d	Andrew Fusco	muni
97	Northeast Utilities Service Company	t	David Boguslawski, William P. McKinnon	iou
98	NorthWestern Energy	t	Ted Williams	iou
99	NRG Power Marketing, Inc.	g	Steve Corneli	merc
100	Oglethorpe Power Corporation	g	Glenn D. Loomer	muni
101	Ohio Consumers' Counsel	e	John Smart, Randy Corbin	comres
102	Old Dominion Electric Cooperative	g	James N. Kimball	muni
103	Oncor	t	Ellis Rankin	iou
104	Ontario Power Generation	g	Barry Green	merc
105	Ontario Power Generation	m	Dowell Hudson, JoAnne Magnante	niou
106	Open Access Technology International, Inc.	e	Kevin Burns	
107	PacifiCorp	d	Alec Burden	iou
108	PacifiCorp	m	Edison G. Elizeh	iou
109	PacifiCorp	g	Greg Maxfield	iou
110	PacifiCorp	t	Jim Hicks	iou
111	PacifiCorp Power Marketing, Inc.	g	Don Winslow	merc
112	PacifiCorp Power Marketing, Inc.	m	Don Winslow	iou
113	PG&E National Energy Group	m	Dede Hapner	iou
114	Platte River Power Authority	t	Terry L. Baker	
115	PPL Electric Utilities Corporation	t	Ray Mammarella	iou
116	PPL EnergyPlus, LLC	g	John Brodbeck	iou
117	Portland General Electric	m	Terri Peschka	iou
118	Portland General Electric	t	Frank Afranji	iou
119	Praxair, Inc.	e	James B. Rouse	lind
120	Progress Energy	d	Benjamin Crisp	iou
121	Progress Energy	g	Philip Lewis	iou
122	Progress Energy	m	Micheal Settlage	iou
123	Progress Energy	t	Verne Ingersoll	iou
124	PSEG Energy Resources and Trade LLC	m	James D. Hebson	iou
125	PSEG Power LLC	g	Grgory Eisenstark	merc
126	Public Service Electric and Gas Company	d	Colin J. Loxley	nd
127	Public Service Electric and Gas Company	t	Jeffrey C. Mueller	nd
128	Public Utility District No. 1 of Chelan County	m	Doug Frazier	
129	Puget Sound Energy, Inc.	t	George Marshall, Bob Harshbarger	niou
130	Reliant Energy HL&P	t	Paul Rocha	iou
131	Reliant Energy Power Generation	g	John Simpson	merc
132	Reliant Energy Services, Inc.	m	Charles Yeung	niou
133	Sacramento Municipal Utility District	g	Thomas Ingwers	muni
134	Salt River Project Agricultural Improvement and Power District	d	Wendy Weathers	other
135	Salt River Project Agricultural Improvement and Power District	g	David P. Slick	fed
136	Salt River Project Agricultural Improvement and Power District	m	John D. Coggins III	fed
137	Salt River Project Agricultural Improvement and Power District	t	Steve Cobb	fed

138	Seminole Electric Cooperative, Inc.	g	Lane Mahaffey	muni
139	Seminole Electric Cooperative, Inc.	t	Glenn Spurlock	muni
140	Southeastern Power Administration	g	Bob Goss	fed
141	Southern California Edison	t	Ronald D. Nunnally	iou
142	Southern Company Services, Inc.	d	Garey Rozier	iou
143	Southern Company Services, Inc.	g	Tony A. Reed	iou
144	Southern Company Services, Inc.	m	Joel Dison	iou
145	Southern Company Services, Inc.	t	R.D. (Dean) Ulch	iou
146	Southwest Transmission Cooperative, Inc.	t	Larry D. Huff	muni
147	Southwest Power Pool	n	Carl Monroe	n
148	Southwestern Power Administration	g	Forrest E. Reeves	fed
149	Southwestern Power Administration	t	Stanley L. Mason	fed
150	Sunflower Electric Power Corporation	t	L. Christian Hauck, Carroll Waggoner	muni
151	Tenaska, Inc.	g	Scott Helyer	
152	Tennessee Valley Authority	d	Ron L. Owens	other
153	Tennessee Valley Authority	g	William F. Irish	fed
154	Tennessee Valley Authority	m	Gary L. Jackson	fed
155	Tennessee Valley Authority	t	Mitchell Needham	fed
156	Texas Public Utility Commission	e	Brett Perlman	reg
157	TRANSlink Development Company LLC	t	Audrey Zibelman	itc
158	Tri-State Generation and Transmission Association, Inc.	t	Bruce Sembrick	muni
159	Tri-State Generation and Transmission Association, Inc.	m	Thomas A. Smith	muni
160	TXU Energy Trading	m	Brad Jones, Jeff Shorter	iou
161	UBS Warburg Energy	m	Suzanne Calcagno	niou
162	Vermont Public Power Supply Authority	g	William J. Gallagher	muni
163	Western Area Power Administration	t	Mark Fidrych	fed
164	Western Area Power Administration	m	Jeffrey Ackerman	fed
165	We Energies	d	Linda Horn	iou
166	We Energies	g	James R. Keller	iou
167	Wisconsin Public Power Inc.	d	Mike Stuart	muni
168	Wisconsin Public Service Corporation	g	William Bourbonnais	iou
169	Xcel Energy Inc.	m	Steven J. Beuning, Steve Peluso	iou

Retail Gas Quadrant:

1	AGL Resources Inc.	d	Tina Weatherman	
2	Amerada Hess Corporation	su	Randy Magnani	
3	Baltimore Gas & Electric Company	d	Steve Zavodnick	
4	CapacityCenter.com	s	Greg Lander	
5	Center Point Energy Minnegasco	su	Andrea Newman	
6	Consolidated Edison Co, of New York, Inc.	d	Michele Doyle	
7	Consumers Energy Company	d	Ronn Rasmussen, Andy Dotterweich	
8	Dominion Retail, Inc.	su	Richard A. Zollars	
9	Duke Energy Gas Transmission, LLP	su	Richard Kruse	
10	Energy East Management Corporation	d	Eric Wilen	
11	Energy Services Group, Inc.	s	George Behr	
12	EnForm Consulting, L.P.	s	David F. Pfeifer	
13	Exelon Energy	su	Barb Fatina	
14	Indiana Office of Utility Consumer Counselor	e	Matthew Parsell	
15	KeySpan Energy Delivery	d	Nancy Cianflone	
16	Latitude Technologies	s	Leigh Spangler	
17	? Michigan Consolidated Gas Company	d	Steven Ewing	
18	National Fuel Gas Distribution Corporation	d	Walter DeForest	
19	New Science Partners	s	Rod Sipe	
20	Niagara Mohawk	d	James Dillon, Janice Bailey	

21	NiSource Inc.	d	Dorothy Hawkins, Mark T. Maassel
22	Northwest Industrial gas Users	e	Paula E. Pyron
23	Ohio Consumers' Counsel	e	Dirken D. Winkler, John Smart, Bruce M. Hayes
24	Peco Energy Company	d	William Oppenheim
25	Pennsylvania Office of Consumer Advocate	e	Tanya J. McCloskey, Stephen Keene
26	Peoples Gas System	d	Rachel Gebhardt
27	Philadelphia Gas Works	d	Craig White, Joe Stengel
28	PMO Link, Inc.	s	Geoffrey Hingle
29	Public Service Electric & Gas Company	d	Joseph Jansen
30	R. J. Rudden Associates	s	John Charbonneau, Richard J. Rudden
31	Shell Energy Services	su	Harry Kingerski
32	Southwest Gas Corporation	d	Ed Giesecking
33	Sweet Strategies	s	David Sweet
34	Systrends	s	Dave Darnell
35	TXU Energy Retail	su	Felecia Lokey
36	UBS Warburg Energy	su	Suzanne Calcagno
37	UGI Utilities, Inc.	d	Paul Szykman
38	Union Gas	d	Dave Amot
39	Washington Gas Light Company	d	Adrian P. Chapman, Kenneth W. Yagelski, Samiah Bahhur
40	Wisconsin Electric Wisconsin Gas	d	Donald Grevenow
41	Wisconsin Public Service Corporation	d	William Bourbonnais, Glen R. Schwalbach
42	Xcel Energy	d	Don Basler

LEGEND

Segment Abbreviations:

d	Distribution for retail and Distribution/LSEs for wholesale
e	End Users
g	Generation
l	Local Distribution
m	Marketers/Brokers
pl	Pipelines
pr	Producers
s	Services
su	Suppliers
t	Transmission
n	Non-voting member or no segment specified

WEQ SubSegment Abbreviations:

blank	Company has not replied which subsegment they intend to join
compret	Competitive Retailer (not IOU or IOU affiliated)
comres	Commercial/Residential
enduse	End Users also present in other segments
fed	Federal/State/Provincial
iou	Investor Owned Utilities or IOU Affiliates
itc	Independent Transmission Companies
lind	Large Industrial End Users
merc	Merchants
muni	Municipals/Cooperatives
n	Specifically requested to be undeclared
niou	Not IOU affiliated
other	Other, not IOU or IOU affiliated
sgen	End User, Self Generation



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

FINANCIAL REPORT



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

FINANCIAL REPORT YE 2002

BALANCE SHEET

Assets

Current Assets	\$621,096
Accounts Receivable	\$443,000
Fixed Assets	\$25,173
Total Assets	<u>\$1,089,269</u>

Liability & Equity

Deferred Revenue	\$1,348,099
Accounts Payable	\$24,981
Retained Earnings	(\$95,882)
Net Income	(\$187,929)
Total Liability and Equity	<u>\$1,089,269</u>

INCOME AND EXPENSE

Income	\$1,155,568
Expense	\$1,343,497
Net Income	<u>(\$187,929)</u>

INCOME AND EXPENSES TO BUDGET

2002 Budget	\$1,387,000
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Variance Items:

- Revenue realized later in the year
- Unanticipated Legal Expenses, Publications, Meeting Expenses
- All other accounts were under budget

CASH BASIS ANALYSIS

Total Cash Income	\$1,720,252
Total Costs	\$1,347,355
Ending Balance 12-31-02	\$601,606



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FINANCIAL REPORT AS OF JANUARY 2003

BALANCE SHEET

Assets

Current Assets	\$597,408
Accounts Receivable	\$311,500
Fixed Assets	\$24,300
Total Assets	<u>\$933,208</u>

Liability & Equity

Accounts Payable	\$38,701
Retained Earnings	(\$283,811)
Net Income	\$1,178,318
Total Liability and Equity	<u>\$933,208</u>

Accounts Receivable Analysis

	\$311,500
Credit Memos To Be Issued (Items more than 90 Days Outstanding)	\$50,000
6 Credit Memos Issued on These Receivables	\$30,000
Items 31-60 Days Outstanding	\$231,500

INCOME AND EXPENSE

Income	\$1,363,666
Expense	\$185,348
Net Income	<u>\$1,178,318</u>

INCOME AND EXPENSES TO BUDGET

2003 Budget	\$1,975,500
Expected expenses per month excluding January	\$150,000
Year End Expenses Analysis	\$1,845,000
Difference	\$130,500
YE 2002 Retained Earnings	(\$283,811)
Estimated YE 2003 Retained Earnings	(\$153,311)



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

EXECUTIVE COMMITTEE REPORT & RESOLUTION

**NORTH AMERICAN ENERGY STANDARDS BOARD OPERATING PRACTICE
ANNUAL PLAN PROCESS, CHARACTERISTICS, IMPLEMENTATION AND RESPONSIBILITIES**

PLAN CHARACTERISTICS

The Annual Plan has the following characteristics and any changes to the Annual Plan will maintain these characteristics:

1. Focus and prioritization of NAESB activities: The annual plan provides a clear focus on specific activities with a prioritization defined via the completion dates. The activities defined should have high expectation of implementation. The annual plan will be focused on the standards development and maintenance, and interpretation development efforts of the organization. Development of standards pursuant to an annual plan item should be restricted to implementation of existing federal or state commission policy, new commission policy after it has been ordered and non-policy oriented aspects of the annual plan item.
2. Resource application to NAESB efforts: The annual plan recognizes that the member company resources to work on NAESB efforts are limited. The efforts defined for activity by NAESB should not exceed those limits by spreading the resources so thin that the assurance of success is affected.
3. Alignment of efforts to assure coordination of intent: It is the intent of the Board of Directors and the Executive Committee that their objectives coincide. The Board of Directors and the Executive Committee will direct NAESB work through the annual plan so that those intents are aligned and the annual plan efforts are realized.
4. Timetable for efforts: The work of NAESB is defined with a specific timetable during which consensus can be reached. If consensus is not reached within that timetable, avenues other than NAESB can be pursued.

IMPLEMENTATION OF THE ANNUAL PLAN

1. Recognition of time constraints of development efforts -- the plan provides focus with no more than 5 to 10 major efforts identified, with deadlines for completion, which serve as prioritization. The development efforts, deadlines, and priorities are identified in the Annual Plan. If one of the approved efforts is completed during a year, a new effort could be added if approved by the Board of Directors in consultation with the officers of the Executive Committee.
2. Empowerment of the chairs at subcommittee and task force meetings -- chairs are empowered to limit discussions when necessary, call items out of order when applicable, follow agendas closely, and in general exert more control so that the time participants spend in meetings is more effective.
3. Efforts are "implementable" -- each effort should have a reasonable expectation that consensus can be reached, with clear deadlines established for completion. The deadlines provide an incentive to all industry participants to reach closure. For each Board meeting, these deadlines will be reviewed with the progress made to date by the subcommittees. The deadlines, as with any other parameter established in the Annual Plan, cannot be changed without Board approval. If a deadline is missed, the Board, in consultation with the officers of the Executive Committee, will determine whether the work should be continued, put on hold or transferred to another venue.
4. Modifications to existing standards and new standards that are requested which come through the request process should reflect a broad industry need. As prioritization occurs, a primary parameter should be how many companies or segments need this standard or standard change. Industry efforts to implement standards that affect only a few companies should be severely limited.

**NORTH AMERICAN ENERGY STANDARDS BOARD OPERATING PRACTICE
ANNUAL PLAN PROCESS, CHARACTERISTICS, IMPLEMENTATION AND RESPONSIBILITIES**

BOARD OF DIRECTORS RESPONSIBILITIES TO THE PLAN

1. Progress toward completion of the plan will be reviewed by the Board quarterly with the officers of the Executive Committee.
2. The deadlines in the Annual Plan, as with any other parameter established in the Annual Plan, cannot be changed without Board approval. When a deadline is reached before the item is completed, the Board, in consultation with the officers of the Executive Committee, will determine whether the work should continue, be postponed or transferred to another venue.
3. Any changes or additions to the annual plan items, including those requested by government agencies or commissions, must first be presented to the Board for its consideration, prioritization and approval.
4. The Board will review the Annual Plan at its quarterly meeting to determine if any changes are necessary.

EXECUTIVE COMMITTEE RESPONSIBILITIES TO THE PLAN

1. The Executive Committee should strive to complete the items set forth in the Annual Plan in the times specified. When a deadline is reached before the item has completed, the Executive Committee will recommend to the Board for the Board's determination of whether the work should continue, be postponed or transferred to another venue.
2. The officers of the Executive Committee will brief the Board at each Board meeting on the progress made towards completing each item on the Annual Plan.
3. There will be boundaries on the time spent in modifying standards, which will be controlled by the Executive Committee through its setting of meeting dates for the subcommittees addressing maintenance issues.
4. A key element in determining priority for maintenance issues is the number of companies or segments needing the modifications requested. The Triage Group recommendations to the Executive Committee will include priorities/dates and possible changes to other priorities such that the workload in maintenance is reasonable considering the other items included in the plan.

NAESB OFFICE RESPONSIBILITIES TO THE PLAN

1. The NAESB office will prepare the progress report to the Board of Directors for each Board meeting in consultation with the officers of the Executive Committee and other subcommittee chairs as appropriate.
2. The Executive Director will be an active participant in subcommittee and task force meetings that he or she attends, acting as a liaison to the Board of Directors.

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 WGQ Annual Plan Modified by the Executive Committee - February 20, 2003

Item Description	Completion ¹	Assignment
Contracts		
1 Complete the Credit Annex for the contract for purchases and sales of natural gas ² .	2 nd Qtr 2003	Contracts Subcommittee
Status: Underway		
Electronic Delivery Mechanisms and Related Activities		
2 Preparation of documents and submission of EDM standards to ANSI for approval as ANSI standards.	4 th Qtr 2003	EDM Subcommittee
3 Explore additional possibilities for partnership with the Department of Energy.	4 th Qtr 2003	EC Officers
4 Review and enhance security standards as required by technological changes.	2 nd Qtr 2003	EDM Subcommittee
5 Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual.	2 nd Qtr 2003	EDM Subcommittee
Status: Underway.		
Standards Implementation		
6 Develop Creditworthiness Standards pursuant to an Annual Plan item. Such development should be restricted to implementation of existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of Creditworthiness.	2 nd Qtr 2003	Business Practices Subcommittee
Status: Underway		
Provisional Activities³		
Mexican Addendum to the base contract for purchase and sales of natural gas.		
"Energy Day" Standard - including assessment of changes to existing NAESB standards.		

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

² This item may require coordination with wholesale electric quadrant as it may be related to WEQ Annual Plan item no. 5.

³ To the extent that it is determined that any of the provisional activities should be worked upon during the year as a result of a specific request for standards development or a FERC action, the Board has the discretion to modify the annual plan.

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Item Description	Completion¹	Assignment
Remand of FERC Order 637 Issues – (1) forward-backward haul to the same point, and (2) Right of First Refusal.		
Model financial hedging agreement development ⁴ .		
FERC order -- Docket No. RM01-10-000 (Affiliate Order).		
Base contract for purchase and sales of natural gas – electronic contract.		
Program of Standards Maintenance & Fully Staffed Standards Work⁵		
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI (X12) Subcommittee
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis

- Notes: (a) Priority is given to action items that are carry-overs from the 2002 Annual Plan.
- (b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

⁴ This item may require coordination with wholesale electric quadrant as it may be related to WEQ Annual Plan item no. 5.

⁵ This work is considered routine maintenance and thus the items are not separately numbered.



North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 WEQ Annual Plan Modified by the Executive Committee - February 18, 2003

	Item Description	Completion ¹	Assignment
1	Develop business practices standards as needed to complement reliability standards.		
	a) Apply NERC/NAESB MOU provisions in reviewing proposed reliability standards for their business practice implications.	2 nd Qtr 2003	Standards Review Subcommittee (SRS)
	Status: Underway		
	b) Review existing NERC reliability policies and standards for their business practice implications.	2 nd Qtr 2003 Low priority	SRS
	c) Review each of the SARs in light of the NERC/NAESB MOU.	Ongoing High priority	SRS
	Status: Underway		
2	Develop business practices standards for OASIS and Electronic Scheduling		
	a) Develop business practice standards as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry groups' business practices and standards should be developed into NAESB standards.	4 th Qtr 2003 Medium/High priority ²	Market Standard Subcommittee (MSS)
	b) Develop standard communication protocols and cybersecurity requirements as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry standard communication protocols and cybersecurity requirements should be developed into NAESB standards.	4 th Qtr 2003 Ongoing High priority	MSS
3	Develop business practices standards in Support of a Standard Market		
	a) Develop standards and model business practices in accordance with FERC orders and rules issued in the SMD docket (RM01-12-000), or pursuant to Order Nos. 888 or 2000, or otherwise directed by the FERC.	Per FERC Order High priority	MSS
	b) Respond to FERC inquiries pertaining to business practice standard development and keep FERC informed on the nature and effectiveness of coordination activities with other standards setting organizations.	Ongoing High priority	MSS

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

² The EC determined that this item should carry a medium priority in terms of substance and a high priority in terms of organizational relations.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 WEQ Annual Plan Modified by the Executive Committee - February 18, 2003

Item Description	Completion ¹	Assignment
4 Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market		
a) Establish a standardized electric trading day. Status: Underway	See Note 1.	Market Operations Subcommittee (MOS)
b) Identify and develop business practices on the public dissemination of market information.	See Note 1.	MOS
c) Establish standard business practices relating to:		
i) Definition and treatment of firm/nonfirm power;	See Note 1.	MOS
ii) Definition and treatment of firm/nonfirm transmission;	See Note 1.	MOS
iii) Provision of reserves for transactions across multiple control areas.	See Note 1.	MOS
d) Develop business standards as necessary to resolve seams issues between ISOs and RTOs.	See Note 1.	MOS
e) Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets.	See Note 1.	MOS
f) Examine business practices and definitions currently in use to determine applicability on a North American basis.	See Note 1.	MOS
Status: Underway		
g) Catalogue, assess and prioritize existing "standards" that have significant business practice implications.	See Note 1.	MOS
Status: Underway		
h) Review activities of NERC CIPAG in light of NERC-NAESB MOU regarding cyber security requirements for their business practice and system communication standards implications.	See Note 1.	MOS
5 Develop standardized contracts		
a) A review of both the Western Systems Power Pool and the Edison Electric Institute (EEI) Master Service agreements and other related agreements would be in order with the objective of developing standard short term and long term master-service agreements.	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
Status: Underway		
b) A review of the EEI Master netting agreement with the objective of developing standard terms and conditions for netting settlements (perhaps this is a subset discussion of the master service agreements above)	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee



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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 WEQ Annual Plan Modified by the Executive Committee - February 18, 2003

	Item Description	Completion ¹	Assignment
	c) A review of the terms and conditions of the standard liquidated damages contracts ("into Entergy, Into Cinergy, etc.) with the objective of developing standard LD contract terms	4 th Qtr 2003 High priority for outreach	Contracts Subcommittee
	d) A review of the International Swaps and Derivatives Association (ISDA) cross commodity netting agreement	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
	e) Identify and develop business practices that would facilitate transactions between 2 parties when creditworthiness is an issue.	3 rd Qtr 2003 High priority for outreach	Contracts Subcommittee
	f) Develop the Funds Transfer Agency Agreement. Status: Underway	2 nd Qtr 2003 High priority for outreach	Contracts Subcommittee
6	Develop business practices standards for Inadvertent Interchange Payback Practice. Status: Underway	2 nd Qtr 2003 High/Medium priority	MOS
7	Develop business practices standards related to FERC's forthcoming generation interconnection orders (large and small generators), in Docket Nos. RM02-01-000 and RM02-12-000.	4 th Qtr 2003 ³ High priority	MSS

Notes:

1. The WEQ EC Subcommittee will prioritize these items as appropriate and update the Board.

³ The completion date is dependent upon the issuance date of the generation interconnection orders.

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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 REQ Annual Plan Modified by the Executive Committee - February 19, 2003

Item Number & Description	Completion ¹	Assignment
Retail Access Uniform Business Practices (UBP)²		
1 Billing & Payments <i>Develop practices for billing customers and remitting payments to parties providing services to the customer.</i> Status: Underway completion date being coordinated with RGQ.	1 st Qtr 2003	Customer Processes Subcommittee
2 Creditworthiness Standards <i>Develop practices for extending commercial credit by Distributors to Suppliers to cover financial risk.</i> Status: Underway completion date being coordinated with RGQ.	1 st Qtr 2003	Supplier-Utility Interface Subcommittee
3 Customer Enrollment & Switching <i>Develop practices for market participants to process customer switch requests, for maintaining current customer account information regarding a customer's Supplier, and for notifying affected parties.</i>	2 nd Qtr 2003	Customer Processes Subcommittee
4 Supplier Licensing <i>Develop practices for licensing Suppliers with state utility commissions.</i>	2 nd Qtr 2003	Supplier-Utility Interface Subcommittee
5 Retail Meter Data Validation, Editing & Estimating <i>Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, load profiling, settlement, etc. Issues related to unbundled or competitive metering are not to be considered.</i>	3 rd Qtr 2003	Supplier-Utility Interface Subcommittee

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

² A "Glossary" exists from the November 2000 UBPs document that should be maintained and updated as a common glossary for all items under this sub-heading as the sub-committees address the UBPs items in this section of the Plan.

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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 REQ Annual Plan Modified by the Executive Committee - February 19, 2003

Item Number & Description	Completion ¹	Assignment
6 Customer Information <i>Develop practices for the release, collection, exchange & maintenance of customer information between Distributors and Suppliers.</i>	3 rd Qtr 2003	Customer Processes Subcommittee
7 Load Profiling <i>Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.</i>	3 rd Qtr 2003	Supplier-Utility Interface Subcommittee
8 Customer Inquiries <i>Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.</i>	4 th Qtr 2003	Customer Processes Subcommittee
9 Market Participant Interactions <i>Develop supplier registration processes for Distributors and protocols for communications and interactions between Distributors and Suppliers.</i>	4 th Qtr 2003	Supplier-Utility Interface Subcommittee
10 Utility - Supplier Disputes <i>Develop dispute resolution procedures applicable to differences between Distributors and Suppliers.</i>	4 th Qtr 2003	Supplier-Utility Interface Subcommittee
11 Settlement Process <i>Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.</i>	1 st Qtr 2004	Supplier-Utility Interface Subcommittee
Data Exchange Protocols³		
12 Electronic Delivery Mechanisms <i>Develop electronic delivery mechanism guidelines including but not limited to: transactional data interchange, web sites, and bulletin boards.</i> Status: Underway completion date being coordinated with RGQ.	4 th Qtr 2002	Technical Electronic Implementation
13 Technical Electronic Implementation Standards - Billing &	2 nd Qtr 2003	Technical

³ Data exchange standards for Uniform Business Practices should be completed by the end of the quarter following the quarter in which the Executive Committee adopts the model business practices for that area of focus.

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NORTH AMERICAN ENERGY STANDARDS BOARD

2003 REQ Annual Plan Modified by the Executive Committee - February 19, 2003

Item Number & Description	Completion ¹	Assignment
Payments Status: Dependent on completion of Item 1.		Electronic Implementation
14 Technical Electronic Implementation Standards - Customer Enrollment and Switching Status: Dependent on completion of Item 3.	3 rd Qtr 2003	Technical Electronic Implementation
15 Technical Electronic Implementation Standards - Metering Status: Dependent on completion of Item 5.	4 th Qtr 2003	Technical Electronic Implementation
16 Technical Electronic Implementation Standards - Load Profiling Status: Dependent on completion of Item 7.	4 th Qtr 2003	Technical Electronic Implementation
17 Technical Electronic Implementation Standards - Customer Information Status: Dependent on completion of Item 6.	4 th Qtr 2003	Technical Electronic Implementation

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NORTH AMERICAN ENERGY STANDARDS BOARD 2003 RGQ Annual Plan Modified by the Executive Committee - February 19, 2003

Action Item, Description and Priority Category	Completion Quarter ¹	Subcommittee Assignment
1 Inventory Existing Natural Gas Practices within States² Conduct inventory of existing natural gas practices in various states.		Retail Gas Business Practice Inventory Task Force
2 Examine Wholesale Gas Quadrant EDM Standards Review NAESB Wholesale Gas Quadrant's (formerly known as GISB) "Electronic Delivery Mechanisms" manual to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant.		Technical Electronic Implementation
3 Creditworthiness Develop practices for Distributors extending commercial credit to Suppliers to cover financial risk. Such development should be restricted to implementation of existing regulatory policy, new regulatory policy after it has been ordered and non-policy oriented aspects of Creditworthiness.		Supplier-Utility Interface
4 Supplier Licensing Develop practices for licensing Suppliers with state utility commissions and for registering Suppliers with Distributors (e.g. application process and requirements).		Supplier-Utility Interface
5 Customer Enrollment, Switching & Dropping Develop practices for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a Supplier (including Suppliers dropping customers).		Customer Processes
6 Billing & Payment Develop practices for billing customers; remittance to parties providing services to customers under different billing options (e.g. dual or consolidated bills; rate-ready or bill-ready); and payment between Distributor and Supplier under different payment options (e.g. assumption of receivables, pay-as-you-get-paid).		Customer Processes

¹ The completion dates for each item will be assigned after coordination with the activities detailed in the REQ Annual Plan.

² This is an ongoing item designed to serve as a resource to other RGQ subcommittees.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2003 RGQ Annual Plan Modified by the Executive Committee - February 19, 2003

Action Item, Description and Priority Category	Completion Quarter ¹	Subcommittee Assignment
<p>7 Customer Information</p> <p>Develop practices for the release, collection, exchange and maintenance of customer information between Distributors and Suppliers, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information.</p> <p>Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.</p>		Customer Processes
<p>8 Customer Inquiries</p> <p>Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notifying the other party, such as inquiries involving switching and enrollment/disenrollment, billing, customer account changes, customer disputes and distribution emergencies.</p>		Customer Processes
<p>9 Examine Wholesale Gas Quadrant Non-EDM Standards</p> <p>Review NAESB Wholesale Gas Quadrant's other manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant (i.e. review "Nominations," "Flowing Gas," "Invoicing," "Capacity Release," and "Contracts" manuals.).</p>		Supplier-Utility Interface
<p>10 Market Participant Interactions</p> <p>Develop model practices to support interactions between Distributors and Suppliers, such as governing documents that establish the legal relationship, roles and obligations, including performance standards, of both Distributor and Supplier (e.g. content and framework of governing documents or orders, Master Service Agreement, operational manuals, and so on).</p>		Supplier-Utility Interface
<p>11 Retail Utility-Supplier Disputes</p> <p>Develop dispute resolution procedures to resolve differences between Distributors and Suppliers, which would be included in the governing documents.</p>		Supplier-Utility Interface



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NAESB Board of Directors Resolution

Adopting the Retail Gas Quadrant 2003 Annual Plan

Be It Resolved that the NAESB Board of Directors adopts the annual plan of the Retail Gas Quadrant as presented to them on March 20, 2003, and assigns the plan to the Retail Gas Quadrant members of the Executive Committee.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

PARLIAMENTARY COMMITTEE REPORT & RESOLUTION



North American Energy Standards Board

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NAESB Board of Directors Resolution Adopting the NAESB Operating Procedures

Be It Resolved that the NAESB Board of Directors adopts the NAESB Operating Procedures for:

1. Executive Committee Subcommittees
2. Balanced Voting
3. Procedures for Standards Development and Maintenance
4. Procedures for Adopting Standards
5. Adoption of Minor Clarifications and Corrections to Standards
6. Publication Cycle
7. Communicating with Regulatory and Other Government Agencies

with the understanding that the Parliamentary Committee will continue to work to refine and revise NAESB Operating Procedures as necessary in accordance with the natural evolution of both the NAESB organization as well as the Gas and Electric Industries. It should also be noted by the NAESB Board of Directors that the NAESB Operating Procedures being proposed for approval by the Board and contained in the Board's March meeting package includes initial and conforming modifications to the existing NAESBOps for "Procedures for Standards Development and Maintenance," "Procedures for Adopting Standards," and "Adoption of Minor Clarifications and Corrections to Standards," which address mainly the development, maintenance, and interpretation and minor corrections to NAESB Standards. A more comprehensive redrafting process is also underway on these important procedures. That draft is intended to replace or enhance some portions of the currently submitted modifications to the Operating Procedures and will be available in the near future. In the interest of presenting the Board with a complete package of what we believe to be appropriate NAESB Operating Procedures, and in recognition of the importance of ensuring a uniform level of quality and completeness of the final product to be reflected by the soon to be available drafts, the Parliamentary Committee has opted to seek approval of these initial modifications to the existing NAESB Operating Procedures existing NAESBOps for "Procedures for Standards Development and Maintenance," "Procedures for Adopting Standards," and "Adoption of Minor Clarifications and Corrections to Standards."



NAESB Operating Procedure X
Procedures for NAESB Executive Committee Subcommittees

Originally Approved February 16, 1995
Revision Date <DATE>

The following are general procedures of NAESB Executive Committee Subcommittees and are intended to guide such subcommittee operations. Where specific procedures for a subcommittee exist and have been approved by the Executive Committee, the applicable, specific procedures are intended to guide the operations of the subcommittee in lieu of these generally applicable procedures.

I. Establishment of Subcommittees

The bylaws of NAESB assign to the Board and to NAESB's Parliamentary Committee the responsibility for developing and adopting matters involving corporate governance. Through the NAESB Operating Procedures (NAESBOps) the Board has adopted procedures for the operation of committees, sub-committees and task forces within subcommittees, and may adopt other such procedures in the future. The Executive Committee (EC), as a whole and through the Quadrant ECs, properly may wish to create subcommittees and task forces within subcommittees for the purpose of discharging its standards-setting/standards maintenance and model business practice-setting/maintenance responsibilities.

The EC and the Quadrant ECs shall have the general authority to adopt resolutions establishing sub-committees and task forces within a subcommittee for the specific purposes of facilitating the development, establishment and maintenance of standards and model business practices. Subcommittees, task forces within the subcommittee, and working groups shall in their operation comply with the NAESBOps in all respects.

In addition, the EC may request authorization from the Managing Committee of the Board to establish other subcommittees and task forces within a subcommittee not covered by the preceding paragraph, and only upon such authorization being granted shall the said subcommittees and task forces within subcommittees exist or come into being. The Managing Committee may delegate the authority to develop additional subcommittees to the Parliamentary Committee of the Board. The EC or Quadrant EC may, on its own motion or at the request of the subcommittee, approve task forces within a subcommittee to address issues that are expected to require action throughout the tenure of the subcommittee. After the establishment of a subcommittee by the EC or Quadrant ECs, or the EC on its own motion, the subcommittee may establish working groups as needed to address ad hoc issues.

**NAESB Operating Procedure
Procedures for NAESB Executive Committee Subcommittees**

- A.** Subject to the foregoing, subcommittees are voluntary committees set up at the pleasure of the EC or Quadrant EC to perform various functions as set forth in the Bylaws and as may be determined by the EC or Quadrant EC from time to time. The scope and activities of any subcommittee shall be determined by the EC or Quadrant EC
- B.** The EC or Quadrant EC will prepare a written statement concerning the purpose and tasks to be accomplished by the subcommittee, the name of the subcommittee and will select a member of the EC or Quadrant EC to act as temporary chair of said subcommittee.
- C.** The role of the temporary Chair is to make arrangements through the office of the Executive Director for the initial meeting, including drafting a notice of the meeting and agenda, determining time and place and issuing the notice, agenda and venue information to all NAESB members. The temporary Chair shall serve only until such time as the subcommittee is organized and elects its own Chair.
- D.** The notice for the meeting should include: a) a copy of the name and purpose statement of the “to be formed” subcommittee; b) a public invitation to volunteer to serve on the subcommittee; c) selection of the subcommittee chair; and, d) the consideration of the need for a co-chair or vice chair and recording member.

II. Order of Business - Initial Meeting

- A.** At the initial meeting of a subcommittee the following organizational matters will be addressed by those present:

 - 1. Welcome participants, call the role of attendees by quadrant and segment, and give the antitrust advice.
 - 2. Adopt the proposed agenda, with modifications, if any.
 - 3. Review the name, objectives and task assignment(s) for the subcommittee as contemplated and directed by the EC or Quadrant EC. Based on such objectives and task assignments, the subcommittee shall prepare a Mission Statement that should be approved by the subcommittee through a balanced vote. The Mission Statement must be presented to the EC or Quadrant EC for approval. Attached, as Exhibits _____ are the Mission Statements from all existing subcommittees as of March 1, 2003. Additional Mission Statements adopted will be appended hereto.
 - 4. Determine, if necessary, the term of the Chair (and other committee positions, as applicable). Elect/ratify the Chair (and other committee

**NAESB Operating Procedure
Procedures for NAESB Executive Committee Subcommittees**

positions as applicable) and Vice Chair or co-chair pursuant to the Voting process outlined below. The Chair, Vice Chair, or one of the co-chair(s) of a NAESB EC Subcommittee must be a member of the EC. Subcommittees may select co-chairs by segment if they so choose. The Chair, Vice Chair, and all co-chairs must be members of NAESB.

5. Other organizational business as may be necessary to implement a committee structure and procedures necessary to carry out the EC or Quadrant EC objectives.
 6. Take any other actions, as may be appropriate.
- B.** It is understood that the organizational actions of adoption, ratification and election shall be accomplished at the initial meeting by balanced vote of participants present (see NAESB Op No. ____ - Name < WITH DATE) and volunteering to serve on the subcommittee. Substantive business of the subcommittee shall be subject to quorum and majority rules as set forth below.

III. Subcommittee Participation

- A.** Subcommittee participation is open to all interested participants, provided however, voting at certain subcommittees is limited to named members or alternates (eg. Quadrant ECs) (see NAESB Op No. 3 - Name< WITH DATE).
- B** A participant may join as many subcommittees as they desire, and may do so at any time.

IV. Establishment of Subcommittee Working Groups

A subcommittee established by the EC or Quadrant EC may establish, at its discretion, a working group to assist in the achievement of its objectives and tasks. Provided however, said working group shall report to the subcommittee on a regular basis and all proposed actions and recommendations of said working group must be reviewed and ratified, adopted and/or voted on by the full subcommittee prior to advancement to the EC or Quadrant EC.

V. Meetings of the Subcommittee, Task Force, or Working Group

- A.** The notice of an initial meeting of a NAESB EC Subcommittee or task force within a NAESB EC Subcommittee will be made available at least three weeks in advance of the meeting to the public, NAESB participants and interested trade association staff for distribution to their members. Provided, however, an emergency meeting might be called. NAESB EC Subcommittee Working Groups may call meetings with less than two weeks notice.

**NAESB Operating Procedure
Procedures for NAESB Executive Committee Subcommittees**

- B.** Meetings of the subcommittee, task force within the subcommittee, or working group are arranged and presided over by the Chair, Vice Chair, or co-chair.
- C.** Meetings of the subcommittee, task force within the subcommittee, or working group are open to all members of NAESB and other interested participants.
- D.** Meetings will be held at times and in places reasonably selected for the convenience of subcommittee members. Meetings may be held by teleconference. Meetings will be noticed by means of the NAESB Web-site. A cost-based fee may be charged, at the discretion of the Executive Director with approval of the Managing Committee, to attend the meeting with prior notification.
- E.** All subcommittees, task forces within the subcommittee, or working groups will proceed with balanced voting for other than administrative or procedural items. The balanced voting procedure is described in NAESB Op No. ____ - [PUT NAME HERE ONCE IT IS APPROVED< WITH DATE]. Each participating company per segment is permitted one vote.
- F.** In-person group meetings normally should be noticed at least two weeks in advance of the meeting. Teleconference-only meetings normally should be noticed at the preceding meeting, and all teleconference-only meetings should normally be noticed at least one week in advance through posting on the NAESB Web-site.
- G.** Unless prior approval of the Managing Committee of the Board of Directors has been granted, all in-person meetings should provide for attendance by teleconference, and may be scheduled at the callers' expense with prior notification. At an in-person meeting, the chair of the group, will also call-in (or open) the teleconference number (via a speakerphone) so as to admit the teleconference attendees by phone and permit interaction between the in-person attendees and the by teleconference attendees.
- H.** Agendas for all NAESB meetings should be generated by the chair(s), vice chair or co-chair of the applicable subcommittee, task force within the subcommittee or working group and posted on the NAESB Web-site sufficiently in advance of the meeting to allow persons accessing the NAESB Web-site on a daily basis to identify the issues to be discussed (by or associated with a Request or Clarification Number or Annual Plan item) and be able to attend. Exceptions to this may be granted by the indulgence of the EC.



NAESB Subcommittee and Task Force Mission Statements

- A. Retail Electric Quadrant
 - 1. Customer Processes Subcommittee (Appendix A)
 - 2. Supplier-Utility Interface Subcommittee (Appendix B)
 - 3. Technical Electronic Implementation Subcommittee (Appendix C)

- B. Retail Gas Quadrant
 - 1. Customer Processes Subcommittee (being developed)
 - 2. Recruiting Task Force (being developed)
 - 3. Retail Gas Business Practice Inventory Task Force (being developed)
 - 4. Supplier-Utility Interface Subcommittee (being developed)
 - 5. Technical Electronic Implementation Subcommittee (being developed)

- C. Wholesale Electric Quadrant
 - 1. Contracts Subcommittee (being developed)
 - 2. Market Operations Subcommittee (being developed)
 - 3. Market Standards Subcommittee (being developed)
 - 4. Standards Review Subcommittee (being developed)

- D. Wholesale Gas Quadrant
 - 1. Business Practice Subcommittee (Appendix D)
 - 2. Contracts Subcommittee (needs development)
 - 3. Electronic Delivery Mechanisms Subcommittee (needs development)
 - 4. Information Requirements Subcommittee (needs development)
 - 5. Interpretations Subcommittee (Appendix E)
 - 6. Publication Process Review Task Force (needs development)
 - 7. Technical Subcommittee (needs development)
 - 8. ANSI Compliance Team (needs development)

- E. Joint Quadrant Committees
 - 1. Annual Plan Subcommittee (needs development)
 - 2. Triage Subcommittee (Appendix F)

- F. Board of Directors
 - 1. Board Managing Committee (needs development)
 - 2. Parliamentary Council (needs development)



NAESB Operating Procedure X
Balanced Voting Procedures for Executive Committee Subcommittees or Task Forces

Originally Approved <Date>

The following are general procedures for the application of balanced voting for Executive Committee Subcommittees, task forces and working groups.

I. Applicability of Balanced Voting

All Executive Committee Subcommittees or Task Forces use balanced voting regarding non-administrative motions, where each segment of a quadrant holds two votes to be equally apportioned to those participants of the segment present at the meeting either in person or by phone. No individual can have more than one vote apportioned to him. The votes, or fractions of votes would be totaled across segments to determine the outcome of the motion under consideration. No notational or proxy votes would be permitted except for subcommittees or task forces with named members.

The above procedures do not apply to Executive Committee Subcommittee or Task Forces, where the membership in the subcommittee or task force is restricted to named members. Executive Committee Subcommittees and Task Forces with named members are balanced as only the named members vote, and the named members represent a balance of the segments within the quadrant.

II. Examples of Balanced Voting for one Quadrant

As an example, the Retail Electric Quadrant (REQ) Customer Processes Subcommittee holds a meeting and votes on a proposed standard to be forwarded to the REQ Executive Committee as a recommendation for consideration. In the meeting, both on the phone and present in person, the segments have 5 suppliers, 3 services, 6 distributors and 1 end user. The balanced vote would be calculated as follows:

Segment	Votes Cast		Balanced Votes	
	Yes	No	Yes	No
Suppliers	3	2	1.2	0.8
Services	3		2	
End Users		1		1
Distributors	4	2	1.3	.7
Total	7	5	4.5	2.5

As the balanced vote is 4.5 to 2.5, the motion passes.

Similarly, the Retail Electric Quadrant (REQ) Customer Processes Subcommittee holds a meeting and votes on a proposed standard to be forwarded to the REQ Executive Committee as a recommendation for consideration. In the meeting, both on the phone and present in person, the segments have 14 suppliers, 6 services, 6 distributors and 1 end user. The balanced vote would be calculated as follows:

**NAESB Operating Procedures
Balanced Voting Procedures for Executive Committee Subcommittees or Task Forces
Originally Approved <DATE>**

Segment	Votes Cast		Balanced Votes	
	Yes	No	Yes	No
Suppliers	14	0	2	0
Services	1	5	.3	1.7
End Users		1		1
Distributors	3	3	1	1
Total	18	9	3.3	3.7

As the balanced vote is 3.3 to 3.7, the motion fails.

II. Examples of Balanced Voting Across Quadrants

In cases of joint-quadrant subcommittees, each quadrant's representatives share an equal portion of the vote. For example, if the Retail Gas Quadrant (RGQ) and Retail Electric Quadrant (REQ) had a joint subcommittee, the RGQ and REQ each would contribute 50% of the final vote. If the RGQ/REQ Customer Processes Subcommittee holds a meeting and votes on a proposed standard to be forwarded to the Quadrant Executive Committees as a recommendation for consideration. In the meeting, both on the phone and present in person, the REQ segments have 14 suppliers, 6 services, 6 distributors and 1 end user. The REQ balanced vote would be calculated as follows:

Segment	Votes Cast		Balanced Votes	
	Yes	No	Yes	No
Suppliers	14	0	2	0
Services	1	5	.3	1.7
End Users		1		1
Distributors	3	3	1	1
Total	18	9	3.3	3.7

In the meeting, both on the phone and present in person, the RGQ segments have 5 suppliers, 3 services, 6 distributors and 1 end user. The RGQ balanced vote would be calculated as follows:

Segment	Votes Cast		Balanced Votes	
	Yes	No	Yes	No
Suppliers	3	2	1.2	0.8
Services	3		2	
End Users		1		1
Distributors	4	2	1.3	.7
Total	7	5	4.5	2.5

Both the RGQ and REQ contribute equally to the outcome. Using the balanced votes, the REQ contributes 47% in favor and 53% opposed and the RGQ contributes 64% in favor and 36% opposed. Thus in combining the results where each quadrant contributes equally, the total votes are 55.5% in favor and 44.5% opposed, resulting in the motion passing.



NAESB Operating Procedure X
Procedures for Standards Development and Maintenance

Originally Approved August 18, 1997
Revised <DATE>

I. Initiation

Standards Development and Maintenance is initiated by a request (NAESB form 'Request for Standards Development or Maintenance') forwarded to the Executive Director of NAESB for consideration by the Executive Committee or the Executive Committee may itself initiate an action, based on regulatory or legislative events.

II. Action

- A. The request is submitted electronically to the NAESB office using the approved form.
- B. NAESB office assigns a request number to the form and posts the request on the NAESB Web site.
- C. The request is forwarded to the Triage Subcommittee for review at the next meeting of that subcommittee.
- E. Triage Subcommittee recommends assignment to a particular quadrant or quadrants and also recommends whether the request is within the scope of the organization. The members of the triage subcommittee representing the assigned quadrant(s) then recommended whether it is within the scope of the quadrant and if so, to which subcommittee it should be assigned and a level of priority. The recommendations are forwarded to the Executive Committee.
- F. The Executive Committee considers and approves or amends the recommended assignment to a given quadrant after considering and approving or amending whether the request is within the scope of the organization.
- G. If the Executive Committee does not find the request within the scope of the organization, the request is then forwarded to the Board of Directors for final approval that it is not within the scope of the organization.
- H. If the Executive Committee finds the request within the scope of the organization, it then forwards the request to the Executive committee members representing the given quadrant(s) to which it has assigned the request.

NAESB Operating Procedure X

Procedures for Standards Development and Maintenance

- I. The Executive Committee members representing the quadrants to which the request has been assigned considers the recommendation from the Triage Subcommittee to forward the request of a given subcommittee with a specific priority. Those members may amend the recommendation and approve it, thus acting to determine the status of the request through a simple majority vote for (1) determination of whether the request is within the scope of the assigned quadrant(s), (2) the assignment to a NAESB Subcommittee or Task Force and (3) time frame in which request will be addressed.
- J. The results of the Executive Committee consideration are made available via minutes and posted to the NAESB Web site.
- K. For the Wholesale Electric Quadrant, the subcommittee or task force to which it has been assigned ensures that the request adequately described the standards to be developed or modified and forwards the request to the Joint Interface Committee for consideration. If the Joint Interface Committee affirms that the request for standards development appropriately belongs within NAESB, the subcommittee or task force continues its work. If the Joint Interface Committee assigns the work to NERC and NAESB supports such assignment, then members of the NAESB WEQ subcommittee are urged to participate in the NERC development activities. If the Joint Interface Committee assigns the work to NERC and NAESB does not support such assignment, then the subcommittee or task force continues its work.
- L. The subcommittee or task force completes the task assigned.
- L. Where appropriate, the subcommittee or task force may forward the request on to other subcommittees or task forces to ensure that the work product is considered fully staffed.
- M. The subcommittee or task force submits a recommendation to the NAESB Office based on the results of the group's findings (NAESB form Recommendation to NAESB Executive Committee).
- N. The recommendation is posted on the NAESB Home Page for industry comment for 30 days prior to the assigned quadrant(s) of the Executive Committee taking action on the recommendation. The 30-day comment period may be shortened by the Executive Committee.
- O. The assigned quadrant(s) of the Executive Committee considers the request, recommendation and industry comments in taking final action.

NAESB Operating Procedure X
Procedures for Standards Development and Maintenance

III. Procedures

Subcommittees or Task Forces developing or modifying standards will adhere to the following procedures:

- A. Chairs of the groups are responsible for working with the NAESB office to define meeting notices and agendas, which are distributed through the NAESB office. Meeting notices should have adequate advance notice to attendees who are required to travel to the meeting.
- B. All meetings are open. Executive Sessions are only used by the Board of Directors in consideration of compensation issues and legal proceedings.
- C. Meetings, including those held via telephone conference and ad hoc meetings, should be scheduled by first conferring with the NAESB office to ensure that meetings for groups with common members are not scheduled concurrently. This determination is made by the NAESB office.
- D. During the meetings, minutes are to be taken. All attendees should sign an attendance sheet including name, company name, quadrant and segment affiliation, phone number, and e-mail address.
- E. When decisions are made and a sense of the room is taken, it should be recorded in the minutes. If no sense of the room is taken, the chair should inform the meeting participants that the decision is recorded as unanimous. Balanced voting can be requested in any subcommittee meeting where the subcommittee is not balanced by nature of being a named member subcommittee.
- F. Minutes, working documents, meeting notices and agendas should be prepared electronically and forwarded to the NAESB office for posting on the home page. All documents used in the meeting should be posted on the NAESB Web site.
- G. The group or representatives of the groups should develop a recommendation to submit to the Executive Committee using NAESB form, 'Recommendation to NAESB Executive Committee'. The recommendation should comply with instructions for that form.

IV. Results

- A. The Executive Committee action will have one of the following results:
 - 1. The recommendation is approved as submitted.
 - 2. The recommendation is approved as modified by the Executive Committee.

NAESB Operating Procedure X

Procedures for Standards Development and Maintenance

3. The original request, if it includes specific standards language, is approved by the Executive Committee.
 4. The recommendation is returned to the Subcommittee or Task Force for further development.
 5. The recommendation is rejected.
- B. All additions to or modifications to standards must obtain membership ratification before becoming a NAESB standard.
- C. Member ratified actions will be posted on the Final Action page of the NAESB Home Page. Unless otherwise directed by the Board of Directors, the final actions are published in standards manuals each 24 month period.



**NAESB Operating Procedure X
Procedures for Adopting Standards**

August 18, 1997
Revised <DATE>

I. Review of Standards

A. Revisions of Standards

Revisions to existing standards adopted by NAESB shall be initiated, as warranted, in accordance with the procedures set forth herein. Standards may be revised as frequently as necessary in line with industry developments or current state of the art.

B. Continuity of Standards

Existing standards shall remain in effect until revised or withdrawn in accordance with the same procedures governing adoption of standards. Consideration of withdrawal may be initiated at any time.

II. Development of Standards

A. Initiation of Standards or Standards Revisions

1. Requests: Any written request relative to developing or adopting a standard or revising an existing standard shall be submitted to the Executive Director using the request form posted on the NAESB web site as described in more detail below. .
2. Disposition of Requests: The Executive Director shall refer the request to the Triage Subcommittee, who will prepare recommendation on scope and the disposition of the request as noted in NAESB Operating Procedure X, "Procedures for Development and Maintenance of Standards." The Executive Committee shall act on the Triage Subcommittee recommendation as described if the above-mentioned NAESB Operating Procedure X.
3. Meetings: The quadrant(s) Executive Committee and subcommittee meetings relating to the initiation or revision of standards shall be scheduled at such time as there are a reasonable number of business items to consider.. Unless prior approval has been granted by the e Board of Directors via the Board Managing Committee, all meetings are to be accessible by conference call.

**NAESB Operating Procedure X
Procedures for Adopting Standards**

4. Drafting Standards: The quadrant(s) Executive Committee shall direct an authorized subcommittee to develop or review draft standards or draft revisions to existing standards, as deemed necessary.

B. Distribution for Comment

1. Preparation of Standards Proposals: Before the Executive Committee may consider the adoption of any standards, a draft standards proposal setting forth the details of proposed draft standards, recommended comment period, appropriate business documentation and the reasons for the proposed standards shall be prepared by an authorized subcommittee for distribution for comment. The standards proposal prepared by the subcommittee shall be submitted to the NAESB Office using the NAESB form "Recommendation to NAESB Executive Committee."
2. Distribution of Standards Proposals: All draft standards proposals prepared by an authorized subcommittee shall be posted on the NAESB web site and distributed by the Executive Director for comment by all interested persons. The notice distributing a draft standards proposal shall establish a date not less than 30 days after the date of distribution for the submission of written comments, except where the quadrant(s) Executive Committee has voted to shorten the comment period.
3. Comments on Standards Proposals: All persons interested in submitting comments on a proposal to adopt a new standard or revise or withdraw an existing standard shall submit their written comments to the Executive Director on or before the date specified in the distribution notice. All comments proposing any modification to a draft standards proposal should include: (1) a mark-up of the proposed standard showing the specific language to be included in or deleted from the proposed standard; and (2) a detailed explanation of the need for the proposed modifications.
4. Compilation of Comments Received: All comments received on a draft standards proposal, as a result of its distribution, shall be posted on the NAESB Web site and forwarded to the quadrant(s) Executive Committee to which the request was assigned.

C. Consideration of Comments

1. Reconsideration of Proposals: The comments will be forwarded to the quadrant Executive Committee to which the standards request was assigned, who shall consider each standards proposal in light of comments received. All comments shall be discussed at the quadrant(s) Executive Committee meeting during which the standards proposal is considered.
2. Action on Proposals and Comments: As a result of considering all comments received, the quadrant(s) Executive Committee shall either accept the standards proposal as recommended by the subcommittee, amend and accept the standards proposal as recommended by the

NAESB Operating Procedure X Procedures for Adopting Standards

subcommittee, assign the standards proposal to a subcommittee for additional development, or reject the standards proposal. This action shall occur within ninety (90) days of receipt of the comments.

III. Adoption of Standards

- A. **Executive Committee Consideration of Standards:** The quadrant(s) Executive Committee shall consider the proposed standards, standards revisions and withdrawals, and any comments made to the Executive Committee on standards proposals. The Executive Committee shall determine, in accordance with the voting procedures under Article V, Section 4 of the Certificate of Incorporation, if the standards proposal is to be recommended for consideration and ratification by NAESB voting Members.

If the quadrant(s) Executive Committee determines not to submit a proposal for ratification by NAESB Voting Members, but determines to return the proposal to an authorized subcommittee or concerned submitting group for review and action as indicated, the quadrant(s) Executive Committee shall state its reason for such action in sufficient detail to enable the group to deal with the matter in a satisfactory manner.

- B. **NAESB Voting Member Approval of Standards:**
1. Submittal for Review: Standards proposals approved by the Executive Committee for submittal to NAESB Voting Members for ratification shall be submitted for review, in proper form, by the Executive Director to NAESB Members of record as of the date the proposal is submitted to NAESB Members at least 30 days prior to the deadline for registering votes.
 2. NAESB Member Approval: NAESB Members with voting rights shall vote on standards submitted for their approval in accordance with the procedures set forth in Article V, Section 4 of NAESB's Certificate of Incorporation.

IV. Publication of Standards

Following approval of a standards proposal by NAESB Members, the Executive Director shall publish on the NAESB web site and issue it as either a new standard, an amendment to an existing standard or a new edition of an existing standard, as appropriate. NAESBOP **Standards Publication Cycle** shall govern the formal publication of each new version of the standards.

V. Interpretation of Standards

- A. **Requests for Interpretation of Standards:** Any person may seek an interpretation of an existing standard adopted by NAESB by submitting to the Executive Director a written request for interpretation pursuant to the form

**NAESB Operating Procedure X
Procedures for Adopting Standards**

posted on the NAESB web site entitled Request for Clarification or Interpretation

- B. Transmittal to Authorized Subcommittee: The Executive Director shall transmit all proper requests for interpretation to the authorized subcommittee responsible for the development of the standards as to which an interpretation is sought. The authorized subcommittee shall prepare a report to the quadrant(s) Executive Committee recommending a disposition of the request.
- C. Action by Executive Committee: The quadrant(s) Executive Committee shall consider the report of the authorized subcommittee and, subject to compliance with the voting procedures set forth in Article V, Section 4, of NAESB's Certificate of Incorporation, shall take action on the interpretation.



NAESB Operating Procedure X
Adoption of Minor Clarifications and Corrections to Standards

Revision Date <DATE>

I. Procedures and Definitions

A. Procedures

Minor clarifications and corrections to standards adopted by NAESB shall be initiated, as warranted, and processed in accordance with the procedures set forth herein. Substantive revisions to standards adopted by NAESB shall be handled in accordance with "Procedures for Adopting Standards".

B. Definition of Minor Clarifications or Corrections

Minor clarifications or corrections to an existing standard include: (a) clarifications or corrections made by a regulatory agency for standards that are of a jurisdictional nature, or by ANSI or its successor; (b) clarifications or corrections to the format or appearance or descriptions in the standard documentation, (c) clarifications or corrections to add code values to table, and (d) clarifications or corrections that do not materially change the standard.

II. Processing of Requests for Minor Clarifications and Corrections

A. Requests

Any written request for a minor clarification or correction relative to any existing NAESB standard shall be submitted to the Executive Director. Such request shall include information sufficient to describe the minor clarification or correction, and the reasons for implementing such minor improvements or corrections.

B. Disposition of Requests

1. The Executive Director shall promptly notify the Executive Committee and other appropriate subcommittees of the receipt of the request. The members of the applicable quadrant's Executive Committee shall promptly determine if the request meets the definition of minor clarification or correction. The members of the applicable quadrant's Executive Committee, through the decision of the vice chair of the applicable quadrant, may delegate this determination to one of its subcommittees with the concurrence of the chair of said subcommittee, in which case the determination shall be made promptly.
2. If the request meets the definition of minor clarification or correction, the members of the applicable quadrant's Executive Committee will act on the request, with input from the authorized subcommittee, within one

NAESB Operating Procedure X
Adoption of Minor Clarifications and Corrections to Standards

month of its receipt. A meeting for discussion on the request is not necessary - the decision can be made through notational vote. A simple majority of the votes received will determine the outcome. The members of the applicable quadrant's Executive Committee will be given a minimum of three working days to consider and vote on the request.

C. Public Notice

1. The results of the vote on the request will be posted on the NAESB Web site and the members of the applicable quadrant will be notified via email.
2. If the members of the applicable quadrant's Executive Committee approves the request as a minor clarification or correction, it will be posted on the NAESB Web site and the members of the applicable quadrant will be notified via email. A brief description of the approved request, the contact name and number of the requester for further information and the proposed effective date of the clarification or correction will be included. Any interested party will have an opportunity to comment on the approved request, and the comments will be posted on the NAESB Web site. The proposed effective date of the minor clarification or corrections will normally be within one month from the date of the public notice.

D. Final Disposition of Approved Requests

1. If no comments are received on an approved request, the standard will be clarified or corrected as specified in the approved request on the effective date proposed as posted on the NAESB Web site.
2. If comments are received, they will be forwarded to the members of the applicable quadrant's Executive Committee, for consideration. Each comment will require a public written response from the members of the applicable quadrant's Executive Committee. The members of the applicable quadrant's Executive Committee will determine whether changes are necessary as a result of the comments. A simple majority of the votes received will determine the outcome. The members of the applicable quadrant's Executive Committee will be given a minimum of three working days to consider the comments and determine the outcome. A meeting for the discussion on the request is not necessary - the decision can be made through notational vote. The standard shall be clarified or corrected in accordance with the outcome of the vote, effective with the completion of voting, and notice thereof shall be posted on the NAESB Web site.



**NAESB Operating Procedure
Standards Publication Cycle**

Approved <Date>

I. Standards Publication Cycle

NAESB standards will be published on a 24-month publication cycle, such cycle to commence with the publication cycle which begins immediately following the release of Version 1.7 Standards in the summer of 2003.

II. Accessibility of Standards Not Yet Published

Standards which are approved between publication cycles will be available on the NAESB Web site and will be referred to as final actions.

III. Interim Publication Cycles

If during any subsequent 24-month publication cycle, extraordinary circumstances arise which warrant the interim publication of new or revised standards adopted since the previous version was published, the Board of Directors will authorize and direct the Executive Director to publish such standards as necessary, during such interim period.



NAESB Operating Procedure X
Communicating With Regulatory and Other Government Agencies

Originally Approved <DATE>

I. Amendments to existing standards which have been adopted by FERC or other Government Agencies

Should NAESB amend one of its existing standards, which standard shall previously have been adopted by the FERC or other government agency, the Executive Director shall officially notify said government agency upon publication of the version that contains the amended standard, unless requested by the Board of Directors, the Managing Committee or said government agency to provide notification at the time of the ratification of the amendment to the standard.

II. Interpretation of existing standards which have been adopted by FERC or other Government Agencies

Should NAESB agree upon the issuance of an interpretation of one of its standards previously adopted by the FERC or other government agency, upon completion of all steps necessary to effectuate the interpretation, the Executive Director shall officially notify said government agency upon publication of the version that contains the interpretation, unless requested by the Board of Directors, the Managing Committee or said government agency to provide notification at the time of the ratification of the interpretation.

III. Adoption of New Standards

A. Where NAESB shall adopt a new standard the Executive Director, shall officially notify applicable government agencies upon publication of the version that contains the standard, unless requested by the Board of Directors, the Managing Committee or said government agencies to provide notification at the time of the ratification of the of standard.

B. Where NAESB shall adopt a new standard which directly relates to the use, action, or implementation of an existing NAESB standard which is also a standard adopted by a government agency, the Executive Director shall officially notify applicable government agencies upon publication of the version that contains the new standard and transmit the new standard to said government agency, unless requested by the Board of Directors, the Managing Committee or said government agency to provide the standard at the time of the ratification of the of standard

IV. Approval of External Communications

All written communications between NAESB and government agencies require prior



NAESB Operating Procedure X
Communicating With Regulatory and Other Government Agencies

approval from the Managing Committee. The Executive Committee may draft language pertaining to its standards development activities for forwarding to government agencies, and those communications also require the approval of the Managing Committee, before the NAESB Office forwards such communications.

V. Publication Schedule for Standards

- A. The standards manuals and standards booklets shall be updated and new versions published no more than twice per year, unless the Board of Directors, upon a finding of extraordinary circumstances as determined by the Board, authorizes and directs the Executive Director to publish one or more standards.
- B. The publications will be forwarded to any government agency requesting such publication. The Federal Energy Regulatory Commission and NARUC, via its Executive Director, will be provided with copies of all publications, which include standards developed by all quadrants. These publications, if copyrighted, will be made available for 1) internal use and 2) placement in an agency's public reference room and submittal to the Federal Register for those publications with standard incorporated by reference into the Federal Energy Regulatory Commission's or other agency's regulations, to the extent required by law and regulation to permit the incorporation by reference.
- C. In the interim period between publication of standards manuals, it is recognized that, the following documents will be made available at no cost to the recipient via the NAESB web site or any other agreed upon method to any government agency requesting such documents, including the Federal Energy Regulatory Commission, and NARUC, through its Executive Director:
 - 1) Final Standards Actions and member ratified voting record
 - 2) Final Interpretations and member ratified voting record
 - 3) Board and Executive Committee Meeting Minutes and Voting Records
 - 4) Meeting Materials supporting Board and Executive Committee Meetings
 - 5) Transcripts of meetings for internal use by the government agency as requested.

VI. NAESB Informal Communications with the FERC and other government agencies

It is recognized that the NAESB office, officers and chairs of the Executive Committee and Board of Directors will continue to follow the current convention of informal communications with the senior officials and staff of the FERC or other government agencies. The informal communications are for informational purposes only, and are not intended as a substitute for formal communications with said government agencies. The results of these informal communications will be reported to the Executive Committee and the Board of Directors.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

**NERC/NAESB/ISO-RTO COUNCIL MEMORANDUM OF UNDERSTANDING AND
RESOLUTION**



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

**NAESB Board of Directors Resolution
Approving the
Amended and Restated Memorandum of Understanding for the
North American Energy Standards Board, North American Electric Reliability Council
and the ISO/RTO Council**

Be It Resolved that the NAESB Board of Directors approves the Amended and Restated Memorandum of Understanding for the North American Energy Standards Board, North American Electric Reliability Council and the ISO/RTO Council, for signature by Mr. Boswell as Chairman and CEO of the NAESB Board of Directors.

Fellow WEQ Members:

Thank you for your recent comments, concerns and suggestions on the draft MOU. Our negotiating team met again this past Wednesday to specifically address the feedback we received from our members. I am pleased to report that we have reached resolution with the ISO/RTO Council on every major concern.

Attached to this e-mail is the MOU, which reflects resolution to the concerns expressed by a broad base of NAESB market interests. For your convenience I will recap below the major and minor concerns and indicate how and where the MOU captures resolution of the concern.

- MAJOR CONCERNS

1. *The MOU is not reflective of who the ISO-RTO Council is, what are they doing, when will they do it and how their decisions are binding.*

The MOU clarifies in whereas clauses that the members of the ISO/RTO Council are the Chief Executive Officers of existing ISOs and RTOs. The whereas clauses further clarify that the ISO/RTO Council has been duly formed and that its Charter has been filed with the FERC and other appropriate regulatory authorities. Finally, the MOU clarifies that the ISO/RTO Council has the legal authority to execute this MOU and bind the Organization to abide by the provisions set forth in the MOU. See MOU lines 16-20 and lines 217 - 218.

2. *The MOU should note that policy determination is the domain of FERC, and standards development in general is to be performed by standards development organizations.*

The MOU explicitly states in whereas clauses that the ISO/RTO Council is not a standards development organization. See MOU lines 21-23. The MOU clarifies that FERC is responsible for approving policy and that the ISO/RTOs normally implement and propose policy. Further, the MOU clarifies that NAESB does not set industry policy. See MOU lines 24-35.

3. *Phase 2 of the activities undertaken by the Joint Interface Committee includes the ISO-RTO Council with equal voting rights with NERC and NAESB on where standards development should occur (NERC or NAESB). If they do not have material interest in the outcome of who should be the standards developer, should they have such a vote?*

The negotiating team collectively agreed that the ISO/RTO council should have an opportunity to vote in Phase 2. The MOU clarifies in a whereas clause that a coordination process should be developed between the Parties to ensure that the development of business practice and reliability standards is coordinated and harmonized with the development, approval and implementation of ISO and RTO policy. See MOU lines 43-47. Inclusion of an additional policy screen in Phase 2 supports ISO/RTO voting participation, See MOU lines 142-146; however, acceptable language to the ISO/RTO Council was added in Section 2.3 which introduces the explicit understanding that in the determinations made under Section 2.6 (Phase 2), each Party would be expected to abstain from voting on any question in which it determines it does not have a material interest. See MOU lines 112-114.

4. *Are the standards development activities undertaken by the Electronic Scheduling Collaborative and the OASIS Standards Collaborative appropriately addressed in the MOU, such that the groups' functions would be addressed in NERC, NAESB or the ISO Council by the procedures described in the MOU depending on the characteristics of the activity?*

The negotiating team unanimously agreed with whereas clauses in the document. See MOU lines 48-54.

5. *Has the timing of the development of the MOU and consideration for adoption by NERC Board of Trustees, NAESB Board of Directors and ISO-RT0 Council been considered?*

Yes. Recent discussions with the FERC have reconfirmed that the Commission still desires to see the parties come to agreement in March. Further, since satisfactory resolution of concerns has been achieved there is no reason to delay approval of the MOU. Nevertheless, the implementation date has been left blank for the time being. See MOU line 83.

- MINOR CONCERNS

1. *Quorum*

The quorum requirement has been modified to eliminate the possibility that one party's non-participation could prevent any JIC action. See MOU lines 94-96 and 108-111.

2. *Termination of a party's agreement to the MOU*

The termination language was clarified to address the concern that withdrawal from the agreement is subject to FERC approval. See MOU lines 210-212.

3. *How the JIC meetings should be conducted*

Language was added to reflect that meetings would be conducted in the "sunshine". See MOU lines 182-186.

4. *Recognition of ongoing annual plan developments*

Language was added to allow the parties, through its JIC members, to make recommendations to the other party(ies) regarding ongoing annual plan efforts. See MOU lines 173-177.

Our negotiating team consisting of Scott Brown (WEQ Board member; Marketer/Broker Segment), Steve Corneli (WEQ EC Vice-chair), Rick Lentz (WGQ Board member), Bill Boswell (Chairman) and I have been negotiating with the ISO/RTOs and NERC since November. Even before the negotiations on this MOU began and going back as far as the conclusion of the WEQ formation, NAESB leadership and I have been striving to provide an appropriate and fair way for the ISO/RTOs to have a voice in the NAESB process. We believe this MOU achieves that goal.

We have received tremendous cooperation and feedback from the membership and collectively we believe that we have an agreement that will benefit the industry, has the support of the Commission and will provide clarity and access to better resources for NAESB WEQ. Therefore, we the negotiating team will recommend to the NAESB Board that it accept the MOU at the March 20th Board meeting.

I have arranged through the NAESB office a series of conference calls to provide an opportunity to discuss the MOU. Additionally, the members of the negotiating team and I are available if any member has any questions or would like to discuss the document.

Michael Desselle

NAESB Vice-Chair for the WEQ

1 **Amended and Restated Memorandum of Understanding for the**
2 **North American Energy Standards Board, North American Electric Reliability Council**
3 **and the ISO/RTO Council**
4

5 This Memorandum of Understanding (“MOU”) is entered into this ___ day of ____,
6 2003, between the North American Energy Standards Board (“NAESB”) and the North
7 American Electric Reliability Council (“NERC”) and the Independent System Operator/Regional
8 Transmission Organization Council (“ISO/RTO Council”) (collectively, “Parties”).

9 Whereas NAESB is the primary industry forum for development and promotion of
10 business practice and electronic communication standards in North American wholesale and
11 retail natural gas and electricity markets and its stakeholder-based standards development
12 process is well-suited for the resolution of issues that affect or implicate business practices;

13 Whereas NERC is the primary industry organization for developing reliability standards
14 for the reliable operation and planning of the bulk electric systems serving North America and
15 NERC as an organization is well-suited for addressing reliability issues related to such standards;

16 Whereas the ISO/RTO Council is a duly formed organization composed of ISO and RTO
17 chief executive officers, and its Charter has been filed with the Federal Energy Regulatory
18 Commission (“FERC”) and other appropriate regulatory authorities in North America;

19 Whereas each of the Parties has duly authorized its representative to execute this MOU
20 and bind the Organization to abide by the provisions set forth in this MOU;

21 Whereas the ISO/RTO Council is not a standards development organization, but may
22 participate in standardization activities and existing standards development organizations,
23 including preparing proposed standards for those organizations;

24 Whereas the Parties understand “policy” in the context of this MOU to mean a definite
25 course of action selected from among alternatives that will guide and determine subsequent
26 material decisions, and also understand “ISO and RTO policy” to mean major market and
27 transmission tariff policies¹ that would normally be proposed and implemented by ISOs and
28 RTOs and which require approval by the FERC or other appropriate regulatory authorities in
29 North America;

¹ In Canada, the more common term for this is market rules.

30 Whereas NAESB is precluded by its Charter from setting industry policy, NERC is
31 organized to set reliability policy, and individual RTOs and ISOs are organized to operate
32 transmission systems and administer markets;

33 Whereas individual ISOs and RTOs must, in carrying out their responsibilities, develop
34 ISO and RTO policy proposals and must also, subject to receiving all required and appropriate
35 regulatory approvals, implement such policies;

36 Whereas the Parties agree that there is a need to develop and maintain standards to
37 enhance electricity markets and maintain reliability throughout North America;

38 Whereas the Federal Energy Regulatory Commission (“FERC”) has “strongly urged” the
39 Parties to coordinate standards development efforts;

40 Whereas most electric industry standards have both business and reliability implications
41 and range along a continuum from “predominantly reliability” in nature to “predominantly
42 business” in nature;

43 Whereas the Parties agree that a coordination process should be developed among the
44 Parties to ensure that the development of business practice and reliability standards is
45 coordinated and harmonized with the development, approval and implementation of ISO and
46 RTO policy and that every practicable effort is made to eliminate overlap and duplication of
47 efforts;

48 Whereas, the FERC Commissioners and Staff have encouraged the Parties to bring the
49 functions previously addressed by the Electronic Scheduling Collaborative (“ESC”) and the
50 Oasis Standards Collaborative (“OSC”) into the functionally appropriate Party organization, and
51 through that organization into a single process for coordinating standard-setting;

52 Whereas, the Parties agree that all the current activities of the ESC and OSC should be
53 included in one or several of the Parties’ organizations and thus brought into the single standard
54 setting coordination process as defined in this Memorandum of Understanding;

55 Whereas, the Parties agree that the coordination that takes place under this MOU should
56 not delay the development of standards or the implementation of ISO and RTO policy;

57 Whereas, the Parties shall not be obliged to change their existing standards approval
58 processes, but the parties agree it would be beneficial to keep an open mind for future changes to
59 be considered that would improve the processes and achieve the goals contained within this
60 MOU; and,

61 Whereas, the Parties intend this MOU to be a living document and recognize that the
62 coordination procedures detailed in this MOU are likely to require revision as the Parties gain
63 experience working under these procedures,

64 Now therefore, the Parties agree as follows:
65

66 **1. Purpose and Principles of Agreement**

67 1.1 The Parties propose to establish a coordination process set forth in Section 2 of
68 this MOU. The coordination process is intended to avoid overlap and duplication of effort in the
69 activities of the three organizations by distinguishing the development, proposal and
70 implementation of ISO and RTO policy from the setting of reliability standards or business
71 practice standards. The coordination process will accomplish this primarily through the Joint
72 Interface Committee (“JIC”) comprised of representative members of NERC, NAESB and the
73 ISO/RTO Council. The JIC is not intended to delay standards development or the
74 implementation of ISO and RTO policy, but to facilitate efficient policy implementation and
75 standards development and to avoid duplication of effort between and among the Parties.

76 1.2 The Parties recognize that many standards have implications that affect aspects of
77 reliability, market administration and transmission system operation, and business standards and
78 communication protocols. Accordingly, the JIC will evaluate each standards development
79 proposal, as well as the annual plans² of each organization, in a two-stage process as described in
80 section 2.5 before determining whether NAESB or NERC should develop the proposed
81 standard.^{3 4}

82 1.3 The Parties intend to have the coordination process set forth in Section 2 of the
83 MOU in full operation by _____, 2003. The Parties may mutually agree to move the start date
84 for the coordination process.
85

86 **2. Coordination Process**

² The JIC is not limited to new standards or annual plan items, but can receive existing proposed standards or annual plan items referred to it by any Party.

³ While the JIC will evaluate the disposition of standards with the recognition that most standards have both reliability and business standards and communication protocols implications, the intent of NERC and NAESB (through the JIC) is that the coordination process should work toward the development of “standards for the industry” and avoid characterizing standards, wherever possible.

⁴ The Parties expressly agree that reliability and business practice standards that are required for ISO/RTO Council activities would typically be developed by NERC and NAESB, consistent with this MOU.

87 2.1 The Parties agree to establish a process, as set forth in this section, for
88 coordinating the development of proposed standards, in accordance with the principles in Section
89 1 of this MOU.

90 2.2 The JIC shall be responsible for the coordination process. The JIC shall be
91 composed of representatives from NERC holding one-third of the votes, representatives from
92 NAESB WEQ holding one-third of the votes and representatives from the ISO/RTO Council
93 holding one-third of the votes. Each Party will determine its representatives to the JIC, with
94 every effort to have each segment or area represented. The quorum necessary for the transaction
95 of business at meetings of the JIC shall require a majority of the representatives of each of any
96 two Parties. Any or all members of the JIC may participate in a meeting, including being counted
97 as part of the quorum, by means of a communication system by which all persons participating in
98 the meeting are able to hear each other. Use of notational balloting or proxies will not be
99 permitted. NERC, NAESB and the ISO/RTO Council will separately determine whether
100 designated alternates will be permitted to participate in place of their absent JIC representatives.
101 The JIC will have co-chairs, one representing NERC, one representing NAESB, and one
102 representing the ISO/RTO Council chosen by each Party from among its JIC representatives.

103 2.3 Decisions of the JIC will be by a simple majority of all votes cast, with each
104 NERC representative present at a meeting having a vote equal to 33.3% divided by the number
105 of NERC representatives participating in the meeting, each NAESB representative having a vote
106 equal to 33.3% divided by the number of NAESB representatives participating in the meeting,
107 and each ISO/RTO Council representative having a vote equal to 33.3% divided by the number
108 of ISO/RTO Council representatives participating in the meeting. In the event any Party fails to
109 be represented by at least one representative and quorum requirements are met, the remaining
110 two Parties shall each receive 50% of the vote, to be divided equally among the Party's
111 representatives. In the event of a tie vote, the matter will be referred to the Chairmen of the
112 Parties present for the tie vote [or their Board level designee(s)] for resolution. In the
113 determinations made under Section 2.6, each Party may abstain from voting on any question in
114 which it determines it does not have a material interest.

115 2.4 The JIC will meet as necessary to review the annual plans of each organization.
116 Additionally, the JIC will meet as necessary to review each Standards Authorization Request
117 (“SAR”) that the Standards Authorization Committee (“SAC”) of NERC has approved for the

118 drafting of a standard, each standard request that the NAESB Executive Committee (“EC”) has
119 assigned to the Wholesale Electric Quadrant (“WEQ”) of NAESB and each ISO and RTO policy
120 anticipated to be proposed or implemented by the ISO/RTO Council’s constituent organizations
121 that may affect business practice standards and reliability standards.

122 2.5 In the first stage of its process, the JIC will evaluate the annual plans of each
123 Party. If the JIC determines that an annual plan item would establish or require substantial
124 modification to ISO and RTO policy, then standard setting activities associated with the annual
125 plan item would normally be deferred⁵ until the FERC or other appropriate regulatory authorities
126 in North America have exercised their authority to determine such policy issues. Once such ISO
127 and RTO policy issues have been resolved, further standards development activity will be
128 coordinated by the JIC according to this MOU. If the JIC does not determine that an annual plan
129 item would establish or require substantial modification to ISO and RTO policy, then the item
130 would continue through the standards development process. If the JIC determines that an aspect
131 of the ISO/RTO Council’s annual plans would alter or require new business practice standards,
132 communication protocol standards or reliability standards, those standards development activities
133 would be coordinated by the JIC according to this MOU. The JIC may also recommend that a
134 particular item or aspect of an item in one Party’s annual plan be removed from that Party’s
135 annual plan and added to another Party’s annual plan in order to carry out the purposes of this
136 agreement.

137 2.6 Once the JIC has made the determinations in section 2.5, the second stage of the
138 process will take place. In this stage the JIC will consider the relationship of each specific
139 standards proposal, including any standards proposals derived from ISO and RTO annual plan
140 items, to the reliability responsibilities of NERC and the business standards and electronic
141 communication protocol responsibilities of NAESB, and will refer the development of the
142 standard as appropriate to the two organizations. In this stage, the JIC may also determine
143 whether a specific standards request proposal would itself primarily establish or substantially
144 modify ISO and RTO policy, in which case standards development may be deferred until the
145 FERC or other appropriate regulatory authorities have determined the resolution of such policy

⁵ If the FERC or other appropriate regulatory authorities in North America have already assigned the item to the ISO/RTO Council’s constituent organizations for development of a policy proposal, the Parties may await the policy resolution. In the interim while awaiting the policy resolution, the Parties may identify specific standards activity needed to support any proposed policy resolution.

146 issues. Once the JIC has assigned or referred the standards proposal for further development, the
147 members and constituents of the other organizations are strongly encouraged to actively engage
148 in the development process by participating in subcommittee, task force and working group
149 deliberations as well as offering comments and recommendations on any and all aspects of the
150 proposed standard or policy.

151 2.7 The JIC will make such determinations by the end of the month subsequent to the
152 month in which the annual plan item, standards request proposal or proposed ISO and RTO
153 policy is referred to the JIC. The JIC may prioritize submitted proposals if there are urgent
154 reliability, business, or policy implications.

155 2.8 All interested individuals and entities are invited and encouraged to participate to
156 the maximum extent possible consistent with membership or registration requirements in NERC,
157 NAESB and the ISO/RTO Council standards development and policy development activity.
158 None of the organizations places any membership or registration requirement on the submission
159 of comments on draft proposed standards or policy development.

160 2.9 With respect to the provisions of section 2.6, either the determination of the JIC or
161 the resolution reached in the event of a tie vote will become final after thirty days unless, within
162 that thirty-day period, one of the Parties acts to withdraw a standards request proposal. In this
163 event, the proposal may be redrafted and resubmitted to the JIC or the Parties shall meet to
164 attempt to resolve the impasse. Should further consideration not result in a final determination,
165 each of the parties may act consistent with its own standards development or policy definition
166 process. Likewise, with respect to the provisions of section 2.5, a determination of the JIC or the
167 resolution reached in the event of a tie vote will become final after thirty days unless, within that
168 thirty-day period, one of the Parties disagrees with the determination. In this event, the annual
169 plan item may be redrafted and resubmitted to the JIC or the Parties shall meet to attempt to
170 further resolve the issue. Should further consideration not result in a final determination, each of
171 the parties may act consistent with its own standards development or policy development and
172 implementation process.

173 2.10 Because the Parties' annual planning processes are iterative and are implemented
174 through or otherwise affect the standards setting processes, the JIC may discuss coordination of
175 ongoing annual plan development and implementation, and each Party, through its JIC members,

176 may make recommendations regarding other Parties' annual plan development and
177 implementation.

178

179 **3. Filings With Governmental and Regulatory Authorities**

180 3.1 Each Party shall be responsible for making filings with governmental and
181 regulatory authorities as appropriate.

182 3.2 The Parties agree that all meetings of the JIC will be duly noticed, open and
183 transcribed, and that the JIC's deliberations and all supporting documents, including any
184 minority opinions, will be a matter of public record and may be provided by any Party or any of
185 its members in any filing with governmental authorities of a standard or other issue which the
186 JIC has acted upon.

187

188 **4. Information Exchange**

189 4.1 Each Party will inform each other party each year of its projected standards
190 development, significant policy development and implementation activities for the coming year
191 and of any additional planned activity as it arises. After exchange of this information, the JIC
192 will meet to address any apparent areas of duplicate or inconsistent effort as soon as practical.

193 4.2 With respect to each particular initiative regarding an RTO or ISO policy activity,
194 or request for a standard or standard development action, each Party will promptly inform the
195 other Parties of the action, or the request in sufficient detail to convey the subject matter and
196 timeline for resolution of such action or request.

197

198 **5. Costs**

199 5.1 Each Party shall bear its own costs.

200

201 **6. Reevaluation**

202 6.1 The Parties agree to meet annually during the anniversary month of the signing of
203 this MOU to evaluate in good faith the effectiveness and efficiency of this MOU in meeting the
204 goal of coordinating the standards and policy development-related activities of the three
205 organizations and to make any appropriate revisions.

206 6.2 The Parties may also agree to revise this MOU, including the appendices, at any
207 other time as mutually agreeable.

208

209 **7. Termination**

210 7.1 Each Party may withdraw from this MOU upon 60 days' written notice to the
211 other Parties. Notification of such withdrawal should be provided to the FERC or other
212 appropriate Provincial or state regulatory authorities in North America. Prior to the withdrawal
213 becoming effective, the Parties agree to meet to discuss whether changes to this MOU would
214 address the reasons prompting the withdrawal.

215

216 **8. Miscellaneous**

217 8.1 Each Party is legally authorized to execute this MOU and to exercise the rights
218 and perform the obligations and responsibilities contained in it.

219 8.2 This MOU constitutes the entire agreement between the Parties with respect to
220 establishing a coordination process intended to avoid overlap and duplication of effort in the
221 activities of the three organizations by distinguishing ISO and RTO policy-making from the
222 setting of reliability and business practice standards supporting energy markets.

223 8.3 This MOU may be executed in counterparts each of which shall be deemed an
224 original and all of which together shall constitute one instrument.

225 8.4 None of the Parties shall be liable for any indirect, special, incidental or
226 consequential damages arising in any way from any performance or failure to perform under this
227 MOU.

228 8.5 The Parties agree that they will create a process whereby the notice of JIC
229 activities and documents are posted on a web site for public access.

230 8.6 This is an Amendment and Restatement of the Agreement dated November 30,
231 2002 between NERC and NAESB.

232 8.7 Nothing in this Agreement is intended for the benefit of third parties, and no third
233 party may claim for damages or otherwise to enforce any such benefit.

234 8.8 Nothing in this Agreement shall be construed as establishing a joint venture,
235 agency relationship, any authority of any signatory or the JIC to bind another signatory, or as
236 intending to violate the antitrust laws.

237

238

239 AGREED TO this ____th day of _____, 2003.

240

241 NORTH AMERICAN ENERGY
242 STANDARDS BOARD

NORTH AMERICAN ELECTRIC
RELIABILITY COUNCIL

243

244 By: _____

By: _____

245

246 ISO/RTO Council

247

248 By: _____

249 APPENDIX A

250 JIC Coordination Guidelines

251 The coordination guidelines for use by the JIC as a starting point, under section 2.6 of the
252 MOU, are based in part upon NERC's Functional Model⁶ and in part upon market criteria
253 developed by NAESB. As the JIC gains more experience alternative coordination guidelines
254 may be developed and used as the JIC sees fit.

255 In general, the functions identified in the functional model diagrams as "generator"
256 (whether merchant or load-affiliated), "purchasing-selling entity," "load-serving entity," "market
257 operator," "customer aggregator," and certain of the relationships and information flows of
258 "transmission service provider," "transmission owner," and "transmission operator" are
259 associated with how wholesale electric business practices and electronic communication
260 protocols are developed for use by market participants. Additionally, market criteria such as
261 product or service definitions, specifications, and compensation; prerequisites for participation in
262 market and identification of costs and funding obligations; arrangements for product and service
263 delivery to customers; creditworthiness requirements; market-related business practices; market
264 settlement practices; and communication protocols in support of market criteria should be
265 considered. Standards development proposals applicable to those functions and to the
266 relationships and information flows among those functions normally would be assigned to
267 NAESB, regardless of where the original request for the standard was filed.

268 In general, the functions identified in the functional model diagrams as "reliability
269 authority," "balancing authority," "interchange authority," "compliance monitor," "NERC," and
270 certain of the relationships and information flows of "transmission service provider,"
271 "transmission owner," and "transmission operator" are associated with the reliable operation of
272 the bulk power system. Standards development proposals applicable to those functions and to
273 the relationships and information flows among those functions normally would be assigned to
274 NERC, regardless of where the original request for the standard was filed.

⁶ A PowerPoint display of NERC's Functional Model may be downloaded at <http://www.nerc.com/~filez/fmrtg.html>. The Functional Model identifies and defines the functions, associated responsibilities, and the relationships and information flows among those functions, that are necessary for electric systems to operate reliably and for participants in wholesale electricity markets to transact business efficiently, independent of which entities perform which functions.

275 In general, the functions associated with ISO and RTO policy relate to proposals for and
276 implementation of a definite course of action selected from among alternatives that will guide
277 and determine subsequent material decisions for administering electricity markets and operating
278 regional transmission systems, with the approval of the FERC or other appropriate regulatory
279 authorities in North America. Such policy issues would normally be deferred until the FERC or
280 other appropriate regulatory authorities in North America have exercised their authority to
281 determine such policy issues.

282 Other factors that may be considered by the JIC in determining the assignment of a
283 particular standards development request to NERC or NAESB include (but are not limited to):

- 284 a. Regulatory direction to one organization or the other;
- 285 b. The priority of the proposal and the ability of either organization to take on and
286 complete the standard development in a timely manner, given its other workload; and
- 287 c. Whether the proposal includes a significant reliability compliance element.

288

289



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

MANAGING COMMITTEE REPORT

TO: Bill Boswell, NAESB Managing Committee,
Rae McQuade

FROM: Jay Costan

CC: Jim Buccigross

DATE: March 6, 2003

RE: Guidance to Executive Committee on Further Consideration of
Creditworthiness Standards

This memorandum will set forth guidelines to help the Managing Committee in developing instructions to be communicated by the NAESB Board to the Executive Committee of the Wholesale Gas Quadrant to assist in the development of standards on creditworthiness, as requested by the Federal Energy Regulatory Commission ("FERC") in mid-September 2002.

I. Background

In September 2002, the FERC issued suspension orders in two cases involving proposed creditworthiness standards to be included in interstate pipelines' tariffs. *Tennessee Gas Pipeline Co.*, 100 FERC ¶ 61,268 (2002); *Northern Natural Gas Co.*, 100 FERC ¶ 61,278 (2002). In both cases, the FERC recognized the value of generic standards on creditworthiness and urged the parties:

to initiate the standards development process at the North American Energy Standards Board (NAESB) to see whether a consensus standard can be developed for creditworthiness. By June 1, 2003, NAESB, and other parties, should file a report with the Commission indicating whether standards have been adopted, or if consensus cannot be reached, an account of its deliberations, including an outline of the standards considered, the voting records, and the reasons for the inability to reach consensus, to enable the Commission to determine whether further action is necessary.

Tennessee, 100 FERC ¶ 61,268 at P. 16.

Subsequent to the FERC's orders, the Board of Directors of NAESB directed the Executive Committee of the Wholesale Gas Quadrant to consider standards for creditworthiness, with the specific instruction that "such development should be

restricted to implementation of existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of Creditworthiness.” (Resolution adopted at September 23, 2002 NAESB Board Meeting.) This resolution was intended to incorporate the principle in Article 2, Section 2.2(b) of NAESB’s Bylaws that the “Committees . . . of NAESB should endeavor not to create policy in their standards . . . development activities absent being requested to do so by the Board.”

Subsequent to the September 23 NAESB Board Meeting, the WGQ EC commenced work on developing standards for creditworthiness, which provoked additional discussion regarding drawing the distinction between business practices and policy within the meaning of the NAESB Bylaws. In response to a report at the November 21, 2002 Board meeting, the Board again reiterated its desire that the EC confine its standards development to policies developed by the FERC or non-policy oriented aspects of creditworthiness.

In its February 20, 2003 meeting, the Wholesale Gas EC again visited the issue of standards development on creditworthiness, but reached an impasse because of the discomfort of certain members with even discussing policy-oriented aspects of creditworthiness standards. The discussion below will attempt to provide the Managing Committee and, ultimately, the EC with guidance on the transaction of business in EC meetings in instances where the EC has been directed by the Board to base standards on policy established by the FERC.

II. Discussion

The fact that the Board has directed the EC to develop standards based on “implementation of existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of creditworthiness,” does not restrict or prevent the EC from discussing the policy-oriented aspects of creditworthiness. Indeed, such discussion may be necessary in order to reach a consensus to differentiate “policy” issues from non-policy issues. In addition, based on the instructions from the Board, the EC must differentiate between policies already established by the FERC and those that have not yet been established. In an effort to respond to the FERC’s request of September 2002 to develop standards on creditworthiness, the NAESB Board has asked the EC to develop standards that will implement existing Commission policy on creditworthiness or new Commission policy after it has been ordered. Thus, provided it can reach consensus, the EC is expected to develop standards on creditworthiness, based on policies reflected in Commission orders on creditworthiness issued up through the time of the last WGQ EC meeting prior to June 1, 2003, when NAESB has been asked to submit a report to the FERC.

This is not to say that the EC’s assignment is easy and clear cut. Based only on the mid-September 2002 orders of the FERC, it was admittedly difficult to determine what, if any, creditworthiness standards could be developed, because the FERC had left unaddressed many of the policy issues raised in the pipeline filings. Since mid-September, however, the Commission has issued subsequent orders in each of the

cases that flesh out some of the policy issues and establish specific rules that pipelines must follow regarding creditworthiness provisions in their tariffs.¹ For example, in both the *Tennessee* and *Northern Natural* cases, the Commission has held that a pipeline may not require a shipper that loses its creditworthiness to post collateral equivalent to three months of charges within five business days after the shipper loses its creditworthiness. Instead, the pipeline must follow a two-step process: (i) it may require the shipper to post security sufficient to cover 30 days of expected charges within five business days of the time that the shipper loses its creditworthiness; and (ii) it may require the shipper to post collateral to secure three months of charges within 30 days after the shipper loses its creditworthiness.² *Tennessee*, 102 FERC ¶ 61,075 at P. 18 (2003); *Northern Natural*, 102 FERC ¶ 61,076 at PP. 48-49 (2003). The actions taken by the Commission in the *Tennessee* and *Northern Natural* cases in late 2002 and in January 2003 should help clarify some of the Commission's policy on creditworthiness. In accordance with FERC regulations, these orders are binding and legally effective and represent FERC policy, notwithstanding that various parties have requested rehearing. See 18 C.F.R. § 385.713(e) (a request for rehearing does not stay the Commission's final orders).

An open discussion of creditworthiness at the WGQ EC meetings will be important to further progress in the standards development effort. Such a discussion may include discourse about policy aspects of creditworthiness. **Such discussions are not forbidden by the NAESB Bylaws or by the resolutions adopted by the Board instructing the EC to take up creditworthiness standards in an effort to respond to the FERC's request.** The emphasis of the Board resolutions is that the *final work product* of the EC reflect standards or business practices that implement "existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of Creditworthiness." The Board did not mean to cut off useful discussion that would be helpful in developing such final work product and in responding to the FERC's request.

One of the specific items that NAESB has been asked to address in recent FERC orders in the *Tennessee* and *Northern Natural* cases is the amount of time that a shipper who loses creditworthiness should be allowed to post collateral to continue service on a pipeline. *Tennessee*, 102 FERC ¶ 61,075 at P. 20; *Northern Natural*, 102 FERC ¶ 61,075 at P. 51. The EC may ultimately determine that, without further guidance from the FERC, development of such a standard would involve a policy call, or it may simply not be able to reach a consensus on such a standard or it may be able to

¹ The FERC expressly acknowledged that its rulings in the individual pipeline cases would help delineate its policy on creditworthiness, which NAESB could take into account in its consideration of standards. *Tennessee*, 101 FERC ¶ 61,311 at P. 12. The Commission stated that, for present purposes, it intends to enunciate its policy on creditworthiness through case-by-case determinations rather than a generic proceeding. *Id.* at P. 13.

² The foregoing rules assume that the shipper is not in default on any payments to the pipeline. If the shipper is in default under its transportation service agreement, the pipeline may exercise its right to suspend further service and take other steps to minimize its exposure to the defaulting shipper. *Tennessee*, 102 FERC ¶ 61,075 at P. 18.

respond fully to the FERC's request. In any case, whatever the EC does can be reported to the FERC on June 1, 2003.

To summarize, although the WGQ EC has been directed to develop standards on creditworthiness based on policy developed by the FERC or on non-policy considerations, the EC is not barred from discussing the policy aspects of creditworthiness standards in its meetings in an effort to reach a consensus on standards development. The EC's ultimate work product should conform to the direction from the Board that standards on creditworthiness should implement "existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of Creditworthiness." As part of its work, the EC should respond to the FERC's request for a report by June 1, 2003 on its progress in developing creditworthiness standards. Such report, which would initially be developed by the EC and then forwarded to the Managing Committee for ultimate transmittal to the FERC, should indicate "whether standards have been adopted, or if consensus cannot be reached, an account of NAESB's deliberations, including an outline of the standards considered, the voting records, and the reasons for the inability to reach consensus, to enable the Commission to determine whether further action is necessary." *Tennessee*, 101 FERC ¶ 61,311 at P. 4.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

BALLOT



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 20, 2003**

**NAESB Board of Directors March 20, 2003 Meeting
Notational Ballot**

Vote (Y/N) Issue

Adoption of NAESB Operating Procedures

Approval of NERC/NAESB/ISO-RTO Council Memorandum of Understanding

Approval of 2003 RGQ Annual Plan as presented in these materials

Board Member's Signature:

Date:

**Please return this ballot to the NAESB Office
Fax: (713) 356-0067 or via email NAESB@aol.com
by End of Business March 19, 2003 if you are unable to attend the meeting.**