

North American Energy Standards Board

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

TO: Interested Industry Participants
FROM: BPS Chairs (Tina Burnett, Mike Novak, Kim Van Pelt, Producer vacancy, Services vacancy)
Rae McQuade, Executive Director
RE: Final Minutes from the Business Practices Subcommittee Meeting,
January 30, 2003
DATE: January 31, 2003

1. Administrative

Ms. Van Pelt took roll by segment and read the antitrust guidelines. It was noted the meeting was being transcribed and information on obtaining that transcript can be found on the BPS webpage at www.naesb.org/bps.htm.

The adoption of the meeting minutes from January 22-23, 2003 was moved to the February 5, 2003 meeting. The following items were added to the agenda: "Determination of Status of Proposed standards" and discussion of possible scheduling conflicts with the FERC credit conference on February 5, 2003. Mr. Dotterweich moved, seconded my Mr. Sappenfield, to adopt the modified agenda. Upon a procedural vote the agenda was adopted as modified.

2. FERC Scheduling Conflict

Concerns were voiced about scheduling conflicts for February 5, 2003. It was suggested to postpone the BPS meeting until February 6 in order to accommodate those individuals who wished to attend the FERC Credit Conference. The concern expressed was that some segments may be under represented at the February 5th BPS meeting. Others noted that due to the deadlines facing the BPS, the cost of changing travel plans and that the BPS meeting was scheduled prior to the scheduling of the FERC Credit Conference, that it was better to keep with the initial schedule. No official decision was made, but it was noted that tapes of the FERC conference would be available.

3. Determination of Status of Proposed Standards

Concerns were voiced about the ability to modify proposed standards, and it was proposed that the individual votes taken during the standards development process be characterized as votes upon a strawman. Some parties felt that proposed standard z.1 should not be characterized in this manner since the vote had already taken place. Mr. Novak moved, seconded by Mr. Dotterweich, the following:

All proposed creditworthiness standards developed subsequent to proposed standard z1, including modifications to existing proposed creditworthiness standard z1, should be considered a strawman for the purposes of development within BPS.

It was noted that if any modifications to z1 are proposed, upon the acceptance of such modifications, the entirety of z1 will be considered a strawman. It was also noted that the strawman has been used in BPS for other issue and that a final vote, on the package of proposed standards as a whole, would take place before results of the standards development process was reported back to the Executive Committee. Upon a procedural vote the motion passed unanimously with one abstention.

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4. Discuss any recent FERC policy guidance regarding creditworthiness on Transportation Service Providers

Mr. Sappenfield proposed this discussion be postponed until the February 5th meeting to give interested parties time to read the orders. It was agreed that anyone wishing to modify the work plan pursuant to these orders should submit the proposed modifications in writing to be posted as work papers for the February 5, 2003 meeting.

5. Evaluation of Work Plan Items for Creditworthiness Standardization

Mr. Sappenfield motioned, seconded by Mr. Hinnners, to propose a strawman for z2, z3, z4, z5, and z6 as set forth in the draft minutes of Jan. 22 and 23. Discussion followed in which the proposed strawman standards were modified. The modified standards read as follows:

Proposed Standard z2

If the Transportation Service Provider (TSP) requests additional information for purposes of credit evaluation after the initiation of service, the TSP should provide the Service Requester its reason(s) for requesting the additional information.

Proposed Standard z3

Upon receipt of a request for information from the Transportation Service Provider (TSP) for the purpose of credit evaluation, the Service Requester's authorized representative(s) should be required to acknowledge receipt of the TSP's request.

Proposed Standard z4

Upon receipt from the Service Requester (SR) of all credit information provided pursuant to a request (or in lieu thereof a response indicating why all information requested is not provided), the Transportation Service Provider should notify the SR's authorized representative(s) that it has received such information.

Proposed Standard z5

The Service Requester (SR) should provide the Transportation Service Provider (TSP) with the Internet E-mail addresses of up to two authorized representatives who are designated to receive notifications regarding the SR's creditworthiness pursuant to NAESB WGQ Standard [z4]. The obligation of the TSP to provide notification is waived until the above requirement has been met. Affected parties should manage internal distribution of such notices that are received.

Proposed Standard z6

The Service Requester's (SR) authorized representative(s) should respond to the Transportation Service Provider's (TSP) request for credit information as allowed by the TSP's tariff on or before the due date. The SR should provide the credit information requested by the TSP or the reason(s) why any of the requested information was not provided.

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	4	2.00	0	0.00
LDCs	8	1.78	1	0.22

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Services	3	2.00	0	0.00
Pipelines	16	1.88	1	0.12
Producers	3	2.00	0	0.00
Totals	34	9.66	2	0.34

Upon a balanced vote, the motion passed 9.66 in favor to .34 against.

6. Next Steps

It was noted that the following items will appear on the agenda for the February 5, 2003 meeting: adoption of the draft minutes from the January 22-23, 2003 meeting; discussion of policy issues; work plan items II E, B, and C on February 5th; and work plan items II D and F on February 6th. The agenda for February 5, 2003 was extended to last until 6:00pm. Mr. Downs will have the NAESB office repost part of the Calpine proposal that relates to item II E for the February meeting.

7. Upcoming Meetings

2/05/2003	9a-5p EST	BPS Face-to-Face Meeting	Dominion - Richmond VA
2/06/2003	8a-3p EST	BPS Face-to-Face Meeting	Dominion - Richmond VA
2/11/2003	12:30-3:30 CST	BPS Conference Call	
2/14/2003	12:30-3:30 CST	BPS Conference Call	

8. Adjournment

Ms. Davis moved, seconded by Ms. Chezar, to adjourn the meeting. The meeting was adjourned on January, 30, 2003 at 3:45pm CDT.

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Meeting Attendees and Voting Record

Attendee	Organization	1/30	z-2 – z.6 Motion	NAESB WGQ Member ?
Pipelines:				
Cynthia Corcoran	Enbridge Pipelines	√	√	√
Kathryn Burch	Duke Energy	√	NO	√
Paul Cherry	Florida Gas Transmission	√	√	NO
Dale Davis	Williams Gas Pipeline	√	√	√
Mark Gracey	Tennessee Gas Pipeline	√	√	√
Bill Griffith	Colorado Interstate	√	√	NO
Tom Gwilliam	Iroquois Gas Transmission System	√	√	√
Sharon Kimball	Wyoming Interstate	√	√	NO
Iris King	Dominion Transmission	√	√	√
Karen Lastovica	Northern Border Pipeline	√	√	√
Paul Love	NGPL	√	√	√
Prince McDougal	Southern Natural Gas	√	√	√
Howard Nelson	ANR Pipeline	√	√	√
Janie Nielsen	Kern River	√	√	√
Donna Scott	Transwestern	√	√	√
Kim Van Pelt	Panhandle Eastern Pipeline	√	√	√
Kelly Wachter	Williston Basin	√	√	√
Brian White	Columbia Transmission	√	√	√
Mark Wilke	CMS Trunkline	√	√	NO
Brian Wilmoth	Northern Natural Gas	√	√	√
Randy Young	Gulf South Pipeline	√	√	√
Services:				
Jim Buccigross	Group 8760	√	√	√
Georgia Carter	VPEM	√	√	NO
Anastasia Heinzelman	Midwest ISO	√	√	NO
Keith Sappenfield	Encana	√	√	√
Producers:				
Jim Busch	BP	√	√	√
Vicki Brown	Exxon-Mobil	√	Nv	√
Sheri Heslington	Dominion E&P	√	√	√
Richard Smith	Exxon-Mobil	√	√	√
End Users:				
Jim Downs	Calpine	√	√	√
Kirstin Gibbs	Process Gas Consumers Group	√	√	NO
Gary Hanners	Reliant Energy	√	√	√
Alan Johnson	Mirant Corp	√	√	NO

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LDCs:				
Dolores Chezar	KeySpan	√	√	√
Craig Colombo	Dominion Resources	√	√	√
Pete Connor	NiSource Distribution	√	√	√
Jennifer Deegan	Washington Gas	√	√	√
Andy Dotterweich	Consumers Energy	√	NO	NO
Richard Ishikawa	Southern California Gas	√	√	√
Brent Mishler	Southern California Gas	√	√	√
Mike Novak	National Fuel Gas Distribution	√	√	√
Marjorie Perlman	Rochester Gas & Electric	√	√	√
Jane Quin	Con Edison			√
Steve Sullivan	Con Edison			√
Mark Vaughn	Cascade Natural Gas	√	√	NO
Steve Zavodnick	Baltimore Gas & Electric	√		√
Associations:				
Mariam Arnaut	American Gas Association	√	Nv	NO
Jane Lewis	American Gas Association	√	Nv	NO
NAESB Office:				
Meghan McMillan		√	Nv	

Bold signifies a BPS Chair

Nv – not voting