



North American Energy Standards Board

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via email and posting

TO: NAESB WGQ Contracts Subcommittee Participants and Interested Parties

FROM: Todd Oncken, NAESB Staff

RE: Wholesale Gas Quadrant Contracts Subcommittee Meeting Minutes – February 26, 2003

DATE: March 15, 2003

**NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ CONTRACTS SUBCOMMITTEE CONFERENCE CALL
February 26, 2003, 1:00 p.m. to 3:00 p.m. CST**

1. Welcome & Administrative Items

Mr. Sappenfield welcomed meeting participants. Mr. Oncken gave the antitrust advice. Meeting participants discussed the agenda. Mr. Sappenfield deferred review and approval of the minutes from the January 21, 2003 meeting until the next meeting. The discussion of subsequent meetings and discussion of a target date for completion of the credit annex were added as other business. Mr. Hebenstreit moved, seconded by Ms. Allen, to adopt the agenda as modified. Absent objection, the agenda was adopted unanimously.

2. Discuss WGQ Contracts possible joint participation with WEQ Contracts work plan items

Mr. Sappenfield generally discussed the possibility of joint work with the WEQ Contracts Subcommittee on WEQ Contracts work plan items, including a power FTAA and ISDA Power and Gas Annex. Regarding the power FTAA, Mr. Sappenfield informed participants that the possibility of a joint FTAA for gas and power was contemplated. However, since the WEQ has expressed the desire to have a separate agreement, and the users of the gas FTAA prefer to maintain the status quo, Mr. Sappenfield suggested the two Contracts Subcommittees not meet jointly regarding the FTAA until such time as a joint agreement is requested.

Likewise, Mr. Sappenfield stated a joint ISDA Power and Gas Annex was contemplated. Mr. Sappenfield noted there were substantially different terms used in the draft power and gas annex. Mr. Sappenfield recommended that when work begins on the ISDA Gas Annex, the WGQ Contracts Subcommittee works independently.

3. Discuss work plan for comments on draft ISDA Gas Annex (1-28-2003)

Mr. Sappenfield stated ISDA has prepared a draft gas annex. Since the ISDA annex is scheduled as a future work plan item, Mr. Sappenfield suggested participants review the draft agreement and offer comments, either at the upcoming face to face meeting or next conference call. Mr. Sappenfield proposed to identify work on the ISDA Gas Annex as a future work plan item, with the work plan being developed after the completion of the credit addendum work.

4. Review, discuss the following work items to insure all initial comments received are incorporated into the documents before posting the DRAFTS for a second round of industry comments

Mr. Sappenfield thanked Ms. McLaughlin and Ms. Allen for their work on the *DRAFT NAESB Credit Support Addendum* and *DRAFT Cover Sheet to the NAESB Credit Support Addendum*. Mr.



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Sappenfield entertained discussion on the completeness of the two documents. As no participant offered comments, Mr. Sappenfield concluded the documents were complete and ready for posting. Comments received on the draft documents will be discussed at the upcoming face to face meeting.

5. Discuss and set location, date and times for next face-to-face meeting

Mr. Sappenfield proposed a completion date of April 15, 2003 for the Credit Annex, so the proposed standard could be presented for a vote at the Executive Committee meeting in June. Participants agreed the April 15 date would be a good goal, but Mr. Ishikawa suggested reserving final judgment on the timeline until after the face to face meeting. Accordingly, the face to face meeting was set for Thursday, March 27, 2003 from 9:00 a.m. to 6:00 p.m. CST and Friday, March 28, 2003 from 8:00 a.m. to 2:00 p.m. CST.

Mr. Sappenfield requested comments on the draft credit annex documents be submitted to the NAESB Office by Friday, March 21, 2003 for posting as work papers for the face to face meeting. If substantial comments are submitted, Mr. Sappenfield proposed to prepare a compilation of comments to aid in discussion at the meeting. Mr. Sappenfield noted this schedule does not prevent participants from bringing additional comments to the meeting.

6. Next Steps and Other Business

Mr. Sappenfield requested that participants be prepared to discuss the need for a user's guide for the NAESB Credit Annex at the next meeting.

7. Adjourn

Mr. Sappenfield adjourned the meeting at 1:48 p.m. CST.

8. Meeting Attendees:

Name	Company	Notes
JannaLyn Allen	Cinergy	
Mariam Arnaut	American Gas Association	
Laura Barrickman	Mirant	
Christopher Burden	Williams Gas Pipeline	
Pete Connor	NiSource Distribution Companies	
Jennifer Deegan	Washington Gas Light Company	
Reginald Gentry	Southern California Gas Company	
Paramy Graff	Apache Corp.	
Bill Hebenstreit	El Paso Merchant Energy	
Richard Ishikawa	Southern California Gas Company	
Tracy McLaughlin	American Electric Power	
Michael Novak	National Fuel	
Todd Oncken	NAESB	Administrative
Keith Sappenfield	EnCana Corporation	Co-chair
Tiffany Silvey	Calpine	
Cathy Szasz	American Electric Power	
John Tesoriero	American Electric Power	
Nithya Venkatesan	Calpine	
Maribeth Bedevian	Cinergy	