



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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Home Page: www.naesb.org

October 11, 2002

TO: NAESB Executive Committee and Interested Industry Participants
FROM: Jim Buccigross, NAESB Executive Committee Chairman
Rae McQuade, NAESB Executive Director
RE: Executive Committee WGQ Meeting Final Minutes- August 22, 2002

**NORTH AMERICAN ENERGY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Wholesale Gas Quadrant
Hosted by the El Paso Western Pipelines, Colorado Springs, Colorado**

FINAL MINUTES

1. WELCOME

Mr. Buccigross welcomed the attendees to Colorado Springs and thanked El Paso Western Pipelines for hosting the meeting. Mr. Costan provided the antitrust charge. Each attendee was introduced as part of the roll call.

2. WHOLESALE GAS QUADRANT DRAFT AGENDA & DRAFT MINUTES OF PRIOR MEETING

The agenda for the WGQ portion of the meeting was adopted with modifications to review and adopt the April 18, 2002 draft redlined minutes as part of agenda item 2, to add a report from the WGQ Procedures Task Force as part of agenda item 5, and to add a BPS scope issue, an update on the annual meeting, an update on the other NAESB quadrants, an update on the changes to the NAESB Web Site, and an update on FERC Reports submitted from NAESB to agenda item 7. All were in favor of adopting the amended agenda.

All were in favor of adopting the draft minutes of June 13, 2002 with modifications as noted in the meeting. The adopted revised draft minutes will be provided to the REQ on August 23 for their approval. The minutes will be adopted via conference call or notationally by all affected quadrants for future meetings. All were in favor of adopting the redlined April 18, 2002 draft minutes. The notational vote currently out for consideration on the April 18 draft redlined minutes will be retracted.

3. DISCUSSION AND VOTE ON NEW REQUESTS IF THEY ARE RECEIVED PRIOR TO THE MEETING

R02007 Ms. Chezar made the motion seconded by Mr. Griffith to find the request within scope. All were in favor. Ms. Gussow made the motion seconded by Ms. McVicker to send the request to the BPS to be addressed in its normal course of business. All were in favor.

R02008 Ms. Davis made the motion seconded by Mr. Hebenstreit to find the request within scope. All were in favor. Ms. Van Pelt made the motion seconded by Ms. Gussow to send the request to the IR to be addressed in its normal course of business. All were in favor.

R02009 Mr. Schwecke made the motion seconded by Ms. Chezar to find the request in scope. All were in favor. Mr. Hebenstreit made the motion, seconded by Mr. Keeler to adopt the Triage recommendation to send the request to IR to be addressed in its normal course of business. After some discussion, the motion was modified to send the request to the WGQ BPS to be addressed in its normal course of business. All were in favor.



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For procedural changes, it was noted that the triage recommendations should be reviewed and voted on by all quadrants of the EC. This can be accomplished through joint telephone conference meetings prior to the EC face-to-face meetings, or it can be addressed through notational votes. It was further noted that a timetable of deadlines for all work products to be provided in preparation of the EC meetings is needed to more effectively manage the process. The requests and the WGQ EC action will be reviewed and voted on at the REQ EC meeting on August 23 for the purposes of concurring with the scope and quadrant assignment.

4. DISCUSSION AND VOTE ON PROPOSED STANDARDS FOR THE WGQ

R02002 -- Partial Day Recalls and Order 587-N: Ms. Van Pelt and Ms. Davis provided a review of the process that led to the development of recommendation for request no. R02002. Mr. Novak made the motion, seconded by Ms. Van Pelt to adopt the recommendation. During the discussion, the recommendation was modified by Dynegy to include clarifications to proposed standard 5.3.z1 to specify the day that the notifications are due. The modifications were acceptable to all members. The modified motion passed unanimously. Mr. Novak acknowledged the industry comments provided, explaining that the issues raised in them had been discussed in the BPS, and that the recommendation is a compromise drafted to address those comments.

5. UPDATE ON 2002 WGQ ANNUAL PLAN & SUBCOMMITTEE REPORTS

- Business Practices Subcommittee

For normal business, the subcommittee is working on two new requests triaged to it today. For Order 587 actions, there is one set of standards outstanding, which should be presented at the next meeting for vote. To meet the October deadline, shortened comments may be needed. The proposed standards are included in the draft minutes of the BPS, dated August 7-8, 2002. The proposed standards have been reviewed by IR and Technical and are fully staffed. They should go out for industry comment shortly. These standards were drafted in part as response to Order 587-N and a review of Order 587-P. As a report is due to the FERC on October 1, and the next scheduled meeting is October 17, a single issue EC conference call is needed in September following a full comment period.

- Contracts Subcommittee

Currently, the contracts subcommittee has the credit annex active. Work on it has been suspended until after the efforts noted in the July 22 Credit Worthiness meeting are concluded. A redlined version of the Funds Transfer Agent Agreement is currently out for notational vote by the EC. The ballots are due August 30, 2002.

- EDM Subcommittee

There is a meeting in the fall planned for FTTF technologies applicable to NAESB where minimum technical requirements will be developed and the annual cyber security review planned. NAESB has been invited to speak at an Electric Power Research Institute (EPRI) September 12 meeting, whose topic is the EPRI Common Information Model. XML activities are dormant at this time.

There was discussion on technical subcommittees and the need for most of the activities to be joint, while some of the efforts should be separately decided and separately applicable to quadrants. Discussion will be held on how to organize these efforts once all the quadrants are



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active. Mr. Brooks asked that the EC assign a task to EDM that would outline a procedure for how it will interact with all of the quadrants. Before this can be done, the quadrants should be up and running and each quadrant should have adopted the NAESB WGQ EDM standards and if not all of them are applicable to their quadrant, identify which ones are. Mr. Buccigross asked that the WGQ EDM and REQ TEIS chairs to get together and bring a straw man to the EC for review and consideration at a joint EC meeting.

- Information Requirements Subcommittee

IR addressed the additional standards adopted by the BPS on Order 587N, and has passed them on to the Technical Subcommittee. They are now working on the backlog of items.

- Technical and ANSI X12 Subcommittees

Technical addressed the additional standards adopted by the BPS on Order 587N and a recommendation will be sent to the NAESB office shortly for posting for industry comment.

Transactional reporting items are currently pending completion by IR of another request, R99024, which will need to be incorporated with it. The Technical Subcommittee has a significant backlog. The ANSI X12 subcommittee is on hold, but it was noted that the group will identify the X12 changes needed to make the flowing gas transactions compliant, and work on this item should be underway later in the year. This would conclude the efforts to ensure that all transactions are X12 compliant.

- Publication Process Review Task Force

The PPRTF report will be forwarded to the Parliamentary Committee (PC), including a synopsis.

- Meeting Coordination Task Force

The report was drafted for EC review and presented by Mr. Zavodnick. The guidelines are consensus items – minimizing overlapping meetings with guidance on timing and locations for meetings. No action was taken on this item at this time. The report will be discussed at the REQ EC meeting also. The joint EC will then adopt the report at a future meeting. Mr. Buccigross also noted that he will discuss possible dispositions of this report with Mr. Boswell, chairman of the PC.

- WGQ Procedures Task Force

Mr. Scheel noted that a report will be forthcoming regarding WGQ quadrant procedures.

6. 2002 WGQ ANNUAL PLAN REVIEW

The annual plan was reviewed and several minor changes were made.

7. OTHER BUSINESS

- BPS Scope Issue

Mr. Novak explained that during the BPS discussion of partial day recall standards, two standards were brought forth. Due to an antitrust concern on these two proposed standards raised by one of the participants, it was decided to postpone discussion of them until Mr. Costan could review the issue. Mr. Costan explained that the standards were voluntary until adopted by the FERC, and he did not note any antitrust concerns with the development to date. Tennessee Gas Pipeline raised the concern initially, but after conference with antitrust



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counsel they also agreed that there were no antitrust concerns. Both Ms. McVicker and Mr. Novak supported the scope. Ms. McVicker made the motion, seconded by Ms. Heslington that the following proposed standards proposed at the BPS meeting on August 7 are within scope:

3.3.z1 Proposed Standard

For recalls at the intraday 1 and intraday 2 cycles, the reservation charge and capacity release credit quantities should be based upon the allocation of capacity between the Releasing Shipper and Replacement Shipper(s).

3.3.z2 Proposed Standard

For recalls at the intraday 1 and intraday 2 cycles, overrun charges, if applicable, should be based upon the allocation of capacity between the Releasing Shipper and Replacement Shipper(s).

There were concerns raised that the cost allocation and rate allocation issues should be in rate proceedings and a rule-making docket rather than in NAESB standards. Ms. Davis noted that the proposed standard 3.3.z2 addressing overrun charges is not addressed in Order 587N and therefore should not be addressed as part of a body of standards developed to address the annual plan item for Order 587N. After further discussion, Mr. Young asked that the standards should be voted separately and Ms. McVicker agreed.

On the scope vote for the above two standards, the individual votes for each of the standards were 12 in favor of the standards being in scope and 7 opposed for each standard. The proposed standards were sent back to the BPS to be addressed.

The standards developed by BPS at its August 7-8, 2002 meeting were then presented to the EC for informational purposes. Capacity Release Notification Specification referred to in proposed standard no. 5.3.z12 is a term that was clarified by Mr. Spangler. Mr. Spangler will provide comments when the standards go out for comment.

- Miscellaneous

Ms. McQuade noted that the annual meeting will be held this year in Hunt Valley, Maryland. She and Mr. Buccigross reviewed the membership efforts of the other quadrants. The REQ has noted several changes that they would like to see implemented on the NAESB Web Site. Changes will be coordinated by the NAESB office with the other quadrants before structural changes are made. Ms. Davis asked where the WGQ FERC reports are posted on the NAESB web site. Ms. McQuade noted that they will be posted under Related Government Activities.

8. ADJOURN

Ms. McVicker made the motion seconded by Mr. Spangler to adjourn the meeting which was adjourned at 2:31 p.m.



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8. ATTENDEES

WGQ Executive Committee		Present	Vote on R02002
End User Segment			
Diane McVicker	Principal, Fuel Supply Analyst, Salt River Project	In Person	Yes
Bill Hebenstreit	Vice President Contract Services, El Paso Merchant Energy	In Person	Yes
Kelly Daly	Partner, Morrison & Hecker, rep. Arizona Public Service Co.	By Phone	Yes
Dona Gussow	Contracts Coordinator, Florida Power and Light	In Person	Yes
Tina Burnett	Natural Gas Operations Administrator, Boeing	By Phone	Yes
LDC Segment			
Rodger Schewecke	Senior Pipeline Products Manager, Southern California Gas	In Person	Yes
Dolores Chezar	Director, Regulatory Policy, KeySpan Energy	In Person	Yes
Chris Maturo	Manager, Energy Access System Project, NIPSCO Industries	In Person	Yes
Mike Novak	Assistant General Manager, National Fuel Gas Distribution	In Person	Yes
Bill Oppenheim for Steve Sullivan	Regulatory Manager of Gas Supply, Consolidated Edison of NY	By Phone	Yes
Pipeline Segment			
Mark Gracey	Consultant - Business Processes, Tennessee Gas Pipeline Co.	In Person	Yes
Bill Griffith	Director, Transmission & Storage, Colorado Interstate Gas Co.	In Person	Yes
Dale Davis	Consultant, Williams Gas Pipeline	In Person	Yes
Randy Young	Gulf South Pipeline	In Person	Yes
Kim Van Pelt	GISB Coordinator, CMS Panhandle Eastern Pipeline	In Person	Yes
Producer Segment			
Lauren Kaestner	Regulatory Consultant, BP Amoco	Ballot	
Paul Keeler	Managing Attorney, Marketing, Burlington Resources	In Person	Yes
Sheri Hesslington	Dominion Exploration	In Person	Yes
Richard Smith	Director, Regulatory Affairs, ExxonMobil	Absent	
V A C A N C Y	V A C A N C Y		
Services Segment			
Mark Scheel	Manager Governmental Affairs, Dynegy Inc.	In Person	Yes
Carl Caldwell	Director, Consulting Services, CGI	Ballot	
Leigh Spangler	CEO, Latitude Technologies	In Person	Yes
Jim Buccigross	Vice President, 8760 Inc.	In Person	Yes
Keith Sappenfield	Director, EnCana Energy	In Person	Yes



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9. ATTENDEES

Individual	Organization	Attendance
Marcy McCain	Algonquin Gas Transmission	In Person
Mariam Arnaout	American Gas Association	By Phone
Ruth Kiselewich	Baltimore Gas & Electric	In Person
Steve Zavodnick	Baltimore Gas & Electric	In Person
Steve LaFond	Boeing	By Phone
Bill Grygar	CMS Energy Group	In Person
Mark Wilke	CMS Trunkline Gas	In Person
Veronica Jones	Defense Energy Support Center	By Phone
Tammy Lee Jacquet	Duke Energy Trading & Marketing	In Person
Craig Columbo	Dominion Resources	In Person
Iris King	Dominion Resources	In Person
Pete Whatley	Dynegy Marketing and Trade	In Person
Tom Gwilliam	Iroquois Gas Transmission	In Person
Jay Costan	McGuireWoods	By Phone
Veronica Thomason	NAESB	In Person
Rae McQuade	NAESB	In Person
Joe Kardas	National Fuel Supply	In Person
Rod Sipe	New Science Partners	In Person
Paul Love	NGPL	In Person
Meghan McMillan	North American Energy Standards Board	By Phone
Jim Minneman	PPL Solutions	In Person
Theresa Hess	Reliant Energy Retail Services	In Person
Mike Bray	Shell Gas Transmission	In Person
Yvette Camp	Southern Company	By Phone
Prince McDougal	Southern Natural Gas	By Phone
Kathryn Burch	Texas Eastern Transmission	In Person
Audrey Bragg	Washington Gas	By Phone
Christopher Burden	Williams Gas Pipeline	In Person
Illze Rukis	Wisconsin Public Service	By Phone