



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

**Gas Industry Standards Board
Board of Directors Meeting
December 5, 2001**



**GAS INDUSTRY STANDARDS BOARD
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**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

1. WELCOME AND OPENING REMARKS

- The meeting specifics are:

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

WHEN: December 5, 2001
12:30 p.m. to 4:00 p.m. Central

The hotel is located in the George Bush Airport complex (previously named Houston Intercontinental Airport) for the convenience of the Board members traveling to Houston, and can be reached from any of the four terminals through the airport transportation system. Coffee service will be available during the meeting.

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 GISB 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
	- First Vice Chairman
Julie Gomez	- Second Vice Chairman & Treasurer
Rae McQuade	- Executive Director & Secretary

- The legal representation for GISB is provided by:

Jay Costan	- GISB General Counsel
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Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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GAS INDUSTRY STANDARDS BOARD 2001 BOARD TERMS

END USER SEGMENT		TERM END:
Lee Smith	Vice President Energy Supply and Marketing, Midland Cogeneration Venture	Dec 31, 2001
Paul Karns	Director, Contracts & Regulatory, Energy Marketing and Trading Division, Florida Power and Light	Dec 31, 2001
John Procario	Vice President & COO, Cinergy	Dec 31, 2001
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	Dec 31, 2002
Jim Templeton	Principal, Comprehensive Energy Services	Dec 31, 2002
LDC SEGMENT		TERM END:
Bill Boswell	Assistant Secretary, Dominion	Dec 31, 2001
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	Dec 31, 2001
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Dec 31, 2001
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	Dec 31, 2002
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co	Dec 31, 2002
PIPELINE SEGMENT		TERM END:
Terry McGill	President, Columbia Gulf Transmission	Dec 31, 2001
John Somerhalder	President, El Paso Energy Pipeline Group	Dec 31, 2001
Stan Horton	Chairman & CEO, Enron Transportation Services Company	Dec 31, 2001
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Dec 31, 2002
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	Dec 31, 2002
PRODUCER SEGMENT		TERM END:
William T. Benham	Vice President, Regulatory Affairs, BP Energy	Dec 31, 2001
Allan Knopp	Director, Regulatory Affairs, Conoco	Dec 31, 2001
Nancy Laird	Senior Vice President, Marketing and Midstream, PanCanadian Petroleum Ltd.	Dec 31, 2001
Abigail Bailey	Regulatory Manager, Texaco Natural Gas	Dec 31, 2002
Stan Hemmeline	Manager, North America - West, ExxonMobil Gas Marketing Company	Dec 31, 2002
SERVICES SEGMENT		TERM END:
Julie Gomez	Vice President, Enron North America	Dec 31, 2001
Greg Lander	Principal, CapacityCenter.com	Dec 31, 2001
Rick Lentz	Senior Vice President of Business Transformation, TXU Energy Trading	Dec 31, 2002
Lyn Maddox	President & CEO, PG&E Energy Trading	Dec 31, 2002
Marty Patterson	Senior Vice President, IDACORP Energy	Dec 31, 2002

OFFICERS: Bill Boswell is 2001 chairman of the Board of Directors and Julie Gomez is second vice-chair and treasurer. Rae McQuade as Executive Director serves as secretary.



1. ANTITRUST GUIDELINES

- GISB 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.



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

1. ADOPTION OF AGENDA

- The proposed agenda, attached, has been distributed and is available on GISB'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.



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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Home Page: www.gisb.org

TO: GISB Board of Directors
FROM: Rae McQuade, Executive Director
RE: Draft Agenda for Board Meeting - December 5, 2001
DATE: November 21, 2001

Our final Board meeting in 2001 will be held on December 5 from 12:30 p.m. to 4:00 p.m. The meeting will be in the airport area for the convenience of those members traveling to Houston. The meeting specifics are below, and draft agenda follows.

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

ROOM: Amarillo Room

WHEN: Wednesday, December 5, 2001
12:30 p.m. to 4:00 p.m. Central (Note Earlier Start Time)

The hotel is located in the George Bush Airport complex (previously named Houston Intercontinental Airport) for the convenience of the Board members traveling to Houston, and can be reached from any of the four terminals through the airport transportation system. Coffee service will be available during the meeting. **Board members and presenters are also invited to a lunch with a buffet service to begin at 11:30 a.m. located in the Laredo Room of the Houston Airport Marriott Hotel.**

A printed copy of the materials for the meeting will be provided shortly to the directors, the Executive Committee officers and the presenters. The materials will be posted on the GISB Home Page in the "Board of Directors" area for attendees to download. This meeting, as with all GISB meetings, is open for attendance by any interested party.

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



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GAS INDUSTRY STANDARDS BOARD OF DIRECTORS MEETING

**Marriott Airport Hotel, 18700 JFK Boulevard, Houston, Texas
Amarillo Room**

Wednesday, December 5, 2001 -- 12:30 p.m. to 4:00 p.m. Central

DRAFT AGENDA

- 12:30 p.m.
1. Welcome & Administrative Items
 - Antitrust Guidelines
 - Agenda Adoption
 2. Adoption of Minutes from September 19, 2001
 3. Retail Gas & Electric and Wholesale Electric Standards Development Consideration and Vote on Bylaws and Certificate.
 - Resolution for Proposed Organization Name Change, Conforming Change to the Certificate
 - Resolution for Proposed Bylaws
 - Discussion on Upcoming DOE Meeting December 7, 2001
 4. Annual Plan
 - 2001 Plan Update
 - 2002 Proposed Plan for the Wholesale Gas Quadrant
 5. Finance Reports
 - Current Year Financials
 - 2002 Proposed Budget
 6. Membership Report
 7. Other Business
- 4:00 p.m.
8. Adjourn



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

2. ADOPTION OF MINUTES

- The minutes of September 19, 2001 are posted on the home page for review and are included in these materials for vote to adopt.
- 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.



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TO: GISB Board of Directors, Posting for Interested Industry Participants

FROM: Rae McQuade, Executive Director

RE: Draft Minutes from the GISB Board of Directors Meeting – September 19, 2001

DATE: September 19, 2001

**GAS INDUSTRY STANDARDS BOARD
GISB BOARD OF DIRECTORS MEETING**

**Hyatt Regency Hotel, Houston, Texas
September 19, 2001**

DRAFT MINUTES

1. Opening Remarks

Mr. Boswell opened the Board of Directors meeting and welcomed the Board members, speakers and observers to the meeting. He asked that the group observe a moment of silence for all the victims of the September 11 attack. Mr. Costan read the antitrust charge. Nancy Laird and John Procaro were introduced as new Board members. The agenda was adopted with no changes.

2. Adoption of Minutes

The minutes of June 7, 2001 were adopted with changes presented by Ms. Dale Davis on behalf of Board member Ron Mucci.

3. Sunset Provision

The motion was made to extend GISB's existence to December 31, 2004. All Board members were in favor of extending GISB's life to 2004.

4. Remarks From Commissioner Nora Mead Brownell

Mr. Boswell introduced Commissioner Brownell, who provided remarks for the upcoming discussion and vote on energy industry standards organization [since named the North American Energy Standards Board, "NAESB"]. She emphasized with a strong sense of urgency that from FERC's perspective, they are ready to see GISB make this transition and move forward in standards development. She further noted that the difference between reliability and business standards can be worked out and should not impede the progress of building the new organization.

5. Energy Standards Board

There was discussion on industry activities, a description of Strawman 2.1 with a Q&A session with board members, and a description of the legal options available to the Board. In discussion on the legal options, Mr. Lander asked that Mr. Costan modify the legal options document to reflect that new board members were elected – (revised document attached).



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Mr. Mucci asked that several clarifications be made to the changes to the articles of incorporation, all of which were supported by the Board members, and are provided as an attachment to these minutes. Several Board members raised concerns on how determination would be made that there was an active quadrant. It was noted that this concern should be addressed in the bylaws. Similarly, there was a concern raised that during the transition, if not all of the quadrants are active, how would the Board make decisions. It was noted that the decisions would be made by those quadrants that were active, which will also be specifically addressed in the bylaws. There was concern that the term "model business practices" was introduced, but there was no apparent difference between it and a "standard". In response, it was noted that some state commissions preferred the term "model business practices", as they determined that they are the only entity to set standards. In discussion, it was emphasized that only the Board can change the bylaws, and that as we proceed and further changes to the bylaws are needed, each active quadrant would vote on the changes to the bylaws.

In discussion on Strawman 2.1, it was raised that the limitations identified in footnote 1 should be removed and each quadrant determine for itself which standards should be developed – thus providing flexibility and simplicity. The footnote referred to is "the activities of the new organization would not extend to the development of standards for physical safety, physical reliability, facilities construction, equipment manufacture or the operation of natural gas or electrical equipment such as those established by the AGA or NERC." After discussion, it was determined not to change the strawman text, but to provide guidance to the Board Task Force and Jay Costan as the bylaws are drafted, that the strawman language in the preamble is not intended to be a limitation on how the bylaws are drafted. There were questions on the joint development of standards –what mechanisms are in place to allow it (triage assignment and reconsideration) and what protections are in place for each quadrant (voting requires a super-majority of each applicable quadrant on the Executive Committee (67%) along with a minimum requirement per segment (40%). As a final concern, it was noted that one market interest (electricity) might dictate a course of action to another market interest (natural gas). The voting rules would prevent such an occurrence, and the Board should be vigilant to ensure that no such direction can occur.

The Board took the following steps:

- The motion was made and unanimously accepted to endorse strawman 2.1 with the following provision that the language in the strawman preamble is not meant to be a limitation on how the bylaws are drafted.
- The motion was made and unanimously accepted to amend the articles of incorporation to permit GISB to consider wholesale and retail electric issues, not earlier than January 1, 2002, with the changes noted by Mr. Mucci, Mr. Lander and Mr. Costan.
- The motion was made and unanimously accepted to file the amended articles of incorporation to be effective January 1, 2002.
- The motion was made and unanimously accepted to have the general counsel prepare preliminary bylaws to transform GISB into an energy industry standards organization consistent with Strawman 2.1, coordinate said drafting with the Board Task Force, circulate the draft bylaws for industry comment and present said amended bylaws to the Board for its consideration at the December 2001 meeting.



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6. Annual Plan

Mr. Buccigross reviewed the 2001 Annual Plan efforts and responded to questions. He noted that version 1.5 of the standards has been published. For the contracts issues, the short-term base contract for purchases and sales ("Base Contract") has been amended by the subcommittee and is now being reviewed for inclusion of a Canadian addendum. The effort to develop an electronic contract will begin once the current efforts on the Base Contract conclude. However, the XML Subcommittee is pilot testing an electronic version of the Base Contract, which might be used in this effort once it begins. Similarly, the efforts to develop a long-term contract will begin once the efforts on the Base Contract conclude. No work has begun on the provisional activities as no detailed requests have been submitted to the GISB office. While the EDM Subcommittee presented a final work product to the Executive Committee ("EC") last month regarding the Sandia report, the EC requested additional materials be prepared including redlined sections of the EDM manual. It was reported to the EC that the business practice standards related to Order 637 are complete, and that the technical implementation aspects are now being addressed. The XML Subcommittee is working on two pilot tests for contracts and scheduling. In maintenance, the Business Practices Subcommittee has reported for the first time in its existence that there is no backlog of requests.

7. Financial Reports

Ms. McQuade and Ms. Wishart reviewed the financial statements through July 31, 2001 and described the variances. There were no significant variances either in expenses or in revenues.

8. Membership

Ms. McQuade presented the membership report. The membership numbers are flat. As we have lost members, we have added new ones.

9. Other Business and Adjournment

Mr. Brooks, through a submittal from GISB, is receiving an ANSI Meritorious Service Award at the upcoming Standards Day Banquet. Mr. Boswell thanked all who contributed to the effort to move to an energy standards board.

The meeting adjourned at 3:30 p.m.



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8. Attendance

Segment	Board Member Name	Member Company	Present
End Users	Janie Mitcham	Reliant Energy	Ballot
	Paul Karns	Florida Power and Light	Ballot
	Lee Smith	Midland Cogeneration Venture	Yes
	John Procaro	Cinergy	Ballot
	Jim Templeton	Comprehensive Energy Services	Yes
LDCs	Bill Boswell	CNG (Dominion)	Yes
	Walt DeForest	National Fuel Gas Distribution	Yes
	Adrian Chapman	Washington Gas and Light	Yes
	Reed Horting	PECO Energy	Yes
	Lee Stewart	SoCal Gas	Ballot
Pipelines	John Somerhalder	El Paso Natural Gas	Yes
	Stan Horton	Enron Transportation Group	Yes
	Terry McGill	Columbia Gulf Transmission	Yes
	Ron Mucci	Williams Gas Pipeline	Phone
	Richard Kruse	Duke Energy Gas Transmission	Yes
Producers	Stan Hemmeline	ExxonMobil	Yes
	Allan Knopp	Conoco	Ballot
	Bill Benham	BP Energy	Ballot, Yes
	Nancy Laird	PanCanadian	Phone
	Abigail Bailey	Texaco Natural Gas	Ballot
Services	Rick Lentz	TXU Energy Trading	Yes
	Julie Gomez	Enron Capital & Trade	Yes
	Greg Lander	CapacityCentral.com	Yes
	Lyn Maddox	PG&E Energy Trading	Yes
	Marty Patterson	Idaho Power	Yes



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Presenters: Jim Buccigross Group 8760, Chairman 2001 Executive Committee

GISB: Rae McQuade Executive Director
Jay Costan McGuire Woods Battle & Boothe, General Counsel
Laurie Paulson Hoffman Paulson Associates
Cheryl Hoffman Hoffman Paulson Associates
Bruce Ellsworth GISB Advisory Committee Chairman
Darla Wishart Checks and Balances

Observer	Company Represented	GISB Member
Miriam Arnaout	American Gas Association	✗
Alex DeBoissiere	Cinergy	✓☐
Bill Grygar	CMS Panhandle Eastern Pipe Line	✓
Kim Van Pelt	CMS Panhandle Eastern Pipe Line	✓
Michael Hansen	Columbia Gulf Transmission	✓
Cynthia Corcoran	Corcoran Law Offices - BTUWatch.com	✓
Mike Shahan	Dominion	✓☐
Iris King	Dominion Transmission	✓☐
Mark Scheel	Dynegy Inc.	✓
Mike McGrath	Edison Electric Institute	✗☐
Suzanne Calcagno	Enron North America	✓☐
Charles Yeung	Enron Power Marketing	✗☐
Theresa Hess	Enron Transportation Services	✓
Randy Young	Gulf South Pipeline	✓☐
Dolores Chezar	KeySpan Energy	✓☐
Leigh Spangler	Latitude Technologies	✓
Mark Temple	Mirant	✓☐
Craig Glazer	PJM Interconnection	✗☐
Trent Carlson	Reliant Energy	✓☐
Mark Gracey	Tennessee Gas Pipeline	✓☐
Dale Davis	Williams Gas Pipeline	✓

TO: GISB Board of Directors
Jim Buccigross
Rae McQuade

FROM: Jay Costan
Alana Deere

DATE: September 6, 2001

RE: Options for GISB Transition to EISB – Revised by the Board of Directors,
September 19, 2001

The Gas Industry Standards Board ("GISB") is currently involved in discussions with other industry groups on the formation of an Energy Industry Standards Board ("EISB") that would succeed GISB and be responsible for establishing business practice standards for both the gas and electric industries. As presently conceived, the proposed new EISB would be made up of four separate industry quadrants: (i) wholesale gas (i.e., successor of the current GISB), (ii) wholesale electricity, (iii) retail gas, and (iv) retail electricity. A proposal known as "Strawman 2.1" describing how the new standards board would be organized is now being circulated among industry representatives for consideration. Under the Strawman 2.1 proposal, each quadrant would be made up of a designated number of segments to be determined by the quadrant, which would have equal representation on the Board and on the Executive Committee for that quadrant. As discussions within the industry progress, Strawman 2.1 may evolve into Strawman 2.2, representing an industry consensus on the appropriate governing structure for a new EISB.

One of the major hurdles involved in moving from GISB to EISB is determining the most suitable organizational vehicle for making the transition. This memorandum discusses three possible alternatives for the transition from GISB to EISB. It assumes that the EISB entity will be based on the current GISB structure and, once established, will be the functional successor of GISB. The three transition alternatives are:

1. Amend GISB's Articles of Incorporation and By-laws to expand the existing structure to include the more comprehensive EISB structure;
2. Create a new EISB entity that would incorporate the existing GISB members and, upon reaching critical mass, dissolve GISB;
3. Create a new EISB entity that would merge with GISB.

A variety of factors can influence the selection of a particular alternative for the transition. These include the extent to which the alternative affords flexibility in the "ramping up" of the new organization; the extent to which the particular alternative requires submission of a new application for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code and the extent to which the new organization would be perceived as representative of the entire industry, as opposed to a particular quadrant. Also, because GISB is expected to receive ANSI certification very soon, there is the additional issue of transferring such certification to a new entity.

Each of the three organizational alternatives is evaluated below.

Executive Summary

There is no advantage, in terms of Delaware corporate law, to creating a new entity, rather than adapting the existing GISB structure to include the new quadrants encompassed within EISB. In both cases, the goal is to have one entity that incorporates all energy sectors. The most straightforward and cost-effective way to accomplish this appears to be Option 1, which would involve using the existing GISB structure and transforming GISB into EISB through changes to GISB's Certificate of Incorporation and By-Laws to reflect the character and structure of the proposed EISB organization.

Several tangible steps seem necessary to accomplish this transition. First, the GISB Board would need to adopt a resolution reflecting its support for the Strawman 2.1 proposal, as well as its commitment to the consensus-building effort necessary to construct and populate EISB along the lines described in the Strawman 2.1 proposal. Second, depending on the perceived need to lend palpable substance to the transition process, the GISB Board at the same time could adopt a resolution amending the Certificate of Incorporation to permit the actual legal transformation of GISB into EISB. Third, and most critically, the Board would need to pass amended By-laws to reflect the character and function of the new EISB organization at the conclusion of the industry-wide consensus-building effort involving the Strawman proposal.

As part of the consensus-building effort, new members would be enlisted through letters of intent. Virtually simultaneously with the adoption of new By-laws at the end of the consensus-building effort, the letters of intent of subscribers would be exchanged for membership in the new organization. A timeline setting forth the various steps with an assumed September 2001 start date and a March 2002 date for actual commencement of operation of EISB is attached as an appendix.

1. Amend GISB Documents to Expand Into EISB

This alternative would require amending GISB's Certificate of Incorporation to change the name to EISB and to expand the purpose of the organization to include

EISB objectives.¹ There are two ways to accomplish this. One is to file one or more certificates of amendment to the existing Certificate of Incorporation with the Delaware Secretary of State. The other is to file a restated Certificate of Incorporation that would include all amendments to the Certificate of Incorporation into a new complete certificate.² Since the purpose here is to transform the existing organization into something new, the development and filing of a restated Certificate of Incorporation would seem to be the more logical choice. The amendments would also require notifying the IRS of the expanded purpose to ensure that the expanded organization continues to qualify for tax-exempt status.

Probably the most challenging aspect of making the transition is developing the industry consensus and "comfort level" among all key participants to move forward. Important to this consensus-building process is the absence of any perception that the new organization is somehow controlled or directed by GISB. Thus, while GISB has invaluable experience in the standard-setting area that will be critical to the formation of a new organization, the governing documents of the new organization will need to reflect a cross-industry consensus effort. This concern has minimal effect in the case of the Certificate of Incorporation because the powers in the Certificate are broadly stated. However, it could be a significant issue in the case of the By-laws, where the functions and membership of each quadrant and of the Board and Executive Committee, as well as the organization's voting procedures, will be fleshed out in detail.

The process of building industry consensus takes time and makes it difficult to predict when the necessary support -- both philosophical and financial -- for a new organization will materialize. This timing issue, in turn, complicates any effort by GISB to make structural changes until support for the new organization is essentially a fait accompli. Two alternatives seem possible vis-à-vis GISB Board action.

The first of these would essentially contemplate that GISB take the lead in developing an organizational structure. Under this alternative, the Board would adopt the necessary amendments to its Certificate of Incorporation based on its perception that industry consensus is inevitable but that the consensus-building process needs a boost to spur the legal transformation from GISB into EISB. The first tangible step would be to adopt resolutions to (1) reflect GISB's support of the Strawman 2.1 proposal; and (2) amend GISB's Certificate of Incorporation to change its purpose to conform to the Strawman 2.1 proposal for an energy industry standards organization. At a later date (possibly at the December 2001 Board meeting), to further stimulate the industry-wide consensus-building process, the Board might wish to endorse a set of By-Laws for EISB. Once final industry consensus is reached, the GISB Board would adopt amended By-laws to reflect the industry consensus on EISB. It is contemplated that GISB would limit its standard-setting activity to wholesale gas markets served by

¹ Under Section 242(a)(2) of the Delaware General Corporation Law, "a corporation may amend its certificate of incorporation, from time to time, so as: (1) To change its corporate name; or (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes."

² See Delaware General Corporation Law § 245.

interstate pipelines until such time as industry consensus is reached on some version of Strawman 2.1 and new By-Laws are adopted to reflect such consensus. There is a possibility that the consensus-building process could be concluded as early as December of this year.

The second alternative would reflect a "GISB follow" approach. The GISB Board would adopt a resolution reflecting support for the Strawman 2.1 proposal currently under consideration and expressing support for formation of a new EISB that is substantially along the lines of Strawman 2.1. Under this scenario, industry negotiations would continue until a consensus is reached. This consensus could be reflected by letters of intent to support the new organization. Once the appropriate number of letters of intent were executed to reach critical mass, the GISB Board would vote to amend its Certificate of Incorporation and By-Laws to reorganize as EISB along the lines of the consensus industry proposal. Concurrently therewith, the membership of the new organization would be expanded consistent with the commitments in the letters of intent.

Of these alternatives, the first is probably superior because of the perceived need to take tangible steps now to move from the "talking" stage of Strawman 2.1 to the first stage of actual implementation. Industry discussions of creating an energy industry standards organization have now been ongoing since at least October 1999, and consensus on the need to create such an organization seems fairly clear. At the same time that industry consideration of creating an EISB has intensified, so has interest in, and support of, such an organization galvanized among federal and state regulators. Notably, the Chairman and two Commissioners of the FERC are on record as staunchly supporting formation of an EISB, sooner rather than later. Nevertheless, because the process of actually forming and populating such an organization will represent dramatic change for some of the affected industry sectors, there is a certain amount of inertia inherent in taking what is generally recognized as a very useful concept and transforming it into an actual functioning organization. To counter such inertia and help jump-start the legal transformation of GISB into EISB, a compelling argument can be made that GISB should take the lead and amend its Certificate of Incorporation to conform to Strawman 2.1 while the industry consensus-building process continues to refine the details of Strawman 2.1. Indeed, the persistent argument that GISB is now the only organization with sufficient credibility to attract broad industry support seems to underscore the need for GISB to act.

The downside of any such action is the possibility that EISB will be perceived as GISB-controlled, which might interfere with the consensus-building process. The counter to any such perception, however, is the recognition that GISB lacks the power to exert any such control. GISB is just one quadrant of what will ultimately be a four-quadrant organization. Until the industry-wide consensus-building process is concluded, GISB, through its annual plan, will limit its standard-setting activity to wholesale gas standards. As GISB's entire history demonstrates, its sole concern is to support an effective consensus-building effort and, in the case of EISB, once critical mass has been reached in support of an industry-wide proposal, to lend its

organizational structure and tax-exempt status to the new organization for a quicker and less costly start.

A timeline illustrating how the "GISB lead" option would work under optimal conditions using a September 2001 start date and a March 2002 completion date is appended hereto.

Depending upon the pace at which the industry is willing to move, it is possible that not all quadrants will have sufficient members at the time the new organization is started. Indeed, the organizers of EISB may choose to add quadrants one at a time, ensuring that each is running smoothly before moving to the next quadrant. The initial By-laws could be devised to accommodate four "active" quadrants, allowing for the possibility that a quadrant could be dormant until it reached critical mass, which could be defined in the organizational documents.

Advantages: Creating EISB by way of using the existing organizational structure of GISB has several advantages. It would save time and expense over creating a new entity. The existing entity already has a Section 501(c)(6) certificate, avoiding the time and expense of filing a new application for tax-exempt status. Although notice of the changes must be provided to the IRS, the existing tax-exempt status would continue without interruption unless the IRS takes action, which is not viewed as likely. Also, GISB has an experienced staff well-versed in the processes and procedures that are critical for a successful industry standards organization. The intellectual capital available from GISB's experience would tend to lower substantially the start-up costs of a new organization, minimize mistakes and avoid reploting ground that has already been covered before. Finally, GISB is very close to receiving final certification from ANSI, which involved a six-year application process and lends significant stature to GISB as a standards-setting organization.

Disadvantages: The chief drawback of using the existing GISB organization as the platform is that it might be perceived as being subject to the direction or control by GISB. This perception, however, could be dispelled fairly easily by continuing to allow EISB to develop on a parallel track through the industry-wide consensus-building process and voting to amend the By-laws of GISB only after the industry-wide consensus building effort evidences that the time to do so is ripe. Given what has gone into Strawman 2.1, and the support it has enjoyed up to this point, it is possible, if not likely, that the industry-wide consensus-building effort could be completed this fall in time for the December 2001 Board meeting.

2. Create New EISB Entity and Dissolve GISB

This alternative would require incorporating an entirely new organization, including the filing of a new Certificate of Incorporation and By-laws. Once the new EISB organization was running, GISB members would need to vote to dissolve GISB. Members of GISB would make up the Wholesale Gas Quadrant of EISB. Also, EISB would have to file a new Section 501(c)(6) application for tax-exempt status.

Dissolution of GISB would require the filing of a certificate of dissolution³ and transfer of GISB's assets to EISB. GISB would need to ensure that all assets are transferable to the new entity, i.e., that the assets themselves do not have limitations preventing transfer to the new organization.

Advantages: This alternative may avoid the complications of amending and transitioning the existing GISB structure to the new EISB structure, by allowing potential members to start from scratch. In addition, starting a new organization from scratch might be perceived as more "independent" than using the GISB organizational structure as the foundation.

Disadvantages: This alternative would require the filing of all new documents to create a new non-profit entity, thus increasing the time and expense involved. Also, a new Section 501(c)(6) application would take longer to process. Further, the pending ANSI certification would expire with the dissolution of GISB, requiring a reapplication at some future date and leading to uncertainty as to when and if such certification might be forthcoming (it has taken GISB six years to obtain certification). Finally, the new entity would need to hire its own staff independently from GISB, thus duplicating some costs and foregoing the savings made possible through the GISB staff's experience in running a standards organization.

3. Continue GISB, Create New EISB Entity, Then Merge Both Entities

As in the previous alternative, this alternative would require incorporating an entirely new organization, including the filing of a Certificate of Incorporation and the creation of a new set of By-laws. However, the two organizations would be merged, rather than GISB dissolving. The merger process would require the filing of articles of merger, which would amend the Articles of Incorporation, and would also require the merger of all financial systems and other administrative systems,⁴ although this process could be simplified if the new entity were created with the merger as a goal after a certain period of time or upon EISB's reaching a critical mass.

Advantages: There is no particular advantage to creating an entirely new entity and merging that entity with an existing entity when the existing entity can either be expanded to cover a more comprehensive purpose and to include more segments, or be dissolved.

Disadvantages: This alternative would be slightly more complex and costly than option two without any discernible advantages.

³ See Delaware General Corporation Law §§ 275 and 276.

⁴ See Delaware General Corporation Law § 255.

Conclusion

There is no discernible advantage to creating a new entity, as opposed to adapting the existing GISB structure to include the new quadrants encompassed within an EISB. The ultimate goal is to have one entity that incorporates all energy sectors, and the most straightforward and cost-effective way to do that appears to be Option 1, which would involve transforming GISB into EISB. Specifically, this would entail (i) a resolution by the GISB Board at the outset showing support for the Strawman proposal, (ii) helping to jump-start the transition to a new organization with a resolution by the Board adopting amendments to the Certificate of Incorporation to revise its purpose consistent with Strawman 2.1, and (iii) then building the necessary consensus for an EISB organization through letters of intent. Once critical mass is reached to support the consensus proposal, the GISB Board would vote to amend the By-laws to change its structure and function to reflect the consensus industry proposal. Concurrently with that action, the letters of intent submitted by subscribers would be exchanged for membership in the new organization. A timeline illustrating how this approach might be implemented over a September 2001 through March 2002 timeframe is attached.

APPENDIX

Possible Timeline for EISB Approval Process

September 19, 2001	Adoption of GISB Board Resolutions endorsing Strawman 2.1 proposal, supporting industry consensus-building effort, amending Certificate of Incorporation to allow for functional transformation to EISB beginning January 1, 2002, and directing GISB General Counsel to draft amended By-Laws consistent with Strawman 2.1 proposal
Post September 19, 2001	Continuation of consensus-building effort across the gas and electricity industries to build critical mass in support of strawman proposal; solicitation/execution of Letters of Intent by companies interested in joining EISB organized along lines reflected in strawman proposal
December 5, 2001	Adoption of GISB Board Resolution endorsing Strawman 2.1 By-Laws reflecting the results of the industry consensus-building effort, changing name of GISB and making conforming changes to Certificate of Incorporation
January - March 2002	Conversion of Letters of Intent into membership in new organization; formation and organization of additional Quadrants and election of members to constitute a functioning Board of Directors and Executive Committee for EISB; consideration by Board of Directors of any additional conforming amendments to Certificate of Incorporation or By-laws to reflect industry consensus proposal on EISB

Assumptions:

The progress of events reflected in this timeline assumes (1) consensus among the GISB Board on support of the Strawman 2.1 proposal at the time of the September 2001 Board meeting; (2) indications of strong industry support for the strawman proposal through trade association and individual company responses at the time of the September 2001 GISB Board meeting; and (3) cooperation of counsel for interested parties in the drafting of any changes to the Certificate of Incorporation or Strawman By-Laws during the last quarter of 2001.

GAS INDUSTRY STANDARDS BOARD
Resolutions Regarding Continuation of Gas Industry Standards Board
Through December 31, 2004

WHEREAS, Article 1, Section 2 of the Certificate of Incorporation of the Gas Industry Standards Board (“GISB”) provides in pertinent part that:

[N]o later than December 31, 2001, GISB’s Board of Directors shall submit to the members a resolution whether GISB shall continue. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to continue GISB.

WHEREAS, the Board of Directors desires to continue GISB and to provide that the next vote on its continuation shall be no later than December 31, 2004;

NOW, THEREFORE BE IT:

1. RESOLVED, that GISB shall continue subject to a further vote on its continuation no later than December 31, 2004.

2. FURTHER RESOLVED, that the Board of Directors of GISB directs its General Counsel to prepare and file with the Secretary of State of Delaware an amendment to Article I, Section 2 of the Certificate of Incorporation to conform the Certificate to the substance of Resolution No. 1 above, once the Board of Directors and the membership of GISB vote affirmatively in favor of said Resolution, as required by Article V, Section 3 of the Certificate.

GAS INDUSTRY STANDARDS BOARD

Resolutions Regarding Support for Creation of Energy Industry Standards Organization

WHEREAS, for the past two years representatives of both the gas and electric industries have had under consideration the creation of an energy industry standards organization that would develop and administer voluntary standards and model business practices related to the electronic exchange of information, record and data formats, communications protocols and related business practices that streamline the transactional and coordination processes of the electric and gas industries for both wholesale and retail markets; and

WHEREAS, a significant and growing number of individuals, corporations, trade associations and government agencies, including both the Federal Energy Regulatory Commission and the United States Department of Energy, have expressed support for such an organization through the expansion of the Gas Industry Standards Board (“GISB”) to take on the additional responsibilities of developing and administering standards and model business practices for gas retail markets and for electric wholesale and retail markets; and

WHEREAS, in response to the growing interest in the creation of an energy industry standards organization, a GISB task force has drafted “Strawman” proposals for consideration by the industry and affected regulatory agencies, the most current of which as of June 2001, known as “Strawman 2,” was included with the June 2001 GISB Board of Directors materials;

WHEREAS, subsequent to the June 2001 Board meeting, and in conjunction with a meeting hosted by the Department of Energy on August 14-15, 2001 to discuss the Strawman 2 proposal as the vehicle for creation of an energy industry standards board, the GISB task force has received oral and written comments from a number of interested parties, which comments have been considered by the GISB task force and incorporated into a revised proposal known as “Strawman 2.1,” which has been included with the September 2001 GISB Board of Directors materials;

NOW, THEREFORE BE IT:

1. RESOLVED, that the Gas Industry Standards Board supports the creation of an energy industry standards organization to consider, adopt and administer voluntary standards and model business practices for the wholesale and retail gas and electric industries in substantially the form presented to the Board of Directors as Strawman 2.1.

2. FURTHER RESOLVED, that the Board of Directors of GISB:

- A) amends the Certificate of Incorporation of GISB to expand its purpose to permit consideration of electric wholesale and retail standards and model business practices, effective as of January 1, 2002, all as described in Appendix A hereto;
- B) upon ratification of the amendments to the Certificate of Incorporation by the membership, directs its General Counsel in coordination with the Executive Director to file such amendments to the Certificate of Incorporation with the Secretary of State of Delaware, including the authority to file such amendments as a Restated Certificate of Incorporation under Delaware General Corporation Law § 245, so that the amendments will be effective as of January 1, 2002; and
- C) directs its General Counsel to draft amended Bylaws that will transform GISB into an energy industry standards organization consistent with Strawman 2.1, coordinate said draft with the Board Strawman Task Force, and present said amended Bylaws to the Board for its consideration at the
December 2001 meeting.

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF

GAS INDUSTRY STANDARDS BOARD INC.

Gas Industry Standards Board Inc., (the "Corporation"), a non-stock corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

1. That the Certificate of Incorporation of the Corporation dated September 22, 1994 is hereby amended as follows:

A. Article I, Section 2 shall be amended to delete the phrase "no later than December 31, 2001," and shall read in its entirety:

"Section 2. The period of duration of GISB is PERPETUAL. GISB may be dissolved at any time in the manner provided in the Statute; provided, however, that no later than December 31, 2004, GISB's Board of Directors shall submit to the members a resolution recommending whether GISB shall continue. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to continue GISB."

B. Article II, Section 1 shall be amended and shall read in its entirety:

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

C. Article III, Section 2 shall be replaced and shall read in its entirety:

"Section 2. The Board of Directors and Executive Committee members shall be elected for such terms as provided in the By-Laws. There may be as many as four Quadrants and each Quadrant will be composed of industry segments. The members of each Segment shall vote separately for the election of its Directors and Executive Committee members pursuant to procedures set forth in the By-Laws."

D. Article III, Section 4 shall be amended to delete all text following the first paragraph.

E. Article V, Section 3 shall be replaced and shall read in its entirety:

"Section 3. An affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, which vote must be ratified by a ninety percent (90%) affirmative vote of the general membership, shall be required to approve an amendment of this Certificate, including GISB's scope and purposes described in Article II, to continue GISB pursuant to Section 2 of Article I, to expand or contract the activities of GISB pursuant to Section 3 of Article I and to

consolidate the functions of the Board of Directors and the Executive Committee pursuant to Section 4 of Article I. No quorum of the members shall be required for such votes.”

F. Article V, Section 4 shall be replaced and shall read in its entirety:

“Section 4. An affirmative vote of at least sixty-seven percent (67%) from each of the applicable Quadrant(s) of the Executive Committee, including an affirmative vote of at least forty percent (40%) from representatives of each Segment within each of the applicable Quadrant(s), which vote must be ratified by a sixty-seven percent (67%) affirmative vote of those members of the applicable Quadrants of the general membership voting, shall be required to adopt, promulgate, amend, revise, modify, interpret, or rescind a standard. No quorum of the members shall be required for such vote.”

G. Article V, Section 5 shall be replaced and shall read in its entirety:

“Section 5. The By-Laws may be adopted or amended by the Board on an affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, provided that procedures pertaining to any Segment separately that are attached to the By-Laws must first be approved by a majority of the Directors representing such Segment.”

H. Article V, Section 6 shall be replaced and shall read in its entirety:

“Section 6. An affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, shall be required to determine how to fund a budget deficit or to establish or modify a promotional dues program.”

I. Article IX is deleted in its entirety.

2. That the foregoing amendments to the Certificate of Incorporation have been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the said Gas Industry Standards Board Inc., has caused this Certificate to be executed by its duly authorized Secretary this 31st day of December, 2001.

GAS INDUSTRY STANDARDS BOARD INC.

By: _____ Rae McQuade

Name: Rae McQuade

Title: Secretary



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

3. RETAIL GAS & ELECTRIC AND WHOLESALE ELECTRIC STANDARDS DEVELOPMENT CONSIDERATION AND VOTE ON BYLAWS AND CERTIFICATE

Retail Gas & Electric and Wholesale Electric Standards Development Consideration and Vote on Bylaws and Certificate.

- Resolution for Proposed Organization Name Change, Conforming Change to the Certificate
 - Resolution for Proposed Bylaws
 - Discussion on Upcoming DOE Meeting December 7, 2001
-
- The Board will discuss the new organization's name with a conforming change to the certificate. The Board will be asked to take action on the provided resolution for the name change, which will require changes to our governance documents and would require a super-majority "19/2"¹ vote.
 - The Board will discuss the proposed redlined bylaws. The Board will be asked to take action on the provided resolution for adoption of the bylaws, which will require changes to our governance documents and would require a super-majority "19/2" vote.
 - The certificate with redlined changes is provided for reference.
 - The upcoming DOE meeting will be discussed and the meeting announcement is included.
 - If Board members are unable to attend, a ballot is attached in tab 7 so that they can vote notationally.

1. A "19/2" vote is required for any action the Board takes that changes the certificate or the bylaws. For an action to pass, at least 19 out of a possible 25 votes are required to be affirmative, and at least two affirmative votes are required from each segment.

GAS INDUSTRY STANDARDS BOARD

RESOLUTION REGARDING CHANGE OF NAME TO NORTH AMERICAN ENERGY STANDARDS BOARD, INC.

WHEREAS, for the past two years representatives of both the gas and electric industries have had under consideration the creation of an energy industry standards organization that would develop and administer voluntary standards and model business practices related to the electronic exchange of information, record and data formats, communications protocols and related business practices to streamline the transactional and coordination processes of the electric and gas industries for both wholesale and retail markets; and

WHEREAS, a significant and growing number of individuals, corporations, trade associations and government agencies, including both the Federal Energy Regulatory Commission and the United States Department of Energy, have expressed support for such an organization through the expansion of the Gas Industry Standards Board ("GISB") to take on the additional responsibilities of developing and administering standards and model business practices for gas retail markets and for electric wholesale and retail markets; and

WHEREAS, at its September 19, 2001 meeting, the Board of Directors of GISB adopted resolutions to amend the Certificate of Incorporation of GISB to expand the scope of the organization to permit consideration of electric wholesale and retail standards and model business practices, effective as of January 1, 2002; and

WHEREAS, in recognition of the industry-wide support of an energy industry standards organization, it appears appropriate to change the name of GISB to the North American Energy Standards Board, Inc. to reflect the organization's broader purpose;

NOW, THEREFORE BE IT:

- 1. RESOLVED**, that the name of the Gas Industry Standards Board shall be changed to the "North American Energy Standards Board, Inc." effective as of January 1, 2002.

2. FURTHER RESOLVED, that the Board of Directors of GISB:

A) amends the Certificate of Incorporation of GISB to change the name of the organization to the “North American Energy Standards Board, Inc.,” which in shorthand shall be called “NAESB,” and instructs that the Articles of Incorporation be amended to substitute (i) “North American Energy Standards Board, Inc.” for “Gas Industry Standards Board, Inc.,” and (ii) “NAESB” for “GISB,” wherever such terms appear in the Certificate of Incorporation;

B) upon ratification of the above amendments to the Certificate of Incorporation by the membership, directs its General Counsel in coordination with the Executive Director to file such amendments to the Certificate of Incorporation with the Secretary of State of Delaware, including the authority to file such amendments (in conjunction with the earlier amendments adopted at the September 19, 2001 Board meeting, or separately) as a Restated Certificate of Incorporation under Delaware General Corporation Law § 245, so that the amendments will be effective as of January 1, 2002 or as soon thereafter as practicable; and

C) directs its General Counsel and Executive Director to take such other actions as necessary to carry out the purposes of this resolution.

GAS INDUSTRY STANDARDS BOARD

**RESOLUTION REGARDING ADOPTION OF BYLAWS FOR
NORTH AMERICAN ENERGY STANDARDS BOARD, INC.**

WHEREAS, at the September 19, 2001 Board meeting, the Board of Directors of the Gas Industry Standards Board (“GISB”) instructed its General Counsel to draft amended Bylaws that will transform GISB into an energy industry standards organization consistent with the Strawman 2.1 proposal that was provided to the Board in its meeting materials, to coordinate such draft Bylaws with the Board Strawman Task Force and to present said amended Bylaws to the Board for its consideration at the December 2001 meeting; and

WHEREAS, through the efforts of the General Counsel and the Board Strawman Task Force, a revised set of Bylaws has been developed to reflect GISB’s broader mission as a standards organization that will develop standards for gas wholesale, gas retail, electric retail and electric wholesale transactions, as approved in amendments to GISB’s Certificate of Incorporation adopted at the September 19, 2001 Board meeting; and

WHEREAS, concurrently herewith, the Board has adopted a resolution to change the name of GISB to the North American Energy Standards Board (“NAESB”) as of January 1, 2002 to reflect the organization’s broader purpose; and

WHEREAS, the Board deems it appropriate to adopt amended Bylaws to reflect the changes in structure and purpose resulting from the transformation of GISB into NAESB;

NOW, THEREFORE BE IT:

RESOLVED, that the Board of Directors of GISB:

A) hereby adopts the Bylaws of NAESB attached hereto as Appendix A in full substitution for the existing Bylaws of GISB effective January 1, 2002, or as soon thereafter as the change in name from GISB to NAESB becomes effective; and

B) directs its General Counsel in coordination with the Executive Director to take such actions as are necessary to carry out the purposes of this resolution.



Gas Industry Standards Board

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

TO: GISB Board of Directors
FROM: Ron M. Mucci, Board Task Force Chairman
RE: Draft Bylaws for Board Meeting - September 19, 2001
DATE: November 21, 2001

Dear Board Members,

The Task Force has prepared and attached the proposed redlined version of our existing bylaws to reflect the principles and concepts outlined in Strawman 2.1. In addition, we have incorporated, where appropriate, comments received from the retail gas and retail electric industry sectors as provided by the American Gas Association and the Uniform Business Practices - Retail Standards Board, respectively. Please take this opportunity to review and comment on the proposed bylaws prior to the Board meeting on December 5th. Your comments or questions may be directed to any of the task force members, the GISB office, or the GISB general counsel.

The proposed bylaws were prepared through a series of meetings and conference calls and I want to express my thanks to the task force participants who demonstrated strong commitment to this process through their painstaking review of the bylaws:

Representing the Board:

- Bill Benham, BP
- Bill Boswell, Dominion
- Julie Gomez, Enron North America
- Jack Hawks, PG&E representing Lyn Maddox
- Greg Lander, Capacity Center
- Marty Patterson, IDACorp Energy
- Richard Smith, ExxonMobil representing Bill Benham
- Jim Templeton, Comprehensive Energy Services

Acting as Liaisons:

- Jim Buccigross, Group 8760 - Chair of the EC
- Mike Novak, National Fuel Gas Distribution, Vice Chair of the EC
- Keith Sappenfield, PanCanadian Energy Services, Liaison to UBP-RSB group, the originator of the request to increase GISB's scope.

Without the task force members' contributions of time and expertise, it would not have been possible to prepare this work product. Please join me in thanking them for their commitment to our process and our organization.

Best Regards,

Ron

cc: Rae McQuade
Jay Costan

November 21, 2001

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BYLAWS

Of

~~**GAS NORTH AMERICAN ENERGY INDUSTRY**~~ **STANDARDS BOARD, INC. (NAESB)**

A Delaware Non-Stock, Non-Profit Corporation

ARTICLE 1 - DEFINITIONS

Section 1.1 Definitions

The following terms used in these Bylaws shall have the meanings set forth below.

A. "Act" means the Delaware General Corporation Law, as amended.

~~B. "Agent" means an individual, partnership, firm, corporation or other entity representing the interests of a member of NAESB, but who, itself, is not necessarily a member of NAESB.~~

~~C. "Balanced Voting" means that, in the context of EC Subcommittees and task forces, with respect to governance and Standards/Model Business Practices development, voting is governed by rules and procedures that provide for balance of interests among industry segments and quadrants participating in NAESB so as to avoid having any one interest exert undue influence over any decision.~~

D. "Board" means the Board of Directors of ~~the Gas Industry Standards Board, Inc.~~ NAESB.

- 22 E. "Certificate" means the Certificate of Incorporation, as amended from time to time, of
23 the ~~Gas Industry Standards Board, Inc.~~NAESB.
- 24 F. "Director" means an individual serving on the Board.
- 25 G. "EC" means the Executive Committee of the North American Energy Standards Board,
26 Inc. (in whole, as a Quadrant EC, or any combination of the Quadrant EC(s)), which is
27 authorized to adopt Standards or Model Business Practices.~~"EC" means the Executive~~
28 ~~Committee of the Gas Industry Standards Board, Inc..~~
- 29 H. "EC Subcommittee" means a subcommittee established by the EC pursuant to Section
30 §10.5 of these Bylaws.~~"EC Subcommittee" means a subcommittee established by the~~
31 ~~EC or any constituents part(s) of the quadrant(s) of the EC pursuant to Section 10.5 of~~
32 ~~these Bylaws.~~
- 33 ~~I. "GISB" means the Gas Industry Standards Board, Inc.~~
- 34 I. "Exhibit" means an attachment to these Bylaws.
- 35 J. "Majority" means a simple majority of each of the applicable Quadrants for the
36 purposes of voting.
- 37 K. "Members" means individuals and entities that satisfy the requirements for membership
38 set forth in Article 5 of the Bylaws, and includes Voting Members and Non-Voting
39 Members.
- 40 L. "Model Business Practice" means a directive, protocol or procedure for the conduct of
41 specified acts or transactions.,~~principally intended for us in the retail quadrants..~~
- 42 M. "NAESB" means the North American Energy Standards Board, Inc.
- 43 N. "Operating Procedures" means the policies and rules that govern the behavior and
44 operation of committees, subcommittees and task forces of NAESB, as established and
45 maintained by the Parliamentary Committee of the Board. They apply equally to all
46 Quadrants and Segments.

- 47 O. “Quadrant” means any one of the following industry sectors that make up NAESB: gas
 48 wholesale, electric wholesale, gas retail, and electric retail. A particular Quadrant may
 49 be referred to as the “Wholesale Gas Quadrant,” “Wholesale Electric Quadrant,”
 50 “Retail Gas Quadrant,” and “Retail Electric Quadrant.”
- 51 P. “Reconsideration” means a subsequent review of a Standard or Model Business
 52 Practice prior to ratification, as described in Section §10.3(h) of these Bylaws.
- 53 Q. “Segment” means one of the co-equal member groupingships of a given Quadrant, as
 54 defined by that Quadrant and approved by the Board as an Exhibit to these Bylaws.
 55 GISB representing the following five segments of the natural gas industry: End Users,
 56 Local Distribution Companies, Pipelines, Producers, and Services.
- 57 R. “Standard” means a directive, protocol or procedure for the conduct of specified acts
 58 or transactions, and includes Model Business Practices for such acts or transactions.
- 59 S. “Triage Process” refers to the actions taken from the time a request for a proposed
 60 Standard or a proposed Model Business Practice is received by the NAESB office,
 61 through consideration by the Triage Subcommittee, and until such time as the EC
 62 assigns the request to a Quadrant(s) for consideration.
- 63 T. “Voting Member” means an individual, partnership, firm, corporation or other entity
 64 whose NAESB dues are current and who meets the requirements for membership of a
 65 given Quadrant(s) and Segment(s), and who has joined such Quadrant(s) and
 66 Segment(s). A Voting Member may only be a member of multiple Quadrants and
 67 Segments if it has paid dues in each such Quadrant and Segment.

ARTICLE 2 - PURPOSES, SCOPE, ACTIVITIES AND POLICIES

Section 2.1 Purposes, Scope and Activities

The purposes, scope and activities of ~~GISB~~NAESB are set forth in Article II of the Certificate.

DRAFT FOR BOARD CONSIDERATION
REDLINED AS OF NOVEMBER 21, 2001 AGAINST THE ACTIVE BYLAWS OF THE ORGANIZATION

73 **Section 2.2 Policies**

74 (a) As expressed in Article IV, ~~Section~~Section §1 of the Certificate, ~~GISBNAESB~~'s policy
 75 is to encourage a widely-based membership of diverse stakeholders whose business
 76 interests are directly affected by the adoption of Standards and Model Business
 77 Practices for their commercial activities. Consistent with this approach, ~~GISBNAESB~~'s
 78 policy is that all meetings of ~~GISBNAESB~~, including those of its Members, Board, EC,
 79 Advisory Council (as established in Section §7.9)~~Committee~~, Board committees, EC
 80 Subcommittees and task forces, shall be open to any member of the public and the
 81 minutes thereof shall be available to the public, except as provided in ~~Section §~~9.1 of
 82 these Bylaws.

83 (b) The principles governing NAESB are:

84 **Independence** – NAESB should be an independent body. While it may have informal
 85 liaisons to trade associations, other standards organizations and government agencies, it
 86 should be a separately incorporated, fully independent, organization.

87 **Openness** -- NAESB should conduct its activities in the open. Openness should
 88 apply to all aspects of its organizational governance, elections and Standards or Model
 89 Business Practices development processes, including work products and related
 90 meetings. The meetings, agendas and items set for discussion and/or possible vote
 91 should be publicly noticed, and interested parties, regardless of membership should
 92 have the opportunity to participate.

93 **Voluntary** -- Participation in NAESB should be voluntary and adherence to its
 94 Standards and model practices should, from NAESB's perspective, also be voluntary.
 95 Membership should not be dependent upon whether the company seeking membership
 96 implements the Standards and Model Business Practices. NAESB will not maintain any
 97 type of enforcement activity.

98 **Balance of Interests** – The voting with respect to governance, ~~and~~ ~~Standards,~~
 99 Model Business Practices, and operating procedures ~~or practices development~~

100 procedures should provide for balance among industry Segments and Quadrants
101 participating in NAESB so as to avoid any one interest group or group of interests
102 having the ability to exert undue influence over any decision.

103 **Inclusivity** – All industry stakeholders should be identified and associated with a
104 Segment and Quadrant. All interested parties have the opportunity to participate in the
105 activities of the standards organization and to join NAESB.

106 **Consensus-Based Decisions** -- The voting rules should be constructed so that
107 decisions based upon consensus are encouraged. In addition, with respect to voting
108 upon the Standards or Model Business Practices issued or to be issued by NAESB,
109 energy Quadrants and their Segments should be assured that each energy Quadrant and
110 its Segments can protect its interests by requiring both super-majorities and a minimum
111 per Segment, and that a per Quadrant threshold be achieved for passage of such
112 Standards and Model Business Practices by NAESB.

113 **No Advocacy** – NAESB should be prohibited from taking advocacy positions on its
114 Standards or Model Business Practices as a party to any proceeding before a
115 governmental agency. This is not intended to preclude NAESB's duly authorized
116 representatives from educating or communicating with any group as to NAESB's
117 procedures and/or work product(s).

118 **Membership Driven** – NAESB should be membership driven. The paid staff should
119 perform administrative functions to support NAESB's activities. Requests for
120 Standard(s) or Model Business Practices should be proposed by identified persons and
121 not by NAESB or its committees and subcommittees. NAESB's staff should neither
122 have a vote nor a role with respect to conducting the affairs of NAESB other than to
123 provide ministerial functions.

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

127 Incorporate Best Practices – To the extent reasonable, the Standards and Model
128 Business Practices to be established should reflect standardization and streamlining of
129 activities chosen as best practices from among existing and reasonably anticipated
130 policies and practices.

131 Broad Applicability – To the extent reasonable, the Standards and Model Business
132 Practices to be established should be structured such than they can be applicable to
133 both the electric and natural gas industries. The two industries should work together to
134 develop Standards and Model Business Practices when joint Standards and Model
135 Business Practices are appropriate. However, where operating requirements dictate the
136 need for different approaches, discrete Standards and Model Business Practices will be
137 established separately by Quadrant(s).

138 ANSI Accreditation – NAESB will actively seek to transfer to itself the current Gas
139 Industry Standards Board accreditation as a American National Standards Institute
140 Standards Development Organization.

141 (c) It is the policy of GISBNAESB to comply to the fullest extent possible with both the
142 letter and spirit of all applicable federal and state laws and regulations, including the
143 antitrust laws. The purpose of the antitrust laws is to preserve and promote
144 competition. Any conduct that violates ~~the~~ Federal or State antitrust laws is detrimental
145 to the best interests of GISBNAESB and its Members, and is, therefore, –Therefore,
146 such conduct is flatly and unequivocally contrary to GISBNAESB policy. No officer,
147 employee or member of GISBNAESB is authorized by GISBNAESB to act contrary
148 to this policy.

149 Section 2.3 Quadrants and Segments

150 The procedures of eEach Quadrant and Ssegment's, respectively, ~~procedures~~ shall conform to
151 the policies of GISBNAESB as stated in the Certificate and these Bylaws. The Board shall have
152 authority to enforce these GISBNAESB policies with regard to ~~these the~~ procedures of the Quadrants
153 and Segments.

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154 In order to have representation on the Board or the EC, a Quadrant shall have at least forty
155 Voting Members and at least four Segments. Each Segment shall have at least five Voting Members.
156 This minimum representation requirement shall be reconsidered by the Board prior to March 31, 2003
157 and biannually thereafter.

158

159

ARTICLE 3 - OFFICES

160 **Section 3.1 Offices**

161 The registered office of GISBNAESB shall be located in Delaware. GISBNAESB may have
162 any number of other offices at such places as the Board may determine.

163

164

ARTICLE 4 - SEAL

165 **Section 4.1 Seal**

166 GISBNAESB may use a Corporate Seal. The Corporate Seal shall bear the name of
167 GISBNAESB, the year of its incorporation and the words "Corporate Seal, Delaware."

168

169

ARTICLE 5 - MEMBERS

170 **Section 5.1 Voting Members**

171 (a) The general requirements for Voting Membership are set forth in Article IV, Sections
172 §§1 and 2 of the Certificate. Individuals, partnerships, firms or corporations shall join
173 as Members through application for Voting Membership in one or more Quadrants and
174 Ssegments. The membership requirements for each Quadrant and Ssegment are set
175 forth in Exhibits 4-1 through 54.

176 (i) Each Voting Member shall be entitled to one (1) vote in person or by proxy,
177 and shall designate in writing the individual authorized to cast that vote.

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- 178 (ii) Each Voting Member may vote by proxy. Every proxy shall be executed in
179 writing by the Voting Member or by such Voting Member's duly authorized
180 attorney in fact and filed with the Secretary of ~~GISBNAESB~~. A proxy shall be
181 revocable at will, notwithstanding any other agreement or any provision in the
182 proxy to the contrary. The revocation of a proxy shall not be effective until
183 notice thereof has been given to the Secretary of ~~GISBNAESB~~. A proxy shall
184 not be revoked by the death or incapacity of the maker unless, before the vote
185 is counted or the authority is exercised, written notice of such death or
186 incapacity is given to the Secretary of ~~GISBNAESB~~. No proxy shall be valid
187 after three (3) years from the date of its execution unless otherwise provided in
188 the proxy.
- 189 (iii) As described in Article IV, ~~Section-§2~~ of the Certificate, each Voting Member
190 is required, as a condition of membership, to execute a revocable appointment,
191 in a proxy form approved by the Board, authorizing a designated proxy to vote
192 in favor of any of the proposals described in Article V, ~~Section-§3~~ of the
193 Certificate; provided, however, that any Voting Member shall have the right to
194 cast its vote, in lieu of such revocable proxy, either in favor of or in opposition
195 to any such proposal. This proxy shall not expire until revoked by the Voting
196 Member.
- 197 ~~(iv) A trade association may join as a non-voting member. A trade association may~~
198 ~~become a Voting Member only if there are no other Voting Members of~~
199 ~~NAESB that can represent the interests of the trade association's membership,~~
200 ~~or if the Quadrant determines that the trade association's membership is~~
201 ~~otherwise under-represented by Voting Members. A trade association shall not~~
202 ~~be eligible to hold a seat on either the Board or the EC, except as an agent of~~
203 ~~an eligible Voting Member.~~
- 204 (b) The Board may, by resolution, determine (a) the amount of the membership fee
205 described in Article VII, ~~Section §1~~ of the Certificate to be assessed to each Voting

206 Member, and (b) the time and method of payment. Delinquency in payment of
207 membership fees has the effect on voting rights specified in Article IV, Section §2 of the
208 Certificate.

209 (c) Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any
210 action required or permitted to be taken by the members at any annual or special
211 meeting may be taken without a meeting, without prior notice and without a vote, if a
212 consent or consents in writing, setting forth the action so taken, shall be signed by the
213 members having not less than the minimum number of votes that would be necessary to
214 authorize or take such action at a meeting at which all members having a right to vote
215 thereon were present and voted. Such written consents shall be delivered to
216 GISBNAESB by delivery to its registered office in the State of Delaware, its principal
217 place of business, or an officer or agent of GISBNAESB having custody of the book in
218 which proceedings of meetings of members are recorded. Delivery made to
219 GISBNAESB's registered office shall be by hand or by certified or registered mail,
220 return receipt requested. Every written consent shall bear the date of signature of each
221 member who signs the consent, and no written consent shall be effective to take the
222 corporate action referred to therein unless, within sixty days of the earliest dated
223 consent delivered to NAESB in the manner required by this Section §5.1(f) ~~to GISB~~,
224 written consents signed by a sufficient number of members to take action are delivered
225 to GISBNAESB by delivery to its registered office in the State of Delaware, its
226 principal place of business, or an officer or agent of the Corporation having custody of
227 the book in which proceedings of meetings of members are recorded. Delivery made to
228 GISBNAESB's registered office shall be by hand or by certified or registered mail,
229 return receipt requested. Prompt notice of the taking of the corporate action without a
230 meeting by less than unanimous written consent shall be given to those members who
231 have not consented in writing. In the event that the action which is consented to is such
232 as would have required the filing of a certificate by law, if such action had been voted on
233 by members at a meeting thereof, the certificate filed shall state, in lieu of any statement

234 required by law concerning any vote of members, that written consent has been given in
235 accordance with the Delaware General Corporation Law, and that written notice has
236 been given.

237 **Section 5.2 Non-Voting Members**

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

241 **Section 5.3 Nontransferable**

242 Membership in NAESB is not transferable to another corporation or entity, although member
243 organizations may transfer representation from one individual to another upon written notice to the
244 Secretary. Such transfer of representation shall not extend to transfer of Board or EC seats.

245 ~~Membership in GISB is not transferable.~~

246 **Section 5.4 Resignation**

247 Any Member may resign from membership by written notice to the Secretary, whereupon that
248 Member's NAESB voting rights and member benefits shall cease.

249 ~~Any Member may resign from membership by written notice to the Secretary, whereupon that~~
250 ~~Member's participation in all GISB activities shall cease.~~

251

252 **ARTICLE 6 - MEETINGS OF MEMBERS**

253 **Section 6.1 Place of Meetings**

254 Meetings of the Members shall be held at such place as may be fixed by the Board. If no place
255 is fixed by the Board, meetings of the Members shall be held at the registered office of GISBNAESB.

256 **Section 6.2 Annual Meeting**

257 Unless the Board provides by resolution for a different time, the Annual Meeting of the
258 Members shall be held in September, October, November or December of each year on the date
259 specified by the Board in the notice of annual meeting.

260 ~~Segments shall hold their annual meetings for the election of Directors and EC Members before the~~
261 ~~Annual Meeting of the Members.~~

262 **Section 6.3 Special Meetings of Members**

263 Special meetings of the Members may be called at any time by the Board ~~Chairman~~Chair, by a
264 ~~simple-M~~simple-Mmajority of the Board or by a ~~simple-M~~simple-Mmajority of Voting Members. Upon written request of
265 any person entitled to call a special meeting, the Secretary shall (a) fix the date and time of the meeting,
266 which shall be held not less than ten (10) days nor more than sixty (60) days after receipt of the request,
267 and (b) give notice thereof in accordance with Article 11. If the Secretary neglects or refuses to fix the
268 meeting date or give notice, the person or persons calling the meeting may do so.

269 **Section 6.4 Determination of Members of Record**

270 The Board may fix a time, not more than sixty (60) days prior to the date of any meeting of the
271 Members or any adjournment thereof, as a record date for the determination of the Members entitled to
272 notice of, or to vote at, such meeting. The Board may similarly fix a record date for the determination of
273 the Members of record for any other purpose. When a determination of the Members of record has
274 been made for purposes of a meeting, the determination shall apply to any adjournment thereof unless
275 the Board fixes a new record date for the adjourned meeting.

276 **Section 6.5 Notice of Meetings of Members**

277 Notice of meetings of Members and meetings of ~~Quadrants and Segments~~segments to elect or
278 remove Directors or EC Members, or to amend their Exhibits, shall be given in the manner described in
279 Article 11 of the Bylaws. When a meeting of the Members is adjourned, it shall not be necessary to
280 give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting,
281 other than by announcement at the meeting at which such adjournment is taken, unless the Board fixes a

282 new record date for the adjourned meeting or the Act requires notice of the business to be transacted
283 and such notice has not previously been given.

284 **Section 6.6 Quorum**

285 The quorums for meetings of Voting Members shall be as described in Article V, ~~Section §2~~ of
286 the Certificate. The quorums may be determined by counting attendance in person or by proxy. The
287 Voting Members present at a duly organized meeting can continue to do business until adjournment,
288 notwithstanding the withdrawal of enough Members to leave less than a quorum. If a meeting cannot be
289 organized because a quorum has not attended, those present may, except as otherwise provided in the
290 Act, adjourn the meeting to such time and place as they may determine.

291 **Section 6.7 Adjournment**

292 Adjournments of any meeting of the Members may be taken.

293 **Section 6.8 Organization**

294 At every meeting of the Members, the Board Chair, or in his or her absence, the Board Vice
295 Chair, or in the absence of the Board Chair and the Board Vice Chair, the Board Second Vice Chair or
296 the Board Third Vice Chair, respectively, together representing each of the Quadrants within the Board,
297 or a chair chosen by the Members, shall act as chair. The Secretary, or in his or her absence, a person
298 appointed by the chair, shall act as secretary. ~~At every meeting of the Members, the Board Chairman, or~~
299 ~~in his or her absence, the Board Vice Chairman, or in the absence of the Board Chairman and the~~
300 ~~Board Vice Chairman, the Board Second Vice Chairman or a chair chosen by the Members, shall act~~
301 ~~as chair. The Secretary, or in his or her absence, a person appointed by the chair, shall act as~~
302 ~~secretary.~~

303 **Section 6.9 Voting on Particular Issues**

304 Article V, Sections §§3 and 4 of the Certificate describe the voting procedures and the number
305 of votes required for adoption and approval for particular issues with respect to GISBNAESB.

306

307 **ARTICLE 7 - ~~BOARD OF DIRECTORS~~BOARD**

308 **Section 7.1 Board of Directors Board**

309 The business and affairs of ~~GISBNAESB~~ shall be managed by the Board. The powers of
 310 ~~GISBNAESB~~ shall be exercised by, or under the authority of, the Board except as otherwise provided
 311 by statute, the Certificate or these Bylaws. Specific powers and duties are delegated to the EC by
 312 Article III, Section §5 of the Certificate. The Board may delegate such other powers to the ~~EC~~EC, as
 313 it deems appropriate if such delegation is consistent with the Certificate.

314 **Section 7.2 Qualifications of Directors**

315 Each Director shall be a natural person at least eighteen (18) years of age who need not be a
 316 resident of Delaware and who shall be a Voting Member, or a partner in, or an officer, ~~or~~ employee or
 317 agent of, a Voting Member.

318 **Section 7.3 Number and Election of Directors**

319 The Board shall consist of ~~representatives of the Quadrants, each Quadrant determining the~~
 320 ~~number of Directors who shall occupy seats on the Board, except that every Segment of a Quadrant~~
 321 ~~shall be represented by at least one Director. Regardless of the number of Directors elected from each~~
 322 ~~Quadrant, no Quadrant shall be entitled to cast a vote greater than the percentage that is Quadrant~~
 323 ~~represents in relation to the total number of Quadrants represented on the Board at a given time. Each~~
 324 ~~Segment within a Quadrant shall be represented by an equal number of Directors, to be determined by~~
 325 ~~that Quadrant. The procedures for electing the Directors shall be as specified in each Quadrant's~~
 326 ~~Exhibit twenty five (25) persons, with each Segment electing five (5) of these directors pursuant to the~~
 327 ~~procedures specified in that segment's Exhibit. Each Segment-Quadrant shall coordinate communicate~~
 328 the timing of its elections of Directors ~~with the timing of elections of the other s, and with the timing of~~
 329 ~~the Annual Meeting.~~

330 **Section 7.4 Term of Office**

331 (a) ~~The term of office of a Director shall be for a period set by the Quadrant, not less than~~
 332 ~~1 year, not to exceed three years. Quadrants may elect Directors for varying terms.~~
 333 ~~Directors may be reelected to subsequent terms.~~

334 ~~The initial Board listed in the certificate shall be divided into two (2) classes within each~~
 335 ~~segment. Class A Directors shall serve for an initial term ending December 31, 1996,~~
 336 ~~and Class B Directors shall serve for an initial term ending December 31, 1997. The~~
 337 ~~End User, Producer and Service segments shall each have two (2) Class A Directors~~
 338 ~~and three (3) Class B Directors, and the Local Distribution Company and Pipeline~~
 339 ~~segments shall each have three (3) Class A Directors and two (2) Class B Directors.~~
 340 ~~Each segment's initial Directors shall determine which of its initial Directors shall be~~
 341 ~~placed in each class. Upon completion of the initial terms of Class A or Class B~~
 342 ~~Directors, succeeding Directors shall thereafter be elected for terms of two (2) years.~~

343 (b) Each Director shall hold office during his or her term until the earliest of: (i) the
 344 expiration of the term for which he or she was elected and until his or her successor has
 345 been elected and qualified, (ii) the Director's resignation of his or her Voting
 346 Membership (if the Director is the Voting Member as an individual) or the lapse of the
 347 Director's Voting Membership for delinquency in membership fee payment, (iii) the
 348 resignation or lapse (through delinquency in membership fee payment) of Voting
 349 Membership of the entity of which the Director is a partner, ~~or an~~₂ officer, ~~or~~ employee
 350 or agent, or (iv) the Director's death, resignation, or removal.

351 **Section 7.5 Vacancies**

352 Vacancies in the Board resulting from the circumstances described in Subsections 7.4(b)(ii), (iii)
 353 or (iv) above shall be filled by the Quadrant and Ssegment in which the vacancy occurs, in accordance
 354 with the procedures specified in that Quadrant's segment's Exhibit.

355 **Section 7.6 Removal of Directors**

356 Procedures for removal of Directors representing a Quadrant and Segment are contained in the
 357 pertinent Exhibit.

358 **Section 7.7 Resignations**

359 Any Director may resign at any time by giving written notice to the Secretary. The resignation
360 shall be effective upon receipt by GISBNAESB or at such subsequent time as may be specified in the
361 notice of resignation.

362 **Section 7.8 Board Committees**

363 (a) The Board, by Mmajority vote of the entire Board, may establish, by means of
364 resolutions to be attached hereto, committees of the Directors. The resolutions shall
365 describe the powers and authorities of each committee, require each committee to
366 adopt procedures, and provide opportunity for Directors from each Segment to
367 participate in the committee's work.

368 (b) There shall be a Parliamentary Committee, consisting of members of the Board with at
369 least ~~one~~two Directors from each Quadrant. The function of the Parliamentary
370 Committee is to address issues related to corporate governance, including, but not
371 limited to, the Certificate of Incorporation, the Bylaws and the Operating Procedures.
372 Members of the Parliamentary Committee shall be appointed by the Chair of the Board,
373 who shall serve as the chair of this committee.

374 **Section 7.9 Advisory ~~Committee~~Council**

375 The Board shall establish a standing Aadvisory ~~committee~~Council, to be known as the
376 "NAESBGas Industry Standards Board Advisory Council~~mm~~ittee." The Advisory Council~~mm~~ittee shall
377 be composed of not more than twenty-five (25) persons who shall be knowledgeable about the issues
378 involved in carrying out the purposes, scope and activities of GISBNAESB. The membership of the
379 Advisory Council~~mm~~ittee should be rotated from time to time, and should reflect participation by
380 federal, state and local agencies; public interest groups; non-profit research organizations; and similar
381 organizations. The Advisory Council~~mm~~ittee shall develop its own procedures consistent with the
382 general guidance of the Board and not inconsistent with the Certificate. The Advisory
383 Council~~mm~~ittee shall advise both the Board and EC.

384

ARTICLE 8 - OFFICERS

385

386 **Section 8.1 Number**

387 The officers of GISBNAESB shall include a ~~ChairmanChair~~, ~~one or more and up to three~~ Vice
 388 Chair~~men~~s, ~~(together representing each Quadrant)~~, a Secretary, a Treasurer, ~~an Assistant Treasurer,~~
 389 and an Executive Director. The officers may include one or more Assistant Secretaries, ~~one or~~
 390 ~~other~~~~more~~ Assistant Treasurers, and such other officers as the Board may determine by resolution. Any
 391 number of offices may be held by the same person.

392 **Section 8.2 Qualifications of Officers of GISBNAESB**

393 The officers shall be natural persons at least eighteen (18) years of age who are Directors,
 394 except that the Executive Director, Secretary, Assistant Secretaries and Assistant Treasurers need not
 395 be Directors.

396 **Section 8.3 Election and Term of Office**

397 The officers of GISBNAESB shall be elected by the Board at any meeting of the Board. Each
 398 officer except for the Executive Director, Assistant Secretaries and Assistant Treasurers shall serve for a
 399 term of one (1) year and until his or her successor begins his or her term, or until his or her earlier
 400 death, resignation, or removal, or lapse of Director status pursuant to Subsections §7.4(b)(ii),(iii) or (iv)
 401 or Section §7.6. On expiration of the terms of the officers of GISBNAESB, the Vice ~~ChairmanChair~~
 402 shall become the ~~ChairmanChair~~, ~~and~~ the Second Vice ~~ChairmanChair~~ shall become the Vice
 403 ~~ChairmanChair~~, ~~the Third Vice Chair shall become the Second Vice Chair~~, and the Board shall elect a
 404 new ~~ThirdSecond~~ Vice ~~ChairmanChair~~. ~~The new Third Vice Chair shall be elected in the following~~
 405 ~~order of rotation, which shall be repeated indefinitely: Gas Wholesale, Electric Retail, Electric~~
 406 ~~Wholesale, and Gas Retail. Each Second Vice Chairman elected after the expiration of the prior Second~~
 407 ~~Vice Chairman's term shall be from the succeeding Segment in the following order of rotation: Service,~~
 408 ~~End User, Pipeline, Local Distribution Company, Producer (which rotation shall be repeated~~
 409 ~~indefinitely).~~ If no Director representing a Segment Quadrant is willing to serve as ~~ThirdSecond~~ Vice
 410 ~~ChairmanChair~~ when the rotation turns to that Quadrant, the Board shall elect a ~~ThirdSecond~~ Vice

411 ~~Chairman~~Chair from among its remaining Directors, and the rotation shall continue thereafter as though a
412 Director representing the ~~Quadrant~~Segment had in fact served as ~~Third~~Second Vice ~~Chairman~~Chair.

413 **Section 8.4 Removal of Officers**

414 Any officer may be removed by action of ~~thirteen (13)~~a Majority of the Directors ~~members of~~
415 ~~the Board~~ whenever in their judgment the best interests of GISBNAESB will be served. Such removal
416 shall be without prejudice to the contract rights, if any, of any person so removed.

417 **Section 8.5 Resignations**

418 Any officer may resign at any time by giving written notice to the Secretary. The resignation
419 shall be effective upon receipt by the Secretary or at such subsequent time as may be specified in the
420 notice of resignation.

421 **Section 8.6 The ~~Chairman~~Chair**

422 The ~~Chairman~~Chair shall be the chief executive officer of GISBNAESB and shall have general
423 supervision over the business and operations of GISBNAESB, subject to the control of the Board. The
424 ~~Chairman~~Chair shall chair all meetings of the Board and the Members. The ~~Chairman~~Chair shall
425 execute in the name of GISBNAESB, deeds, mortgages, bonds, contracts, and other instruments to the
426 extent authorized by the Board, except in cases where the execution thereof shall be expressly
427 delegated by the Board to some other officer or agent of GISBNAESB. In general, the ~~Chairman~~Chair
428 shall perform all duties incident to the office of ~~Chairman~~Chair and such other duties as may be assigned
429 by the Board.

430 **Section 8.7 The Vice ~~Chairmen~~Chairs**

431 There shall be ~~not more than three Vice-Chairs~~a Vice-Chairman, ~~and a Second Vice-Chairman~~.
432 In the absence or disability of the ~~Chairman~~Chair or when so directed by the ~~Chairman~~Chair, a Vice
433 ~~Chairman~~Chair (in order of precedence) may perform all the duties of the ~~Chairman~~Chair, and, when so
434 acting, shall have all the powers of, and be subject to all the restrictions upon, the ~~Chairman~~Chair. The
435 Vice ~~Chairmen~~Chairs shall perform such other duties as may be assigned by the Board or the
436 ~~Chairman~~Chair.

437 **Section 8.8 The Secretary**

- 438 (a) Unless the Board directs otherwise, the Executive Director shall be the Secretary of
439 ~~GISBNAESB~~.
- 440 (b) The Secretary shall attend all meetings of the Board and of the Members. The
441 Secretary shall record all votes of the Board, EC and the Voting Members and the
442 minutes of the meetings of the Board, EC and of the Members in a book or books
443 belonging to ~~GISBNAESB~~ to be kept for that purpose. The Secretary shall see that
444 required notices of meetings of the Board and of the Members are given and that all
445 records and reports are properly kept and filed by ~~GISBNAESB~~. The Secretary shall
446 be the custodian of the seal of ~~GISBNAESB~~ and shall see that it is affixed to all
447 documents to be executed on behalf of ~~GISBNAESB~~ under its seal. In general, the
448 Secretary shall perform all duties incident to the office of Secretary and such other
449 duties as may be assigned by the Board or the ~~ChairmanChair~~.
- 450 (c) In the absence or disability of the Secretary or when so directed by the Secretary, any
451 Assistant Secretary may perform all the duties of the Secretary, and, when so acting,
452 shall have all the powers of, and be subject to all the restrictions upon, the Secretary.
453 Each Assistant Secretary shall perform such other duties as may be assigned by the
454 Board, the ~~ChairmanChair~~, or the Secretary.
- 455 (d) To the extent not provided for by the EC, the Secretary shall appoint persons to take
456 minutes of EC Meetings and EC Subcommittee meetings.

457 **Section 8.9 The Treasurer**

- 458 (a) Unless the Board directs otherwise, the Second Vice ~~ChairmanChair~~ shall be the
459 Treasurer. ~~The Executive Director shall be an Assistant Treasurer.~~
- 460 (b) The Treasurer shall be responsible for corporate funds and securities and shall keep full
461 and accurate accounts of receipts and disbursements in books belonging to
462 ~~GISBNAESB~~. The Treasurer shall have full authority to receive and give receipts for all
463 money due and payable to ~~GISBNAESB~~, and to endorse checks, drafts, and warrants

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464 in its name and on its behalf and to give full discharge for the same. The Treasurer shall
465 deposit all funds of ~~GISBNAESB~~, except such as may be required for current use, in
466 such banks or other places of deposit as the Board may designate. In general, the
467 Treasurer shall perform all duties incident to the office of Treasurer and such other
468 duties as may be assigned by the Board or the ~~Chairman~~Chair.

469 (c) In the absence or disability of the Treasurer or when so directed by the Treasurer, any
470 Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting,
471 shall have all the powers of, and be subject to all the restrictions upon, the Treasurer.
472 Each Assistant Treasurer shall perform such other duties as may be assigned by the
473 Board, the ~~Chairman~~Chair, or the Treasurer.

474 **Section 8.10 The Executive Director**

475 The Executive Director shall be the chief operating officer of ~~GISBNAESB~~, and be subject to
476 the control of the Board. The Executive Director shall have all powers and duties necessary for
477 managing the day-to-day operating and business affairs of ~~GISBNAESB~~ and directing all activities of
478 ~~GISBNAESB~~ as prescribed by the Board. Unless the Board directs otherwise, the Executive Director
479 shall be the Secretary of ~~GISBNAESB~~. The compensation of the Executive Director shall be fixed by
480 the Board.

481

482 **ARTICLE 9 - MEETINGS OF DIRECTORS**

483 **Section 9.1 Place of Meetings**

484 The Board may hold its meetings at such places as the Board may appoint or as may be
485 designated in the notice of the meeting. Meetings or portions of meetings may be closed to the public
486 only (and the pertinent minutes withheld from the public) for discussion of paid ~~GISBNAESB~~
487 employees or their compensation and for litigation matters involving ~~GISBNAESB~~ as a corporate entity.

488 **Section 9.2 Organization**

489 Every meeting of the Board shall be presided over by the ~~Chairman~~Chair, or in the absence of
490 the ~~Chairman~~Chair, a Vice ~~Chairman~~Chair in order of precedence, or in the absence of the

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491 ~~Chairman~~Chair and the Vice ~~Chairmen~~Chairs, a chair chosen by a majority of the Directors present.
492 The Secretary, or in his or her absence, a person appointed by the chair, shall act as secretary.

493 **Section 9.3 Annual Meeting**

494 Unless the Board provides by resolution for a different time, the annual meeting of the Board
495 shall take place immediately after the annual meeting of the Members. The newly constituted Board
496 shall meet without prior notice at the place where the meeting of the Members was held, or at any other
497 place and time designated in a notice given as provided in Article 11, for the purposes of organization,
498 election of officers, and the transaction of other business.

499 **Section 9.4 Regular Meetings**

500 The Board may hold its regular meetings at such place and time as shall be designated by
501 resolution of the Board. If the date fixed for any regular meeting is a legal holiday under the laws of the
502 state in which the meeting will be held, the meeting shall be held on the next succeeding business day or
503 at such other time as may be determined by resolution of the Board. The Board shall transact such
504 business as may properly be brought before its meetings.

505 **Section 9.5 Special Meetings of the Board**

506 The ~~Chairman~~Chair or ~~at least one-third of the nine (9)~~ Directors may call special meetings of the
507 Board, which shall be held at such time and place as shall be designated in the call for the meeting. Ten
508 (10) days' notice of any special meeting shall be given to each Director pursuant to Article 11 or by
509 telephone. Such notice shall state the time and place of such special meeting and state the matters to be
510 discussed at the special meeting. Action taken at special meetings shall be limited to the matters
511 described in the meeting notice.

512 **Section 9.6 Quorum**

513 The quorum necessary for a meeting of the Board is a majority of the Directors, as described in
514 Article V, Section §1 of the Certificate.

515 **Section 9.7 Participation and Voting in Meetings**

516 (a) One (1) or more Directors may participate in a meeting of the Board or a committee
517 thereof by means of conference telephone or similar communications equipment by
518 means of which all persons participating in the meeting can hear each other.

519 (b) Each Director shall be entitled to one (1) vote.

520 (c) Article V, Sections §§1 and 3 of the Certificate describe the voting procedures and the
521 number of votes required for adoption or approval for particular issues with respect to
522 GISBNAESB.

523 (d) No substitutes shall be permitted to vote at Board meetings.

524 (e) Notational voting by Directors is proper in the following circumstances and pursuant to
525 the following procedures:

526 (i) In lieu of meeting: The ~~Chairman~~Chair may request that any vote or action be
527 taken by the Board without a meeting and without unanimous consent, and such
528 action may be taken if approved by the appropriate voting levels specified in
529 Article V of the Certificate. Notice of the ~~Chairman~~Chair's request shall be
530 given to all Directors in the manner specified in Article II of the Bylaws.

531 (ii) During meetings: Notational votes from a Director not in attendance shall be
532 accepted and counted at a Board meeting with respect to any resolutions
533 circulated in writing in advance of a Board meeting; provided, however, that if
534 substantive changes are made in a resolution at the Board meeting such advance
535 notational votes shall not be counted with respect to that resolution, but the
536 procedures specified in (iii) below should be used.

537 (iii) Following a meeting: The Board shall indicate whether, and if so for how long,
 538 notational votes will be accepted after a meeting relating to particular issues
 539 voted on at that meeting.

540 (f) While Board Members may participate and vote by means of teleconference or other
 541 electronic means, eligibility to continue serving as a Board member is dependent upon
 542 in-person attendance at no less than 25% of scheduled Board Meetings and
 543 participation in at least 75% of such meetings. Such attendance/participation threshold
 544 shall be reviewed at March 31 and September 30 of each year for the preceding twelve
 545 months.

546

547 **ARTICLE 10 - EXECUTIVE COMMITTEE**

548 **Section 10.1 Duties and Responsibilities**

549 The EC shall have the duties and responsibilities described in Article III, ~~Section~~Section-§5 of
 550 the Certificate.

551 **Section 10.2 EC Members**

552 (a) The EC shall consist of representatives of the Quadrants, with each Quadrant
 553 determining the number of EC Members representing that Quadrant. Regardless of the
 554 number of EC members elected from each Quadrant, no Quadrant shall be entitled to
 555 cast a vote greater than the percentage that its Quadrant represents in relation to the
 556 total number of Quadrants represented on the EC. Each Segment within a Quadrant
 557 shall be represented by an equal number of EC Members, to be determined by that
 558 Quadrant. The procedures followed for electing the EC members shall be those
 559 specified in that Quadrant's Exhibit.

560 ~~The EC shall consist of twenty five (25) persons, with each Segment electing five (5) of~~
 561 ~~these EC Members pursuant to the procedures specified in that Segment's Exhibit.~~
 562 ~~Each Segment shall coordinate the timing of its elections of EC Members with the timing~~
 563 ~~of elections of the other Segments, and with the timing of the Annual Meeting.~~

564 (b) The term of office of a EC member shall be for a period set by the Quadrant, not less
565 ten than 1 year, not to exceed three years. Quadrants may elect EC members for
566 varying terms. EC members may be reelected to subsequent terms. The initial EC
567 Members listed in Exhibit 6 shall serve for a period ending December 31, 1997. EC
568 Members must be Voting Members, or a partner in, or an officer or employee of, a
569 Voting Member; provided, however, that a Segment may petition the EC to approve
570 EC Membership from its Segment for the agent(s) of a Voting Member. No member
571 shall be represented by an agent on the EC for more than two years. Each Segment's
572 EC Members shall be divided into three classes, with two (2) members each in two
573 classes, and one (1) member in the third class. The term of office of one class shall
574 expire in each year. Each class shall be elected for terms of three (3) years, except in
575 case of a vacancy in any class, in which case the vacancy shall be filled for the balance
576 of the term of such class. However, to achieve the staggered classification of the EC,
577 the initial terms of the three classes of a Segment's EC Members shall be one (1) year,
578 two (2) years and three (3) years, respectively. Each EC Member shall hold office
579 during his or her term until the earliest of: (i) the expiration of the term for which he or
580 she was elected and until his or her successor has been elected and qualified, (ii) the EC
581 Member's resignation of his or her Voting Membership (if the EC Member is the Voting
582 Member as an individual) or the lapse of the EC Member's Voting Membership for
583 delinquency in membership fee payment, (iii) the resignation or lapse (through
584 delinquency in membership fee payment) of Voting Membership of the entity of which
585 the EC Member is a partner, ~~or an officer,~~ ~~or employee~~ or agent, or (iv) the EC
586 Member's death, resignation, or removal.

587 (c) Each EC Member shall be a natural person at least eighteen (18) years of age who need
588 not be a resident of Delaware and who shall be a Voting Member, or a partner in, or an
589 officer, employee or agent of, a Voting Member.

590 (de) Vacancies in the EC resulting from the circumstances described in Subsections 10.2
591 (b)(ii), (iii), or (iv) above or described in Section §10.2(d) below shall be filled by the

592 Segment in which the vacancy occurs, in accordance with the procedures specified in
593 that ~~Quadrant's segment's~~ Exhibit.

594 ~~(ed)~~ Procedures for removal of EC Members representing a Segment are contained in the
595 pertinent ~~Quadrant's segment's~~ Exhibit.

596 ~~(fe)~~ Any EC Member may resign at any time by giving written notice to ~~GISBNAESB~~. The
597 resignation shall be effective upon receipt by the Secretary or at such subsequent time
598 as may be specified in the notice of resignation.

599 Section 10.3 EC Organization

600 (a) The EC shall elect from among its members an EC ~~Chairman~~Chair, and ~~up to three~~
601 ~~vice-chairs (each representing a different Quadrant within the EC)-EC Vice Chairman,~~
602 ~~and may elect an EC Second Vice Chairman.~~ Each of these ~~officers~~ shall serve for a
603 term of one (1) year and until his or her successor has been elected and qualified, or
604 until his or her earlier death, resignation, or removal. The EC ~~may~~shall appoint a
605 secretary.

606 (b) Every meeting of the EC shall be presided over by the EC ~~Chairman~~Chair, an EC Vice
607 ~~Chairman~~Chair (in order of precedence) or, in the absence of the EC ~~Chairman~~Chair
608 and EC Vice ~~Chairmen~~Chairs, a chair chosen by a ~~M~~majority of the EC Members
609 present.

610 (c) A majority of the EC may remove the EC ~~Chairman~~Chair or an EC Vice
611 ~~Chairman~~Chair from his or her position whenever in its judgment the best interests of the
612 EC or ~~GISBNAESB~~ will be served thereby.

613 (d) The EC ~~Chairman~~Chair and EC Vice ~~Chairmen~~Chairs may resign at any time by giving
614 written notice to the ~~GISBNAESB~~ Secretary. The resignation shall be effective upon
615 receipt by the ~~GISBNAESB~~ Secretary or at such subsequent time as may be specified
616 in the notice of resignation.

617 ~~(e)~~ The EC shall divide itself into Quadrants to consider Standards and Model Business
618 Practices. The number of Quadrants considering a particular Standard or a particular

619 Model Business Practice shall be determined by the EC as a whole, acting upon
620 requests presented to it through the Triage Process.

621 (f) By a ~~balanced-M~~majority vote, The EC shall assign responsibility to one or more
622 Quadrants to address each request for a proposed Standard or a proposed Model
623 Business Practice, at the conclusion of the Triage Process. The Quadrant(s) assigned
624 such responsibility shall process the request and vote on the ultimate recommendation.
625 Only the members of the Quadrant(s) to which the request has been assigned may vote
626 to ratify actions taken to approve a Standard or a Model Business Practice. Any
627 Standard or Model Business Practice adopted by a Quadrant shall apply only to the
628 activities of the energy sector covered by that Quadrant. ~~If at anytime a quadrant(s)~~
629 ~~believes they are affected by the actions being taken by the assigned quadrant(s), then~~
630 ~~the quadrant(s) so affected can request that the EC reconsider the assigned~~
631 ~~responsibility.~~

632 (g) As part of the Triage Process, the EC may direct that two or more Quadrants jointly
633 consider proposed Standards or Model Business Practices. In such event, the
634 indicated Quadrants of the EC shall jointly act on the recommendation (and in so doing,
635 may appoint joint subcommittees or task forces to assist in such consideration) and, if
636 applicable, the members of the affected Quadrants shall act on ratification of the
637 Standards or Model ~~Buisness~~Business Practices. To the extent that multiple Quadrants,
638 having jointly considered Standards or Model Business Practices, cannot reach
639 agreement on such Standards or Model Business Practices, the EC representatives of
640 any of the participating Quadrants may, by a majority vote, instruct the subcommittee to
641 provide a status report. After receiving the status report, the EC representatives from
642 any of the participating Quadrants may request the EC to re-triage the proposed
643 Standard or Model Business Practice to allow a Quadrant(s) to proceed independently.

644 (h) Any Quadrant that believes that it is affected by a Standard or Model Business Practice
645 adopted by the ~~EC of another~~any other Quadrant(s) of the EC may seek

- 646 Reconsideration of the assignment of such proposed Standard or Model Business
647 Practice. as a result of the Triage Process, as set forth below.
- 648 (i) Within 30 days after a Quadrant adopts a Standard or Model Business
649 Practice, the Quadrant that believes itself to be affected by such action shall so
650 indicate in a resolution adopted by a Majority vote of the EC of such Quadrant,
651 which shall be forwarded to the EC Chair and the entire EC.
- 652 (ii) Within 30 days of notice to the EC of such affirmative vote, the EC shall enter a
653 reconsideration action on the agenda for its next meeting. A Reconsideration
654 action shall pass if a Majority of each Quadrant of the EC that did not vote to
655 adopt the recommended Standard or Model Business Practice now votes in
656 favor of Reconsideration.
- 657 (iii) In the event the Reconsideration action passes, an affected Quadrant and any
658 other Quadrants that were assigned the Standard or Model Business Practice
659 as a result of the initial Triage Process shall jointly consider such Standard or
660 Model Business Practice as described in Section §10.23 (g) of these Bylaws.
661 Should the affected Quadrants fail to adopt a jointly considered Standard or
662 Model Business Practice, the initially assigned Quadrant(s) may proceed to
663 ratification of the Standard or Model Business Practice referred to in Section
664 10.2 (h) (i) of these Bylaws, provided that such Standard or Model Business
665 Practice contains a prefatory legend expressly stating that it applies only to
666 activities of the Quadrant(s) that ratified it.
- 667 (iv) If the reconsideration action fails, the Quadrant(s) that adopted the Standard or
668 Model Business Practice shall proceed with ratification of such Standard or
669 Model Business Practice by the members of such Quadrant(s).
- 670 (i) The ratification of a Standard or Model Business Practice requires a 67% approval of
671 the members of each of the applicable Quadrant(s) returning ballots.
- 672 (j) Minutes shall be kept of all EC and EC Subcommittee meetings and forwarded to the
673 GISBNAESB Secretary.

674 **Section 10.4 Meetings**

675 (a) The ~~EC~~ECe as a whole, or the EC for individual Quadrant(s), may hold ~~its~~ regular meetings
676 at such place and time as shall be designated by resolution of the EC as a whole or the
677 EC for individual Quadrants, as applicable.

678 (b) Quadrant EC's will make all reasonable efforts to coordinate the times and locations of
679 their meetings such that meetings which occur on concurrent or consecutive days will be
680 in close physical proximity, facilitating attendance of multiple meetings by EC members,
681 individual NAESB members of any Quadrant, or other interested parties.

682 (c) The EC ~~Chairman~~Chair or ~~nine (9) EC Member~~at least one-third of the EC members
683 may call special meetings of the EC which shall be held at such time and place as shall
684 be designated in the call for the meeting. At least five (5) days' notice of any special
685 meeting shall be given to each EC Member pursuant to Section §11.1 or by telephone.
686 Such notice shall state the time and place of such special meeting and state the matters
687 to be discussed at the special meeting. Action taken at special meetings shall be limited
688 to the matters described in the meeting notice.

689 (d) The quorum necessary for EC meetings is a majority, as set forth in Article V of the
690 Certificate.

691 (e) Each EC Member shall be entitled to one (1) vote.

692 (f) Article V, Section §4 of the Certificate describes the EC voting procedures and number
693 of votes required for adoption or approval for particular issues with respect to
694 GISBNAESB.

695 (g) Each EC Member may participate and vote in EC meetings by proxy. Every proxy
696 shall be executed in writing by the EC Member or by his or her duly authorized attorney
697 in fact and filed with the Secretary of GISBNAESB. A proxy shall be revocable at will,
698 notwithstanding any other agreement or any provision in the proxy to the contrary. The
699 revocation of a proxy shall not be effective until notice thereof has been given to the
700 Secretary of GISBNAESB. A proxy shall not be revoked by the death or incapacity of

701 the maker unless, before the vote is counted or the authority is exercised, written notice
702 of such death or incapacity is given to the Secretary of ~~GISBNAESB~~. Proxies may be
703 limited in scope to the specific matters described in the agenda for the meeting. The
704 voting directions contained in a proxy shall be read by the EC ~~Chairman~~Chair at the
705 beginning of the meeting.

706 (h) One (1) or more EC Members may participate in a meeting of the EC or a committee
707 thereof by means of conference telephone or similar communications equipment by
708 means of which all persons participating in the meeting can hear each other.

709 (i) No substitutes shall be permitted to vote at EC meetings. However, a Designated
710 Alternate may vote at meetings of the EC in place of an absent EC Member from a
711 given ~~S~~segment. A Designated Alternate is defined as a person named in a list by ~~the~~
712 ~~Segment~~~~at~~ that is received by the EC Secretary at least five (5) days prior to the
713 pertinent meeting of the EC. Each ~~S~~segment's list shall be developed, amended and
714 structured in the manner described in that ~~segment's-Quadrant's~~ Exhibit. A Designated
715 Alternate has all voting rights of the EC Member in whose place he or she serves,
716 except for those matters on which the EC Member has already voted by proxy prior to
717 the beginning of a meeting.

718 (j) While EC Members may participate and vote by means of teleconference or other
719 electronic means, eligibility to continue serving as an EC member is dependent upon in-
720 person attendance at no less than 25% of scheduled EC Meetings and participation in at
721 least 75% of such meetings. Such attendance/participation threshold shall be reviewed
722 at March 31 and September 30 of each year for the preceding twelve months..

723 (k) Notational voting by EC Members is proper in the following circumstances and
724 pursuant to the following procedures:

725 (i) In lieu of meeting: The EC ~~Chairman~~Chair may request that any vote or action
726 be taken by the ~~Board-EC~~ without a meeting and without unanimous consent,
727 and such action may be taken if approved by the appropriate voting levels

728 specified in Article V of the Certificate. Notice of the EC ~~Chairman~~Chair's
 729 request shall be given to all EC Members in the manner specified in Article II of
 730 these Bylaws.

731 (ii) During meetings: Notational votes from an EC Member that is not present shall
 732 be accepted and counted at an EC meeting with respect to any resolutions
 733 circulated in writing in advance of an EC meeting; provided, however, that if
 734 substantive changes are made in a resolution at the EC meeting such advance
 735 notational votes shall not be counted with respect to that resolution, but the
 736 procedures specified in (iii) below should be used.

737 (iii) Following a meeting: The EC shall indicate whether, and if so for how long,
 738 notational votes will be accepted after a meeting relating to particular issues
 739 voted on at that meeting.

740 **Section 10.5 EC Subcommittees**

741 (a) The EC may establish subcommittees; to be comprised of EC Members and other
 742 interested parties who ~~may be invited~~have the opportunity to participate. Each EC
 743 Subcommittee shall employ Balanced Voting. Each EC Subcommittee shall report to,
 744 and serve at the pleasure of, the EC. EC Subcommittees shall each:

745 (i) elect a chair or co-chair, ~~who~~which shall be an EC Member and will serve until
 746 removed by the subcommittee's membership;

747 (ii) carry out its work in accordance with the procedures adopted by the EC for
 748 EC Subcommittees; and

749 (iii) keep regular minutes of its proceedings and provide copies of these minutes
 750 promptly to the Secretary.

751 Any task forces established by EC Subcommittees shall be comprised of EC Members
 752 and other interested parties.

753 (b) There shall be a Triage Subcommittee of the EC with one representative from each
 754 Segment within each Quadrant. The Triage Subcommittee shall review and recommend
 755 disposition of each request received by NAESB for a Standard, or Model Business
 756 Practice. Disposition shall mean scope, priority consistent with the Annual Plan, and
 757 assignment to a particular Quadrant or Quadrants for action. The Chair of the EC shall
 758 consult with individual sSegments to appoint the members of the Triage Subcommittee
 759 and shall act as also appoint its chair.

760

761

ARTICLE 11 - NOTICE

Section 11.1 Written Notice

763 (a) Whenever written notice is required to be given to any person, it may be given to the
 764 person, either personally or by sending a copy by first class or express mail, postage
 765 prepaid, or courier service, charges prepaid, or by telegram (with messenger service
 766 specified), telex or TWX (with answer back received), electronic mail (or its
 767 equivalent), or by facsimile transmission, to his or her address or to his or her telex,
 768 TWX, electronic mail address or facsimile number appearing on the books of
 769 ~~GISBNAESB~~, in the case of Directors or ~~Executive Committee~~EC Members, supplied
 770 by him or her to ~~GISBNAESB~~ for the purpose of notice. If the notice is sent by mail,
 771 telegraph or courier service, it shall be deemed to have been given when deposited in
 772 the United States mail or with a telegraph office or courier service for delivery to that
 773 person or, in the case of telex or TWX, when dispatched. A notice of meeting shall
 774 specify the place, day and hour of the meeting and any other information required by the
 775 Act. Except as otherwise provided by the Act or these Bylaws, when a meeting is
 776 adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of
 777 the business to be transacted at an adjourned meeting, other than by announcement at
 778 the meeting at which such adjournment is taken.

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779 (b) Notices given shall comply with the provisions of Article VI, Sections §§1 and 3 of the
780 Certificate.

781 **Section 11.2 Waiver by Writing**

782 Whenever any written notice is required to be given, a waiver in writing, signed by the person or
783 persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the
784 giving of the notice.

785 **Section 11.3 Waiver by Attendance**

786 Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except
787 where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting,
788 to the transaction of any business because the meeting was not lawfully called or convened.

789

790 **ARTICLE 12 - CONFLICTS OF INTEREST**

791 **Section 12.1 Interested Directors and Officers**

792 No contract or transaction between GISBNAESB and one (1) or more of its Members,
793 Directors, or officers or between GISBNAESB and any other corporation, partnership, association, or
794 other organization in which one (1) or more of its Directors or officers are directors or officers, or have
795 a financial interest, shall be void or voidable solely for such reason, or solely because the Member,
796 Director, or officer is present at or participates in the meeting of the Board or committee thereof which
797 authorizes the contract or transaction, or solely because his, her, or their votes are counted for that
798 purpose, if:

799 (a) the material facts as to the relationship or interest and as to the contract or transaction
800 are disclosed or are known to the Board or the committee thereof and the Board or
801 committee thereof in good faith authorizes the contract or transaction by the affirmative
802 votes of a majority of the disinterested Directors even though the disinterested Directors
803 are less than a quorum;

- 804 (b) the material facts as to his or her relationship or interest and as to the contract or
805 transaction are disclosed or are known to the Members entitled to vote thereon, if any,
806 and the contract or transaction is specifically approved in good faith by vote of such
807 Members; or
- 808 (c) the contract or transaction is fair as to GISBNAESB as of the time it is authorized,
809 approved, or ratified by the Board or the Members.

810 Common or interested Directors may be counted in determining the presence of a quorum at a
811 meeting of the Board or of a committee ~~thereof which~~ thereof, which authorizes the contract or
812 transaction. GISBNAESB's adoption of a ~~standard~~ Standard shall not constitute a "contract or
813 transaction" within the meaning of this section.

814

815 **ARTICLE 13 - LIMITATION OF LIABILITY; INSURANCE**

816 **Section 13.1 Limitation of Liability**

817 Article III, Section §6 of the Certificate contains limits on personal liability of Directors, EC
818 Members and other persons acting for GISBNAESB, and these limitations are incorporated herein by
819 reference. Any repeal or amendment of Section §13.1 shall be prospective only and shall not increase,
820 but may decrease, a Director's liability with respect to actions or failures to act occurring prior to such
821 change.

822 **Section 13.2 Insurance**

823 GISBNAESB shall purchase and maintain insurance on behalf of any person who is or was a
824 GISBNAESB Director or GISBNAESB Officer and, to the extent approved by the Board, on behalf
825 of EC Members, employees or agents of GISBNAESB or on behalf of persons now or previously
826 serving at the request of GISBNAESB as a director, officer, employee or agent of another domestic or
827 foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise
828 against any liability asserted against him or her and incurred by him or her in any such capacity, or
829 arising out of his or her status as such, whether or not GISBNAESB would have the power to indemnify
830 him or her against that liability under the Act.

831

832

ARTICLE 14 - INDEMNIFICATION

833 **Section 14.1 Representative Defined**

834 For purposes of Article 14, "representative" means any Director, officer, employee, or agent of
835 ~~GISBNAESB~~.

836 **Section 14.2 Third-Party Actions**

837 ~~GISBNAESB~~ shall indemnify, to the full extent not prohibited by law, any person who was or is
838 a party or is threatened to be made a party to any threatened, pending or completed action, suit or
839 proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right
840 of ~~GISBNAESB~~), by reason of the fact that he or she is or was a representative of ~~GISBNAESB~~, or is
841 or was serving at the request of ~~GISBNAESB~~ as a representative of another domestic or foreign
842 corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against
843 expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and
844 reasonably incurred by him or her in connection with the action, suit or proceeding if he or she acted in
845 good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests
846 of ~~GISBNAESB~~ and, with respect to any criminal action or proceeding, had no reasonable cause to
847 believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment,
848 order, settlement, or conviction or upon a plea of ~~nolo contendere~~ or its equivalent shall not
849 of itself create a presumption that the person did not act in good faith and in a manner that he or she
850 reasonably believed to be in, or not opposed to, the best interests of ~~GISBNAESB~~ and, with respect to
851 any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

852 **Section 14.3 Derivative and Corporate Actions**

853 ~~GISBNAESB~~ shall indemnify, to the full extent not prohibited by law, any person who was or is
854 a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by
855 or in the right of ~~GISBNAESB~~ to procure a judgment in its favor by reason of the fact that he or she is
856 or was a representative of ~~GISBNAESB~~ or is or was serving at the request of ~~GISBNAESB~~ as a
857 representative of another domestic or foreign corporation for profit or not-for profit, partnership, joint

858 venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably
859 incurred by him or her in connection with the defense or settlement of the action or suit if he or she acted
860 in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best
861 interests of GISBNAESB. Indemnification shall not be made under Section §14.3 in respect of any
862 claim, issue or matter as to which the person has been adjudged to be liable to GISBNAESB unless
863 and only to the extent that the Court of Chancery or the court in which the action or suit was brought
864 determines upon application that, despite the adjudication of liability but in view of all the circumstances
865 of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of
866 Chancery or other court shall deem proper.

867 **Section 14.4 Procedure for Effecting Indemnification**

868 Unless ordered by a court, any indemnification under Section §14.2 or Section §14.3 shall be
869 made by GISBNAESB only as authorized in the specific case upon a determination that indemnification
870 of the representative is proper in the circumstances because he or she has met the applicable standard
871 of conduct set forth in those Sections. The determination shall be made:

- 872 (a) by the Board by a majority vote of a quorum consisting of Directors who were not
873 parties to the action, suit or proceeding; or
- 874 (b) if such a quorum is not obtainable or if obtainable a quorum of disinterested Directors
875 so directs, by independent legal counsel in a written opinion.

876 **Section 14.5 Advancing Expenses**

877 Expenses (including attorneys' fees) incurred in defending any action, suit or proceeding referred
878 to in Article 14 may be paid by GISBNAESB in advance of the final disposition of the action, suit or
879 proceeding upon receipt of an undertaking by or on behalf of the representative to repay the amount if it
880 is ultimately determined that he or she is not entitled to be indemnified by GISBNAESB as authorized in
881 this Article or otherwise.

882 **Section 14.6 Supplementary Coverage**

883 The indemnification and advancement of expenses provided by or granted pursuant to Article
884 14 shall not be deemed exclusive of any other rights to which a person seeking indemnification or

885 advancement of expenses may be entitled under any bylaw, agreement, vote of the Members or
886 disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in
887 another capacity while holding that office. Section §12.1 (relating to interested Directors or officers)
888 shall be applicable to any bylaw, contract, or transaction authorized by the Directors under this Section
889 §14.6.

890 **Section 14.7 Duration and Extent of Coverage**

891 The indemnification and advancement of expenses provided by or granted pursuant to Article
892 14 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased
893 to be a representative of GISBNAESB and shall inure to the benefit of the heirs and personal
894 representatives of that person.

895 **Section 14.8 Reliance and Modification**

896 Each person who shall act as a representative of GISBNAESB shall be deemed to be doing so
897 in reliance upon the rights provided by Article 14. The duties of GISBNAESB to indemnify and to
898 advance expenses to a representative provided in Article 14 shall be in the nature of a contract between
899 GISBNAESB and the representative. No amendment or repeal of any provision of this Article shall
900 alter, to the detriment of the representative, his or her right to the advance of expenses or
901 indemnification related to a claim based on an act or failure to act which took place prior to such
902 amendment or repeal.

903

904 **ARTICLE 15 - ANNUAL REPORT**

905 **Section 15.1 Annual Report**

906 The Board shall present annually to the Members a report, verified by the Board
907 ChairmanChair and Treasurer or by a majority of the Board, describing the activities and
908 accomplishments of GISBNAESB and containing a financial report addressing at least the following
909 matters:

910 (a) The assets and liabilities, including the trust funds, of GISBNAESB as of the end of the
911 fiscal year immediately preceding the date of the report.

- 912 (b) The principal changes in assets and liabilities, including the trust funds, during the year
913 immediately preceding the date of the report.
- 914 (c) The revenue or receipts of ~~GISBNAESB~~, both unrestricted and restricted to particular
915 purposes, for the year immediately preceding the date of the report, including separate
916 data with respect to each trust fund held by or for ~~GISBNAESB~~.
- 917 (d) The expenses or disbursements of ~~GISBNAESB~~, for both general and restricted
918 purposes, during the year immediately preceding the date of the report, including
919 separate data with respect to each trust fund held by or for ~~GISBNAESB~~.
- 920 (e) The number of Members of ~~GISBNAESB~~ as of the date of the report, together with a
921 statement of increase or decrease in such number during the year immediately preceding
922 the date of the report, and a statement of the place where the names and addresses of
923 the current Members may be found.

924 The annual report of the Board shall be filed with the minutes of the meetings of the Members.
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926 **ARTICLE 16 - TRANSACTION OF BUSINESS**

927 **Section 16.1 Real Property**

928 ~~GISBNAESB~~ shall make no purchase of real property nor sell, mortgage, lease away or
929 otherwise dispose of its real property, unless authorized by the vote of the Board. If the real property is
930 subject to a trust, the conveyance away shall be free of trust and the trust shall be impinged upon the
931 proceeds of such conveyance.

932 **Section 16.2 Negotiable Instruments**

933 All checks or demands for money and notes of ~~GISBNAESB~~ shall be signed by such officer or
934 officers as the Board may designate.

935

936

ARTICLE 17 - CORPORATE RECORDS

937 **Section 17.1 Corporate Records**

938 GISBNAESB shall keep at its registered office or at its principal place of business: (a) a copy
939 of the Certificate, including all amendments thereto; (b) the original or a copy of its Bylaws, including all
940 amendments thereto to date, certified by the Secretary of GISBNAESB; (c) an original or duplicate
941 record of the proceedings of the Board; (d) an original or duplicate record of the proceedings of the
942 EC; (e) an original or a duplicate membership register showing the names of the Members, their
943 respective addresses, and other details of membership, and (f) appropriate, complete, and accurate
944 books or records of account.

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ARTICLE 18 - AMENDMENTS

947 **Section 18.1 Amendments**

948 The Bylaws of GISBNAESB may be amended by the Board in the manner described in the
949 Certificate; provided, however, that each Quadrant's Exhibit may be adopted or amended by majority
950 vote of the Directors representing that Segment-Quadrant or as may be specified under the procedures
951 contained in that Quadrant's Exhibit.

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ARTICLE 19 – TRANSITION PROCEDURES

954 **Section 19.1 Officers of the Board**

955 NAESB will be going through a transition process during the period immediately after adoption
956 of these Bylaws. To ease such transition, executive authority shall be exercised by the existing officers
957 of NAESB until such time as the newly constituted Board shall meet and determine upon a different
958 organization, consistent with these Bylaws. In the absence of affirmative action on the part of a fully
959 constituted Board (consisting of at least three Quadrants), the existing officers shall remain in their
960 positions until new officers are installed following the next scheduled election.

961 **Section 19.2 Officers of the EC**

962 EC authority shall be exercised by the existing EC officers until such time as the newly
963 constituted EC shall meet and elect a different slate of officers in accordance with these Bylaws. In the
964 absence of a change of officers by a fully constituted EC (consisting of at least three Quadrants), the
965 existing officers shall remain in their positions until new ~~officers~~officers are installed following the next
966 scheduled election.

967 **Section 19.3 Procedures to Constitute Board & EC Representation**

968 Both the Board and the EC will be expanded to include the elected representatives of new
969 Quadrants within 30 days of the completion of the following Quadrant formation activities:

- 970 (a) Approval of Quadrant and Segment By-laws or procedures by the existing Board.
- 971 (b) Completion of a minimum of 30 day recruiting period to solicit and enroll new members.
- 972 (c) An initial meeting of the membership of a Quadrant.
- 973 (d) Election of Board and EC representatives by the Quadrant.

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DRAFT FOR BOARD CONSIDERATION

REDLINED AS OF NOVEMBER 21, 2001 AGAINST THE ACTIVE BYLAWS OF THE ORGANIZATION

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EXHIBIT ~~61~~

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INITIAL EXECUTIVE COMMITTEE MEMBERS

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990 ~~INITIAL EXECUTIVE COMMITTEE MEMBERS~~991 ~~End User:~~992 ~~— Guy Ausmus~~993 ~~— Inland Steel Company~~994 ~~— Senior Buyer, Staff Supply Manager~~995 ~~— Jeffrey Brown~~996 ~~— C.C. Pace Resources, Inc.~~997 ~~— Vice President~~998 ~~— Kay Kern~~999 ~~— Southern California Edison~~1000 ~~— Fuel Acquisitions Agent~~1001 ~~— Robert Purgason~~1002 ~~— Williams Energy Ventures~~1003 ~~— Director of Information Services and Gas Projects~~1004 ~~— William Robey~~1005 ~~— CRSS Capital, Inc.~~1006 ~~— Director of Business Development~~1007 ~~LDC:~~1008 ~~— William Boswell~~1009 ~~— Peoples Natural Gas~~1010 ~~— Vice President, Secretary & General Counsel~~1011 ~~— Darlene Buchholz~~1012 ~~— Baltimore Gas & Electric Company~~1013 ~~— Supervisor, Gas Acquisition Department~~1014 ~~— Robert Fleck~~1015 ~~— Commonwealth Gas Company~~1016 ~~— Director, Gas Procurement & Regulatory Affairs~~

1017 ~~———— Dennis Holbrook~~

1018 ~~———— National Fuel Gas Distribution Corporation~~

1019 ~~———— Vice President~~

1020 ~~———— Mark Pocino~~

1021 ~~———— Southern California Gas Company~~

1022 ~~———— Vice President, Gas Supply~~

1023 Pipeline:

1024 ~~———— Mike Bray~~

1025 ~~———— Panhandle Eastern Corporation~~

1026 ~~———— Vice President, Corporate Regulatory Affairs~~

1027 ~~———— John Castleberry~~

1028 ~~———— Williston Basin Interstate Pipeline Company~~

1029 ~~———— Vice President, Administration~~

1030 ~~———— John Ebright~~

1031 ~~———— Midcon Corporation~~

1032 ~~———— Vice President and Controller~~

1033 ~~———— Ron Mucci~~

1034 ~~———— Williams Natural Gas~~

1035 ~~———— Vice President, Operations and Engineering~~

1036 ~~———— Bob Reid~~

1037 ~~———— Colorado Interstate Gas~~

1038 ~~———— Vice President~~

1039 Producer:

1040 ~~———— William Custard~~

1041 ~~———— Dallas Production, Inc.~~

1042 ~~———— President & CEO~~

1043 ~~———— Jerry Hahn~~

1044 ~~———— Texaco Gas Marketing, Inc.~~

1045 ~~———— Senior Vice President~~

1046 ~~William Haskell~~

1047 ~~CNG Producing Company~~

1048 ~~Manager, Marketing Administration & Technology~~

1049 ~~Mark Scheel~~

1050 ~~Chevron U.S.A. Production Company~~

1051 ~~Area Manager, Regulation & Information Technology~~

1052 ~~Lew Ward~~

1053 ~~Ward Petroleum Corporation~~

1054 ~~President & CEO~~

1055 Services :

1056 ~~Sherry Chesmore~~

1057 ~~Western Gas Resources, Inc.~~

1058 ~~Director of Gas Control~~

1059 ~~Cheryl Loewen~~

1060 ~~National Registry of Capacity Rights, Inc.~~

1061 ~~Vice President~~

1062 ~~Stuart Maudlin~~

1063 ~~Enernet Corporation~~

1064 ~~President~~

1065 ~~Stephen Meadows~~

1066 ~~Sonat Marketing Company & Sonat Energy Services~~

1067 ~~Vice President & Controller~~

1068 ~~Keith Sappenfield II~~

1069 ~~Transok, Inc.~~

1070 ~~Manager, Rates & Regulatory Affairs~~

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EXHIBIT 1

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WHOLESALE GAS QUADRANT PROCEDURES

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EXHIBIT 2

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WHOLESALE ELECTRIC QUADRANT PROCEDURES

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EXHIBIT 3

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RETAIL GAS QUADRANT PROCEDURES

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EXHIBIT 4

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RETAIL ELECTRIC QUADRANT PROCEDURES

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CERTIFICATE OF INCORPORATION
OF
GAS INDUSTRY STANDARDS BOARD INC.

I, the undersigned, acting as incorporator of a non-stock corporation under the General Corporation Law of the State of Delaware (hereinafter, the "Statute"), adopt this Certificate of Incorporation.

Article I

Name, Duration, and Registered Agent

Section 1. The name of the corporation is the **GAS INDUSTRY STANDARDS BOARD INC.** (hereinafter referred to as "GISB"). GISB is a non-stock corporation.

Section 2. The period of duration of GISB is PERPETUAL. GISB may be dissolved at any time in the manner provided in the Statute; provided, however, that no later than December 31, ~~2001~~2004, GISB's Board of Directors shall submit to the members a resolution recommending whether GISB shall continue. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to continue GISB.

Section 3. Reserved.

Section 4. No later than October 1, 1996, the Board of Directors shall submit to the membership a proposal on whether to consolidate the functions of the Board of Directors and the Executive Committee. An affirmative vote of both the Board of Directors and the members, as defined in Article V of this Certificate, shall be required to consolidate the functions of the Board of Directors and the Executive Committee. If the functions of the Board of Directors and the Executive Committee are consolidated, the surviving entity shall become the Board of Directors.

Section 5. GISB is not organized for pecuniary profit or for the pecuniary profit of its members, or to engage in a regular business ordinarily carried on for profit. No part of the net earnings of GISB shall inure to the benefit of any member or members or other private persons. During its functioning life, and in the event of its dissolution, all net earnings of GISB and its assets shall be devoted solely to the objects and purposes stated in this Certificate. Upon

dissolution of GISB, its assets may be distributed in any manner consistent with this Section and with the applicable provisions of law.

Section 6. The registered office and registered agent of GISB is The Prentice-Hall Corporation System, Inc., 32 Lookerman Square, Suite L-100, Dover, Kent County, Delaware, 19904.

Article II

Purposes and Scope

Section 1. The objects and purposes of GISB are to propose and adopt voluntary standards designed to promote a more competitive and, efficient and reliable natural gas and electric service, as such standards apply to electronic data interchange ("EDI") record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries. ~~GISB's first priority shall be to address the remaining or unresolved issues of the Electronic Bulletin Board ("EBB") Working Groups established by the Federal Energy Regulatory Commission ("FERC" or "Commission").~~

Section 2. GISB shall engage in any lawful activities necessary or desirable to achieve the objectives and purposes of GISB set forth in Section 1 of this Article II to the extent consistent with the provisions of Section 501(c)(6) of the Internal Revenue Code of 1986 (or any corresponding provision of any future revenue law) and the regulations promulgated thereunder (as they now exist or as they may be amended in the future, the "Code").

Section 3. GISB shall be a non-profit organization qualifying under Section 501 (c) (6) of the Code and shall not have the authority to issue capital stock.

Section 4. GISB shall not have any formal relationship with any regulatory agency. GISB shall not have an advocacy role regarding its standards before the FERC or any other regulatory agency.

Article III

Organization and Management

Section 1. The business and affairs of GISB shall be managed by the Board of Directors except to the extent that specific powers and duties are conferred upon the Executive Committee by this Certificate. The Board of Directors may delegate additional powers to the Executive Committee, provided that the Board of Directors may not delegate its power to

approve an amendment of the Certificate of Incorporation, a merger or consolidation, a sale of substantially all the assets or dissolution of GISB, or amendment of the By-Laws.

Section 2. The Board of Directors and Executive Committee members shall be elected for such terms as provided in the By-Laws. The ~~number of re shall be twenty five (25) members each of the Board of Directors and Executive Committee shall as provided in the By-Laws. There may be as many as four Quadrants and each Quadrant shall be composed of industry Segments. The voting members of the Corporation shall be divided into five Segments corresponding to the following five segments of the natural gas industry: End Users, Local Distribution Companies, Pipelines, Producers and Services.~~ The members of each Segment shall vote separately for the election of Directors and Executive Committee members for such Segment pursuant to procedures set forth in the By-Laws. ~~Five (5) Directors and five (5) Executive Committee members shall be elected by the members of each Segment.~~

Section 3. Each representative of the Board of Directors and the Executive Committee shall have one vote. Neither the Board of Directors nor the Executive Committee shall allow substitutes for any member thereof at their respective meetings; provided, however, that, as provided in the By-Laws, the Executive Committee may have designated alternates as selected by their segment. The Board of Directors and Executive Committee shall further establish procedures for notational voting, attendance by telephone or video conferencing, and determination of quorums. These procedures shall be included in, or attached to, the By-Laws. The Board of Directors and the Executive Committee shall each elect a chairman from among their own members. The Chairman of the Board of Directors may request that any vote or action be taken by the Board of Directors without a meeting and without unanimous consent, and such action may be taken if approved by the appropriate voting levels specified in Article V. The Chairman of the Executive Committee may request that any vote or action be taken by the Executive Committee without a meeting and without unanimous consent, and such action may be taken if approved by the appropriate voting levels specified in Article V.

Section 4. The Board of Directors shall be responsible for approving the budget, initiating and recommending charter changes, maintaining contacts within the natural gas industry and with government agencies, and selecting counsel and the external auditor for GISB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

~~The following persons shall constitute the first Board:~~

Name and Address	Segment Represented
David Leshner	End User
Reynolds Metals Company	

~~Manager, Regulatory Affairs~~
~~6603 West Broad Street~~
~~Richmond, VA 23230~~

~~Gerhard Stein~~ ~~End User~~
~~General Motors Corporation~~
~~Director, Energy Section~~
~~485 W. Milwaukee, Room A-250~~
~~Detroit, MI 48202~~

~~John Stevens~~ ~~End User~~
~~Eastern Utilities Associates~~
~~President & COO~~
~~One Liberty Square~~
~~Boston, MA 02107~~

~~James Templeton~~ ~~End User~~
~~Destec Energy, Inc.~~
~~Vice President Fuel Supply~~
~~2500 City West Blvd., Suite 150~~
~~Houston, TX 77042~~

~~Charles Thompson~~ ~~End User~~
~~Southern California Edison~~
~~Manager of Fuel Regulation~~
~~1190 Durfee Avenue, Suite 100~~
~~South El Monte, CA 91733~~

~~Leslie Enoch~~ ~~Local Distribution Company~~
~~Middle Tennessee Natural Gas~~
~~Executive Vice President & CEO~~
~~1030 West Broad~~
~~Smithville, TN 37166~~

~~Frank Hollewa~~ ~~Local Distribution Company~~
~~Washington Gas Company~~
~~Senior Vice President~~
~~6801 Industrial Road~~
~~Springfield, VA 22151~~

~~Mary Jane McCartney~~ ~~Local Distribution Company~~
~~Consolidated Edison Co. of NY~~
~~Sr. Vice President, Gas Operations~~
~~4 Irving Place~~
~~New York, NY 10003~~

~~Thomas Patrick~~ ~~Local Distribution Company~~
~~Peoples Gas Light & Coke~~
~~Vice President, Regulatory Affairs~~
~~122 S. Michigan Ave., Room 911~~
~~Chicago, IL 60603~~

~~Andrew Sonderman~~ ~~Local Distribution Company~~

~~Columbia Gas Distribution Cos. Pipeline~~
~~Secretary & General Counsel~~
~~200 Civic Center Drive~~
~~Columbus, OH 43215~~

~~Stephen Chesebro' Pipeline~~
~~Tenneco Gas~~
~~President & CEO~~
~~1010 Milam, Room 1623B~~
~~Houston, TX 77002~~

~~John DesBarres Pipeline~~
~~Transco Energy Company~~
~~Chairman, President & CEO~~
~~2800 South Post Oak Blvd.~~
~~Houston, TX 77056~~

~~Jim Dudley Pipeline~~
~~Delhi Gas Pipeline Corporation~~
~~Vice President, Transportation & Exchange~~
~~1700 Pacific Avenue~~
~~Dallas, TX 75201~~

~~Stan Horton Pipeline~~
~~Enron Operations Corp.~~
~~President & COO~~
~~1400 Smith Street~~
~~Houston, TX 77002~~

~~William Wise Pipeline~~
~~El Paso Natural Gas Company~~
~~Chairman, President & CEO~~
~~304 East Texas~~
~~El Paso, TX 79901~~

~~Randall Couch Producer~~
~~Amoco Production Co.~~
~~Vice President, Natural Gas~~
~~550 Westlake Park Blvd.~~
~~Houston, TX 77079~~

~~John Goodpasture Producer~~
~~Seagull Energy Corp.~~
~~Sr. Vice President, Pipelines and Marketing~~
~~1001 Fannin, Suite 1700~~
~~Houston, TX 77002~~

~~Jerry Jordan Producer~~
~~Clinton Gas Systems, Inc.~~
~~Chairman~~
~~4770 Indianola Avenue~~
~~Columbus, OH 43214~~

~~Thomas Knudson~~ ~~Producer~~
~~Conoco, Inc.~~
~~Vice President & General Manager, Natural Gas & Gas Products~~
~~600 N. Dairy Ashford Road~~
~~Houston, TX 77079~~

~~William Lang~~ ~~Producer~~
~~Vastar Gas Marketing, Inc.~~
~~President~~
~~1601 Bryan Street, Room 37-100~~
~~Dallas, TX 75201~~

~~Stephen Bergstrom~~ ~~Services~~
~~Natural Gas Clearinghouse~~
~~Executive Vice President~~
~~13430 Northwest Freeway, Suite 1200~~
~~Houston, TX 77040~~

~~Terrence Ciliske~~ ~~Services~~
~~Valero Natural Gas Company~~
~~Sr. Vice President, Marketing, Transportation and Supply~~
~~1200 Smith, Suite 900~~
~~Houston, TX 77002~~

~~Chuck Dempster~~ ~~Services~~
~~Aquila Energy Corporation~~
~~President~~
~~2533 North 117th Avenue~~
~~Omaha, NE 68164~~

~~John Gibson~~ ~~Services~~
~~GPM Gas Corporation~~
~~Vice President, Marketing~~
~~1300 Post Oak Blvd., Suite 800~~
~~Houston, TX 77056~~

~~Steven Salato~~ ~~Services~~
~~Midcon Gas Services Corporation~~
~~Sr. Vice President - Operations~~
~~3200 Southwest Freeway, Suite 2400~~
~~Houston, TX 77027~~

~~The above-named members of the first Board of Directors shall serve such terms as specified in GISB's By-Laws.~~

Section 5. (a) The Executive Committee, which shall also exercise general supervision of GISB's affairs, shall establish GISB's policies. The Executive Committee shall be responsible for establishment of procedures which will: (1) facilitate the formation of GISB technical standards that are based upon broad industry consensus and recognize the particular needs of each Segment, (2) consider the work of existing standards-setting organizations and standards

already developed, and (3) establish an accessible library of transactions developed by members of GISB for future consideration by GISB 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 GISB's functions pursuant to procedures set forth in the By-Laws; (3) preparing the budget; (4) setting priorities for standards to be developed or modified; (5) overseeing the GISB staff; and (6) directing activities for reviewing standards interpretation pursuant to the appropriate voting levels specified in Article V.

Section 6. The personal liability of the members of the Board of Directors and the Executive Committee, and such other persons acting for GISB, to the extent applicable under the Statute, is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the Statute, as the same may be amended and supplemented.

Any person who is or was a director, officer, agent, or employee of GISB, or is or was serving, at the request of GISB, as a director, officer, agent, or employee of another corporation, trust, or enterprise, shall be entitled to be indemnified by GISB to the fullest extent now or hereafter permitted by the Statute in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to such entity. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which an indemnified person may be entitled under any by-law, agreement, insurance policy, or otherwise.

Section 7. The Chairman of the Board of Directors shall be the Chief Executive Officer of GISB. An Executive Director shall be selected by the Board of Directors and shall exercise the duties of the chief operating officer of GISB.

Section 8. Advisory Committee. The Board of Directors shall establish a permanent, standing advisory committee to be composed of representatives of federal, state, and local agencies; public interest groups; non-profit research organizations; and similar organizations, selected pursuant to procedures set forth in the By-Laws. The Board of Directors and the Executive Committee shall seek the advice of this committee as either deems appropriate.

Section 9. GISB shall have no standing relationships with any technical or trade association; provided, however, GISB may establish an appropriate relationship with the American National Standards Institute (ANSI) for the purpose of seeking ANSI adoption of its standards, and further provided, however, that any Board-approved arrangement for financial support of GISB by any technical or trade association shall not be deemed to create a

prohibited standing relationship. GISB may work with such associations on an ad hoc basis. Furthermore, any such association may become a non-voting member of GISB.

Article IV

Membership

Section 1. GISB shall have two classes of members, voting members and non-voting members. The requirements for becoming a member of GISB shall facilitate to the greatest extent possible a wide based membership consistent with GISB's fiscal requirements and shall be consistent with all applicable law. Membership criteria for each Segment shall be established separately and set forth in or attached to the By-Laws; provided that the adoption of the requirements for membership in any Segment and any amendment thereof must first be approved by a majority of the Directors representing such Segment.

Section 2. Voting members. The voting members of GISB shall be individuals, partnerships, firms or corporations, which shall apply for membership in one or more Segments and are in good standing in accordance with the procedures of their Segment(s). As a condition of membership, each voting member will be required to execute a revocable appointment, in a form approved by the Board of Directors, authorizing a designated proxy to vote in support of any of the proposals adopted by the Board of Directors described in Article V, Section 3 of this Certificate of Incorporation which may be submitted to a vote of the general membership. Any voting member may resign from GISB by written notice to the Executive Director, whereupon that member's participation in all GISB activities shall cease.

A voting member which is delinquent in the payment of its dues shall continue as a member, but shall not be allowed to vote until it is current in the payment of its dues.

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.

Article V

Voting

Section 1. All actions within the respective responsibilities of the Board and the Executive Committee, as the case may be, shall be by majority vote, except as otherwise

provided in this Certificate of Incorporation. A quorum shall be a majority of the Board or Executive Committee, respectively.

Section 2. Voting members shall be entitled to one vote each at meetings of members, except that procedures attached to the By-Laws may provide for weighted or limited voting for members of any Segment, if such By-Law provision is first approved by a majority of the Directors representing such Segment. The quorum for meetings of members shall be one-third of the total number of votes eligible to be cast unless a different number is established by this Certificate.

Section 3. ~~An affirmative vote~~ of at least seventy-five percent (75%) ~~nineteen affirmative votes~~ from the Board, including an affirmative vote of at least ~~two affirmative votes~~ forty percent (40%) from Directors representing each Segment within each Quadrant, which vote must be ratified by a ninety percent (90%) affirmative vote of the general membership, shall be required to approve an amendment of this Certificate, including GISB's scope and purposes described in Article II, to continue GISB pursuant to Section 2 of Article I, to expand or contract the activities of GISB pursuant to Section 3 of Article I and to consolidate the functions of the Board of Directors and the Executive Committee pursuant to Section 4 of Article I. No quorum of the members shall be required for such votes.

Section 4. An affirmative vote of at least sixty-seven percent (67%) ~~seventeen affirmative votes~~ from each of the applicable Quadrant(s) of the Executive Committee, including an affirmative vote of at least forty percent (40%) ~~two affirmative votes~~ from representatives of each Segment within each of the applicable Quadrant(s), which vote must be ratified by a sixty-seven percent (67%) affirmative vote of those members of the applicable Quadrants of the general membership voting, shall be required to adopt, promulgate, amend, revise, modify, interpret, or rescind a standard. No quorum of the members shall be required for such vote.

Section 5. The ~~initial~~ By-Laws may be ~~shall be~~ adopted or amended by the Board on an affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from ~~of~~ Directors representing each Segment within each Quadrant, named in this Certificate and may be amended by the Board. The affirmative vote of at least nineteen Directors, including two Directors representing each Segment, shall be required to adopt or amend the By-Laws; provided that procedures pertaining to any Segment separately that are attached to the By-Laws must first be approved by a majority of the Directors representing such Segment.

Section 6. A vote of at least seventy-five percent (75%) ~~nineteen affirmative votes~~ from the Board, including an affirmative vote of at least forty percent (40%) ~~two affirmative votes~~

from the Directors representing each Segment within each Quadrant, shall be required to determine how to fund a budget deficit or to establish or modify a promotional dues program.

Article VI

Meetings

Section 1. The Board of Directors and Executive Committee shall meet as often as necessary to consider matters within their respective responsibilities. Notice of such meetings, which shall be appropriate under the circumstances and comply with all applicable statutory requirements, shall be given.

Section 2. The Board of Directors shall instruct the Executive Director to call such meetings of the general membership of GISB as are required by statute or are necessary to transact the business of GISB. Meetings of GISB may also be called by a majority of the members of GISB or by a majority of the members of the Board of Directors. Between meetings of GISB, votes of the membership may be taken by written ballot.

Section 3. Written notice of the annual meeting of GISB shall be given in such manner as is prescribed by Statute, but not less than ten (10) nor more than sixty (60) days prior to the date of the annual meeting. Notice of other meetings shall be given in a manner as may reasonably permit attendance at such meeting, but in any event in a time and manner sufficient to satisfy any statutory requirements.

Article VII

Funding

Section 1. The funds necessary to conduct the business of GISB shall be determined by the GISB Board of Directors. The GISB Board of Directors shall determine the amount of the membership fee to be assessed to each member on the year prior to its assessment, provided that except for promotional dues, the dues shall be the same for all voting members. GISB may elect to receive funds from non-dues sources to the extent authorized by the Board of Directors and permitted by law and GISB's bylaws. The Executive Director of GISB shall ensure that GISB expenditures in any year shall not exceed the sum of: (x) the aggregate

amount of membership fees received (or projected to be collected) during the year to which such annual budget relates and (y) all other monies or income received (or projected to be received) by GISB from whatever source during such year.

Article VIII

Amendment of Certificate of Incorporation

Section 1. The provisions contained in this Certificate of Incorporation may be amended by the adoption of a resolution pursuant to the voting procedures set forth at Article V.

Article IX

~~Section 1. The name and mailing address of the incorporator is as follows:~~

~~Stephen D. Chesebro'
President & CEO
Tenneco Gas
1010 Milam Street
Houston, TX 77002~~

~~IN WITNESS WHEREOF, I, the undersigned, being the incorporator herein above named, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 22nd day of September, 1994.~~

~~Stephen D. Chesebro', Incorporator~~



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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

Home Page: www.gisb.org

TO: Interested Industry Participants
FROM: Gas Industry Standards Board
RE: **Industry Meeting Regarding the Wholesale Market Electricity Standards Organization**
DATE: November 14, 2001

Dear Industry Participant,

The Department of Energy is pleased to sponsor an industry wide meeting facilitated by Edison Electric Institute, the Electric Power Supply Association, the Electricity Consumers Resource Council and the National Energy Marketers Association. This forum will be held on December 7, and is designed to provide an opportunity for open discussion on the organizational structure needed to represent the wholesale electric interests in the development of market-based standards, and types of standards that should be addressed. As with the previous industry wide meetings held on standards development activities for the wholesale and retail natural gas and electric topics, the Department of Energy has graciously offered its facilities for the meeting site. The meeting specifics are below and a draft agenda is attached.

WHERE: Department of Energy
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

ROOM: Large Auditorium, Room GE-086

WHEN: Friday, December 7 10:00 a.m. to 5:00 p.m.

The nature of the debate should address the framework for an organization whose role would be to develop wholesale electric standards, including scope of activity, segments for each of the industry quadrants, and any additional key principles that are necessary. As supporting information for the meeting is prepared, which would include a more detailed agenda, it will be posted on the facilitators' web sites and on the GISB web site (www.gisb.org) and can be emailed to you if you request it from the GISB office (gisb@aol.com).

If you are unable to attend the meeting, or would like to provide written comments in addition to attendance, please provide them to the GISB office via email (contact: gisb@aol.com) by December 3. The work papers and comments received by December 3 will be posted on our web site and emailed to all registered participants on December 4. The meeting will be transcribed and transcripts will be available for purchase.

The Department of Energy has security procedures for visitors, so those intending to attend the meeting should notify the GISB office (contact: gisb@aol.com) by end of business Monday, December 3 and provide the following information:

- Name of Attendee
- Company Represented
- Phone Number
- Email Address
- Fax Number
- Country of Citizenship



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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

Home Page: www.gisb.org

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In addition to its normal security process, the Department of Energy has additional security measures if should you bring in cell phones or laptop computers. The auditorium has very limited number of power outlets for laptops, and it is advised not to bring them to the meeting. Should you need to bring in a cell phone or a laptop, you should allow more time for a longer procedure for checking through security. The auditorium has a seating capacity of 200, with limited standing room. An attendance list will be provided to the Department of Energy to facilitate the sign in procedures, and will be made available at the meeting.

Please feel free to call our office should you have any questions or comments. We look forward to seeing you at this industry meeting and receiving your comments.

Best Regards,

Rae McQuade

Executive Director, Gas Industry Standards Board



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INDUSTRY FORUM ON THE CONSIDERATION OF AN ENERGY INDUSTRY STANDARDS BOARD

**Sponsored By the U.S. Department of Energy
Forrestal Building, 1000 Independence Avenue S.W., Washington D.C.
Room GE-086**

Friday, December 7, 2001 - 10:00 a.m. to 5:00 p.m.

DRAFT AGENDA

1. Welcome Remarks
2. Antitrust Statement
3. Opening Statements From the Facilitator Organizations
4. Remarks from a panel of Regional Transmission Organizations and Independent System Operators
5. Remarks from a panel of industry leaders in the wholesale electric market
6. Wholesale Electric Standards Development Issues
 - How should the organization be structured?
 - What key concepts should be embodied in the organizational governance documents?
 - What standardization efforts should be addressed as an initial plan of development?
 - Other Issues (Some of these may be identified by the comments received)
7. Adjourn



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

4. ANNUAL PLAN

- In this section you will find the 2001 Annual Plan. Mr. Buccigross, chairman of the Executive Committee, will review the progress made to date on each item including assignments to subcommittees, and the recent realignment of information requirements activities to address the current backlog of requests. During his review, Mr. Buccigross may suggest changes for the Board's consideration if needed.
- The proposed plan for 2002 is also included for wholesale gas interests. Mr. Buccigross will also present the plan for adoption by the Board. The adoption is a simple majority vote.



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GAS INDUSTRY STANDARDS BOARD

2001 ANNUAL PLAN

Mission Statement

The GISB mission statement, as adopted by the Board of Directors, is:

"The Gas Industry Standards Board mission is to develop and promote standards to simplify and expand electronic communications, and to simplify and streamline business practices which will lead to a seamless marketplace for natural gas. These standards will assist the natural gas industry in improving customer service, enhancing the reliability of natural gas service and increasing the competitiveness and efficiency of natural gas markets."

Scope Statement

The GISB scope statement, as defined in the Certificate of Incorporation, is:

"The objects and purposes of GISB are to propose and adopt voluntary standards designed to promote more competitive, efficient and reliable gas service, as such standards apply to electronic data interchange ("EDI") record formats, communications protocols and related business practices that streamline the transactional processes of the gas industry."

2001 Plan Description

The 2001 Annual Plan has four categories: (1) Contracts, (2) Electronic Delivery Mechanisms and Related Activities, (3) Standards Implementation, (4) Provisional Activities, and (5) Standards Maintenance & Fully Staffed Standards Work - in no particular order. The completion dates for each item indicate a relative priority. Below is a description of each category of activity.

1. Contracts: Three standards development activities for contracts are defined and underway. All three are related to the purchases and sales of natural gas - completion of the changes to the short-term contract, development of the short-term contract in electronic form and development of the long-term contract. Both the development of the long-term contract and the development of the electronic version of the short-term contract can be done directly following the completion of the changes to the short-term contract. In addition, there should be investigation and determination if a model financial hedging agreement and a transportation agreement can be developed.
2. Electronic Delivery Mechanism and Related Activities: Performance, reliability and security issues were the focus of a report issued from the U.S. Department of Energy's Sandia National Laboratories regarding a GISB standards surety assessment. Several suggestions for enhancing GISB standards were made in the assessment, which GISB will consider for implementation. The review and/or modification of GISB EDM security standards, including the determination of whether to develop a web-based public key repository is an outcome of report.

Interoperability is crucial to the ensuring that an individual on a computer can successfully access and operate multiple web sites. To achieve interoperability, GISB standards should



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not define conflicting specifications so that accessing one web site ensures that other web sites are inoperable. Specifically, a plan should be developed for addressing versioning issues – which may result in new standards or standard modifications.

Extensible Mark-up Language (XML) is a tag-based framework used primarily to exchange data in a universally understood format. It could be used as a vehicle for exchanging information in a batch (similar to EDI) or online (interactive web site) mode. XML is gaining in popularity -- several standards groups have undertaken its review, and some have endorsed its use. GISB would prepare and carry out a plan, the end result of which would be to answer the questions: “Should GISB develop standards using XML, and if so, should GISB proceed in consideration of a pilot transaction?”

3. Standards Implementation: Several completed business practice standards for FERC Order No. 637 require technical implementation standards to be developed or modified in order for the activity to be considered fully staffed. In addition, our ANSI ASC X12 EDI standards are being reviewed for the need to migrate to a new version of the ANSI standards.
4. Provisional Activities: The GISB Board of Directors may consider whether it is in the organization's interest to consider evolving from the "Gas" Industry Standards Board to the "Energy" Industry Standards Board, as a carry-over Board activity from 2000. As such, some of the activities denoted under the “Provisional Activities” category will require Board approval and in some cases, Board action.

The activities include the investigation of the development an “energy day” standard and consistent changes to existing GISB standards. For gas retail standards, a development plan should be prepared for review and approval by the Board. For the determination of whether GISB will become part of an energy industry standards board, the Board will continue its review and consideration. If the Board does determine to go forward, a plan should be prepared by the stakeholders of the new organization. All stakeholders including previous GISB members should be asked to draft input for this planning process.

5. Program of Standards Maintenance and Fully Staffed Standards Work: This is an ongoing effort to maintain existing business practice standards, information and technical standards, and implementation guides and standards manuals. Version 1.5 of the standards should be published in the first quarter 2001.



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GAS INDUSTRY STANDARDS BOARD 2001 ANNUAL PLAN

Item Description	Completion ¹	Assignment ²
Contracts		
1 Modify the short-term base contract for purchase and sales of natural gas based on several years' use Status: The contract and the Canadian Addendum are out for comment and will be considered for vote at the EC meeting on December 13.	1 st Qtr	EC
2 Build an electronic contract from the short-term base contract for purchase and sales of natural gas. Status: Although this has not started pending item 1, some initial work is being done on the contract to prepare it for a pilot test using XML.	3 rd Qtr	EC
3 Contracts Request No. R98019 - Development of a Standard/Model Long Term Base Contract for Purchase and Sales of Natural Gas. Status: The contract and the Canadian Addendum are out for comment and will be considered for vote at the EC meeting on December 13.	4 th Qtr	EC
4 Determine if a standard transportation services agreement is needed and if so, develop it. Status: This item will be considered after the completion of item 3.	4 th Qtr	EC
5 Determine if a model financial hedging agreement is feasible and if so develop a model financial hedging agreement. Status: This item will be considered after the completion of item 3.	4 th Qtr	EC
Electronic Delivery Mechanisms and Related Activities		

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

² The groups indicated in the assignment column can forward the action item to an existing subcommittee or create a subcommittee or task force for completion of the item.



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Item Description	Completion ¹	Assignment ²
<p>6 Develop plan to consider surety assessment recommendations based on the Sandia National Laboratories. Implement those that are determined needed, including changes to existing GISB standards.</p> <p>Status: The plan has been developed, including the changes recommended as a result of subcommittee review and consideration and have been released for a second industry comment. The changes will be reconsidered for vote at the December 13 EC meeting.</p>	3 rd Qtr	EC
<p>7 Develop plan to address “versioning” and other interoperability issues, and implement action items, including changes to existing GISB standards</p> <p>Status: The versions are addressed in the minimum guidelines under consideration and in the GISB responses and recommended standard changes in response to the Sandia Surety Assessment.</p>	3 rd Qtr	EC
<p>8 Develop XML plan and complete action items, including consideration of a pilot transaction.</p> <p>Status: The plan has been developed, and the pilot test has been designed for the short term base contract, but put on hold due to lack of pilot testers. Work is underway for scheduling transactions.</p>	4 th Qtr	EC
Standards Implementation		
<p>9 Complete the implementation of FERC Order No. 637 standards.</p> <p>Status: Work is underway by the Information Requirements Subcommittee and the Technical Subcommittee to complete the FERC Order No. 637 items.</p>	2 nd Qtr	EC
<p>10 Continue review against plan for migration to ANSI ASC X12 new versions as needed.</p> <p>Status: The ANSI Subcommittee considers the ANSI ASC X12 versions as needed.</p>	4 th Qtr	EC
Provisional Activities		
<p>11 Examination, report and determination of if an “energy day” standard is needed, including assessment of changes to existing GISB standards.</p> <p>Status: This activity would not begin until the determination of whether an EISB will be created, and if so, how GISB would fit into such an organization.</p>	3 rd Qtr	Board/EC



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Item Description	Completion ¹	Assignment ²
12 Prepare development plan for gas retail standards. Status: This activity would not begin until a request has been received to develop retail gas standards.	2 nd Qtr	Board/EC
13 Consider establishment of an Energy Standards Board, which would encompass GISB, its products and ongoing work. Status: A board task force has been established and is actively working on this item.	Ongoing	Board
Program of Standards Maintenance & Fully Staffed Standards Work³		
Business Practice Requests	Ongoing	EC
Information Requirements and Technical Mapping of Business Practices	Ongoing	EC
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	EC
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	EC

- Notes: (1) Priority is given to action items that are carry-overs from the 2000 Annual Plan.
(2) Any new activity should be preceded by a request from the submitter (action items nos. 4 and 5).

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



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GAS INDUSTRY STANDARDS BOARD OPERATING PRACTICE ANNUAL PLAN PROCESS, CHARACTERISTICS, IMPLEMENTATION AND RESPONSIBILITIES

PLAN CHARACTERISTICS

The Annual Plan has the following characteristics and any changes to the Annual Plan will maintain these characteristics:

1. Focus and prioritization of GISB activities: The annual plan provides a clear focus on specific activities with a prioritization defined. The activities defined should have high expectation of implementation. The annual plan will be focused on the standards development and maintenance, and interpretation development efforts of the organization.
2. Resource application to GISB efforts: The annual plan recognizes that the member company resources to work on GISB efforts are limited. The efforts defined for activity by GISB should not exceed those limits by spreading the resources so thin that the assurance of success is affected.
3. Alignment of efforts to assure coordination of intent: It is the intent of the Board of Directors and the Executive Committee that their objectives coincide. The Board of Directors and the Executive Committee will direct GISB work through the annual plan so that those intents are aligned and the annual plan efforts are realized.
4. Timetable for efforts: The work of GISB is defined with a specific timetable during which consensus can be reached. If consensus is not reached within that timetable, avenues other than GISB can be pursued.

IMPLEMENTATION OF THE ANNUAL PLAN

1. Recognition of time constraints of development efforts -- the plan provides focus with no more than 5 to 10 major efforts identified, with deadlines for completion, which serve as prioritization. The development efforts, deadlines, and priorities are identified in the Annual Plan. If one of the approved efforts is completed during a year, a new effort could be added if approved by the Board of Directors in consultation with the officers of the Executive Committee.



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2. Empowerment of the chairs at subcommittee and task force meetings -- chairs are empowered to limit discussions when necessary, call items out of order when applicable, follow agendas closely, and in general exert more control so that the time participants spend in meetings is more effective.
 3. Efforts are "implementable" -- each effort should have a reasonable expectation that consensus can be reached, with clear deadlines established for completion. The deadlines provide an incentive to all industry participants to reach closure. For each Board meeting, these deadlines will be reviewed with the progress made to date by the subcommittees. The deadlines, as with any other parameter established in the Annual Plan, cannot be changed without Board approval. If a deadline is missed, the Board, in consultation with the officers of the Executive Committee, will determine whether the work should be continued, put on hold or transferred to another venue.
 4. Modifications to existing standards and new standards that are requested which come through the request process should reflect a broad industry need. As prioritization occurs, a primary parameter should be how many companies or segments need this standard or standard change. Industry efforts to implement standards that affect only a few companies should be severely limited.

BOARD OF DIRECTORS RESPONSIBILITIES TO THE PLAN

1. Progress toward completion of the plan will be reviewed by the Board quarterly with the officers of the Executive Committee.
2. The deadlines in the Annual Plan, as with any other parameter established in the Annual Plan, cannot be changed without Board approval. When a deadline is reached before the item is completed, the Board, in consultation with the officers of the Executive Committee, will determine whether the work should continue, be postponed or transferred to another venue.
3. Any changes or additions to the annual plan items, including those requested by government agencies or commissions, must first be presented to the Board for its consideration, prioritization and approval.
4. The Board will review monthly progress reports on the Annual Plan to determine if any changes are necessary.



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5. The Chairman of the Board of Directors will request that each segment by September name one Board member and one EC member to a task force to develop the subsequent year's annual plan.

EXECUTIVE COMMITTEE RESPONSIBILITIES TO THE PLAN

1. The Executive Committee should strive to complete the items set forth in the Annual Plan in the times specified. When a deadline is reached before the item has completed, the Executive Committee will recommend to the Board for the Board's determination of whether the work should continue, be postponed or transferred to another venue.
2. The officers of the Executive Committee will brief the Board at each Board meeting on the progress made towards completing each item on the Annual Plan.
3. There will be boundaries on the time spent in modifying standards, which will be controlled by the Executive Committee through its setting of meeting dates for the subcommittees addressing maintenance issues.
4. A key element in determining priority for maintenance issues is the number of companies or segments needing the modifications requested. The Triage Group recommendations to the Executive Committee will include priorities/dates and possible changes to other priorities such that the workload in maintenance is reasonable considering the other items included in the plan.

GISB OFFICE RESPONSIBILITIES TO THE PLAN

1. The GISB office will prepare the progress report to the Board of Directors for each Board meeting in consultation with the officers of the Executive Committee and other subcommittee chairs as appropriate.
2. The Executive Director will be an active participant in subcommittee and task force meetings that he or she attends, acting as a liaison to the Board of Directors.



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GAS INDUSTRY STANDARDS BOARD OPERATING PRACTICE

POWERS AND DUTIES OF SUBCOMMITTEE AND TASK FORCE CHAIRS

Chairs of committees, subcommittees and task forces undertake responsibilities in assuming their roles as presiding officers. The GISB organization is appreciative of the significant leadership efforts that are assumed when individuals agree to serve as chairs.

Chairs act as representatives of the Executive Committee in discharging its responsibilities with respect to the organization's purposes. The annual plan adopted by the Board of Directors sets forth GISB's priorities for the year in question, and the chairs are strictly charged by the Board and the Executive Committee to ensure that the subcommittees and task forces are directed to the end of accomplishing the annual plan. As such, chairs are empowered to take any actions necessary to ensure that the discussion is timely, effective, and focused on matters consistent with the plan, including, but not limited to setting and enforcing deadlines for debate, ruling items out of order, and otherwise supervising the progress of the meetings for which they are responsible.

The principles below are in full accordance with normal rules of order for groups following the democratic principles of parliamentary procedure.

1. The chair's role is that of serving the assembly, striving for fair play among the participants, trying to ascertain the participants' and the organization's intent, and providing guidance for the fulfillment of the intent of the organization as a whole. The organization's intent is reflected in the annual plan.
2. Presiding officers of a meeting should remain impartial and objective. If a motion is made, and the chair wishes to advocate a particular position, he or she should ask another officer to act as chair during the discussion. After the discussion, the chair should resume his or her role as the presiding officer.
3. The chair should not permit participants to speak at will, offer alternative main motions when a main motion is already under consideration, interrupt speakers or claim the floor without first being recognized by the chair.



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4. The chair should refuse to allow participants to claim the floor several times before others have had their first opportunity to speak.
5. The chair is empowered to limit discussions when necessary and call items out of order if not on the agenda of the meeting.
6. The chair is to guide the participants to follow the agenda and to meet the goals established for that agenda and to realize the organization's intent. The organization's intent is reflected in the annual plan.
7. It is the responsibility of the chair to guide the participants so that the time spent in the meeting is effective, meets the goals of the organization, and addresses the items on the agenda.
8. The chair should ensure that the agenda for the meeting is in agreement with the intent of the organization as a whole.
9. The chairs are empowered to limit discussion to the named members of the committee, task force or group. They are also empowered to name members of subgroups to act on specific issues. While all GISB meetings are open, chairs can restrict discussion in the meetings to the named members of the groups.
10. The chairs should ensure that draft minutes of the meetings and any exhibits (including any work papers and alternative proposals) are prepared as soon as reasonably possible as provided in the GISB Operating Practices.



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GAS INDUSTRY STANDARDS BOARD DRAFT 2002 ANNUAL PLAN

Item Description	Completion ¹ Assignment	
Contracts		
1 Develop the Mexican Addendum to the base contract for purchase and sales of natural gas.	3 rd Qtr	Contracts Subcommittee
2 Build an electronic contract for the base contract for purchase and sales of natural gas.	4 th Qtr	Contracts Subcommittee
3 Modify the Funds Transfer Agreement as necessary after several years of use.	2 nd Qtr	Contracts Subcommittee
Electronic Delivery Mechanisms and Related Activities		
4 Complete technical implementation of Sandia recommendations.	1 st Qtr	EDM Subcommittee
5 Explore additional possibilities for partnership with the Department of Energy similar to that of the Sandia report.	2 nd Qtr	EC Officers
6 Review and enhance security standards as required by technological changes.	2 nd Qtr	EDM Subcommittee
7 Develop XML technical implementation for base contract and for scheduling documents	4 th Qtr	EDM Subcommittee
Standards Implementation		
8 Continue the implementation of FERC Order No. 637 standards.	3 rd Qtr	Assigned by the EC
9 Develop standards as necessary to support FERC Docket No. RM 96-1-019	3 rd Qtr	Assigned by the EC
10 Develop standards as necessary to support the affiliate NOPR, Docket No. RM 01-10-000	4 th Qtr	Assigned by the EC
Provisional Activities		
Examine report and determine if an “energy day” standard		

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.



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Item Description	Completion¹ Assignment	
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.		
Program of Standards Maintenance & Fully Staffed Standards Work ²		
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 prepared.

² This work is considered routine maintenance and thus the items are not separately numbered.



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

5. FINANCE REPORTS

- In this section, you will find the 2001 Finance Report. Ms. McQuade and Ms. Wishart will review the financial statements.
- In this section, you will also find the proposed budget for 2002. After discussion and incorporation of any changes resulting from discussion, you will be asked to approve the budget through a simple majority vote.



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TO: Bill Boswell, Julie Gomez
FROM: Rae McQuade, Executive Director
RE: Draft Budget 2002, Variance Report as of October 2001, Incremental Budget for NAESB
DATE: November 21, 2001

Attached is a draft budget for 2002, based on the year-end 2001 expenses with reductions where possible, and expectations for revenues generated in 2002. The numbers for Expected YE 2001 and YTD 2001 Expenses are accrual based. The budget does not include additional expenses or revenue related to the creation of an energy standards board, which is prepared as a separate spreadsheet following.

Revenue Accounts	2001 Budget	2001 Expected YE	October 2001 YTD	Draft 2002 Budget
Membership Dues	\$760,000	\$752,000	\$757,501	\$760,000
Certification	\$22,500	\$37,500	\$37,500	\$52,500
Courses & Meetings & Products	\$70,000	\$120,000	\$113,131	\$120,000
Advertising	\$25,000	\$5,000	\$2,900	\$15,000
TOTAL	\$877,500	\$914,500	\$911,032	\$947,500
Expense Accounts				
Salaries, Benefits & Taxes	\$410,000	\$400,000	\$335,825	\$430,000
Office Rents	\$45,000	\$48,000	\$40,707	\$53,000
Office Expenses	\$45,000	\$50,000	\$45,895	\$55,000
Telecommunications	\$65,000	\$50,000	\$40,460	\$55,000
Travel & Meetings	\$100,000	\$130,000	\$114,127	\$130,000
Publications	\$50,000	\$50,000	\$41,219	\$50,000
Outside Services	\$110,000	\$132,000	\$112,294	\$135,000
Insurance	\$10,000	\$5,500	\$4,450	\$6,000
Other (Contingency)	\$0	\$0	\$0	\$0
TOTAL	\$835,000	\$865,500	\$734,977	\$914,000
Capital Expenditures	\$40,000	\$20,000	\$19,614	\$20,000
TOTAL	\$875,000	\$885,500	\$754,591	\$934,000



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October 2001 Variance Report:

While the expenses for 2001 show a \$10,000 increase over the expected budget, the revenues raised are \$37,000 more than expected, for a net profit by year end of \$27,000. The increase in revenue generation is attributable to the workshops given and the certification program. The increase in the expenses is due in part to the costs related to the increase revenue generation and to travel and outside services. The outside services were increased due to additional legal expenses expected by year end and the travel expenses are related to advisory committee and NAESB related costs.

2002 Proposed Budget Notes:

- (1) Membership Dues: We expect membership to be flat in 2002. As the new quadrants are organized some of the members may transfer to those quadrants.
- (2) Certification: With increased state activity and reliance on GISB EDM standards, we expect additional certifications.
- (3) Courses & Meetings & Products: With restructuring our courses, we realized a significant increase in revenues in 2001 which we expect will carry over into 2002.
- (4) Advertising: We have recently added two new advertisers, some revenue of which will be realized in 2001, but the majority will be realized in 2002.
- (5) Telecommunications: We renegotiated our contract with MCI to reduce telecommunications costs in 2001 and expect increased usage in 2002 for broadcast fax, Internet Service Provider fees, DSL charges and phone expenses as companies support teleconferencing for meetings over face-to-face meetings.
- (6) Travel and Meetings: We expect to hold travel expenses to the last year's actual expenses - with member companies hosting GISB Executive Committee meetings, or where meetings other than those of the Board are held in hotels, an attendance fee may be charged to cover expenses.
- (7) Publications: Our expenses for 2002 are flat compared to 2001 actual expenses.
- (8) Outside Services: Our outside services are flat for 2002 based on the actuals for 2001.
- (9) Insurance: This category remains at the same level as 2001.
- (10) Capital Expenditures: Last year, the capital expenditures were postponed in part for additional computer equipment. The amount in this account is the carry over from 2001.



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2002 Budget Incorporating Incremental Amounts For NAESB

Revenue Accounts	Draft 2002 Budget	Incremental Budget for NAESB	Total
Membership Dues	\$760,000	\$440,000	\$1,200,000
Certification	\$52,500		\$52,500
Courses & Meetings & Products	\$120,000		\$120,000
Advertising	\$15,000		\$15,000
TOTAL	\$947,500	\$440,000	\$1,387,500
Expense Accounts			
Salaries, Benefits & Taxes	\$430,000	\$150,000	\$580,000
Office Rents	\$53,000		\$53,000
Office Expenses	\$55,000	\$20,000	\$75,000
Telecommunications	\$55,000	\$70,000	\$125,000
Travel & Meetings	\$130,000	\$40,000	\$170,000
Publications	\$50,000	\$50,000	\$100,000
Outside Services	\$135,000	\$55,000	\$190,000
Insurance	\$6,000	\$18,000	\$24,000
Other (Contingency)	\$0		
Capital Expenditures	\$20,000	\$40,000	\$60,000
TOTAL	\$934,000	\$443,000	\$1,377,000

The membership dues incrementally shows a transfer of 32 members from the wholesale gas quadrant to the other three quadrants – from services, end users and LDCs. With the transfer accounted for the net gain is \$440,000 but the contribution from the three new quadrants is \$600,000.

The increases in expenses are directly related to the increase in support for additional membership with exceptions noted for:

- “Salaries, Benefits & Taxes” is increased to add two additional office staff for administrative support of the new quadrants, temporary staff as needed to manage workload, and a consultant to incorporate the needs of the new quadrants into the web page.
- “Travel & Meetings”, where some reductions may be realized for coordination of meetings and possibly charge for meeting attendance when they are held in hotels.
- “Publications” is doubled because of additional expected transcription cost, increased generation of paper copies of meeting materials for new quadrants, and increased postage and delivery services.
- “Outside Services” is higher for additional accounting and financial reviews and increased legal support.
- “Insurance” now includes D&O and E&O coverage for a larger Board and increased activity.



Gas Industry Standards Board

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Balance Sheet- Accrual - As of October 31, 2001

Assets

Current Assets

Checking/Savings	\$113,445
Accounts Receivable	\$552,000
Other Current Assets	\$18,124
Total Current Assets	\$683,569

Fixed Assets	\$17,366
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Total Assets **\$700,935**

Liabilities and Equity

Current Liabilities

Accounts Payable	\$22,058
Other Current Liabilities	\$634,583
Total Current Liabilities	\$656,641

Equity

Retained Earnings	\$-131,760
Net Income	\$176,054
Total Equity	\$44,294

Total Liabilities and Equity **\$700,935**



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Accounts Receivable Aging Report Accrual Based, As of October 31, 2001

Accounts Receivable	\$552,000
<hr/>	
Accounts Receivable Related to 2002 Dues	\$495,000
<hr/>	
Accounts Receivable Related to 2001 Dues	\$55,000
- Receivables related to 2001 membership dues less than 30 days	\$25,000
- Receivables related to 2001 membership greater than 61-90 days	\$10,000
- Receivables related to 2001 membership greater than 91 days ¹	\$20,000
<hr/>	
Accounts Receivable Not Related to 2001 Dues	\$2,000
- Courses Revenue Less than 30 Days	\$1,200
- Annual Meeting Fees - 61-90 Days ²	\$ 800

¹ BTUWatch, Inc., IBM Corporation, Merrill Lynch Capital, Dauphin Island Gathering

² PGP Security Annual Meeting Fee.



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Revenues and Expenses – Accrual – As of October 31, 2001

	<u>October 2001</u>	<u>YTD 2001</u>	<u>YTD 2000</u>
Income			
Membership Dues	\$4,583	\$757,501	\$747,031
Certification	\$15,000	\$37,500	\$22,500
Courses & Meetings & Products	\$19,378	\$113,131	\$68,815
Advertising	\$0	\$2,900	\$21,900
Gross Profit	\$38,961	\$911,032	\$860,246
Expense			
Salaries, Benefits & Taxes	\$29,220	\$335,825	\$309,234
Office Rents	\$4,622	\$40,707	\$35,320
Office Expenses	\$5,653	\$45,895	\$45,898
Telecommunications	\$4,974	\$40,460	\$43,249
Travel & Meetings	\$18,566	\$114,127	\$95,587
Publications	\$4,379	\$41,219	\$43,788
Outside Services	\$8,929	\$112,294	\$109,391
Insurance	\$463	\$4,450	\$3,602
Total Expense	\$76,806	\$734,978	\$686,069
Net Income	-\$37,845	\$176,054	\$174,177



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TO: GISB Board of Directors
FROM: Rae McQuade, Executive Director
RE: Retail Marketing Report
DATE: November 18, 1999

**GAS INDUSTRY STANDARDS BOARD
REPORT TO THE BOARD OF DIRECTORS
ON
GAS & ELECTRIC RETAIL MARKETING**

I. Introduction

The Coalition for Uniform Business Rules (CUBR), represented by Mr. Keith Sappenfield and Mr. Bill Hunsicker, made a presentation to the Board of Directors on September 30. In the presentation, Mr. Sappenfield described the make-up of the coalition, its mission, and efforts to create standards for the gas and electric retail market. The coalition has asked GISB to take its work product and develop and maintain gas and electric retail market standards.

In response to the coalition's presentation, the Board formed a group headed by Bill Boswell and composed of Board officers (Jim Templeton, Stan Horton and Bill Boswell) and members (Nancy Laird and Julie Gomez), Executive Committee officers (Jim Buccigross and Mike Novak), the GISB General Counsel Jay Costan and the GISB Executive Director Rae McQuade. The group was charged with reporting back to the Board on December 2 on the implications of developing retail market standards on four areas: (1) scope, (2) governance documents, (3) funding and (4) resources.

The Board task force at this time presents its report covering the following areas: (1) alternatives on how to proceed based on conversations and meetings with trade associations and government agencies, (2) scope and governance implications, particularly as regards development of retail electric standards, (3) budget implications, (4) membership and resource implications and (5) suggested action items for the Board to consider at the December 1999 meeting.

In some respects, the subject matter of this report could have momentous implications on the future course of GISB. Clearly, the invitation to GISB to become involved in the development of standards for the electric industry suggests an evolution of GISB from an organization devoted solely to serving the gas industry to one which would serve both the electric and gas industries, whose needs are viewed as both similar and converging.



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The task force offers no specific recommendation as to what the Board ultimately should do. Instead, we offer only two points for the Board to consider in its deliberations.

The first is that GISB, through its evolution as a standard-setting organization, has developed significant credibility within the industry and with governmental agencies. This is a important institutional asset and one which has been purchased through expenditure of tremendous effort and a steadfast determination to develop an organizational structure that fairly represents all industry segments and provides a workable and credible format for developing consensus on industry business practices and standards. No other organization has this type of credibility or is anywhere near garnering the broad industry support that GISB has amassed over the five years of its existence.

The second point is that one of the hallmarks that has made GISB successful is that it has taken a measured approach to each problem or challenge presented to it. As a consensus-building organization, GISB is known for a deliberative process and, out of that process, for results that are supported by the industry.

In our visits with industry trade associations and government officials, we were reminded over and over again how these characteristics have made GISB, uniquely, the successful organization that it is. In presenting this report, we have attempted to let these precepts guide us in setting out for the Board things that might lie ahead.

II. Alternatives

In discussions held with the trade associations and government agencies, several alternatives came to light. As one alternative, we could decide not to do anything. We would thank CUBR for its presentation and request, and inform the group that at this time, we are not prepared to take any action. We could also determine to work with trade associations and others that are working on, or are planning to work on, retail market practices.

If we determine to go forward and develop retail market standards, we can either (1) develop retail market standards for natural gas - which would not require any changes to our governance documents and organization, or (2) develop retail market standards for both gas and electric markets - which would effectively reform our organization into an energy standards board.

If we determine to proceed with developing retail market standards, we could do so through several approaches:

- (1) We could develop a full plan for retail market standards, including milestones, gain approval of the plan from the Board, and then proceed as we did in the development of the Internet standards. Board approval



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to go forward would be required at each milestone. The plan may incorporate the development of a pilot, and may include the development of standards for some areas of retail marketing and then gain Board approval before proceeding to other areas, or

- (2) We could respond to requests as received – using the process of a Triage Group and Executive Committee actions, as is used today for requests that are submitted to the GISB office, or
- (3) We could pursue the feasibility of changing GISB to incorporate wholesale and retail gas and electric standards, and hold an industry wide (both gas & electric) meeting with all interested parties invited to participate. The results of the industry wide meeting would be reported to the Board at its March meeting and would result in consideration of necessary governance document changes.

III. Scope and Governance Implications

In a document attached to this report, our general counsel notes that the consideration and development of standards for gas retail markets **are within our scope**. To address gas retail markets would not require changes to our certificate, bylaws or organizational structure.

If GISB determines to develop standards that support retail electric transactions, a scope change would be needed. This would also require changes to our certificate and bylaws, and changes to the component parts of our Board and Executive Committee.

IV. Budget Implications

The current proposed budget for 2000 does not include development of standards for retail marketing for gas or electricity – and addressing either would mean an increase. An estimate based on the budget for 2000 to cover the additional work for gas retail market standards shows a 43% increase (\$375,000) to \$1,250,000. An estimate based on the budget for 2000 to cover the additional work for gas and electric retail market standards shows a 60% increase (\$525,000) to \$1,400,000. These estimates would require refining and are presented in this report to demonstrate the types of increase in expenses that are anticipated. The estimates are conservative and would probably increase upon further careful review.

The budget would need to be increased to cover:

- Part-time office staff to help with additional work in the office supporting additional meetings, preparation and distribution of work papers, and providing work papers for the standards development process.



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- Office expenses to support the additional work load
- Travel expenses to support travel to additional meetings, and the meeting expenses would either be sponsored or attendees could be charged for the attendance where the meetings are not sponsored.
- Publications expenses for copying meeting materials and transcription services for some of the meetings.
- Outside services for web site maintenance, legal support, additional accounting efforts, technical writing staff for the development and maintenance of standards manuals.

The estimated budget for 2000 is shown below, with expenses for development of gas retail market standards, and gas and electric retail market standards, shown in contrast:

Revenue Accounts	2000 Budget	with gas retail market effort	with gas & electric retail market effort¹
Membership Dues	\$ 750,000		
Certification	\$ 22,500		
Courses & Meetings & Products	\$ 75,000		
Advertising	\$ 25,000		
Interest	\$ 3,000		
TOTAL	\$ 875,000		
Expense Accounts			
Salaries, Benefits & Taxes	\$ 410,000	\$ 430,000	\$ 440,000
Office Rents	\$ 45,000	\$ 45,000	\$ 45,000
Office Expenses	\$ 45,000	\$ 55,000	\$ 55,000
Telecommunications	\$ 65,000	\$ 80,000	\$ 95,000
Travel & Meetings	\$ 100,000	\$ 150,000	\$ 170,000
Publications	\$ 50,000	\$ 80,000	\$ 80,000
Outside Services	\$ 110,000	\$ 185,000	\$ 250,000
Insurance	\$ 10,000	\$ 10,000	\$ 10,000
Other (Contingency)	0	\$160,000	\$ 200,000
Capital Expenditures	\$ 40,000	\$ 55,000	\$ 55,000
TOTAL	\$ 875,000	\$ 1,250,000	\$ 1,400,000

¹ Adding wholesale electric transactions would certainly increase the expense categories – up to possibly \$1,750,000.



V. Membership and Resources Implications

- If the increase in the expenses is accommodated through membership dues, either 75 (gas retail markets addressed) or 105 (gas and electric retail markets addressed) new members will be needed.
- The increase could also be accommodated through sponsorships – similar to those used to start GISB.
- GISB would need additional volunteers to work in the meetings to develop the retail gas market and electric market standards. These volunteers may already be working to support development of the standards through other groups – however some companies in segments which are directly impacted by standards in the retail market may see their level of participation increase.
- Financial support necessary to accomplish retail gas and electric retail market initiatives must be forthcoming in order to permit GISB to undertake this effort.
- If the funding is not available through either additional memberships or sponsorships, it is clear that the industry does not support development of the retail market standards, and GISB should not pursue them at this time.

VI. Action Items for December

The Board will be asked in December to consider the following action items through procedural (simple majority) votes:

1. Should GISB pursue the development of gas retail market standards? (Yes/No)
2. Should GISB prepare a gas and electric retail market standards development study? (Yes/No)
3. Should GISB establish a committee to work with trade associations and others developing retail market standards? (Yes/No)
4. Should GISB propose and sponsor a broad based meeting, involving gas and electric industry representation, regarding the need and support for an organization whose role would be to develop wholesale and retail energy standards? (Yes/No)
5. Should GISB establish a committee to recommend to the Board at the March meeting, a course of action and revised governance documents which would accommodate the development of electric and gas wholesale and retail standards? (Yes/No)



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Appendices:

- A. Discussions with Trade Associations & Government Agencies
- B. General Counsel Analysis



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

6. 2001 MEMBERSHIP REPORT

- Attached is the most recent membership report for the GISB organization.
- Ms. McQuade will update the Board on the efforts to attract new members and maintain existing membership.

**Gas Industry Standards Board
Member List 2001
Prepared November 10, 2001**

End Users

- 1 ANP Marketing Company
- 2 Arizona Public Service Company
- 3 Boeing Co.
- New** 4 Calpine Energy Services, LP
- 5 Comprehensive Energy Services
- 6 Defense Energy Support Center
- 7 Department of Energy
- 8 Edison Mission Marketing and Trade
- 9 El Paso Merchant Energy
- 10 Entergy Services, Inc.
- New** 11 Exelon Generation Company LLC
- 12 Florida Power & Light Company
- 13 GPU Energy
- 14 Imperial Irrigation District
- New** 15 Lower Colorado River Authority
- 16 Midland Cogeneration Venture
- 17 PPL EnergyPlus
- 18 PSI -- Cinergy Services, Inc.
- 19 Reliant Energy HL&P
- 20 Salt River Project Agricultural Improvement & Power District

Producers

- 1 BP Energy
- 2 Burlington Resources
- 3 Chevron U.S.A. Production
- 4 Coastal Oil & Gas
- 5 Conoco, Inc.
- 6 Dominion Exploration and Production, Inc.
- 7 ExxonMobil Gas Marketing
- 8 Marathon Oil Company
- 9 Occidental Energy Marketing Inc. (OEMI)
- 10 PanCanadian Petroleum
- 11 Texaco Natural Gas, Inc.

LDCs

- 1 Ameren Corporation
- 2 Baltimore Gas & Electric Co.
- 3 Columbia Gas Distribution Co.
- 4 ConEdison
- 5 Dominion -- Consolidated Natural Gas
- 6 Equitable Gas Company
- 7 Key Span Energy
- 8 Laclede Gas Co.
- 9 Michigan Consolidated Gas Co.
- 10 National Fuel Gas Distribution
- 11 Nicor Gas
- 12 NiSource Inc.
- 13 Northwest Natural Gas Company
- 14 Oklahoma Natural Gas Company
- 15 Pacific Gas & Electric
- 16 PECO Energy Co.
- 17 Peoples Gas Light & Coke Co.
- 18 Providence Gas Co.
- 19 Public Service Electric & Gas
- 20 Southern California Gas Co.
- 21 Southwest Gas Corporation
- 22 Washington Gas Light Co.
- 23 Westfield Gas & Electric Light Dept.
- 24 Wisconsin Gas Company
- 25 Wisconsin Public Service

**Gas Industry Standards Board
Member List 2001
Prepared November 10, 2001**

Pipeline

- 1 ANR Pipeline Company
- 2 CMS Panhandle Eastern Pipe Line Co.
- 3 CMS Trunkline Gas Company
- 4 Colorado Interstate Gas Co.
- 5 Columbia Gas Transmission
- 6 Columbia Gulf Transmission Co.
- New** 7 Dauphin Island Gathering Partners
- 8 Dominion Transmission, Inc.
- 9 Duke Energy Gas Transmission - Algonquin
- 10 Duke Energy Gas Transmission - Texas Eastern
- 11 El Paso Energy Pipeline Group
- 12 Equitrans LP.
- 13 Florida Gas Transmission Co.
- 14 Great Lakes Gas Transmission
- 15 Gulf South Pipeline
- 16 HS Resources Inc.
- 17 Iroquois Gas Transmission System
- 18 Kansas Pipeline Company
- 19 Mid Continent Market Center
- 20 Mid Louisiana Gas Company
- 21 Mississippi River Transmission
- 22 National Fuel Gas Supply Corp.
- 23 Natural Gas Pipeline Co of America
- 24 Northern Border Pipeline Co.
- 25 Northern Natural Gas Co.
- 26 NOVA Gas Transmission Ltd.
- 27 Pemex Gas y Petroquimica Basica
- 28 PG&E Gas Transmission
- 29 Portland Natural Gas Transmission System
- 30 Questar Pipeline Co.
- 31 Reliant Energy Gas Transmission Company
- 32 Sabine Pipe Line Company
- New** 33 SCANA Corporation
- 34 Shell Gas Transmission, LLC
- 35 Southern Natural Gas Co.
- 36 Tennessee Gas Pipeline
- 37 TransCanada Pipelines
- 38 Transwestern Pipeline Co.
- 39 TXU Lone Star Pipeline Company
- 40 Vector Pipeline L.P.
- 41 Viking Gas Transmission Company
- 42 Westcoast Energy Inc.
- 43 Williams Gas Pipeline
- 44 Williston Basin Interstate Pipeline

Services

- New** 1 AIG Energy Trading
- 2 Altra Energy Technologies, L.L.C.
- 3 Aquila Energy
- 4 British Columbia Power Exchange Corp.
- 5 BTUWatch.com
- 6 Caminus
- 7 CapacityCenter.com
- 8 CGI Group
- New** 9 ChooseEnergy
- New** 10 Cinery Marketing and Trading
- 11 Coral Energy Resources, L.P.
- 12 DTE Energy Trading, Inc
- 13 Dynegy Inc.
- New** 14 EC Power International
- 15 Elite Computer Consultants
- 16 Energy Solutions International
- New** 17 Energy Value Chain
- New** 18 Enesys
- 19 Enron Administrative Services Corp.
- 20 Enron North America
- New** 21 Explore Interactive
- 22 GE Global Exchange Services
- 23 Group 8760, LLC
- 24 Hatch Associates Limited
- 25 IBM Corporation
- New** 26 Iconixx Corp.
- 27 IDACORP Energy
- 28 Internet Commerce Corp.
- 29 IPNet Solutions, Inc.
- 30 Latitude Technologies
- New** 31 Logica
- New** 32 Lymeware Corporation
- 33 Merchant Energy Group of the Americas, Inc.
- 34 Merrill Lynch Capital Services, Inc.
- 35 Mirant Americas Energy Marketing
- 36 Northeast Gas Markets, LLC
- 37 NrG Information Services, Inc.
- 38 PanCanadian Energy Services, Inc.
- 39 Pepco Gas Services
- 40 PG&E Energy Trading
- New** 41 PGP Security -- Network Associations
- 42 Proxicom, Inc.
- 43 Reliant Energy Services, Inc.
- 44 Resource Data International
- 45 Sterling Commerce
- 46 Systrends, Inc.
- New** 47 Tiger Natural Gas
- 48 Tractebel Energy Marketing, Inc.
- 49 TXU Energy Trading Co.
- 50 U.S. Power Solutions Corporation
- 51 Williams Energy Services Co.



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

7. OTHER BUSINESS

- A ballot is attached for notational votes for Board members who are not able to attend the meeting in person.



**GAS INDUSTRY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
DECEMBER 5, 2001**

**Board of Directors December 5, 2001 Meeting
Notational Ballot**

Vote	Recommendation
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<input type="checkbox"/>	Organization Name Change Resolution 1
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<input type="checkbox"/>	Organization Name Change Resolution 2
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<input type="checkbox"/>	Bylaws Resolution
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Director's Signature:

Date:

***Please return this ballot to the GISB Office (713) 356-0067
by End of Business December 4, 2001
if you are unable to attend the meeting.***