

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, February 11, 2003
DATE: February 14, 2003

1. Administrative

Ms. Van Pelt opened the meeting and gave the antitrust guidelines. Participants on the phone introduced them. The meeting agenda was modified to change the 3/06-07/2003 meeting to 9-5 and 8-3 CST instead of EST. The agenda was adopted as modified. Modifications were made to the 2/05-06/2003 draft meeting minutes. The minutes were adopted as modified.

2. Evaluation of Work Plan Items for Creditworthiness Standardization

II. C. Types of Alternative Credit Assurances

Motion (motioned by Jim Downs, seconded by Gary Hinners)

Proposed Standard z10

In the event a Service Requester (SR) is determined to be non-creditworthy by a Transportation Service Provider (TSP), at the SR's option, the SR should provide one or more of the following forms of credit assurance(s) to receive initial service or continue to receive service. Such credit assurance(s) should be commercially reasonable and acceptable to the TSP, provided that TSP's acceptance should not be unreasonably withheld:

- (i) guarantee;
- (ii) an irrevocable letter of credit; or
- (iii) cash security deposit.

The TSP and SR may mutually agree that in lieu of providing the credit assurance(s) above, the SR may provide other forms of credit assurances, such as security interest(s).

Modified Motion (motioned by Jim Downs, seconded by Gary Hinners)

Proposed Standard z10

In the event the Service Requester (SR) is determined to be non-creditworthy by the Transportation Service Provider (TSP), at the SR's option, the SR should provide one or more of the following forms of credit alternative(s) to receive initial service or to continue to receive service:

1. guarantee;
2. irrevocable letter of credit;
3. prepayment of service;
4. cash security deposit.

Such credit alternative(s) should be commercially reasonable and acceptable to the TSP, provided that the TSP's acceptance should not be unreasonably withheld. The TSP and the SR may mutually agree that the SR may provide other forms of credit alternatives, including, but not limited to, security interest(s). In all

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instances, all types of third party or parental credit alternative(s) should be provided by an entity that has been deemed creditworthy by the TSP.

After extensive discussion and modifications to the motion, Ms. Chezar called the question, seconded by Mr. Dotterweich. A balanced vote was taken to determine whether the subcommittee would stop debate and vote on the proposed standard. Upon a balanced vote, the motion failed.

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	3	2
LDCs	3	.60	7	1.40
Pipelines	0	0	19	2
Producers	0	0	2	2
Services	0	0	2	2
Totals	3	.60	33	9.40

Motion fails (see vote 1 on the attendance list)

The motion was withdrawn for this meeting. Mr. Downs withdrew his motion to vote on proposed standard z10. It was decided to continue discussion on this issue during the next conference call.

3. Next Steps

Ms. Van Pelt noted BPS will have a conference call on the 14th and another on the 27th. II C will be the first item on the agenda followed by II D II F, and II G. The approval of the attachment to the February 5-6, 2003 draft minutes was deferred until the next meeting.

4. Upcoming Meetings

2/14/2003	12:30pm-3:30pm CST	BPS Conference Call	
2/27/2003	12:30pm-3:30pm CST	BPS Conference Call	
3/06-07/2003	9:00am-5:00pm CST	BPS Face-to-Face Meeting	Panhandle Eastern Pipe Line

5. Adjournment

The meeting adjourned at 3:30 CST

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Meeting Attendees and Voting Record

Attendee	Organization	2/11	Vote 1	NAESB WGQ Member ?
Pipelines:				
Kathryn Burch	Duke Energy	√	O	√
Paul Cherry	Florida Gas Transmission	NO	O	NO
Dale Davis	Williams Gas Pipeline	√	O	√
Hein Duong	Duke Energy	Nv	O	√
Mark Gracey	Tennessee Gas Pipeline	√	O	√
Ken Nichols	PG&E Gas Transmission	√	na	√
Charlie Bass	ANR	√	O	√
Donna Scott	Transwestern	√	O	√
Bill Griffith	Colorado Interstate	√	O	NO
Tom Gwilliam	Iroquois Gas Transmission System	√	O	√
Iris King	Dominion Transmission	√	O	√
Karen Lastovica	Northern Border Pipeline	√	O	√
Paul Love	NGPL	√	O	√
Howard Nelson	Southern Natural Gas	√	O	√
Janie Nielsen	Kern River	√	O	√
Kim Van Pelt	Panhandle Eastern Pipeline	√	O	√
Mark Wilke	CMS Trunkline	√	O	NO
Brian Wilmoth	Northern Natural Gas	√	O	√
Randy Young	Gulf South Pipeline	√	O	√
Scott Hansen	Questar	√	O	√
Dixie Simonsen	Questar	√	nv	√
Bob Boyle	Questar	√	nv	√
Services:				
Georgia Carter	VPEM	√	O	NO
Anastasia Heinzelman	Midwest ISO	√	Na	NO
Keith Sappenfield	Encana	√	O	√
Producers:				
Jim Busch	BP	√	O	√
Richard Smith	Exxon-Mobil	√	O	√
End Users:				
Jim Downs	Calpine	√	O	√
Kirstin Gibbs	Process Gas Consumers Group	√	O	NO
Gary Hinners	Reliant Energy	√	O	√
LDCs:				
Dolores Chezar	KeySpan	√	F	√
Craig Colombo	Dominion Resources	√	F	√
Pete Connor	NiSource Distribution	√	O	√

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Jennifer Deegan	Washington Gas	√	O	√
Andy Dotterweich	Consumers Energy	√	F	NO
Richard Ishikawa	Southern California Gas	√	O	√
Mike Novak	National Fuel Gas Distribution	√	O	√
Marjorie Perlman	Energy East	√	O	√
Les Nishida	Wisconsin Public Service Corp	√	O	√
Steve Zavodnick	Baltimore Gas & Electric	√	na	√
Brent Mishler	San Diego Gas & Electric	√	O	NO
Associations:				
Mariam Arnaout	American Gas Association	√	Nv	NO
Annunciata Marino	Pennsylvania Public Utility Commission	√	Nv	NO
NAESB Office:				
Meghan McMillan		√	Nv	

Bold signifies a BPS Chair

Nv – not voting