

North American Energy Standards Board

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

TO: Business Practices Subcommittee Chairs, Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Final Minutes from the Business Practices Subcommittee Meeting, March 11, 2004
DATE: April 7, 2004

1. Administrative

Ms. Van Pelt opened the meeting and gave the anti-trust advice. Participants on the call introduced themselves. The agenda was amended to postpone the adoption of the 3/04/2004 draft meeting minutes.

2. Possible Vote - WGQ Annual Plan Item 2: Review and Development Necessary Standards for FERC Order 2004

Action Item Table:

Paragraph	Action Item	Action
358.3(a)	Review of definition of "transmission provider"	No action necessary
358.3(b)	Review of definition of "affiliate"	No action necessary
358.3(d)	Review of definition of "energy affiliate"	No action necessary
358.3(e)	Review of definition of "marketing, sales or brokering"	No action necessary
358.4(a)(2)	Transmission Provider must report to the Commission and post on the Internet website each emergency that resulted in any deviation from the standards of conduct within 24 hours of such deviation.	Modified WGQ Standard 4.3.23 to add a category of "Non-discrimination Reqmts" with a subcategory of "Emergency Deviations"
358.4(b)(1)	Identify names and addresses of energy affiliates (or potential affiliates) on the public Internet	Modified WGQ Standard 4.3.23 to modify the "Affiliated Marketer Info." category to "Energy Affiliate Info" with a subcategory of "Names and Addresses"
358.4(b)(2)	Post a complete list of facilities shared with energy affiliates, including types of facilities and addresses	Modified WGQ Standard 4.3.23 to modify the "Affiliated Marketer Info." category to "Energy Affiliate Info" with a subcategory of "Shared Facilities"
358.4(b)(3)	Post comprehensive organizational charts	WGQ Standard 4.3.23 contains a category named "Organizational Charts"
358.4(b)(3)(v)	Post information concerning potential merger partners as affiliates	Modified WGQ Standard 4.3.23 to modify the "Affiliated Marketer Info." category to "Energy Affiliate Info" with a subcategory of "Potential Mergers"

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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

Home Page: www.naesb.org

358.4(c)	Notices of any employee transfers among Transmission Provider and Energy Affiliate must be posted on the Internet website.	Modified WGQ Standard 4.3.23 to modify the "Affiliated Marketer Info." category to "Energy Affiliate Info" with a subcategory of "Employee Transfers"
358.4(e)(3)	Transmission Provider must post on the Internet website current written procedures implementing the standards of conduct in such detail as will enable customers and the Commission to determine that the TP is in compliance with the requirements.	Modified WGQ Standard 4.3.23 to add a category of "Non-discrimination Reqmnts" with a subcategory of "Implementation Procedures"
358.5(b)(3)	If an employee of the Transmission Provider discloses information in a manner contrary to the requirements of 358.5(b)(1) and (2), the TP must immediately post such information on the Internet website.	Modified WGQ Standard 4.3.23 to add a category of "Non-discrimination Reqmnts" with a subcategory of "Information Disclosure"
358.5(c)(4)	The Transmission Provider must maintain a written log, available for Commission audit, detailing the circumstances and manner in which it exercised its discretion under any terms of the tariff. The information contained in this log is to be posted on the Internet website within 24 hours of when a Transmission Provider exercises its discretion under any terms of the tariff.	Modified WGQ Standard 4.3.23 to add a category of "Non-discrimination Reqmnts" with a subcategory of "Tariff Discretionary Actions"
358.5(d)	Any offer of a discount for any transmission service made by the Transmission Provider must be posted on the Internet website contemporaneously with the time that the offer is contractually binding. The posting must include: the name of the customer involved in the discount and whether it is an affiliate or whether an affiliate is involved in the transaction, the rate offered; the maximum rate; the time period for which the discount would apply; the quantity of power or gas scheduled to be moved; the delivery points under the transaction; and any conditions or requirements applicable to the discount. The posting must remain on the Internet website for 60 days from the date of posting.	Modified WGQ Standard 4.3.23 to add a category of "Non-discrimination Reqmnts" with a subcategory of "Discounts"

Discussion:

Mr. Love posted a work paper recommending modifications to the categories in WGQ Standard 4.3.23. He stated that he had struggled with a term to use instead of using 'Standards of Conduct', so he reviewed the order and found that the Discount requirements were under the sub-title **H. Non-Discrimination Requirements**. Therefore, he was suggesting that we use "Non-Discrimination Requirements" as a category instead of "Standards of Conduct". After discussion and a few other suggestions, it was determined that "Non-discrimination Reqmnts" would be acceptable as a category and that we would leave the information related to the "Energy Affiliate Info" category as had been previously suggested.

The subcategory "Tariff Discretion Information" was then discussed from Mr. Love's work paper. Mr. Novak stated that the subcategory could be interpreted as nothing more than a recitation of the sections of the tariff where you've reserved the right to exercise discretion, whereas the exercise of discretion is more proactive because it indicates where and when you exercised discretion, if you did. There was

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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

Home Page: www.naesb.org

concern expressed that depending on how we label the category, we may be implying that other items belong in the category that are currently categorized under other categories, such as certain types of notices, which are currently listed under the 'Notices' category. After additional discussion, it was determined that the subcategory would be modified to "Tariff Discretionary Actions".

The work paper that was posted by Ms. Van Pelt was then discussed. Basically, the purpose of the work paper was to highlight all the standards, principles, and definitions that referenced NAESB WGQ 4.3.6 and make modifications to eliminate the references. This, in turn, would make it possible to delete 4.3.6 because the standard has become impossible to work with in the standards development process. A number of standards were discussed and modified and can be referenced in the revised workpaper (modified and posted during the meeting) and in the attachment to the minutes.

Motion (motioned by Paul Love, seconded by Dolores Chezar)

Accept the proposed addition, deletions, and modifications to the WGQ standards as noted in the minutes attachment.

Motion passes unanimously (see vote 1 on the attendee list)

The following timeline for getting the proposed standards out for comment, voted by the EC, and out for ratification was reviewed by Ms. Van Pelt:

3/17/2004 Begin 30-day Comment Period
4/15/2004 End 30-day Comment Period
4/22/2004 Executive Committee Conference Call
4/26/2004 Begin 30-day Ratification Period
5/25/2004 End 30-day Ratification Period

3. Upcoming BPS Requests

The following requests were identified as pending in BPS:

R03027	Sungard Energy Systems
R03029	Northern Border
R03034	El Paso Eastern Pipelines
R04001	Williams Gas Pipeline
R04002	Williams Gas Pipeline
R04003	Williams Gas Pipeline
R04004	Williams Gas Pipeline

4. Next Meeting(s) and Agenda

3/17/2004	9:30a.m.-4:30p.m.	Face-to-Face Meeting, NAESB, Houston, TX
4/07/2004	10:00a.m.-12:00p.m.	Conference Call
4/22/2004	10:00a.m.-12:00p.m.	Conference Call
5/13/2004	10:00a.m.-12:00p.m.	Conference Call
5/27/2004	10:00a.m.-12:00p.m.	Conference Call

5. Adjourn

The meeting was adjourned.

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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

Home Page: www.naesb.org

Meeting Attendees and Voting Record

Attendee	Organization	03/11/2004	Vote 1	NAESB WGQ Member?
Pipelines:				
Kim Van Pelt	Panhandle Eastern Pipe Line	√	Y	√
Christopher Burden	Williams Gas Pipeline	√	Y	√
Paul Love	NGPL	√	Y	√
Marcy McCain	Duke Energy Gas Transmission	√(nv)	nv	√
Kathryn Burch	Texas Eastern Gas Transmission	√	Y	√
Mark Gracey	Tennessee Gas Pipeline	√	Y	√
Charlie Bass	ANR Pipeline	√	Y	√
Donna Scott	Transwestern	√	Y	√
Micki Schmitz	Northern Natural Gas Co.	√	Y	√
Tom Gwilliam	Iroquois Gas Transmission	√	Y	√
Iris King	Dominion Transmission	√	Y	√
Janie Nielsen	Kern River Gas Transmission	√	Y	√
Kelly Brooks	Williston Basin	√	Y	√
Bill Griffith	Colorado Interstate Gas	√	Y	√
Toby Kuehl	Northern Natural Gas Co.	√(nv)	nv	√
Mark Wilke	Trunkline Gas Company	√	Abs	N
Jeff Bittel	Texas Gas	√	Abs	√
Services:				
Keith Sappenfield	Encana Corporation	√	Y	√
Producers:				
Sheri Heslington	Dominion E & P	√	Y	√
End Users:				
Gary Hanners	Reliant Resources			√
LDCs:				
Mike Novak	National Fuel Gas Distribution	√	Y	√
Craig Colombo	Dominion Resources	√	Abs	√
Dolores Chezar	KeySpan Energy	√	Y	√
Marjorie Perlman	Energy East	√	Y	√
Government:				
Associations:				
Mariam Arnaout	American Gas Association	√(nv)	nv	N
NAESB Office:				

Bold signifies a BPS Chair

**nv – not voting
Abs – Absent**