**via posting**

**TO:** NAESB Board Gas-Electric Harmonization Committee Members and posting for interested industry parties

**FROM:** Jonathan Booe, Vice President, NAESB

**RE:** Meeting Notes from theNAESB Board Gas-Electric Harmonization Committee Conference Call - March 27, 2014

**DATE:** March 31, 2014

Dear Gas-Electric Harmonization Committee Members,

A Gas-Electric Harmonization Committee conference call was held on March 27, 2014. The meeting was called to order at 9:00 am Central. Ms. Crockett and Ms. Tierney presided over the meeting. The notes and attachments below serve as a record for the meeting.

| **Notes from the March 27, 2014 NAESB Board Gas-Electric Harmonization Committee Conference Call** | |
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| **Administrative:** | Ms. McQuade welcomed the participants on the phone and thanked Mr. Desselle, Ms. Crockett and Ms. Tierney for organizing the meeting and the trade associations for their support. Mr. Desselle reviewed the history of the committee over the last ten years and noted that the last activity was the development of the Gas-Electric Harmonization Report adopted in September 2012, which requested policy guidance on a number of identified issues. He stated that he would like the committee to serve as the forum where alternative proposals to the standards modifications included in the Notice of Proposed Rulemaking (NOPR) issued by the Commission can be discussed and recommended to the Board if consensus is reached. He also stated that the committee should recommend that the Board move the provisional WEQ and WGQ 2014 Annual Plan items resulting from the 2012 report to active status and direct the WGQ Business Practice Subcommittee (BPS) through the WGQ Executive Committee to begin identifying the current NAESB standards that would need to be modified should the Commission act on the proposals of the NOPR.  Ms. Crockett thanked Mr. Desselle for the introduction and asked Mr. Booe to provide the anti-trust guidance and call the roll of the committee. Mr. Booe provided the guidance and quorum was established. Ms. Crockett reviewed the agenda with the participants and asked for any modifications. None were offered. Mr. Desselle moved to adopt the agenda as proposed and Mr. Lander seconded the motion. The motion passed without opposition. |
| **Discussion** | Mr. Desselle reviewed his letter to the committee and noted that any action taken by the committee could be reviewed by the Board of Directors during their April 3, 2014 meeting. He moved to make a recommendation to the Board to change the related Gas-Electric Harmonization provisional annual plan items from provisional status to active and to direct the WGQ Executive Committee to investigate the standards that would need to be modified should the Commission adopt the proposals of the NOPR. Ms. Crockett opened the floor for discussion.  Mr. Kruse stated that he would like to better understand the intentions of the committee before voting on a motion to make a recommendation to the Board of Directors. He stated that he understood the NOPR to give NAESB 180 days to seek consensus on an alternative proposal and develop conforming standards through the NAESB process. If consensus cannot be reached on an alternative and standards are not developed, NAESB has 90 days from the issuance of the Final Order to develop standards that support the proposal in the NOPR. Mr. Goldenberg confirmed Mr. Kruse’s interpretation of the NOPR, and noted that the Commission is expecting finalized standards from NAESB if consensus can be reached on an alternative proposal. Ms. Crockett stated that NAESB needs to address the NOPR in two pieces by having the committee discuss the development of a consensus alternative proposal that can be recommended to the Board of Directors and potentially vetted through the standards development process, and, at the same time, have the WGQ Executive Committee, through the BPS, identify the standards modifications that would need to be made to support the proposal in the NOPR. Mr. Lander reiterated that developing consensus on an alternative proposal should be the primary purpose of the committee. Mr. Stanzione noted the BPS will need some time to develop the actual standards if consensus can be reached by the committee, and recommended that the participants develop a timeline. Mr. Stultz stated that he is not opposed to the motion offered by Mr. Desselle but recommended that the group clarify the direction to the WGQ Executive Committee by limiting their scope to only identifying standards that would need to be modified in the event that action would be needed in support of the proposed changes in the NOPR. Mr. Desselle stated that he supports Mr. Stultz’s statement and that was the intention of his motion. He stated that the WGQ Executive Committee would not vote on a recommendation at this time. Ms. Bagot asked if the committee would be the group responsible for considering consensus positions. Mr. Desselle responded affirmatively, that the committee should serve as forum for the discussions on alternative proposals. Mr. Buccigross asked if the direction the WGQ Executive Committee is to have the BPS identify the standards that would need to be changed in response to the proposal of the NOPR or to develop a redline recommendation that would not be voted out of BPS at this time. Mr. Stultz stated that he understood the motion to be limited to identifying the standards that would need to be modified, but that he anticipated a follow-up motion concerning a recommendation. Mr. Desselle confirmed his intention is to only identify standards at this time. Mr. Lander seconded Mr. Desselle’s motion. Mr. Field noted that the repercussions of the proposed modifications to the gas day and nomination periods contained in the NOPR will likely impact many other standards. Ms. McQuade supported Mr. Field’s statement. Ms. Silberstein asked if changing the status of the provisional annual plan items to active would preclude any comments or alternate proposals from being considered. Ms. Crockett responded that it would not and asked if there was any opposition to the motion on the table. The motion passed without opposition.  Ms. Bloodworth thanked NAESB for the opportunity to participate and expressed her support of the direction of the motion. Mr. Young stated that he also supports the direction of the motion, but has concerns about the limited time for making standards modifications. Mr. Pauley also stated his support for the initiative by NAESB and stated that clarity on the issue is needed from the states’ perspective.  Next, Ms. Crockett asked how much time trade organizations and others that would like to bring alternative proposals to NAESB for consideration would need to prepare presentations. Mr. Stanzione stated that he is more concerned with the amount of time the committee is going to allot for the consideration of alternate proposals and recommended that the timeline for the development of NAESB standards be considered. Mr. Lander stated that when the Gas Industry Standards Board (GISB) addressed the issue in 1996 there was a similar deadline and that the organization divided it’s time equally between consensus on conceptual discussions and the actual standards development. He also noted the open voting practices of GISB, regardless of membership, and how that helped define the consensus product. Ms. Tierney stated that Ms. Crockett was seeking input on the amount of time that participants would need to develop presentations on alternate proposals.  Mr. Kruse asked how the committee would determine if there is consensus on a given proposal, as the request from FERC is a little different than those typically made. Mr. Desselle stated that his intention was to have the committee serve as forum for finding consensus positions and have the members serve as leaders of the effort. Mr. Kruse asked if it would be the committee that would make the decision concerning consensus on an alternative. Mr. Desselle responded affirmatively. Mr. Kirby stated that the standards that would be developed in support of the alternative would have to be developed by the Executive Committee(s) according to the NAESB process. Ms. Bagot asked how participation by stakeholders that are not on the committee would be facilitated. Ms. Crockett stated that participation through the committee is open to all interested parties. Mr. Lander stated that when the original standards were developed, the process for consensus developed over time and proposals were considered through two votes. A simple majority vote was taken with one vote per company and then a balanced vote weighing the positions of each industry segment was taken, so that a better sense of everyone’s position was captured in the record. Mr. Soto stated that he has concerns regarding the governance process as it has been described and that it needs to be clearly defined. Ms. Crockett stated that the committee’s purpose is to provide the Board of Directors with a recommended direction that can be used to give guidance to the Executive Committee(s) developing standards. Mr. Lander stated that the NAESB process allows for open voting by all interested parties regardless of membership and that every party’s interest will be considered and recorded. Mr. Kruse supported Mr. Lander’s comments and reminded the participants that all standards development is ultimately run through the Executive Committee(s) process and that there must be consensus at that level on the proposed standards in order for any alternatives to be presented to the Commission.  Mr. Kirby asked if there will be the need for a special Board of Directors meeting to give direction to the Executive Committee(s) given the limited timeline. Mr. Stanzione stated that the project should be put on a fast track and that the time for discussing presentations and alternative proposals should be limited to 60 days. Mr. Lander stated that 60 days may be too long and suggested that all parties interested in making a presentation should notify the NAESB office within the next few days. Ms. Wiggins asked how a recommendation from this committee would be moved to the next step in the process. Mr. Desselle stated that committee could employee the NAESB balanced voting rules to make determinations on proposals. Ms. Crockett noted that all parties, despite membership status, are allowed to vote through the balanced voting procedures. Mr. Smead expressed his support for having all decisions made by the committee to be presented to the Board. Mr. Parker noted that committee representation is not parallel to that of the Executive Committee(s) and supported Mr. Kruse’s statement about the Executive Committee(s) authority over the standards development activity. Ms. Ginsberg stated that it would be helpful to have the balanced voting procedures and segment structure reviewed with the participants. Mr. Lander made a motion, seconded and rephrased by Mr. Desselle, that the process that will be used for the development of consensus is proposed as follows. (1) All industry interested parties are invited to attend; (2) individual companies will have one vote; and (3) simple majority balanced voting will be used to determine consensus in compliance with the NAESB procedures for balanced voting in committees. Mr. Stultz recommended that the trade associations and other participants have an opportunity to circulate the proposed process with a broader community before taking action. Mr. Frost asked if the recommendation, if adopted by the committee, would go to the Board of Directors. Mr. Kirby stated that the recommendations of the committee should be approved by the Board. Mr. Soto thanked the committee for allowing AGA’s participation but stated that on behalf of AGA, he would have to abstain from any voting. He also offered AGA’s office as possible location for the first meeting. Mr. Stanzione stated that he is in support of Mr. Soto’s and Mr. Stultz’s recommendation and moved that the issued be table and that another meeting be scheduled in three days to continue discussions and make any decisions. The participants supported his recommendation. |
| **Other Business** | No other business was discussed. |
| **Adjourn:** | The meeting was adjourned at 11:39 am Central. |
| **Work Papers Provided for the Meeting:** | **Meeting Related Documents:**   * Announcement and Agenda: <http://www.naesb.org/pdf4/geh032714a.docx> * Antitrust Guidance and Other Meeting Policies: <http://www.naesb.org/misc/antitrust_guidance.doc> * Correspondence from M. Desselle, NAESB Chairman to the GEH: <http://www.naesb.org/pdf4/correspondence_mdesselle_032514_geh.pdf> |

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| **Notes from the March 27, 2014 NAESB Board Gas-Electric Harmonization Committee Conference Call**  **GAS-ELECTRIC HARMONIZATION COMMITTEE** | | |
| **Name** | **Organization** | |
| Jim Buccigross | 8760 Inc. |
| Craig Colombo | Dominion Resources |
| Valerie Crockett *(Co-Chair)* | Tennessee Valley Authority |
| Michael Desselle | Southwest Power Pool |
| Katie Elder | Aspen Environmental Group |
| Lisa Epifani | Van Ness Feldman |
| Douglas Field | Southern Star Central Gas Pipeline |
| Christopher Freitas | US Department of Energy |
| Bob Gee | Gee Strategies Group, LLC |
| Michael Gent | Open Access Technology International, Inc. |
| Michael Goldenberg | Federal Energy Regulatory Commission– non voting |
| Joseph Hartsoe | American Electric Power Service Corp. |
| Kevin Kirby | ISO New England, Inc. |
| Richard Kruse | Spectra Energy Corp |
| Gregory Lander | Skipping Stone, LLC |
| Wayne Moore | Southern Company Services, Inc. |
| Joelle Ogg | DC Energy |
| Randy Parker | ExxonMobil Gas and Power Marketing Company |
| Keith Sappenfield | Natural Resource Group, LLC |
| Pam Silberstein | National Rural Electric Cooperative Association (NRECA) |
| Rick Smead | RBN Energy LLC |
| James A. Stanzione | National Grid |
| Mark Stultz | BP Energy |
| Terence (Terry) Thorn | KEMA Gas Consulting Services |
| Sue Tierney *(Co-Chair)* | Analysis Group, Inc. |
| **OTHER ATTENDEES** | | |
| **Name** | **Organization** | |
| Steve Abbey | Anadarko Petroleum Corporation | |
| Nancy Bagot | EPSA | |
| Michelle Bloodworth | ANGA | |
| Jonathan Booe | NAESB | |
| Tina Burnett | The Boeing Company | |
| Tom Carlson | Arizona Public Service Company | |
| Andrea Chambers | Progress Gas Consumers Group | |
| David Crabtree | TECO/Peoples Gas System | |
| Rhonda Denton | BP Energy | |
| Anna Fernandez | Federal Energy Regulatory Commission | |
| Jim Fort | The Energy Authority | |
| Pete Frost | ConocoPhillips Company | |
| Susan Ginsberg | IPAA | |
| Bret Griffin | MEAG Power | |
| Chris Hargett | Consolidated Edison Company of New York, Inc. | |
| Bob Harshbarger | Puget Sound Energy, Inc. | |
| Marie Knox | MISO | |
| Frank Koza | PJM Interconnection | |
| Katie Leesman | Ballard Spahr LLP | |
| Valerie Lemmie | EISPC | |
| Shelly Lyser | Consolidated Edison Company of New York | |
| Kathleen Magruder | BP Energy Company | |
| Steve McCord | Columbia Gas Transmission Corporation | |
| Paul McCurley | NRECA | |
| Rae McQuade | NAESB | |
| Sherri Monteith | American Electric Power | |
| David Nilsson | Power Costs Inc. | |
| Gene Nowak | Kinder Morgan | |
| Lou Oberski | Dominion Resources Services, Inc. | |
| Eleanor Padilla | Arizona Public Service Company | |
| Lopa Parikh | EEI | |
| Bob Pauley | Indiana Utility Regulatory Commission | |
| Lori-Lynn Pennock, | Salt River Project | |
| Perry Pergola | Vectren | |
| Don Peterson | PG&E | |
| Norman Petersen | Hanna and Morton LLP | |
| Phil Precht | Baltimore Gas & Electric Co. | |
| Tom Roth | Roth Energy Company | |
| Steve Salese | Hess | |
| Anita Schafer | Duke Energy Corp. | |
| Ben Schoene | ConocoPhillips Company | |
| Dave Schryver | APGA | |
| Lisa Simpkins | Exelon Generation Company, LLC | |
| Ed Skiba | MISO | |
| Erik Soreng | PacifiCorp | |
| Andrew Soto | AGA | |
| Caitlin Tweed | Bracewell & Giuliani | |
| Betty Wall | Williams | |
| Alonzo Weaver | Memphis Light, Gas & Water Division (APGA) | |
| Dena Wiggins | NGSA | |
| Carolyn Wozniak | Federal Energy Regulatory Commission | |
| Randy Young | Boardwalk Pipeline Partners, LP | |

\*Please note that attendees that did not provide their company affiliation are not included in the attendance list above. If you did attend this meeting and are not listed, please alert the NAESB office and we will update this record.