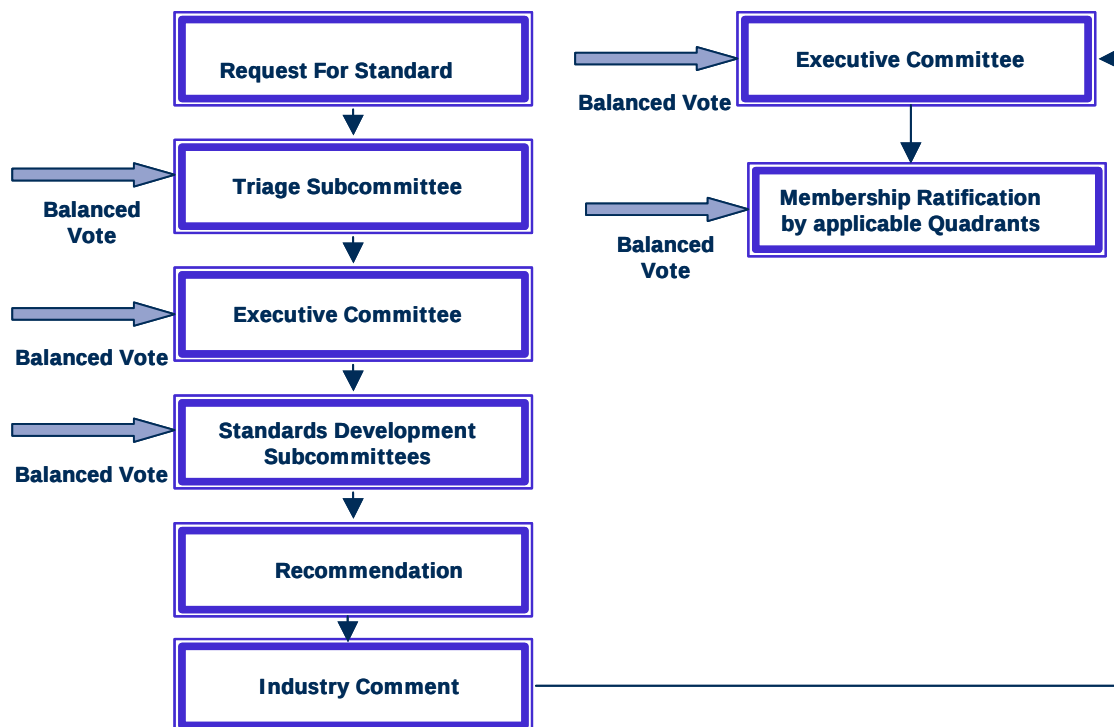


North American Energy Standards Board “A Day in the Life of a Standard”

All NAESB standards follow the same process for development, adoption and maintenance across quadrants. They all have the same voting requirements for adoption regardless of the quadrants to which they apply. Below is a schematic that shows the steps and the multiple opportunities for voting. This process can take as little as two months and as long as needed, depending on the urgency placed upon the activity by the affected quadrants, the level of consensus that exists for the proposed standard, and the preparation of the request itself.



Initiation:

Any interested party can request that a standard be developed or modified. A form is provided for such request, which includes a description of the standard, a justification for its development, who would use the standard, and who would be willing to test the standard. This request is forwarded to the Triage Committee, which includes balanced representation from all quadrants and segments. The Triage Committee through a balanced vote, recommends the disposition of the request – to which groups it should be assigned and the level of urgency for development. The triage recommendation is forwarded to the entire Executive Committee, who through a balanced vote across quadrants votes to support or modify the recommendation, and the request is on its way.

Development:

The subcommittees (either single quadrant or joint quadrant groups, depending upon the quadrants to which the standard will apply) review the request and develop the needed standards. This effort may continue through several subcommittees –as business practices development, information requirements development, and development of EDI and Internet web site specifications may be needed. Through each subcommittee, balanced votes across segments for the applicable quadrants are taken. Membership in NAESB is not required to participate or vote in development. Once complete, the work product, known as the recommended standards,

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is posted for a minimum of 30 days for industry comment. Any interested party can provide written comments.

Approval:

The recommended standards, the industry comments, the minutes of the subcommittee meetings including voting records and the request itself are reviewed by the applicable quadrants of the Executive Committee (EC) in its discussions. Transcripts may also be available if the topics of the subcommittees were controversial enough to warrant such. The EC considers this material and then votes to approve the standards – the votes are balanced across segments and applicable quadrants. If approved, the standards are ratified by the membership of the applicable quadrants.

Reconsideration:

A motion can be made by any of the EC members of a given quadrant, who were not part of the original assignment for a request, to review the recommended standards as the standards may through the development process become applicable to them. In such cases, the recommended standards are reviewed by said quadrants, and a determination (through a balanced vote) is made for if the standards are to be more broadly applicable or more narrowly applicable than originally expected.

Publishing:

Once ratified, the standards are known as “final actions.” The final actions are posted on the web site and published in the next version of standards – typically on an annual basis. The standards and supporting documents and a status report are forwarded to any government agency that so requests it. The standards are posted on the web site in a secure area and are accessed at no charge by NAESB members. Non-members can purchase the standards from the NAESB office. If non-members have participated in the subcommittee activities or have monitored their work products, the standards are also available at no cost in those documents.

Participation:

Through this process, all meetings are open and posted. All minutes, attendance sheets, voting records, and any work papers are publicly available from the web site for access at no cost by members and non-members. Transcripts can be purchased by any interested party. All votes are taken publicly and recorded by company.