

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

**North American Energy Standards Board
Board of Directors Meeting
November 21, 2002**

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

TABLE OF CONTENTS

Welcome	Opening Remarks <ul style="list-style-type: none">• Meeting Announcement• Members of the Board of Directors & Terms• Antitrust Guidelines
Tab 1.	Agenda
Tab 2.	Draft Minutes of September 23, 2001
Tab 3.	Parliamentary and Managing Committee Updates
Tab 4.	Annual Plans for 2003 <ul style="list-style-type: none">• Wholesale Gas Quadrant• Wholesale Electric Quadrant• Retail Electric Quadrant – Already Approved in 2002• Retail Gas Quadrant - Preliminary
Tab 5.	2002 Finance Report and 2003 Budget <ul style="list-style-type: none">• 2002 Finance Report as of October 2002• 2003 Proposed Budget
Tab 6.	2002 Membership Report
Tab 7.	ISO Discussions and ESC Developments
Tab 8.	NERC-NAESB MOU
Tab 9.	Other Business <ul style="list-style-type: none">• Privacy Policy Amendment• Calendar of 2003 Meetings

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

WELCOME AND OPENING REMARKS

- The meeting specifics are:

WHERE: Hyatt Regency Islandia
1441 Quivira Road
San Diego, CA 92109

Reservations Phone: 619-224-1234

WHEN: Thursday, November 21
8:00 a.m. to Noon Pacific time

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

Bill Boswell	- Chairman and CEO
Waters Davis	- Vice Chairman Retail Electric Quadrant
Michael Desselle	- Vice Chairman Wholesale Electric Quadrant
Rae McQuade	- Executive Director, COO & Secretary

- The legal representation for NAESB is provided by:

James Costan - NAESB General Counsel

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

ANTITRUST GUIDELINES

- NAESB General Counsel Jay Costan will review the antitrust guidelines. The points are:

Antitrust guidelines direct meeting participants to avoid discussion of topics or behavior that would result in anti-competitive 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.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

1. ADOPTION OF AGENDA

- The proposed agenda, attached, has been distributed and is available on NAESB's home page.
- The members of the Board of Directors are requested to review the agenda, suggest changes if needed, and vote to adopt the agenda.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

November 12, 2002

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Meeting Agenda for the NAESB Board Meeting - November 21, 2002

Dear Board Members,

As noted in the meeting announcement in mid-October, the last Board meeting in 2002 will be held in San Diego at the Hyatt Regency Islandia, which is located about 10 minutes by cab from the San Diego airport (6 miles). The specifics of the meeting are:

Where: Hyatt Regency Islandia
1441 Quivira Road
San Diego, CA 92109
Reservations Phone: 619-224-1234

When: Thursday, November 21
8:00 a.m. to Noon Pacific time

The evening before, on Wednesday, November 20, a reception will be held in the hotel from 6:00 p.m. to 9:00 p.m. and we hope you can join us. A printed copy of the materials for the meeting will be provided shortly to the Directors, and will be posted on the NAESB Home Page in the "Board of Directors" area for each quadrant for attendees to download. This meeting, as with all NAESB meetings, is open for attendance by any interested party. Should you wish to participate via conference call, please call the NAESB office for instructions (713-356-0060).

Please feel free to call the NAESB office should you have any questions or comments. We look forward to seeing you at the Board meeting.

Best Regards,

Rae

Rae McQuade
NAESB Executive Director & COO

cc: James Costan

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

NORTH AMERICAN ENERGY STANDARDS BOARD OF DIRECTORS MEETING Hyatt Regency Islandia - San Diego, California

Thursday, November 21, 2002 - 8:00 a.m. to Noon Pacific

DRAFT AGENDA

- | | | |
|-----------|-----|--|
| 8:00 a.m. | 1. | Welcome & Administrative Items <ul style="list-style-type: none">• Antitrust Guidelines• Agenda Adoption• Welcome to New Board Members |
| | 2. | Adoption of Minutes from September 23, 2002 |
| | 3. | Discussions with ISOs and Communications with the Electronic Scheduling Collaborative |
| | 4. | Parliamentary and Management Committee Updates |
| | 5. | Annual Plans |
| | 6. | Finance Report and Draft 2003 Budget |
| | 7. | Membership Report |
| | 8. | Adoption of the NAESB-NERC Memorandum of Understanding |
| | 9. | Other Business |
| Noon | 10. | Adjourn |

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

2. ADOPTION OF MINUTES

- **BACKGROUND:** The minutes of September 23 are posted on the home page for review and are included in these materials for vote to adopt.
- **ACTION:** The members of the Board of Directors are requested to review the draft minutes, suggest additional changes if needed, and vote to adopt as minutes of the meeting.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

September 25, 2002

TO: NAESB Board of Directors
FROM: W. Todd Oncken
RE: Draft Minutes for the NAESB Board of Directors Meeting September 23, 2002

NORTH AMERICAN ENERGY STANDARDS BOARD OF DIRECTORS MEETING

Marriott Hunt Valley Inn, Hunt Valley, Maryland
Monday, September 23, 2002 -- 1:00 p.m. to 5:00 p.m. Eastern
Draft Minutes

1. Welcome & Administrative Items

Mr. Boswell welcomed the board members and observers to the Board meeting. Board members introduced themselves. Mr. Boswell acknowledged Bruce Ellsworth, Former New Hampshire Commissioner and the NAESB Advisory Committee Chairman, noting that the Advisory Committee acts as the Board's link to the wider community of state regulators. Commissioner Ellsworth reminded the Board of the diverse membership of the Advisory Committee and reflected on the discussion held at the September 23, 2002 Advisory Council meeting this morning's meeting, including the methods in which non-members could participate in the NAESB processes. Mr. Costan reviewed the antitrust guidelines. The agenda was adopted as presented.

2. Adoption of Minutes from June 28, 2002

Mr. Templeton moved, and was seconded by Mr. Mucci to adopt the minutes of June 28, as presented. Mr. Mucci asked if his comments on the minutes previously submitted to Ms. McQuade were reflected in the draft minutes. Ms. McQuade noted that those comments would be reflected in the final minutes. There were no other changes to the draft minutes offered. The motion to adopt the modified minutes carried unanimously.

3. Quadrant Formation Activities

As a general comment, Ms. McQuade informed the Board of membership in the Wholesale Electric Quadrant (WEQ) and Wholesale Gas Quadrant (WGQ). The WEQ currently has 162 members, which reflects its recent rapid growth. The WGQ demonstrates membership stability. The WEQ has seated its Board and Executive Committee members.

Ms. McQuade described the contents of the FERC Filing, stating that it referenced NAESB's efforts to work with NERC on the Letter of Intent (LOI) and the possibility of a Technical Advisory Committee (TAC) consisting of representatives from the ISOs, RTOs, RROs and other similarly situated groups. Ms. McQuade noted that these were separate agenda items to be discussed later.

The Retail Gas Quadrant (RGQ) currently has 36 members, only four members below the formation threshold. Mr. Chapman moved, to extend the time allowed for the formation of the RGQ until the next meeting. The motion was seconded by Mr. Templeton. Motion passed unanimously.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

4. Adoption of the NAESB-NERC Letter of Intent, Development of the Memorandum of Understanding

The background on the Letter of Intent (LOI) was provided by Mr. Boswell. Mr. Boswell stated that he and Mr. Drouin, chairman of the NERC Board of Trustees, will be appointing a ten person task force (five from each organization) to negotiate the Memorandum of Understanding (MOU). Mr. Boswell noted that the NAESB group, which he intends to name by the end of the week, would consist of WEQ Board members, with one representative being from each segment. Mr. Boswell stated that the intention is to have the MOU completed by the end of October for Board consideration at the November Board meeting. Mr. Boswell emphasized that the Board members selected for the negotiation team will represent and consult with their segments ensuring input from all groups.

5. Creation of the Technical Advisory Committee

An update was given on the progress of formation of the Technical Advisory Committee (TAC) following the Board resolution passed at the June 28 meeting. Mr. Boswell stated that he has recently received correspondence from Bill Museler of NYISO stating that the TAC might have merit and that an MOU should be investigated. Mr. Boswell indicated that he would respond to the letter by stressing the importance of continued discussions, as well as the group's participation in the standards development process.

6. Parliamentary and Managing Committees

Parliamentary Committee

Mr. Boswell asked for volunteers from the WEQ for the Parliamentary Committee. Mr. Boswell announced that the Parliamentary Committee will hold a conference call on October 16, 2002, from 1:00 p.m. to 4:00 p.m. Eastern; and a meeting on November 22, 2002 from 8:00 a.m. to noon [this meeting date was later changed to immediately follow the Board meeting on November 21 in San Diego - it will be accessible via conference call.]

Managing Committee

Mr. Boswell noted that the Managing Committee (MC) was formed through a notational ballot. Mr. Boswell stated that the MC was formed to assist the Chair, with the expectation that the MC would enhance credibility of senior leadership of the organization and help facilitate future Chair succession. Mr. Boswell stated that he asked Mr. Costan to develop a clarifying resolution regarding the role of the MC as regards to the Annual Plan. Mr. Boswell stated that the underlying precept of the MC was that 95 Board members acting as a committee of the whole was not efficient, and through MC review, the Board would see complete work, with discussion occurring prior to presentation to the Board. Mr. Costan instructed the Board to strike the clause beginning "which shall be comprised of ..." from the next to last line of the resolution that was circulated at the meeting, and then read the resolution as follows:

WHEREAS, on August 30, 2002, the Board adopted a resolution creating a Board Managing Committee and vesting it with certain responsibilities and authority, including the right specified in paragraph 7 to take action in limited circumstances subject to subsequent Board review, and

WHEREAS, on September 16, 2002, the Board adopted a resolution concerning the creation of sub-committees and task forces by the EC and the Quadrant ECs, and

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

WHEREAS, it would be helpful to clarify the intent of the resolutions with respect to the nature of subsequent Board review of certain actions of the Managing Committee or the Parliamentary Committee, as the case may be,

NOW, THEREFORE, BE IT:

RESOLVED that any action taken by the Managing Committee pursuant to the authority previously delegated to it in paragraph 7 of the said Resolution to act on the Board's behalf between meetings with respect only to those matters upon which the Board might act by simple majority vote, shall continue to be reported to the Board at its next meeting as also provided in paragraph 7 of the said resolution, and shall be deemed to continue in effect beyond such next meeting only if ratified by a simple majority vote of the Board upon motion of any Board member at such meeting, and

FURTHER RESOLVED, that the Board hereby authorizes the creation of an EC Annual Plan Subcommittee, which shall develop and present recommendations for the Annual Plan for each Quadrant's activities, with a view that the EC shall present its recommendations as to the Annual Plan to the Managing Committee for preliminary review in time for formal Board action on the Annual Plan at its last meeting of the year (generally December) preceding the year covered by the Annual Plan; and

FURTHER RESOLVED, that any action of the Managing Committee or of the Parliamentary Committee with respect to the approval or disapproval of the formation of a sub-committee or task force of the EC or of the Quadrant ECs, shall be reported to the Board at its next meeting, and may be modified by a subsequent resolution pursuant to a simple majority vote of the Board upon motion of any Board member at such meeting.

Mr. Desselle moved, seconded by Mr. Davis, to adopt the resolution as read.

The Board discussed the resolution and issues surrounding the workings of the MC. Mr. Boswell observed that the MC has already been established, and the issue being discussed now is the clarification resolution. Additionally, Mr. Boswell clarified that any action the MC takes has to be ratified by the Board. After discussion concluded, the motion passed unanimously.

7. Annual Plans

Mr. Buccigross reviewed both the WGQ and the REQ annual plans. No changes are requested for the Board to approve on the REQ annual plan. A proposed change to the WGQ annual plan was discussed as "Other Business". The Board briefly discussed items contained in the annual plans and the procedures for modifying an annual plan.

8. Finance Report

Ms. McQuade and Ms. Wishart gave the finance report. Ms. McQuade reported that NAESB was on track with its budget, but noted that many of the assumptions relied on to create the budget were incorrect. The Board should be presented with a draft 2003 budget at its November meeting.

9. Membership Report

Ms. McQuade reviewed the membership report. Ms. McQuade thanked the trade associations, including NRECA, APPA, EEI, EPSA, and ELCON for their help in the membership efforts. Mr. Boswell stated that he was delighted at the continued participation and membership in NAESB of members of these trade associations.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

10. Other Business

Mr. Buccigross presented a resolution to amend the WGQ annual plan to address the issue of creditworthiness, as follows:

WHEREAS, the Federal Energy Regulatory Commission has issued an Order in Docket No. GT02-35-000 on September 13, 2002 encouraging parties interested in the establishment of generic creditworthiness standards to be followed uniformly by interstate pipelines to initiate the standards development process at NAESB, and

WHEREAS, the Officers of the Wholesale Gas Quadrant Executive Committee have identified that the 2002 Annual Plan does not include an item under which development of generic creditworthiness standards might take place, and

WHEREAS, the industry participants have provided correspondence to the Board of Directors expressing a concern that such standards development might be in conflict with Article 2, Section 2.2 of the Bylaws which states:

Develop Practices, Not Policy – The committees, subcommittees and task forces of NAESB should endeavor not to create policy in their Standards or Model Business Practices development activities absent being requested to do so by the Board.

And

WHEREAS, the Officers of the Wholesale Gas Quadrant Executive Committee have asked for guidance from the Board, and

WHEREAS, the Board believes that Standards Development on this topic should only be based upon existing Commission policy or new policy that may be developed by the Commission, and

NOW, THEREFORE, the Board of Directors of the North American Energy Standards Board hereby amends the 2002 Wholesale Gas Quadrant to include an item under the Standards Implementation section entitled **Creditworthiness** with the following description:

Develop Creditworthiness Standards pursuant to an Annual Plan item. Such development should be restricted to implementation of existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of Creditworthiness.

AND, FURTHER, a Completion Date of 2nd Quarter 2003 and an Assignment of "Assigned by the Executive Committee" should be designated.

Mr. Anderson moved, seconded by Ms. Munson, to adopt the resolution as read. The Board generally discussed the creditworthiness issue, noting that the issue touches on all of the Quadrants in varied ways. During discussion of the resolution, it was clarified that this would only affect the WGQ annual plan, not the annual plan of the other Quadrants; and further, that this annual plan item would be handled under the standard procedures and course of business of the Executive Committee.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

After discussion concluded, the motion passed unanimously.

11. Adjourn

The meeting adjourned at 4:20 p.m.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

13. Attendance:

Wholesale Gas Quadrant Board Members

End User Segment

Jonathan Puckett	Director of Control Operations, Duke Energy North America.	
Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L	Present
John Procaro	Vice President & COO, Cinergy	
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	By Phone
Jim Templeton	Principal, Comprehensive Energy Services	Present

LDC Segment

Bill Boswell	Assistant Secretary, Dominion	Present
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	Present
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Present
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	Present
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co.	By Phone

Pipeline Segment

Terry McGill	Enbridge Energy Company, Inc.	
John Somerhalder	President, El Paso Energy Pipeline Group	Present
Shelley Corman	Vice President, Enron Transportation Services Company (Transwestern)	By Phone
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	By Phone
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	Present

Producer Segment

Allan Knopp	Manager, Regulatory Affairs, Conoco Gas and Power	By Phone
Randy Mills	Regulatory Manager, ChevronTexaco	Present
Johannes Walzebuck	Natural Gas Commercial Manager, ExxonMobil Gas Marketing Company	By Phone

Services Segment

Sylvia Munson	Principal, Elite Computer Consultants	Present
Greg Lander	Principal, CapacityCenter.com	
Rick Lentz	Principal, Tatum CIO	Present
Lyn Maddox	President & COO, PG&E Energy Group Trading	
Marty Patterson	Senior Vice President, IDACORP Energy	

Retail Electric Quadrant Board Members

Distributor Segment

Dave Koogler	Director - Regulation & Competition, Dominion Virginia Power (SERC NERC Region).	Present
Bill Bourbonnais	Manager Rates and Economic Evaluation, Wisconsin Public Service Corporation (MAIN NERC Region)	Present
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company	Present
Leonard Haynes	Senior Vice President Marketing, Georgia Power Company (SERC NERC Region)	Present

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

End User Segment		
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Present
Services Segment		
Misty Ann Khan	Vice President, Telerx Marketing, Inc.	By Phone
Stacey Park	Director, The Structure Group	Present
J Cade Burks	President, EC Power	Present
John Williams	Chief Executive Officer and Co-founder, 8760.	Present
Supplier Segment		
Helen Burt	Vice President, Customer Operations and Billing, TXU Energy	
Waters Davis	President, Reliant Energy Retail Services	Present
Gillan Taddune	President, Texas Region, Green Mountain Energy	
Richard Zelenko	General Manager, Dominion Retail Inc.	By Phone
Wholesale Electric Quadrant Board Members		
End User Segment		
John A. Anderson	Executive Director, Electricity Consumers Resource Council	Present
James B. Rouse	Associate Director Energy Policy, Praxair, Inc.	Present
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	
Michael J. Travieso	People's Council, Maryland People's Counsel	Present
Ron Jackups	Vice President, Electric System Operations, Cinergy	By Phone
LDC Segment		
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Present
Jim Miller	Vice President, Southern Company Services, Inc.	Present
Ted Humann	Senior Vice President Transmission, Basin Electric Power Cooperative	
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative	Present
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	By Phone
Generation Segment		
Forrest E. Reeves	Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration	By Phone
Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	Present
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Present
David McMillan	Director Market Design, Calpine	Present
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Present
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	Present
Transmission Segment		
W. Terry Boston	Executive Vice President, Tennessee Valley Authority	Present
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	Present

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

Dale Landgren	Vice President and Chief Strategic Officer, American Transmission Company	By Phone
Carroll Waggoner	Sunflower Electric Power Corporation	
John H. Zemanek	Vice President Transmission, Entergy	
Michael Desselle	Director Public Policy, American Electric Power	Present

Marketer/Broker Segment

Steve Oliver	Vice President of Bulk Power Marketing Transmission Services, Bonneville Power Administration/Power Business Line	By Phone
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	Present
Thomas A. Smith	Manager of Power Marketing, Tri-State Generation & Transmission Association, Inc.	Present
Peter G. Esposito	Senior Vice President and Regulatory Counsel, Dynegy Marketing and Trade	By Phone
Dowell Hudson	Vice President Special Projects, Energy Ontario Power Generation	Present
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Marketing, Inc.	Present

NAESB Administrative

Rae McQuade	NAESB
Veronica Thomason	NAESB
JoAnn Garcia	NAESB
Meghan McMillan	NAESB
Todd Oncken	NAESB
Darla Wishart	Checks and Balances
James Costan	McGuireWoods
Lawrence Paulson	Hoffman Paulson

Observers

Mary Hain	PJM Interconnection
Jack Hawks	PG&E National Energy Group
Andy Dotterweich	Consumers Energy
Gary Duede	Arizona Public Service
Suzanne Calcagno	UBS Warburg Energy
Kathryn Burch	Duke Energy - Texas Eastern
Cary Metz	MCV
Mike Bray	Shell Gas Transmission
Dona Gussow	Florida Power & Light Company
Mariam Arnaout	American Gas Association
Mike Novak	National Fuel Gas Distribution
Leigh Spangler	Latitude Technologies
Randy Magnani	Amerada Hess Corporation
Nancy Cianflone	KeySpan Energy Delivery
Catherine Nesser	KeySpan Energy Delivery
Keith Sappenfield	EnCana Corporation

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Theresa Hess	Reliant Energy Retail	
Steve Zavodnick	Baltimore Gas & Electric	
Ruth Kiselewich	Baltimore Gas & Electric	
Ed Davis	Entergy Services	
Karl Tammar	New York ISO	
Barry Lawson	NRECA	
Alex DeBoissiere	Midwest ISO	
Terry Rochefort	National Energy Board (Canada)	
Charles Acquard	NASUCA	
Jack Leonard	PECO Energy	
David Owens	EEI	
Dolores Chezar	KeySpan	
Mark Gracey	Tennessee Gas Pipeline	
Kim Van Pelt	CMS Panhandle Eastern Pipeline	
Jim Buccigross	8760	PRESENTER
Bruce Ellsworth	Former Commissioner, New Hampshire PUC	
Michael Gildea	Duke Energy	By Phone
Bill Grygar	Panhandle Eastern Pipeline Company	By Phone
Charles Knight	NRG	By Phone
Jim Minneman	PPL Solutions	By Phone
Mark Scheel	Dynegy	By Phone
Rodger Schwecke	Southern California Gas Company	By Phone

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

3. PARLIAMENTARY COMMITTEE AND MANAGING COMMITTEE UPDATES

- Attached please find recent activities of the Parliamentary Committee and Managing Committee. The reports will be reviewed by the committees.

- **Background:** The Parliamentary Committee is a Board committee. Members of the Parliamentary Committee are Joe Hartsoe, Scott Brown and Dave McMillan for the Wholesale Electric Quadrant, Lyn Maddox, Terry McGill and Jim Templeton for the Wholesale Gas Quadrant, and Cade Burk, John Williams and Leonard Haynes for the Retail Electric Quadrant. Misty Khan recently resigned her Board position in the REQ and her position on the Parliamentary Committee. The Retail Gas Quadrant members have not yet been appointed by the Board Chairman.

- **Action:** The Board Chairman will ask the Board to endorse the action of the Parliamentary Committee regarding the clarifications to the Bylaws and Certificate. These changes were approved by the Parliamentary Committee unanimously on October 16 and are contained as an attachment to the minutes. The Board vote to approve the certificate and bylaws changes are super majority - 75% of each quadrant and 40% of each segment. Certificate changes also require a ratification vote by the membership. . A ballot is attached under tab 9 to record your vote on the plans if you are unable to attend the meeting in person or by conference call.

- **Action:** The Board Chairman will ask the Retail Gas Quadrant for volunteers to be considered for the Parliamentary Committee.

- **Background:** Similarly, the Managing Committee is a Board committee. Members of the committee are the Board officers and the prior Board chairmen. The members of the committee are Bill Boswell, Waters Davis, Michael Desselle and Jim Templeton. The Retail Gas Quadrant Vice Chair has not yet been elected by the Board members of the Retail Gas Quadrant.

- **Action:** The Board Chairman will ask the Retail Gas Quadrant to hold a nomination and election period to name the RGQ Vice Chair before the next Board meeting.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

October 16, 2002

TO: NAESB Parliamentary Committee Members: Bill Boswell, Jim Templeton, Lyn Maddox, Terry McGill, Cade Burks, Leonard Haynes, Misty Kahn, Scott Brown, Dave McMillan, Joe Hartsoe

FROM: Rae McQuade, Executive Director

RE: Parliamentary Committee Minutes -- October 16, 2002

NORTH AMERICAN ENERGY STANDARDS BOARD PARLIAMENTARY COMMITTEE CONFERENCE CALL MINUTES October 16, 2002

1. Administrative

Mr. Boswell welcomed the attendees and the antitrust advice was given. The agenda was accepted as written.

2. Purpose of the Parliamentary Committee and Structure

Mr. Boswell provided a brief overview of the purpose and structure of the Parliamentary Committee. The Parliamentary Committee is a Board of Directors (Board) committee formed to address NAESB governance issues in a broad sense. Typical areas under the purview of the Parliamentary Committee include possible changes to the NAESB Certificate, Bylaws, and NAESBOps. The Parliamentary Committee is composed of three Board representatives from each quadrant. The function of the Parliamentary Committee is to make a recommendation to the Board, upon which the Board will then take action during an open meeting.

3. Privacy Policy

Ms. McQuade requested approval from the Parliamentary Committee to draft a proposed policy regarding the creation of subcommittee listservs to foster communication within the subcommittees. Ms. McQuade noted that under the current privacy policy, all communications are handled through the NAESB office. Further, she stated that communication through listservs is common-place in the current business environment. During discussion it was noted that one approach would permit individuals with NAESB passwords to add themselves to any listserv, but nonmembers could nominate themselves to be added to the listservs through the NAESB office. Additionally, the administrator, located within the NAESB office, would have full authority to remove any member from the listserv.

The Parliamentary Committee agreed that a proposed change to the privacy policy incorporating listserv protocols could be presented at the November Board meeting. Upon completion, the draft policy will be circulated among the Parliamentary Committee members prior to submission to the Board.

4. Certificate Changes

- Certificate Changes to clarify language for the creation of the four quadrants

Mr. Costan presented a resolution, which would ultimately be presented to the Board, to make some clean up changes to the NAESB Certificate and Bylaws. Mr. Costan's proposed resolution included the following changes: 1) a clarification on Board responsibilities, meant to reflect the principle that the Board is viewed as the principal governance body of NAESB and

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

the Executive Committee is principally involved in the standards development process (Appendix A of the resolution); 2) a clarification on Executive Committee responsibilities, with language detailing that the EC is principally involved in the standards development process (Appendix B of the resolution); and 3) a clarification regarding non-voting members, removing language in the certificate that could have unintended consequences when taken literally (Appendix C of the resolution).

During discussion of the resolution, it was noted that the proposed changes to the Certificate and Bylaws, as they relate to the functions of the Executive Committee, have been discussed with, and approved by, Mr. Buccigross, the current Executive Committee Chairman.

Mr. Templeton moved, seconded by Mr. Burks, that the Parliamentary Committee recommends the clarifying resolution proposed by Mr. Costan (see attachment for complete resolution text). Motion carried unanimously.

- Review of Certificate and Bylaws changes proposed by the WGQ Pipelines at the December 2001 meeting

Mr. Costan provided an update of his understanding of the issues, and noted that all items except three have been incorporated into the bylaws. On the remaining items, which address the Parliamentary Committee and Triage Committee, the Parliamentary Committee agreed to revisit these issues if it was determined by the Parliamentary Committee that the existing structure and language provided in the bylaws and certificate required changes.

5. NAESBOps Changes

- Modifications to the NAESB Operating Practices (NAESBOps) to address NAESB rather than GISB in the text (done at June 28 Board meeting) and confirm that no other conforming changes are required.

Mr. Boswell informed the Parliamentary Committee that at the June 28 Board meeting, a global change was performed on the NAESB Operating Practices to replace references to GISBOps with references to NAESBOps, and confirmed the modification was comprehensive. The Parliamentary Committee generally discussed the NAESBOps.

During discussion, several issues were identified. Among them, the proper procedures for meeting transcription, including when transcription would be appropriate, was proposed as a potential NAESBOp area. Additionally, it was noted that certain NAESBOps are specific to WGQ committees. In light of that observation, a question arose regarding the proper scope of NAESBOps, whether they should be directed to the entire organization or to the individual quadrants. Finally, it was proposed that the Parliamentary Committee look through all the NAESBOps and consider consolidation where there is duplicity.

Mr. Boswell identified examination of the NAESBOps as a potential committee focus going into the next year. This examination should be from a global perspective with an eye for procedures that will work for NAESB as the organization moves forward.

6. Publication Timeline for release of standards

During June 2002, Mr. Bray, on behalf of Shell Gas Transmission, submitted a letter to Mr. Boswell stating concern with the costs associated with the frequency of publication of NAESB WGQ Standards, and proposing a 24-month publication cycle instead of the current 12-month publication cycle. Mr. Bray proposed beginning the 24-month cycle after Version 1.7 Standards are published in July 2003. Mr. Bray also made note of discussion of a triggering mechanism to shorten the publication cycle, should it be determined in the future that a shorter cycle is warranted.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

As an exception, where standards are not yet published, but the FERC may want to refer to them in a proceeding, they may choose to refer to NAESB final actions by recommendation number.

For the benefit of new Parliamentary Committee members, Ms. McQuade provided a brief background on the standards publication process. In short, as standards are adopted by the Executive Committee, they then proceed to a ratification vote by the NAESB membership. A ratified standard is considered a final action until published. Ms. McQuade noted that in some instances, the FERC may choose to look at standards prior to the publication date. From publication costs, during the discussion, it was noted that the real costs incurred in the publication process was borne by the volunteer group that provides the resources to verify the content of the standards – the proofreaders and editors. The NAESB office expends between \$10,000 and \$20,000 for each release of the standards. Further, it was noted that additional implementation costs were borne by companies implementing the standards.

There are several other issues to be addressed in the publication of standards including frequency and format of publication as it relates to the four quadrants. Mr. Boswell requested this issue be put on the agenda for a subsequent Parliamentary Committee meeting. No action on Mr. Bray's letter was taken by the Parliamentary Committee at this time.

7. NAESBop for Annual Plan Items and Triage Process

Mr. Boswell suggested to the Parliamentary Committee that a NAESBop needed to be developed to establish the timeline for completing the Annual Plan process through completion of the Managing Committee. When the Managing Committee was established, the Board provided that the Managing Committee should act as an interface between the Board and the Executive Committee in the Annual Plan process. Envisioned actions for the Managing Committee during this process include assessing draft annual plans and analyzing their content for internal consistency, as well as consistency across quadrants. Those envisioned actions logically imply a certain amount of communication and trading of draft documents. Possible topics to be included in the proposed NAESBop are Executive Committee start date, method for annual plan preparation within the Executive Committee, and date at which a draft Annual Plan should be presented to the Managing Committee.

During discussion, the current status of Annual Plan development was addressed. For the Wholesale Gas Quadrant, development of the Annual Plan has not begun. However, it was reported the current REQ Annual Plan covers 2002 through 2003. The possibility of a revision to the REQ Annual Plan was noted by Ms. Hess. The Wholesale Electric Quadrant plan will be undertaken after the WEQ EC is seated on October 18.

An additional item discussed was the necessity to submit an Annual Plan item to the Triage Subcommittee prior to quadrant work on that item. Ms. McQuade noted that in the past, the approval of the annual plan by the Board preempted any need to forward annual plan items through the triage process. Mr. Boswell stated that once an Annual Plan has been approved, all tasks that the Triage Subcommittee would perform have been completed.

Mr. Costan identified a further issue, noting that there should be some process when handling work on Annual Plan items so that the items can be subject to joint consideration of the different quadrants. Mr. Boswell suggested that perhaps the Managing Committee's review of the Annual Plans would address this issue.

Mr. Boswell set continued discussion of this issue as an item for the next Parliamentary Committee meeting.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

8. Next Steps and Other Business

A brief report on the status of FERC's recent statements at the SMD software meeting on October 3 was presented by Ms. McQuade and Mr. Boswell. In short, Ms. McQuade told participants that during a recent discussion, Chairman Wood made it clear that this was not a change in FERC support, but it was rather a software development issue.

Mr. Burks asked about NERC policies that concern the publication process, specifically inquiring as to whether NAESB should be concerned on this issue? Ms. McQuade explained this does not affect the publication timeline at all. In short, she said that NERC has built software to keep track of standards throughout their entire process, and has demonstrated a willingness to work with NAESB on that software. Ms. McQuade noted that the pending MOU negotiations between NERC and NAESB are taking priority and discussion of the software issues will be addressed at a later time.

Arrangements for the next Parliamentary Committee meeting are as follows:

Thursday, November 21, 2002

Hyatt Regency Islandia

1441 Quivira Road

San Diego, CA 92109

1:00 p.m. to 5:00 p.m. Pacific, conference calling available.

9. Adjourn

The call adjourned at 2:55 p.m. eastern.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

12. Meeting Attendees:

Wholesale Gas Quadrant Parliamentary Committee Members

Jim Templeton	Principal, Comprehensive Energy Services	Present
Bill Boswell	Assistant Secretary, Dominion	Present
Terry McGill	Enbridge Energy Company, Inc.	
Lyn Maddox	President & COO, PG&E Energy Group Trading	

Retail Electric Quadrant Parliamentary Committee Members

Leonard Haynes	Senior Vice President Marketing, Georgia Power Company (SERC NERC Region)	Present
Misty Ann Khan	Vice President, Telerx Marketing, Inc.	Present
J Cade Burks	President, EC Power	Present

Wholesale Electric Quadrant Parliamentary Committee Members

David McMillan	Director Market Design, Calpine	Present
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	Present
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Marketing, Inc.	Present

NAESB Administrative

Rae McQuade	NAESB, Executive Director	Present
Todd Oncken	NAESB	Present
James Costan	McGuireWoods, NAESB General Counsel	Present

Observers

Greg Dodson	Dominion Resource Services
Kathryn Burch	Duke Energy (Texas Eastern Transmission, LP)
Kim Van Pelt	CMS Panhandle Pipe Line Companies
Donna Scott	Transwestern Pipeline Company
Bill Griffith	Colorado Interstate Gas
Mark Gracey	Tennessee Gas Pipeline Company
Dale Davis	Williams Gas Pipeline
Marcy McCain	Duke Energy - Algonquin
Mike Bray	Shell Gas Transmission
Theresa Hess	Reliant Energy Retail Services

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Attachment

Resolution Regarding Proposed Clarifying Amendments to Certificate and Bylaws,
including Appendices A, B and C

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

Resolution Regarding Proposed Clarifying Amendments to Certificate and Bylaws

WHEREAS, the Certificate and Bylaws of the North American Energy Standards Board have now been in effect for over nine months; and

WHEREAS, a need to effect certain clarifying amendments has been noted with regard to (i) provisions of the Certificate relating to the governance responsibilities of the Board; (ii) provisions of the Certificate relating to responsibilities of the Executive Committee; and (iii) provisions of the Certificate and Bylaws relating to non-voting members; and

WHEREAS, the Parliamentary Committee has reviewed and recommends proposed changes to the Certificate and Bylaws designed to achieve the purposes described above, which are attached hereto as Appendices A-C, respectively;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of NAESB hereby adopts the changes to the Certificate and Bylaws of NAESB attached hereto as Appendices A-C; and

FURTHER RESOLVED, that the Executive Director and General Counsel of NAESB are authorized and directed to take such steps as necessary to implement the changes approved herein and to make them effective under Delaware law, including filing a Restated Certificate of Incorporation, if deemed appropriate.

November 21, 2002

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Appendix A

Revise Article III, Section 4 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 4. The ~~Among its other duties of governance, the~~ Board of Directors shall be responsible for approving the budget ~~and Annual Plan(s)~~, initiating and recommending charter changes, maintaining contacts within the natural gas and electric industries and with government agencies, and selecting counsel and the external auditor for NAESB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

CLEAN VERSION:

Section 4. Among its other duties of governance, the Board of Directors shall be responsible for approving the budget and Annual Plan(s), initiating and recommending charter changes, maintaining contacts within the natural gas and electric industries and with government agencies, and selecting counsel and the external auditor for NAESB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Appendix B

Revise Article III, Section 5 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 5. (a) ~~The Executive Committee, which shall also exercise general supervision of NAESB's affairs, shall establish NAESB's policies. The Executive Committee shall be responsible for establishment of procedures which will:~~ (1) facilitate the development and formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) ~~consider the~~ considering and coordinating its work ~~of~~with existing standards-setting organizations and with regard to standards already developed, and (3) ~~establish~~establishing an accessible library of transactions developed by members of NAESB for future consideration by NAESB in the standards development process.

(b) In addition, the Executive Committee shall be responsible for: (1) recommending the initiation, maintenance, and approval of standards-related activities; (2) establishing working committees as it deems necessary to perform NAESB's standards development functions pursuant to procedures set forth in the By-Laws; (3) preparing recommendations to the Board on the budget and Annual Plan; and (4) setting priorities for standards to be developed or modified pursuant to the Annual Plan; and (5) ~~overseeing the NAESB staff; and (6)~~ directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

CLEAN VERSION:

Section 5. (a) The Executive Committee shall be responsible for (1) the development and formation of NAESB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) considering and coordinating its work with existing standards-setting organizations and with regard to standards already developed, and (3) establishing an accessible library of transactions developed by members of NAESB for future consideration by NAESB in the standards development process.

(b) In addition, the Executive Committee shall be responsible for: (1) recommending the initiation, maintenance, and approval of standards-related activities; (2) establishing working committees as it deems necessary to perform NAESB's standards development functions pursuant to procedures set forth in the By-Laws; (3) preparing recommendations to the Board on the Annual Plan; and (4) setting priorities for standards to be developed or modified pursuant to the Annual Plan; and (5) directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Appendix C

Revise Article IV, Section 3 of the Certificate to read as follows:

BLACKLINED VERSION:

Section 3. Non-voting members. Non-voting members shall include, ~~but not be limited to, federal, state, and local agencies; non-profit research organizations, trade and industry organizations; consumer advocate groups; and similar entities~~ any person or entity, including a governmental entity, that has a legitimate business interest in a Quadrant of NAESB and desires to join as a non-voting member.

CLEAN VERSION:

Section 3. Non-voting members. Non-voting members shall include any person or entity, including a governmental entity, that has a legitimate business interest in a Quadrant of NAESB and desires to join as a non-voting member.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Revise ARTICLE 5, Section 5.2 of the Bylaws to read as follows:

BLACKLINE VERSION:

Section 5.2 Non-Voting Members

As provided in Article IV, Section 3 of the Certificate, Non-Voting Members ~~shall~~**may** include, but not be limited to, federal, state and local agencies; non-profit research organizations; and similar entities.

CLEAN VERSION:

Section 5.2 Non-Voting Members

As provided in Article IV, Section 3 of the Certificate, Non-Voting Members may include, but not be limited to, federal, state and local agencies; non-profit research organizations, and similar entities.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

November 13, 2002

TO: **Managing Committee Named Members:** Bill Boswell, Jim Templeton (absent),
Waters Davis, Michael Desselle

FROM: Rae McQuade, NAESB Executive Director

RE: **Managing Committee November 12 Notes**

NAESB Board Managing Committee Conference Call Meeting Notes Tuesday, November 12, 2002 - 10:00 a.m. central

1. Welcome and Introductions

Mr. Boswell welcomed the Managing Committee to its first meeting and reviewed the purpose of the committee. The agenda was adopted and the antitrust guidelines were reviewed.

2. Review of draft budget

Ms. McQuade reviewed the draft budget. There were no changes with the exception of the suggestion to expense the capital expenditures. A resolution prepared by Mr. Costan regarding the addition of a \$25,000 line item expense to cover the expenses of the Board Chairman and the Executive Committee (EC) Chairman for travel to meetings other than those for the normal course of NAESB business (i.e. NAESB Board and EC meetings) was approved with a modification to permit the Chairman to delegate some of the travel to the Board vice chairs at his discretion. The Managing Committee approved the budget and the line item noted above.

3. Annual Plan Development review

Ms. McQuade reviewed the annual plans. The WGQ and WEQ plans will be presented for approval. The REQ plan was approved this year and extends through 2003. As such it does not need to be approved. The RGQ plan is under development and may be brought before the Board as a notational vote after the EC meeting in December. There were no changes suggested to the plans. The Managing Committee approved the plans for presentation to the Board.

4. Board meeting agenda approval

In discussion of the agenda, there were no additions or changes. The agenda order was modified.

5. Adjourn

The meeting adjourned at 11:15 a.m. central.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

4. REVIEW OF 2002 ANNUAL PLANS AND APPROVAL OF 2003 ANNUAL PLANS

2002 Annual Plans

- **BACKGROUND:** Mr. Buccigross will review the progress made to date on the 2002 annual plans for each of the quadrants with active annual plans – WGQ and REQ.
- **ACTION:** If there are any changes to the plans, Mr. Buccigross will ask the Board to approve such changes. The Board vote to approve the annual plans are simple majority of each quadrant's Board members present at the meeting either in person or by phone.

2003 Proposed Annual Plans

- **BACKGROUND:** Mr. Buccigross will review the 2003 proposed annual plans for each of the quadrants. The Managing Committee has already reviewed the WGQ plan and recommends its adoption. Similarly, the WEQ plan has been reviewed by the Managing Committee, who also approves its adoption. The REQ plan was adopted by the Board earlier this year and spans 2002-2003. There are no changes to the plan and no need for the Board to re-approve it. The RGQ plan is draft and has not been considered by the RGQ EC. It is expected that the plan will be presented to the Board for notational vote for approval after the December 12-13 Executive Committee (EC) meeting.
- **ACTION:** The Board will be asked to approve the WGQ and WEQ Annual Plans for 2003. It may also be asked to approve the RGQ plan notationally after the EC meeting on December 12-13. The Board vote to approve the annual plans are simple majority of each quadrant's Board members present at the meeting either in person or by phone. . A ballot is attached under tab 9 to record your vote on the plans if you are unable to attend the meeting in person or by conference call.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD 2002 ANNUAL PLAN - WHOLESALE GAS QUADRANT

Item Description	Completion ¹	Assignment
Contracts		
1 Complete the development of the contract for purchases and sales of natural gas. Status: Complete with the exception of credit annex.	1 st Qtr	Contracts Subcommittee
2 Develop the Mexican Addendum to the base contract for purchase and sales of natural gas.	4thQtr	Contracts Subcommittee
3 Build an electronic contract for the base contract for purchase and sales of natural gas.	4 th Qtr	Contracts Subcommittee
9 Modify the Funds Transfer Agreement as necessary after several years of use. Status: Complete.	2 nd Qtr	Contracts Subcommittee
Electronic Delivery Mechanisms and Related Activities		
4 Complete technical implementation of Sandia recommendations. Status: Complete.	1 st Qtr	EDM Subcommittee
5 Explore additional possibilities for partnership with the Department of Energy similar to that of the Sandia report. Status: Discussion underway.	3 rd Qtr	EC Officers
6 Review and enhance security standards as required by technological changes. Status: Complete with the completion of item no. 4, but additional work may be required as an outcome of item no. 5.	2 nd Qtr	EDM Subcommittee
7 Develop XML technical implementation for base contract and for scheduling documents necessary to complete the pilot program. Status: Subcommittee work suspended.	4 th Qtr	XML Subcommittee
Standards Implementation		
8 Continue the implementation of FERC Order No. 637 standards as specified in the Order 637 work plan defined by the Order 637 GISB Action Subcommittee. Status: Complete.	3 rd Qtr	Assigned by the EC
10 Develop standards as necessary to implement the FERC order as a result of Docket No. RM96-1-019 (Partial Day Recalls).	4 th Qtr	Assigned by the EC

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.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

Item Description	Completion¹	Assignment
Status: In progress		
11 Develop Creditworthiness Standards pursuant to an Annual Plan item. Such development should be restricted to implementation of existing Commission policy, new Commission policy after it has been Ordered and non-policy oriented aspects of Creditworthiness. Status: Not Started	2 th Qtr 2003	Assigned by the EC

Provisional Activities²

Examine report and determine if an "energy day" standard is needed, including assessment of changes to existing GISB standards.

Determine if a standard transportation services agreement is needed and if so, develop it.

Determine if a model financial hedging agreement is feasible and if so develop a model financial hedging agreement.

Develop standards as necessary to implement the FERC order are a result of Docket No. RM01-10-000 (Affiliate Order).

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 2001 Annual Plan.

(b) Any new activity should be preceded by a request from the submitter after which it 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, the Board has the discretion to modify the annual plan.

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

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

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>	1 st Qtr 2003	Customer Processes Subcommittee
2 Creditworthiness Standards <i>Develop practices for extending commercial credit by Distributors to Suppliers to cover financial risk.</i>	1 st 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>	2 nd Qtr 2003	Customer Processes Subcommittee
4 Supplier Licensing <i>Develop practices for licensing Suppliers with state utility commissions.</i>	2 nd Qtr 2003	Supplier-Utility Interface Subcommittee
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>	3 rd Qtr 2003	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.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD 2002-2003 ANNUAL PLAN - RETAIL ELECTRIC QUADRANT

Item Number & Description	Completion	Assignment
Retail Access Uniform Business Practices (UBP) (continued)		
6 Customer Information <i>Develop practices for the release, collection, exchange & maintenance of customer information between Distributors and Suppliers.</i>	3 rd Qtr 2003	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>	3 rd Qtr 2003	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>	4 th Qtr 2003	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>	4 th Qtr 2003	Supplier-Utility Interface Subcommittee
10 Utility - Supplier Disputes <i>Develop dispute resolution procedures applicable to differences between Distributors and Suppliers.</i>	4 th Qtr 2003	Supplier-Utility Interface Subcommittee
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>	1 st Qtr 2004	Supplier-Utility Interface Subcommittee

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD 2002-2003 ANNUAL PLAN - RETAIL ELECTRIC QUADRANT

Item Number & Description	Completion	Assignment
Data Exchange Protocols⁴		
12 Electronic Delivery Mechanisms <i>Develop electronic delivery mechanism guidelines including but not limited to: transactional data interchange, web sites, and bulletin boards.</i>	4 th Qtr 2002	Technical Electronic Implementation
13 Technical Electronic Implementation Standards - Billing & Payments	2 nd Qtr 2003	Technical Electronic Implementation
14 Technical Electronic Implementation Standards - Customer Enrollment and Switching	3 rd Qtr 2003	Technical Electronic Implementation
15 Technical Electronic Implementation Standards - Metering	4 th Qtr 2003	Technical Electronic Implementation
16 Technical Electronic Implementation Standards - Load Profiling	4th Qtr 2003	Technical Electronic Implementation
17 Technical Electronic Implementation Standards - Customer Information	4th Qtr 2003	Technical Electronic Implementation

⁴ 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

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD Draft 2003 ANNUAL PLAN - WHOLESALE GAS QUADRANT

Item Description	Completion ¹	Assignment
Contracts		
1 Complete the Credit Annex for the contract for purchases and sales of natural gas ² .	2 nd Qtr 2003	Contracts Subcommittee
2 Develop the Mexican Addendum to the base contract for purchase and sales of natural gas.	4 th Qtr 2003	Contracts Subcommittee
Electronic Delivery Mechanisms and Related Activities		
3 Preparation of documents and submission of EDM standards to ANSI for approval as ANSI standards.	4 th Qtr 2003	EDM Subcommittee
4 Explore additional possibilities for partnership with the Department of Energy.	4 th Qtr 2003	EC Officers
5 Review and enhance security standards as required by technological changes.	2 nd Qtr 2003	EDM Subcommittee
6 Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual.	2 nd Qtr 2003	EDM Subcommittee
Standards Implementation		
7 Develop Creditworthiness Standards pursuant to an Annual Plan item. Such development should be restricted to implementation of existing Commission policy, new Commission policy after it has been ordered and non-policy oriented aspects of Creditworthiness.	2 nd Qtr 2003	Business Practices Subcommittee

Provisional Activities³

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

Remand of FERC Order 637 Issues - (1) forward-backward haul to the same point, and (2) Right of First Refusal.

Model financial hedging agreement development⁴.

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 This item may require coordination with wholesale electric quadrant as it may be related to WEQ Annual Plan item no. 5.

³ 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.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Item Description	Completion¹	Assignment
FERC order -- Docket No. RM01-10-000 (Affiliate Order).		
Base contract for purchase and sales of natural gas – electronic contract.		
Program of Standards Maintenance & Fully Staffed Standards Work⁵		
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 2002 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.

⁴ This item may require coordination with wholesale electric quadrant as it may be related to WEQ Annual Plan item no. 5.

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

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

Draft 2003 WEQ Annual Plan Adopted by the WEQ EC on 11-15-02

	Item Description	Completion¹	Assignment
1	Develop business practices standards as needed to complement reliability standards.		
a)	Apply NERC/NAESB MOU provisions in reviewing proposed reliability standards for their business practice implications.	2 nd Qtr 2003	To Be Assigned by the EC - A
b)	Review existing NERC reliability policies and standards for their business practice implications.	2 nd Qtr 2003	To Be Assigned by the EC - A
c)	Review each of the SARs in light of the NERC/NAESB MOU.	Ongoing	To Be Assigned by the EC - A
2	Develop business practices standards for OASIS and Electronic Scheduling		
a)	Develop business practice standards 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 developed into NAESB standards.	4 th Qtr 2003	To Be Assigned by the EC - B
b)	Develop standard communication protocols and cybersecurity requirements as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry standard communication protocols and cybersecurity requirements should be developed into NAESB standards.	4 th Qtr 2003 Ongoing	To Be Assigned by the EC - B
3	Develop business practices standards in Support of a Standard Market		
a)	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.	Per FERC Order	To Be Assigned by the EC - B
b)	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.	Ongoing	To Be Assigned by the EC - B
4	Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market		
a)	Establish a standardized electric trading day.	See Note 1.	To Be Assigned by the EC - C
b)	Identify and develop business practices on the public dissemination of market information.	See Note 1.	To Be Assigned by the EC - C

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.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

Draft 2003 WEQ Annual Plan Adopted by the WEQ EC on 11-15-02

Item Description	Completion ¹	Assignment
c) Establish standard business practices relating to:		
i) Definition and treatment of firm/nonfirm power;	See Note 1.	To Be Assigned by the EC - C
ii) Definition and treatment of firm/nonfirm transmission;	See Note 1.	To Be Assigned by the EC - C
iii) Provision of reserves for transactions across multiple control areas.	See Note 1.	To Be Assigned by the EC - C
d) Develop business standards as necessary to resolve seams issues between ISOs and RTOs.	See Note 1.	To Be Assigned by the EC - C
e) Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets.	See Note 1.	To Be Assigned by the EC - C
f) Examine business practices and definitions currently in use to determine applicability on a North American basis.	See Note 1.	To Be Assigned by the EC - C
g) Catalogue, assess and prioritize existing "standards" that have significant business practice implications.	See Note 1.	To Be Assigned by the EC - C
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.	See Note 1.	To Be Assigned by the EC - C
5 Develop standardized contracts		
a) A review of both the Western Systems Power Pool and the Edison Electric Institute (EEL) Master Service agreements and other related agreements would be in order with the objective of developing standard short term and long term master-service agreements.	2 nd Qtr 2003	Contracts Subcommittee
b) A review of the EEI Master netting agreement with the objective of developing standard terms and conditions for netting settlements (perhaps this is a subset discussion of the master service agreements above)	2 nd Qtr 2003	Contracts Subcommittee
c) A review of the terms and conditions of the standard liquidated damages contracts ("into Entergy, Into Cinergy, etc.) with the objective of developing standard LD contract terms	4 th Qtr 2003	Contracts Subcommittee
d) A review of the International Swaps and Derivatives Association (ISDA) cross commodity netting agreement	2 nd Qtr 2003	Contracts Subcommittee
e) Identify and develop business practices that would facilitate transactions between 2 parties when creditworthiness is an issue.	3 rd Qtr 2003	Contracts Subcommittee
f) Develop the Funds Transfer Agency Agreement.	2 nd Qtr 2003	Contracts Subcommittee
6 Develop business practices standards for Inadvertent	2 nd Qtr 2003	To Be Assigned by the EC - D

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

Draft 2003 WEQ Annual Plan Adopted by the WEQ EC on 11-15-02

	Item Description	Completion ¹	Assignment
	Interchange Payback Practice.		
7	Develop business practices standards related to FERC's forthcoming generation interconnection orders (large and small generators), in Docket Nos. RM02-01-000 and RM02-12-000.	4th Qtr 2003 ²	To Be Assigned by the EC - E

Notes:

1. The WEQ EC Subcommittee will prioritize these items as appropriate and update the Board.

² The completion date is dependent upon the issuance date of the generation interconnection orders.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

RETAIL GAS QUADRANT

Proposed Strawman for the 2002-2003 Annual Plan - **DRAFT**

The first step in developing NAESB model business practices and standards is for each industry quadrant to prepare an annual plan identifying items or topics to be worked on by NAESB participants through year-end 2003. The quadrants' annual plans are used by the NAESB Board of Directors to determine how resources will be expended during a given year. Also the annual plan is a flexible, high-level document intended to provide direction to the RGQ Executive Committee and its subcommittees on work priorities once the RGQ is established and running.

A task force of participants in the Retail Gas Quadrant (RGQ) developed the following proposal, or "strawman," outlining topics (or action items) to be considered for the 2002-2003 RGQ Annual Plan. This draft evolved from the input and comments provided by industry participants in response to a May 2002 survey and a June 2002 comment period. It also reflects several rounds of discussions of task force members via conference calls and a June 24 face-to-face meeting. While this proposed document has undergone several iterations, it does not represent an end product. Rather it is open to further refinement, based on additional input from industry participants.

The final version of this document will be discussed and voted on by the NAESB RGQ Membership once the Quadrant is officially established—with the requisite minimum threshold of forty members overall and of five members within each Segment. This final recommendation for the 2002-2003 RGQ Annual Plan will be presented to the NAESB Board of Directors for approval, only after the RGQ's representatives are seated on the NAESB Board of Directors.

Background:

A task force of interested participants in the RGQ conducted a survey in May, soliciting input from a cross-section of the retail natural gas industry—including suppliers, distributors, end users, service providers, and regulators. The survey listed eleven line items and asked respondents to associate each of those with a relative priority level (e.g. High, Medium, Low, or Do Not Address). Respondents were also asked to comment on each of the proposed line items and to contribute additional items for consideration. The task force compiled and reviewed the survey responses, and the NAESB office posted both responses and compiled results on its web site (<http://www.naesb.org>).

Based on those results, the task force revised the draft document, tabulating the eleven line items into three categories: 1) High Priority Activities (or action items); 2) Medium Priority Activities; and 3) Low Priority Activities. These categories indicate the priority level at which the work will be done, rather than whether or not the work will be carried out. For example, low-priority action items will not be started before high-priority and medium-priority action items are completed. New line items that were contributed by survey respondents were categorized as "Provisional Items," which meant that those action items would be tackled if time and resources allowed it during the 2002-2003 timeframe.

The NAESB office posted the revised draft in June for industry comment, and the task force convened a face-to-face meeting on June 24 to discuss the comments submitted. The currently formulated outline of action items reflects those comments and discussions. The rankings of those items do not constitute a definitive order in which the work will be conducted. Columns for targeted completion quarter and subcommittee assignments were left intentionally blank, because participants found such determinations to be premature and thus deferred them until the RGQ is officially formed and its Executive Committee and subcommittees established.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Proposed Strawman for 2002-2003 RGQ Annual Plan - **DRAFT**

Action Item, Description and Priority Category	Completion Quarter	Subcommittee Assignment
High Priority Activities		
<p>1 Inventory Existing Natural Gas Practices within States Conduct inventory of existing natural gas practices in various states.</p> <p><i>Note: This item should not delay other annual plan items. This can be accomplished by prioritizing the work on inventory categories such that each would dovetail with the related annual plan items.</i></p>		
<p>2 Examine Wholesale Gas Quadrant EDM Standards Review NAESB Wholesale Gas Quadrant's (formerly known as GISB) "Electronic Delivery Mechanisms" manual to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant.</p> <p><i>Note: Work on this item should be coordinated across Quadrants.</i></p>		
<p>3 Creditworthiness Develop practices for Distributors extending commercial credit to Suppliers to cover financial risk.</p> <p><i>Note: This item may hold significant policy implications. All 'Requests for Initiation of a NAESB Standard' related to this topic should be examined within the context of such policy implications. As a result, specific language within such requests for standards might require 'scrubbing'— i.e. clarification or revision.</i></p> <p><i>This item is linked with item 4 (Supplier Licensing) in terms of priority, timing, and policy implications.</i></p>		
<p>4 Supplier Licensing Develop practices for licensing Suppliers with state utility commissions and for registering Suppliers with Distributors (e.g. application process and requirements).</p> <p><i>Note: This item may hold significant policy implications. All 'Requests for Initiation of a NAESB Standard' related to this topic should be examined within the context of such policy implications. As a result, specific language within such requests for standards might require 'scrubbing'— i.e. clarification or revision.</i></p> <p><i>This item is linked with Item 3 (Creditworthiness) in terms of priority, timing, and policy implications.</i></p>		

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Proposed Strawman for 2002-2003 RGQ Annual Plan - **DRAFT**

Action Item, Description and Priority Category	Completion Quarter	Subcommittee Assignment
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).		
<i>Note: A logical sequencing of Action Item Nos. 5, 6, 7, and 8 is critical to the efficient use of the resources allocated for developing model business practices. Further, Item 1 (Inventory of Existing Retail Practices within States) will contribute substantially towards this effort.</i>		
Medium Priority Activities		
6 Billing & Payment		
Develop practices for billing customers; remittance to parties providing services to customers under different billing options (e.g. dual or consolidated bills; rate-ready or bill-ready); and payment between Distributor and Supplier under different payment options (e.g. assumption of receivables, pay-as-you-get-paid).		
<i>Note: A logical sequencing of Action Item Nos. 5, 6, 7, and 8 is critical to the efficient use of the resources allocated for developing model business practices. Further, Item 1 (Inventory of Existing Retail Practices within States) will contribute substantially towards this effort.</i>		
7 Customer Information		
Develop practices for the release, collection, exchange and maintenance of customer information between Distributors and Suppliers, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information.		
Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.		
<i>Note: A logical sequencing of Action Item Nos. 5, 6, 7, and 8 is critical to the efficient use of the resources allocated for developing model business practices. Further, Item 1 (Inventory of Existing Retail Practices within States) will contribute substantially towards this effort.</i>		

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Proposed Strawman for 2002-2003 RGQ Annual Plan - **DRAFT**

Action Item, Description and Priority Category	Completion Quarter	Subcommittee Assignment
<p>8 Customer Inquiries</p> <p>Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notifying the other party, such as inquiries involving switching and enrollment/disenrollment, billing, customer account changes, customer disputes and distribution emergencies.</p> <p><i>Note: A logical sequencing of Action Item Nos. 5, 6, 7, and 8 is critical to the efficient use of the resources allocated for developing model business practices. Further, Item 1 (Inventory of Existing Retail Practices within States) will contribute substantially towards this effort.</i></p>		
<p>9 Examine Wholesale Gas Quadrant Non-EDM Standards</p> <p>Review NAESB Wholesale Gas Quadrant's other manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant (i.e. review "Nominations," "Flowing Gas," "Invoicing," "Capacity Release," and "Contracts" manuals.).</p> <p><i>Note: This item may hold significant policy implications. All 'Requests for Initiation of a NAESB Standard' related to this topic should be examined within the context of such policy implications. As a result, specific language within such requests for standards might require 'scrubbing'— i.e. clarification or revision.</i></p>		
Low Priority Activities		
<p>10 Market Participant Interactions</p> <p>Develop model practices to support interactions between Distributors and Suppliers, such as governing documents that establish the legal relationship, roles and obligations, including performance standards, of both Distributor and Supplier (e.g. content and framework of governing documents or orders, Master Service Agreement, operational manuals, and so on).</p>		
<p>11 Utility-Supplier Disputes</p> <p>Develop dispute resolution procedures to resolve differences between Distributors and Suppliers, which would be included in the governing documents.</p>		

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

5. FINANCE REPORT AND DRAFT 2003 BUDGET

2002 Financial Report

- **BACKGROUND:** The financial report as of October 2002 is provided and will be reviewed by Ms. McQuade and Ms. Wishart.
- **ACTION:** No action by the Board is required.

2003 Proposed Budget

- **BACKGROUND:** The budget for 2003 is attached, including a resolution for its adoption. The Managing Committee recommends it adoption.
- **ACTION:** The Board will be asked to approve the 2003 budget. The Board vote to approve the 2003 budget is simple majority of each quadrant's Board members present at the meeting either in person or by phone, or who have provided ballot (attached number tab 9 of this material) to the NAESB office prior to the meeting.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Financial Report as of October 2002 Revenue and Expenses

Revenue	Month of October	October YTD	2002 Budget
Gas Wholesale Membership Dues	(\$1,250)	\$617,291	
Gas Retail Membership Dues	\$17,917	\$54,416	
Electric Wholesale Membership Dues	\$7,625	\$254,125	
Electric Retail Membership Dues	(\$5,000)	\$133,985	
Total Membership Dues	\$19,292	\$1,059,817	\$1,200,000
Non-Dues Revenue	(\$38,318)	\$84,976	\$187,500
Total Revenue	(\$19,026)	\$1,144,793	\$1,387,500
Expenses	Month of October	October YTD	2002 Budget
Salaries, Benefits, Payroll Expenses	\$58,910	\$431,170	\$580,000
Office Rents and Parking	\$4,107	\$39,296	\$53,000
Office Expenses	\$6,865	\$47,438	\$75,000
Telecommunications	\$7,945	\$77,278	\$125,000
Travel and Meeting Expenses	\$13,662	\$185,083	\$170,000
Publications, Mailings, Printing	\$9,715	\$103,360	\$100,000
Outside Services	\$15,536	\$190,683	\$190,000
Insurance, Taxes and Fees	\$546	\$5,398	\$24,000
Total Expenses	\$117,286	\$1,079,706	\$1,317,000
Net Income	(\$136,312)	\$65,087	\$70,500
Capital Expenditures		\$3,700	\$60,000
Net Income After Expenditures	(\$136,312)	\$61,387	\$10,500

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Financial Report as of October 2002 Balance Sheet

Assets	October 31, 2002
Current Assets	\$573,889
Accounts Receivable	\$702,000
Fixed Assets	\$17,666
Total Assets	<u><u>\$1,293,555</u></u>
Liability & Equity	
Accounts Payable	\$34,169
Deferred Revenue Electric Retail	\$83,348
Deferred Revenue Gas Retail	\$110,834
Deferred Revenue Gas Wholesale	\$566,458
Deferred Revenue Electric Wholesale	\$529,542
Retained Earnings	(\$95,882)
Net Income	\$65,086
Total Expenses	<u><u>\$1,293,555</u></u>

Accounts Receivable Analysis	\$702,000
Payment Received Since October 31 against 90 day outstanding items	\$20,500
Credit Memos To Be Issued (Items more than 90 Days Outstanding)	\$10,000
Items More than 90 Days Outstanding For Which No Credit Memo is to be Issued	\$75,000
Items 61-90 Days Outstanding	\$60,000
Items 31-60 Days Outstanding	\$30,000
Items 30 Days or Less Outstanding	\$506,500

**North American Energy Standards Board
Preliminary Budget 2003 and YE 2002 Analysis**

	2002 Budget	10-31-02 Actuals YTD	2002 YE Estimate	YE-Budget	% Difference	2003 Budget	% of Budget
Revenue Membership	\$1,200,000	\$1,059,817	\$1,209,817	\$9,817	0.8%	\$1,950,000	98.7%
Non Dues Revenue	\$187,000	\$84,976	\$127,476	-\$59,524	-46.7%	\$25,500	1.3%
Total Revenue	\$1,387,000	\$1,144,793	\$1,337,293	-\$49,707	-3.7%	\$1,975,500	
Expense Salaries, Benefits, Taxes	\$580,000	\$431,170	\$516,170	-\$63,830	-12.4%	\$741,000	37.5%
Office Rents	\$53,000	\$39,296	\$48,096	-\$4,904	-10.2%	\$105,000	5.3%
Office Expenses	\$135,000	\$47,438	\$54,438	-\$80,562	-148.0%	\$145,500	7.4%
Telecommunications	\$125,000	\$77,278	\$87,278	-\$37,722	-43.2%	\$140,000	7.1%
Travel, Meetings	\$180,000	\$185,083	\$205,083	\$25,083	12.2%	\$331,000	16.8%
Publications, Mailing, Printing	\$100,000	\$103,360	\$113,360	\$13,360	11.8%	\$175,000	8.9%
Outside Services	\$190,000	\$190,683	\$225,683	\$35,683	15.8%	\$313,000	15.8%
Insurance	\$24,000	\$5,398	\$10,398	-\$13,602	-130.8%	\$25,000	1.3%
Total Expense	\$1,387,000	\$1,079,706	\$1,260,506	-\$126,494	-10.0%	\$1,975,500	
Net Income	\$0	\$65,087	\$76,787			\$0	

**North American Energy Standards Board
Preliminary Budget 2003**

	Total	Category	Account	Amount	Note
Income	\$1,975,500	Membership	WGQ	\$650,000	120 Members
			WEQ	\$900,000	180 Members
			REQ	\$200,000	40 Members
			RGQ	\$200,000	40 Members
		Non Dues Revenue	Certification	\$37,500	5 WGQ Certifications
			Annual Meeting	\$15,000	
			Classes	\$25,000	5 WGQ Classes
			Standards	\$15,000	Sales of Standards to Non-Members
			Production of Standards	(\$72,000)	4 Quadrants - \$18,000 each
			Interest	\$5,000	
Expense	\$1,975,500	Salaries, Benefits, Taxes	Employee Compensation, Benefits, Taxes	\$693,000	6 Employees
			Contract Labor	\$48,000	
		Office Rents	Office Rent	\$65,000	
			Office Expansion	\$40,000	Reconfigure the office for extra office space
		Office Expenses	Credit Card Charges	\$17,000	
			Repairs and Maintenance	\$12,000	
			Computer Equipment	\$46,500	
			Furniture	\$10,000	
			Office Expenses	\$60,000	
		Telecommunications	Phones, DSL, Conference Calls	\$140,000	
		Travel, Meetings	Meeting Expenses	\$160,000	6 EC Meetings (3 days each), 4 Board Meetings, 15 Misc. Meetings
			3 Advisory Council Meetings	\$45,000	4 Meetings with Travel for State Regulators & Regulatory Staff
			Travel Expenses	\$126,000	Board and EC Meetings, Various Subcommittee Meetings, Industry Meetings, Standards Organization Meetings
		Publications, Mailing, Printing	Generation of Meeting Materials	\$55,000	
			Transcription Services	\$50,000	
			Association and Membership Dues	\$6,000	
			Postage and Delivery	\$24,000	
			Miscellaneous Printing	\$20,000	
			Subscriptions	\$20,000	
		Outside Services	Legal Retainer	\$108,000	\$9000 per month for McGuireWoods increase
			Legal True-Up for 2002	\$15,000	\$7500 per month retainer for McGuireWoods in 2002
			Legal Travel and Miscellaneous Legal Expense	\$10,000	
			Chairman Travel Expenses	\$25,000	
			Accounting Services	\$29,000	
			Financial Review Services	\$10,000	
			Standards Manual Technical Writing	\$60,000	
			Web Site & Maintenance	\$20,000	
			Newsletter	\$36,000	
		Insurance	D&O, E&O, Liability	\$25,000	
Net Income	\$0				

NORTH AMERICAN ENERGY STANDARDS BOARD

**Resolution Regarding Adoption of Proposed Budget for 2003
and Conforming Changes on Travel Expense to Budget for 2002**

WHEREAS, the Executive Director of the North American Energy Standards Board (“NAESB”) has presented a proposed budget for 2003 to the Managing Committee for review and action; and

WHEREAS, the Managing Committee has voted favorably on the proposed budget for 2003 attached hereto as Appendix A; and

WHEREAS, in taking action on the proposed budget, the Managing Committee specifically approved a line item expense to cover reimbursement of travel expense undertaken by the Chair of NAESB and the Chair of the Executive Committee of NAESB (or designated Vice Chairs of the Board) for official business on behalf of NAESB other than required attendance at scheduled Board or EC meetings, and also approved reimbursement of such expense for budget year 2002;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of NAESB hereby adopts the proposed budget for 2003 recommended by the Managing Committee attached as Appendix A, including the Managing Committee’s recommendation for a line item expense for reimbursement of travel expense incurred by the Chair of NAESB and the Chair of the Executive Committee of NAESB (or designated Vice Chairs of the Board) for 2002 and 2003, as described above.

November 21, 2002

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

6. MEMBERSHIP REPORT

- **BACKGROUND:** The membership report by quadrant is attached and will be reviewed by Ms.McQuade.
- **ACTION:** No action by the Board is required.

NAESB Membership List - Statistics
as of November 13, 2002

Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	Total	129
	End Users	20
	Distributors	24
	Pipelines	41
	Producers	12
	Services	32
REQ Segments	TOTAL	47
	End Users	6
	Distributors	24
	Services	10
	Suppliers	7
RGQ Segments	TOTAL	41
	End Users	5
	Distributors	20
	Services	9
	Suppliers	7
WEQ Segments	TOTAL	166
	End Users	14
	Distributors	31
	Transmission	45
	Generation	36
	Marketers	35
	None Specified	5

North American Energy Standards Board Membership List and Letters of Intent

as of November 13, 2002

Quadrant		Organization	Segment	Contact	Sub-Segment
Retail Electric Quadrant:	1	8760	s	John S. Williams	
	2	Alabama Power	d	John Russom	
	3	Alabama Power	su	Judy W. Ray	
	4	Allegheny Power	d	Jason W. Corin	
	5	Ameren Corporation	d	Jean M. Mason, Peggy Ladd	
	6	American Electric Power	d	Thomas J. Ringenbach	
	7	American Public Power Association	d	Deborah Penn	
	8	Baltimore Gas & Electric Co.	d	Ruth Kiselewich	
	9	Boeing Co.	e	Keith C. Warner	
	10	Calpine Energy Services, LP	su	Janet Dixon	
	11	Cinergy Services, Inc.	d	Paul K. Jett	
	12	Consolidated Edison Company of NY	d	Richard G. Muzikar	
	13	Consumers Energy	d	Ronald Carrier	
	14	Defense Energy Support Center	e	Lisa Robert	
	15	Detroit Edison Company	d	William J. Newbold, Jr.	
	16	Distribution Control Systems, Inc.	s	H. Ward Camp	
	17	Dominion Retail	su	William Barkas	
	18	Dominion Virginia Power	d	David F. Koogler	
	19	Duke Power	d	N.E. (Ed) Tucker	
	20	EC Power International	s	Judy Bailey	
	21	Electric Reliability Council of Texas (ERCOT)	e	Sam R. Jones	
	22	Energy East Management Corporation	d	Eric Wilen	
	23	Exelon Energy Delivery	d	Charles Tenorio	
	24	Georgia Power Company	d	Michael Garrett	
	25	Georgia Power Company	su	Cathy Heath, J.M. Kubler	
	26	Green Mountain Energy Company	su	Heidi Schrab	
	27	Gulf Power Company	d	Joel Thomas Kilgore	
	28	MidAmerican Energy	d	James E. Wilson	
	29	Mississippi Power Company	d	Dorman Davis	
	30	National Grid USA	d	Eric P. Cody, Cathy Yetman	
	31	Office of Public Advocate, State of Maine	e	Barbara Alexander	
	32	Ohio Consumers Council	e	Randy Corbin	
	33	Pennsylvania Office Of Consumer Advocate	e	Tanya J. McCloskey	
	34	PMO Link, Inc.	s	Geoffrey Hingle	
	35	PPL Solutions, LLC	s	James M. Minneman	
	36	Public Service Electric & Gas	d	Terrence Moran	
	37	Reliant Energy Retail Services, LLC	su	Waters Davis, Theresa L. Hess	
	38	Savannah Electric and Power Company	d	Karen L. Prentice	
	39	SchlumbergerSema	s	George C. Roberts	
	40	Southern California Edison	d	Gail Higashi	
	41	Southern Company Services	s	Mark S. Jarrett	
	42	Structure Group	s	Stacey Park	
	43	System Trends	s	Dick Brooks	
	44	Telx	s	Misty A. Khan	
	45	TXU Energy Retail	su	Felecia Lokey	
	46	Wisconsin Electric	d	Jeffrey E. Anthony	
	47	Wisconsin Public Service Corporation	d	William L. Bourbonnais	

Wholesale Gas Quadrant:

1	8760	s	John Williams, Jim Buccigross
2	AEP Energy Services, Inc.	s	Cathy Szasz
3	AIG Energy Trading	s	Carl Peterson
4	Algonquin Gas	pl	Marcy McCain
5	Ameren Corporation	l	Scott Glaeser
6	ANR Pipeline Company	pl	Joseph Pollard
7	Apache Corporation	pr	Michele Markey
8	Aquila Energy	s	Scott Eckerman
9	Arizona Public Service Company	e	Kelly Daly, Gary Duede
10	Baltimore Gas & Electric Co.	l	Bob Juskus
11	Boeing Co.	e	Tina Patton
12	BP Energy	pr	Bill Benham
13	Bridgeline Gas Marketing	pl	Hugh Connett
14	Burlington Resources	pr	Paul Keeler
15	Calpine Energy Services, LP	e	Janet Dixon, Craig Chancellor
16	Caminus	s	Heather Woods
17	Cargill Incorporated	s	Kathy Gerken
18	CGI Group	s	Carl Caldwell
19	Chevron/Texaco	pr	Randy Mills
20	Cinergy	e	John Procaro
21	Cinergy Marketing and Trading	s	Randy Bevis
22	CMS Panhandle Eastern Pipe Line Co.	pl	William Grygar, Kim Van Pelt
23	Columbia Gas Distribution Co.	l	Andrew Sonderman
24	Columbia Gas Transmission	pl	Steve Melton
25	Columbia Gulf Transmission Co.	pl	Michael Hansen
26	Comprehensive Energy Services	e	Jim Templeton
27	Conoco, Inc.	pr	Allan Knopp
28	Consolidated Edison Company of NY	l	Mary Jane McCartney
29	Coral Energy Resources, L.P.	s	LuAnn Martell
30	Dauphin Island Gathering Partners	pl	Katie Rice
31	Defense Energy Support Center	e	Veronica Jones, Jacob Moser
32	Department of Energy	e	Christopher Freitas
33	Dominion Exploration and Production, Inc.	pr	David Ogden
34	Dominion Resources (Previously CNG)	l	William Boswell
35	Dominion Transmission, Inc.	pl	Gary Sypolt
36	DTE Energy Trading, Inc	s	Marcia Hissong
37	Duke Energy Gas Transmission- Texas Eastern	pl	Richard Kruse
38	Duke Energy North America	e	Jonathan D. Puckett
39	Dynegy Inc.	s	
40	Edison Mission Marketing and Trade	e	Christian Hnat, William Roberts
41	El Paso Merchant Energy	e	Bill Hebenstreit
42	El Paso Natural Gas	pl	John Somerhalder
43	El Paso Oil and Gas	pr	Art Slagle
44	Elite Computer Consultants	s	Wayne Holtkamp
45	Enbridge Pipelines	pl	Joan Schnepf
46	EnCana Energy Services	s	Keith Sappenfield
47	EnCana Corporation	pr	Keith Sappenfield
48	The Energy Authority, Inc.	s	Marsha Sebert
49	Energy East Management Corporation	l	Marjorie Perlman
50	Entergy Services, Inc.	e	Arlynn Kelleher, Terry Shields
51	Equitable Gas Company	l	Steve Rafferty
52	Equitrans, L.P.	pl	
53	ExxonMobil Gas Marketing	pr	Richard Smith

54	Florida Power & Light Company	e	Dona Gussow, Joe Stepenovitch
55	Great Lakes Gas Transmission	pl	Gene Fava
56	Gulf South Pipeline	pl	Claire Burum
57	H S Resources Inc.	pl	Carol Hall
58	Hatch Associates Limited	s	Dan McEvoy
59	IDACORP Energy	s	Marty Patterson
60	Imperial Irrigation District	e	Javier Esparza
61	IPNet Solutions, Inc.	s	Bisher Ahdab
62	Iroquois Gas Transmission System	pl	Tom Gwilliam
63	Kern River Gas Transmission Company	pl	Janie Nielsen
64	Key Span Energy	l	Dolores Chezar
65	Laclede Gas Co.	l	Kenneth Neises
66	LatitudeTechnologies	s	Leigh Spangler
67	Lower Colorado River Authority	e	Mickey Bell
68	Marathon Oil Company	pr	Hugh Roberts
69	Mid Continent Market Center	pl	Delaine Kurth
70	Midland Cogeneration Venture	e	Lee Smith
71	Mirant Americas Energy Marketing	s	Scott McGough
72	Mississippi River Transmission	pl	Robert Trost
73	National Fuel Gas Distribution	l	Michael Novak
74	National Fuel Gas Supply Corp.	pl	Dave Reitz
75	Natural Gas Pipeline Co of America	pl	Paul Love
76	Niagara Mohawk Power Corporation	l	Bruce Garcy
77	Nicor Gas	l	Nancy Brucher
78	NiSource Inc.	l	M. Christopher Maturo
79	Northeast Gas Markets, LLC	s	Melissa Ferullo
80	Northern Border	pl	
81	Northwest Natural Gas Company	l	Randolph Friedman
82	NOVA Gas Transmission Ltd.	pl	Doug Miller
83	NRG Power Marketing	s	Arlene Jorgensen Hilstead
84	Occidental Energy Marketing Inc. (OEMI)	pr	Carol Wilson
85	Ocean Energy Inc.	pr	Veronica L. Cavazos
86	Oklahoma Natural Gas Company	l	Bill Kimler
87	OM	s	Gerry Vurciago
88	Pacific Gas & Electric	l	John Breen
89	PacifiCorp Power Marketing Inc.	e	Don Winslow
90	PECO Energy Co.	l	Reed Horting
91	Pemex Gas y Petroquimica Basica	pl	Lic. Antonio Roqueni
92	Peoples Gas Light & Coke Co.	l	Raulando de Lara
93	PG&E Energy Trading	s	Lyn Maddox
94	PG&E Gas Transmission	pl	Jay Story
95	Portland Natural Gas Transmission System	pl	David Morgan
96	PPL Energy	e	Joseph Cammarano
97	Public Service Electric & Gas	l	David Wohlfarth
98	Questar Pipeline Co.	pl	Scott Hansen
99	Quorum Business Solutions Inc.	s	Douglas Allen
100	Reliant Energy Gas Transmission Company	pl	Larry Thomas
101	Reliant Energy Services, Inc.	e	Gary Hinners, John Orr
102	Resource Data International	s	Konni Keuter
103	Sabine Pipe Line LLC	pl	Deborah Plattsmier
104	Salt River Project Agricultural Improvement & Power District	e	Diane McVicker
105	SCANA Corporation	pl	Jacquelyn Gettle
106	Sempra Energy - Southern California Gas Co.	l	Lee Stewart
107	Shell Gas Transmission, LLC	pl	Chuck Cook

108		Southern Company	e	Norrie McKenzie
109		Southern Natural Gas Co.	pl	Prince McDougal
110		Southwest Gas Corporation	l	Larry Black
111		Sterling Commerce	s	Jeff Clavert
112		Tatum CIO Partners	s	Eric Lentz
113		Tennessee Gas Pipeline	pl	Larry Smith
114		Tiger Natural Gas	s	Tracy Phillips
115		Tractebel Energy Marketing, Inc.	s	Mark Hodges
116		TransCanada Pipelines	pl	Doug Miller
117		Transwestern Pipeline Co.	pl	Donna Scott
118		TXU Energy Trading Co.	s	Ellen Dailey, Brad Jones
119		TXU Lone Star Pipeline Company	pl	Dean Murray
120		UBS Warburg Energy	s	Suzanne Calcagno
121		Vector Pipeline L.P.	pl	Amy Bruhn
122		Viking Gas Transmission Company	pl	Sherry Hiller
123		Washington Gas Light Co.	l	Tim Sherwood
124		Westcoast Energy Inc.	pl	Miranda Barnes
125		Westfield Gas & Electric Light Dept.	l	Joyce Bodak
126		Williams Energy Services Co.	s	Tammy Grant
127		Williams Gas Pipeline	pl	Dale Davis
128		Williston Basin Interstate Pipeline	pl	Keith Tiggelaar
129		Wisconsin Public Service Corporation	l	Patrick Fox

Wholesale Electric Quadrant:

1	?	8760	m	John S. Williams, Jim Buccigross	nd
2		ACES Power Marketing LLC	m	Roy J. True	muni
3		AIG Energy Trading Inc.	m	Carl Peterson	niou
4		Alabama Electric Cooperative, Inc.	d	Kenneth J. Skroback	muni
5		Allegheny Energy	d	Mark A. Mader	iou
6		Allegheny Energy	g	Cecilia Liang-Nicol	merc
7		Allegheny Energy	m	Herb Yan	iou
8		Allegheny Energy	t	Terri J. Grabiak	iou
9		Alliant Energy Corporate Services, Inc.	d	Eric J. Guelker	iou
10		American Electric Power Marketing, Inc.	m	Barbara Radous	iou
11		American Electric Power Service Corp.	d	Thomas Ringenbach	iou
12		American Electric Power Service Corp.	t	John Stough	iou
13		American Municipal Power - Ohio, Inc.	d	Pat Frazier, Chris Norton	muni
14		American Transmission Company LLC	t	Dale Landgren, Julie Voeck	itc
15		Arizona Public Service Company	t	Mark W. Hackney	
16		Arizona Residential Utility Consumer Office	e	Lindy Funkhouser	comres
17		Arkansas Electric Cooperative Corporation	g	Ricky Bittle	muni
18	?	Arkansas Electric Cooperative Corporation	t	Ricky Bittle	nd
19	?	Arkansas Electric Cooperative Corporation	d	Ricky Bittle	nd
20		Avista Corp.	t	Scott A. Waples	
21		Baltimore Gas & Electric Company	t	John J. Moraski, Ralph Bourquin	iou
22		Basin Electric Power Cooperative	t	Dan Klempel	muni
23		Basin Electric Power Cooperative	m	David Raatz	nd
24		Basin Electric Power Cooperative	g	Jason Doerr	muni
25		Basin Electric Power Cooperative	d	Ted Humann	muni
26		Boeing Company	e	Steve LaFond	lind
27		Bonneville Power Administration	d	Leslie Pompel	other
28		Bonneville Power Administration	g	Leslie Pompel	fed
29		Bonneville Power Administration	m	Leslie Pompel	fed
30		Bonneville Power Administration	t	Barbara Rehman	fed

31	BP America Inc.	e	Jeanne Zaiontz	lind
32	Buckeye Power, Inc.	d	Peter H. Buros	nd
33	Calpine Corporation	g	David McMillan	merc
34	Cap Gemini Ernst and Young	m	William F. Hunter	niou
35	Central Electric Power Cooperative	d	C. Pinckney Roberts, Arthur Fusco	muni
36	ChevronTexaco Energy Research and Technology	e	Carol Guthrie	sgen
37	Cinergy	e	Matthew Smith	enduse
38	Cinergy	g	Matthew Smith	iou
39	Cinergy	m	Matthew Smith	iou
40	Cleco Power, LLC	t	Keith Comeaux	iou
41	Columbus Southern Power Company	g	Barbara Radous	merc
42	Comprehensive Energy Services	e	Jim Templeton	enduse
43	Conectiv Energy Supply, Inc.	g	Gloria Ogenyi	merc
44	Conectiv Energy Supply, Inc.	m	Gloria Ogenyi	iou
45	Conectiv Power Delivery	t	Tsion Messick	iou
46	Connecticut Municipal Elec. Energy Cooperative	d	Brian E. Forshaw	muni
47	Consolidated Edison Co, of New York, Inc.	t	Joseph P. Oates	iou
48	Consolidated Edison Co, of New York, Inc.	d	Terry Agriss	iou
49	Consumers Energy Company	d	Steven L. Gaarde	iou
50	Consumers Energy Company	g	Steven L. Gaarde	iou
51	Dairyland Power Cooperative	t	Bruce Staples	muni
52	Detroit Edison	d	David G. Nick	iou
53	Dominion Energy Marketing, Inc.	g	Lou Oberski	iou
54	Duke Energy Corp.	d	Ollie Frazier	iou
55	Duke Energy Corp.	t	Thomas C. Britton	iou
56	Duke Energy North America	g	James Thompson, Rudy Tolentino	merc
57	Duke Energy North America	m	Michael F. Gildea	iou
58	Dynergy Marketing and Trade	m	Jason Cox	niou
59	Edison Electric Institute	n	David Owens, Dave Dworzak	n
60	El Paso Corporation	g	Dennis M. Price	merc
61	El Paso Merchant Energy	m	Sam Beason	niou
62	Electric Reliability Council of Texas (ERCOT)	n	Sam R. Jones	n
63	Electricity Consumers Resource Council (ELCON)	e	John Anderson	lind
64	EnCana Midstream	e	Keith Sappenfield	lind
65	Energy East Management Corporation	t	Marjorie Perlman	iou
66	Entergy Services, Inc.	t	Edward J. Davis	iou
67	Entergy Services, Inc.	m	F. Jay Poche	iou
68	Exelon Corporation - PECO Energy	d	John F. Leonard, Jr.	iou
69	Exelon Energy Delivery	t	John Blazekovich	iou
70	Exelon Generation - Power Team	m	Linda Clarke	iou
71	Exelon Generation Company LLC	g	Regina Carrado	iou
72	ExxonMobil Gas Marketing	e	Steve Sayuk	sgen
73	Florida Municipal Power Agency	g	Rick Casey	muni
74	Florida Municipal Power Agency	d	Steven H. McElhane	muni
75	Florida Power & Light Company	m	Joe Stepenovitch	iou
76	Florida Power & Light Company	t	Marty Mennes	iou
77	Georgia Transmission Corporation	t	Gary D. Tipps, Ross Kovacs	muni
78	Hydro One Networks	t	Dave Barrie	itc
79	Indiana Municipal Power Agency	g	Dick Foltz	muni
80	Maryland Peoples Counsel	e	Michael J. Travieso	comres
81	Michigan Electric Transmission Company LLC	t	Charles V. Waits	itc
82	Michigan Public Power Agency	d	James R. Nickel, Daniel E. Cooper	muni
83	Midwest Independent Transmission System Operator+J96	n	Bill Phillips	n
84	Mirant Corp.	m	Susann D. Felton	niou

85	Missouri River Energy Services	d	Brian Zavesky	
86	Modesto Irrigation District	t	Roge Van Hoy	muni
87	Municipal Energy Agency of Mississippi	d	C. Neil Davis	muni
88	National Association of Regulatory Utility Commissioners	E	Lou Ann Westerfield	
89	National Grid USA	d	Peter Flynn, Mary Ellen Paravalos	other
90	National Grid USA	t	Masheed Rosenqvist	itc
91	National Rural Electric Cooperative Assoc.		Barry Lawson	
92	New York State Dept. of Public Service	e	William Heinrich	reg
93	North Carolina Eastern Municipal Power Agency	g	Jessie C. Tilton III	muni
94	North Carolina Electric Membership Corporation	d	David Beam	muni
95	North Carolina Electric Municipal Power Agency #1	m	Clay A. Norris	muni
96	North Carolina Electric Municipal Power Agency #1	d	Andrew Fusco	muni
97	Northeast Utilities Service Company	t	David Boguslawski, William P. McKinnon	iou
98	NorthWestern Energy	t	Ted Williams	iou
99	NRG Power Marketing, Inc.	g	Steve Corneli	merc
100	Oglethorpe Power Corporation	g	Glenn D. Loomer	muni
101	Ohio Consumers' Counsel	e	John Smart, Randy Corbin	comres
102	Old Dominion Electric Cooperative	g	James N. Kimball	muni
103	Oncor	t	Ellis Rankin	iou
104	Ontario Power Generation	g	Barry Green	merc
105	Ontario Power Generation	m	Dowell Hudson, JoAnne Magnante	niou
106	PacifiCorp	d	Alec Burden	iou
107	PacifiCorp	m	Edison G. Elizeh	iou
108	PacifiCorp	g	Greg Maxfield	iou
109	PacifiCorp	t	Jim Hicks	iou
110	PacifiCorp Power Marketing, Inc.	g	Don Winslow	merc
111	PacifiCorp Power Marketing, Inc.	m	Don Winslow	iou
112	PG&E National Energy Group	m	Jack Hawks	iou
113	Platte River Power Authority	t	Terry L. Baker	
114	PPL Electric Utilities Corporation	t	Ray Mammarella	iou
115	PPL EnergyPlus, LLC	g	John Brodbeck	iou
116	Portland General Electric	m	Terri Peschka	iou
117	Portland General Electric	t	Frank Afranji	iou
118	Praxair, Inc.	e	James B. Rouse	lind
119	Progress Energy	d	Benjamin Crisp	iou
120	Progress Energy	g	Phillip Lewis	iou
121	Progress Energy	m	Micheal Settlage	iou
122	Progress Energy	t	Verne Ingersoll	iou
123	PSEG Energy Resources and Trade LLC	m	James D. Hebson	iou
124	PSEG Power LLC	g	Grgory Eisenstark	merc
125	Public Service Electric and Gas Company	d	Colin J. Loxley	nd
126	Public Service Electric and Gas Company	t	Jeffrey C. Mueller	nd
127	Public Utility District No. 1 of Chelan County	m	Doug Frazier	
128	Puget Sound Energy, Inc.	t	George Marshall, Bob Harshbarger	niou
129	Reliant Energy HL&P	t	Paul Rocha	iou
130	Reliant Energy Power Generation	g	John Simpson	merc
131	Reliant Energy Services, Inc.	m	Charles Yeung	niou
132	Sacramento Municipal Utility District	g	Thomas Ingwers	muni
133	Salt River Project Agricultural Improvement and Power District	d	Wendy Weathers	other
134	Salt River Project Agricultural Improvement and Power District	g	David P. Slick	fed
135	Salt River Project Agricultural Improvement and Power District	m	John D. Coggins III	fed
136	Salt River Project Agricultural Improvement and Power District	t	Steve Cobb	fed
137	Seminole Electric Cooperative, Inc.	g	Lane Mahaffey	muni
138	Seminole Electric Cooperative, Inc.	t	Glenn Spurlock	muni

139		Southeastern Power Administration	g	Bob Goss	fed
140		Southern California Edison	t	Ronald D. Nunnally	iou
141		Southern Company Services, Inc.	d	Donny L. Akers	iou
142		Southern Company Services, Inc.	g	Tony A. Reed	iou
143		Southern Company Services, Inc.	m	Joel Dison	iou
144		Southern Company Services, Inc.	t	R.D. (Dean) Ulch	iou
145		Southwest Transmission Cooperative, Inc.	t	Larry D. Huff	muni
146		Southwest Power Pool	n	Carl Monroe	n
147		Southwestern Power Administration	g	Forrest E. Reeves	fed
148		Southwestern Power Administration	t	Stanley L. Mason	fed
149		Sunflower Electric Power Corporation	t	L. Christian Hauck, Carroll Waggoner	muni
150		Tennessee Valley Authority	d	Ron L. Owens	other
151		Tennessee Valley Authority	g	William F. Irish	fed
152		Tennessee Valley Authority	m	Gary L. Jackson	fed
153		Tennessee Valley Authority	t	Mitchell Needham	fed
154		TRANSlink Development Company LLC	t	Audrey Zibelman	itc
155		Tri-State Generation and Transmission Association, Inc.	t	Bruce Sembrick	muni
156		Tri-State Generation and Transmission Association, Inc.	m	Thomas A. Smith	muni
157		TXU Energy Trading	m	Brad Jones, Jeff Shorter	iou
158		UBS Warburg Energy	m	Suzanne Calcagno	niou
159		Vermont Public Power Supply Authority	g	William J. Gallagher	muni
160		Western Area Power Administration	t	Mark Fidrych	fed
161		Western Area Power Administration	m	Jeffrey Ackerman	fed
162		We Energies	d	Linda Horn	iou
163		We Energies	g	James R. Keller	iou
164		Wisconsin Public Power Inc.	d	Mike Stuart	muni
165		Wisconsin Public Service Corporation	g	William Bourbonnais	iou
166		Xcel Energy Inc.	m	Steven J. Beuning, Steve Peluso	iou

Retail Gas Quadrant:

1	?	AGL Resources Inc.	d	Ernie F. Blake	
2		Amerada Hess Corporation	su	Randy Magnani	
3		Baltimore Gas & Electric Company	d	Steve Zavodnick	
4		Boeing Company	e	Keith Warner	
5		CapacityCenter.com	s	Greg Lander	
6		Consolidated Edison Co. of New York, Inc.	d	Michele Doyle	
7		Consumers Energy Company	d	Ronn Rasmussen	
8		Dominion Retail, Inc.	su	Richard A. Zollars	
9		Duke Energy Gas Transmission, LLP	su	Richard Kruse	
10		Energy East Management Coporation	d	Eric Wilen	
11		Energy Services Group, Inc.	s	George Behr	
12		EnForm Consulting, L.P.	s	David F. Pfeifer	
13		Exelon Energy	su	Barb Fatina	
14		Indiana Office of Utility Co nsument Counselor	e	Matthew Parsell	
15		KeySpan Energy Delivery	d	Nancy Cianflone	
16		Latitude Technologies	s	Leigh Spangler	
17	?	Michigan Consolidated Gas Company	d	H.L. Dow	
18		National Fuel Gas Distribution Corporation	d	Walter DeForest	
19		New Science Partners	s	Rod Sipe	
20		Niagara Mohawk	d	James Dillon, Janice Bailey	
21		NiSource Inc.	d	Dorothy Hawkins	
22		Northwest Industrial gas Users	e	Paula E. Pyron	
23		Ohio Consumers' Counsel	e	Dirken D. Winkler, John Smart	
24		Peco Energy Company	d	William Oppenheim	

25	Pennsylvania Office of Consumer Advocate	e	Tanya J. McCloskey, Stephen Keene
26	Peoples Gas System	d	Rachel Gebhardt
27	Philadelphia Gas Works	d	Craig White
28	PMO Link, Inc.	s	Geoffrey Hingle
29	Public Service Electric & Gas Company	d	Joseph Jansen
30	R. J. Rudden Associates	s	John Charbonneau
31	Shell Energy Services	su	Harry Kingerski
32	Southwest Gas Corporation	d	John Hester
33	Sweet Strategies	s	David Sweet
34	Systrends	s	Dave Darnell
35	TXU Energy Retail	su	Felecia Lokey
36	UBS Warburg Energy	su	Suzanne Calcagno
37	UGI Utilities, Inc.	d	Paul Szykman
38	Union Gas	d	Dave Arnot
39	Washington Gas Light Company	d	Adrian P. Chapman
40	Wisconsin Electric Wisconsin Gas	d	Donald Grevenow
41	Wisconsin Public Service Corporation	d	William Bourbonnais

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

**7. DISCUSSIONS WITH ISOs AND COMMUNICATIONS WITH THE ELECTRONIC
SCHEDULING COLLABORATIVE**

ISO CEO Group:

- **BACKGROUND:** Bill Boswell and Michael Desselle have held one meeting with the ISO CEO group led by Bill Museler of the NY ISO group and plan to meet again on November 26. They will provide an update from the first meeting. The next meeting is scheduled for November 26 in Washington D.C.
- **ACTION:** No action by the Board is required.

Electronic Scheduling and OASIS Scheduling Collaborative:

- **BACKGROUND:** On October 3, Bill Boswell representing NAESB and Richard Drouin representing NERC received communication from the ESC and OSC groups offering technical assistance to NAESB and to NERC in the development of standards. Attached are both replies.
- **ACTION:** No action by the Board is required.

NORTH AMERICAN ENERGY STANDARDS BOARD

1100 Louisiana, Suite 3625 · Houston, Texas 77002 · **Phone:** (713) 356-0060 · **Fax:** (713) 356-0067
email: naesb@aol.com · **Web Site Address:** www.naesb.org

November 12, 2002

Mr. John Canavan
Chairman, Electronic Scheduling Collaborative
Northwestern Energy
40 East Broadway
SOCC Building
Butte, Montana

Mr. Allen Phelps
Chairman, OASIS Standards Collaborative
Midwest ISO
701 Center City Drive
Carmel, Indiana 46032

RE: ESC ad OSC Technical Resource Proposal

Dear Mr. Canavan and Mr. Phelps:

Thank you for your letter of October 1, 2002. We appreciate the willingness of your group to explore avenues of standards development with us. Open, transparent, efficient and timely standards development is the goal of both of our organizations and we agree that duplicative efforts should play no part.

Our organization recognizes that the ESC and OSC have demonstrated technical expertise in matters related to the OASIS and scheduling standards, and further, that your organizations are composed of a voluntary group of interested parties with diverse interests including RTOs and Regional Reliability Councils. Similarly, NAESB provides an ANSI accredited process for the development and approval of standards and has several years experience in maintaining and publishing standards. We are also nearing completion on a NERC-NAESB memorandum of understanding and have begun similar discussions to formally establish relationships with the RTOs and ISOs.. Considering the above factors and that there is considerable overlap of membership between our organizations, we have high hopes that additional communications between our groups would provide positive directions for standards development.

Several avenues of action are open and we look forward to future discussions. Please contact the NAESB office to set up a conference call or meeting at your convenience.

Very truly yours,

Rae McQuade
Executive Director and Chief Operating Officer, North American Energy Standards Board

cc:

William P. Boswell, Partner, McGuireWoods and Chairman & CEO, NAESB Board of Directors
Michael D. Desselle, Director Public Policy, AEP and Wholesale Electric Quadrant Vice Chair, NAESB Board of Directors
James Buccigross, Vice President, 8760 and Chairman, NAESB Executive Committee



MICHEHL R. GENT
President and CEO

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

October 29, 2002

Messrs. Mr. John Canavan
Chairman, Electronic Scheduling Collaborative
NorthWestern Energy
40 East Broadway
SOCC Building
Butte, Montana 59701

Mr. Allen Phelps
Chairman, OASIS Standards
Collaborative
Midwest ISO
701 City Center Drive
Carmel, Indiana 46032

ESC and OSC Technical Resource Proposal

Thank you for your letter of October 1, 2002 offering the services of your organizations as a technical resource to NERC. NERC is interested in exploring with you how your organizations could be of assistance to NERC as we develop and implement reliability standards.

It is essential that all organizations and interests in the wholesale electric industry work together to ensure timely development of well-integrated standards, practices, and procedures that support reliable operation of bulk electric systems and encourage and enable well-functioning electricity markets.

NERC appreciates that the ESC and OSC have been working for some time on consensus business practices for use in implementing electronic scheduling, based on the Industry Functional Model developed by NERC, and that FERC has shown interest in your work. Because your efforts in this area relate closely to NERC's efforts to develop reliability standards, we are willing to continue to provide staff and meeting resources to the ESC and OSC, to the extent this is helpful to your efforts.

Following our separate responses to the FERC SMD NOPR, perhaps the best way to proceed from here is for several representatives of your organization to meet with NERC representatives to share views on how we can best work together.

Please let me know when you are available to meet.

Sincerely,

cc: Richard Drouin

ELECTRONIC SCHEDULING COLLABORATIVE

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

October 2, 2002

Mr. Richard Drouin
Chairman, North American Electric Reliability
Council
McCarthy Tetrault
LeWindsor
1170 Peel Street
Montreal, Québec H3B 4S8

Mr. William Boswell
Chairman, North American Energy Standards
Board
1100 Louisiana
Suite 3625
Houston, Texas 77002

ESC and OSC Technical Resource Proposal

Gentlemen,

The Electronic Scheduling Collaborative (ESC) and the OASIS Standards Collaborative (OSC) would like to explore with you how we might serve as a technical resource to both NERC and NAESB as your two organizations work to develop and coordinate your respective standards.

The ESC and OSC have been working for some time on a consensus business practices document for use in implementing electronic scheduling as envisioned in the Commission's Advance Notice of Proposed Rulemaking for OASIS Phase II in Docket No. RM01-10-000 (ANOPR). We are also examining and preparing to comment on many of the technical issues associated with FERC's Standard Market Design NOPR. We believe that, as a result of this work and the technical expertise that exists in the ESC and OSC organizations, we are well positioned to serve as a valuable industry resource to support your efforts to provide the industry and the Commission with workable standards for electronic scheduling that will meet both reliability and market needs as quickly as possible.

We look forward to discussing this proposal with you.

Respectfully,

John S. Canavan

John S. Canavan
Chairman, Electronic Scheduling Collaborative

Allen R. Phelps

Allen R. Phelps
Chairman, OASIS Standards Collaborative

JSC:ARP:mjh
Attachment

Background on the Electronic Scheduling and OASIS Standards Collaboratives

Both the ESC and the OSC have a long history of working on the issues associated with OASIS, E-tagging, and Electronic Scheduling. The ESC and OSC are North American industry collaboratives that are diverse in composition. Both groups adhere to the industry's mandate for open and inclusive organizations.

The ESC membership is comprised of six segments:

- Generation Merchants;
- Marketers;
- Load Serving Entities and Transmission Dependent Utilities;
- Transmission Providers;
- Independent System Operators, Regional Transmission Organizations, and Regional Reliability Organizations; and
- End-Use Customers.

ESC advisory members include software vendors, consultants, and other industry experts.

The OSC is similarly comprised, but does not recognize formal industry segments nor adopt segmented voting; all attendees are eligible voting members.

The ESC was created by the industry, which recognized a need to respond to the FERC ANOPR. The ESC can trace its roots to the OASIS "What" Working Group, and has worked with FERC and various industry groups over the years. The ESC focuses on what technical issues need to be addressed when developing systems and regulations that define electronic scheduling. The ESC's roles and governance are defined within a set of formally adopted and published bylaws.

The OSC focuses on technical implementation issues. It coordinates closely with the ESC for its direction. The OSC was created through the informal collaboration of the OASIS "How" Working Group and the NERC Transaction Information System Working Group. These two technical groups have developed standards and communications protocols for several of the industry's most complex, North American software systems related to the wholesale electric industry: the OASIS and the E-tagging systems. Both systems were designed by these groups, and have been continually updated with enhancements and technology changes over the past several years.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

8. NERC-NAESB MEMORANDUM OF UNDERSTANDING

- **BACKGROUND:** On August 15, Mr. Boswell and Mr. Drouin signed the Letter of Intent between the two organizations, attached. Mr. Drouin has assigned five board members to work with a similar group from the WEQ Board members from NAESB to draft the Memorandum of Understanding. The group met on a very aggressive timetable and drafted the attached MOU in support of the signed Letter of Intent.
- **ACTION:** The Board is asked to approve the MOU for signature by Bill Boswell as Chairman and CEO of NAESB. The Board vote is simple majority of each quadrant's Board members present at the meeting either in person or by phone, or who have provided a ballot to the NAESB Office prior to the meeting, also attached under tab 9 of this material.

1 **Memorandum of Understanding between**
2 **North American Energy Standards Board and North American Electric Reliability Council**
3
4

5 This Memorandum of Understanding (“MOU”) is entered into this [DATE], 2002
6 between the North American Energy Standards Board (“NAESB”) and the North American
7 Electric Reliability Council (“NERC”) (collectively, “Parties”).

8 Whereas NAESB is the primary industry forum for development and promotion of
9 business practice and electronic communication standards in North American wholesale and
10 retail natural gas and electricity markets;

11 Whereas NERC is the primary industry organization for developing reliability standards
12 for the reliable operation and planning of the bulk electric systems serving North America;

13 Whereas the Parties agree that there is a need to develop and maintain standards to
14 enhance energy markets and maintain reliability throughout North America;

15 Whereas the Federal Energy Regulatory Commission (“FERC”) has “strongly urged” the
16 Parties to coordinate their standards development efforts;

17 Whereas most standards have both business and reliability implications and range along a
18 continuum from “predominantly reliability” in nature to “predominantly business” in nature;

19 Whereas the Parties agree that a coordination process should be developed between the
20 Parties to ensure that business practice and reliability standards are harmonized and that every
21 practicable effort is made to eliminate overlap and duplication of efforts;

22 Whereas, the Parties agree that the coordination that takes place under this MOU should
23 not delay the development of standards;

24 Whereas, the Parties shall not be obliged to change their existing standards approval
25 processes, but the parties agree it would be beneficial to keep an open mind for future change s to

26 be considered that would improve the processes and achieve the goals contained within this
27 MOU; and,

28 Whereas, the Parties intend this MOU to be a living document and recognize that the
29 coordination procedures detailed in this MOU are likely to require revision as the Parties gain
30 experience working under these procedures.

31 Now therefore, the Parties agree as follows.

32

33 **1. Purpose and Principles of Agreement**

34 1.1 The Parties propose to establish a coordination process set forth in Section 2 of
35 this MOU. The coordination process is intended to produce reliability standards and business
36 practice standards as efficiently as possible. The coordination process will accomplish this
37 primarily through the creation of the Joint Interface Committee (“JIC”) comprised of
38 representative members of NERC and NAESB. The creation of the JIC is not intended to create
39 delay in standards development, but to facilitate efficient standards development and avoid
40 duplication of effort between the Parties.

41 1.2 The Parties recognize that most standards have both reliability and business
42 standards and communication protocols implications. Accordingly, the JIC will evaluate each
43 standard development proposal¹ with this recognition in mind to determine whether NAESB or
44 NERC should develop the proposed standard.²

¹ The JIC is not limited to new standards but can receive existing proposed standards referred to it by either Party.

² While the JIC will evaluate the disposition of standards with the recognition that most standards have both reliability and business standards and communication protocols implications, the intent of NERC and NAESB (through the JIC) is that the coordination process should work toward the development of “standards for the industry” and avoid characterizing standards, wherever possible.

45 1.3 The Parties intend to have the coordination process set forth in Section 2 of the
46 MOU in full operation by January 1, 2003. The Parties may mutually agree to move the start
47 date for the coordination process.

48

49 **2. Coordination Process**

50 2.1 The Parties agree to establish a coordination process, as set forth in this section,
51 for coordinating the development of proposed standards, in accordance with the principles in
52 Section 1 of this MOU.

53 2.2 The JIC shall be responsible for the coordination process. The JIC shall be
54 composed of representatives from NERC holding 50 % of the votes and representatives from
55 NAESB WEQ holding 50 % of the votes. Each Party will determine its representatives to the
56 JIC, with every effort to have each segment represented. The quorum necessary for the
57 transaction of business at meetings of the JIC shall be both a majority of the NERC
58 representatives and a majority of the NAESB representatives. Any or all members of the JIC may
59 participate in a meeting, including being counted as part of the quorum, by means of a
60 communication system by which all persons participating in the meeting are able to hear each
61 other. Use of notational balloting or proxies will not be permitted. NERC and NAESB will
62 separately determine whether designated alternates will be permitted to participate in place of
63 their absent JIC representatives. The JIC will have co-chairs, one representing NERC and one
64 representing NAESB, chosen by each Party from among its JIC representatives.

65 2.3 Decisions of the JIC will be by a simple majority vote, with each NERC
66 representative present at a meeting having a vote equal to 50% divided by the number of NERC
67 representatives participating in the meeting and each NAESB representative having a vote equal

68 to 50% divided by the number of NAESB representatives participating in the meeting. Appendix
69 C to this MOU contains illustrative examples of this voting allocation. In the event of a tie vote,
70 the matter will be referred to the Chairmen of the Parties [or their Board level designee(s)] for
71 resolution.

72 2.4 The JIC will meet as necessary to review each Standards Authorization Request
73 (“SAR”) that the Standards Authorization Committee (“SAC”) of NERC has approved for the
74 drafting of a standard and each standard request that the NAESB Executive Committee (“EC”)
75 has assigned to the Wholesale Electric Quadrant (“WEQ”) of NAESB. The JIC will determine
76 whether a particular standard should be developed by NERC or by NAESB, based upon the
77 coordination guidelines in Appendix A of this MOU, as they may be revised from time to time.

78 2.5 The JIC will make its determination on each standard development proposal by
79 the end of the month subsequent to the month in which the standard development proposal is
80 referred to the JIC. The JIC may prioritize submitted proposals if there are urgent reliability or
81 business implications.

82 2.6 Once the JIC has assigned a standard development proposal to one of the Parties,
83 that Party will then develop the proposed standard through its existing standards development
84 process. The other Party shall assume an advisory-only role, although its members and
85 constituents are strongly encouraged to actively participate in the development process by
86 participating in subcommittee, task force and working group deliberations as well as offering
87 comments and recommendations on any and all aspects of the proposed standard.

88 2.7 All interested individuals and entities are invited and encouraged to participate to
89 the maximum extent possible consistent with membership or registration requirements in NERC

90 and NAESB standards development activity. Neither organization places any membership or
91 registration requirement on the submission of comments on draft proposed standards.

92 2.8 Either the determination of the JIC or the resolution reached in the event of a tie
93 vote becomes final after thirty days unless, within that thirty-day period, either Party acts to
94 withdraw the proposal. In this event, the proposal may be redrafted and resubmitted to the JIC or
95 the Parties shall meet to attempt to resolve the impasse. Should further consideration not result
96 in a final determination, either party may act consistent with its own standards development
97 process.

98 **3. Filings With Governmental Authorities**

99 3.1 Each Party shall be responsible for making filings with governmental authorities
100 of the standards that it develops, as appropriate.

101 3.2 All filings must include, verbatim, any comments submitted by the Party that did
102 not develop the standard, as well as the comments of other interested parties.

103

104 **4. Information Exchange**

105 4.1 NERC will inform NAESB each year of its projected standards development
106 activity for the coming year and of any additional planned activity as it arises. NAESB will
107 inform NERC of the WEQ annual plan each year and of any amendments to the WEQ annual
108 plan as they arise. After exchange of this information, the Parties agree to meet to address any
109 apparent areas of duplicate effort as soon as practical.

110 4.2 With respect to each particular request for a standard or standard development
111 action, each Party will promptly inform the other of the action, or the request in sufficient detail

112 to convey the subject matter and timeline for resolution of such action or request. See Appendix
113 B.

114

115 **5. Costs**

116 5.1 Each Party shall bear its own costs.

117

118 **6. Reevaluation**

119 6.1 The Parties agree to meet annually during the anniversary month of the signing of
120 this MOU to evaluate in good faith the effectiveness and efficiency of this MOU in meeting the
121 goal of coordinating the standards development activity of the two organizations and to make
122 any appropriate revisions.

123 6.2 The Parties may also agree to revise this MOU, including the appendices, at any
124 other time as mutually agreeable.

125

126 **7. Termination**

127 7.1 Either Party may withdraw from this MOU upon 60 days' written notice to the
128 other Party and to the FERC or other appropriate jurisdictional regulatory authorities. Prior to
129 the withdrawal becoming effective, the Parties agree to meet to discuss whether changes to this
130 MOU would address the reasons prompting the withdrawal.

131

132 **8. Miscellaneous**

133 8.1 This MOU constitutes the entire agreement between the Parties with respect to
134 establishing a coordination standards development process for new proposed wholesale electric

135 industry standards and supersedes all prior understandings, proposals, negotiations and
136 communications, oral or written, between the parties or their representatives with respect to such
137 subject matter.

138 8.2 This MOU may be executed in counterparts each of which shall be deemed an
139 original and all of which together shall constitute one instrument.

140 8.3 Neither Party shall be liable for any indirect, special, incidental or consequential
141 damages arising in any way from any performance or failure to perform under this MOU.

142 8.4 The Parties agree that they will create a process whereby the notice of JIC
143 activities and documents are posted on a web site for public access.

144

145 AGREED TO This [DATE].

146

147 NORTH AMERICAN ENERGY
148 STANDARDS BOARD

NORTH AMERICAN ELECTRIC
RELIABILITY COUNCIL

149

150 By: _____

By: _____

151 APPENDIX A

152 JIC Coordination Guidelines

153 The coordination guidelines for use by the JIC as a starting point, under paragraph 2.4 of
154 the NERC-NAESB MOU, are based in part upon NERC's Functional Model³ and in part upon
155 market criteria developed by NAESB. Once the JIC convenes and as it gains more experience
156 alternative coordination guidelines may be developed and used as the JIC sees fit.

157 In general, the functions identified in the functional model diagrams as "generator"
158 (whether merchant or load-affiliated), "purchasing-selling entity," "load-serving entity," "market
159 operator," "customer aggregator," and certain of the relationships and information flows of
160 "transmission service provider," "transmission owner," and "transmission operator" are
161 associated with how wholesale electric business practices and electronic communication
162 protocols are developed for use by market participants. Additionally, market criteria such as
163 product or service definitions, specifications, and compensation; prerequisites for participation in
164 market and identification of costs and funding obligations; arrangements for product and service
165 delivery to customers; creditworthiness requirements; related market design issues; market
166 settlement practices; and communication protocols in support of market criteria should be
167 considered. Standard development proposals applicable to those functions and to the
168 relationships and information flows among those functions normally would be assigned to
169 NAESB, regardless of where the original request for the standard was filed.

170 In general, the functions identified in the functional model diagrams as "reliability
171 authority," "balancing authority," "interchange authority," "compliance monitor," "NERC," and
172 certain of the relationships and information flows of "transmission service provider,"
173 "transmission owner," and "transmission operator" are associated with the reliable operation of
174 the bulk power system. Standard development proposals applicable to those functions and to the
175 relationships and information flows among those functions normally would be assigned to
176 NERC, regardless of where the original request for the standard was filed.

³ A PowerPoint display of NERC's Functional Model may be downloaded at <http://www.nerc.com/~filez/fmrtg.html>. The Functional Model identifies and defines the functions, associated responsibilities, and the relationships and information flows among those functions, that are necessary for electric systems to operate reliably and for participants in wholesale electricity markets to transact business efficiently, independent of which entities perform which functions.

177 Where a single standard development proposal meets the coordination guidelines for
178 assigning it to either NERC or NAESB, and the proposal is not more properly recast in an
179 alternative format, the JIC should normally assign the proposal to either NERC or NAESB based
180 upon the following factors:

- 181 a. Regulatory direction to one organization or the other;
- 182 b. The relative portion of the proposal that would be associated with the reliable
183 operation of the bulk power system (NERC) vs. how wholesale electricity business is
184 transacted (NAESB);
- 185 c. The priority of the proposal and the ability of either organization to take on and
186 complete the standard development in a timely manner, given its other workload; and
- 187 d. Whether the proposal includes a significant reliability compliance element.

188
189
190

APPENDIX B
Current Notification Criteria

NERC

NAESB

- | | |
|--|---|
| a. Receipt of a Standard Authorization Request (“SAR”). | a. Decision by NAESB Executive Committee (“EC”) to assign a standard request to the WEQ and referral to a subcommittee. |
| b. SAC reviews standard request. | b. Notify NERC of standard request. |
| c. Notify NAESB of SAR Posting. Posting of SAR for comment. | c. Standard request forwarded to JIC for review and organization assignment. |
| d. Authorization by SAC to draft standard. | d. Activities of subcommittee. |
| e. Standard request forwarded to the JIC for review and organization assignment. | e. Posting of draft standard for public comment. |
| f. Activities of Standards Drafting Team. | f. Submission of draft standard and public comments to EC. |
| g. Posting of draft standard for public comment. | g. Decision of EC. |
| h. Decision that draft standard is ready for ballot. | h. Action by NAESB Board of Directors. |
| i. Submission of draft standard for ballot. | i. Filing the standard with governmental regulatory authorities. |
| j. Ballot results. | |
| k. Action by NERC Board of Trustees. | |
| l. Filing the standard with governmental authorities. | |

191
192

193 APPENDIX C

194 JIC Voting Examples

195 (Quorum requirement: Both a majority of the NAESB representatives
196 and a majority of the NERC representatives.)
197

198 Example 1:

- 199 1. The JIC is composed of: 5 representatives from NAESB
200 9 representatives from NERC
- 201 2. All JIC members are in attendance at the meeting – quorum requirement is met.
- 202 3. Each group gets 50% of the vote, which means that each NAESB JIC member gets 10%
203 of the total vote (5 representatives times 10% = 50%), and each NERC JIC member gets
204 5.55% of the total vote (9 representatives times 5.55% = 50%). When the votes are cast
205 on an issue, the percentages cast are totaled and if the votes in favor of an issue exceed
206 50%, the issue is considered adopted.

207
208 Example 2:

- 209 1. The JIC is composed of: 5 representatives from NAESB
210 9 representatives from NERC
- 211 2. 3 NAESB JIC members and 5 NERC JIC members are in attendance at the meeting –
212 quorum requirement is met.
- 213 3. Each group gets 50% of the vote, which means that each NAESB JIC member gets
214 16.66% of the total vote (3 representatives times 16.66% = 50%), and each NERC JIC
215 member gets 10% of the total vote (5 representatives times 10% = 50%). When the votes
216 are cast on an issue, the percentages cast are totaled and if the votes in favor of an issue
217 exceed 50%, the issue is considered adopted.

218
219 The two examples above illustrate the importance to the organizations for the JIC members to
220 attend the JIC meetings.
221

**Final Comments of the Electric Power Supply Association on the Proposed
NERC – NAESB Memorandum of Understanding
(November 15, 2002)**

The Electric Power Supply Association (EPSA) appreciates the time and effort that the NERC and NAESB negotiating teams devoted to drafting the proposed Memorandum of Understanding (MOU). EPSA joins many other industry stakeholders in the hopeful expectation that the MOU will inaugurate a successful working relationship between the two organizations. Under the circumstances, and given the limited time available to work on it, the MOU provides an acceptable framework for meaningful and effective coordination to accomplish this goal. Therefore, subject to the unresolved concerns explained below, EPSA recommends that the NAESB and NERC boards approve the MOU so that the coordination process can commence as soon as possible.

As presently written, the MOU could advance the effort to rationalize standards development by harmonizing the reliability and commercial dimensions embedded in energy standards. EPSA especially welcomes the formal recognition that all standards have both reliability and commercial implications, the focus on avoiding duplication, the establishment of a Joint Interface Committee (JIC) and the flexibility the JIC will need to formulate the coordination guidelines and criteria they will need to do their job.

However, several provisions in the final draft raise concerns about the MOU's effectiveness, particularly the role of the JIC. Several other parties submitting comments, including NAESB board members David McMillan, John Anderson, Carol Guthrie and John Rouse, have questioned, among other things,¹ the wisdom of section 2.8, which allows either organization to unilaterally reject any JIC determination. To restate the comments EPSA submitted to the negotiating teams prior to their final drafting session:

“The JIC’s role, and the integrity and credibility of its decisions, are clearly central to the effectiveness and success of the coordination effort. It is difficult to imagine how section 2.8 ensures meaningful coordination when both parties have unfettered discretion to separately pursue their own organizational prerogatives. Given the universal recognition of the virtual inseparability of reliability and commercial concerns, accountability — in accordance with mutually agreed upon terms, provisions and criteria — is a sine qua non for meaningful coordination. Creating ways for either

¹ EPSA also shares the concerns expressed in Mr. McMillan’s letter regarding the provision for tie-breaking in section 2.3 and the failure to include express provisions relating to economic compensation for products, services or operational processes provided by market participants in accordance with energy standards.

organization to avoid coordination decisions, even when all procedures in the MOU are followed, is inconsistent with this goal.”

Nevertheless, the proposed MOU recognizes and accommodates the ultimate autonomy of both organizations. Despite this shortcoming and the concerns it raises, EPSA views the MOU as a good starting point² that reflects the best efforts of the negotiating teams, which were subject to both practical and institutional limitations. However, such constraints and concerns require all interested stakeholders to use the MOU process so that its intended objectives are fulfilled. In this regard, EPSA urges both organizations to be vigilant in their support for the JIC, and prudent in relying on section 2.8 in administering the JIC process to “ensure” that the MOU provides an “effective mechanism” for coordination.³

Finally, we once again recommend that both the NAESB and NERC boards approve the MOU as soon as possible. The agenda for next week's NERC Standards Authorization Committee (SAC) meeting highlights the importance of implementing the MOU without delay. The SAC agenda raises questions about the timing and effectiveness of a key provision in the MOU. In his e-mail regarding the Nov. 20th meeting, Tim Gallagher states that the drafting teams view two SARs as ready for drafting: (1) "Balance Load and Resources" and (2) "Monitor and Assess Short-Term Transmission Reliability--Operate Within Limits."

The NERC/NAESB negotiating teams recognized the need for the JIC to review **both** prospective proposed standards and existing SARs. Therefore, footnote 1 was added to section 1.2, stating that "the JIC is not limited to new standards but can receive existing proposed standards referred to it by either Party." It appears that language was added for the express purpose of preventing NERC's SARs process from getting too far out ahead of the NAESB WEQ and the MOU coordination process.

The representatives from NAESB and NERC have completed their negotiations and the MOU is actually drafted and ready for approval. Therefore, we have arrived at the appropriate moment for the participants in the SARs process to connect with the NAESB WEQ and commence the coordination effort. EPSA understands that participants in the WEQ are committed to assembling the JIC as soon as possible and urge NERC to likewise select those persons it intends to represent it on the JIC so the coordination process can move forward.

² One of the Whereas clauses states that “the Parties intend this MOU to be a living document and recognize that the coordination procedures detailed in this MOU are likely to require revision as the Parties gain experience working under these procedures.”

³ In its May 16th order, the Commission stated that it considers coordination to be "critical to the efficient operation of the market" and that "the Commission stands ready to establish its own process to **ensure** coordination if the industry cannot agree on an **effective mechanism**." (emphasis added.)



November 12, 2002

NAESB Board of Directors
c/o NAESB
1100 Louisiana St.
Suite 3625
Houston, TX 77002

Reference: Posted Draft NERC – NAESB Memorandum of Understanding

Dear Fellow Board Members:

I am providing this letter for your consideration of specific issues associated with the current draft of the NERC – NAESB Memorandum of Understanding (“MOU”) that we will be asked to vote upon and approve at our upcoming meeting in San Diego.

I would first like to thank the dedicated NERC and NAESB teams of negotiators for their tireless efforts under a very tight deadline. This was a task that was bound to end with less than total satisfaction for everyone involved in the process.

Next I would like to make my own intentions clear as to my support for this draft. I intend, and would encourage others, to support and vote *for* acceptance and approval of the MOU. Having said this, I would not want my support to be interpreted as complete agreement without reservation for this draft. In fact, my support can only be provided if the record on this subject includes my concerns for those portions of the draft that I feel are deficient. It would be my strong preference that the draft be further revised to correct these areas of concern - however I don't believe this is a practical expectation at this time. Given that I see no reasonable alternative to accepting an “imperfect” solution to NERC – NAESB coordination, and recognizing that my most serious concerns are based upon my perception of past historical performance, I have chosen to suspend any skepticism I might have in a hope that the future will see a different level of harmony among participants than we have experienced to date.

I would like to briefly outline the three areas of the draft with which I have serious concern.

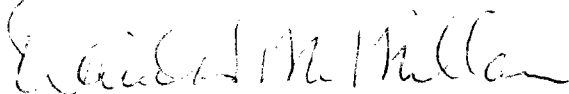
1. "Tie-breaking on the Joint Interface Committee" (Section 2.3) - I have suggested that the tie breaking vote be that of a truly objective third party who has had the benefit of listening to the debate regarding assignment of drafting privileges which has resulted in the tie between NERC and NAESB. The MOU draft assigns this role to the "chairmen of the two organizations or their board-level appointees".
2. "Ability of either party to walk away from the MOU process for any decision that they choose to disagree upon" (Section 2.8) – My understanding is that this was insisted upon by the NERC negotiators and, in my opinion, renders the MOU impotent. If an entity invokes their right to walk, and thereafter proceeds to create a standard where the JIC believes such standards should rightly be the province of the other entity, we will have anarchy in the standards creation activity with both entities creating competing standards.
3. "Failure to establish the coordination guideline that any standard which mandates the provision of a product, service, or operational process also must explicitly deal with the issue of compensation for such requirement" - I lobbied hard for this concept to be established in this document but was unsuccessful. We will have to work within each standard's creation process to ensure this gets done each and every time.

It is my belief that each of these three concerns could have been effectively dealt with and I provided the NAESB negotiating team with my suggestions for how each one might have been improved upon. I am disappointed that none of my suggestions, or alternative suitable recommendations in these three areas, was incorporated in the draft MOU before us.

In supporting this MOU, I must urge both NERC and NAESB to be vigilant about these three areas of concern. If any of these issues prove to be the barriers to smooth coordination in standards creation that I believe they could be, there will be significant discussions at the FERC regarding how these issues can be remedied after the fact.

Wishing not to close on a negative note, please join with me in approving and then monitoring closely the performance of the parties to this MOU.

Respectfully,



David H. McMillan
Director, Market Design
Calpine Corporation

***Comments of the NAESB Board Members from the
Large Industrial and End User (Self Generation) Sub-segments
On the Proposed
Memorandum of Understanding (MOU) between
NERC and NAESB***

The NAESB Board is being asked to approve the "final" MOU at its November 21st meeting in San Diego. The NAESB Board members from the Large Industrial and the End Use (Self Generation) sub-segments offer the following thoughts. At the outset, we emphasize that we are **NOT** opposing the approval of the MOU. However, we have serious concerns with the MOU as it is written and feel we should formally communicate our concerns prior to the vote.

There is much good in the MOU. For example, the MOU specifically: (1) recognizes that most standards have both business and reliability implications; (2) states that the objective of the MOU is to avoid duplication (an objective consumers strongly support); (3) states that both Parties should keep an "open mind" for necessary changes in their existing standards approval processes that would improve the processes and achieve the goals of the MOU; (4) establishes a "Joint Interface Committee" (JIC) to "assign" proposed standards between NERC and NAESB (ostensibly, to avoid duplication); and (5) specifies that the decisions of the JIC should be final.

The problem is the decisions of the JIC actually are **NOT** final. The MOU explicitly states that any decision of the JIC can be rejected by either NERC or NAESB for any reason at any time. Specifically, Section 2.8 (at page 5) states that any decision of the JIC becomes final after 30 days "... unless, within that thirty-day period, either Party acts to withdraw the proposal. In this event, the proposal **MAY** be redrafted and resubmitted to the JIC or the Parties shall meet to **ATTEMPT** to resolve the impasse. Should further consideration not result in a final determination, either Party may act consistent with its own standards development process." [Emphasis added]

We participated in all aspects of the drafting of the MOU. We argued very hard for an elimination of Section 2.8. We said that we would rather NOT have any MOU than have an MOU with this Section. We submitted several documents setting forth our thoughts on this issue. We even specifically offered a proposed compromise: The Party that disagreed with a decision of the JIC would only have to do two small things (but they would **HAVE** to do these two small things) before they could overturn the decision: (1) rewrite the request one time and resubmit it to the JIC for another decision and (if they still don't like the second decision) (2) explain in writing why they think that they should be the one to develop the standard and what they had done to try to resolve the impasse. Even this compromise was rejected.

The bottom line is the creation of the JIC without finality in its decisions results in a costly, and either unnecessary or ineffective, bureaucracy. If there are no differences of opinion between NERC and NAESB regarding a final standard or regarding the allocation of standard development by the JIC, the JIC and the resulting processes are both unnecessary, and costly (in time, attention and money). If NERC and NAESB are not aligned on a the allocation of a standard to be developed or a final standard that has been developed through the JIC process, the JIC is again ineffective, and still costly. Thus, the creation of the JIC, to us, can be a useless, but costly, activity that has the potential to waste resources.

CONCLUSION:

We recognize the importance of having a good MOU – primarily to (hopefully) eliminate duplication of effort. We recognize that there is much good in the proposed MOU. Unfortunately, we do not believe that the MOU, as drafted, will accomplish the stated objective of eliminating duplication. However, we also recognize that there is considerable momentum behind approving this MOU. Thus, we will abstain in the vote on November 21st. However, we feel it important to express our views prior to the vote.

/Signed/

Carol Hyams Guthrie
General Manager,
Electric Market
Strategies
ChevronTexaco Energy
Research & Technology
Company

James B. Rouse
Associate Director,
Energy Policy
Praxair, Inc.

John A. Anderson
Executive Director
Electricity Consumers
Resource Council
(ELCON

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

9. OTHER BUSINESS

- **BACKGROUND:** Attached in a modification to the NAESB privacy policy to permit the use of listservs to facilitate the distribution of information to the committee participants. The use of list servs will allow individuals to self nominate to distribution lists, but he control of the information flow using these list servs will initially be administered through the NAESB office.
- **ACTION:** The Board is asked to approve the modification to the privacy policy. The Board vote is simple majority of each quadrant's Board members present at the meeting either in person or by phone, or who have provided a ballot to the NAESB Office prior to the meeting, also attached in this tab. .

- **BACKGROUND:** Attached are the dates of the upcoming Board meetings.
- **ACTION:** No Board action is required. Provided for informational purposes.

- **BACKGROUND:** Attached is a ballot for all issues noted for Board vote. If you are unable to attend the meeting in person or via conference call, please fax the ballot to our office (713-356-0067) or email your response to NAESB@aol.com by end of business November 20.
- **ACTION:** No Board action is required. Provided for Board members unable to attend the meeting.

NAESB Privacy Policy

Your privacy is important to NAESB. In general, you can visit NAESB on the web without revealing any information about yourself. There are times, however, when we may need information from you, for example, your name and address for registration for the NAESB Entity common Code Downloadable Cross-Reference File, or certain general contact information for registration in NAESB's automated e-mail services (list serv). It is NAESB's intent to let you know before we collect personal information from you on the Internet. You may choose not to utilize those services that require that you provide personal information, including the NAESB list serv.

NAESB holds the privacy of its members and participating non-members in the highest regard. NAESB does not sell or otherwise provide personal information about individual members (such as name, address, email address) to third parties. NAESB does not sell, rent, or otherwise provide lists of members or use information about individual members outside the scope for NAESB. NAESB reserves the right to disclose aggregated information regarding its members.

The NAESB web site contains links to third-party web sites. Please read the privacy policy of any third-party linked site as it may differ from the NAESB Privacy Policy. The linked sites are not under the control of NAESB and NAESB is not responsible for the content of any linked site or any link contained in a linked site. NAESB provides these links as a convenience and the inclusion of a link does not imply endorsement of the linked site by NAESB.

NAESB's web site may use a temporary cookie when linking to a company who has advertising on the NAESB site. Upon the closing of the web site these temporary cookies are removed. Cookies are pieces of information that a web site may transfer to your computer hard drive for record keeping purposes. NAESB does not control the use of cookies by our advertisers.

NAESB may make changes to the way the NAESB site uses or collects personally identifiable information. Notification of any changes to the NAESB Privacy Policy will be posted on the NAESB home page in bold letters. If the information collected from you is in a manner different from that stated, we will request your written or email consent before collecting personally identifiable information.

If you have any questions or concerns about the NAESB privacy practices, you can contact us at NAESB@aol.com or 713-356-0060.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

NAESB AUTOMATED E-MAIL SYSTEM SPECIFICATIONS

Security & Privacy: The list serv will be developed and administered with the privacy and security of NAESB members in mind.

- Only the administrator will have access to list serv participant information.
- Each message sent through the list serv will contain instructions for the recipient to notify the administrator of their concerns about participating in the NAESB list serv and request removal from the list serv.

Membership: NAESB members and non-members can register for any list serv through a link on www.naesb.org.

- Upon selecting the list serv access link, individuals wishing to register will be asked to select which available list serv they wish to join and provide the following information: Name, Title, Company Affiliation, E-mail Address, and Telephone Number.
- Completion of the registration form will generate a message to the administrator to either accept or deny the registrant as a member of the list serv.

Communication:

- At this time, communications will be disseminated by the administrator, rather than cross-communication among list serv participants.
- When an identical message is sent to multiple lists, individual list serv participants will receive the message only one time, regardless of their participation in multiple lists.

Administration: A NAESB staff member will serve as the list serv administrator, with the following responsibilities and capabilities.

- The administrator will maintain the content of the list serv participants database, including but not limited to, restricting usage, deleting incorrect addresses, and removing list serv participants upon request.
- The administrator will establish additional list servs, as appropriate
- The administrator will approve membership in each list serv.

General: The following are general/technical specifications for the list serv:

- Timeline: Intent.net will develop the list serv, with a target completion date of November 30, 2002.
- The mail server will be hosted by Intent.net (NAESB's current internet host) and be located on the NAESB website.
- Intent.net will charge only development fees, with no additional monthly maintenance or hosting fees being incurred.
- The list serv will be backed by an Access database containing the information gathered in the registration form, which will only be accessible to the NAESB office.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

North American Energy Standards Board Draft 2003 Calendar of Board and Executive Committee Meetings

Month	Day	Date	Time (Local Time)	Meeting/Event	Location/Sponsor
February	Tue	18	9:00 am – 4:00 pm	Executive Committee Meeting – WEQ	Entergy/New Orleans
	Wed	19	8:00 am – 5:00 pm	Executive Committee Meeting – RGQ, REQ	
	Thu	20	9:00 am – 4:00 pm	Executive Committee Meeting – WGQ	
March	Thu	20	8:00 am – Noon	Board Meeting	Washington, D.C.
April	Tue	8	9:00 am – 4:00 pm	Executive Committee Meeting – WEQ	
	Wed	9	9:00 am – 4:00 pm	Executive Committee Meeting – WGQ	
	Thu	10	8:00 am – 5:00 pm	Executive Committee Meeting – RGQ, REQ	
June	Tue	3	9:00 am – 4:00 pm	Executive Committee Meeting – WEQ	
	Wed	4	8:00 am – 5:00 pm	Executive Committee Meeting – RGQ, REQ	
	Thu	5	9:00 am – 4:00 pm	Executive Committee Meeting – WGQ	
June	Thu	26	8:00 am – Noon	Board Meeting	
August	Tue	5	9:00 am – 4:00 pm	Executive Committee Meeting – WEQ	
	Wed	6	9:00 am – 4:00 pm	Executive Committee Meeting – WGQ	
	Thu	7	8:00 am – 5:00 pm	Executive Committee Meeting – REQ, RGQ	
September	Tue	16		Annual Meeting	
	Wed	17		Annual Meeting	
	Thu	18	8:00 am – Noon	Board Meeting	
October	Tue	7	9:00 am – 4:00 pm	Executive Committee Meeting – WEQ	
	Wed	8	8:00 am – 5:00 pm	Executive Committee Meeting – REQ, RGQ	
	Thu	9	9:00 am – 4:00 pm	Executive Committee Meeting – WGQ	
December	Thu	4	8:00 am – Noon	Board Meeting	

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

North American Energy Standards Board Draft 2003 Calendar of Board and Executive Committee Meetings

Month	Day	Date	Time (Local Time)	Meeting/Event	Location/Sponsor
	Tue	9	9:00 am – 4:00 pm	Executive Committee Meeting – WEQ	
	Wed	10	9:00 am – 4:00 pm	Executive Committee Meeting – WGQ	
	Thu	11	8:00 am – 5:00 pm	Executive Committee Meeting – REQ, RGQ	

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

North American Energy Standards Board Document Availability and Due Dates Supporting Board and Executive Committee Meetings

Month	Date	Day	Deliverable Date	Meeting/Supporting Materials
February	18	Tue		Executive Committee Meeting - WEQ
	19	Wed		Executive Committee Meeting - RGQ, REQ
	20	Thu		Executive Committee Meeting - WGQ
			December 19	Recommendations on Proposed Standards Due from Subcommittees
			December 20	Recommendations on Proposed Standards Distributed for Comment from Office
			January 27	EC Agendas From EC Chair and Vice Chairs, Distributed by Office Same Day
			January 30	Triage Call to address new re quests
			January 31	Joint EC Call to address new requests
		January 31	Industry Comments Due in Recommendations on Proposed Standards	
		January 31	Deadline for any work papers to be included in EC Book	
		February 3	EC Book Prepared and Electronically Distributed	
March	20	Thu		Board Meeting
			February 20	Board Agenda Prepared with Chairman and Distributed by Office
			March 3	Board Book Prepared and Electronically Distributed by Office
April	8	Tue		Executive Committee Meeting - WEQ
	9	Wed		Executive Committee Meeting - WGQ
	10	Thu		Executive Committee Meeting - RGQ, REQ
			February 21	Recommendations on Proposed Standards Due from Subcommittees
			February 24	Recommendations on Proposed Standards Distributed for Comment from Office

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

North American Energy Standards Board Document Availability and Due Dates Supporting Board and Executive Committee Meetings

Month	Date	Day	Deliverable Date	Meeting/Supporting Materials
			March 17	EC Agendas From EC Chair and Vice Chairs, Distributed by Office Same Day
			March 20	Triage Call to address new requests
			March 21	Joint EC Call to address new requests
			March 21	Industry Comments Due in Recommendations on Proposed Standards
			March 21	Deadline for any work papers to be included in EC Book
			March 24	EC Book Prepared and Electronically Distributed
June	3	Tue		Executive Committee Meeting - WEQ
	4	Wed		Executive Committee Meeting - RGQ, REQ
	5	Thu		Executive Committee Meeting - WGQ
			April 16	Recommendations on Proposed Standards Due from Subcommittees
			April 17	Recommendations on Proposed Standards Distributed for Comment from Office
			May 9	EC Agendas From EC Chair and Vice Chairs, Distributed by Office Same Day
			May 15	Triage Call to address new requests
			May 16	Joint EC Call to address new requests
			May 16	Industry Comments Due in Recommendations on Proposed Standards
			May 16	Deadline for any work papers to be included in EC Book
			May 19	EC Book Prepared and Electronically Distributed
June	26	Thu		Board Meeting
			May 22	Board Agenda Prepared with Chairman and Distributed by Office
			June 9	Board Book Prepared and Electronically Distributed by Office

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

North American Energy Standards Board Document Availability and Due Dates Supporting Board and Executive Committee Meetings

Month	Date	Day	Deliverable Date	Meeting/Supporting Materials
August	5	Tue		Executive Committee Meeting - WEQ
	6	Wed		Executive Committee Meeting - WGQ
	7	Thu		Executive Committee Meeting - REQ, RGQ
			June 18	Recommendations on Proposed Standards Due from Subcommittees
			June 19	Recommendations on Proposed Standards Distributed for Comment from Office
			July 7	EC Agendas From EC Chair and Vice Chairs, Distributed by Office Same Day
			July 17	Triage Call to address new requests
			July 18	Joint EC Call to address new requests
			July 18	Industry Comments Due in Recommendations on Proposed Standards
			July 18	Deadline for any work papers to be included in EC Book
		July 21	EC Book Prepared and Electronically Distributed	
September	16	Tue		Annual Meeting
	17	Wed		Annual Meeting
September	18	Thu		Board Meeting
			August 15	Board Agenda Prepared with Chairman and Distributed by Office
			September 2	Board Book Prepared and Electronically Distributed by Office
October	7	Tue		Executive Committee Meeting - WEQ
	8	Wed		Executive Committee Meeting - REQ, RGQ

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
 Home Page: www.naesb.org

North American Energy Standards Board Document Availability and Due Dates Supporting Board and Executive Committee Meetings

Month	Date	Day	Deliverable Date	Meeting/Supporting Materials
	9	Thu		Executive Committee Meeting - WGQ
			August 19	Recommendations on Proposed Standards Due from Subcommittees
			August 20	Recommendations on Proposed Standards Distributed for Comment from Office
			September 8	EC Agendas From EC Chair and Vice Chairs, Distributed by Office Same Day
			September 18	Triage Call to address new requests
			September 19	Joint EC Call to address new requests
			September 19	Industry Comments Due in Recommendations on Proposed Standards
			September 19	Deadline for any work papers to be included in EC Book
			September 22	EC Book Prepared and Electronically Distributed
December	4	Thu		Board Meeting
			November 4	Board Agenda Prepared with Chairman and Distributed by Office
			November 19	Board Book Prepared and Electronically Distributed by Office
December	9	Tue		Executive Committee Meeting - WEQ
	10	Wed		Executive Committee Meeting - WGQ
	11	Thu		Executive Committee Meeting - REQ, RGQ
			October 21	Recommendations on Proposed Standards Due from Subcommittees
			October 22	Recommendations on Proposed Standards Distributed for Comment from Office
			November 10	EC Agendas From EC Chair and Vice Chairs, Distributed by Office Same Day
			November 20	Triage Call to address new requests
			November 21	Joint EC Call to address new requests

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

North American Energy Standards Board Document Availability and Due Dates Supporting Board and Executive Committee Meetings

Month	Date	Day	Deliverable Date	Meeting/Supporting Materials
			November 21	Industry Comments Due in Recommendations on Proposed Standards
			November 21	Deadline for any work papers to be included in EC Book
			November 24	EC Book Prepared and Electronically Distributed

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
NOVEMBER 21, 2002**

**NAESB Board of Directors November 21, 2002 Meeting
Notational Ballot**

Vote (Y/N)	Issue
------------	-------

Approval of Certificate and Bylaws Changes Approved by the Parliamentary Committee

Approval of 2003 WGQ Annual Plan

Approval of 2003 WEQ Annual Plan

Approval of 2003 Budget

Approval of NERC-NAESB Memorandum of Understanding

Approval of Privacy Policy modification to permit use of list servs

Board Member's Signature:

Date:

**Please return this ballot to the NAESB Office
Fax: (713) 356-0067 or via email NAESB@aol.com
by End of Business November 20, 2002 if you are unable to attend the meeting.**