

NAESB Retail Gas Quadrant Conference Call – Draft Minutes

February 26, 2002 9:00 AM – Noon EST

Prospective members of the NAESB Retail Gas Quadrant (RGQ) convened by teleconference to discuss substantive matters within the draft RGQ Procedures that remain unresolved. Upon reviewing the anti-trust guidelines, meeting participants completed the following business:

- **Reviewed and agreed** to the list of ten issues identified as discussion items for this meeting, and added one item, regarding voting rules during a preset transition period.
- **Discussed and resolved the following substantive issues:**
 1. Definition of Supplier Segment and Segment Affiliation for Pipeline Companies:
 - **AGREED** that pipeline companies belong in the Supplier Segment, rather than the Services Segment.
 - **AGREED** to the following definition of the Supplier Segment: *“Persons engaged in the competitive sale of natural gas and/or capacity, including marketers, aggregators, producers, asset managers and pipelines.”*
 - **AGREED** to the definitions of the other three Segments, as shown in the minutes of the February 20, 2002 face-to-face meeting.
 2. Requirements for Voting Membership:
 - **AGREED** to modify the first bullet of Section 5.1, Voting Members, as follows: *“The person has a legitimate business interest in the retail natural gas market (or is a representative or Agent of such person), as determined by a simple majority of the Quadrant Membership, if challenged.”*
 - **AGREED** to modify the second bullet of Section 5.1 as follows: *“The person meets the description of one of the co-equal industry Segments identified by the Retail Gas Quadrant of NAESB, as determined by a simple majority vote of the Segment Membership, if challenged.”*
 - **AGREED** to insert the following language as the third bullet of Section 5.1, with editorial changes to parallel the structure of the other bullets within this section: *“Representatives designated by any person in any Segment should have the authority to represent the interests of the person seeking Membership in the Segment.”*
 - **AGREED** to replace the last bullet under Section 5.1, pertaining to trade associations, with a new paragraph as follows: *The Member may be a trade association or an advocacy group representing a group of prospective members, provided that the trade association or advocacy group meets the requirements defined by its declared Segment in Segment Procedures.”*
 3. Participation of Consumer Advocacy Groups and Membership Dues:

AGREED to present the following proposal to the NAESB Board of Directors on March 7th, independent of the proposed RGQ Procedures: *“For a period of two years, the [“Retail Gas” or “Retail Electric”] Quadrant supports the adoption of promotional dues of no more than \$500 for no more than three representatives of residential end users to become Voting Members of the End User Segment. Promotional dues shall be available on a first-come, first-serve basis to membership organizations who represent residential end user customers [statutorily appointed consumer advocates or, if no such office exists, membership organizations that represent residential end user customers].”*
 4. Qualifications of RGQ Directors: Was not discussed.
 5. Qualifications of RGQ EC Members: Broached the topic and will resume deliberations on the matter during the next scheduled conference call for this group. So far two issues have been raised: 1. Whether the requirements, or qualifications, for of EC Members should be determined by the Quadrant or by individual Segments; and 2. whether the existing language may be revised to better describe the type of candidate sought to serve on the EC.
- **AGREED to proceed as follows:**
 - AGA will incorporate the language agreed to during this call into the draft RGQ Procedures and will distribute the revised draft electronically.
 - RGQ participants will reconvene via conference call on Thursday, February 28th from 9:00 AM to Noon Eastern (until 2:00 PM Eastern, if necessary) to complete the business set forth in today’s agenda, which is to address all ten issues outlined in the meeting work paper.
- **Adjourned** at 12:05 PM Eastern.

Meeting Participants:

Alexander, Barbara – NASUCA/AARP
Arnaout, Mariam - AGA
Barkas, Bill – Dominion Retail
Boswell, Bill – Dominion & NAESB Board Chair
Bourbonnais, Bill – Wisconsin Public Service
Bragg, Audrey – Washington Gas
Brunham, Andy – Consumers Energy
Burch, Kathryn – Duke Energy Gas Transmission
Chezar, Dolores - KeySpan
Davis, Dale – Williams Gas Pipeline-Transco
Driggs, Charlie - Conectiv
Hill, Karen - AGA
Lennon, Rose – Washington Gas
Maassel, Mark – Nisource Distribution Companies
McQuade, Rae - NAESB
Merrill, Tim – TXU Retail

Minneman, Jim - PPL Solutions
Moran, Terry – Public Service Electric & Gas
Nishida, Les – Wisconsin Public Service
Novak, Mike – National Fuel Gas Distribution
Oppenheim, Bill – Peco Energy
Rosenthal, Bob - PA Public Utility Commission
Sappenfield, Keith - PanCanadian
Shah, Nicole – Reliant Energy
Specht Adusei-Poku, Marilyn – Nisource Distribution
Companies
VanPelt, Kim – CMS Panhandle Pipe Line
Westerfield, Lou Ann – Idaho PUC/NARUC
Wilen, Eric – New York State Electric & Gas
Young, Randy – Gulf South Pipeline
Zavodnick, Steve – Baltimore Gas & Electric