



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

TO: NAESB Board of Directors, Posting for Interested Industry Participants
FROM: Meghan McMillan, NAESB Staff
RE: Final 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

Final 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 task 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 stated that the office would pass these comments along as 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 Procario	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						
REQ:		PRESENT	V1	V2	V3	V4	V5	V6



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BOARD ATTENDANCE AND VOTING RECORD		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						
Ted Humann	Basin Electric Power Cooperative	Yes	Y	Y	Y	Y	Y	Y



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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 Desselle	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								
Matthew Parsell	Indiana Office of Utility Consumer	Ballot	Y	Y	Y	Y	Y	Y



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BOARD ATTENDANCE AND VOTING RECORD		PRESENT	V1	V2	V3	V4	V5	V6
Counselor								
VACANCY		Vacancy						
VACANCY		Vacancy						
VACANCY		Vacancy						
VACANCY		Vacancy						
VACANCY		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
VACANCY		Vacancy						
SUPPLIER SEGMENT								
Randy Magnani	Amerada Hess Corporation	Absent						
VACANCY		Vacancy						
VACANCY		Vacancy						
VACANCY		Vacancy						
VACANCY		Vacancy						
VACANCY		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

Observers to the Meeting:

Arnaout, Mariam	AGA	Phone
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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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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 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.