



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
email: naesb@naesb.org • Web Site Address: www.naesb.org

January 22, 2007
Via email

TO: NAESB WEQ Members, Managing Committee, William Boswell
FROM: Rae McQuade
RE: **REMINDER FOR MEMBER RATIFICATION OF WEQ PROCEDURES, AS AMENDED BY THE WEQ BOARD ON 12-28-06**

Dear NAESB WEQ Members,

We currently have an outstanding ratification ballot due on February 2 for WEQ members to have the opportunity to cast a vote to ratify the WEQ Board action to modify the WEQ Procedures in support of the creation of a sixth segment -- the independent grid operators/planners. So far, we have had 49 members cast votes (see below). For your convenience, I have attached the ballot to this reminder which can be emailed or faxed to the office, or you can also vote by replying to email that accompanied this document.

To date, we do not have ballots from a number of our WEQ members. While I know that the deadline for casting votes has not yet arrived, I thought that a reminder might be timely as February 2 approaches. This is an important structural issue for the WEQ and we would appreciate your input via a vote -- to support, oppose or abstain from the WEQ Board action. Our records show that the members noted below have not cast votes. If our records are incorrect, please notify the office and we will take immediate corrective action.

We want to thank you for your continued interest and membership in NAESB. We have an exciting year ahead of us for 2007 - with many important issues identified for consideration. Your participation is key to our continued success as a standards organization --

With best regards,

Rae

Rae McQuade, President, NAESB
1301 Fannin, Suite 2350, Houston, Texas 77002
713-356-0060 (phone), 713-356-0067 (fax), 281-830-7406 (cell), www.naesb.org (web)

MEMBERS WHO HAVE VOTED

Company Name	Key Contact Casting a Vote
Alabama Electric Cooperative, Inc.	William Ronald Graham
Allegheny Energy, Inc.	Terri Grabiak
American Municipal Power - Ohio, Inc.	Chris Norton
American Transmission Company LLC	Julie Voeck
Bonneville Power Administration	Sydney D. Berwager
Bonneville Power Administration	Barbara Rehman
Comprehensive Energy Services	Jim Templeton
Consumers Energy Company	Andrew C. Dotterweich
Department of the Interior, US Bureau of Reclamation	Deborah M. Linke
Deseret Generation & Transmission Co-operative	Curtis Winterfeld



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MEMBERS WHO HAVE VOTED

Company Name	Key Contact Casting a Vote
Dominion Energy Marketing, Inc.	Louis Oberski
Electric Power Supply Association	Mark Bennett
ElectriCities of North Carolina	Gregory Locke
Electricity Consumers Resource Council (ELCON)	John Anderson
Energy East Management Corporation	Marjorie Perlman
Entergy Services, Inc.	Edward J. Davis
Exelon Corporation - PECO Energy	John McCawley
Florida Municipal Power Agency	Steven H. McElhaney
Florida Reliability Coordinating Council	Linda D. Campbell
Georgia Transmission Corporation	Patrick McGovern
Indiana Municipal Power Agency	Dick Foltz
Navigant Consulting, Inc.	Richard G. Smead
New York State Dept. of Public Service	William Heinrich
North Carolina Electric Municipal Power Agency #1	Clay A. Norris
Ontario Power Generation	Barry Green
Open Access Technology International, Inc.	Paul R. Sorenson
Otter Tail Power Company	Daryl Hanson, Larry Larson
PPL Electric Utilities Corporation	Ray Mammarella
PSEG Energy Resources and Trade LLC	James D. Hebson
PSEG Power LLC	Thomas M. Piascik
Public Service Electric and Gas Company	Colin J. Loxley
Public Service Electric and Gas Company	Jeffrey C. Mueller
Puget Sound Energy, Inc.	Bob Harshbarger
Sacramento Municipal Utility District	Robert D. Schwermann
Salt River Project Agricultural Improvement and Power District	Mark S. Mitchell
Salt River Project Agricultural Improvement and Power District	Steve Cobb
South Carolina Electric & Gas Company	S. Porcher Stoney
Southern Company Services, Inc.	John Lucas
Southern Company Services, Inc.	Joel Dison
Southwest Power Pool	Michael Desselle
Southwest Transmission Cooperative, Inc.	Larry D. Huff
Southwestern Power Administration	Stanley L. Mason
Tennessee Valley Authority	Kathy York
TXU Energy	Mike Grim
Vermont Public Power Supply Authority	William J. Gallagher
We Energies (Wisconsin Electric)	Linda Horn
We Energies (Wisconsin Electric)	James R. Keller



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MEMBERS WHO HAVE VOTED

Company Name	Key Contact Casting a Vote
Western Electricity Coordinating Council (WECC)	Michael Wells
Williams Power Company	Ron Mucci

MEMBERS WHO HAVE NOT VOTED

Company Name	Key Contact Receiving a Ballot
ACES Power Marketing LLC	Roy J. True
Ameren Services	Shawn Schukar
American Electric Power Service Corp.	Barbara Radous, Joseph Hartsoe, Phil Cox
American Public Power Association	Allen Mosher
Arizona Public Service Company	Mark W. Hackney
Basin Electric Power Cooperative	Jason Doerr
Basin Electric Power Cooperative	David Raatz
Basin Electric Power Cooperative	Dan Klempel
Bonneville Power Administration	Francis Halpin
Bonneville Power Administration	Brenda Anderson
BP America Inc.	Jeanne Zaiontz
California Department of Water Resources	William (Bill) Forsythe
Central Electric Power Cooperative	Arthur Fusco
ChevronTexaco Energy Research and Technology	Carol Guthrie
Cleco Power, LOC	Cindy Guillot
Conectiv Energy Supply, Inc.	Gloria Ogenyi, Paul Dwyer
Conectiv Energy Supply, Inc.	Gloria Ogenyi, Paul Dwyer
Consolidated Edison Company of New York, Inc.	Scott Butler
Constellation Generation Group	Michael Gildea
Coral Power, LLC	Robert Reilley
Dairyland Power Cooperative	Chuck Callies
Duke Energy Americas, LLC (DEA)	Walt Yeager
Duke Energy Corp.	Ollie Frazier
Dynegy Power Marketing, Inc.	Barry Huddleston
Edison Electric Institute	David Owens, Dave Dworzak
Edison Mission Marketing & Trading, Inc.	William Roberts
Electric Reliability Council of Texas (ERCOT)	Sam R. Jones, Ray Giuliani
Empire District Electric Company, The	Bary K. Warren
Exelon Generation - Power Team	Jack Crowley
ExxonMobil Gas Marketing	Steve Sayuk, Mark Scheel, Mark Ulrich
First Energy Service Company	Robert M. Martinko, Thomas C. Burgess
FirstEnergy Solutions Corp.	Edward C. Stein



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MEMBERS WHO HAVE NOT VOTED

Company Name	Key Contact Receiving a Ballot
Florida Municipal Power Agency	Robert C. Williams
Florida Power & Light Company	Gerry Yupp, Raleigh Nobles
Florida Power & Light Company	Marty Mennes
Hydro One Networks	Mark Graham
Hydro - Quebec Transenergie	Victor Bissonnette
Idaho Power Company	Tessia Park
Imperial Irrigation District	Kim M. Kiener, Frank M. Barbera
Imperial Irrigation District	Juan Carlos Sandoval, Javier Esparza
Maryland People's Counsel	Mike Tomczak
Michigan Electric Transmission Company LLC	Charles V. Waits
Michigan Public Power Agency	James R. Nickel, Daniel E. Cooper
MidAmerican Energy Company	Norman B. Stratton
Midwest Independent Transmission System Operator	William (Bill) Phillips
Midwest Reliability Organization	Daniel P. Skaar
Missouri River Energy Services	Brian Zavesky
Modesto Irrigation District	Roger Van Hoy
National Association of Regulatory Utility Commissioners	Lou Ann Westerfield
National Rural Electric Cooperative Assoc.	Barry Lawson
New York State Reliability Council	P. Donald Raymond
North American Electric Reliability Council (NERC)	Donald M. Benjamin, Larry Kezele, Tom Vandervort
North Carolina Electric Membership Corporation	David Beam
North Carolina Electric Municipal Power Agency #1	Andrew Fusco
Northeast Utilities Service Company	David Boguslawski, Calvin A. Bowie
Ohio Consumers Council	Randy Corbin
Ontario Power Generation	Renzo Marcuzzi
Open Access Technology International, Inc.	Kevin Burns
PacifiCorp	Greg Maxfield
PacifiCorp	Edison G. Elizeh
PacifiCorp	Brian Weber
PHI Power Delivery	Ken Gates
Platte River Power Authority	Terry L. Baker
Portland General Electric	Terri Peschka
Powerex Corp.	Michael L. McWilliams, Sharole Tylor
Progress Energy	Verne Ingersoll, Phillip W. Lewis
Progress Energy (Regulated)	James Eckelkamp
Qualedi, Inc	Stephen A. Morocco
Reliant Energy Services	Gary A. Hanners



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MEMBERS WHO HAVE NOT VOTED

Company Name	Key Contact Receiving a Ballot
Sacramento Municipal Utility District	Thomas Ingwers
Salt River Project Agricultural Improvement and Power District	Wendy Weathers, Mark B. Bonsall
Seminole Electric Cooperative, Inc.	Lane Mahaffey
Sierra Pacific Resources	Patricia Englin
South Carolina Electric & Gas Company	Kevin Spitzform
Southeastern Power Administration	Bob Goss
Southern California Edison	Weston Williams
Southern California Edison Company	Thomas Watson
Southern Company Services, Inc.	Gary Rozier, Mark Crosswhite, Greg Butrus
Southern Company Services, Inc.	John Ciza
SUEZ Energy Marketing NA, Inc.	Ken Lackey, Cesar Seymour
Tenaska, Inc.	Scott Helyer
Tennessee Valley Authority	Cindy Herron, CH Asst. (Dawn Arnorld)
Tennessee Valley Authority	Clyde Harmon
Tennessee Valley Authority	W. Terry Boston
TRANS-ELECT, INC.	Paul D. McCoy
Tri-State Generation and Transmission Association, Inc.	Bruce Sembrick
TXU Electric Delivery	Ellis Rankin, Debbie McKeever
Western Area Power Administration	Jeffrey Ackerman
Western Area Power Administration	Mark Fidrych
Wisconsin Public Power Inc.	Mike Stuart
Wisconsin Public Service Corporation	William Bourbonnais, Charles W. Severance, Neal Balu
Xcel Energy Inc.	David Lemmons



**ATTACHED BALLOT
DUE FEBRUARY 2, 2007**

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January 2, 2007
Via email

TO: NAESB WEQ Members
FROM: Rae McQuade
RE: **MEMBER RATIFICATION OF WEQ PROCEDURES, AS AMENDED BY THE WEQ BOARD ON 12-28-06**

Dear WEQ Members,

The NAESB WEQ Board of Directors voted in support of the WEQ drafting collaborative¹ amendments to the WEQ Procedures² to support the creation of a sixth segment -- Independent Grid Operator/Planners (the redlined procedures approved by the WEQ Board can be found in the following link: http://www.naesb.org/pdf2/weq_bd112806a1.doc and are provided in this document as attachment B). The amendments have been reviewed by Bill Boswell, our General Counsel, and he did not find them to be inconsistent with our existing bylaws or certificate.

To effect these changes, Section 18 of the WEQ Procedures will be followed (see Attachment A). The procedures outline the following steps, each of which must pass before proceeding to the next step:

- ✓ 1. Receive a request to change the WEQ procedures
- ✓ 2. WEQ Drafting Collaborative modifies the procedures and votes to forward them to the WEQ Board for vote
- ✓ 3. The WEQ Board members vote notationally on the drafted amendments to the WEQ Procedures
- 4. The WEQ members vote notationally to ratify the amendments

We are now on step 4. You are asked to review the amendments and vote to ratify the Board decision by indicating support, opposition, or abstaining within the next 30 days. The ballots should be returned to the NAESB office either through email in reply to this message (or to emails: ythomason@naesb.org, naesb@naesb.org) or via fax (713-356-0067) by **February 2**.

The NAESB WEQ members listed as primary voting members can be found on the web site at the following link: <http://www.naesb.org/pdf/memstats.pdf> under the category for the Wholesale Electric Quadrant. To be eligible to vote, you must be a member of the wholesale electric quadrant of NAESB in good standing.

Best Regards,

Rae

Rae McQuade, NAESB President

¹ The notes from the 11-28-06 conference call are posted on the NAESB web site at the following address: http://www.naesb.org/pdf2/weq_bd112806mn.doc.

² The redlined amendments proposed by the WEQ Drafting Collaborative are posted on the NAESB web site at the following address: http://www.naesb.org/pdf2/weq_bd112806a1.doc



**ATTACHED BALLOT
DUE FEBRUARY 2, 2007**

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**NAESB Wholesale Electric Quadrant Member Ratification Ballot
Due February 2, 2007 (Fax 713-356-0067, email vthomason@naesb.org)**

The WEQ Board endorses the following actions:

Given that:

(1) The leadership of the ISOs and RTOs fully support the four conditions outlined by the NAESB Board Named Committee on August 24, as shown below:

If the following four conditions are met, the Board Committee supports the creation of a sixth segment in the WEQ Quadrant: Independent Grid Operators/Planners, to be composed of ISOs, RTOs and other independent grid operators - with no subsegments defined at this time. The sixth segment will have 7 Board seats and 7 EC seats, as required by the NAESB bylaws. The conditions to be met are: (a) the IRC and NAESB support the dissolution of the JIC and will pursue such action with NERC, (b) the creation of the new segment will comply fully with the WEQ subsegment principles as noted in Section 2.4 on the WEQ Procedure, (c) the "At Large" subsegment in the other five segments will be redefined to exclude the ISOs, RTOs and other independent grid operators and planners, and (d) the nine IRC members will join NAESB as members and commit resources to the development of NAESB business practices.

And

(2) The organizations that would populate the new segment would not be present in any other segment of the WEQ,

Then:

The WEQ Board members support the amendments proposed by the WEQ Drafting Collaborative to the WEQ Procedures to create a sixth segment "Independent Grid Operators/Planners" defined as "Any entity in North America authorized by an appropriate governmental authority to operate as a regional transmission organization, independent system operator, independent tariff administrator or independent planning entity and which does not have a business or financial interest in any other WEQ segment." The redlined amended procedures are attached (Attachment B).

WEQ MEMBER ACTION REQUESTED:

As a NAESB WEQ Member, I support and ratify the decision of the WEQ Board to support and enact the amendments proposed by the WEQ Drafting Collaborative to the WEQ Procedures as shown in redline format attached.:

- YES
- NO
- ABSTAIN

Signature: _____

Date: _____



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To effect changes in the WEQ Procedures, Section 18 governs amendments:

18 Amendments

- 18.1** Any interested party may request a change to the WEQ Procedures by forwarding a request in writing to the NAESB Office.
- 18.2** The WEQ Procedures Drafting Collaborative Task Force is charged with drafting amendments to the quadrant procedures. The changes will be reviewed by NAESB Counsel to ensure that the amendments are not inconsistent with the organization's certificate and bylaws. After such assessment, the procedures will be reviewed for adoption by the WEQ membership. The NAESB Office will forward proposed amendments with a notational ballot to all WEQ Board members. The notational balloting period shall be 30 days. For the amendments to be adopted, 75% affirmative vote of the WEQ Board members with a minimum of 40% affirmative vote from each segment will be required. After the WEQ Board vote is taken and passes, the amendments must also be ratified by WEQ membership. For the amendments to be ratified, a minimum of 75% of the WEQ members returning ballots should vote affirmatively.
- 18.3** The foregoing notwithstanding, any actions taken under Section(s) 2.4, 7.5, or 10.5c of the WEQ Procedures shall be approved only in accordance with the provisions set forth in those Section(s); once so approved, such actions shall not be subject to, or require, any other or additional consideration under Section 18 of the WEQ Procedures.