



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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

Home Page: www.naesb.org

via email and posting

TO: NAESB WEQ Inadvertent Interchange Payback Practice Task Force Meeting
Participants and Posting for Interested Parties

FROM: Rae McQuade, Executive Director

RE: Meeting May 8, 2003

DATE: April 25, 2003

Dear NAESB WEQ Inadvertent Interchange Payback Practice Task Force (IIPTF) participants,

At the Market Operations Subcommittee (MOS) meeting on January 24, it was determined to set up the IIPTF task force. As noted in the minutes of that meeting:

"Inadvertent Interchange Payback Practice Task Force: The following individuals volunteered for the task force: Mr. Weinstein, Mr. Goss, Mr. Blohm, Mr. Hobbs, Mr. Schwermann, Mr. Monroe, Mr. Hudson, Mr. Benjamin, Mr. Hartwell, Mr. Oberski, Mr. Maenner, and Ms. Ogenyi. Mr. Goss, Mr. Blohm and Mr. Hobbs have volunteered to serve as the point people for the task force.

The Inadvertent Interchange Payback Practices Task Force is charged with scoping the inadvertent interchange issues and if they determine that standards are needed, developing a standards proposal based on the scoping document. Mr. Desselle noted that while NAESB does not decide policy, a task force could frame a policy issue, or even "tee it up" for FERC consideration. Mr. Corneli suggested the task force brainstorm about the different possibilities that could be proposed or possible concepts for standards, including standards that would address the issues of good vs. bad interchanges, in-kind payback, integration of the two types of balancing authorities, the metric, and the types of transactions needed to price out inadvertent interchanges.

The Inadvertent Interchange Payback Practices Task Force set March 3 as a target date for the scoping document to allow time for review and approval by the MOS prior to the March 21 JIC meeting. To achieve that target, a task force conference call will be held in early February, followed by a task force meeting during the February Executive Committee meeting being held in New Orleans. Members of the JIC noted that while all NAESB work on inadvertent interchange will go through the JIC process, NERC has preliminarily determined inadvertent interchange was a business practices issue."

A meeting of the IIPTF is scheduled for May 8, 2003 from 9:00 a.m. to 4:00 p.m. Central in Houston, TX. A draft agenda for 5-08 is shown following. Draft minutes of the prior meeting and the draft request as approved by the Joint Interface Committee for assignment to NAESB, (and NAESB on prior actions above had assigned this work effort to the IIPTF) are posted and may be downloaded, (http://www.naesb.org/weq_market_operations.htm), from the NAESB web site. Please call the office (713-356-0060) for call-in instructions if you would like to participate and did not receive the notice of the conference calls.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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

Home Page: www.naesb.org

This, as with all NAESB meetings, is an open meeting. Mr. Goss as task force chairman will lead the call.

We look forward to your attendance.

Best Regards,
Rae McQuade

Draft Agenda

1. Welcome
 - Antitrust Guidelines
 - Welcome to attendees
 - Adoption of draft minutes from 04-29-03
2. Continue Discussion of IIPTF Issues Listed during the April 9, 2003 Meeting
3. Other Business
4. Adjourn