



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 18, 2004**

**North American Energy Standards Board
Board of Directors Meeting
March 18, 2004**



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**NORTH AMERICAN ENERGY STANDARDS BOARD
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MARCH 18, 2004**

TAB 1

This section includes:

- Welcome and opening remarks including meeting specifics.
- The roster of the members of the Board of Directors.
- Antitrust guidelines to be covered by General Counsel Bill Boswell at the beginning of the meeting.
- The meeting announcement and agenda, for which a vote will be called to adopt the agenda. The vote is a simple majority vote.
- The draft minutes of December 4, 2003, for which a vote will be called to adopt the minutes.

This section tracks with agenda item 1. The Board will review and adopt the agenda and the draft minutes of December 4, 2003.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 18, 2004**

WELCOME AND OPENING REMARKS

- The meeting specifics are:

WHERE: Houston Airport Marriott Hotel
18700 John F. Kennedy Boulevard
Houston, Texas 77032
Hotel Phone: 281-443-2310

WHEN: Thursday, March 18, 2004
9:00 a.m. to 12:30 p.m. Central

Please feel free to call (713-356-0060) if you have any questions or comments, additions to the agenda, or additional meeting materials. 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:

Leonard Haynes	- Chairman
Michael Desselle	- Vice Chairman Wholesale Electric Quadrant
Mark Maassel	- Vice Chairman Retail Gas Quadrant
Joe Stepenovitch	- Vice Chairman Wholesale Gas Quadrant
Rae McQuade	- Executive Director

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 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:
Tim Kelley	Vice President Energy Services and Regulation, Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company	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	Executive Vice President, Enbridge Energy	Dec 31, 2004
John Somerhalder	President, El Paso Energy Pipeline Group	Dec 31, 2004
Shelley Corman	Senior Vice President & Chief Commercial Officer - Transwestern Pipeline, Enron Transportation Services Company	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
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	Dec 31, 2005
VACANCY	VACANCY	Dec 31, 2004
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Dec 31, 2005
SERVICES SEGMENT		TERM END:
VACANCY	VACANCY	Dec 31, 2004
VACANCY	VACANCY	Dec 31, 2004
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	Dec 31, 2005
Lyn Maddox	President & CEO, Prospect Energy	Dec 31, 2005
G. William Hebenstreit	Vice President Contract Services, El Paso Merchant Energy	Dec 31, 2005

OFFICERS: Leonard Haynes is CEO and 2003 chairman of the Board of Directors. Rae McQuade as Executive Director serves as Secretary and COO. Michael Desselle is the WEQ Vice Chairman. Mark Maassel is the RGQ Vice Chairman. Joe Stepenovitch is the WGQ Vice Chairman.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 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, WPS Resources 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
Bryan Anderson	Capital Partner, Foley & Lardner	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 Wood	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:
Brian Landrum	President, Reliant Energy Retail Services	Dec 31, 2005
Jason Woodward	Director of Business Services, Tractebel Energy Services, Inc.	Dec 31, 2005
David McMillan	Vice President of Government and Regulatory Affairs, Green Mountain Energy	Dec 31, 2004
Richard Zelenko	General Manager, Dominion Retail Inc.	Dec 31, 2004

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 BOARD TERMS – Wholesale Electric Quadrant

END USER SEGMENT		TERM END:
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	Dec 31, 2005
V A C A N C Y	To be filled from the Large Industrials Sub-Segment	Dec 31, 2004
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Dec 31, 2004
Patricia Smith	People's Counsel, Maryland People's Counsel	Dec 31, 2005
Ron Jackups	Vice President, Electric System Operations, Cinergy	Dec 31, 2005
Thomas Dunleavy	Commissioner, New York Public Service Commission	Dec 31, 2004
DISTRIBUTION/LSE SEGMENT		TERM END:
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Dec 31, 2005
Jim Miller	Vice President & General Counsel, Southern Company Services Inc.	Dec 31, 2004
V A C A N C Y	To be filled from the Muni/Coop Sub-Segment	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
Dennis Sobieski	Managing Director – Business Development, PSEG Power	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 – Transmission/Power Supply Group, Tennessee Valley Authority	Dec 31, 2004
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	Dec 31, 2005
Paul McCoy	Executive Vice President of Transmission System Operations, Trans-Elect	Dec 31, 2004
Carroll Waggoner	Sr. Manager Transmission Policy, Sunflower Electric Power Corporation	Dec 31, 2005
John H. Zemanek	Vice President Transmission, Entergy Services, Inc.	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
V A C A N C Y	To be filled by the Non-IOU Affiliated Sub-segment	Dec 31, 2005
Michael Grim	Director of North American Market Development – Public Policy Division, TXU Energy	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 2004 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, 2005
Mark T. Maassel	President, Northern Indiana Public Service Company (NiSource, Inc.)	Dec 31, 2004
Paul J. Szykman	Manager - Rates & Strategic Planning, UGI Utilities, Inc.	Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2004

END USERS SEGMENT		TERM END:
Matthew G. Parsell	Assistant Director, Natural Gas Division, Indiana Office of Utility Consumer Counselor	Dec 31, 2004
Tina Burnett	Chair, Northwest Industrial Gas Users Association	Dec 31, 2004
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
V A C A N C Y		Dec 31, 2005

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, 2005
Greg Lander	Principal, CapacityCenter.com	Dec 31, 2005
Richard J. Rudden	President & CEO, R. J. Rudden Associates, Inc.	Dec 31, 2005
V A C A N C Y		Dec 31, 2004

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, 2004
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, 2005



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 18, 2004**

ANTITRUST GUIDELINES

- The following guidelines will be reviewed by counsel at the meeting. The meeting will be monitored, transcribed, and minutes will be taken. The guidelines are as follows:

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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March 4, 2003

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Meeting Announcement for the NAESB Board Meeting – March 18, 2003

Dear Board Members,

The March Board meeting will be held in Houston at the Houston Airport Marriott Hotel, which is located adjacent to the George Bush Intercontinental Airport. The specifics of the meeting are:

Where: Houston Airport Marriott Hotel
18700 John F. Kennedy Boulevard
Houston, TX 77032
Hotel Phone: 281-443-2310

When: Thursday, March 18
9:00 a.m. to 12:30 p.m. Central

We look forward to seeing you at the meeting. Conference calling will be available should you be unable to attend in person. The agenda is attached and meeting materials should be prepared for you shortly. A lunch is provided following the meeting.

Best Regards,

Rae McQuade
NAESB Executive Director & COO



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NORTH AMERICAN ENERGY STANDARDS BOARD OF DIRECTORS MEETING Houston Airport Marriott Hotel, Houston, Texas

**Thursday, March 18 – 9:00 a.m. to 12:30 pm Central
DRAFT AGENDA**

- 9:00 a.m. 1. Welcome & Administrative Items
- Antitrust Guidelines
 - Agenda Adoption
 - Adoption of Minutes from 12-04-03
- 9:15 a.m. 2. Managing Committee Report
- Action taken on the scope of Request R03035 – Managing Committee Action and Board Notational Vote
- 9:45 a.m. 3. Executive Director's Report
- Monthly Update Calls – “At A Glance”
 - Membership Report
 - Advisory Council Report
- 10:00 a.m. 4. Financial Report
- Accrual Based Report 2003 YE
 - Accrual Based Report January 2004
 - Review of Conference Calling Charges Program
- 10:15 a.m. Break
- 10:30 a.m. 5. Additions to the Annual Plans – Disposition of Request R03035
- Background on R03035
 - Board Action to determine disposition of R03035 – determine if assignments will be made as additions to 2004 annual plans
- 11:15 a.m. 6. Executive Committee Report
- Wholesale Gas Quadrant
 - Wholesale Electric Quadrant
 - Retail Gas & Retail Electric Quadrants
- Noon 7. Updates on Related Groups
- Natural Gas Council Industry Collaborative on Gas Quality and Interchangeability
 - Joint Interface Committee
 - Coordination with NERC
- 12:15 p.m. 8. Old and New Business
- Meeting Schedule for 2004
 - Installation of Michael Desselle as Chairman, NAESB Board of Directors
- 12:30 p.m. Adjourn

Attire – Business Casual

Lunch is served immediately following the Board meeting



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TO: NAESB Board of Directors, Posting for Interested Industry Participants
FROM: Todd Oncken, NAESB Deputy Director
RE: Draft Minutes from the NAESB Board of Directors Meeting – December 4, 2003
DATE: December 5, 2003

**NAESB Board of Directors Meeting
Thursday, December 4, 2003
9:00 a.m. – 12:30 p.m. Central
Houston, TX**

1. Welcome & Administrative Items

Mr. Haynes called the meeting to order. Mr. Boswell gave the antitrust advice. Mr. Oncken called the roll of Board members and quorum was established. Mr. Anderson moved, seconded by Ms. Ogenyi to adopt the draft agenda. The motion passed unanimously. Mr. Anderson moved, seconded by Mr. Severance, to adopt the minutes from the September 18, 2003 Board of Directors meeting as drafted. The motion passed unanimously.

2. Executive Director's Report

Ms. McQuade gave the Executive Director's report. Topics included: 1) Monthly Update Calls – 'At A Glance'; 2) Membership Report; 3) Outreach Meetings; and 4) NAESB Web Site.

Monthly Update Calls – 'At A Glance': Ms. McQuade stated the At A Glance calls are still being held and are well received, with attendance mixed between representatives from NARUC, federal agencies and NAESB members. The frequency of the meetings was discussed with the group's leadership. It was determined to leave them on a monthly schedule. She noted the next call is scheduled for December 17 at 2:00 p.m. Eastern. The NAESB Office is in the process of scheduling the 2004 calls.

Membership Report: Ms. McQuade reported current NAESB membership at 357, with quadrant-specific membership as follows: Wholesale Gas Quadrant (WGQ) – 120; Wholesale Electric Quadrant (WEQ) – 158; Retail Gas Quadrant (RGQ) – 40; and Retail Electric Quadrant (REQ) – 39. A graphic depiction of NAESB membership can be found under tab 4 of the meeting materials. Ms. McQuade noted NAESB has mostly completed its cycle for 2004 membership billing so the number reported are not expected to decline much further.

Outreach Meetings: Ms. McQuade reported that she and Mr. Desselle visited the Seams Steering Group – Western Interconnection (SSG-WI), Western Electricity Coordinating Council (WECC), California Public Utility Commission, California Energy Commission, Northwest Power Planning Council, Los Angeles Department of Water and Power, Western Area Power Administration, RTO West and West Connect. She explained the purpose of the visits was to provide information on NAESB and to encourage participation in the NAESB process. Ms. McQuade said the visits were well received. Mr. Templeton encouraged Board members to assist in future outreach efforts, and Ms. Ogenyi noted that as these meetings are set up, Board members in the vicinity should be invited to attend, specifically representing NAESB items.

NAESB Web Site: Ms. McQuade stated several enhancements are underway, including an automated meeting RSVP function.



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3. Financial Report

Accrual Based Report 2003 YTD as of September 2003: Ms. McQuade gave the financial report as of September 2003. Ms. McQuade noted that both expenses and revenues were lower than budget. Ms. McQuade attributed variations to fewer memberships than projected, fewer courses than projected, the adjustment to the publication date of all quadrant's standards and other cost-cutting measures.

Budget for 2004: Ms. McQuade presented the 2004 budget for discussion and approval. Ms. McQuade stated the budget was based on conservative membership numbers, but noted the pending work of the REQ, RGQ and WEQ would likely result in increased interest and participation.

Mr. Templeton moved, seconded by Mr. Procario, to adopt the Resolution Regarding Adopting of Proposed Budget for 2004, which reads as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of NAESB hereby adopts the proposed budget for 2004 recommended by the Managing Committee attached as Appendix A.

After discussion, the 2004 budget was approved unanimously.

Charges for Conference Calling: Ms. McQuade reviewed the 2004 Conference Calling Administration document (see Tab 5). Highlights included: a charge of \$50.00 per line would be assessed for all NAESB meetings with both in-person and conference call attendance availability; payment of the conference call fee should be made by credit card or check; member companies have the option of paying a one-time fee of \$1000 which would cover all employees of that company for all conference calling for 2004; state, federal or provincial government employees, trade association staff and consumer advocates are exempt from the fee. The details of the administration plan were discussed at length such that all participants had a greater understanding of the proposal. Ms. McQuade stated the conference calling fee, as reflected in the 2004 budget and previously approved by the Board, was intended to offset the telecommunications charges pursuant to NAESB's contract with MCI.

Mr. DeForest raised concerns that the fee may have a potential negative effect on membership and volunteerism. Further, he questioned whether instituting a per call fee was the appropriate solution for a one year problem. Ms. Burnett agreed with Mr. DeForest and suggested an alternate \$100 per membership assessment to all members. Mr. Spangler and Mr. Novak also shared those concerns. Mr. Anderson suggested an alternative would be for member organizations to sponsor the conference calls through their organizations. He supported a "pay as you go" process as outlined in the document. It was noted that the conference calling fee would not apply in instances when individual conference calls were sponsored. In response, Ms. McQuade stated reports would be given at each subsequent Board meeting on the fee's financial status and the effects it has had on organizational participation.

Promotional Dues Discussion: Mr. Templeton moved, seconded by Mr. Anderson, to approve the Resolution Regarding Continued Promotional Dues for a Limited Number of Membership Slots in End-User Segments of Gas Retail and Electric Retail Quadrants, and the Wholesale Electric Quadrant Through December 31, 2006, which reads as follows:

RESOLVED, that the Board of Directors of NAESB approves the continuation of a special promotional dues program that will allow up to three Consumer Advocate Representatives to be or to become voting members of the End-User Segments of both the RGQ, the REQ, and the WEQ of NAESB at a reduced annual membership of \$500 each through December 31, 2006, and



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FURTHER RESOLVED, that not more than one such Consumer Advocate Representative paying a reduced annual membership shall serve as a Board member or an Executive Committee member for each of the indicated Quadrants.

It was noted that this was a continuation of the resolutions passed for 2003. Ms. McQuade stated that consumer advocates and state regulatory staff would likely participate in NAESB as non-members, but the promotional dues provide them the opportunity to voice their support for NAESB and its work products by participating as voting members. The resolution passed unanimously through a voice vote.

4. Executive Committee Report

Mr. Buccigross gave the Executive Committee report. Mr. Buccigross provided updates for each quadrant's 2003 Annual Plan and presented each 2004 Annual Plan for approval of the Board.

Wholesale Gas Quadrant: Mr. Buccigross reported the WGQ had completed all 2003 Annual Plan items, except item 5, *Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual*, which was carried into the draft 2004 Annual Plan.

Retail Gas Quadrant and Retail Electric Quadrant: Mr. Buccigross reported on the RGQ and REQ. He stated the RGQ and REQ subcommittees have completed their work on Creditworthiness and Billing and Payments, combined totaling over 100 model business practices. He noted the model business practices are identical for both quadrants. Mr. Buccigross stated the outstanding items from the 2003 Annual Plans were carried forward into the draft 2004 Annual Plans.

Wholesale Electric Quadrant: Mr. Buccigross reported that the WEQ had been working diligently on its 2003 Annual Plan, but due to fundamental changes in the environment many of the 2003 Annual Plan items would not directly carry forward into 2004.

2004 Annual Plans: Mr. Buccigross reviewed each quadrant's draft 2004 Annual Plan. A highlight of each plan and any discussion is reflected below.

For the WGQ, Mr. Buccigross noted most of the items in the draft plan address EDM issues, including item 5, *Prepare a common NAESB Electronic Transport (ET) and WGQ Quadrant Electronic Delivery Mechanism (WEQ QEDM) manuals using the version 1.6 NAESB WGQ EDM tab 6 and applicable 4.x.x standards as a base*, which contemplates a joint effort between the WEQ, REQ and RGQ. Additionally, he noted the *Intraday nomination issues* provisional item might become active due to the assignment of Request R03031 to a four quadrant group subsequent to the Executive Committee approval of this draft annual plan. In the alternative, he said some Executive Committee members felt the work necessitated under Request R03031 could be accomplished as standards maintenance. The Executive Committee will decide this issue at its December meeting.

For the RGQ and REQ, Mr. Buccigross stated the draft annual plans were virtually identical since the quadrants are working in lock-step on model business practice development. Additionally, he noted most of the items carried forward from the 2003 Annual Plans. The items not shared by both plans were: RGQ item 9, *Inventory Existing Natural Gas Practices within States*; REQ item 9, *Retail Meter Data Validation, Editing & Estimating*; REQ item 10, *Load Profiling*; and REQ item 11, *Settlement Process*. It was requested that the retail quadrants better define the meaning of supplier (ex. RGQ item 4 and 8).

For the WEQ, Mr. Buccigross stated the draft 2004 Annual Plan was significantly different than the 2003 Annual Plan. Additionally, he noted the WEQ, like the WGQ, must be flexible and reactive to the FERC. Mr. Buccigross stated there was significant work contemplated by the draft annual plan, noting that the Seams Catalog currently consists of 148 issues. Ms. McQuade noted that companion standards to NERC standards that result from the blackout investigation would be



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pursued under item 1. Mr. Anderson stated the November 14 letter from Chairman Wood could affect the priority of the annual plan items, though no apparent change was needed at this time. Nevertheless, he said being responsive to the Chairman was important. The provisional items were discussed. It was explained that although provisional items were listed, action by the Executive Committee and Board approval would be required to elevate their status to active.

Ms. Ogenyi moved, seconded by Mr. Templeton, to approve the Resolution Regarding Approval of Proposed 2004 Annual Plans for Wholesale Gas, Wholesale Electric, Retail Gas and Retail Electric Quadrants, which reads as follows:

RESOLVED, that the Board of Directors of NAESB approves the Annual Plans of each of the four Quadrants for 2004.

The resolution passed unanimously through a voice vote.

5. Updates on Related Groups

Joint Interface Committee: Ms. McQuade briefly discussed the Joint Interface Committee (JIC), a coalition of NERC, NAESB and the ISO-RTO Council (IRC). She stated that the JIC met on September 19 to review several standards requests and ultimately assigned those requests submitted by NAESB to NAESB for further development.

OASIS Standards Collaborative and Electronic Scheduling Collaborative: Ms. McQuade reported that the OASIS Standards Collaborative has merged into the NAESB Information Technology Subcommittee (ITS) and the Electronic Scheduling Collaborative has merged into the NAESB Electronic Scheduling Subcommittee (ESS). It was noted that the ESS and ITS are very active, with the ESS developing standards requests and recommendations to adopt standards consistent with existing FERC orders. Mr. Oberski noted the ESS will hold its first meeting in Washington, DC on December 15-16 at the FERC. Mr. Brown commented that the ESS and ITS are attracting resources from the ISOs and RTOs, with Mr. Simonelli from New England ISO and Mr. Rodriquez from PJM volunteering to co-chair the ESS with Mr. Dison.

Seams Efforts: Mr. Brown reported on the Seams Subcommittee, noting that the subcommittee has produced the Seams Catalog which will be considered by the WEQ Executive Committee in December, and if adopted forwarded to a broad industry audience. Mr. Brown projected the catalog could lead to additional work for the WEQ subcommittees in 2004, consistent with the 2004 Annual Plan. Ms. McQuade noted the ISOs and RTOs were very active in the development of the catalog.

Coordination with NERC: Mr. Brown reported on coordination efforts with NERC. He stated that Mr. Desselle, Mr. Yeung, and Ms. McQuade are participating in NERC's effort to map out the transition of NERC Policies into new standards. Additionally, he stated Mr. Desselle and Mr. Hartsoe are part of NERC's transition team established to react to legislation that would create an Electricity Reliability Organization (ERO), and a potential decision by NERC to move toward becoming an ERO. Finally, he said NAESB has been a standing agenda item for the last two meetings of NERC's Markets Committee. He noted a task force has been established within the NERC MC, chaired by Mr. Brown, to help more effectively coordinate with the SRS and Seams Subcommittee. On a related note, it was reported that NAESB was invited to the IRC Board Meeting to present information on current projects and coordination with NERC.

6. Managing Committee Report

NAESB Update Meeting with the FERC: Ms. McQuade reported on the recent meeting with Chairman Wood which resulted in the Chairman's letter dated November 14 (available in tab 8). Ms. McQuade stated the intent of the meeting was to provide a status report on NAESB activities and discuss the draft 2004 Annual Plans. In addition, Ms. McQuade stated that NAESB received



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valuable feedback from the Chairman regarding his disappointment with the substance of the WGQ creditworthiness standards. Ms. McQuade highlighted the topics of discussion, which were also included in her report to the Board. Mr. Haynes stated that overall the meeting was positive and the Chairman was supportive of NAESB's work.

FERC Technical Conference 12-1-03: Ms. McQuade reported on the FERC Technical Conference. She stated the intended purpose was to discuss reliability standards and procedures in light of the pending energy legislation. However, since no legislation has passed, information on the blackout and various related presentations were made including actions that may be taken by the FERC related to the blackout. She noted that all Commissioners were present, except Commissioner Massey.

7. Old and New Business

New Business: Mr. Brown gave a brief review of the WEQ Board and Executive Committee leadership meeting held on December 3, 2003. Key points included: concern over a lack or a drain on resources – both financial and physical; investigation of the potential addition of staff support, funded by the WEQ, to assist the WEQ in standards development; and the potential for increased interactions with FERC staff in search of additional guidance through FERC Orders.

Mr. Haynes stated all parties found the quadrant leadership meetings to be useful and important. As such, those meetings will be continued going forward.

8. Adjourn

The meeting was adjourned on December 4, 2003 at 11:00 a.m. Central.



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9. Board Attendance

WHOLESALE GAS QUADRANT

END USER SEGMENT

Jim Downs	Manager of Gas and Regulatory and Federal Compliance, Calpine Corp.	Absent
Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L	In Person
John Procaro	Vice President & COO, Cinergy	In Person
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	In Person
Jim Templeton	Principal, Comprehensive Energy Services	In Person

LDC SEGMENT

Tim Kelley	Vice President Energy Services and Regulation, Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company	Phone
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	In Person
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Phone
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	In Person
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co.	Phone

PIPELINE SEGMENT

Terry McGill	Executive Vice President, Enbridge Energy	In Person
John Somerhalder	President, El Paso Energy Pipeline Group	Absent
Shelley Corman	Senior Vice President & Chief Commercial Officer – Transwestern Pipeline, Enron Transportation Services Company	In Person
Ron Mucci	Senior Vice President Shared Service, Williams Gas Pipeline	In Person
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	In Person

PRODUCER SEGMENT

Randy Mills	Regulatory Manager, ChevronTexaco	Absent
William T. Benham	Vice President – Regulatory Affairs, BP Energy Company	Absent
Keith Sappenfield	Regional Director – US Regulatory Affairs, En Cana Oil & Gas (USA) Inc.	In Person
V A C A N C Y	V A C A N C Y	
V A C A N C Y	V A C A N C Y	

SERVICES SEGMENT

Sylvia Munson	Principal, Elite Computer Consultants	In Person
V A C A N C Y	V A C A N C Y	
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	In Person
Lyn Maddox	President & CEO, Prospect Energy	Absent
G. William Hebenstreit	Vice President Contract Service, El Paso Merchant Energy	In Person

RETAIL ELECTRIC QUADRANT

DISTRIBUTOR SEGMENT

Dave Koogler	Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region).	In Person
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Bill Bourbonnais	Assistant Vice President – Transmission, WPS Resources Corporation (MAIN NERC Region)	In Person
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company	In Person
Leonard Haynes	Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region)	In Person

END USER SEGMENT

Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Phone
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		

SERVICES SEGMENT

H. Ward Camp	Vice President Regulatory and Strategic Alliances, Distribution Control Systems, Inc.	Absent
Stacey Park	Director, The Structure Group	Absent
J Cade Burks	President, EC Power	In Person
John Williams	Chief Executive Officer and Co-founder, Group 8760 LLC	In Person

SUPPLIER SEGMENT

Brian Landrum	President, Reliant Energy Retail Services	Absent
Jason Woodward	Director of Business Services, Tractebel Energy Services, Inc.	Absent
V A C A N C Y		
Richard Zelenko	General Manager, Dominion Retail Inc.	Phone

WHOLESALE ELECTRIC QUADRANT

END USER SEGMENT

John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	In Person
V A C A N C Y	To be filled from the Large Industrials Sub-segment	
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Absent
V A C A N C Y	To be filled from the Commercial/Residential Sub-segment	
Ron Jackups	Vice President, Cinergy	In Person
Brett Perlman	Former Commissioner, Public Utility Commission of Texas	Absent

LDC SEGMENT

Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Absent
Jim Miller	Vice President & General Counsel, Southern Company Services Inc.	Absent
Ted Humann	Senior Vice President Transmission, Basin Electric Power Cooperative	Phone
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Phone
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Absent
V A C A N C Y	To be filled from the Competitive Retailer Sub-Segment	

GENERATION SEGMENT

Forrest E. Reeves	Assistant Administrator, Office of Corporate Operations, Southwestern	Phone
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Power Administration

Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	In Person
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Phone
V A C A N C Y	To be filled by the Merchant Sub-segment	
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Phone
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	In Person

TRANSMISSION SEGMENT

W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	Phone
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	In Person
V A C A N C Y		
Carroll Waggoner	Sr. Manager Transmission Policy, Sunflower Electric Power Corporation	In Person
John H. Zemanek	Vice President Transmission, Entergy	Phone
Michael Desselle	Director Public Policy, American Electric Power	Absent

MARKETER/BROKER SEGMENT

Steve Oliver	Vice President of Bulk Power Marketing Transmission Services, Bonneville Power Administration/Power Business Line	Phone
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	In Person
Thomas A. Smith	Manager of Power Marketing, Tri-State Generation & Transmission Association, Inc.	In Person
John Meyer	Vice President – Asset Commercialization, Reliant Energy	Absent
Dowell Hudson	Vice President Special Projects, Energy Markets, Ontario Power Generation	Absent
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Marketing Inc.	In Person

RETAIL GAS QUADRANT

DISTRIBUTOR SEGMENT

Craig White	Acting Chief Operating Officer, Philadelphia Gas Works	Phone
Glen Schwalbach	Assistant Vice President Corporate Planning, Wisconsin Public Service Corp.	Absent
Mark Maassel	Vice President Regulatory & Government Policy, NiSource, Inc.	In Person
Paul Szykman	Manager – Rates & Strategic Planning, UGI Utilities, Inc.	In Person
Joseph F. Bodanza	Senior Vice President for Finance Operations & Regulatory Affairs, KeySpan Energy	Absent

V A C A N C Y

END USER SEGMENT

Matthew Parsell	Assistant Director, Natural Gas Division, Indiana Office of Utility Consumer Counselor	Absent
Tina Burnett	Chair, Northwest Industrial Gas Users Association	In Person
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		



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V A C A N C Y

SERVICES SEGMENT

Leigh Spangler	President, Latitude Technologies Inc.	In Person
David Pfeifer	Vice President – Energy, EnForm Consulting, L.P.	In Person
David Darnell	President & CEO, Systrends Inc.	Absent
Greg Lander	Principal, CapacityCenter.com	Absent
Richard Rudden	President & CEO, RJ Rudden Associates, Inc.	Phone

V A C A N C Y

SUPPLIER SEGMENT

Randy Magnani	Director C&I Operations, Amerada Hess Corporation	Absent
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V A C A N C Y

V A C A N C Y

V A C A N C Y

V A C A N C Y

V A C A N C Y

10. Other Participants

Name	Company	In Person/Phone
Bill Boswell	McGuire Woods, LLC	In Person
Mike Bray	Shell Gas Transmission	In Person
Ken Brown	Public Service Electric & Gas Company	Phone
Kathryn Burch	Duke Energy Gas Transmission	Phone
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Jim Cargas	NAESB Staff	In Person
Pete Connor	NiSource	Phone
LaRita Cormier	Riverside Reporting	In Person
Ed Davis	Entergy	Phone
Dale Davis	Williams Gas Pipeline	In Person
Bob Goss	SEPA	In Person
Mark Gracey	El Paso East Pipelines	In Person
Bill Grygar	PEPL	In Person
Tom Gwilliam	Iroquois Gas Transmission System	Phone
Barry Lawson	NRECA	Phone
Rae McQuade	NAESB Executive Director	In Person
Lou Oberski	Dominion	In Person
Todd Oncken	NAESB Staff	In Person
Mike Novak	National Fuel	Phone
Lawrence Paulson	Hoffman-Paulson Associates	In Person
Tony Reed	Southern Company	In Person
Mark Scheel	ChevronTexaco	In Person
Veronica Thomason	NAESB Staff	In Person
Kim Van Pelt	PEPL	In Person
Charles Yeung	Reliant	In Person
Randy Young	Gulf South Pipeline	In Person
Steve Zavodnick	Baltimore Gas & Electric	Phone



TAB 2

MANAGING COMMITTEE REPORT

This section includes:

- The notes from the Managing Committee meeting held on February 10.
- The request for notational vote of the Board of Directors.
- The results of the notational vote of the Board of Directors.
- The presentation given by Ms. McQuade to the FERC at the FERC Technical Conference on February 18, 2004.

The material presented is background information for the discussion of agenda item 2.

Request R03035, which is a reference for this discussion, can be found in Tab 5. This section tracks with agenda item 2.

The Board will discuss and review the decisions made by the Managing Committee and the Board regarding the scope question for request number R03035. No action is requested of the Board for this agenda item.



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TO: NAESB Managing Committee, Posting for Interested Industry Participants
FROM: Rae McQuade, NAESB Executive Director
RE: **Notes from Managing Committee Conference Call on Request R03035**
DATE: February 11, 2004

Yesterday afternoon the Managing Committee held a conference call to consider the disposition of request R03035. The Managing Committee members present found the request within scope. Below are the notes from the meeting.

Background:

The Triage Committee met on Jan. 9, 2004, and addressed a portion of request R03035 and forwarded its recommendations to the Executive Committee (EC). It found two of the three parts of the request within scope with assignments to the Wholesale Gas Quadrant. The third part was referred to the EC for consideration without a scope recommendation. At its Feb. 5, 2004, conference call, the EC recommended that the entire request was outside NAESB's scope. While not all quadrant votes are in yet, the wholesale gas quadrant has met quorum requirements and voted it out of scope. The ballot closed Feb. 12, 2004. A request is found within scope only if each quadrant EC through a simple majority vote determines that the request is within scope. Should the EC recommend that a request is out of scope, it is remanded to the Board and Managing Committee for final determination.

Welcome and Quorum:

Mr. Leonard Haynes, Chair of the NAESB Managing Committee, opened the meeting by welcoming everyone and determining quorum. Present from the Managing Committee were: Mr. James Templeton, Mr. Joe Stepenovitch, Mr. Michael Desselle, Mr. Haynes and Ms. Rae McQuade. Quorum was established. Also present were Ms. Marilyn Specht Adusei-Poku, taking notes for Mr. Mark Maassel who could not attend, and Mr. Bill Boswell, NAESB General Counsel. There are no substitutes or alternates for Managing Committee members. The meeting was open and the full roster of attendees is attached.

Management Committee Discussion:

Mr. Haynes reviewed the subject matter of R03035 from Florida Power & Light (FPL) and the procedural background which appears above. He agreed with the Triage Committee's recommendation to divide the request into three separate requests as follows:

- A. Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting;
- B. Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data; and
- C. Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG).

The Managing Committee noted in discussion that:

- Gas quality is an issue that GISB took up in the past, and that FERC Chair Pat Wood III specifically mentioned LNG interchangeability as an issue that he would like to see NAESB take up in his letter dated Nov. 14, 2003, to Ms. McQuade.



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- While the record is full of reasons why individuals do not want to address this issue, it is not the same as declaring the request out of NAESB's scope.
- A member company has submitted this request, and that a government agency has expressed an interest in NAESB taking the issue up. In his letter, Chair Wood anticipated a final product from NAESB by summer 2004.
- Ms. McQuade is speaking at the FERC gas interchangeability conference on February 18 to address the NAESB process that is followed to develop standards. The Managing Committee and Board will guide her in direction for that conference.
- The NAESB Board is the final arbiter of scope questions. In the past, the Board has made determinations that determine the scope question either as within scope or out of scope depending on the request.
- In March 1996, NAESB's predecessor, the Gas Industry Standards Board, made a filing with FERC stating that the organization would be addressing gas quality reporting standards. This work was never undertaken due to other projects competing for limited resources.
- In 1994, FERC Chair Moler said that if industry cannot get together then FERC would develop a solution for them. Today, we may be in the same position with Chair Wood.
- The FERC's gas interchangeability conference will provide important information on the gas quality issues, but will not address NAESB's decision on whether it is within NAESB's scope.
- Any standards that may be adopted as a result of this request could impact existing tariffs if the FERC then adopts the standards within a FERC order.
- If NAESB considers this request, it would not call for NAESB to set gas quality specifications.
- If NAESB considers this request, it does not assume that consensus can be achieved to develop standards, but as a result of the consideration, a record of the deliberations will be available.
- The NAESB voting process protects each segment such that no standard can be adopted unless at least 40% of each segment supports the standard. In this manner, the broadest base of support for standards is achieved.
- It is recognized that standards that may be developed as a result of this request could have financial implications as with all standards that NAESB may develop.
- The necessary expertise will come from participants' companies, as in the past.
- Mr. Stepenovitch's company (FPL) authored the request, and he concurs with the Triage Committee's recommendation to break the request into three separate parts.

Open Discussion:

Ms. Specht Adusei-Poku in representing Mr. Maassel noted that they have concerns that the request is outside of NAESB's scope, or at least not being addressed at a good time, specifically as the request addresses part B and C. They would prefer that all three parts be found out of scope since the nuances of the request actually change the nature of the commodity. There are



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cost implications, cost allocation implications, and policy implications that are not areas that NAESB should address. Moreover, there are other industry groups working with Chair Wood and FERC on this issue. Having NAESB enter the fray would only add confusion. She interprets Chair Wood's letter to NAESB as addressing standards only as they apply to LNG interchangeability.

Ms. Jennifer Deegan of Washington Gas Light (WGL) noted that WGL has in the past 2 years addressed gas interchangeability issues for its Cove Point, Maryland facility, and added that she believes the request is outside on NAESB's scope since it would create a new regulatory mandate.

Mr. Mike Novak of National Fuel Distribution noted that on part A, he supported this item as being within scope although he can foresee the frequency of reporting impacting the type of equipment necessary for compliance. In addition, on part B, he supported this in the Triage Committee, but changed his vote at the EC because different equations in tariffs all work. NAESB is not in a position to determine which of the working equations is the best one. Further, on part C, he opposed this since a NAESB standard with regional differences in this case will result in such a diverse standard that it will be meaningless. FERC just started a new proceeding and NAESB should await the results. In summary, he noted that there is a resource allocation issue for NAESB with so many other activities happening.

Mr. Richard Kruse, a Board member representing Duke Energy added that he considered part A in scope, and parts B and C outside of NAESB's scope. He supported having the issue deferred until after FERC's conference next week. He is concerned that NAESB not embark in an effort which would repeat the creditworthiness effort where FERC provided insufficient guidance, and the topic was very controversial with real economic impacts on participants. Until clear policy guidance is given, it is unlikely that NAESB can develop standards because of the financial impacts of the decisions.

Ms. Delores Chezar of KeySpan Energy also agreed that part A is in scope, but added that NAESB does not have the technical expertise to address part B. Similarly, she noted that part C is outside of NAESB's scope. There are many other groups working on the background info necessary to develop a standard. NAESB should wait until the background materials are developed before proceeding.

Mr. Reed Horting, a Board member from PECO Energy noted that part A is in scope and it would serve the industry well to provide information that anyone can use. He further noted that parts B and C are outside of scope since they both implicate compliance and policy issues.

Mr. Richard Smith from ExxonMobil supported the determination to find the request out of scope, although it is an issue of importance to the industry. He agreed with others that NAESB should defer any decisions until after the FERC conference on gas interchangeability.

Ms. Sheri Heslington from Dominion Producing noted that as a producer in the Rockies with firm transportation on 2 pipelines to get her gas to market, she sees a need for NAESB standards. Each of the pipelines calculates hydrocarbon content differently. Both are correct, but it makes it difficult for her to ensure that her gas is in compliance with the tariffs. She supported finding all three parts of the request within scope.

Ms. Dona Gussow of FPL is the author of the request. A great deal of thought went into drafting all three parts of the request. The reason NAESB was chosen was it's an open forum for discussion. FPL is not being invited to any of the other trade association activities currently



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underway. Ms. Gussow confirmed that the request did not call for NAESB to set gas quality specifications. She added that in the past, when NAESB required expertise, the participating companies provided it. Each company has the expertise in-house that it can lend to the process. She supports finding the request within scope.

Motion to Find R03035 within Scope:

Mr. Haynes read the definition of NAESB's scope from NAESB's Certificate (Article 2):

“Section 1. The objects and purposes of NAESB are to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange (“EDI”) record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries.”

Mr. Haynes then recommended that the Managing Committee conclude that all three parts of Request R03035 are within scope, and that the Managing Committee direct the NAESB Office to put the question to the full Board through a notational ballot so that the Board's views may be known prior to the FERC gas interchangeability conference on Feb. 18, 2004. All members of the Managing Committee present voted in favor. Mr. Templeton recommended that the same materials made available to the Managing Committee for this call also be made available to Board members.

Ms. Dale Davis raised a procedural issue of whether a notational ballot was appropriate since it did not afford the Board ample opportunity to have a full airing of the issue. Mr. Bill Boswell, NAESB General Counsel, assured Ms. Davis that the Managing Committee has the full authority to act between Board meetings, and that such actions were binding until the Board affirmatively overturns the Managing Committee's decision. Thus, by putting this issue out for a notational ballot, the Board will have an opportunity to review the Managing Committee's decision today prior to its next regularly scheduled meeting on March 18, 2004.

Best Regards,

Rae



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Attendees:

North American Energy Standards Board Management Committee Conference Call February 10, 2004, 2:00 pm CST

Name	Organization
1 Bill Boswell	NAESB
2 Jim Buccigross	Group 8760
3 Christopher Burden	Williams Gas Pipeline
4 Suzanne Calcagno	UBS Energy
5 Yvette Camp	Southern Company
6 James Cargas	NAESB
7 Delores Chezar	KeySpan Energy
8 Craig Colombo	Dominion
9 Pete Connor	NiSource
10 Cynthia Corcoran	Enbridge Energy
11 Dale Davis	Williams Gas Pipeline
12 Jennifer Deegan	Washington Gas & Light Co.
13 Michael Desselle	American Electric Power
14 Alan Flater	American Transition Company
15 Bill Grygar	Panhandle Eastern
16 Dona Gussow	Florida Power & Light
17 Dennie Hamilton	Reliant Resources
18 Leonard Haynes	Southern Company
19 Sheri Heslington	Dominion
20 Gary Hinnners	Reliant Energy Services
21 Reed Horting	PECO Energy
22 Alan Johnson	Mirant
23 Ruth Kiselewich	Baltimore Gas & Electric
24 Richard Kruse	Duke Energy Gas Transmission
25 Rae McQuade	NAESB
26 Michael Novak	National Fuel
27 Lou Oberski	Dominion
28 Tony Reed	Southern Company
29 Richard Smith	Exxon Mobil
30 Marilyn Specht Adusei-Poku	NiSource
31 Joe Stepenovitch	Florida Power & Light
32 Jim Templeton	Comprehensive Energy
33 Carlos Thillet	PECO Energy
34 Steve Zavodnick	Baltimore Gas & Electric



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TO: NAESB Board Members
FROM: Rae McQuade, NAESB Executive Director
RE: **Notational Ballot for Board Votes on Managing Committee Decision on Scope for Request R03035 from Florida Power and Light regarding Gas Quality**
DATE: February 11, 2004

Dear Board Members:

Yesterday afternoon the Managing Committee held a conference call to consider the disposition of request R03035. The Managing Committee members present¹ found the request within scope for each of the parts identified below. The Managing Committee is asking you to vote notationally your position on whether request R03035 is within the scope of NAESB. The request itself, the minutes of the Triage Subcommittee, the Executive Committee, and yesterday's meetings are available for your review as you determine your position. These minutes include comments provided by participants both in favor of and opposed to finding the request within scope. Please respond to the NAESB office with your vote by end of business **Tuesday, February 17**. Should you have any questions, please feel free to call the Managing Committee or our general counsel Bill Boswell.

Request:

Florida Power and Light prepared a request for standards development regarding gas quality. It was described in three parts:

- A. Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.
- B. Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.
- C. Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG). Draft such standards as appropriate.

Background:

The Triage Committee met on Jan. 9, 2004, and addressed a portion of request R03035 and forwarded its recommendations to the Executive Committee (EC). It found two of the three parts of the request within scope with assignments to the Wholesale Gas Quadrant. The third part was referred to the EC for consideration without a scope recommendation. At its Feb. 5, 2004, conference call, the EC recommended that the entire request was outside NAESB's scope. While not all quadrant votes are in yet, the wholesale gas quadrant has met quorum requirements and voted it out of scope. A request is found within scope only if each quadrant EC through a simple majority vote determines that the request is within scope. Should the EC recommend that a request is out of scope, it is remanded to the Board and Managing

¹ Managing Committee Members present were Leonard Haynes, Michael Desselle, Joe Stepenovitch, Jim Templeton and Rae McQuade (non-voting member). Mark Maassel was unavailable for the meeting. Bill Boswell as General Counsel was present.



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Committee for final determination. As such, the EC decision on the question of scope for request R03035 was remanded to the Managing Committee for a determination. The Managing Committee members present voted unanimously to find the request within scope.

It should be noted that in March 1996, GISB, the precursor of NAESB, filed with the FERC a set of business practice standards, and in that filing so noted with regard to gas quality that:

- (page 24 of Volume 1) “Work will commence after January 1, 1997 on the following issues: 2.37 – Gas Quality Reporting, 3.35 – GRI – Customer Education, 4.24 – Work space for batch work in progress, 5.46 – Include 100% load factor tariff provision, 5.50 – contingent bids, 5.52 – Title to Gas in Released Storage, 5.53 – disclosure of minimum conditions associated with a release.
- (page 38 of Volume 1) “Upon review of these proposals, the Executive Committee has adopted the principles and standards (collectively, the “standards”) set forth in sections B and C below. The Executive Committee has also identified several issues requiring further examination: standard resolution of imbalances, penalties and cashout; reallocation; difference between transporter to shipper allocations and scheduled quantities; multi-tiered allocations and title transfer; and gas quality reporting.”

In addition, on November 10, Chairman Wood sent a letter to the organization and in that letter, noted: “In addition, I find it quite important to resolve LNG gas quality standards, as LNG is an important element of our natural gas supply and, in some areas like Maryland, feeds directly into the market area with little opportunity for commingling.”

Also, you should be aware that several trade associations are working on related issues regarding gas quality, including an industry collaborative effort outgrowth from the Natural Gas Council. In addition, the FERC is holding a technical conference on a related topic – gas interchangeability on February 18, and NAESB will make a presentation at that meeting regarding the process used by NAESB to develop standards.

The scope of NAESB as described in our certificate in Article 2, Section 1 is as follows:

“The objects and purposes of NAESB are to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange (“EDI”) record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries.”

and the question you are asked to answer is: Is request R03035 within NAESB’s scope? Please feel free to respond by email to rmcquade@naesb.org, call in to the office (713-356-0060), or fax your response (713-356-0067).

Best Regards,

Rae



North American Energy Standards Board

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Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

Board of Directors Ballot Notational Vote Regarding the Scope Question for Request R03035 February 11, 2004

Agreement? (Yes/No/Abstain)	Statement
--------------------------------	-----------

I vote in support of the Managing Committee decision to find R03035 for each of the parts listed below as within NAESB's scope as identified in the NAESB Certificate of Incorporation:

Part A : Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.

Part B: Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.

Part C: Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG). Draft such standards as appropriate.

Name:	_____
Signature:	_____
Company:	_____
Date:	_____

Please return to the NAESB Office by February 17, 2004
Fax: 713-356-0067



North American Energy Standards Board

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Via email

TO: NAESB Board Members
FROM: Rae McQuade, NAESB Executive Director
RE: **Results of Notational Ballot for Board Vote Regarding the Scope Question for Request R03035**
DATE: February 18, 2004

Dear Board Members,

The period for the notational vote of the Board on the three items that comprised request R03035 (Gas Quality request from FPL) concluded last night. The votes cast showed a majority of the Board members voting in support of the Managing Committee's decision to find all three parts of the request R03035 within NAESB's scope. 58 ballots were cast out from a possible 73 seated Board members. Three of the votes cast were abstentions. The results of the votes cast were:

Part A (Gas Quality Reporting)
For 44 Against 11 Abstain 3

Part B (Description of Calculation assumptions in Gas Quality)
For 36 Against 19 Abstain 3

Part C (Review and determination if standards for gas specifications are needed)
For 34 Against 21 Abstain 3

Many thanks for your prompt response to this ballot. It will be further discussed at the upcoming Board meeting in March as the disposition of this request has not yet been determined. The disposition includes whether or not to add it to the Annual Plan for 2004, and what level of priority the request or its parts should be given if it is added to the 2004 Annual Plan.

Mr. Boswell, our general counsel, prepared the following statement on Board notational votes:

TO MEMBERS OF THE NAESB BOARD:

Under the bylaws, as with most organizations, the NAESB Board is permitted to take action by notational ballot. The decision to do so rests with the Chairman and the Managing Committee, since, by definition, the full Board is not in session at the time a notational ballot occurs. In the absence of a specific provision in the certificate or bylaws requiring more than a simple majority, a simple majority is sufficient to pass any motion submitted to the Board on any such ballot. During in-person Board meetings, a quorum is required to conduct business. A quorum of the Board is set at 50% of the serving Board members. Thus, in order for a notational ballot to be effective, at least 50% of the serving Board members must participate in the ballot by returning it, and at least 50% + 1 of those members must support the motion contained on the ballot itself. Board members who return ballots having declined to vote are counted towards



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a quorum, but their abstention does not equate to a negative vote on the question or questions presented. They are simply abstentions, as they would be at any Board meeting. What matters is that there be a simple majority of votes cast in favor of the motion and that that simple majority likewise be 50% + 1 of those Board members participating in the ballot, irrespective of whether they voted 'aye,' 'nae,' or abstained. I hope this clarifies the issue of notational ballots.

William P. Boswell
NAESB General Counsel

Best Regards and I look forward to seeing you at the Board meeting on March 18 in Houston.

Rae

North American Energy Standards Board
Standards Process

North American Energy Standards Board
The Standards Process

Presentation to
Federal Energy Regulatory Commission

February 2004

NAESB Presentation on Standards Process February 2004 1

North American Energy Standards Board
Standards Development Process

❖ **Standards Development Process**

- ❖ The process begins with a request – which can come from a member, an interested industry participant, a government agency or commission, an ISO or RTO, or a NAESB subcommittee.
- ❖ The request is reviewed to determine if it is within the organization's scope and further reviewed to determine if it fits within or should be added to the current year's annual plan.
- ❖ The process followed is ANSI accredited -- ANSI accredits organizations as Standards Development Organizations ("SDOs") based on their adherence to ANSI's cardinal principles of standards-setting
- ❖ NAESB will not monitor for compliance, provide performance measures for compliance, nor will it define sanctions for non-compliance.
- ❖ The organization will not advocate in front of regulatory bodies.

NAESB Presentation on Standards Process February 2004 2

North American Energy Standards Board
Standards Development Process

❖ **ANSI Principles of Standards Development**

- ❖ Open. Any materially affected and interested party has the ability to participate.
- ❖ Balance and Lack of Dominance. The consensus body shall be balanced and shall not be dominated by any single interest category or organization.
- ❖ Due Process. All objections shall have an attempt made towards their resolution. Interests who believe they have been treated unfairly shall have a right to appeal.
- ❖ Consensus. More than a majority but not necessarily unanimity.
- ❖ Voluntary. Standards are not binding unless adopted by a governmental entity as part of a code or set of regulations.

NAESB Presentation on Standards Process February 2004 3

North American Energy Standards Board
Standards Development Process

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graph TD
    RFS[Request For Standard] -- Balanced Vote --> TS[Triage Subcommittee]
    TS -- Balanced Vote --> EC1[Executive Committee]
    EC1 -- Balanced Vote --> SDS[Standards Development Subcommittees]
    SDS -- Balanced Vote --> REC[Recommendation]
    REC --> IC[Industry Comment]
    EC1 --> MR[Membership Ratification]
    MR --> PS[Published Standards]
    IC --> PS
    Note[If the request is determined to be developed by the wholesale electric quadrant, it must first be reviewed by the Joint Interface Committee before development proceeds.]
    Note -.-> EC1
  
```

NAESB Presentation on Standards Process February 2004 4

North American Energy Standards Board
Standards Development Process

❖ **NAESB Scope**

- ❖ NAESB's scope is cited in the NAESB Certificate (Article 2):
- ❖ "Section 1. The objects and purposes of NAESB are to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange ("EDI") record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries."

NAESB Presentation on Standards Process February 2004 5

North American Energy Standards Board
Standards Development Process

❖ **Voluntary Standards**

- ❖ From the organization's perspective, all standards are voluntary and may be provided to regulatory agencies as status reports as they are published.
- ❖ Regulatory agencies may choose to adopt standards.
- ❖ The organization will not monitor for compliance, provide performance measures for compliance, nor will it define sanctions for non-compliance.
- ❖ The organization will not advocate in front of regulatory agencies.

NAESB Presentation on Standards Process February 2004 6

North American Energy Standards Board Standards Development Process

❖ Coordination with FERC

- ❖ All NAESB wholesale gas and electric standards are forwarded to the FERC, upon ratification and publication.
- ❖ For those standards that are specific to FERC jurisdictional entities, the Commission has in the past incorporated them by reference into FERC regulations.
- ❖ This incorporation follows the FERC process for adoption of an order.
- ❖ More than 500 wholesale gas standards have been adopted by the FERC in this manner, including revisions.
- ❖ The wholesale gas quadrant standards are now version 1.7.

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Activities Underway

Annual Plan Characteristics

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Activities Underway –Annual Plan Characteristics

❖ Annual Plan

- ❖ **Members and Interested Industry Participants determine scope and priority of standards work by quadrant**
- ❖ **Quadrant Annual Plans are prepared and submitted to the Board for approval**
- ❖ **Only standards development pursuant to the AP or requests is undertaken**

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Activities Underway – Annual Plan Characteristics

❖ Annual Plan

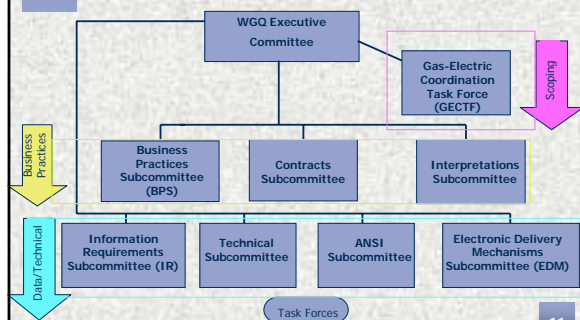
- ❖ They include high level topics for standards development and reflect requests from state and federal agencies
- ❖ Quarterly progress is reported to the Board from the EC chair.

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Wholesale Gas Quadrant Committee Structure



NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Activities Underway

Request R03035
Submitted From Florida Power and Light
December 11, 2004

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Standards Development Process

❖ Request Characteristics

- ❖ The request has three parts:
- ❖ Gas Quality Reporting
- ❖ Explanation of Assumptions Made During Calculations
- ❖ Investigation to determine if standards should be developed for gas quality specifications.
- ❖ The request scope applies to land based gas, gas from the Gulf and LNG.

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Standards Development Process

❖ Status of Request

- ❖ The Triage Subcommittee assigned the first two parts to the Wholesale Gas Quadrant, and remanded the third part back to the Executive Committee for determination of disposition.
- ❖ The Executive Committee raised a scope question to the Managing Committee and Board of Directors.
- ❖ The Managing Committee acting on behalf of the Board found the request with all three parts within NAESB's scope.
- ❖ The Board ratified the Managing Committee's decision on February 17, 2004.
- ❖ The Board will further discuss this request at its upcoming March meeting.

NAESB Presentation on Standards Process

February 2004

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North American Energy Standards Board Standards Development Process

❖ Previous Efforts

- ❖ It should be noted that in March 1996, GISB, the precursor of NAESB, filed with the FERC a set of business practice standards, and in that filing so noted with regard to gas quality that:
- ❖ (page 24 of Volume 1) "Work will commence after January 1, 1997 on the following issues: 2.37 – Gas Quality Reporting, ..."
- ❖ (page 38 of Volume 1) "The Executive Committee has also identified several issues requiring further examination: standard resolution of imbalances, penalties and cashout; reallocation; difference between transporter to shipper allocations and scheduled quantities; multi-tiered allocations and title transfer; and gas quality reporting."

NAESB Presentation on Standards Process

February 2004

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How to Find Out More Information

- ❖ Web Site : www.naesb.org
 - ❖ Quadrant Procedures, Bylaws, Certificate for NAESB
 - ❖ Calendar of Meetings, Agendas, Work Papers, Comments
 - ❖ Board minutes, EC Minutes, How to order Transcripts
 - ❖ Standards and Related Work Products
 - ❖ Membership Information
- ❖ Contact Information
 - ❖ Phone – 713-356-0060
 - ❖ Fax – 713-356-0067
 - ❖ Email – naesb@naesb.org
 - ❖ For further information on the organization, please contact Veronica Thomason (713-356-0060, naesb@naesb.org)

NAESB Presentation on Standards Process

February 2004

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TAB 3

EXECUTIVE DIRECTOR'S REPORT

This section includes:

- The Executive Director's report
- The recent minutes from the monthly update calls ("At A Glance").
- The NAESB membership report.

The material presented is background information for the discussion of agenda item 3. Rae McQuade will review this information as an update to the Board. No action is requested of the Board.



North American Energy Standards Board

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EXECUTIVE DIRECTOR'S REPORT

MARCH 18, 2004

Monthly Update Calls – “At A Glance”

We have held several “At A Glance” conference calls with the attendance of several state commissions and federal agencies, and many of our own members. Because of the limited ability of state commission staff traveling to meetings, these one hour conference calls has provided a venue for NAESB-NARUC-Federal Agency communication on our current and planned activities. The calls are held monthly, on the third Thursday of each month at 2:00 pm Eastern. Anyone can call in to these one-hour updates, and there is no charge for the call. The notes from the last meeting are attached. We are scheduled for our next call on April 21 – the March meeting was cancelled due to our Advisory council meeting and the NARUC Winter Meeting. The leaders of the “At A Glance” calls (Diane Barney (NY), Lou Ann Westerfield (ID), and Tom Pearce (OH)) work with our office to set the agenda for the calls. The dates for 2004 have been finalized and can be accessed from our web site (Web site page address: http://www.naesb.org/monthly_update.asp).

Membership Report

The membership report is attached. Our membership began the year at 357. It has declined to 353 as we concluded the invoicing cycle for most of the WGQ members and RGQ members. With the roll out of the retail model business practices for credit worthiness and billing and payments, we may see an increase this year for the retail quadrants so that they may maintain their requirement to keep 40 members in the quadrant. Similarly with the seams activities and coordination with NERC on transitioning NERC policies to NERC reliability standards and NAESB business practices, there may also be an up tick in membership for the wholesale electric quadrant. Currently, each of the retail quadrants are contributing 11% to the membership numbers, the wholesale gas quadrant is contributing 35% and the wholesale electric quadrant is contributing 43%.

Advisory Council Report

The Advisory Council met in conjunction with the Winter NARUC meeting in Washington on March 6. Chairman Denise Bode of the Oklahoma Corporation Commission has been added as a member of the council. Bruce Ellsworth was re-elected to serve as chairman for 2004. The annual plans were reviewed, and of considerable interest was the seams effort, the effort to complement NERC's reliability standards including those in response to the August 14 blackout, the need for gas-electric coordination as highlighted by the January New England difficulties, the work products from the retail quadrants on creditworthiness and supplier billing and payments, and the gas quality/interchangeability issues.

For the model business practices, we stressed they were “works in progress” and if the practices did not reflect their particular state practices, there are procedures in place to amend the practices to be more inclusive. We asked them to review the practices to determine if changes were needed, and also asked them to review the membership roster presented by state to determine if they had adequate representation from companies operating in their regions.

Because this meeting was held at the NARUC Winter meeting, we were also able to give updates to the NARUC Gas Committee, NARUC Gas Subcommittee and NARUC Electric Reliability Subcommittee. By general consensus, it was determined to hold next year's council meeting in conjunction with the NARUC Winter meeting. NARUC Executive Director Charles Gray has agreed to support our inclusion as an external meeting to the program.



NORTH AMERICAN ENERGY STANDARDS BOARD

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email: naesb@naesb.org • Web Site Address: www.naesb.org

February 11, 2004

NAESB AT A GLANCE: MONTHLY UPDATE

GAS AND ELECTRIC COORDINATION TASK FORCE UPDATE: Lou Oberski, WEQ Chair and director electric market policy, Dominion Resources, summarized the Gas and Electric Coordination Task Force's (GECTF) first meeting in Washington, DC on Jan. 29 and 30. It was well attended with over 80 participants. The agenda consisted primarily of presentations from representatives of each industry explaining how they schedule delivery of their commodity and serve their customer's daily and hourly needs. The second meeting, on Feb. 10 and 11, in San Diego was also well attended with over 40 participants. The focus of this meeting was the development of an issues list containing a broad list of issues that may need to be addressed, including flexibility and planning, timelines and scheduling, reliability and terminology. Once completed, the issues list will guide the Task Force in determining whether amendments to existing NAESB standards or development of new standards will be required. The next meeting will be March 15 and 16 in Houston.

RETAIL MODEL BUSINESS PRACTICES ROLLOUT AT NARUC WINTER MEETING: Rae McQuade, executive director of NAESB, discussed plans to make several presentations at the NARUC Winter Meeting in Washington, DC the week of March 7. The presentations will introduce NAESB first ever retail business practices to the regulatory community and the companies in attendance. Between the creditworthiness and billing and payment model business practices, there are over 100 in all – and every single one was unanimously adopted! The presentations will also describe NAESB's transparent consensus process for the development of voluntary guidelines for the energy industry. The presentations are tentatively scheduled for Sunday afternoon (March 7) to the Gas Staff Subcommittee and Tuesday morning (March 9) to the Gas Committee. The Electric Staff Subcommittee and Electric Committee, whose meetings will often overlap, were unable to add these presentations to their agendas. Everyone attending, however, is encouraged to join in.

COORDINATION WITH NERC: COORDINATE INTERCHANGE BUSINESS PRACTICES TASK FORCE UPDATE: Roman Carter, Chair of the Coordinate Interchange Business Practices (CIBP) Task Force, and project manager market policy, Southern Company, related that this WEQ Task Force is in the process of drafting business practice standards that transition the market portions of NERC's Policy 3 to NAESB's umbrella. NERC is keeping the reliability portions of Policy 3. The goal is to make sure that every standard that is currently in Policy 3 will be maintained by either NERC or NAESB. Coordination with NERC is essential to their success. Ms. McQuade reported that these efforts are going very well, and will serve as a model for the organized transfer of other NERC market standards to NAESB. CIBP now has a list serv established that compliments the existing NAESB mailing list. If anyone is interested in joining the list serv, they should contact the NAESB Office.

UPCOMING DATES OF INTEREST: Ms. McQuade highlighted several upcoming dates of interest to NAESB, the energy industry, and the regulatory community. All NAESB meetings are open and will have conference call capability.

- Joint Interface Committee (JIC), Feb. 18 to 19, New Orleans, Louisiana. The JIC will be reviewing 3 new requests related to OASIS: a baseline standard based on FERC Orders 638, 889 and 635; OASIS 1A which contains amendments to the baseline standard; and OASIS II which is a more comprehensive effort. The JIC will also be reviewing the Seams Catalog and making assignments to NERC or NAESB if national in scope, or to various ISOs if regional in scope.
- FERC Conference on Gas Interchangeability, Feb. 18, Washington, DC. Ms. McQuade will be making a presentation on the NAESB process and how standards are developed. Florida Power & Light (FPL) has submitted a request R03035 on this topic which has already been considered by the Triage Subcommittee and Executive Committee.
- NAESB Executive Committee (EC) Meetings, Feb. 24 to 26, Houston, Texas. All four quadrant EC's will be meeting. OASIS requests and gas interchangeability will be important topics of discussion.
- NAESB Advisory Council Meeting, Saturday, March 6, Washington, DC. This is being held in conjunction with the NARUC Winter Meeting at the Renaissance Washington Hotel.
- NAESB Board Meeting, March 18, Houston, Texas. The FPL request R03035 will be among the items discussed.

NEXT CONFERENCE CALL: The next conference call is scheduled for Wednesday, April 21, 2004, at 2:00 pm Eastern. We hope you can join us. If there are particular topics you would like to see covered or would like to receive additional information, please contact the NAESB Office (713-356-0060, naesb@naesb.org).

**North American Energy Standards Board
 Monthly Update Conference Call
 Participant List
 February 11, 2004 -- 2:00 PM Eastern**

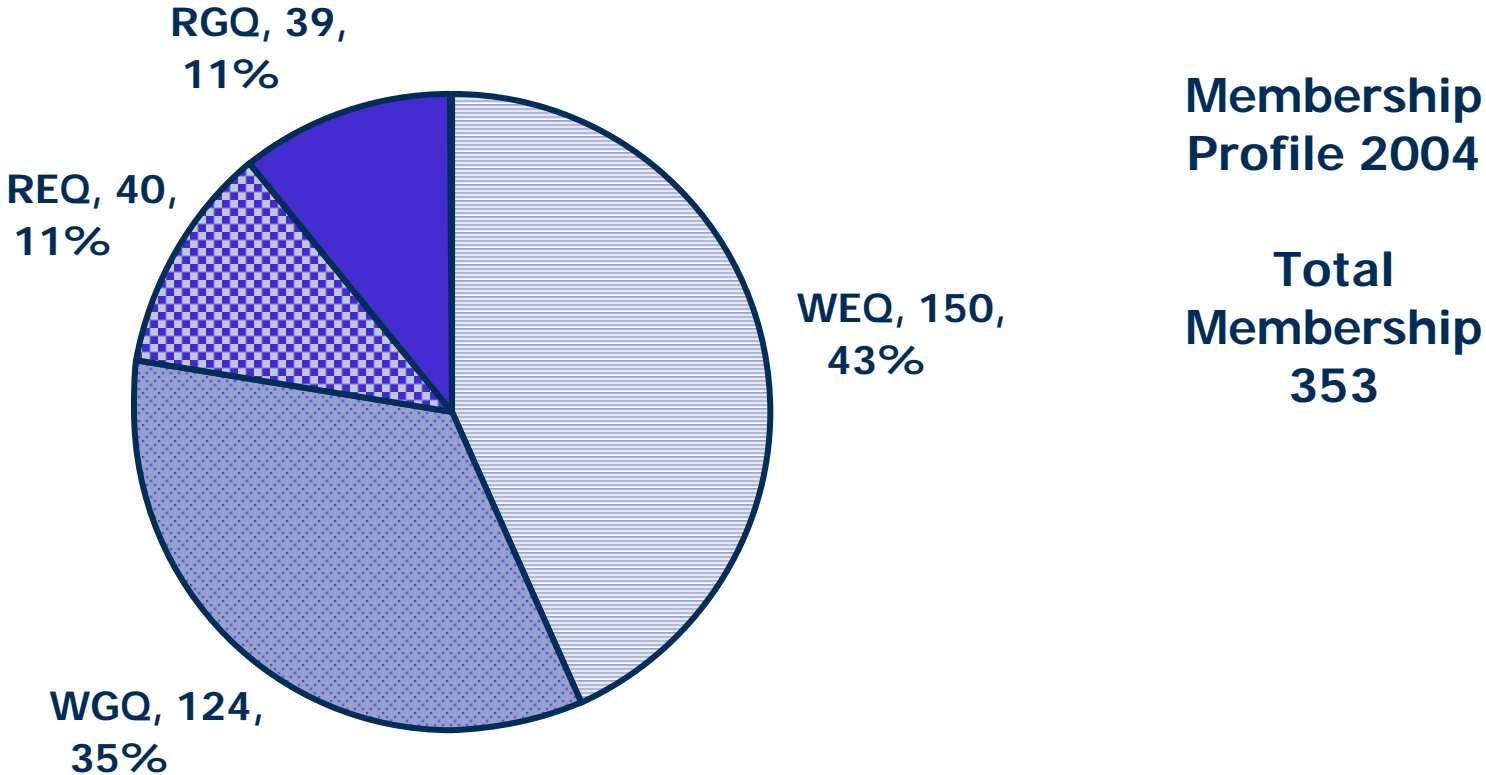
	Name:		Organization:
1	Aster	Adams	Tennessee Regulatory Authority
2	Laura	Anson	Missouri Public Service Commission
3	Diane	Barney	New York Public Service Commission
4	Philip	Bedingfield	Georgia Public Service Commission
5	John	Bulger	National Energy Board of Canada
6	Dave	Eichenlaub	Virginia State Corporation Commission
7	Robert	Harding	Minnesota Public Utilities Commission
8	Richard	House	Arkansas Public Service Commission
9	Wanda	Jones	Michigan Public Service Commission
10	Shawn	Kelly	Indiana Utility Regulatory Commission
11	Carol	MacLennan	Maine Public Utility Commission
12	Philip	Riley	South Carolina Public Service Commission
13	Ken	Roth	Michigan Public Service Commission
14	Bob	Vandewater	Oklahoma Corporation Commission
15	Sheila	Ward	Alabama Public Service Commission
16	Louann	Westerfield	Idaho Public Utilities Commission

	Name:		Organization:
17	Tanzania	Adams	Georgia Power Co.
18	Brenda	Anderson	Bonneville Power Authority
19	Gregory	Barone	Niagara Mohawk Power Corp.
20	Don	Benjamin	NERC
21	Bill	Boswell	NAESB, McGuire Woods
22	Jim	Buccigross	Group 8760
23	Christopher	Burden	Williams Gas Pipeline
24	Yvette	Camp	Southern Company
25	James	Cargas	NAESB
26	Roman	Carter	Southern Company
27	Pete	Connor	NiSource
28	Ed	Davis	Entergy
29	Grace	Delos Reyes	NARUC
30	Andrew	Dotterweich	Consumers Energy
31	Mary	Edwards	Dominion Virginia Power
32	Gene	Fava	Great Lakes Gas
33	Alan	Flater	American Transmission Co.
34	Arthur	Fusco	Central Electric Power
35	Bruce	Garcy	Niagara Mohawk Power Corp.
36	Charles	Gray	NARUC
37	Dona	Gussow	Florida Power and Light Co.
38	Robert	Harshbarger	Puget Sound Energy
39	Shan	Harter	Systrends
40	Joe	Hartsoe	American Electric Power
41	Jim	Hartwell	NPCC
42	Jim	Hicks	Pacific Corp.
43	Gary	Hinners	Reliant Energy Services
44	Erin	Hogan	Nyserda
45	Ruth	Kiselewich	Baltimore Gas & Electric Co.

**North American Energy Standards Board
Monthly Update Conference Call
Participant List
February 11, 2004 -- 2:00 PM Eastern**

	Name:		Organization:
46	Melissa	Lauderdale	Edison Electric Institute
47	Roger	Maga	ERCOT
48	Terry	McGill	Enbridge
49	Rae	McQuade	NAESB
50	Carl	Monroe	Southwest Power Pool
51	Sandy	Murrey	We Energies
52	Janie	Nielsen	Kern River Gas Transmission Co.
53	Lou	Oberski	Dominion
54	Gloria	Ogenyi	Conectiv
55	Brad	Ranmsay	NARUC
56	Judy	Ray	Alabama Power Co.
57	Barbara	Rehman	Bonneville Power Authority
58	Matt	Rios	Bonneville Power Authority
59	Lisa	Robert	Defense Support Center
60	Robert	Sarmiento	LA of Department Water and Power
61	Karen	Shay	DPUC
62	William	Smith	Allegheny Power
63	Jim	Templeton	Comprehensive Energy
64	Carlos	Thillet	Peco Enegy
65	Keith	Tiggelaar	Williston Basin Pipeline Co.
66	Bob	Valdez	Florida Power and Light Co.
67	Lori	VanWest	Excel Energy
68	Wes	Williams	Southern California Edison
69	Stacey	Wood	Structure Group
70	Karl	Wunderich	USA Reclamation
71	Ken	Yagelski	Washington Gas
72	Rich	Zelenko	Dominion

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
MEMBERSHIP REPORT – WITH DATA AS OF MARCH 7, 2004**



**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
MEMBERSHIP REPORT – WITH DATA AS OF MARCH 7, 2004**

Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	Total	124
	End Users	20
	Distributors	23
	Pipelines	38
	Producers	13
	Services	30
REQ Segments	TOTAL	40
	End Users	4
	Distributors	20
	Services	9
	Suppliers	7
RGQ Segments	TOTAL	39
	End Users	4
	Distributors	17
	Services	9
	Suppliers	9
WEQ Segments	TOTAL	150
	End Users	12
	Distributors	25
	Transmission	42
	Generation	34
	Marketers	32
	None Specified	5

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
MEMBERSHIP REPORT – WITH DATA AS OF MARCH 7, 2004**

Quadrant		Organization	Segment	Contact	Sub-Seg.
Retail Electric Quadrant:	1	8760	s	John S. Williams	
	2	Alabama Power	d	John Russom	
	3	Ameren Services Company	d	Patrick Eynon, Peggy Ladd	
	4	American Electric Power	d	Thomas J. Ringenbach	
	5	Baltimore Gas & Electric Co.	d	Ruth Kiselewich	
	6	Calpine Energy Services, LP	su	Janet Dixon	
	7	Cinergy Services, Inc.	d	Paul K. Jett	
	8	Consolidated Edison Company of NY	d	Richard G. Muzikar	
	9	Defense Energy Support Center	e	Lisa Robert	
	10	Detroit Edison Company	d	William J. Newbold, Jr.	
	11	Distribution Control Systems, Inc.	s	H. Ward Camp	
	12	Dominion Retail	su	William Barkas	
	13	Dominion Virginia Power	d	David F. Koogler	
	14	Duke Power	d	N.E. (Ed) Tucker	
	15	EC Power International	s	Judy Bailey	
	16	Electric America	su	Joseph C. Macek III	
	17	Electric Reliability Council of Texas (ERCOT)	s	Sam R. Jones	
	18	Energy East Management Corporation	d	Eric Wilen	
	19	Exelon Energy Delivery	d	Charles Tenorio	
	20	Foley & Lardner	s	Bryan S. Anderson	
	21	Georgia Power Company	d	Michael Garrett	
	22	Green Mountain Energy Co.	su	David McMillan	
	23	Gulf Power Company	d	Joel Thomas Kilgore	
	24	MidAmerican Energy	d	James E. Wilson	
	25	Mississippi Power Company	d	Dorman Davis	
	26	Office of Public Advocate, State of Maine	e	Barbara Alexander	
	27	Ohio Consumers Council	e	Randy Corbin	
	28	Pennsylvania Office Of Consumer Advocate	e	Tanya J. McCloskey	
	29	PPLSolutions, LLC	s	James M. Minneman	

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
MEMBERSHIP REPORT – WITH DATA AS OF MARCH 7, 2004**

Quadrant		Organization	Segment	Contact	Sub-Seg.
	30	Public Service Electric & Gas	d	Terrence Moran	
	31	Reliant Energy Retail Services, LLC	su	Derek Mauzy	
	32	Savannah Electric and Power Company	d	Karen L. Prentice	
	33	SchlumbergerSema	s	George C. Roberts	
	34	Southern California Edison	d	Gail Higashi	
	35	Southern Company Services	s	Mark S. Jarrett	
	36	Structure Group	s	Stacey Park	
	37	Tractebel Energy Services, Inc.	su	Jason R. Wooward	
	38	TXU Energy Retail	su	Felecia Lokey	
	39	Wisconsin Electric	d		
	40	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	Apache Corporation	pr	Michele Markey	
	6	Aquila Energy	s	Scott Eckerman	
	7	Arizona Public Service Company	e	Gary Duede, Kelly Daly	
	8	Ballard Natural Gas, LLC	s	Susan Thibodeaux	
	9	Baltimore Gas & Electric Co.	l	Steve Zavodnick	
	10	Barclays Bank PLC	s	Frank Rodrigues	
	11	BG LNG Services, LLC	s	Martha Braddy	
	12	Boeing Co.	e	Tina Patton	
	13	BP Energy	pr	Bill Benham	
	14	Bridgeline Gas Marketing	pl	Georgia Blanchard	
	15	Burlington Resources	pr	Paul Keeler	
	16	Calpine Energy Services, LP	e	Janet Dixon, Craig Chancellor	

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
MEMBERSHIP REPORT – WITH DATA AS OF MARCH 7, 2004**

Quadrant	Organization	Segment	Contact	Sub-Seg.
17	Cargill Incorporated	s	Kathy Gerken	
18	Cascade Natural Gas Corporation	1	Mark Sellers-Vaughn	
19	CenterPoint Energy Gas Resources Corp.	s	James G. Beste	
20	CenterPoint Energy Gas Transmission Company	pl	Larry Thomas	
21	CenterPoint Energy Mississippi River Transmission Corp.	pl	Robert Trost	
22	Chevron/Texaco	pr	Randy Mills	
23	Cinergy	e	John Procario	
24	Cinergy Marketing and Trading	s	Randy Bevis	
25	CMS Panhandle Eastern Pipe Line Co.	pl	William Grygar, Kim Van Pelt	
26	Columbia Gas Transmission	pl	Steve Melton	
27	Columbia Gulf Transmission Co.	pl	Chris Maturo	
28	Comprehensive Energy Services	e	Jim Templeton	
29	ConocoPhillips Gas and Power	pr	Peter Frost	
30	Consolidated Edison Company of NY	1	Mary Jane McCartney	
31	Dauphin Island Gathering Partners	pl	Katie Rice	
32	Defense Energy Support Center	e	Veronica Jones, Jacob Moser	
33	Department of Energy	e	Christopher Freitas	
34	Dominion Exploration and Production, Inc.	pr	David Ogden	
35	Dominion Resources (Previously CNG)	1	William Boswell	
36	Dominion Transmission, Inc.	pl	Gary Sypolt	
37	DTE Energy Trading, Inc	s	Marcia Hissong	
38	Duke Energy Gas Transmission - Texas Eastern	pl	Richard Kruse	
39	Edison Mission Marketing and Trade	e	Christian Hnat, William Roberts	
40	El Paso East Pipeline	pl	Larry Smith	
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 Marketing (USA) Inc.	s	Keith Sappenfield	

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
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Quadrant	Organization	Segment	Contact	Sub-Seg.
46	EnCana Corporation	pr	Keith Sappenfield	
47	The Energy Authority, Inc.	s	Marsha Sebert	
48	Energy East Management Corporation	1	Marjorie Perlman	
49	Energy Velocity	s	Konni Keuter	
50	Entergy Services, Inc.	e	Arlynn Kelleher, Terry Shields	
51	Equitable Gas Company	1	Steve Rafferty	
52	Equitrans, L.P.	pl	Mina Speicher	
53	ExxonMobil Gas Marketing	pr	Richard Smith	
54	Florida Power & Light Company	e	Dona Gussow, Joe Stepenovitch	
55	Great Lakes Gas Transmission	pl	Gene Fava	
56	Gulf South Pipeline	pl	Claire Burum	
57	H S Resources Inc.	pl	Carol Hall	
58	Hatch Associates Limited	s	Dan McEvoy	
59	Imperial Irrigation District	e	Javier Esparza	
60	Iroquois Gas Transmission System	pl	Tom Gwilliam	
61	Kern River Gas Transmission Company	pl	Janie Nielsen	
62	Key Span Energy	1	Dolores Chezar	
63	Laclede Gas Co.	1	Kenneth Neises	
64	Latitude Technologies	s	Leigh Spangler	
65	Louis Dreyfus Energy Services L.P.	s	Mary Ellen Bell	
66	Lower Colorado River Authority	e	Mickey Bell	
67	Marathon Oil Company	pr	Robin Perrine	
68	Mewbourne Oil Company	pr	Michael F. Shepard	
69	Midland Cogeneration Venture	e	Lee Smith	
70	National Fuel Gas Distribution	1	Michael Novak	
71	National Fuel Gas Supply Corp.	pl	Dave Reitz	
72	Natural Gas Pipeline Co of America	pl	Paul Love	
73	Niagra Mohawk Power Corporation	1	Bruce Garcy	
74	Nicor Gas	1	Nancy Brucher	

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
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Quadrant	Organization	Segment	Contact	Sub-Seg.
75	NiSource Inc.	1	M. Christopher Maturo	
76	Northern Natural Gas	pl	Mary Darveaux	
77	Northwest Natural Gas Company	1	Randolph Friedman	
78	NOVA Gas Transmission Ltd.	pl	Doug Miller	
79	Occidental Energy Marketing Inc. (OEMI)	pr	Carol Wilson	
80	Ocean Energy Inc.	pr	Veronica L. Cavazos	
81	Pacific Gas & Electric	1	John Breen	
82	PECO Energy Co.	1	Reed Horting	
83	Pemex Gas Y Petroquimica Basica	s	Juan Enrique Gonzalez Azuara	
84	Peoples Gas Light & Coke Co.	1	Raulando de Lara	
85	PG&E Energy Trading	s	Lyn Maddox	
86	PG&E Gas Transmission	pl	Jay Story	
87	Platts	s	Bill Murphy	
88	Portland General Electric	pl	Kathy Davies	
89	Portland Natural Gas Transmission System	pl	David Morgan	
90	PPL EnergyPlus, LLC	e	Anne Lovett	
91	PPM Inc.	e	Scott Hannigan	
92	Public Service Electric & Gas	1	David Wohlfarth	
93	Questar Pipeline Co.	pl	Scott Hansen	
94	Quorum Business Solutions Inc.	s	Douglas Allen	
95	Reliant Energy Services, Inc.	e	Gary Hanners, John Orr	
96	Sabine Pipe Line LLC	pl	Jan Rogers	
97	Salt River Project Agricultural Improvement & Power District	e	Diane McVicker	
98	SCANA Corporation	pl	Jacquelyn Gettle	
99	Sempra Energy - Southern California Gas Co.	1	Lee Stewart	
100	Sequent Energy Management, L.P.	s	Pat Metteauer	
101	Shell Gas Transmission, LLC	pl	Chuck Cook	
102	Southern California Edison Company	e	Roman Bakke	
103	Southern Company	e	Carl Haga	

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
MEMBERSHIP REPORT – WITH DATA AS OF MARCH 7, 2004**

Quadrant		Organization	Segment	Contact	Sub-Seg.
	104	Southern Natural Gas Co.	pl	Prince McDougal	
	105	Southern Star Central Gas Pipeline	pl	James L. Harder	
	106	Southwest Gas Corporation	1	Larry Black	
	107	SunGard Energy Systems	s	Maria Onufrow, Jennifer Chen	
	108	Telvent USA, Inc.	s	Glenn Irwin	
	109	Tennessee Valley Authority	e	Valerie Crockett	
	110	Texas Gas Transmission, LLC	pl	Jeff Bittel	
	111	Tiger Natural Gas	s	Tracy Phillips	
	112	Tractebel Energy Marketing, Inc.	s	Mark Hodges	
	113	TransCanada Pipelines	pl	Doug Miller	
	114	Transwestern Pipeline Co.	pl	Donna Scott	
	115	Trinity Apex Systems	s	Matt Armstrong	
	116	TXU Energy Trading Co.	s	Ellen Dailey, Brad Jones	
	117	TXU Lone Star Pipeline Company	pl	Steve Easley	
	118	UBS Warburg Energy	s	Suzanne Calcagno	
	119	Vector Pipeline L.P.	pl	Amy Bruhn	
	120	Washington Gas Light Co.	1	Tim Sherwood	
	121	Westfield Gas & Electric Light Dept.	1	Joyce Bodak	
	122	Williams Gas Pipeline	pl	Dale Davis	
	123	Williston Basin Interstate Pipeline	pl	Keith Tiggelaar	
	124	Wisconsin Public Service Corporation	1	Patrick Fox	
Wholesale Electric Quadrant:	1	ACES Power Marketing LLC	m	Roy J. True	muni
	2	Alabama Electric Cooperative, Inc.	d	Kenneth J. Skroback	muni
	3	American Electric Power Marketing, Inc.	m	Barbara Radous	iou
	4	American Electric Power Service Corp.	d	Thomas Ringenbach	iou
	5	American Electric Power Service Corp.	t	John Stough	iou
	6	American Municipal Power - Ohio, Inc.	d	Pat Frazier, Chris Norton	muni

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Quadrant	Organization	Segment	Contact	Sub-Seg.
7	American Transmission Company LLC	t	Dale Landgren, Julie Voeck	itc
8	Arizona Public Service Company	t	Mark W. Hackney	
9	Arkansas Electric Cooperative Corporation	g	Ricky Bittle	muni
10	Avista Corp.	t	Scott A. Waples	
11	Baltimore Gas & Electric Company	t	John J. Moraski, Ralph Bourquin	iou
12	Basin Electric Power Cooperative	t	Dan Klempel	muni
13	Basin Electric Power Cooperative	m	David Raatz	nd
14	Basin Electric Power Cooperative	g	Jason Doerr	muni
15	Basin Electric Power Cooperative	d	Ted Humann	muni
16	Boeing Company	e	Steve LaFond	lind
17	Bonneville Power Administration	d	Sydney D. Berwager	other
18	Bonneville Power Administration	g	Fran Halpin	fed
19	Bonneville Power Administration	m	Brenda Anderson	fed
20	Bonneville Power Administration	t	Barbara Rehman	fed
21	BP America Inc.	e	Jeanne Zaiontz	lind
22	BP Energy Company	m	Jeanne Zaiontz	
23	Buckeye Power, Inc.	d	Peter H. Buros	nd
24	Calpine Corporation	g	William Taylor	merc
25	Cap Gemini Ernst and Young	m	Stephen A. Behrens	niou
26	Central Electric Power Cooperative	d	C. Pinckney Roberts, Arthur Fusco	muni
27	ChevronTexaco Energy Research and Technology	e	Carol Guthrie	sgen
28	Cinergy	g	Walt Yeager	iou
29	Cinergy	m	Walt Yeager	iou
30	Cleco Power, LLC	t	Keith Comeaux	iou
31	Columbus Southern Power Company	g	Barbara Radous	merc
32	Comprehensive Energy Services	e	Jim Templeton	enduse
33	Conectiv Energy Supply, Inc.	g	Gloria Ogenyi	merc
34	Conectiv Energy Supply, Inc.	m	Gloria Ogenyi	iou
35	Conectiv Power Delivery	t	Ken Gates	iou

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Quadrant	Organization	Segment	Contact	Sub-Seg.
36	Constellation NewEnergy, inc.	d	Sara O'Neill	comp ret
37	Consumers Energy Company	d	Steven L. Gaarde	iou
38	Consumers Energy Company	g	Steven L. Gaarde	iou
39	Dairyland Power Cooperative	t	Bruce Staples	muni
40	Department of the Interior, Bureau of Reclamation	g	Deborah M. Linke	fed
41	Detroit Edison	d	David G. Nick	iou
42	Dominion Energy Marketing, Inc.	g	Lou Oberski	iou
43	Duke Energy Corp.	d	Ollie Frazier	iou
44	Duke Energy North America	g	Bill Blevins	merc
45	Duke Energy North America	m	Lee Barrett	iou
46	Dynegy Marketing and Trade	m	Jason Cox	niou
47	Edison Electric Institute	n	David Owens, Dave Dworzak	n
48	El Paso Corporation	g	Dennis M. Price	merc
49	El Paso Merchant Energy	m	Sam Beason	niou
50	Electric Reliability Council of Texas (ERCOT)	n	Sam R. Jones	n
51	Electricity Consumers Resource Council (ELCON)	e	John Anderson	lind
52	Empire District Electric Company, The	t	Bary K. Warren	
53	Energy East Management Corporation	t	Marjorie Perlman	iou
54	Entergy Services, Inc.	t	Edward J. Davis	iou
55	Entergy Services, Inc.	m	F. Jay Poche	iou
56	Exelon Corporation - PECO Energy	d	John F. Leonard, Jr.	iou
57	Exelon Generation - Power Team	m	Linda Clarke	iou
58	Exelon Generation Company LLC	g	Regina Carrado	iou
59	ExxonMobil Gas Marketing	e	Steve Sayuk	sgen
60	Florida Municipal Power Agency	g	Rick Casey	muni
61	Florida Municipal Power Agency	d	Steven H. McElhaney	muni
62	Florida Power & Light Company	m	Joe Stepenovitch	iou
63	Florida Power & Light Company	t	Marty Mennes	iou
64	Georgia Transmission Corporation	t	Carol Hester	muni

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Quadrant	Organization	Segment	Contact	Sub-Seg.
	65 Hydro One Networks	t	Dave Barrie	itc
	66 Hydro – Quebec Transenergie	t	Victor Bissonnette	
	67 Indiana Muncipal Power Agency	g	Dick Foltz	muni
	68 International Transmission Company	t	Jim D. Cyrulewski	
	69 Maryland Peoples Counsel	e	Patricia Smith	comres
	70 Michigan Electric Transmission Company LLC	t	Charles V. Waits	itc
	71 Michigan Public Power Agency	d	James R. Nickel, Daniel E. Cooper	muni
	72 Midwest Independent Transmission System Operator+J96	n	Bill Phillips	n
	73 Mirant Corp.	m	Susann D. Felton	niou
	74 Missouri River Energy Services	d	Brian Zavesky	
	75 Modesto Irrigation District	t	Roge Van Hoy	muni
	76 National Association of Regulatory Utility Commissioners	E	Lou Ann Westerfield	
	77 National Grid USA	t	Masheed Rosenqvist	itc
	78 National Rural Electric Cooperative Assoc.		Barry Lawson	
	79 New York State Dept. of Public Service	e	William Heinrich	reg
	80 North Carolina Eastern Municipal Power Agency	g	Jessie C. Tilton III	muni
	81 North Carolina Electric Membership Corporation	d	David Beam	muni
	82 North Carolina Electric Municipal Power Agency #1	m	Clay A. Norris	muni
	83 North Carolina Electric Municipal Power Agency #1	d	Andrew Fusco	muni
	84 Northeast Utilities Service Company	t	David Boguslawski, William McKinnon	iou
	85 NRG Power Marketing, Inc.	g	Steve Corneli	merc
	86 Oglethorpe Power Corporation	g	Billy Ussery	muni
	87 Ohio Consumers' Counsel	e	John Smart, Randy Corbin	comres
	88 Old Dominion Electric Cooperative	g	James N. Kimball	muni
	89 Oncor	t	Ellis Rankin	iou
	90 Ontario Power Generation	g	Barry Green	merc
	91 Ontario Power Generation	m	Dowell Hudson, JoAnne Magnante	niou
	92 Open Access Technology International, Inc.	e	Kevin Burns	
	93 PacifiCorp	d	Alec Burden	iou

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Quadrant	Organization	Segment	Contact	Sub-Seg.
94	PacifiCorp	m	Edison G. Elizeh	iou
95	PacifiCorp	g	Greg Maxfield	iou
96	PacifiCorp	t	Jim Hicks	iou
97	PacifiCorp Power Marketing, Inc.	g	Don Winslow	merc
98	PacifiCorp Power Marketing, Inc.	m	Don Winslow	iou
99	PG&E National Energy Group	m	Dede Hapner	iou
100	Platte River Power Authority	t	Terry L. Baker	
101	PPL Electric Utilities Corporation	t	Ray Mammarella	iou
102	Portland General Electric	m	Terri Peschka	iou
103	Praxair, Inc.	e	James B. Rouse	lind
104	Progress Energy	d	Benjamin Crisp	iou
105	Progress Energy	g	Philip Lewis	iou
106	Progress Energy	m	Micheal Settlage	iou
107	Progress Energy	t	Verne Ingersoll	iou
108	PSEG Energy Resources and Trade LLC	m	James D. Hebson	iou
109	PSEG Power LLC	g	Grgory Eisenstark	merc
110	Public Service Electric and Gas Company	d	Colin J. Loxley	nd
111	Public Service Electric and Gas Company	t	Jeffrey C. Mueller	nd
112	Public Utility District No. 1 of Chelan County	m	Doug Frazier	
113	Puget Sound Energy, Inc.	t	George Marshall, Bob Harshbarger	niou
114	Reliant Energy HL&P	t	Paul Rocha	iou
115	Reliant Energy Services, Inc.	m	Charles Yeung	niou
116	Sacramento Municipal Utility District	g	Thomas Ingwers	muni
117	Salt River Project Agricultural Improvement & Power District	d	Wendy Weathers	other
118	Salt River Project Agricultural Improvement & Power District	t	Steve Cobb	fed
119	Seminole Electric Cooperative, Inc.	g	Lane Mahaffey	muni
120	Seminole Electric Cooperative, Inc.	t	Glenn Spurlock	muni
121	Southeastern Power Administration	g	Bob Goss	fed
122	Southern California Edison	t	Ronald D. Nunnally	iou

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Quadrant	Organization	Segment	Contact	Sub-Seg.
	123 Southern Company Services, Inc.	d	Garey Rozier	iou
	124 Southern Company Services, Inc.	g	Tony A. Reed	iou
	125 Southern Company Services, Inc.	m	Joel Dison	iou
	126 Southern Company Services, Inc.	t	R.D. (Dean) Ulch	iou
	127 Southwest Transmission Cooperative, Inc.	t	Larry D. Huff	muni
	128 Southwest Power Pool	n	Carl Monroe	n
	129 Southwestern Power Administration	g	Forrest E. Reeves	fed
	130 Southwestern Power Administration	t	Stanley L. Mason	fed
	131 Sunflower Electric Power Corporation	t	L. Christian Hauck, Carroll Waggoner	muni
	132 Tenaska, Inc.	g	Scott Helyer	
	133 Tennessee Valley Authority	d	Ron L. Owens	other
	134 Tennessee Valley Authority	g	William F. Irish	fed
	135 Tennessee Valley Authority	m	Gary L. Jackson	fed
	136 Tennessee Valley Authority	t	Mitchell Needham	fed
	137 TRANS-ELECT, INC.	t	Paul D. McCoy	
	138 TRANSlink Development Company LLC	t	Audrey Zibelman	itc
	139 Tri-State Generation and Transmission Association, Inc.	t	Bruce Sembrick	muni
	140 Tri-State Generation and Transmission Association, Inc.	m	Thomas A. Smith	muni
	141 TXU Business Services	m	Mike Grim	niou
	142 UBS Warburg Energy	m	Suzanne Calcagno	niou
	143 Vermont Public Power Supply Authority	g	William J. Gallagher	muni
	144 Western Area Power Administration	t	Mark Fidrych	fed
	145 Western Area Power Administration	m	Jeffrey Ackerman	fed
	146 We Energies	d	Linda Horn	iou
	147 We Energies	g	James R. Keller	iou
	148 Wisconsin Public Power Inc.	d	Mike Stuart	muni
	149 Wisconsin Public Service Corporation	g	William Bourbonnais	iou
	150 Xcel Energy Inc.	m	Steven J. Beuning, Steve Peluso	iou

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
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Quadrant		Organization	Segment	Contact	Sub-Seg.
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	Dominion Retail, Inc.	su	Richard A. Zollars	
	8	Duke Energy Gas Transmission, LLP	su	Richard Kruse	
	9	Energy East Management Corporation	d	Eric Wilen	
	10	Energy Services Group, Inc.	s	George Behr	
	11	EnForm Consulting, L.P.	s	David F. Pfeifer	
	12	Exelon Energy	su	Barb Fatina	
	13	Indiana Office of Utility Consumer Counselor	e	Matthew Parsell	
	14	KeySpan Energy Delivery	d	Nancy Cianflone	
	15	Latitude Technologies	s	Leigh Spangler	
	16	National Fuel Gas Distribution Corporation	d	Walter DeForest	
	17	New Science Partners	s	Rod Sipe	
	18	Niagara Mohawk	d	James Dillon, Janice Bailey	
	19	NiSource Inc.	d	Dorothy Hawkins, Mark T. Maassel	
	20	Northwest Industrial gas Users	e	Paula E. Pyron	
	21	Ohio Consumers' Counsel	e	Dirken D. Winkler, John Smart, Bruce M. Hayes	
	22	Pennsylvania Office of Consumer Advocate	e	Tanya J. McCloskey, Stephen Keene	
	23	Peoples Gas System	d	Rachel Gebhardt	
	24	Philadelphia Gas Works	d	Bob Cave, Joe Stengel	
	25	PMO Link, Inc.	s	Geoffrey Hingle	
	26	Public Service Electric & Gas Company	d	Mike Coyle	
	27	R. J. Rudden Associates	s	John Charbonneau, Richard J. Rudden	
	28	Shell Energy Services	su	Harry Kingerski	

**NAESB BOARD OF DIRECTORS MEETING – MARCH 18, 2004
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Quadrant	Organization	Segment	Contact	Sub-Seg.
29	Southwest Gas Corporation	d	Ed Giesecking	
30	Stand Energy Corporation	su	John M. Dosker	
31	Sweet Strategies	s	David Sweet	
32	Systrends	s	Dave Darnell	
33	TXU Energy Retail	su	Felecia Lokey	
34	UBS Warburg Energy	su	Suzanne Calcagno	
35	UGI Utilities, Inc.	d	Paul Szykman	
36	Union Gas	d	Dave Arnot	
37	Washington Gas Light Company	d	Adrian P. Chapman, Kenneth W. Yagelski, Samiah Bahhur	
38	Wisconsin Public Service Corporation	d	William Bourbonnais, Glen R. Schwalbach	
39	Xcel Energy	d	Don Basler	



TAB 4

FINANCIAL REPORT

This section includes:

- The 2003 financial report as of year-end.
- The YTD 2004 financial report as of January.
- An analysis of the conference calling fee program.

The material presented is background information for the discussion of agenda item 4. Rae McQuade and Darla Wishart will review this information as an update to the Board. No action is requested of the Board.



North American Energy Standards Board

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Home Page: www.naesb.org

FINANCIAL REPORT YE 2003

BALANCE SHEET

Assets

Current Assets	\$618,069
Accounts Receivable	\$436,000
Fixed Assets	\$49,705
Total Assets	<u>\$1,103,774</u>

Liability & Equity

Deferred Revenue	\$1,204,083
Accounts Payable	\$77,447
Retained Earnings	(\$283,811)
Net Income	\$106,055
Total Liability and Equity	<u>\$1,103,774</u>

INCOME AND EXPENSE

Income	\$1,753,553
Expense	\$1,647,498
Net Income	<u>\$106,055</u>

INCOME AND EXPENSES TO BUDGET

2002 Budget \$1,975,500

Variance Items:

- Revenue realized later in the year, Loss of members. Off expected net income by 11.2%.
- Telecommunication Expenses over budget even with rebate from carrier.
- All other accounts were under budget. Expenses overall were under budget by 16.6%.

CASH BASIS ANALYSIS

Beginning Balance 1-1-03	\$601,609
Total Cash Income	\$1,611,148
Total Costs	\$1,640,728
Ending Balance 12-31-03	\$572,026



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FINANCIAL REPORT AS OF JANUARY 2004

BALANCE SHEET

Assets

Current Assets	\$560,542
Accounts Receivable	\$306,000
Fixed Assets	\$47,958
Total Assets	\$914,500

Liability & Equity

Accounts Payable	\$36,807
Deferred Revenue	\$2,500
Other Liabilities	\$7,956
Retained Earnings	(\$177,756)
Net Income	\$1,044,993
Total Liability and Equity	\$914,500

Accounts Receivable Analysis

Accounts Receivable	\$306,000
Credit Memos To Be Issued (Items more than 90 Days Outstanding)	\$65,000
6 Credit Memos Issued on These Receivables	\$20,000
Items 31-60 Days Outstanding	\$221,000

INCOME AND EXPENSE

Income	\$1,207,193
Expense	\$162,200
Net Income	\$1,044,993

INCOME AND EXPENSES TO BUDGET

2004 Budget	\$1,875,500
Expected expenses per month excluding January	\$150,000
Year End Expenses Analysis	\$1,812,000
Difference	\$63,500
YE 2003 Retained Earnings	(\$177,756)
Estimated YE 2004 Retained Earnings	(\$114,256)

CONFERENCE CALLING FEES

Conference Calling Fees Collected	\$36,500
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TAB 5

ADDITIONS TO THE ANNUAL PLANS

This section includes:

- Presentation materials provided by Florida Power and Light as background and explanations for request R03035.
- Request R03035.

The material presented is background information for the discussion of agenda item 5. Dona Gussow from FPL will cover the background material. The Board is requested to review this request and determine the disposition of the request: namely, should the request, or parts of it be added to the 2004 annual plans, and if so, to which annual plans – WEQ, WGQ, REQ or RGQ. In addition, the Board may want to weigh in on the level of priority this work should be given, if it is to be added to a 2004 annual plan.

Florida Power & Light Company

Gas Quality Standardization Request to NAESB

R03035

**Presentation by Dona Gussow
NAESB Board of Directors Meeting
March 18, 2004**

PART A

Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.

WHY????

- Power generators have a need to know the chemical characteristics and physical properties of all fuels being burned at their facilities...
 - ▶ for operational reasons
 - burn optimization
 - maintenance planning
 - protection of sophisticated power generation equipment
 - ▶ for collection and tracking of data for analysis or input to decisions for
 - future power plant siting projects in environmentally sensitive locations
 - expansion of existing facilities
 - selection of power generation equipment
 - ▶ for regulatory and emissions reporting purposes
 - power plant operating permit restrictions
 - emissions compliance filings (Federal, State, Local)

PART B

Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.

WHY????

- Investor owned, regulated electric utilities have “due diligence” reporting obligations requiring review, understanding, and/or verification of processes directly impacting fuel expenses.
- Well documented, widely accepted, standardized processes help to assure that “due diligence” obligations can be easily or reasonably met.
- Energy (MMBtu, Dth), received or delivered, upon which the commodity and transportation invoices are based, are calculated by pipelines from independent measurements of:
 - ▶ heating value (e.g., Btu per standard cubic feet), determined by compositional assay of a sample using any of a variety of gas chromatographs (GC)
 - ▶ volume (e.g., cubic feet), determined by any of a variety of meter types
- A sampling of gas tariffs indicate no clearly defined, universal set of quality measurement standards, assumptions, or procedures underlying the calculation of delivered energy quantities. This results in uncertainty and possibly:
 - ▶ measurement errors as gas flows in the grid from one pipeline into another or between “receipt and “delivery” on a single pipeline
 - ▶ variations in what the end user expects to see in operational benefit vs what it actually receives or pays for in fuel expenses

PART C

Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g., land-based, the Gulf, LNG). Draft such standards as appropriate.

WHY????

- **FUEL QUALITY VARIABILITY – can lead to mechanical failures or excess emissions necessitating reduction in power output or removal of the unit from service.**
 - ▶ Advanced, dry low NOx (DLN) combustion systems have restrictive fuel quality requirements due to the level of system control required to produce very low emissions.
 - ▶ Combustion control systems must deal with the entire unit load range, ambient temperature variation, and mechanical component wear in order to consistently meet the low emissions contained in operating permits.
 - ▶ To date turbine manufacturers have not been able to effectively deal with wide fuel quality variation without “**retuning**” the system or making physical changes to the combustion hardware to bring the unit back to full emissions compliance.
 - ▶ Heavy hydrocarbons in the gas directly impact the ability of the DLN equipped units to maintain emission compliance and operate reliably.

- **NATURAL GAS LIQUIDS (NGLs) – diminish the value of natural gas as a fuel**
 - ▶ Differences in hydrocarbon dew point can result in “drop-out” of the NGLs due to changes in pressure, temperature, obstructions, or some combination.
 - ▶ NGLs collected by a power generator are classified as "hazardous waste". Handling, transporting, and managing NGLs is an inappropriate burden on the power plant.
 - ▶ The power generator incurs costs and risks in disposing of this waste product.
 - ▶ Power plants are ill equipped to add expensive and complicated fuel gas conditioning systems to deal with excessive NGLs. Dealing with this type of waste product is not in most generators’ core competency tool box. Additional costs may be incurred to install heaters and front-end equipment in an attempt to protect generating equipment.
 - ▶ Btus purchased in the gas and transported by the pipeline (another cost) are often lost upon delivery before they can be used.

- **CONTAMINANTS – can create burdensome emissions or operational problems.**
 - ▶ Not all pipelines include the same contaminants in their tariff specs which suggest not all are tracking the same thing. Such inconsistencies present uncertainty where operational permitting, emissions reporting, maintenance needs, or safety require such information.
 - ▶ **Example: Sulfur:** Power generators have a need for accurate determination and reporting of sulfur from fuels used in power generation. Pipelines generally have a spec labeled as **total sulfur** in their tariffs...but a survey of tariffs indicate:
 - Some pipelines include mercaptan and hydrogen sulfide in calculating **total sulfur** while others do not.
 - Some pipelines list additional sulfur compounds in their tariff that other pipelines do not track or report. Example: carbonic sulfide
 - Quality specs on other reported contaminants may be needed for reasons of pipeline or consumer safety. Example: iron sulfide (“black powder” - a pyrogenic compound).

WHY NAESB?

- Gas Quality is a business process issue by virtue of its economic impact on end users.
- NAESB offers a forum where all quadrants and segments of the energy industry can come together, participate in solving business process issues, and chart the course for the future.
- NAESB has a record of producing implementable standards.
- NAESB has links to other standards-making organizations and the means to recruit technical experts from member companies and/or other standards-making organizations.
- NAESB has the ear of FERC.

WHAT IS THE PLAN?

- The industry has already examined and determined the “need” to establish gas quality specifications (PART C, first sentence), as evidenced by:
 - ▶ Presentations at the FERC Technical Conference.
 - ▶ Presentations at the recent NGC sponsored meeting.
- There is a need for an accepted, industry-wide process for resolving gas quality issues, now and for the future, that recognizes:
 - ▶ Economic impact of gas quality on all end users (retail, industrials, power generators).
 - ▶ Environmental compliance both for emissions and disposal of waste products.
 - ▶ Safety and operational integrity of TSP, LDC and power generator owned pipelines.
 - ▶ Complexity of gas quality standardization, whether by regions or across the grid.
- NAESB Board of Directors can support R03035 by:
 - ▶ Amending the 2004 annual plan to provide for a NAESB fuel quality task force (with co-chairs from each segment of the WGQ and participation from other interested quadrants) to further examine the scope and formulate a plan to address Parts A, B, and C with specific tasks as follows for 2004:
 - Part A – Research, identify, and develop formats for standardized fuel quality report alternatives against current or recently updated pipeline tariff quality specs.
 - Part B – Research, identify, and compile applicable assumptions and methods (either from examination of tariffs or review of industry standards (GPA, AGA, ASTM, etc.).
 - Part C – Provide NAESB representation at Natural Gas Council fuel quality meetings, documenting results, and providing reports on progress to NAESB membership, deferring further action until development of the NAESB 2005 annual plan.

R03035

North American Energy Standards Board

**Request for Initiation of a NAESB Business Practice Standard, Model Business Practice
or Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business
Practice or Electronic Transaction**

Instructions:

- 1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**
- 2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**
- 3. Once completed, send your request to:
Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Phone: 713-356-0060
Fax: 713-356-0067**

by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

or

Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: December 11, 2003

1. Submitting Entity & Address:

Florida Power & Light Company
700 University Boulevard, EMT/JB
Juno Beach, FL 33058

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Dona Gussow
Title : Contracts Coordinator
Phone : 561-691-7886
Cell: 561-301-8598
Fax : 561-625-7567
E-mail : dgussow@fpl.com

3. Description of Proposed Standard or Enhancement:

Establish standards relating to gas quality specifications and measurement, as follows:

- A. Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.
- B. Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.
- C. Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG). Draft such standards as appropriate.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

Development of the gas quality specification standards would assist end users by providing a means to determine fuel quality (needed for optimizing operation of gas powered electric power generation equipment), facilitate emissions reporting to regulatory agencies, and facilitate electric power generation planning.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

The proposed standards would make standardized gas quality information, including the derivation of gas quality specifications, available to the industry.

A multi-quadrant task force (assuming multi-quadrant assignment by the quadrant Executive Committees) can be formed to review the issues resulting from participating gas and electric representatives having a full understanding of the costs vs. the benefits of standardizing gas quality specifications.

Given the realities in the marketplace and positive impact these standards would have on electricity generation, Florida Power & Light Company anticipates being actively involved on these issues.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

Cannot be ascertained at this time.

7. Description of Any Specific Legal or Other Considerations:

Cannot be ascertained at this time. However, standards produced could result in the need to modify pipeline tariffs.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

Not determined at this time.

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :

Not Applicable.

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

A comparison table of current gas quality specification calculations is attached.

R03035-Attachment

DRAFT COMPARISON OF PIPELINE NATURAL GAS QUALITY SPECIFICATIONS

[REVISED 12/15/03]

PIPELINE	HOW HV DETERMINED	HEAT VALUE (HV) [BTU/SCF]	WATER (H ₂ O) [lbs/million cf]	HYDROGEN SULFIDE (H ₂ S) [grains/100 cuft]	MERCAPTAN [grains/100 cuft]	TOTAL SULFUR (S) [grains/100 cuft]	OXYGEN (O) [% by volume]	NITROGEN (N) [% by volume]	CARBON DIOXIDE (CO ₂) [% by volume]
A	Industry Practice	≥960	≤7	<1	No Spec	≤20 <i>NOTE 1.c</i>	No Spec	No Spec	No Spec
B	Standard Instrument	967-1200	≤7	≤¼ - Mainline ≤1 - SE & SW	No Spec	≤20 <i>NOTE 1.b & 1.d</i>	≤1	≤3	≤2
C	Not Defined	≥978	≤7	≤1	No Spec	≤20	≤1	4 less % by volume of CO ₂	≤3
D	AGA Rpt#5 -or- Other	967-1100	≤7	≤1/4	No Spec	≤20	≤.2 <i>NOTE 2.a</i>	≤4 + <i>NOTE 2.a</i>	≤3 + <i>NOTE 2.a</i>
E	Continuous Sampling AGA Rpts	≥967	≤7	≤0.25	≤0.75	≤5 Includes all forms of sulfur	≤.2 <i>NOTE 2.b</i>	<i>NOTE 2.b</i>	≤2 + <i>NOTE 2.b</i>
F	GPA Std 2172	≤1000	≤7	≤1/4	No Spec	≤10	≤1/4	<i>NOTE 2.c</i>	<i>NOTE 2.c</i>
G	Continuous Sampling -or- Other	No Spec	≤7	≤0.25	No Spec	≤20	≤.2	<i>NOTE 2.c</i>	2 + <i>NOTE 2.c</i>
H	Standard Methods	1000-1075	≤7	≤1/4	No Spec	≤10 <i>NOTE 1.b & 1.d</i>	≤.25	<i>NOTE 2.c</i>	<i>NOTE 2.c</i>
I	AGA Rpt#3	950-1175	≤7	16 PPM	No Spec	320 PPM	≤.2	≤3	≤3
J	Not Defined	≥950	≤4	≤1	No Spec	≤20	≤.2	4 less % by volume of CO ₂	≤3
K	Not Defined	≥950	≤7	≤1/4	≤1/4	≤1/2	10 PPM	≤3	≤2
L	Not Defined	≥950							

PIPELINE	HOW HV DETERMINED	HEAT VALUE (HV) [BTU/SCF]	WATER (H ₂ O) [lbs/million cf]	HYDROGEN SULFIDE (H ₂ S) [grains/100 cuft]	MERCAPTAN [grains/100 cuft]	TOTAL SULFUR (S) [grains/100 cuft]	OXYGEN (O) [% by volume]	NITROGEN (N) [% by volume]	CARBON DIOXIDE (CO ₂) [% by volume]
M	Standard Instrument	≥970	≤7	≤1/4	≤1/4	≤5	≤.2	NOTE 2.c	NOTE 2.c
N	Not Defined	≥950	≤7	≤10	No Spec	200 total	≤1	3 total (combined with CO ₂)	3 total (combined with N)
O	Not Defined	≥967	No Spec	≤0.25	No Spec	≤20	No Spec	No Spec	No Spec
P	Not Defined	≥967	≤7	≤.5 -or- 8PPM	No Spec	≤10	No Spec	4 less % by volume of CO ₂	≤3
Q	Not Defined	≥967	≤7	≤1/4	No Spec	≤20	No Spec	4 less % by volume of CO ₂	≤3
R	Not Defined	980-1100	≤7	≤.3	No Spec	≤20	No Spec	No Spec	No Spec
S	Not Defined	950-1100	≤7	≤1/4	1	≤5	≤.05	No Spec	≤2

NOTES:

1	<p>Total Sulfur Content Notes</p> <p>1.a Total Sulfur content not specified.</p> <p>1.b Total Sulfur includes mercaptan.</p> <p>1.c Total Sulfur excludes mercaptan.</p> <p>1.d Total Sulfur includes H₂S.</p> <p>1.e Total Sulfur excludes H₂S.</p>
2	<p>Nonhydrocarbon Gases Notes</p> <p>2.a Gas shall not contain more than 5% by volume of nonhydrocarbon gases including, but not limited to, carbon dioxide, nitrogen, oxygen.</p> <p>2.b Gas shall not contain more than 3% by volume of nonhydrocarbon gases including, but not limited to, carbon dioxide, nitrogen, oxygen, helium.</p> <p>2.c Gas shall not contain more than 3% by volume of carbon dioxide + nitrogen..</p>
3	
4	
5	



TAB 6

EXECUTIVE COMMITTEE REPORT

This section includes:

- WGQ 2004 Annual Plan.
- WEQ 2004 Annual Plan
- RGQ 2004 Annual Plan
- REQ 2004 Annual Plan

The material presented is background information for the discussion of agenda item 6. Each of the chairs of the Executive Committee quadrants will cover the progress made to date and will cover any suggested changes. Should there be recommended changes, the Board will be asked to vote by a simple majority to approve the changes. The Board may also suggest changes to the plan.

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD

2004 WGQ Annual Plan Approved by the Board of Directors – December 4, 2003

Reviewed by the Executive Committee – February 26, 2004

Item Description	Completion¹	Assignment
Gas-Electric Scheduling Activities		
1 Status Report on Gas-Electric scheduling coordination issues.	2 nd Qtr 2004	Gas-Electric Coordination TF
Standards Implementation		
2 Review and develop necessary standards for FERC Order 2003 (Affiliate Order).	2 nd Qtr 2004	Business Practices Subcommittee
Electronic Delivery Mechanisms and Related Activities		
3 Preparation of documents and submission of EDM standards to ANSI for approval as ANSI standards.	3 rd Qtr 2004	EDM Subcommittee
4 Explore additional possibilities for partnership with the Department of Energy. Sandia Review of security and reliability of version 1.7. Status: Pending, Discussion Underway	3 rd Qtr 2004	EC Officers
5 Review and enhance security standards as required by technological changes. Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI). Status:	2 nd Qtr 2004	EDM Subcommittee
6 Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual. Status:	4 th Qtr 2004	EDM Subcommittee
7 Prepare a common NAESB Electronic Transport (ET) and WGQ Quadrant Electronic Delivery Mechanism (WGQ QEDM) manuals using the version 1.6 NAESB WGQ EDM tab 6 and applicable 4.x.x standards as a base.	2 nd Qtr 2004	EDM 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.

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Provisional Activities²

Subsequent FERC orders – Docket No. RM 96-1 (Creditworthiness)

Review of ISDA Gas Annex.

Program of Standards Maintenance & Fully Staffed Standards Work³

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 2003 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.

² 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. Additionally, provisional activities will remain on the Annual Plan for one year pending the filing of a formal request or a decision to add them to the plan as active items.

³ This work is considered routine maintenance and thus the items are not separately numbered.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2004 WEQ Annual Plan

Approved by the Board of Directors December 4, 2003

Modified by the WEQ Executive Committee – February 24, 2004

Item Description	Completion ¹	Assignment
1 Develop business practices standards as needed to complement reliability standards		
(a) Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs). Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		Standards Review Subcommittee (SRS) ²
i. Develop Inadvertent Interchange Payback Business Practices		BPS (IIPTF)
ii. R03013 – Coordinate Interchange		ESS
Status: Complete		SRS
iii. R03014 – Coordinate Operations		SRS
iv. R03017 -- Operate Within Limits		SRS
v. Balance Resources and Demand		SRS
vi. Facility Ratings		
(b) Develop business practice standards applicable to the transition period from NERC policies to NERC reliability standards.		SRS/Variou ³
2 Develop and Maintain Business Practice and Communication Standards for OASIS and Electronic Scheduling		
(a) Develop and/or maintain <i>business practice standards</i> 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 adopted as NAESB standards. Specific items to address include:		Electronic Scheduling Subcommittee (ESS)
i. OASIS Phase IA		ESS
(a) Adoption of business practices per FERC Order 638		
Status: Underway		

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 Standards Review Subcommittee scopes, identifies and defines the standards development work to be done to support and complement NERC policies, SARs and NERC reliability standards. Once completed, the request, initial review document, scoping document and other work papers are transferred to the appropriate standards development subcommittee.

³ The North American Electric Reliability Council Transition Team is responsible for establishing a plan to convert existing NERC policies to NERC reliability standards. Co-committant with that conversion, NAESB will develop corresponding NAESB business practices. Michael Desselle, Rae McQuade and Charles Yeung are representatives of NAESB on the NERC Transition Team.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2004 WEQ Annual Plan

Approved by the Board of Directors December 4, 2003

Modified by the WEQ Executive Committee – February 24, 2004

Item Description	Completion ¹	Assignment
ii. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders <ol style="list-style-type: none"> 1. Adoption/maintenance of ESC use cases 2. Adoption/maintenance of Functional Requirements Document 3. Develop and Maintain business practices to support and implement the ESC use cases 		ESS ITS ESS
(b) Develop and/or maintain <i>standard communication protocols</i> and cybersecurity requirements as needed, including related industry standard communication protocols and cybersecurity requirements		Information Technology Subcommittee (ITS)
(i) OASIS Phase IA Adoption of S&CP version 1.4 Status: Underway		
(ii) OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders Development of S&CP document		
(iii) NERC PKI initiative		
3 Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market		
(a) Develop business practice standards needed to complement or assist specific seams mitigation efforts initiated by or coordinated with the NERC, the IRC, RTOs or ISOs, or other regional entities.		Seams/Variou s ⁴
4 Determine the need for and develop, if necessary, standard(s) requests for electric or gas standards required to provide additional flexibility in generation scheduling (including gas nominations).		
Status: Underway		
PROVISIONAL ITEMS		
1 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.		

⁴ The Seams Subcommittee scopes, identifies and defines the standards development work to be done related to the seams catalog. After seams catalog items are assigned to NAESB by the Joint Interface Committee, and the Seams Subcommittee completes its review and analysis, the request, initial review document, scoping document and other work papers are transferred to the appropriate standards development subcommittee.

⁵ The Gas Electric Coordination Subcommittee is an ad hoc subcommittee comprised of participation by all four quadrants of NAESB to address the issues outlined in request number R03031, submitted by TVA and amended on November 20, 2003.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2004 WEQ Annual Plan

Approved by the Board of Directors December 4, 2003

Modified by the WEQ Executive Committee - February 24, 2004

	Item Description	Completion¹	Assignment
2	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.		
3	Develop business practice standards related to FERC's forthcoming generation interconnection orders (large and small generators), in Docket Nos. RM02-01-000 and RM02-12-000.		
4	FERC Reporting of Electricity Prices		
5	Develop business practice standards as requested by the regional and state advisory groups.		
6	Develop electric purchase and sales contract.		



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Appendix

Comments Accompanying the Action Items and Provisional Items For the 2004 Annual Plan Adopted by the Executive Committee – October 7, 2003

ACTION ITEMS:

- 1a The original 1(a) from the 2003 plan is implied and 1(b) and 1(c) have been rewritten as a part of this plan: 1(a) Apply NERC/NAESB MOU provisions in reviewing proposed reliability standards for their business practice implications, 1(b) Review existing NERC reliability policies and standards for their business practice implications, 1(c) Review each of the SARs in light of the NERC/NAESB MOU.
- 1b This is a new item that reflects the recent NERC decision to create Transition team. NAESB has been asked to join the Transition Team which is led by Gerry Cauley. NAESB members on the team are Charles Yeung, Rae McQuade and Michael Desselle.
- 2a The Information Technology Subcommittee has been formed and is currently reviewing existing lists of enhancements for OASIS 1A and OASIS 2. A NAESB Electronic Scheduling Subcommittee was created but is inactive awaiting input from the existing ESC industry group
- 2b The PKI request R03007 has been assigned to the NAESB WEQ to be addressed which is a portion of this annual plan item.
- This item also corresponds to the 2003 WEQ Annual Plan item 4(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.
- 3a A seams catalog is under development now and will identify many of the items to be included under this action item. This item was originally numbered item 4 in the 2003 WEQ Annual Plan. Several items were deleted, and will be added back to the plan if they are requested through the comments or meetings on the plan and the requesters indicate a willingness to participate in the standards development effort or in the drafting effort. The items removed from the 2003 plan are: 4(a) Establish a standardized electric trading day; 4(b). Identify and develop business practices on the public dissemination of market information.
- Other items from the 2003 WEQ Annual Plan were reordered and renamed such as: 4(d) Develop business standards as necessary to resolve seams issues between ISOs and RTOs; 4(c) Establish standard business practices relating to: i) Definition and treatment of firm/nonfirm power; ii) Definition and treatment of firm/nonfirm transmission; iii) Provision of reserves for transactions across multiple control areas, 4(e) Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets; and 4(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.
- Some items on the 2003 WEQ Annual Plan were considered assumed in each of the action items, so they were not specifically highlighted as a separate action item, such as : 4(f) Examine business practices and definitions currently in use to determine applicability on a North American basis and 4(g) Catalogue, assess and prioritize existing “standards” that have significant business practice implications.
- 4 This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.



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Appendix

Comments Accompanying the Action Items and Provisional Items

For the 2004 Annual Plan Adopted by the Executive Committee – October 7, 2003

PROVISIONAL ITEMS:

- 1 These items (originally items 3 and 7 of the 2003 Annual Plan) were reclassified as provisional and will be acted upon as such FERC actions are taken.
- 4 This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.
- 5 This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.
- 6 There is industry interest, but there is neither consensus to move forward at this time nor may resources be available.

On August 5, several of the WEQ EC members discussed possibly preparing a request that would add an item to the 2004 annual plan to develop a master service agreement. The request was prepared but subsequently withdrawn by the submitter due to an expected lack of resources.



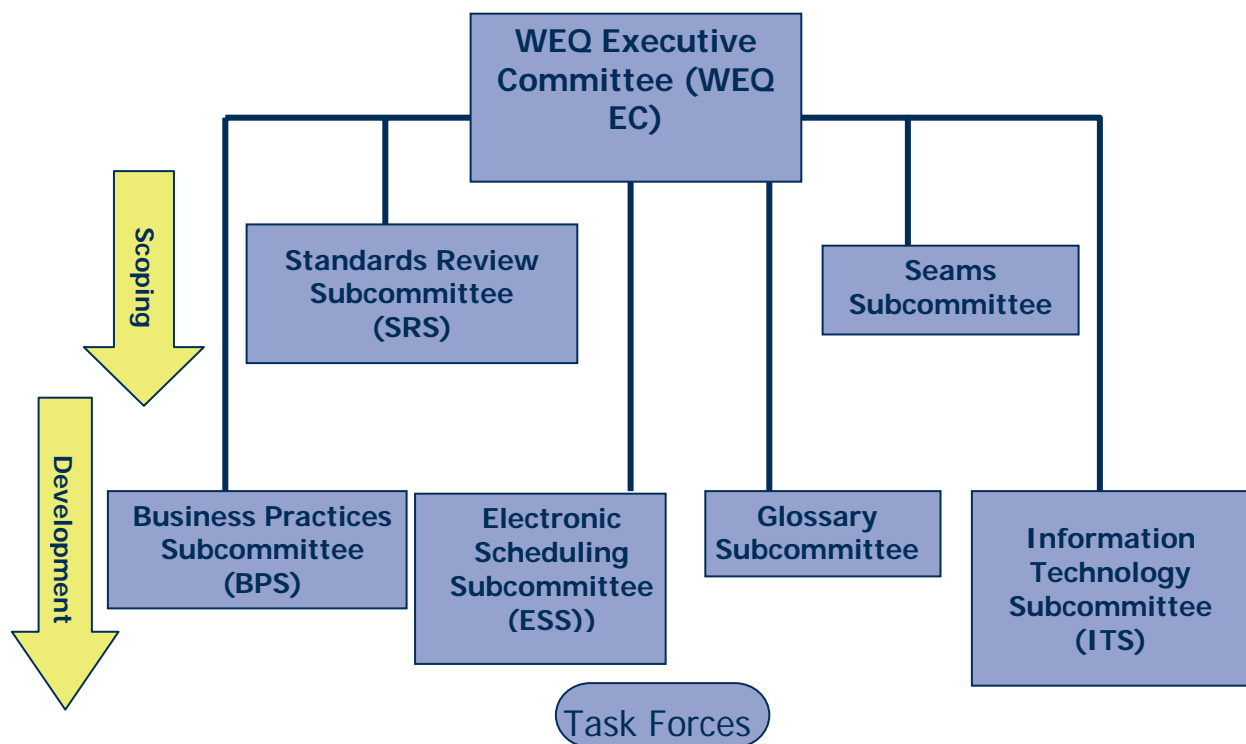
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NAESB Wholesale Electric Quadrant Committee Structure



Subcommittee Leadership is:

Executive Committee: Lou Oberski (WEQ EC Chair) and Steve Cobb (WEQ EC Vice Chair)

Standards Review Subcommittee: Charles Yeung and Raj Rana

Seams Subcommittee: Steve Cobb and Joe Rossignoli

Business Practices Subcommittee: Bob Goss

Electronic Scheduling Subcommittee: Joel Dison, Andy Rodriguez and John Simonelli

Glossary Subcommittee: Tony Reed and Sherri Monteith

Information Technology Subcommittee: Monroe Landrum and Alan Johnson

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 ANNUAL PLAN – RETAIL GAS QUADRANT¹

Item Number & Description	Completion ²	Subcommittee Assignment
1 Billing & Payment Datasets and Models Develop datasets and models to support the Billing & Payment model business practices. Status: Pending, Discussion Underway	1 st Qtr 2004	Customer Processes
2 Market Participant Interactions Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders). Status: Pending, Discussion Underway	1 st Qtr. 2004	Supplier-Utility Interface
3 Customer Information Develop practices for exchanging customer information necessary for interactions prior to enrollment and billing, i.e., customer authorization procedures identifying types of customer information necessary for pre-enrollment activities, and methodologies for exchanging information.	3 rd Qtr. 2004	Customer Processes
4 Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.	2 nd Qtr. 2004	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) and for maintaining current customer account information, and for notifying affected parties.	4 th Qtr. 2004	Customer Processes
6 Examine Wholesale Gas Quadrant Non-EDM Standards Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.	4 th Qtr. 2004	Supplier-Utility Interface
7 Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	2005	Customer Processes
8 Supplier Licensing Develop practices for licensing Suppliers with state utility commissions.	2005	Supplier-Utility Interface

¹ As outlined in the NAESB Bylaws, the RGQ will also address requests submitted by members and assigned to the RGQ through the Triage Process.

² 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.

North American Energy Standards Board

1301 Fanin, Suite 2350, Houston, Texas 77002
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Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD 2004 ANNUAL PLAN – RETAIL GAS QUADRANT¹

Item Number & Description	Completion ²	Subcommittee Assignment
Retail Gas Business Practice Inventory Task Force		
9 Inventory Existing Natural Gas Practices within States ³ Conduct inventory of existing natural gas practices in various states. Status: Underway		Retail Gas Business Practice Inventory Task Force
Technical Electronic Implementation Subcommittee⁴		
10 TEIS Subcommittee Process Establish a subcommittee process for the processing of standards released by other quadrant subcommittees, including interfaces with other subcommittees (e.g. CPS, SUIS, Information Requirements (IR), etc), receipt of standards, completion of required inputs (e.g. data dictionaries, etc), and identification of required outputs (e.g. X12 standards, QEDM book components, etc). Status: Pending, Discussion Underway	1 st Qtr. 2004	Technical Electronic Implementation
11 Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of item 1	2 nd Qtr. 2004	Technical Electronic Implementation
12 Electronic Transport Work jointly with the WGQ EDM subcommittee and the RGQ TEIS subcommittee to establish standards for the NAESB Internet Electronic Transport. Status: Pending, Discussion Underway	2 nd Qtr. 2004	Technical Electronic Implementation
13 Quadrant EDM Work jointly with the WGQ and RGQ to establish a common format for Quadrant-specific EDM (QEDM) Books. Status: Pending, Discussion Underway	2 nd Qtr. 2004	Technical Electronic Implementation
14 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5	4 th Qtr. 2004	Technical Electronic Implementation
15 Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 3	2005	Technical Electronic Implementation

³ This is an ongoing item designed to serve as a resource to other RGQ subcommittees.

⁴ The TEIS is assigned the completion of any technical work forwarded to them by the business development subcommittees ideally one quarter after receipt of forwarded work.

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Gas-Electric Scheduling Activities

16	Status Report on Gas-Electric scheduling coordination issues.	2 nd Qtr. 2004	Gas-Electric Coordination TF
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Provisional Activities

Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).

“Energy Day” Standard - including assessment of changes to existing NAESB standards.

Program of Standards Maintenance & Fully Staffed Standards Work⁵

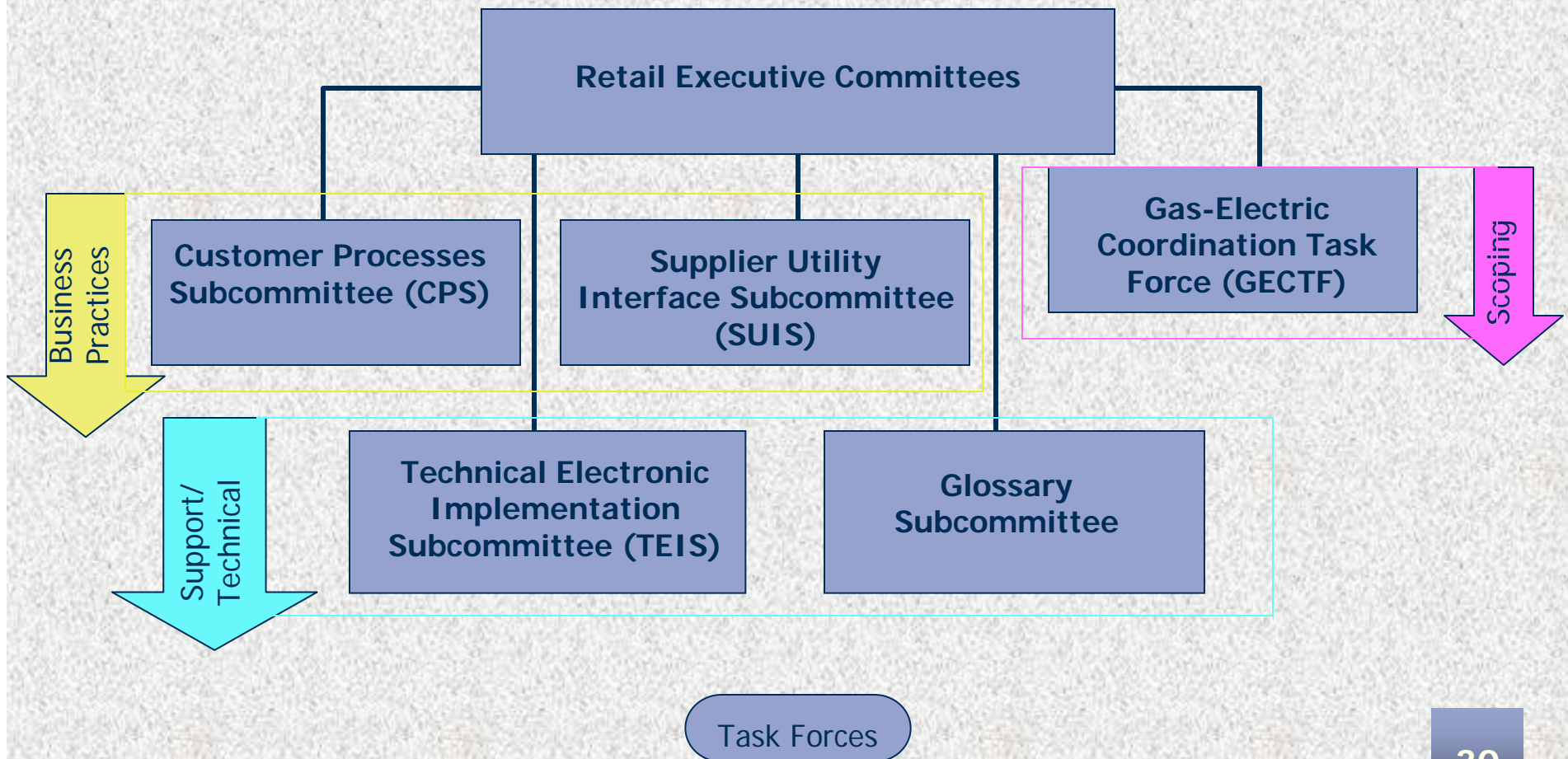
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary Subcommittee

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

North American Energy Standards Board

Retail Quadrants Committee Structure

Subcommittee structure to address the workload identified in the annual plans:



North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

Item Number & Description	Completion ²	Assignment
1 Billing & Payment Datasets and Models Develop datasets and models to support the Billing & Payment model business practices. Status: Pending, Discussion Underway	1 st Qtr. 2004	Customer Processes
2 Market Participant Interactions Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders). Status: Pending, Discussion Underway	1 st Qtr. 2004	Supplier-Utility Interface
3 Customer Information Develop practices for exchanging customer information necessary for interactions prior to enrollment and billing, i.e., customer authorization procedures, identifying types of customer information necessary for pre-enrollment activities, and methodologies for exchanging information.	3 rd Qtr. 2004	Customer Processes
4 Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.	2 nd Qtr. 2004	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) and for maintaining current customer account information, and for notifying affected parties.	4 th Qtr. 2004	Customer Processes
6 Examine Wholesale Gas Quadrant Non-EDM Standards Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.	4 th Qtr. 2004	Supplier-Utility Interface
7 Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	2005	Customer Processes
8 Supplier Licensing Develop practices for licensing Suppliers with state utility commissions.	2005	Supplier-Utility Interface

¹ As outlined in the NAESB Bylaws, the REQ will also address requests submitted by members and assigned to the REQ through the Triage Process.

² 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.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

Item Number & Description	Completion ²	Assignment
9 Retail Meter Data Validation, Editing & Estimating 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.	2005	Supplier-Utility Interface
10 Load Profiling Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.	2005	Supplier-Utility Interface
11 Settlement Process Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.	2005	Supplier-Utility Interface
Technical Electronic Implementation Subcommittee³		
12 TEIS Subcommittee Process Establish a subcommittee process for the processing of standards released by other quadrant subcommittees, including interfaces with other subcommittees (e.g. CPS, SUIS, Information Requirements (IR), etc), receipt of standards, completion of required inputs (e.g. data dictionaries, etc), and identification of required outputs (e.g. X12 standards, QEDM book components, etc). Status: Pending, Discussion Underway	1 st Qtr. 2004	Technical Electronic Implementation
13 Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of Item 1	2 nd Qtr. 2004	Technical Electronic Implementation
14 Electronic Transport Work jointly with the WGQ EDM subcommittee and the RGQ TEIS subcommittee to establish standards for the NAESB Internet Electronic Transport. Status: Pending, Discussion Underway	2 nd Qtr. 2004	Technical Electronic Implementation
15 Quadrant EDM Work jointly with the WGQ and RGQ to establish a common format for Quadrant-specific EDM (QEDM) Books. Status: Pending, Discussion Underway	2 nd Qtr. 2004	Technical Electronic Implementation
16 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5	4 th Qtr. 2004	Technical Electronic Implementation
17 Technical Electronic Implementation Standards – Metering Status: Dependent on completion of Item 9	2005	Technical Electronic Implementation

³ The TEIS is assigned the completion of any technical work forwarded to them by the business development subcommittees ideally one quarter after receipt of forwarded work.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2004 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

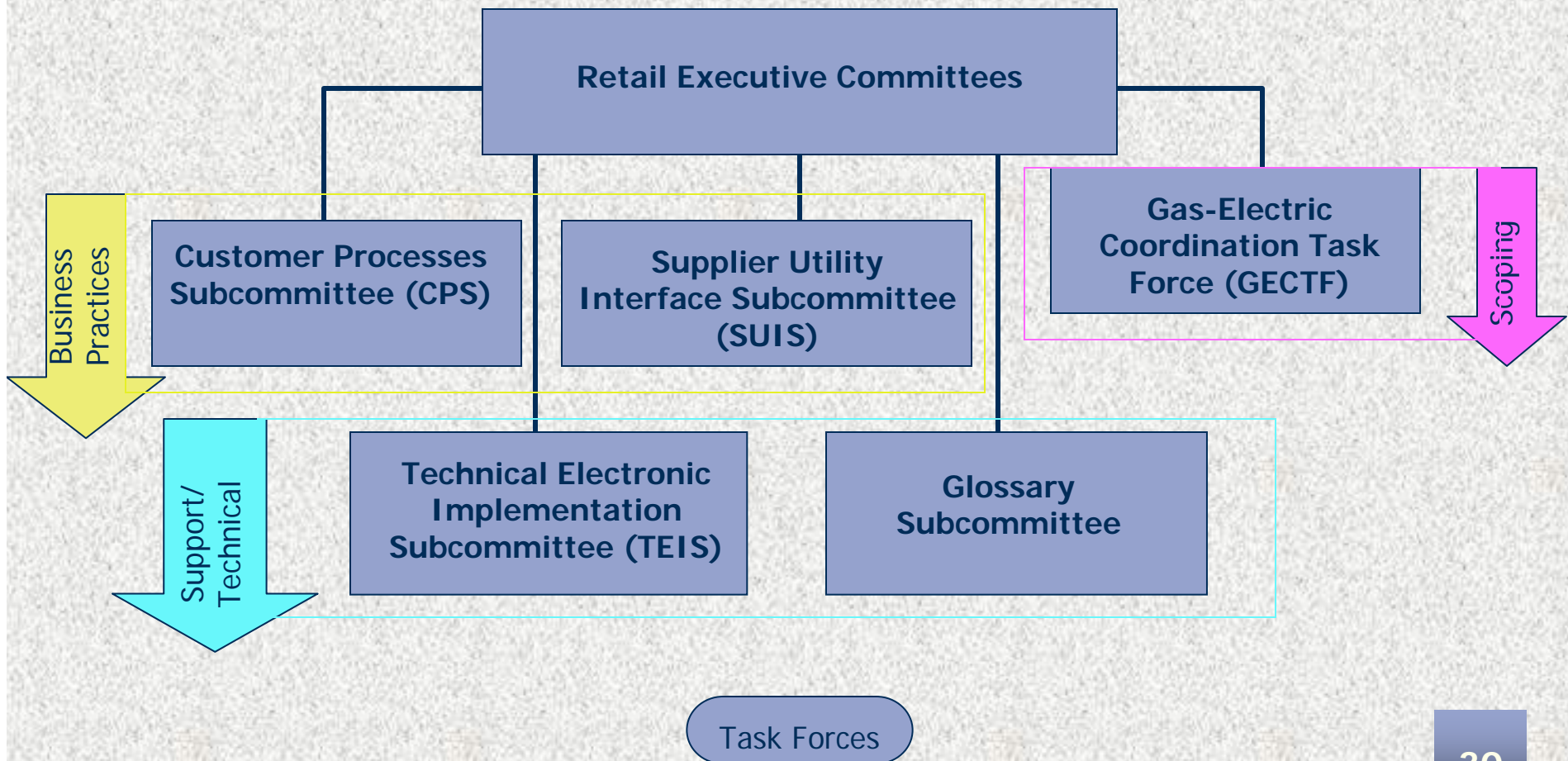
Item Number & Description	Completion ²	Assignment
18 Technical Electronic Implementation Standards – Load Profiling Status: Dependent on completion of Item 10	2005	Technical Electronic Implementation
19 Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 3	2005	Technical Electronic Implementation
Gas-Electric Scheduling Activities		
20 Status Report on Gas-Electric scheduling coordination issues.	2 nd Qtr. 2004	Gas-Electric Coordination TF
Provisional Activities		
Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).		
“Energy Day” Standard - including assessment of changes to existing NAESB standards.		
Program of Standards Maintenance & Fully Staffed Standards Work⁴		
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
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
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary Subcommittee

⁴ This work is considered routine maintenance and thus the items are not separately numbered.

North American Energy Standards Board

Retail Quadrants Committee Structure

Subcommittee structure to address the workload identified in the annual plans:





TAB 7

UPDATE ON RELATED GROUPS

This section includes:

- Minutes from the Natural Gas Council Collaborative 3-2-04.
- Minutes from the Joint Interface Committee meeting in February.

The material presented is background information for the discussion of agenda item 7. Michael Desselle and Rae McQuade will address the work done with other groups.

Natural Gas Council Dialogue on Gas Quality, Technical Meeting, March 2, 2004

The meeting was brought to order by Lori Traweek at 9:00 a.m.

Antitrust Compliance Guidelines reviewed by Jane Lewis, Senior Managing Counsel, AGA

Lori Traweek of AGA, Don Santa of INGAA and Skip Horvath of NGSA reviewed the goals for the meeting and the rules under which the meeting was to be conducted. The three goals of the meeting were identified:

1. Reach a common understanding of each sector's technical limitations.
2. Address the following three questions, once for gas quality, and once again for gas interchangeability.
 - a. What needs to be measured?
 - b. How is it to be measured?
 - c. Where is it to be measured?
3. To what extent is this a "network" issue? That is, identify the technical ramifications of creating specs on a single system in isolation versus doing so in consideration of upstream and downstream facilities.

The house rules were enunciated:

1. This is a collaborative, consensus-based process. While we strive for 100 percent agreement, that is not necessary for the group to achieve a consensus, i.e., success.
2. Participants must agree that following the meeting they will not attribute statements to individuals or individual companies.

The session was facilitated by Mark Hereth, a principal with Process Performance Improvement Consultants. Mr. Hereth outlined the agenda and process for the meeting. The morning session would include a general background presentation on hydrocarbon dewpoint, followed by a "tabletop" exercise on HDP issues. This exercise would permit each of the trade associations to identify issues. These issues then would be categorized based on whether they dealt with impurities, hydrocarbons and liquid drop out, or specialized end use concerns. The issues also would be categorized based on whether there was a consensus or whether further development and research would be needed. The afternoon would be dedicated to interchangeability issues.

Jeryl Mohn of Panhandle Energy delivered a background presentation on heating value, hydrocarbon dewpoint and liquid drop out. Following the presentation, representatives from INGAA presented the tabletop scenario, which depicted a simplified pipeline diagram following the flow of gas from the production point to end use. The scenario first depicted the historic circumstance where gas was processed; it then contrasted this with a scenario in which natural gas is not processed. Based on this scenario, each trade association identified issues of

concern. These issues were then sorted based on the previously identified categories. This categorization appears on the attached spreadsheet.

Following this, the group engaged in a more in depth discussion of hydrocarbon dewpoint and cricondenthem (i.e., the highest temperature at which both the liquid and gas phase can coexist). The afternoon featured presentations and discussion on interchangeability and indices to measure interchangeability.

Based on this discussion, the technical working group on gas quality reached a consensus on the following general items:

1. This meeting addressed only issues related to hydrocarbon liquid dropout and interchangeability. (i.e. this meeting did not address gas quality issues related to, for example, water vapor, hydrogen sulfide, and many other impurities.)
2. The natural gas production and delivery infrastructure network is considered capable of managing hydrocarbon liquid drop out and interchangeability. The challenge is defining proper measurements and indices and developing processes to apply these parameters to the network. This process will define the terms and conditions to help ensure that the network operates efficiently to manage hydrocarbon liquid drop out and interchangeability.
3. The heating value (Btu) included in most natural gas transportation tariff provisions has been used as a surrogate for managing both hydrocarbon liquid dropout and interchangeability. In view of current conditions, additional measures may now be appropriate.

With regard to hydrocarbon dew point, the technical working group reached the following consensus:

1. Hydrocarbon dew point (HDP) is an appropriate means of determining the potential for hydrocarbon liquid dropout.
2. The Cricondenthem hydrocarbon dew point (i.e., the temperature above which no hydrocarbon liquid will drop out regardless of the pressure) is an appropriate measurement to apply in establishing a limit.
3. There are two basic methods for determining HDP
 - a. A calculation method using equations of state derived from fundamental thermodynamics with compositional data
 - i. Use of the calculation method requires analyses through C9+ or an empirically based split of C6 thru C9 that is periodically updated. (See scope of Gas Quality Task Team defined below). This method does not require a field

technician each time a calculation is made; rather, the technician must periodically maintain and calibrate the field chromatograph.

and

- b. A field measurement method using a Chilled Mirror instrument as defined by the U.S. Bureau of Mines.
 - i. The Chilled Mirror method is effective but needs American National Standards Institute (ANSI) approval. The American Petroleum Institute Gas Sampling Working Group is sponsoring development of the standard for this method using an ANSI process. Since this is a field test, it is also limited by the logistics of conducting field tests.
 - ii. The Chilled Mirror method provides a measure of the hydrocarbon dew point at a particular operating condition.
4. The hydrocarbon dew point of historically imported LNG is generally low enough not to create a concern for liquid hydrocarbon dropout.

The leadership agreed to form a Task Group to define HDP measurement processes and create implementation protocols. The Task Group as of 3/2/2004 is composed of the following members:

Jim Witte, INGAA	832-676-5074	Jim.Witte@el Paso.com
Bob Wilson, AGA	516-545-2580	rwilson1@keyspanenergy.com
Danny Harris, INGAA	304-357-3460	DanielHarris@nisource.com
Hank Poellnitz, INGAA	205-325-7665	Henry.Pollnitz@el Paso.com
Jesse Rogers, INGAA	713-989-7310	jfRogers@panhandleenergy.com
Mike Milliet, IPAA-CVX	713-432-6971	mmilliet@chevrontexaco.com
Alfred Fatica, NGSA-BP	281-366-0827	Faticaaj@bp.com
Les Bamberg, NGSA-Exxon Mobil	713-656-4498	les.w.bamberg@exxonmobil.com
Todd Dustman, AGA-Questar	801-324-2513	todd.dustman@questar.com
Keith Barnett, EEI-AEP	614-583-6450	kbarnett@aep.com
Colin Wilkes, GE Energy	518-385-7538	Colin.Wikes@ps.ge.com
Randy Mills, Chevron Texaco-IPAA	713-752-7815	randymills@chevrontexaco.com

With regard to gas interchangeability, the technical working group reached the following consensus:

1. Use of an interchangeability index or indices is an appropriate means to help ensure interchangeability of gas supply.

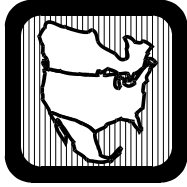
2. The Wobbe, AGA or Weaver indices have been effectively used in the downstream markets to manage gas interchangeability in the past.
3. The Wobbe Index has been calculated using differing heating value bases (higher heating value vs. lower heating value). A standardized basis needs to be established for calculating the Wobbe Index.
4. There are reasonable technical and operational solutions to enable import of LNG from sources throughout the world.

The leadership agreed to form a Task Group to help define gas interchangeability methods and define a basis for how to select and apply. As of 3/4/2004 is composed of the following members:

John Hritcko, Shell Gas & Power		jhritcko@shellgp.com
Edgar Kuiper, Shell Gas & Power		ekuiper@shellgp.com
Colin Wilkes, GE Energy	518-385-7538	Colin.Wilkes@ps.ge.com
Keith Barnett, EEI-AEP	614-583-6450	Kbarnett@aep.com
Dave Schalles, ALCOA		dschalles@bloomeng.com
Bruce Rising, Siemens-Westinghouse		Bruce.rising@siemens.com
Greg Bartholmew, Sempra	619-696-2708	gbartholomew@sempraglobal.com
Ted Willimas, AGA	202-824-7317	Twilliams@aga.org
Les Bamburg, NGS	713-655-4498	Les.W.Bamburg@exxonmobil.com
Mike Milliet, IPAA/CVX		mmilliet@chevrontexaco.com
Frank Katualak, Tractebel	617-381-8512	fkatulak@tlngna.com
Rudy Adamiak, Tractebel		radamiak@tlngna.com
John Erikson, APGA		jerickson@apga.com
Dave Noss, Dominion		David.A.Noss@dom.com
Peter R. Collette, PSE&G	973-430-7827	Peter.Collette@PSE&G.com
Hank Poellnitz, INGAA		HenryPoelinitz@elpaso.com
Scott Zersen, El Paso	832-676-5071	scott.zersen@elpaso.com
Jeryl Mohn, Panhandle Energy	713-989-7410	jlmohn@panhandleenergy.com

Overall, those participating in the meeting agreed that progress had been made in terms of bringing participants from a variety of perspectives to a common ground on the technical issues surrounding gas quality and interchangeability. The participants in the meeting gained a more complete understanding of the technical limitations on the issues that affect other segments of the natural gas industry, which facilitated achieving consensus on the items highlighted above.

Mark Hereth adjourned the meeting at 4:00 p.m.



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

**NERC-NAESB-ISO/RTO Council Joint Interface Committee Meeting
February 18-19, 2004
New Orleans, La
1:00 pm to 5:00 pm and 8:00 am to 4:00 pm
DRAFT Meeting Minutes**

Attendance

NAESB Representatives

Michael Desselle (Co-chair)
John Hughes (alt)
Syd Berwager
Lou Oberski
Charles Yeung (phone)
Ed Davis (alt)
Andy Dotterweich (alt)
Alan Johnson (alt)
Jim Templeton (alt)
Mary Ellen Paravalos
Tony Reed (alt)

NERC Representatives

Linda Campbell (Co-chair)
Mark Fidrych
Scott Henry
Sam Jones
Ed Schwerdt
Ed Tymofichuk

IRC Representatives

Karl Tammar (Co-chair)

Rich Wodyka (phone) – PJM
Kent Saathoff (phone)

Other

Tim Gallagher – Secretary

Guests

Steve Cobb – SRP
Veronica Thomason – NAESB
Bradley Kranz - NYISO
Barbara Rehman - BPA
Bill Boswell – NAESB
Bruce Balmat (phone) - PJM
Don Benjamin – NERC
Rae McQuade – NAESB
Todd Oncken - NAESB
Marv Rosenberg – FERC
Terry Bilke (phone) – MISO
Marcel Harvey- TransEnergie
Ken Brown (phone) – PSE&G
Steve McCoy (phone) –CAISO
Sandy Murrey (phone) – WE Energies

1. All present and those attending via teleconference were introduced. Transcripts of JIC meetings will be kept and a transcriber attended this meeting.
2. The agenda was unanimously approved. Todd Oncken reviewed the anti-trust guidelines. A quorum was established for NAESB, NERC and ISO/RTO Council (IRC) members.
3. Michael Desselle presented an overview of the memorandum of understanding (MOU) between NAESB, NERC and the IRC. The agreement creates a forum for coordination of annual planning and also establishes a mechanism for the review of proposals for standards and their subsequent assignment to either NAESB or NERC for development.
4. Michael Desselle reviewed the role of the JIC and its voting procedures. Each contingent of the JIC receives an equal share of the vote, divided by the number of representatives present. Since a quorum was established for all three JIC contingents at this meeting, each received one-third of the vote.
5. Lou Oberski presented three proposals for business practice standards received by NAESB.
 1. Adopt already existing FERC OASIS business practice standards as NAESB standards. So doing will provide NAESB with a starting point to initiate any changes requested by the industry via their standards development process (r04005).
 2. Acceptance of the NAESB IT subcommittee's recommended actions on the OASIS IA issues left over from the OASIS scheduling collaborative (r04006).
 3. Review existing OASIS standards and FERC Commission proceedings to develop a body of business practice standards for consideration as part of OASIS phase 2 (r04007).

Motion (Lou Oberski, Andy Dotterweich second): Assign development of the three business practice standards proposals (requests r04005, r04006, r04007) to the NAESB process.

Discussion:

Terry Bilke stated that the timing table included in r04005 for long term firm does not appear consistent with some Midwest ISO (MISO) transmission providers who need to perform impact studies. If this standard will become a mandatory requirement, the MISO would like more than 30 days to review the standard.

Alan Johnson stated that his NAESB subcommittee is aware of this concern and has assignment to follow up with MISO and Terry Bilke. [Action Item]

Marv Rosenberg questioned if the proposal was different than the current FERC requirements and was answered that no changes were intentionally made.

Mark Fidrych requested that NAESB develop a more user-friendly way of designating the requests, as the numbering system does not convey the intent of the standard. Lou Oberski will bring this up at future NAESB meetings.

Vote:

IRC – Unanimous approval of Mr. Oberski’s motion

NAESB – Unanimous approval of Mr. Oberski’s motion

NERC - Unanimous approval of Mr. Oberski’s motion

Motion carries

6. Discussion of annual plans:

Lou Oberski presented an overview of the 2004 NAESB annual plan and the process used to develop and approve it. Linda Campbell asked for more information regarding the effort to coordinate the NAESB and NERC gas/electricity interdependency groups. Mr. Oberski agreed that such coordination is important and believes that the proper outreach will occur. There is a common NERC-NAESB task force member who can be enlisted as a liaison between the two groups.

Tim Gallagher presented an overview of the 2004 NERC annual plan and the process used to develop and approve it. Questions were raised about the implementation of the functional model and if the model was still a work in progress. Mr. Gallagher and Don Benjamin answered that the model will continue to be in a state of flux for the near future. A plan for certification of entities in the functional model and to transition to the model via the retirement of existing NERC requirements and their replacement by reliability standards is being developed. NAESB is represented on the team developing the transition plan.

Linda Campbell asked the group to focus not just on coordination of standards development, but also the coordination of their implementation. Michael Desselle stated that Linda’s observation is an excellent one and is one that NERC, NAESB and the IRC must work together to accomplish.

Karl Tammar presented an overview of the 2004 IRC annual plan and the process used to develop and approve it. The IRC pledges to work together with NERC and NAESB and builds upon activities included in their respective annual plans.

Scott Henry asked if any advancements made associated with reliability-related IT communications would be made available to non-RTO transmission providers. Further, will such communications improvements be submitted to NERC as standards?

Karl Tammar answered yes, in both cases. The IRC does not envision development of proprietary reliability related systems or data exchanges.

Michael Desselle asked if IRC/EPRI are coordinating CIMs (common information model) development with NERC? Mr. Desselle reminded the NAESB JIC representatives reminded to follow this effort and any extensions to include market data.

Mark Fidrych stated that the same IRC representatives working on CIMS development are also involved in NERC's CIMs involvement. Because CIMs may be higher priority to IRC than NERC, Mr. Fidrych will propose that the NERC Operating Committee focus some attention upon the CIMs effort at its next meeting. Mr. Fidrych and Mr. Tammar will coordinate NERC and IRC efforts on CIMs development. [Action Item]

7. Steve Cobb presented an overview of a list of seams issues between RTOs and ISOs ("seams catalogue") developed by the NAESB Seams Subcommittee. Mr. Cobb explained that the goal of this effort was to identify all seams issues across North America and who should work to resolve them. Later, standards can be proposed and the JIC can review and assign them to the appropriate organization for development.

Mr. Cobb stated that NAESB, NERC, and the IRC agreed which organization should be designated for the development of solutions to identified seams issues in the majority of cases.

Discussion:

Terry Bilke stated that the MISO was concerned about the potential for circumventing the development processes of NERC and NAESB via assignment made in the seams catalogue. Michael Desselle and Steve Cobb answered that it is not the intent of the catalogue or the seams subcommittee for any circumvention to occur. The catalogue and any assignment made in it do not preclude anyone from submitting a request for a standard to NAESB or NERC.

Karl Tammar stated that the IRC requests that four specific issues be put on hold, listed as regional, and that their development be assigned to the IRC:

1. Congestion management, (issues 35-36) LMPs at borders, and coordination of FTRs and other hedging mechanisms. These issues have policy, market design, and regional components.
2. Compensation for reactive power (16)
3. Issue 46, generator interconnection requirements, should not be an issue considered for standardization based upon prior agreement and FERC discussions.

4. Description of green power (113) needs clarification. If the intent of this issue pertains to market design, this should be a regional issue, assigned to IRC.

The JIC began a discussion of the items listed by Mr. Tammar and quickly came to the realization the JIC cannot agree which organization should be designated as the developer for the referenced standards. The JIC agreed that similar discussion of other seams issue for which an agreed upon designated organization does not exist will not bear fruit, either. Further, the JIC agreed that the designation in the seams catalogue carries no weight, other than to provide someone interested in proposing a given standard with an indication of which organization (NAESB, NERC or the IRC) should be approached.

Motion: Mark Fidrych, Tony Reed second, friendly amendment by Scott Henry: Accept those issues for which there is agreement for assignment of development of a standard proposal to the indicated organization.

Vote:

IRC – Unanimous approval of Mr. Fidrych’s motion
NAESB – Unanimous approval of Mr. Fidrych’s motion
NERC - Unanimous approval of Mr. Fidrych’s motion

Motion carries

Motion: Lou Oberski, Mark Fidrych: Accept the remaining seams issues and label the designated organization column as undecided.

Vote:

IRC – Unanimous approval of Mr. Oberski’s motion
NAESB – Unanimous approval of Mr. Oberski’s motion
NERC - Unanimous approval of Mr. Oberski’s motion

Motion carries

Mike Desselle stated, and the JIC agreed, that no further action would be taken on any of the seams issues, until an industry participant develops a request for an associated standard.

Ed Tymofichuk asked if the present seams catalogue adequately captures all the seams issues and what process will be used to incorporate seams issues identified in the future. Lou Oberski stated that NAESB could open collection of seams

issues again and gather more. Perhaps a review of the most current catalogue could be placed on the JIC agenda on a routine basis.

8. The next two JIC meetings will be held as conference calls on May 18 at 2-3 pm central and July 13 from 2-3 pm central.

The next face-to-face JIC meeting will be held on September 21, at a location to be determined. The purpose of the meeting will be to discuss draft annual plans for 2005.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
MARCH 18, 2004**

TAB 8

OLD AND NEW BUSINESS

This section includes:

- Meeting Schedule for 2004.

The material presented is background information for the discussion of agenda item 8. Michael Desselle will cover the schedule for meeting including the upcoming June Board meeting. No board action is required on the schedule.

Michael will be installed as the 2004 Chairman of the NAESB Board of Directors.



North American Energy Standards Board

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Via email

TO: NAESB Board Members
FROM: Rae McQuade, NAESB Executive Director
RE: **2004 Calendar of Board Meetings**
DATE: February 18, 2004

Dear NAESB Board Members -

Below is the 2004 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 on any items that are not decided by simple majority.

Thursday, March 18 9am - 12:30pm Central time
Houston, TX at IAH Airport Marriott Hotel

Thursday, June 10 9am - 12:30pm Central time
Originally planned for Houston, TX at IAH Airport Marriott Hotel,
but changed to Menger Hotel in San Antonio, TX.

Thursday, September 16 9am - 12:30pm Central time
Austin, TX in conjunction with the NAESB Annual Meeting at the
Driskill Hotel.

Thursday, December 9 9am - 12:30pm Central time
Houston, TX at IAH Airport Marriott Hotel

Please contact the NAESB office (713-356-0060) if you have any questions.

Best regards,
Veronica Thomason
North American Energy Standards Board
Phone: (713)356-0060

Please note new email address: vthomason@naesb.org