

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

**North American Energy Standards Board
Board of Directors Meeting
June 10, 2004**

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**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 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.

This section tracks with agenda item 7.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

WELCOME AND OPENING REMARKS

- The meeting specifics are:

Where: Menger Hotel
204 Alamo Plaza
San Antonio, Texas 78205
Hotel Phone: 210-223-4361

When: June 10th Board Strategic Session 9:00 am to Noon
Board Normal Business Noon to 1:00 pm

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:

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

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

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 |
| VACANCY | VACANCY | |
| 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 |
| Bill Hebenstreit | Director of Contract Services - El Paso Production Company | 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 |
| VACANCY | VACANCY | 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: |
|----------------------------|--|------------------|
| David 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 |
| David Booty | Director of Operations, Direct Energy Business Services | 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 |
| Jeanne Zaiontz | Director, Regulatory Affairs, BP Energy Co. | 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 |
| Barry R. Lawson | Manager-Power Delivery, National Rural Electric Cooperative Association | 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 |
| Carrie Cullen Hitt | Vice President of Governmental and Regulatory Affairs, Constellation NewEnergy | 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: |
|--------------------------------|--|------------------|
| Allen L. Burns | Executive Vice President-Industry Restructuring, Bonneville Power Administration | 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 |
| Jim Mayhew | Director of Market Development & Policy Analysis, Mirant Corp. | 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 | Director – Rates and Gas Supply, 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, SunGard 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
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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.

**NORTH AMERICAN ENERGY STANDARDS BOARD
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JUNE 10, 2004**

TAB 2

MEETING ANNOUNCEMENT AND AGENDA

This section includes:

- The meeting announcement and agenda for the Board normal business,

The material presented is background information for the discussion of agenda item 7.

The Board will discuss and review agenda and will be asked to adopt the agenda through a simple majority vote.



North American Energy Standards Board

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June 1, 2004

TO: NAESB Board of Directors, Invited Guests, Speakers
FROM: Rae McQuade, NAESB Executive Director
RE: Meeting Announcement for the NAESB Board Meeting – June 9-10, 2004

Dear Board Members, Speakers and Invited Guests:

As noted in earlier communications on March 29, we have planned a Board meeting/strategic session in San Antonio, Texas on June 9 and June 10. There is a golf outing on the afternoon of June 9th at LaCantera Golf Course in San Antonio, followed by a dinner with a speaker that evening at the historic Menger Hotel. The Board meeting the next morning, June 10th, also in the Menger Hotel, will include tips for making non-profit Boards work, strategic thinking for Boards, and the normal business of the Board. This is a singularly appropriate time for NAESB to undertake such a meeting/event – as it marks our 10th anniversary. The first Board meeting of GISB, NAESB's precursor, was July 1994.

Hotel information was included in the prior announcement, but is repeated here: to reserve a room at the Menger Hotel, please call 210-223-4361. You should contact Veronica Thomason (713-356-0060) if you are interested in playing golf for further details and to ensure adequate planning.

We hope you are able to reserve time in your busy schedules for this event and look forward to your attendance. If you intend to attend but have not RSVPed, please contact Veronica Thomason (vthomason@naesb.org, 713-356-0060).¹

Where: Menger Hotel
204 Alamo Plaza
San Antonio, Texas 78205
Hotel Phone: 210-223-4361

When: June 9th Golf at LaCantera Buses leave at 10:15 am
Buses leave the Menger at 10:15 a.m. Box lunches will be available on the golf carts. Tee times start at 11:30 a.m.

June 9th Reception and Dinner 6:00 pm to 10:00 pm
Reception 6:00 pm to 7:30 pm
Dinner 7:30 pm to 10:00 pm
Dinner Speaker, David Karmol, Vice President for Public Policy and Governmental Affairs, American National Standards Institute

June 10th Board meeting/strategic session 9:00 am to 1:00 pm
A buffet lunch will be served immediately following the meeting.

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.

¹ This, as with all NAESB meetings is open, and observers that have informed the office of their intent to attend are welcome (please respond to vthomason@naesb.org, 713-356-0060).



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NAESB BOARD OF DIRECTORS MEETING & STRATEGIC SESSION Menger Hotel, San Antonio, Texas

Thursday, June 10 – 9:00 a.m. to 1:00 pm Central DRAFT AGENDA

- 8:30 a.m. Continental Breakfast
- 9:00 a.m. 1. **Strategic Session of the Board of Directors**
Introduction from Michael Desselle
- 9:15 a.m. 2. The Workings of Non profit Boards
Bill Boswell
- 9:45 a.m. 3. The Profile of the NAESB Organization, Its Membership and Trends
- Retail Quadrants and Competitive Market Development
 - Merchant and Marketing Segments Participation
 - Other developments that have changed the membership profile of the organization
- 10:15 a.m. 4. Strategic Directions for NAESB
Goals of this session – Define the strategic direction that should guide the activities of the organization.
- 10:30 a.m. 5. Identification of top items NAESB should address in the upcoming years
Request that Board members come prepared to discuss directions that NAESB should take to address key areas of standards development, such as:
- Coordination and interdependencies of the natural gas and electric markets
 - Support of regulatory policies
- 11:45 a.m. 6. Next steps
- Noon 7. **Normal Board Business**
- Antitrust Guidelines
 - Agenda Adoption
 - Adoption of Draft Minutes from 3-18-04
- 12:15 a.m. 8. Reports
- Executive Director's Report
 - Financial Report
 - Executive Committee Report
 - Parliamentary Committee Report
- 12:45 p.m. 9. Old and New Business
- Remaining Meeting Schedule for 2004
 - Sunset Provision Discussion
- 1:00 p.m. Adjourn

*Attire – Business Casual
Buffet Lunch served immediately following the meeting*

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

TAB 3

DRAFT MINUTES – MARCH 18, 2004

This section includes:

- The draft minutes for the Board meeting on March 18, 2004.

The material presented is background information for the discussion of agenda item 7.

The Board will discuss and review minutes and will be asked to adopt the minutes as final through a simple majority vote.



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TO: NAESB Board of Directors, Posting for Interested Industry Participants
FROM: James Cargas, NAESB Deputy Director
RE: Draft Minutes from the NAESB Board of Directors Meeting – March 18, 2004
DATE: March 19, 2004

NAESB Board of Directors Meeting

Thursday, March 18, 2004
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. Cargas called the roll of Board members and quorum was established in each Quadrant. Mr. Haynes welcomed the new board members. Mr. Dunleavy moved, seconded by Mr. Templeton, to adopt the draft agenda. The motion passed unanimously. Mr. Buccigross moved, seconded by Ms. Ogenyi, to adopt the minutes from the December 4, 2003 Board of Directors meeting as drafted. The motion passed unanimously.

2. Managing Committee Report: Action Taken on Request R03035

Mr. Buccigross summarized the history of Request #R03035 submitted by Florida Power and Light. The request has NAESB addressing three distinct areas of gas quality: (A) establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs; (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 and draft such standards as appropriate.

Mr. Buccigross related how the Triage Committee on Jan. 9, 2004, found parts A and B in scope, but deferred to the Executive Committee (EC) on part C. On Feb. 5, 2004, in a full conference call of all quadrants of the EC, the Wholesale Gas Quadrant (WGQ) EC determined that none of the parts were in scope through a 7 to 10 vote. The other quadrant EC's did not have quorum to establish their votes, which would not have resulted in a different outcome as each quorum is required to have a simple majority approving the request in scope. Accordingly, the entire request failed before the EC as being out of scope. Once that determination was made, the issue was remanded to the Managing Committee and the Board of Directors for a final determination.

Mr. Haynes discussed the subsequent Managing Committee meeting on Feb. 10, 2004, in which it was determined that all three parts are in scope as defined in NAESB's Certificate. He explained that as Chair he has the authority to request a notational vote, and that he called for such a vote to ratify the Managing Committee's decision prior to Ms. McQuade's scheduled presentation at the FERC Technical Conference on gas quality on Feb. 18, 2004. The Board's notational ballot ratified the determination that all three parts were in scope, through separate votes for each part.

Mr. Chapman discussed his proposed resolution on amending the By-Laws and NAESB Operating Procedures (NAESBOPs). Procedurally, he requested guidance on the process for addressing the proposal. Mr. Haynes suggested that his amendment would be best discussed under New Business.



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Mr. Maassel made a motion regarding action on the Annual Plan regarding assignment of R03035. Mr. Maddox seconded this motion. However, Mr. Haynes suggested that it would be more appropriate to discuss and vote on this motion under Item 5 under Amendments to Annual Plans. Accordingly, the motion was temporarily tabled.

3. Executive Director's Report

Ms. McQuade gave the Executive Director's report.

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. There are often between 70 and 100 participants. The frequency of the calls was discussed and it was determined to leave them on a monthly schedule. State Commission staff Diane Barney (NY), Lou Ann Westerfield (ID) and Thom Pearce (OH) have been very helpful in setting the agenda. Topics and speakers come from all four quadrants, and can be suggested by anyone. She noted the next call is scheduled for April 21 at 2:00 p.m. Eastern.

Membership Report: Ms. McQuade reported membership began the year at 357. As of this month, it declined to 353 as NAESB 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, Ms. McQuade hopes to 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 North American Electric Reliability Council (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: Ms. McQuade reported that the NAESB Advisory Council met in conjunction with the Winter National Association of Regulatory Utility Commissioners (NARUC) meeting in Washington on March 6. Chairman Denise Bode of the Oklahoma Corporation Commission and Dr. John Bulger of the Canadian National Energy Board have been added as members of the council. Bruce Ellsworth was re-elected to serve as chairman for 2004-2005. 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, Ms. McQuade stressed they were "works in progress" and if the practices did not reflect their particular state or provincial practices, there are procedures in place to amend the practices to be more inclusive. Ms. McQuade asked council members to review the practices to determine if changes were needed, and also asked them to review the membership roster sorted 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, NAESB was also able to give updates to the NARUC Gas Committee, NARUC Gas Staff 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 again. NARUC Executive Director Charles Gray has agreed to support NAESB's inclusion as an external meeting to the program.



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4. Financial Report

Accrual Based Report 2003 YE: Ms. Darla Wishart gave the financial report for the year ending 2003. Net income for 2003 was \$106,055. Although expected net revenue was off by 11.2%, expenses were monitored and continually adjusted through the year such that they were meeting or under revenues collected and came under budget by 16.6% leaving a positive balance for the year in the net income. 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 taken.

Accrual Based Report January 2004: Ms. Wishart reported that NAESB is in line with the 2004 budget after reviewing the figures for January 2004. Ms. McQuade also noted that both expenses and revenues were lower than budget for January. The organization should be able to better evaluate the budget and assumptions made for net revenue and expenses for 2004 after a few months. .

Review of Conference Calling Charges Policy: Ms. McQuade reviewed the 2004 Conference Calling policy such that all participants had a greater understanding: 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 \$1,000 which would cover all employees of that company for all conference calling for 2004; and state, federal or provincial government employees, trade association staff and consumer advocates are exempt from the fee.

Ms. McQuade presented an analysis of the policy's impact to date. She observed that while the overall percentage for the past several months has stayed the same for the ratio of those participating by conference call versus those in-person (30-32%), the numbers of participants have increased in both categories by more than 10%. Ms. McQuade stated the conference calling policy, 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. It was never intended to be a profit center. NAESB has budgeted \$150,000 for telecommunications in 2004.

To date, NAESB has collected \$36,500 under this policy, the majority of which falls in the annual fee category. Ms. McQuade expects the fee will mostly be the \$50 "per call" fee from now on as most members who have considered the annual fee have already made such payments. She noted that the annual fees are booked in current month's income as are the "per call" fees, and are not amortized over the year.

5. Additions to the Annual Plans – Disposition of Request R03035

Mr. Haynes re-read Mr. Maassel's tabled motion regarding action on the WGQ Annual Plan regarding assignment of R03035. Mr. Maddox had previously seconded this motion.

Discussion of the motion began with a presentation by Ms. Dona Gussow, the author of R03035. Her presentation appears at Tab 5 of the meeting materials. Ms. Gussow noted that the request was motivated by the power generation operations at Florida Power & Light (FPL) which generates a large percentage of its power from natural gas. Nationally, 25% of natural gas is used for electric generation. She also stated that various business concerns were also present such as environmental operating permits, due diligence reporting requirements, and the decreased Btu value when liquids drop out. While the request was drafted in three parts, FPL did not intend the parts to be sequential, i.e., part A does not need to be addressed before work begins on part B. She concluded that no part of the request specifically asks NAESB to develop gas quality specification standards, but the business practices involving various aspects of gas quality.



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During discussion, it was noted that if there are concerns about the gas quality entering a turbine generator, the operator cannot learn of this as it goes into the turbine. The turbine operator needs to know in advance so the equipment can be adjusted. Mr. Haynes noted that many issues, such as the timing of reports, were reserved for the subcommittee to which the work will be assigned.

In support of the motion, Mr. Mills noted that it would give the Natural Gas Council (NGC) efforts time to be addressed, and the FERC to make some policy decisions based on the NGC's results. Resolution of part A is not dependent upon the NGC. Ms. McQuade noted that she has been involved in the NGC's efforts and will continue to coordinate with them.

Mr. Sappenfield supported the motion and said NAESB needs to work on part A since there are no policy concerns, whereas FERC may be requested to provide policy on the other parts. Mr. Sappenfield said NAESB is the proper forum for developing standards that would emanate from this request or from the NGC deliberations.

Ms. Ogenyi, with the support of Mr. Anderson and Mr. Sappenfield as well as the motion's movers, Mr. Maassel and Mr. Maddox, proposed an amendment that acknowledged the Board's earlier notational ballot on the scope of R03035. The amendment was accepted.

After the amendment, Mr. Maassel's motion read as follows (amendment underlined):

Consistent with the earlier vote by the Board of Directors on scope, I move that the Board amend the 2004 annual plan to add part A of the request for standard R03035 as proposed by Florida Power & Light with the understanding that

- (1) the Executive Committee shall first work on part A, and that the Executive Committee shall report to the Board regarding its progress concerning Part A,
- (2) work on parts B and C shall be deferred until the Board has determined that the annual plan should be revised to reflect development for parts B and C, and
- (3) it is the strong recommendation of the Board that the Executive Committee shall assign work on this matter to the Wholesale Gas Quadrant, with the understanding that, as is customary, any other interested quadrant(s) may participate in the development process.

Mr. Haynes called the vote there being no additional requests for discussion. The motion, with a simple majority vote requirement, passed 37 For, 3 Against, and 2 Abstentions (Mr. Kruse and Mr. Mucci).

6. Executive Committee Report

The annual plans of each quadrant were reviewed by the EC leadership of that quadrant. Discussion is shown below:

Retail Gas Quadrant (RGQ) and Retail Electric Quadrant (REQ): Ms. Kiselewich noted that the two quadrants continue to work together and are on schedule with their annual plans. She reported on the NARUC presentations on the new Creditworthiness and Supplier Billing and Payment Model Business Practices (MBPs) and how well they were received. The retail quadrants are now proceeding on the next stage for these MBPs. A model non-disclosure agreement (NDA) and process flow diagrams are being worked on for the Creditworthiness MBPs. For the Supplier Billing and Payment MBPs, a data dictionary and sample paper transaction are being developed. The one difference between the retail quadrants' efforts is represented by the RGQ gas inventory task force. The task force is surveying the form of data transmission being used by the industry. She anticipates RGQ's efforts aiding both quadrants in the end.



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The Gas and Electric Coordination Task Force (GECTF), a joint effort across all quadrants, met recently in Houston. She read their mission statement:

“The Gas Electric Coordination Task Force (GECTF) is an ad-hoc task force reporting to the four quadrant Executive Committees. The GECTF is tasked with reviewing and investigating possible standards creation and revisions of existing standards related to additional coordination of the interaction between the scheduling of electric, and gas transactions.”

Ms. Kiselewich said the GECTF is committed to producing an interim status report by the end of the quarter and now has a draft. The EC will review the draft and have a conference call to approve it before sending it onto the Managing Committee for its review and adoption. After Managing Committee signoff, the report would be forwarded to the FERC.

Mr. Buccigross offered a motion amending both the RGQ and REQ Annual Plans to state, “Status report on Gas-Electric scheduling coordination issues,” to be due 2nd quarter 2004 and assigned to GECTF. This motion conforms the RGQ and REQ Annual Plans to the WGQ and WEQ Annual Plans. Mr. Spangler seconded the motion. The motion passed unanimously by voice vote.

Wholesale Gas Quadrant (WGQ): Mr. Buccigross reported on the WGQ Annual Plan’s progress. The recommendation by the Business Practices Subcommittee (BPS) on implementing FERC Order 2004 (affiliate order) is out for comment now and should be considered by the WGQ EC for vote and then ratified by its membership. He expects some activity soon on Item 4, Sandia Review of Security and Reliability of Version 1.7, partnering with the Department of Energy and Sandia Lab to review the security and reliability of Version 1.7. Mr. Buccigross concluded that the plan is on track.

Mr. Haynes acknowledged Mr. Buccigross’ well done job and hard work as Chair of the EC and WGQ EC.

Wholesale Electric Quadrant (WEQ): Mr. Oberski reviewed the 2004 annual plan, and discussed NAESB and NERC coordination. The Coordinate Interchange Payback Task Force (CIPBTF) has a recommendation to adopt the Coordinate Interchange business practices are out for comment, after which they will be considered by the EC for vote in May. The business practices for inadvertent interchange payback are underway, with the expectation that the standards will conclude drafting by October of this year. Similarly the Electronic Scheduling Subcommittee has drafted standards that correlate to Orders 605, 638 and 889. The standards have been adopted by the EC and are currently out for membership ratification. Coordination with NERC is underway to separate the business practices from the reliability standards in the existing NERC policies, and have this separation and adoption as standards completed by year end.

Finally, Mr. Oberski summarized the action taken by the Joint Interface Committee (JIC) on the Seams Catalog at its recent meeting in New Orleans. Of the 134 issues, 22 were assigned to NAESB and will be assigned to the Seams Subcommittee for recommendations on the disposition of these 22 entries. Consensus was reached on a total of 97 issues. Another 37 issues, on which consensus could not be reached, without significant additional material collected and prepared, were listed as undetermined. Those undetermined entries that that NAESB considered within the scope of NAESB will also be reviewed by the Seams Subcommittee, according to Mr. Desselle.

Mr. Scott Brown noted that the final blackout report will be coming out in a few weeks. He said NERC is preparing to address specific recommendations and the WEQ should do the same. Mr. Oberski said that the EC will start looking at this next week in Nashville with the NERC Market Committee jointly to discuss this report and other matters. It is expected that NAESB will work with the NERC Market Committee on those items that may require the development of business practices.



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7. Updates on Related Groups

Natural Gas Council (NGC) Industry Collaborative on Gas Quality and Interchangeability: Ms. McQuade reported that she sits on the Collaborative. At the March 2 meeting, there were technical speakers that included many of our own Board members. The NGC formed two task forces: a hydrocarbon due point task force (Randy Mills is a member of this task force), and gas quality task force. The NGC has expanded this effort to include other associations including Edison Electric Institute, Electric Power Supply Association, Gas Appliance Manufacturers Association, Process Gas Consumers, American Public Power Association, American Public Gas Association, University of Houston, International LNG Association, and NAESB. The minutes are in Tab 7 of the materials. A specific work plan or time line for deliverables from the collaborative has not been developed yet.

Joint Interface Committee (JIC): The JIC's recent meeting in New Orleans was discussed above under the WEQ's Annual Plan.

Coordination with NERC and WEQ: In addition to the joint efforts described by Mr. Oberski above, Mr. Desselle noted that NAESB has representation on several NERC task forces, including: Transitions Task Force (Rae McQuade, Michael Desselle, Phil Cox), Post-Legislation Task Force (Michael Desselle), Compliance Templates Task Force (Joe Hartsoe). Furthermore, Mike Grim, who is the chair of the NERC Markets Committee, is a newly elected NAESB Board member for the WEQ. Finally, Mr. Desselee sits on the NERC Board as an ex-officio member.

Mr. Desselle observed that the forthcoming release of the final blackout report can be expected to accelerate the coordination activities of NERC's Transition Task Force and NAESB's Business Practices Subcommittee (BPS).

8. Old and New Business

Meeting Schedule for 2004: Ms. McQuade reminded the Board that the 2004 schedule of meetings is as follows: June 10, San Antonio at the Menger Hotel, Texas; September 16, Austin at the Driskill Hotel; and December 9 at the Marriott Houston Intercontinental Airport. The June 10 meeting will include a strategic planning session. The September 16 meeting will be in conjunction with NAESB's Annual Meeting.

New Business:

Proposed Amendment to NAESB Bylaws

Mr. Chapman made a motion amending NAESB's Bylaws and requested that it be assigned to the Parliamentary Committee. The motion was seconded by Mr. Kruse. The amendment read as follows:

NAESB Board of Directors Resolution Modifying the NAESB Bylaws

WHEREAS, the Operating Procedures of the North American Energy Standards Board (NAESBops), Standards Development and Maintenance, Action on Request provides that when a request for standards development or maintenance is submitted, following a recommendation as to whether the request is within the scope of NAESB, the Executive Committee (EC) approves, amends or rejects the recommendation that the request is within the scope of NAESB, and

WHEREAS, pursuant to the same section of the NAESBops, if the EC does not find the request in scope, the recommendation is forwarded to the Board of Directors (Board) for a final determination as to whether the request is in scope, and



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WHEREAS, the Resolution Establishing Board Managing Committee provides that the Managing Committee may act on matters which would require Board approval, except for those matters specifically reserved to the full Board by the Bylaws, and

WHEREAS, the scope of NAESB is such that rejection of a standards development or maintenance request should be an extraordinary event supported by detailed discussions and a quadrant/segment voting record, and

WHEREAS, such detailed discussions and quadrant/segment voting record cannot be replicated within the Managing Committee due to the limited composition of said committee,

NOW, THEREFORE, the Bylaws of North American Energy Standards Board, Inc (Bylaws) – Section 8, shall be modified to reserve scope determinations, on the occasions that the EC does not find a request within scope, to the full Board to be discussed at Regular Meetings as described in Section 9.4 of the Bylaws, and

FURTHER, for the purpose of such scope determinations, the Board shall divide itself into quadrants as described in section 10.3 of the Bylaws and process the request in the same manner as the EC would such that a quadrant/segment voting record may be developed.

Mr. Boswell noted that a minimum of 56 affirmative votes are needed to amend the bylaws based on our current Board size, including a minimum of 40% affirmative votes from the Board members of each segment. Mr. Chapman noted that his intent with this motion is to direct the Parliamentary Committee with developing the appropriate language to implement the amendment. In discussion, Ms. Ogenyi, Mr. Hartsoe, Mr. Haynes, Mr. Brown, Mr. Sappenfield, Mr. Templeton, Mr. Desselle, Mr. Stepenovitch, and Mr. Maddox spoke against the motion. Mr. DeForest, Mr. Horting, and Mr. Chapman spoke in favor of the motion. The full accounting of the discussion is represented in the transcripts of the meeting. After the discussion concluded, Mr. Haynes called the vote. A roll call vote was taken and is attached to these minutes as "Vote 1." There were 13 votes in favor, 33 votes against, and 1 vote cast as an abstention. The motion did not pass. A notational ballot was not required as with the negative votes cast, it was mathematically impossible to achieve 56 affirmative votes.

Installation of New Chair

Mr. Haynes thanked the Board and acknowledged the NAESB staff. He then turned over the gavel to the 2004-2005 NAESB Chair, Mr. Desselle. Mr. Haynes was presented a plaque and present in honor of his service to the organization as 2003-2004 Chair.

9. Adjourn

Mr. Templeton made a motion to adjourn. Mr. Sappenfield seconded the motion. The meeting was adjourned on March 18, 2004 at 12:15pm Central.



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10. Board Attendance and Voting Record

Vote 1 records the roll call vote taken on Mr. Chapman's motion to amend the NAESB Bylaws.

2004 BOARD - Wholesale Gas Quadrant

| END USER SEGMENT | | Attendance | Vote 1 |
|-------------------------|---|------------|---------|
| Jim Downs | Manager of Gas and Regulatory and Federal Compliance, Calpine Corp. | Absent | |
| Joe Stepenovitch | Vice President, Energy Marketing & Trading, Florida P&L | Phone | Against |
| John Procario | Vice President & COO, Cinergy | In Person | Against |
| Janie Mitcham | Vice President, Fuel and Energy Management, Reliant Energy | In Person | |
| Jim Templeton | Principal, Comprehensive Energy Services | In Person | Against |
| LDC SEGMENT | | | |
| Tim Kelley | Vice President Energy Services and Regulation, Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company | Phone | For |
| Adrian Chapman | Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company | In Person | For |
| Reed Horting | Vice President, Gas Supply & Transportation, PECO Energy Co. | Phone | For |
| Walt DeForest | Senior Vice President, National Fuel Gas Distribution | In Person | For |
| Lee Stewart | President, Energy Transportation Services, Southern California Gas Co | Phone | For |
| PIPELINE SEGMENT | | | |
| Terry McGill | Executive Vice President, Enbridge Energy | Absent | |
| John Somerhalder | President, El Paso Energy Pipeline Group | Absent | |
| Shelley Corman | Senior Vice President & Chief Commercial Officer - Transwestern Pipeline, Enron Transportation Services Company | Absent | |
| Ron Mucci | Senior Vice President Shared Services, Williams Gas Pipeline | In Person | For |
| Richard Kruse | Senior Vice President, Duke Energy Gas Transmission | In Person | For |
| PRODUCER SEGMENT | | | |
| Randy Mills | Regulatory Manager, ChevronTexaco | In Person | Against |
| William T. Benham | Vice President - Regulatory Affairs, BP Energy Company | In Person | For |
| Keith Sappenfield | Regional Director - US Regulatory Affairs, EnCana Oil & Gas (USA) Inc. | In Person | Against |
| VACANCY | VACANCY | | |
| Pete Frost | Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing | In Person | For |



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SERVICES SEGMENT

| | | | |
|------------------------|---|-----------|---------|
| VACANCY | VACANCY | | |
| VACANCY | VACANCY | | |
| Jim Buccigross | Vice President Energy Industry Practice, Group 8760 LLC | In Person | Against |
| Lyn Maddox | President & CEO, Prospect Energy | In Person | Against |
| G. William Hebenstreit | Vice President Contract Services, El Paso Merchant Energy | In Person | Against |

2004 BOARD – Retail Electric Quadrant

| DISTRIBUTOR SEGMENT | | Attendance | Vote 1 |
|----------------------------|--|-------------------|---------------|
| Dave Koogler | Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region). | In Person | For |
| Bill Bourbonnais | Assistant Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region) | In Person | Against |
| Johnny Magwood | Vice President Customer Services, Baltimore Gas and Electric Company | Absent | |
| Leonard Haynes | Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region) | In Person | Against |

END USER SEGMENT

| | | | |
|----------------|--|-----------|---------|
| Sonny Popowsky | Pennsylvania Office of Consumer Advocate | Absent | |
| Bryan Anderson | Capital Partner, Foley & Lardner | In Person | Against |
| 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 Wood | Director, The Structure Group | In Person | Against |
| J Cade Burks | President, EC Power | In Person | Against |
| John Williams | Chief Executive Officer and Co-founder, 8760. | In Person | Against |

SUPPLIER SEGMENT

| | | | |
|-----------------|--|-----------|---------|
| Brian Landrum | President, Reliant Energy Retail Services | Absent | |
| Jason Woodward | Director of Business Services, Tractebel Energy Services, Inc. | Absent | |
| David McMillan | Vice President of Government and Regulatory Affairs, Green Mountain Energy | In Person | Against |
| Richard Zelenko | General Manager, Dominion Retail Inc. | In Person | For |

2004 BOARD – Wholesale Electric Quadrant

| END USER SEGMENT | | Attendance | Vote 1 |
|-------------------------|--|-------------------|---------------|
| John A. Anderson | Executive Director, Electricity Consumers Resource Council (ELCON) | In Person | Against |
| V A C A N C Y | To be filled from the Large Industrials Sub-Segment | | |



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| | | | |
|---------------------------------|---|-----------|---------|
| Carol Guthrie | General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company | Absent | |
| Patricia Smith | People's Counsel, Maryland People's Counsel | Absent | |
| Ron Jackups | Vice President, Electric System Operations, Cinergy | Absent | |
| Thomas Dunleavy | Commissioner, New York Public Service Commission | Phone | Abstain |
| DISTRIBUTION/LSE SEGMENT | | | |
| Frank Johnson | Senior Vice President Electric Transmission and Distribution, Consumers Energy | Absent | |
| Jim Miller | Vice President & General Counsel, Southern Company Services Inc. | Absent | |
| V A C A N C Y | To be filled from the Muni/Coop Sub-Segment | | |
| Arthur G. Fusco | Vice President and General Counsel, Central Electric Power Cooperative Inc. | In Person | Against |
| 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 Power Administration | Absent | |
| Charles W. Severance | Director Bulk Power, Wisconsin Public Service Corporation | Phone | Against |
| John J. Dellas | Executive Director Electric Restructuring, Consumers Energy | Phone | |
| Dennis Sobieski | Managing Director – Business Development, PSEG Power | In Person | |
| Thomas Ingwers | Director, Energy Trading and Contracts, Sacramento Municipal Utility District | In Person | Against |
| Gloria Ogenyi | Director Energy and Market Policy, Conectiv Energy Supply, Inc. | In Person | Against |
| TRANSMISSION SEGMENT | | | |
| W Terry Boston | Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority | Absent | |
| Peter Flynn | Vice President Transmission Strategy and Policy, National Grid USA | Phone | Against |
| Paul McCoy | Executive Vice President of Transmission System Operations, Trans-Elect | In Person | Against |
| Carroll Waggoner | Sr. Manager Transmission Policy, Sunflower Electric Power Corporation | In Person | |
| John H. Zemanek | Vice President Transmission, Entergy Services, Inc. | In Person | Against |
| Michael Desselle | Director Public Policy, American Electric Power | In Person | Against |
| MARKETER/BROKER SEGMENT | | | |
| Steve Oliver | Vice President of Bulk Power Marketing Transmission Services, Bonneville Power Administration/Power Business Line | Absent | |



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| | | | |
|-----------------|--|-----------|---------|
| R. Scott Brown | Vice President and Director, Exelon Generation Power Team | Phone | Against |
| Thomas A. Smith | Manager of Power Marketing, Tri-State Generation & Transmission Association, Inc. | In Person | Against |
| V A C A N C Y | To be filled by the Non-IOU Affiliated Sub-segment | | |
| Michael Grim | Director of North American Market Development – Public Policy Division, TXU Energy | Absent | |
| Joseph Hartsoe | Vice President and Associate General Counsel, American Electric Power Marketing Inc. | Phone | Against |

2004 BOARD – Retail Gas Quadrant

| DISTRIBUTORS SEGMENT | | Attendance | Vote 1 |
|----------------------------------|--|-------------------|---------------|
| Craig White | Acting Chief Operating Officer, Philadelphia Gas Works | In Person | |
| Glen R. Schwalbach | Assistant Vice President Corporate Planning, Wisconsin Public Service Corporation | In Person | For |
| Mark T. Maassel | President, Northern Indiana Public Service Company (NiSource, Inc.) | In Person | Against |
| Paul J. Szykman | Manager - Rates & Strategic Planning, UGI Utilities, Inc. | Phone | For |
| V A C A N C Y | | | |
| V A C A N C Y | | | |
| END USERS SEGMENT | | | |
| Matthew G. Parsell | Assistant Director, Natural Gas Division, Indiana Office of Utility Consumer Counselor | Absent | |
| Tina Burnett | Chair, Northwest Industrial Gas Users Association | In Person | Against |
| 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 | | | |
| SERVICE PROVIDERS SEGMENT | | | |
| Leigh Spangler | President, Latitude Technologies Inc. | In Person | Against |
| Dave Pfeifer | Vice President – Energy, EnForm Consulting, LP | In Person | Against |
| Dave Darnell | President & CEO, Systrends Inc. | In Person | Against |
| Greg Lander | Principal, CapacityCenter.com | Absent | |
| Richard J. Rudden | President & CEO, R. J. Rudden Associates, Inc. | In Person | Against |
| V A C A N C Y | | | |
| SUPPLIER SEGMENT | | | |
| Randy Magnani | Director C&I Operations, Amerada Hess Corporation | Absent | |
| V A C A N C Y | | | |
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| V A C A N C Y | | | |



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11. Other Participants

| Name | Organization | In Person / Phone |
|--------------------|--------------------------------|--------------------------|
| Marian Arnaout | American Gas Association | Phone |
| Dana Bachert | Tri-State Gas and Transmission | In Person |
| Bill Boswell | McGuire Woods | In Person |
| Mike Bray | Shell Gas Transmission | In Person |
| Yvette Camp | Southern Company | Phone |
| Craig Colombo | Dominion Resources | In Person |
| Phil Cox | American Electric Power | In Person |
| Dale Davis | Williams Gas Pipeline | In Person |
| Andrew Dotterweich | Consumers Energy | Phone |
| Mark Gracey | Tennessee Gas Pipeline | In Person |
| Bill Grygar | Panhandle Eastern Pipeline | In Person |
| Dona Gussow | Florida Power and Light | In Person |
| Tom Gwilliam | Iroquois Gas Transmission | In Person |
| Alan Johnson | Mirant | Phone |
| Ruth Kiselewich | Baltimore Gas and Electric | In Person |
| Barry Lawson | NRECA | Phone |
| Jim Mayhew | Mirant | Phone |
| Rae McQuade | NAESB | In Person |
| Lou Oberski | Dominion Resources | In Person |
| Todd Oncken | NAESB | In Person |
| Lawrence Paulson | Hoffman-Paulson Assoc. | In Person |
| Donna Scott | Transwestern Pipeline | In Person |
| Veronica Thomason | NAESB | In Person |
| Kim Van Pelt | Panhandle Eastern Pipeline | In Person |
| Randy Young | Gulf South Pipeline | In Person |
| Steve Zavodnick | Baltimore Gas and Electric | Phone |

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

TAB 4

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 8. Rae McQuade will review this information as an update to the Board. No action is requested of the Board.



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EXECUTIVE DIRECTOR'S REPORT

JUNE 10, 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 June 16. 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 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%.

Meeting with the FERC – May 28, 2004

Michael Desselle and I visited with the FERC Commissioners Kelliher, Kelly and Brownell on May 28. FERC looks forward our activities to develop reporting standards for gas quality. It was understood that we would not proceed with the remainder of the request from Florida Power and Light until the Board determined such action was needed. They strongly support the Board strategic session and our efforts in gas- electric coordination. We were asked about price index reporting and explained the history of the request from Natural Gas Intelligence. We were asked to attend the FERC technical conference on July 13 regarding crediworthiness. We noted that We reported that by year-end, the NAESB filings may include Version 0 WEQ Business Practices, Version 1 WEQ Coordinate Interchange Business Practices, WEQ OASIS 1A Enhancements, WEQ Large Generation Interconnection Business Practices, WEQ Inadvertent Interchange Payback Business Practices, WGQ Gas Quality Reporting Business Practices, WGQ Order 2004 business practices, WEQ Seams Subcommittee Report, and the Gas-Electric Coordination Report. We will coordinate the filings with FERC staff.

FERC Technical Conference – June 3, 2004

Jim Templeton and I attended the recent FERC conference regarding the energy infrastructure in the Northeastern States in New York City. During that meeting, both Chairman Wood and Commissioner Brownell asked questions regarding NAESB, its upcoming Board meeting, its efforts on gas-electric coordination, and the recent request regarding standards development for energy day, which was submitted by KeySpan and Duke Energy. We were asked to emphasize to the Board the need for our organization to take up coordination issues, the strong support of the Commission in our addressing gas-electric coordination issues such as energy day with a high priority, and that the Commission further supported our acting as an energy board – not a gas board nor an electric board. This discussion came about as Duke KeyEnergy reviewed its recommendations to address some of the coordination issues facing the Northeast – which included the creation of an energy day. ISO-NE supported this development, as it was one of the recommendations that they made as actions to remedy the January New England problems. The Commission noted that it looked forward to the report resulting from the Gas-Electric Coordination Task Force.



NORTH AMERICAN ENERGY STANDARDS BOARD

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May 19, 2004

NAESB AT A GLANCE: MONTHLY UPDATE

GAS AND ELECTRIC COORDINATION TASK FORCE (GECTF) UPDATE: Ruth Kiselewich, director of special projects and supplier services, Baltimore Gas & Electric, chair of the Retail Electric Quadrant (REQ) Executive Committee (EC), and co-chair of GECTF, summarized the April 28 conference call and May 18-19 meeting. First, GECTF has continued the education process among the two industries. On May 18, Philip Fedora of the Northeast Power Coordinating Council gave a presentation on the status of and proposed recommendations pertaining to NERC's Gas/Electric Interdependencies Task Force (GEITF). GECTF and GEITF may be addressing some of the same issues but on a different timeline – short term versus long term implications. Second, Ms. Kiselewich discussed the preparations of the final task force report from NAESB and lengthy list of discussion points. The final report will be voted on at the next GECTF meeting on June 28-29. It will then go out for a 30-day comment period before all four Executive Committees (EC) vote on the report. The final report will be submitted to FERC after Managing Committee review. Ms. Kiselewich anticipates that several requests for standards will be submitted to NAESB as a result of the final report.

WEQ ADOPTION OF VERSION 0 STANDARDS AND COORDINATION WITH NERC: Michael Desselle, director of public policy for AEP, and NAESB Chairman, reported that NERC is seeking to have their Version 0 reliability standards completed by Feb. 2005, and that NAESB is on a similar track to complete its complementary Version 0 business practice standards. NAESB's goal is to have recommended standards before the Executive Committee at their Nov. 30 meeting. The Business Practices Subcommittee (BPS) met on May 13 and prepared a draft request that mirrors the NERC request. As NERC meets to address version 0 reliability standards, BPS will hold a follow up meeting shortly thereafter. Both NERC and NAESB will submit their respective requests for standards to the Joint Interface Committee (JIC), which will schedule a conference call in late June followed by a face to face meeting in Salt Lake City, Utah on July 12 in conjunction with the NARUC Summer Meeting.

UPDATE ON OPEN ACCESS SAME-TIME INFORMATION SYSTEM (OASIS) EFFORTS:

- ***OASIS IA.*** Ms. McQuade, executive director of NAESB, reported several sets of recommended standards for OASIS IA are currently in various stages of development. First, standards related to FERC's generation interconnection order have been posted, and a 30-day comment period will soon begin. Second, modifications have been proposed related to redirect and resale of transmission services. The Electronic Scheduling Subcommittee (ESS) is currently looking at these recommendations. And third, ESS is also reviewing the recommendation that transmission providers be allowed to declare a submission for transportation invalid if they are receiving multiple and identical requests. Finally, NAESB may be looking at moving away from the 20-minute rule for e-tagging approval. However, no request for this recommendation has been submitted yet.
- ***OASIS II.*** Andy Rodriguez, representing PJM, and co-chair of the NAESB Electronic Scheduling Subcommittee (ESS), described the vision and mission of the OASIS II efforts, which are clearly longer term than OASIS IA. While OASIS IA is focused on transmission and ancillary services and customer-to-provider issues and suggesting changes to OASIS that reflects today's market place, OASIS II is focused on enhancing the existing functionality with seamless interfaces, electronic scheduling, one-stop-shopping features, as well as technology upgrades. OASIS II is currently drafting its scope and vision documents, and will finalize them at the next meeting on May 25. At the next ESS meeting, Mr. Rodriguez anticipates the creation of a joint ESS and Information Technology Subcommittee (ITS) task force on OASIS II. The task force's first meeting has been tentatively scheduled for July 27.

RGQ/REQ TECHNICAL ELECTRONIC IMPLEMENTATION SUBCOMMITTEES (TEIS), AND WGQ ELECTRONIC DELIVERY MECHANISMS (EDM) SUBCOMMITTEE: Leigh Spangler, president of Latitude Technologies, and co-chair the EDM Subcommittee, said the two retail TEIS groups and WGQ EDM subcommittee will soon finalize the first cross-quadrant commodity neutral standards. Rather than create their own secure internet electronic transfer (Internet ET) standards, TEIS adopted the EDM standards developed by WGQ. The end result will be a file format independent method, e.g., it will work with flat files, XML, EDI and other transfer options.

RATIFICATION OF WGQ STANDARDS IMPLEMENTING FERC ORDER 2004: Jim Buccigross, vice president of 8760, Inc. and NAESB Executive Committee chairman, applauded the WGQ for rapidly reviewing and modifying their existing standards to implement FERC Order 2004 (Affiliate Order). Although the FERC delayed implementation until Sept. 1, they were on track to have the modifications finalize by the original June 1 deadline. In all, the modifications are to 6 existing definitions and standards, some principles and definitions were deleted, a new principle was created, and one interpretation was modified. The modifications will be out for ratification by the membership soon.



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067

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

NEXT CONFERENCE CALL: The next conference call is scheduled for **Wednesday, June 16, 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).

**NAESB Monthly Update Conference Call, Participant List
May 19, 2004 -- 2:00 PM Eastern**

| | Name: | Organization: |
|----|---------------------|--|
| 1 | Laura Anson | Missouri Public Service Commission |
| 2 | Tom Austin | Maine Public Utility Commission |
| 3 | Diane Barney | New York State Public Service Commission |
| 4 | William Bokram | Michigan Public Service Commission |
| 5 | Robert Harding | Minnesota Public Utilities Commission |
| 6 | Carol MacLellan | Maine Public Utility Commission |
| 7 | Marcella Matzeit | National Energy Board of Canada |
| 8 | Kenneth Roth | Michigan Public Service Commission |
| 9 | Sheila Ward | Alabama Public Service Commission |
| 10 | Lou Ann Westerfield | Idaho Public Utilities Commission |

| | Name: | Organization: |
|----|--------------------|---------------------------------|
| 11 | Mark Babula | ISO New England |
| 12 | Victor Bissonnette | Hydro-Quebec Transenergie |
| 13 | David Booty | Direct Energy |
| 14 | Ralph Bourquin | Baltimore Gas & Electric |
| 15 | Jim Buccigross | 8760 Inc |
| 16 | Chris Burden | Williams Gas Pipeline |
| 17 | Yvette Camp | Southern Company |
| 18 | James Cargas | NAESB |
| 19 | Pete Connor | NiSource |
| 20 | Randy Corbin | The Ohio Consumers Counsel |
| 21 | Kelly Daly | Arizona Public Service Company |
| 22 | Dorman Davis | Mississippi Power Company |
| 23 | Jennifer Deegan | Washington Gas Light Company |
| 24 | Michael Desselle | American Electric Power |
| 25 | Andrew Dotterweich | Consumers Energy |
| 26 | Mary Edwards | Dominion Virginia Power |
| 27 | Gene Fava | Great Lakes Gas Transmission |
| 28 | Ollie Frazier | Duke Power |
| 29 | Ken Gates | Conectiv |
| 30 | Bill Hebenstreit | El Paso Merchant Energy |
| 31 | Carrie Hitt | Constellation NewEnergy |
| 32 | Tim Kelly | Connecticut Natural Gas |
| 33 | DeDe Kirby | NAESB |
| 34 | Ruth Kiselewich | Baltimore Gas & Electric |
| 35 | Marv Landauer | Bonneville Power Administration |
| 36 | Greg Locke | North Carolina Power Agency |
| 37 | Lyn Maddox | Prospect Energy |
| 38 | Rae McQuade | NAESB |
| 39 | Randy Mills | ChevronTexaco |
| 40 | Carl Monroe | Southwest Power Pool |
| 41 | Michael Novak | National Fuel Gas Distribution |
| 42 | Gloria Ogenyi | Conectiv |
| 43 | Ed Overtree | Calpine |
| 44 | Lisa Robert | Defense Energy Support Center |
| 45 | Andrew Rodriguez | PJM |
| 46 | Richard Rudden | RJ Rudden & Assoc. |
| 47 | Alexander Sarafin | NiSource |
| 48 | Donna Scott | Transwestern Pipeline Company |
| 49 | Leigh Spangler | Latitude Technologies |
| 50 | Lori VanWest | Xcel Energy |
| 51 | Karl Wunderlich | US Bureau of Reclamation |
| 52 | Rich Zelenko | Dominion |
| 53 | John Zemanek | Entergy |

North American Energy Standards Board Membership Report
As of June 2, 2004

**NAESB Membership Report
Quadrant and Segment Analysis**

| Quadrant/Segment Membership Analysis | | Number of Members |
|--------------------------------------|----------------|-------------------|
| WGQ Segments | Total | 120 |
| | End Users | 19 |
| | Distributors | 23 |
| | Pipelines | 38 |
| | Producers | 12 |
| | Services | 28 |
| REQ Segments | TOTAL | 38 |
| | End Users | 4 |
| | Distributors | 17 |
| | Services | 9 |
| | Suppliers | 8 |
| RGQ Segments | TOTAL | 36 |
| | End Users | 4 |
| | Distributors | 16 |
| | Services | 7 |
| | Suppliers | 9 |
| WEQ Segments | TOTAL | 144 |
| | End Users | 12 |
| | Distributors | 23 |
| | Transmission | 41 |
| | Generation | 33 |
| | Marketers | 30 |
| | None Specified | 5 |

North American Energy Standards Board Membership Report
As of June 2, 2004

NAESB Membership Statistics – Changes by Quadrant for 2004 as of June 2, 2004

| | | |
|-------|---|----|
| WEQ | New Members: | 2 |
| | <i>TransElect, International Transmission Company</i> | |
| | Member Resignations: | 15 |
| | <i>ConEd (Distribution), ConEd (Transmission), Exelon Energy Delivery, SRP (generation), SRP (marketer), Reliant Energy Power Generation, Arizona Residential Utility Consumer Office, Texas Public Utility Commission, TransLink, Reliant Energy Services, Praxair, PG&E National Energy Group, Detroit Edison, Progress Energy (distribution), Progress Energy (generation)</i> | |
| WGQ | New Members: | 5 |
| | <i>Barclays Bank, ConocoPhillips, Pemex, SoCal Edison, SolArc</i> | |
| | Member Resignations: | 5 |
| | <i>AIG Energy Trading, Midland Cogeneration, Aquila Energy, Ocean Energy, The Energy Authority</i> | |
| REQ | New Members: | 1 |
| | <i>Direct Energy Business Services</i> | |
| | Member Resignations: | 4 |
| | <i>LCEC, Wisconsin Electric, Energy East Management Company, American Electric Power</i> | |
| RGQ | New Members: | 0 |
| | Member Resignations: | 3 |
| | <i>Energy East Management Company, PMO Link, New Science Partners</i> | |
| TOTAL | New Members | 8 |
| | Member Resignations: | 27 |

North American Energy Standards Board Membership Report As of June 2, 2004

North American Energy Standards Board Membership List as of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|---|
| REQ | 1 8760 | s | John S. Williams, Jim Buccigross |
| | 2 Alabama Power | d | Judy W. Ray, Yvette Camp |
| | 3 Ameren Services Company | d | Patrick Eynon |
| | 4 Baltimore Gas & Electric Co. | d | Ruth Kiselewich, John Magwood |
| | 5 Calpine Energy Services, LP | su | Janet Dixon |
| | 6 Cinergy Services, Inc. | d | Paul K. Jett |
| | 7 Consolidated Edison Company of NY | d | Hollis Krieger |
| | 8 Defense Energy Support Center | e | Lisa Robert |
| | 9 Detroit Edison Company | d | William J. Newbold, Jr. |
| | 10 Direct Energy Business Services | su | David Booty |
| | 11 Distribution Control Systems, Inc. | s | H. Ward Camp |
| | 12 Dominion Retail | su | William Barkas, Richard Zelenko |
| | 13 Dominion Virginia Power | d | David F. Koogler |
| | 14 Duke Power | d | N.E. (Ed) Tucker |
| | 15 EC Power International | s | Judy Bailey, J. Cade Burks |
| | 16 Electric America | su | Joseph C. Macek III |
| | 17 Electric Reliability Council of Texas (ERCOT) | s | Sam R. Jones, Rob Connell, Ray Giuliani |
| | 18 Exelon Energy Delivery | d | Algie Hill |
| | 19 Foley & Lardner | s | Bryan S. Anderson |
| | 20 Georgia Power Company | d | Michael Garrett, Yvette Camp |
| | 21 Green Mountain Energy Co. | su | David McMillan |
| | 22 Gulf Power Company | d | Joel Thomas Kilgore |
| | 23 MidAmerican Energy | d | James E. Wilson |
| | 24 Mississippi Power Company | d | Dorman Davis |
| | 25 Office of Public Advocate, State of Maine | e | Barbara Alexander |
| | 26 Ohio Consumers Council | e | Randy Corbin |
| | 27 Pennsylvania Office Of Consumer Advocate | e | Tanya J. McCloskey, Sonny A. Popowsky |
| | 28 PPLSolutions, LLC | s | James M. Minneman |
| | 29 Public Service Electric & Gas | d | Terrence Moran |
| | 30 Reliant Energy Retail Services, LLC | su | Derek Mauzy |
| | 31 Savannah Electric and Power Company | d | Karen L. Prentice |
| | 32 SchlumbergerSema | s | George C. Roberts |
| | 33 Southern California Edison | d | Gail Higashi |
| | 34 Southern Company Services | s | Mark S. Jarrett, Yvette Camp |
| | 35 Structure Group | s | Stacey Wood |
| | 36 Tractebel Energy Services, Inc. | su | John Henderson |
| | 37 TXU Energy Retail | su | Felecia Lokey |

North American Energy Standards Board Membership Report
As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|--|
| | 38 Wisconsin Public Service Corporation | d | William L. Bourbonnais, Les Nishida |
| WGQ | 1 8760 | s | John Williams, Jim Buccigross |
| | 2 AEP Energy Services, Inc. | s | Cathy Szasz |
| | 3 Ameren Corporation | l | Scott Glaeser |
| | 4 Apache Corporation | pr | Michele Markey |
| | 5 Arizona Public Service Company | e | Gary Duede, Kelly Daly, Curt Brechtel |
| | 6 Ballard Natural Gas, LLC | s | Susan Thibodeaux |
| | 7 Baltimore Gas & Electric Co. | l | Steve Zavodnick |
| | 8 Barclays Bank PLC | s | Frank Rodrigues |
| | 9 BG LNG Services, LLC | s | Martha Braddy |
| | 10 Boeing Co., The | e | Tina Burnett |
| | 11 BP Energy | pr | Bill Benham, Lauren Kaestner |
| | 12 Bridgeline Gas Marketing | pl | Georgia Blanchard |
| | 13 Burlington Resources | pr | Paul Keeler |
| | 14 Calpine Energy Services, LP | e | Janet Dixon, Craig Chancellor |
| | 15 Cargill Incorporated | s | Kathy Gerken |
| | 16 Cascade Natural Gas Corporation | l | Mark Sellers-Vaughn |
| | 17 CenterPoint Energy Gas Resources Corp. | s | James G. Beste |
| | 18 CenterPoint Energy Gas Transmission Company | pl | Larry Thomas |
| | 19 CenterPoint Energy Mississippi River Transmission Corporation | pl | Robert Trost |
| | 20 Chevron/Texaco | pr | Randy Mills |
| | 21 Cinergy | e | John Procario |
| | 22 Cinergy Marketing and Trading | s | Randy Bevis |
| | 23 Columbia Gas Transmission | pl | Carl Levander |
| | 24 Columbia Gulf Transmission Co. | pl | Carl Levander |
| | 25 Comprehensive Energy Services | e | Jim Templeton |
| | 26 ConocoPhillips Gas and Power | pr | Peter Frost |
| | 27 Consolidated Edison Company of NY | l | Mary Jane McCartney, Steve Sullivan |
| | 28 Dauphin Island Gathering Partners | pl | Katie Rice |
| | 29 Defense Energy Support Center | e | Veronica Jones, Jacob Moser |
| | 30 Department of Energy | e | Christopher Freitas |
| | 31 Dominion Exploration and Production, Inc. | pr | David Ogden, Gary Weaver, Sheri Heslington |
| | 32 Dominion Resources | l | Craig Columbo |
| | 33 Dominion Transmission, Inc. | pl | Gary Sypolt, Iris King |
| | 34 DTE Energy Trading, Inc | s | Marcia Hissong |

North American Energy Standards Board Membership Report
As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|---------------------------------|
| 35 | Duke Energy Gas Transmission - Texas Eastern | pl | Richard Kruse |
| 36 | Edison Mission Marketing and Trade | e | Christian Hnat, William Roberts |
| 37 | El Paso East Pipeline | pl | Larry Smith, Mark Gracey |
| 38 | El Paso Natural Gas | pl | William Griffith |
| 39 | El Paso Production Company | pr | Bill Hebenstreit |
| 40 | ECOM Elite Computer Consultants | s | Wayne Holtkamp |
| 41 | Enbridge Energy Company, Inc. | pl | Terry McGill |
| 42 | EnCana Marketing (USA) Inc. | s | Keith Sappenfield |
| 43 | EnCana Corporation | pr | Keith Sappenfield |
| 44 | Energy East Management Corporation | l | Marjorie Perlman |
| 45 | Energy Velocity | s | Konni Keuter |
| 46 | Entergy Services, Inc. | e | Arlynn Kelleher, Terry Shields |
| 47 | Equitable Gas Company | l | Steve Rafferty |
| 48 | Equitrans, L.P. | pl | Mina Speicher |
| 49 | ExxonMobil Gas Marketing | pr | Richard Smith |
| 50 | Florida Power & Light Company | e | Dona Gussow, Joe Stepenovitch |
| 51 | Gas Transmission Northwest Corp. | pl | Jay Story |
| 52 | Great Lakes Gas Transmission | pl | Gene Fava |
| 53 | Gulf South Pipeline | pl | Claire Burum, Randy Young |
| 54 | H S Resources Inc. | pl | Carol Hall |
| 55 | Hatch Associates Limited | s | Dan McEvoy |
| 56 | Imperial Irrigation District | e | William Rapp |
| 57 | Iroquois Gas Transmission System | pl | Tom Gwilliam |
| 58 | Kern River Gas Transmission Company | pl | Janie Nielsen |
| 59 | Key Span Energy | l | Dolores Chezar |
| 60 | Laclede Gas Co. | l | Kenneth Neises |
| 61 | Latitude Technologies | s | Leigh Spangler |
| 62 | Louis Dreyfus Energy Services L.P. | s | Mary Ellen Bell, Ruby H. Melton |
| 63 | Lower Colorado River Authority | e | Mickey Bell |
| 64 | Marathon Oil Company | pr | Robin Perrine |
| 65 | Mewbourne Oil Company | pr | Michael F. Shepard |
| 66 | National Fuel Gas Distribution | l | Michael Novak |
| 67 | National Fuel Gas Supply Corp. | pl | Joseph Kardas |
| 68 | Natural Gas Pipeline Co of America | pl | Paul Love |
| 69 | Niagara Mohawk Power Corporation | l | Bruce Garcy |
| 70 | Nicor Gas | l | Nancy Brucher |
| 71 | NiSource Inc. | l | M. Christopher Maturo |
| 72 | Northern Natural Gas | pl | Mary Darveaux |
| 73 | Northwest Natural Gas Company | l | Randolph Friedman |
| 74 | NOVA Gas Transmission Ltd. | pl | Doug Miller |

North American Energy Standards Board Membership Report As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|---------------------------------------|
| 75 | Occidental Energy Marketing Inc. (OEMI) | pr | Carol Wilson |
| 76 | Pacific Gas & Electric | 1 | John Breen |
| 77 | Panhandle Eastern Pipe Line | pl | William Grygar, Kim Van Pelt |
| 78 | PECO Energy Co. | 1 | Reed R. Horting |
| 79 | Pemex Gas Y Petroquimica Basica | s | Juan Enrique Gonzalez Azuara |
| 80 | Peoples Gas Light & Coke Co. | 1 | Raulando de Lara |
| 81 | Platts | s | Bill Murphy |
| 82 | Portland General Electric | pl | Kathy Davies |
| 83 | Portland Natural Gas Transmission System | pl | David Morgan |
| 84 | PPL EnergyPlus, LLC | e | Anne Lovett |
| 85 | PPM Energy Inc. | e | Scott Hannigan |
| 86 | Prospect Energy | s | Lyn Maddox |
| 87 | Public Service Electric & Gas | 1 | David Wohlfarth |
| 88 | Questar Pipeline Co. | pl | Scott Hansen |
| 89 | Quorum Business Solutions Inc. | s | Douglas Allen |
| 90 | Reliant Energy Services, Inc. | e | Gary Hinners, John Orr, Janie Mitcham |
| 91 | Sabine Pipe Line LLC | pl | Jan Rogers |
| 92 | Salt River Project Agricultural Improvement & Power District | e | Diane McVicker |
| 93 | SCANA Corporation | pl | Jacquelyn Gettle |
| 94 | Sempra Energy - Southern California Gas Co. | 1 | Lee Stewart, Rodger Schwecke |
| 95 | Sequent Energy Management, L.P. | s | Pat Metteauer |
| 96 | Shell Gas Transmission, LLC | pl | Chuck Cook |
| 97 | SolArc Inc. | s | Tim Curtis |
| 98 | Southern California Edison Company | e | Roman Bakke |
| 99 | Southern Company Services, Inc. | e | Carl Haga |
| 100 | Southern Natural Gas Co. | pl | Prince McDougal |
| 101 | Southern Star Central Gas Pipeline | pl | James L. Harder |
| 102 | Southwest Gas Corporation | 1 | Larry Black |
| 103 | SunGard Energy Systems | s | Maria Onufrow, Jennifer Chen |
| 104 | Telvent USA, Inc. | s | Glenn Irwin |
| 105 | Tennessee Valley Authority | e | Valerie Crockett |
| 106 | Texas Gas Transmission, LLC | pl | Jeff Bittel |
| 107 | Tiger Natural Gas | s | Tracy Phillips |
| 108 | Tractebel Energy Marketing, Inc. | s | Mark Hodges |
| 109 | TransCanada Pipelines | pl | Doug Miller |
| 110 | Transwestern Pipeline Co. | pl | Donna Scott |
| 111 | Trinity Apex Systems | s | Matt Armstrong |
| 112 | TXU Energy Trading Co. | s | Brad Jones |
| 113 | TXU Lone Star Pipeline Company | pl | Steve Easley |

North American Energy Standards Board Membership Report
As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|--|
| | 114 UBS Energy LLC | s | Suzanne Calcagno |
| | 115 Vector Pipeline L.P. | pl | Amy Bruhn |
| | 116 Washington Gas Light Co. | l | Tim Sherwood, Adrian Chapman, Jennifer Deegan |
| | 117 Westfield Gas & Electric Light Dept. | l | Joyce Bodak |
| | 118 Williams Gas Pipeline | pl | Dale Davis, Ron Mucci |
| | 119 Williston Basin Interstate Pipeline | pl | Keith Tiggelaar |
| | 120 Wisconsin Public Service Corporation | l | Patrick Fox |
| WEQ | 1 ACES Power Marketing LLC | m | Roy J. True |
| | 2 Alabama Electric Cooperative, Inc. | d | Kenneth J. Skroback |
| | 3 American Electric Power Marketing, Inc. | m | Barbara Radous, Joseph Hartsoe |
| | 4 American Electric Power Service Corp. | d | Thomas Ringenbach |
| | 5 American Electric Power Service Corp. | t | John Stough, Michael Desselle |
| | 6 American Municipal Power - Ohio, Inc. | d | Pat Frazier, Chris Norton |
| | 7 American Transmission Company LLC | t | Julie Voeck |
| | 8 Arizona Public Service Company | t | Mark W. Hackney |
| | 9 Arkansas Electric Cooperative Corporation | g | Ricky Bittle |
| | 10 Avista Corp. | t | Scott A. Waples |
| | 11 Baltimore Gas & Electric Company | t | John J. Moraski, Ralph Bourquin |
| | 12 Basin Electric Power Cooperative | t | Dan Klempel |
| | 13 Basin Electric Power Cooperative | m | David Raatz |
| | 14 Basin Electric Power Cooperative | g | Jason Doerr |
| | 15 Basin Electric Power Cooperative | d | Ted Humann |
| | 16 Boeing Company | e | Steve LaFond |
| | 17 Bonneville Power Administration | d | Sydney D. Berwager |
| | 18 Bonneville Power Administration | g | Francis Halpin |
| | 19 Bonneville Power Administration | m | Brenda Anderson |
| | 20 Bonneville Power Administration | t | Barbara Rehman |
| | 21 BP America Inc. | e | Jeanne Zaiontz |
| | 22 BP Energy Company | m | Jeanne Zaiontz |
| | 23 Buckeye Power, Inc. | d | Peter H. Buros |
| | 24 Calpine Corporation | g | William Taylor, Jim Stanton |
| | 25 Cap Gemini Ernst and Young | m | Stephen A. Behrens |
| | 26 Center Point Energy | t | Paul Rocha |
| | 27 Central Electric Power Cooperative | d | Arthur Fusco |
| | 28 ChevronTexaco Energy Research and Technology | e | Carol Guthrie |
| | 29 Cinergy | e | Ron Jackups |
| | 30 Cinergy | g | Walt Yeager, Ron Jackups |

North American Energy Standards Board Membership Report
As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|---|---------|---|
| 31 | Cinergy | m | Walt Yeager, Ron Jackups |
| 32 | Cleco Power, LLC | t | Keith Comeaux |
| 33 | Columbus Southern Power Company | g | Barbara Radous |
| 34 | Comprehensive Energy Services | e | Jim Templeton |
| 35 | Conectiv Energy Supply, Inc. | g | Gloria Ogenyi |
| 36 | Conectiv Energy Supply, Inc. | m | Gloria Ogenyi |
| 37 | Conectiv Power Delivery | t | Ken Gates |
| 38 | Constellation NewEnergy, Inc. | d | Sara O'Neill |
| 39 | Consumers Energy Company | d | Andrew C. Dotterweich, Frank Johnson |
| 40 | Consumers Energy Company | g | Steven L. Gaarde, Andrew C. Dotterweich, John J. Dellas |
| 41 | Dairyland Power Cooperative | t | Chuck Callies |
| 42 | Department of the Interior, Bureau of Reclamation | g | Deborah M. Linke |
| 43 | Dominion Energy Marketing, Inc. | g | Lou Oberski |
| 44 | Duke Energy Corp. | d | Ollie Frazier |
| 45 | Duke Energy North America | g | Bill D. Blevins |
| 46 | Duke Energy North America | m | Lee Barrett |
| 47 | Dynegy Marketing and Trade | m | Barry Huddleston |
| 48 | Edison Electric Institute | n | David Owens, Dave Dworzak |
| 49 | El Paso Corporation | g | Dennis M. Price |
| 50 | El Paso Merchant Energy | m | John O'Rourke |
| 51 | Electric Reliability Council of Texas (ERCOT) | n | Sam R. Jones, Ray Giuliani |
| 52 | ElectriCities of North Carolina (North Carolina Eastern Municipal Power Agency) | g | Gregory Locke |
| 53 | Electricity Consumers Resource Council (ELCON) | e | John Anderson, John Hughes |
| 54 | Empire District Electric Company, The | t | Bary K. Warren |
| 55 | Energy East Management Corporation | t | Marjorie Perlman |
| 56 | Entergy Services, Inc. | t | Edward J. Davis |
| 57 | Entergy Services, Inc. | m | James M. (Jimmy) Smith |
| 58 | Exelon Corporation - PECO Energy | d | John F. Leonard, Jr. |
| 59 | Exelon Generation - Power Team | m | Regina Carrado |
| 60 | Exelon Generation Company LLC | g | Jack Crowley |
| 61 | ExxonMobil Gas Marketing | e | Steve Sayuk, Mark Scheel, Mark Ulrich |
| 62 | Florida Municipal Power Agency | g | Rick Casey |
| 63 | Florida Municipal Power Agency | d | Steven H. McElhaney |
| 64 | Florida Power & Light Company | m | Joe Stepenovitch |
| 65 | Florida Power & Light Company | t | Marty Mennes |
| 66 | Georgia Transmission Corporation | t | Carol Hester |
| 67 | Hydro One Networks | t | Dave Barrie |

North American Energy Standards Board Membership Report
As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|---|
| 68 | Hydro – Quebec Transenergie | t | Victor Bissonnette |
| 69 | Indiana Muncipal Power Agency | g | Dick Foltz |
| 70 | International Transmission Company | t | Jim D. Cyrulewski |
| 71 | Maryland Peoples Counsel | e | Seva Diakoparaskevas |
| 72 | Michigan Electric Transmission Company LLC | t | Charles V. Waits |
| 73 | Michigan Public Power Agency | d | James R. Nickel, Daniel E. Cooper |
| 74 | Midwest Independent Transmission System Operator | n | William (Bill) Phillips |
| 75 | Mirant Corp. | m | Susann D. Felton, Alan Johnson |
| 76 | Missouri River Energy Services | d | Brian Zavesky |
| 77 | Modesto Irrigation District | t | Roge Van Hoy |
| 78 | National Association of Regulatory Utility Commissioners | e | Lou Ann Westerfield |
| 79 | National Grid USA | t | Masheed Rosenqvist, Peter Flynn, Mary Ellen Paravalos |
| 80 | National Rural Electric Cooperative Assoc. | d | Barry Lawson |
| 81 | New York State Dept. of Public Service | e | William Heinrich |
| 82 | North Carolina Electric Membership Corporation | d | David Beam |
| 83 | North Carolina Electric Municipal Power Agency #1 | m | Clay A. Norris |
| 84 | North Carolina Electric Municipal Power Agency #1 | d | Andrew Fusco |
| 88 | Northeast Utilities Service Company | t | David Boguslawski, Bill P. McKinnon |
| 86 | NRG Power Marketing, Inc. | g | Steve Corneli |
| 87 | Oglethorpe Power Corporation | g | Billy Ussery |
| 88 | Ohio Consumers' Counsel | e | Randy Corbin |
| 89 | Old Dominion Electric Cooperative | g | James N. Kimball |
| 90 | Oncor | t | Ellis Rankin |
| 91 | Ontario Power Generation | g | Barry Green |
| 92 | Ontario Power Generation | m | Rob Robinson |
| 93 | Open Access Technology International, Inc. | e | Kevin Burns |
| 94 | PacifiCorp | d | Bill Cunningham |
| 95 | PacifiCorp | m | Edison G. Elizeh |
| 96 | PacifiCorp | g | Greg Maxfield |
| 97 | PacifiCorp | t | Jim Hicks, Darrell Gerrard |
| 98 | Platte River Power Authority | t | Terry L. Baker |
| 99 | Portland General Electric | m | Terri Peschka |
| 100 | PPL Electric Utilities Corporation | t | Ray Mammarella |
| 101 | PPM Energy | g | Don Winslow |
| 102 | PPM Energy | m | Don Winslow |
| 103 | Progress Energy | m | Micheal Settlage |

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As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--|---------|---------------------------------------|
| 104 | Progress Energy | t | Verne Ingersoll, Phillip W. Lewis |
| 105 | PSEG Energy Resources and Trade LLC | m | James D. Hebson |
| 106 | PSEG Power LLC | g | Grgory Eisenstark |
| 107 | Public Service Electric and Gas Company | d | Colin J. Loxley |
| 108 | Public Service Electric and Gas Company | t | Jeffrey C. Mueller |
| 109 | Public Utility District No. 1 of Chelan County | m | Doug Frazier |
| 110 | Puget Sound Energy, Inc. | t | George Marshall, Bob Harshbarger |
| 111 | Sacramento Municipal Utility District | g | Thomas Ingwers |
| 112 | Salt River Project Agricultural Improvement and Power District | d | Wendy Weathers, Mark B. Bonsall |
| 113 | Salt River Project Agricultural Improvement and Power District | t | Steve Cobb |
| 114 | Seminole Electric Cooperative, Inc. | g | Lane Mahaffey |
| 115 | Seminole Electric Cooperative, Inc. | t | Glenn Spurlock |
| 116 | Southeastern Power Administration | g | Bob Goss |
| 117 | Southern California Edison | t | Ronald D. Nunnally |
| 118 | Southern Company Services, Inc. | d | Garey Rozier, Jim Miller, Greg Butrus |
| 119 | Southern Company Services, Inc. | g | Tony A. Reed |
| 120 | Southern Company Services, Inc. | m | Joel Dison |
| 121 | Southern Company Services, Inc. | t | R.D. (Dean) Ulch, John Lucas |
| 122 | Southwest Transmission Cooperative, Inc. | t | Larry D. Huff |
| 123 | Southwest Power Pool | n | Carl Monroe |
| 124 | Southwestern Power Administration | g | Forrest E. Reeves |
| 125 | Southwestern Power Administration | t | Stanley L. Mason |
| 126 | Sunflower Electric Power Corporation | t | L. Earl Watkins, Carroll Waggoner |
| 127 | Tenaska, Inc. | g | Scott Helyer |
| 128 | Tennessee Valley Authority | d | Ron L. Owens |
| 129 | Tennessee Valley Authority | g | William F. Irish |
| 130 | Tennessee Valley Authority | m | Jim A. Ingraham |
| 131 | Tennessee Valley Authority | t | Mitchell Needham, W. Terry Boston |
| 132 | TRANS-ELECT, INC. | t | Paul D. McCoy |
| 133 | Tri-State Generation and Transmission Association, Inc. | t | Bruce Sembrick |
| 134 | Tri-State Generation and Transmission Association, Inc. | m | Thomas A. Smith |
| 135 | TXU Business Services | m | Brad Jones, Jeff Shorter, Mike Grim |
| 136 | UBS Energy LLC | m | Suzanne Calcagno |
| 137 | Vermont Public Power Supply Authority | g | William J. Gallagher |
| 138 | Western Area Power Administration | t | Mark Fidrych |
| 139 | Western Area Power Administration | m | Jeffrey Ackerman |
| 140 | We Energies (Wisconsin Electric) | d | Linda Horn |

North American Energy Standards Board Membership Report As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|---|---------|---|
| | 141 We Energies (Wisconsin Electric) | g | James R. Keller |
| | 142 Wisconsin Public Power Inc. | d | Mike Stuart |
| | 143 Wisconsin Public Service Corporation | g | William Bourbonnais, Charles W. Severance |
| | 144 Xcel Energy Inc. | m | Steven J. Beuning |
| RGQ | 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, Marcy L. McCain |
| | 9 Energy Services Group, Inc. | s | George Behr |
| | 10 Exelon Energy | su | Barb Fatina |
| | 11 Indiana Office of Utility Consumer Counselor | e | Matthew Parsell |
| | 12 KeySpan Energy Delivery | d | Nancy Cianflone |
| | 13 Latitude Technologies | s | Leigh Spangler |
| | 14 National Fuel Gas Distribution Corporation | d | Mike Novak |
| | 15 Niagara Mohawk | d | James Dillon |
| | 16 NiSource Inc. | d | Mark T. Maassel |
| | 17 Northwest Industrial Gas Users | e | Paula E. Pyron |
| | 18 Ohio Consumers' Counsel | e | Bruce M. Hayes |
| | 19 Pennsylvania Office of Consumer Advocate | e | Tanya J. McCloskey, Stephen Keene |
| | 20 Peoples Gas System | d | Rachel Gebhardt |
| | 21 Philadelphia Gas Works | d | Joe Stengel |
| | 22 Public Service Electric & Gas Company | d | Mike Coyle |
| | 23 R. J. Rudden Associates | s | Richard J. Rudden, John D. Charboneau, Don Sytsma |
| | 24 Shell Energy Services | su | Harry Kingerski |
| | 25 Southwest Gas Corporation | d | Ed Giesecking |
| | 26 Stand Energy Corporation | su | John M. Dosker |
| | 27 SunGard EnForm Consulting | s | David F. Pfeifer |
| | 28 Sweet Strategies | s | David Sweet |
| | 29 Systrends | s | Dave Darnell |
| | 30 TXU Energy Retail | su | Felecia Lokey |
| | 31 UBS Energy LLC | su | Suzanne Calcagno |
| | 32 UGI Utilities, Inc. | d | Paul Szykman |

North American Energy Standards Board Membership Report
As of June 2, 2004

| Quadrant | Organization | Segment | Contact |
|----------|--------------------------------------|---------|---|
| 33 | Union Gas | d | Greg Petreault |
| 34 | Washington Gas Light Company | d | Adrian P. Chapman, Kenneth W. Yagelski, Samiah Bahhur |
| 35 | Wisconsin Public Service Corporation | d | William Bourbonnais, Glen R. Schwalbach, Les Nishida |
| 36 | Xcel Energy | d | Don Basler |

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

TAB 5

FINANCIAL REPORT

This section includes:

- The YTD 2004 financial report, accrual based.

The material presented is background information for the discussion of agenda item 8. 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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FINANCIAL REPORT MARCH 2004 YTD – ACCRUAL BASED

BALANCE SHEET

Assets

| | |
|---------------------|------------------|
| Current Assets | \$334,071 |
| Accounts Receivable | \$446,009 |
| Fixed Assets | \$49,430 |
| Total Assets | \$829,510 |

Liability & Equity

| | |
|-----------------------------------|------------------|
| Deferred Revenue | \$68,416 |
| Accounts Payable | \$40,510 |
| Retained Earnings | (\$177,756) |
| Net Income | \$898,340 |
| Total Liability and Equity | \$829,510 |

INCOME AND EXPENSE

| | |
|-------------------|------------------|
| Income | \$1,344,497 |
| Expense | \$446,158 |
| Net Income | \$898,339 |

INCOME AND EXPENSES TO BUDGET

| | |
|------------------------------|-------------|
| 2004 YTD Budget for Income | \$1,330,766 |
| Income Variance | \$13,731 |
| 2004 YTD Budget for Expenses | \$527,616 |
| Expenses Variance | (\$81,458) |

YEAR END ANALYSIS -- EXPENSES

| | |
|--|-------------|
| 2004 Budget | \$1,875,500 |
| Expenditures to date | \$446,158 |
| Expected expenses per month April - December | \$150,000 |
| Year End Expenses Estimated | \$1,796,158 |
| Difference | \$79,342 |
| YE 2003 Retained Earnings | -\$177,756 |
| Estimated YE 2004 Retained Earnings | -\$98,414 |

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CASH BASIS ANALYSIS

| | |
|--------------------------|-----------|
| Beginning Balance 1-1-03 | \$572,033 |
| Total Cash Income | \$202,821 |
| Total Costs | \$492,276 |
| Ending Balance | \$282,578 |

ACCOUNTS RECEIVABLE ANALYSIS

| | |
|---|-----------|
| Accounts Receivable as of 3-31-04 | \$446,009 |
| Items more than 90 days outstanding | \$130,000 |
| Items 90 Days Outstanding | \$90,000 |
| Items 0-60 Days Outstanding | \$226,000 |
| Items Since Collected | \$190,000 |
| Items for which credit memos have been issued | \$65,000 |

CONFERENCE CALLING FEES

| | |
|--|-------|
| Conference Calling Fees Collected in March | \$950 |
|--|-------|

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

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 8. 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.

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NORTH AMERICAN ENERGY STANDARDS BOARD

2004 WGQ Annual Plan Revised by the Executive Committee – May 6, 2004

| Item Description | Completion ¹ | 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 2004 (Affiliate Order). Status: Complete | 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: | 4 th 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. Status: Pending, Discussion Underway | 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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Gas Quality Activities

| | | | |
|---|---|------------------------------|---------------------------------|
| 8 | Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs (R03035, Item A) | 4 th Qtr. 2004 | Business Practices Subcommittee |
|---|---|------------------------------|---------------------------------|

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 – May 4, 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 Status: Underway | | BPS (IIPTF) |
| ii. R03013 – Coordinate Interchange Status: Complete | | ESS |
| iii. R03014 – Coordinate Operations Status: Complete | | SRS |
| iv. R03017 -- Operate Within Limits Status: Underway | | SRS |
| v. Balance Resources and Demand | | SRS |
| vi. Facility Ratings | | SRS |
| (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) |

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 – May 4, 2004

| | Item Description | Completion ¹ | Assignment |
|----------|--|-------------------------|---|
| i. | OASIS Phase IA (a) Adoption of business practices per FERC Order 638 Status: Complete | | ESS |
| ii. | OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders 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 Status: Underway | | 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: Complete | | |
| (ii) | OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders Development of S&CP document Status: Underway | | |
| (iii) | NERC PKI initiative Status: Underway | | |
| 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. Status: Underway | | Seams/Variou s ⁴ |

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.



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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 – May 4, 2004

| Item Description | Completion ¹ | Assignment |
|--|-------------------------|---|
| 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). | | Gas Electric Coordination Task Force ⁵ |
| 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.
 - 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.
-

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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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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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 | 2 nd 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 | 2 nd 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. | 4 th Qtr. 2004 | Customer Processes |
| 4 Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers. | 3 rd 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. | 2005 | 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. | 2005 | 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.

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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: Complete | 1 st Qtr. 2004 | Technical Electronic Implementation |
| 11 Technical Electronic Implementation Standards – Billing & Payments Status: Pending, Discussion Underway | 3 rd 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 | 3 rd Qtr. 2004 | Technical Electronic Implementation |
| 14 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5 | 2005 | 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. Status: Interim status report completed. | 3 rd 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 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

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002–2003 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

| Item Number & Description | Completion ² | Assignment |
|--|-------------------------|---|
| Retail Access Uniform Business Practices (UBP)³ | | |
| 1 Billing & Payments <i>Develop practices for billing customers and remitting payments to parties providing services to the customer.</i> Status: Complete. | 3rd Qtr 2003 | Customer Processes Subcommittee |
| 2 Creditworthiness Standards <i>Develop practices for extending commercial credit by Distributors to Suppliers to cover financial risk.</i> Status: Underway, being coordinated with RGQ.. | 3rd Qtr 2003 | Supplier-Utility Interface Subcommittee |
| 3 Customer Enrollment & Switching <i>Develop practices for market participants to process customer switch requests, for maintaining current customer account information regarding a customer's Supplier, and for notifying affected parties.</i> | 2004 | Customer Processes Subcommittee |
| 4 Supplier Licensing <i>Develop practices for licensing Suppliers with state utility commissions.</i> | 2004 | Supplier-Utility Interface Subcommittee |

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.

³ A "Glossary" exists from the November 2000 UBP document that should be maintained and updated as a common glossary for all items under this sub-heading as the sub-committees address the UBP items in this section of the Plan.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002–2003 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT⁴

| Item Number & Description | Completion | Assignment |
|--|------------|---|
| Retail Access Uniform Business Practices (UBP) (continued) | | |
| 5 Retail Meter Data Validation, Editing & Estimating <i>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.</i> | 2004 | Supplier-Utility Interface Subcommittee |
| 6 Customer Information <i>Develop practices for the release, collection, exchange & maintenance of customer information between Distributors and Suppliers.</i> | 2004 | Customer Processes Subcommittee |
| 7 Load Profiling <i>Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.</i> | 2004 | Supplier-Utility Interface Subcommittee |
| 8 Customer Inquiries <i>Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.</i> | 2004 | Customer Processes Subcommittee |
| 9 Market Participant Interactions <i>Develop supplier registration processes for Distributors and protocols for communications and interactions between Distributors and Suppliers.</i> | 2004 | Supplier-Utility Interface Subcommittee |
| 10 Utility - Supplier Disputes <i>Develop dispute resolution procedures applicable to differences between Distributors and Suppliers.</i> | 2004 | Supplier-Utility Interface Subcommittee |

⁴ As outlined in the NAESB Bylaws, the REQ will also address requests submitted by members and assigned to the REQ through the Triage Process.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002–2003 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT⁵

| Item Number & Description | Completion | Assignment |
|--|------------|---|
| Retail Access Uniform Business Practices (UBP) (continued) | | |
| 11 Settlement Process <i>Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.</i> | 2004 | Supplier-Utility Interface Subcommittee |
| Data Exchange Protocols⁶ | | |
| 12 Electronic Delivery Mechanisms <i>Develop electronic delivery mechanism guidelines including but not limited to: transactional data interchange, web sites, and bulletin boards.</i> Status: Underway, being coordinated with RGQ. | 2004 | Technical Electronic Implementation |
| 13 Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of Item 1. | 2004 | Technical Electronic Implementation |
| 14 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 3. | 2004 | Technical Electronic Implementation |
| 15 Technical Electronic Implementation Standards – Metering Status: Dependent on completion of Item 5. | 2004 | Technical Electronic Implementation |
| 16 Technical Electronic Implementation Standards – Load Profiling Status: Dependent on completion of Item 7. | 2004 | Technical Electronic Implementation |
| 17 Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 6. | 2004 | Technical Electronic Implementation |

⁵ As outlined in the NAESB Bylaws, the REQ will also address requests submitted by members and assigned to the REQ through the Triage Process.

⁶ Data exchange standards for Uniform Business Practices should be completed by the end of the quarter following the quarter in which the Executive Committee adopts the model business practices for that area of focus.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

TAB 7

PARLIAMENTARY COMMITTEE REPORT

This section includes:

- Minutes from the Parliamentary Committee Meeting held on May 25, 2004.

The material presented is background information for the discussion of agenda item 8. Michael Desselle will cover the actions taken by the Parliamentary Committee. No action is requested of the Board.



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TO: NAESB Parliamentary Committee, Posting for Interested Industry Participants
FROM: James Cargas, NAESB Deputy Director
RE: Draft Minutes from the Parliamentary Committee Conference Call – May 25, 2004
DATE: June 2, 2004

**NAESB Parliamentary Committee Conference Call
Tuesday, May 25, 2004
1:00 p.m. – 5:00 p.m. Central**

1. Welcome & Administrative Items

Mr. Michael Desselle called the meeting to order. Mr. James Cargas gave the antitrust advice. Roll call was taken and quorum was established. Mr. Jim Templeton made a motion to adopt the draft agenda with a modified sequence of agenda items to accommodate schedules. Mr. Leonard Haynes seconded the motion and it passed by consensus.

2. Continuation of Discussion and Resolution of Managing Committee's Role, and the Procedures Governing Determinations of Scope.

Mr. Desselle summarized the discussion at the last Parliamentary Committee meeting and the resulting request that Mr. Bill Boswell, NAESB General Counsel, draft a motion that captured the consensus of those discussions.

Mr. Boswell read his draft motion:

The Parliamentary Committee recommends that the Managing Committee herewith adopt the following policy regarding scope determinations:

In the absence of compelling circumstances, the Managing Committee normally will defer action on negative scope determinations emanating from the Executive Committee until the next board meeting. If the Managing Committee considers action on scope to be required on an expedited basis, it shall take appropriate action to determine the issue, and it further shall determine whether to call a special meeting of the Board, or to ask for review at the next succeeding Board meeting.

Mr. Boswell explained that his draft motion does not make reference to notational ballots since that power is granted the NAESB Chair in Section 9.7 of the Bylaws and this Committee is not empowered to amend the Bylaws or Certificate. Mr. Templeton inquired whether the draft motion would change any procedures from those taken by the Managing Committee (MC) and Board regarding R03035. Mr. Boswell said it would not, but that the draft motion expressed a preference for the Managing Committee to not take action before the next Board meeting.

Mr. Desselle, as the new NAESB Chair, pledged to implement the Parliamentary Committee's preference by calling a special board meeting when making future scope determinations if time and circumstances allow.

Mr. Adrian Chapman expressed his desire for the Board to have a full discussion before ever overriding a scope determination by the Executive Committee (EC). He also did not want the MC to have the power to make scope determination in spite of timing concerns. He felt the draft motion was unnecessary if it did not change NAESB's procedures.



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Mr. Desselle noted that other options, in lieu of a notational ballot, include the Chair calling a special board meeting or conference call. Ms. Rae McQuade pointed out that special board meetings may be called with ten (10) days prior notice. It was clarified that the MC cannot call a special board meeting, only a majority of the Board members or the Chair.

Since Mr. Boswell's draft motion did not change existing procedures, Mr. Templeton offered an alternative motion, which was seconded by Mr. Haynes. Mr. Templeton read his motion:

WHEREAS the NAESB Certificate (Article 3 Section 3) grants the Chairman of the Board of Directors the authority to call for notational votes for decisions to be made by the Board of Directors on any topic within the domain of the Board of Directors, and in accordance with the voting limits detailed in Article 5, and

WHEREAS the NAESB officers and Managing Committee are charged with representing the NAESB organization and to act prudently in representing the organization to external entities, and

WHEREAS the NAESB officers and Managing Committee have not taken actions outside the normally scheduled meetings of the Board of Directors unless there were extenuating circumstances that they deemed such that a NAESB decision was required,

THEREFORE, no actions are needed by the Parliamentary Committee regarding the actions of the Managing Committee or the procedures followed by the Managing Committee.

Mr. Haynes described the MC's previous conclusion that Ms. McQuade's presentation at the FERC technical conference on gas quality prior to the March 18 board meeting constituted an extenuating circumstance requiring MC action on Florida Power & Light's request for gas quality standardization (R03035). It was his decision, as Chair at the time, to request a notational ballot, not the Managing Committee.

Mr. Boswell noted that last year's board resolution delegating authority to the MC would need to be amended if scope determinations were to be reserved exclusively to the full board. At its March meeting, the Board voted against such a restriction to the MC's authority. The Parliamentary Committee was tasked to identify interim measures that address the concerns raised by the minority at the March board meeting.

Mr. Chapman expressed his concern that the entire MC was not present at the Feb. 10 conference call, and that the opinions expressed were mostly opposed to finding the request in scope. For him, the beginning of the standardization process is an important issue. As board members, Mr. Chapman said, each person represents their segment as well as their individual companies.

Mr. Boswell, noted that as a matter of Delaware law, each board member must represent the best interest of the organization, not their companies or their industry. As for representation, the MC consists of one representative from each quadrant. Four out of five of the MC members voted to overturn the EC's scope decision. The fifth MC vote would not have changed the outcome. Then, the MC's action was ratified by the entire board in a notational ballot. Finally, the full board again ratified the MC's action at its full board meeting on March 18 after discussion. Mr. Templeton pointed out that the two board ratification votes were not close.

Mr. Desselle called a vote on Mr. Templeton's motion, and it passed 10 in favor, 1 opposed (see tally below).



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3. Continuation of Discussion and Resolution of Triage Committee Composition.

Ms. McQuade reported on the results of her review of the Certificate, Bylaws, and NAESB Operating Procedures to determine if changes are needed to reconstitute the Triage Committee with members of the EC, and to consider any unreturned Triage notational ballots as votes in favor of the majority present during the working session. The individual quadrants will still make assignment determinations. A flow chart of the revised triage process is attached to these minutes. Records will be maintained distinguishing returned votes from abstentions and from default votes. Ms. McQuade clarified that the EC Chair has the authority to implement the changes to the Triage Committee composition, and no further changes are required. There was no opposition to proceeding with these streamlining efforts.

4. Continuation of Discussion on Providing Comments with Reports to Government Agencies.

Mr. Desselle summarized the discussion at the last Committee meeting, and requested Ms. McQuade to report on her discussion with FERC staff. Ms. McQuade said as long as the comments are publicly available and easily located on the NAESB web site, the FERC staff would not require they be filed with interim status reports. This approach would be taken with the forthcoming Seams Catalog filing. Mr. Desselle added that this new NAESB policy would not apply to full reports transmitting standards to FERC.

5. Adoption of Revised Draft April 22, 2004, Minutes.

Mr. Templeton made a motion to adopt the revised draft minutes from the Parliamentary Committee's April 22, 2004 meeting. The motion was seconded by Mr. Maddox and passed by consensus, with Mr. Rudden abstaining.

6. Adjourn

Mr. Templeton made a motion to adjourn. Mr. Rudden seconded the motion. The meeting was adjourned on May 25, 2004 at 2:30 p.m. Central.

7. Attendance

| Attendee: | Organization: | Committee Member: | Vote on Templeton Motion |
|--------------------|-------------------------------|-------------------|--------------------------|
| 1 Bill Boswell | McGuire Woods | | |
| 2 Mike Bray | Shell Gas Transmission | | |
| 3 Scott Brown | Exelon | WEQ Rep. | Support |
| 4 Cade Burks | EC Power | REQ Rep. | Support |
| 5 James Cargas | NAESB | | |
| 6 Adrian Chapman | Washington Gas | WGQ Rep. | Against |
| 7 Michael Desselle | American Electric Power | Chair | Support |
| 8 Arthur Fusco | Central Electric Power Coop. | WEQ Rep. | Support |
| 9 Leonard Haynes | Southern Company | REQ Rep. | Support |
| 10 Lyn Maddox | Prospect Energy | WGQ Rep. | Support |
| 11 Terry McGill | Enbridge | WGQ Rep. | Support |
| 12 Rae McQuade | NAESB | | |
| 13 David Pfeifer | SunGard EnForm Consulting | RGQ Rep. | Support |
| 14 Richard Rudden | RJ Rudden Associates | RGQ Rep. | Support |
| 15 Donna Scott | Transwestern Pipeline Co. | | |
| 16 Jim Templeton | Comprehensive Energy Services | Vice Chair | Support |



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17 Kim Van Pelt Panhandle Eastern Pipeline

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 10, 2004**

TAB 8

OLD AND NEW BUSINESS

This section includes:

- Meeting Schedule for 2004.
- Excerpt of the Governing documents regarding the sunset provision

The material presented is background information for the discussion of agenda item 9. Rae McQuade will review the meeting schedule. Bill Boswell will review the actions to fulfill the sunset provision. No action is requested of the Board.



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



North American Energy Standards Board

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TO: NAESB Board of Directors
FROM: Rae McQuade, Executive Director
RE: Sunset Provision from the Certificate of Incorporation
DATE: June 6, 2004

**NAESB Sunset Provision
Excerpt from the NAESB Certificate of Incorporation**

Article 1, Section 2:

The period of duration of NAESB is PERPETUAL. NAESB may be dissolved at any time in the manner provided in the Statute; provided, however, that no later than December 31, 2004, NAESB's Board of Directors shall submit to the members a resolution recommending whether NAESB shall continue. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to continue NAESB.