



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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TO: NAESB Wholesale Gas Quadrant Contracts Subcommittee, Posting for Interested Industry Participants
FROM: Meghan McMillan, NAESB Staff
RE: Final Minutes from the NAESB Wholesale Gas Quadrant Contracts Subcommittee Conference Call – November 18, 2002
DATE: November 21, 2002

NAESB Wholesale Gas Quadrant Contracts Subcommittee
Monday, November 18, 2002
9:00am – 11:00am
Final Minutes

1. Welcome & Administrative Items

Mr. Sappenfield opened the meeting and welcomed participants. He gave the antitrust guidelines. The goal for this meeting was to develop a work plan to address outstanding annual plan items. Ms. Calcagno moved to adopt the agenda and Mr. Dotterweich seconded the motion. The agenda was adopted as written.

2. Review outstanding Annual Plan items assigned to Contracts Subcommittee

-Discuss and determine interest in Mexican Addendum to NAESB Gas Purchase and Sales Contract. If Sufficient interest, develop a work plan of action.

Mr. Sappenfield recommended moving this item to a provisional level of activity to be worked on when a request to develop a Mexican addendum is received. Conversations with Ms. McQuade at the NAESB office indicated that the NAESB office would contact PEMEX to determine if they would like to make a formal request. Ms. Calcagno made a motion to adopt the recommendation that the development of a Mexican Addendum be placed on the provisional list and Mr. Hebenstreit seconded. It was noted that the results of this meeting will be forwarded to the Chair for discussion at the board. A procedural vote was taken. The recommendation was passed unanimously.

-Discuss and determine interest in an electronic version of the transaction confirmation for the NAESB Gas Purchase and Sales Contract. If sufficient interest, develop a work plan of action.

The latest annual plan lists this item as provisional. Mr. Sappenfield recommends that it be confirmed as a provisional item until there is a formal request to pursue it from the XML Committee or some other outside entity. Ms. Calcagno moved to accept the recommendation and Mr. Hebenstreit seconded the motion. A procedural vote was taken. The recommendation was passed unanimously. It was noted that this item would go to the Executive Committee for final confirmation.

-Discuss and determine interest in a "Credit Annex" to the NAESB Gas Purchase and Sales Contract. If sufficient interest, develop a work plan of action.



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Mr. Sappenfield reviewed the posted work paper. He noted in the WEQ's annual plan under their item five they list the development of standard contracts, and some of the bullets under this item appear to be similar to the "Credit Annex" comments already submitted. Ms. Calcagno stated there are standard documents used as attachments to standard contracts for credit purposes and it might make sense for entities using these attachments to submit their documents in order to determine their commonalities. Mr. Sappenfield proposed the Contracts Subcommittee consider joining the WEQ contracts group to develop a document that could be applicable not only to electronic sales agreements but gas sales agreements as well. Ms. Calcagno cautioned the group to consider beginning work on this immediately rather than waiting for the WEQ to convene their contracts committee. Mr. Sappenfield proposed the group wait and see what priority this item is given within the WEQ plan and base their decision to collaborate on that. Mr. Sappenfield and Ms. Calcagno volunteered to compile submitted credit provisions for discussion at the next meeting. The results of that discussion will be presented to the Executive Committee in December, and at that time the Contracts Subcommittee will determine whether collaboration with the WEQ is feasible. The recommendation is to gather examples of documents currently attached to these contracts as special provisions related to credit, develop a spreadsheet that organizes these by subject, and at future meetings the subcommittee will discuss what should be included in a final 'credit annex'. Mr. Sappenfield will follow up with the WEQ to determine if there will be opportunities for a joint effort. Mr. Hebenstreit moved to accept the recommendation and Ms. Calcagno seconded the motion. A procedural vote was taken and the recommendation was passed unanimously.

3. Next Steps and Other Business

Ms. Calcagno volunteered to host the next meeting in Houston. It was suggested to schedule a meeting for December 17, and hold a conference call about a week before that to discuss the compiled materials that will go in the spreadsheet. Ms. Calcagno and Mr. Sappenfield provided their email addresses for those interested in submitting documents: keith.sappenfield@encana.com and suzanne.calcagno@ubswenergy.com. It was noted that if it was not possible to hold the face-to-face meeting the week of the 20th in Houston that it be held the week of the 13th in December.

No other business was discussed.

4. Adjourn

Ms. Calcagno moved to adjourn and Mr. Dotterweich seconded. The meeting adjourned on Monday, November 18, 2002 at 9:59 a.m. CDT.



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Attendees:

Name	Company
Ryan, Porter	El Paso
Davis, Dale	Williams Gas Pipeline
Bragg, Audrey	Washington Gas
Hebenstreit, Bill	El Paso Merchant Energy
Kelley, Fay	
Daly, Kelly	Stinson Morrison Hecker
Ishikawa, Rick	Southern California Gas Company
Arnaout, Mariam	AGA
Russell, Mark	Salt River Project
Sappenfield, Keith	EnCana Corporation
Calcagno, Suzanne	UBS Warburg Energy
Webster, David	Calpine
Tesoriero, John	AEP
Graves, Melissa	AEP
Foy, Donna	
Abusei-Poku, Marilyn	NiSource
Dotterweich, Andy	Consumers Energy Company
Correa, Miguel	CMS