



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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Home Page: www.naesb.org

via email and posting

TO: NAESB Gas Electric Coordination Task Force (GECTF) Participants and Posting for Interested Parties

FROM: Todd Oncken, Deputy Director

RE: GECTF Meeting Final Minutes – March 15-16, 2004

DATE: March 25, 2004

**NAESB Gas Electric Coordination Task Force
March 15-16, 2004
Hosted by NAESB, Houston, TX**

1. Welcome

Ms. Kiselewich called the meeting to order and participants introduced themselves. Mr. Oncken gave the antitrust advice.

The draft agenda was reviewed and a discussion on process was added as item 2. Ms. Lauderdale moved, seconded by Ms. Van Pelt, to adopt the modified agenda. The agenda was adopted by consent.

The minutes of the February 10-11, 2004 GECTF meeting were reviewed and minor modifications were offered. Ms. Davis moved, seconded by Ms. Lauderdale, to approve the draft minutes as modified. The minutes were adopted by consent.

2. Process Discussion

Ms. Kiselewich stated the work of the GECTF has been noticed by State Regulatory Commissions, as evidenced through comments at the NARUC Winter Meeting. Ms. Westerfield, WEQ GECTF co-chair and NARUC representative, echoed Ms. Kiselwich's comments on the awareness of the regulatory community regarding this issue and its desire to understand the GECTF's status and plans for moving forward. She said it has become clear that an interim report would be appropriate to help manage the expectations of the industry.

Procedures for the interim report include: 1) the GECTF will approve the preliminary report through balanced voting procedures; 2) the interim report will be posted for a short comment period; 3) after the comment period it will be submitted to the Executive Committees for approval; 4) then it will be submitted to the Board Managing Committee for final approval before it is sent to the FERC. It was noted that both the Executive Committees and Board Managing Committee have the ability to edit the report during their approval processes.

3. Review of Preliminary Issues List

The GECTF Preliminary Issues List was reviewed. The list was renumbered and retitled as: GECTF Preliminary Discussion Points List. It was noted that the numbers in no way indicate priority.

4. Presentation on WGQ nominations issues (including timelines, cycles, bumping, priority, etc.)

Mr. Griffith prepared the following documents for the meeting: 1) Gas Day vs. Calendar Day; 2) NAESB WGQ Capacity Release Standards and Procedures; and 3) NAESB WGQ Nomination



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and Scheduling Standards and Procedures. Mr. Griffith entertained questions on documents two and three, but discussed the graphical representation in document one. During the discussion, Ms. Davis noted that other timelines, which can be found in documents two and three, are interdependent on the timelines shown in document one.

5. Presentation on comparison of gas timeline versus major electricity timelines

Mr. Johnson prepared the following documents for the meeting: 1) Market Timing Issues; 2) Transmission Timing Analysis; and 3) Example of Natural Gas Industry and Electric Industry Timing Issue. Mr. Johnson reviewed each of the documents and each of the documents was briefly discussed.

Market Timing Issues: Mr. Johnson explained this document was created in the WEQ Electronic Trading Task Force (ETTF) last year. The document outlines market timelines for several ISOs and RTOs, including NYISO, ISO-NE, IMO, PJM, MISO, SPP, CAISO and ERCOT. It was noted that for areas without an operating ISO or RTO, similar information can be found in the Transmission Timing Analysis document. Ms. Westerfield commented that the issue of gas delivery could provide the catalyst for moving towards a more standardized electric day.

Transmission Timing Analysis: Mr. Johnson reviewed the document and noted that it was also created during the ETTF process. He noted that the timelines displayed are a result of different timelines filed in their FERC-approved Open Access Transmission Tariffs (OATTs).

During discussion of the first two documents it was estimated that 80% of the generation load was served through bilateral or day-ahead transactions. Additionally, it was noted that a long-term electric contract generally lasts for one year.

Example of Natural Gas Industry and Electric Industry Timing Issue: Mr. Johnson reviewed the graphical representation of the WGQ Nominations timeline and ISO-NE Market day-ahead activity (as represented in the Market Timing Issues document). During discussion it was noted that even if a generator is not scheduled to dispatch, every generator has the responsibility to be available to participate in the real-time market. Participants agreed this document was very descriptive of the challenges faced by a gas-fired electric generator.

6. Discussion of peaking patterns for gas and electric industries

This item was not discussed.

7. Continued discussion of Gas – Electric Coordination Issues

The GECTF Preliminary Discussion Points List was reviewed. The structure of the list was discussed. Participants agreed this was a high-level document that would be used to guide future discussion, not a traditional issues list. A purpose statement was also added to clarify the document.

The GECTF reviewed each item on the Preliminary Discussion Points List and brainstormed in an effort to understand and frame the issues. The results of the brainstorming session are shown in the GECTF Preliminary Discussion Sub-Points List. Subsequent to the creation of the list it was determined to expand the GECTF Preliminary Discussion Points List to include the sub-points. Both documents are posted as work papers for this meeting.

During discussion it was noted that while NERC and individual states are responsible for electricity reliability, numerous organizations are responsible for natural gas reliability according to the impacted segment. Some participants thought it might be informative to



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catalog those responsibilities. Additionally, Ms. Westerfield stated that the regulatory view point on the coordination of the gas and electric markets is that efficiencies could be gained – particularly in instances of anomalous market conditions – such as the situation in the Northeast in January 2004. Further, it was noted that the GECTF’s work is not restricted to federally-jurisdictional pipelines, given the interest that NARUC has shown in the topic. Mr. Love suggested the underlying issue is coordinating the dispatch, physical capabilities and requirements of the two industries when one operates on real time and the other does not.

Ms. Lauderdale volunteered to prepare a presentation on weather impacts for generators. The determination on the timing of the presentation was deferred.

8. Discussion/Preparation of Interim Report

The GECTF discussed the draft interim report prepared by Ms. Kiselewich and made modifications, as appropriate. It was agreed that the interim status report would be fact-based and would not include observations or opinions. It was further agreed that the subpoints being added to the discussion points list, at this point, is a work-in-progress, for discussion only and not meant to imply official adoption by the GECTF as final. Therefore, the discussion points list, with its subpoints, will not be included in the Interim Status Report. Additionally, it was agreed to include all presentations given at the meetings as an attachment. The revised draft interim report was prepared to incorporate all changes and posted as a work paper for this meeting.

Mr. Bray moved, seconded by Mr. Young, that the GECTF approve the revised draft interim status report. The motion passed unanimously by consensus. The report will be processed pursuant to the procedures outlined above.

9. Other Business

No other business was discussed.

10. Next Meetings

The next GECTF meeting is scheduled for April 13 - 14 in Phoenix, AZ. During that meeting discussions will continue on refining the issues of flexibility and planning. Participants were encouraged to review the expanded GECTF Preliminary Discussion Points List to prepare for the meeting. Additionally, Mr. Johnson will present additional diagrams depicting the overlay of timing issues for the remaining ISOs and RTOs contained in the Market Timing Issues document.

11. Adjourn

The meeting adjourned on March 16 at 2:00 p.m. Central.



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12. Attendance

Name	Organization	Day One	Day Two	Quadrant ¹
Mariam Arnaout	American Gas Association	Phone	Phone	
Mark Babula	ISO New England	Phone	Phone	
Roman Bakke	Southern California Edison	In Person	In Person	WGQ
Jeff Bittel	Texas Gas	Phone	Phone	
Mike Bray	Shell Gas Transmission	In Person	In Person	WGQ
Ken Brown	PSEG	Phone	Phone	
Kathryn Burch	Duke Energy Gas Transmission	In Person	In Person	WGQ
Tina Burnett	NW Industrial Gas Users	In Person	In Person	RGQ
Suzanne Calcagno	UBS Energy	Phone		
Yvette Camp	Southern Company	Phone	Phone	
Craig Chancellor	Calpine Corp.	In Person		WGQ
Dolores Chezar	Keyspan	Phone	Phone	
Craig Colombo	Dominion Resources	In Person	In Person	WGQ
Chuck Cook	Shell Gas Transmission	In Person	In Person	WGQ
Dale Davis	Williams Gas Pipeline	In Person	In Person	WGQ
George Dawe	Duke Energy	Phone	Phone	
Jennifer Deegan	Washington Gas	In Person		WGQ
Jay Dibble	Calpine Corp.	In Person	In Person	WEQ
Mark Gracey	Tennessee Gas Pipeline	In Person	In Person	WGQ
Bill Griffith	El Paso Western Pipeline	In Person	In Person	WGQ
Dona Gussow	Florida Power & Light	In Person	In Person	WGQ
Tom Gwilliam	Iroquois Gas Transmission	In Person	In Person	WGQ
Carl Haga	Southern Company	In Person	In Person	WGQ
Gary Hinners	Reliant Energy	In Person	In Person	WGQ
Alan Johnson	Mirant	In Person	In Person	WEQ
Joe Kardas	National Fuel Gas	In Person	In Person	WGQ
Drake Kijowski	PSEG Energy Resources & Trade	In Person	In Person	WGQ
Iris King	Dominion Transmission	In Person	In Person	WGQ
Ruth Kiselewich	Baltimore Gas & Electric	In Person	In Person	REQ
Melissa Lauderdale	EEL	In Person	In Person	WEQ
Paul Love	NGPL	In Person	In Person	WGQ
Marcy McCain	Duke Energy Gas Transmission	In Person	In Person	RGQ
Paul McKelvey	ChevronTexaco	In Person	In Person	WGQ
Rae McQuade	NAESB	In Person	In Person	
Diane McVicker	SRP	In Person	In Person	WGQ
Lynne Mackey	InterGen	In Person		WEQ
Janie Nielsen	Kern River Gas	In Person	In Person	WGQ
Matt Nollenberg	American Electric Power	Phone	Phone	
Mike Novak	National Fuel Distribution	In Person	In Person	RGQ

¹ Quadrant references were indicated on the sign in sheet. Quadrant is not indicated in instances where the information is not available – ie. phone participants.



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Joe Obergfell	American Electric Power		Phone	
Todd Oncken	NAESB	In Person	In Person	
William Oppenheim	Kimball Resources	In Person	In Person	WGQ
Marjorie Perlman	Energy East	In Person	In Person	WEQ
John Porter	Tennessee Valley Authority	In Person	In Person	WEQ
Ken Schubert	TransCanada Pipelines	In Person	In Person	WGQ
Rodger Schwecke	SoCal Gas	In Person	In Person	WGQ
Donna Scott	Transwestern Pipeline	In Person	In Person	WGQ
Jimmy Smith	Entergy	Phone		
Chuck Thompson	PNM		Phone	
Kim Van Pelt	Panhandle Eastern Pipe Line	In Person	In Person	WGQ
Pauline Wah	SoCal Gas	In Person	In Person	WGQ
Louann Westerfield	Idaho Public Utilities	Phone	Phone	
Brian White	NiSource Pipelines	In Person	In Person	WGQ
Mark Wilke	Trunkline Gas Company	In Person		WGQ
Kathy York	Tennessee Valley Authority	In Person	In Person	WEQ
Randy Young	Gulf South Pipeline	In Person	In Person	WGQ