



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

TO: NAESB Parliamentary Committee, Posting for Interested Industry Participants
FROM: Todd Oncken, NAESB Staff
RE: Final Minutes from the NAESB Parliamentary Committee Conference Call – April 23, 2003
DATE: May 5, 2003

NAESB Parliamentary Committee Meeting April 23, 2003 (1:30 p.m. – 3:30 p.m. Eastern) Minutes

1. Welcome and Introductions

Mr. Haynes opened the meeting and participants introduced themselves.

2. Antitrust Guidelines

Mr. Oncken gave the antitrust advice.

3. Adoption of Agenda

Mr. Haynes introduced the agenda. The agenda was adopted by acclamation.

4. Adoption of Draft March 20, 2003 Meeting Minutes

Mr. Boswell moved, seconded by Mr. Desselle, to adopt the minutes of the March 20, 2003 Parliamentary Committee meeting, with a correction to the attendees list for Ms. Hess's organization. The motion passed unanimously.

5. Review of Revised NAESB Operating Practices and Format for Materials

Ms. McQuade provided context for the document being reviewed. She stated Mr. Paulson merged the NAESBOps document approved at the March 20, 2003 Board of Directors meeting with the NAESBOps drafted by Mr. McMillan's group to create a cohesive document. Ms. McQuade stated the resulting document, which will include the NAESBOps, NAESB Bylaws, and NAESB Certificate of Incorporation, is very similar in format to the FASB¹ procedural documents. She noted Mr. Paulson will create a table of contents for the document after it has been approved by the Parliamentary Committee. Additionally, she stated the document created by Mr. Paulson has been reviewed by Mr. Boswell and Mr. Costan for consistency with the NAESB Certificate and Bylaws.

Prior to discussion of the draft document, Mr. Haynes clarified the final NAESBOps document would be voted on by the Parliamentary Committee and the Board of Directors and would replace the package presented for Board consideration on March 20. Mr. Costan noted the proposed changes to the document resulting from his review were editorial in nature to eliminate repetition and to ensure consistency with NAESB Certificate and Bylaws. Mr. Boswell stated as long as the changes were not substantive in nature, the Board could address the issue through a procedural motion.

Mr. McMillan commented on the draft NAESBOps his group prepared [previously numbered NAESBOps 7, 8 and 10.] Mr. McMillan noted the draft he submitted was significantly revised as it appears in the work paper being discussed today. He stated he would have preferred to have his

¹ FASB – the Financial Accounting Standards Board has a booklet entitled “Rules of Procedure” that includes FASB's Certificate, Bylaws, and Operating Procedures.



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draft discussed with the detail attachments provided. Mr. Boswell noted that he appreciated the work that was done, and it could be reviewed at a subsequent meeting; however for the NAESBOps, the work product should be consistent across the procedures to provide for a cohesive document that was internally consistent written at a level of specificity such that it would not require frequent modification. Additionally, Mr. Boswell expressed concern for the substantive changes introduced into Mr. McMillan's work products which do not represent the manner in which NAESB currently operates. Mr. Haynes echoed Mr. Boswell's comments. It was noted such substantive changes could result in NAESB having to undergo another ANSI certification.

Further, Mr. Boswell stated Mr. McMillan's proposal could be addressed in the future, at a time to be set by the Managing Committee. Mr. Boswell suggested the document sponsored by Mr. McMillan might be better suited as a supplemental document, rather than a NAESBop, due to its level of detail and reliance on the supplemental and supporting documents.

Mr. McMillan was concerned that the level of detail contained in the NAESBOps package was not sufficient to provide the industry with the ability to clearly understand the standards development process and track a particular standard through that process. As such, he requested the Parliamentary Committee agree on a timeline for the review of his document. Mr. Haynes suggested the issue of timing be discussed at the next Managing Committee meeting. It was noted Managing Committee meetings are open to the public with the exceptions noted in the certificate.

Ms. McQuade initiated review of the NAESBOps document by section. Although all sections were discussed at the meeting, only those sections discussed at length or significantly modified will be reflected in the minutes. [Please see attached NAESBOps document for all language changes.]

Ms. Hess expressed concern that the Mission and Guiding Principles, Section II, deviated from the language of the NAESB Bylaws by referring only to standards and not standards and model business practices. Mr. Costan explained the wording was changed for efficiency and clarity to produce a user-friendly document that would provide a sense of how NAESB as an organization operates. To address the concern, it was agreed to insert a footnote stating that where the term standards is used, it refers to both standards and model business practices. Additionally, Mr. Haynes noted that with any conflicting language, the language of the NAESB Certificate or Bylaws would prevail over the NAESBOps. Mr. Boswell suggested the addition of introductory language to reflect that concept.

Participants agreed the NERC/NAESB Joint Interface Committee (JIC) process for the Wholesale Gas Quadrant should be reflected in the discussion on the Standards Development Process, Section III. Additionally, Mr. Desselle stated the process should be noted on the Standards Development Process Flow Chart. It was suggested noting the process on the existing flow chart, but creating an additional flow chart depicting the JIC process.

Participants discussed Balanced Voting Procedures for EC Subcommittees and Task Forces, Section IV, B. Mr. Costan stated he flagged the application of balanced voting for joint subcommittee meetings of different quadrants during his review of the NAESBOps. There are two interpretations of balanced voting for subcommittee activities that cross quadrants. Mr. Buccigross stated he understood the critical issue in a joint subcommittee setting to be the overall vote, not the individual quadrant vote, noting differences between the quadrants would be addressed when the standard is voted out of each of the quadrant's Executive Committees.

Mr. Costan stated the alternate view he proposed stemmed from the principle in the Certificate that only the quadrant affected by a particular standard can pass that standard. Mr. Costan contended that principle applied through the standards process would mean that each quadrant of a



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subcommittee, meeting jointly, would have to vote in favor for the standard to be approved by the subcommittee and forwarded to the Executive Committee for further consideration.

Mr. Buccigross expressed a practical concern with Mr. Costan's interpretation. Mr. Buccigross suggested it could be infinitely more difficult for a standard to proceed out of the subcommittee. Mr. Buccigross suggested accepting Mr. Costan's interpretation could mean working through a joint subcommittee process might not be productive for controversial issues. On practicality, Mr. Costan suggested each Executive Committee draft internal procedures to address the situation where one quadrant approves a standard and the other quadrant opposes it, such that the standards recommendation can advance from the subcommittee for consideration at the supporting quadrant's Executive Committee.

Given the above considerations, participants agreed to apply balanced voting according to Mr. Costan's interpretation, with a notation that the Executive Committees can establish internal procedures allowing for a standard to be reported to the Executive Committee from a joint subcommittee without a majority vote from all quadrants participating.

Participants discussed the Triage Subcommittee process under Standards Development and Maintenance, Section IV, C, 1. As a departure from today's current procedures, Mr. Boswell suggested it would be more effective for the Triage Subcommittee with all quadrants participating to recommend if a request was within the scope of the organization and within the scope of a given quadrant. Current procedures have the Triage Subcommittee composed of all quadrants recommending if a request were within the scope of the organization and only the affected quadrant(s) recommending whether the request were within their own quadrant's scope. Parliamentary Committee members favored the change, assuming the modification was not deemed a substantive change that would give rise to ANSI certification problems. As this is a departure from our current procedures, it was suggested Ms. Garcia of the NAESB Office confer with ANSI regarding the proposed change.

Mr. Boswell moved, seconded by Mr. Templeton, to 1) accept the draft NAESBOps prepared by Mr. Paulson with the amendments and additions made during the meeting; 2) instruct Mr. Paulson to develop a paragraph numbering scheme for the NAESBOps; and 3) forward the completed document to the Board of Directors for consideration at its June meeting. The motion passed unanimously.

6. Next Steps and Other Business

Mr. Templeton suggested the Managing Committee meet in concert with the June Executive Committee meetings to review the final document and discuss the agenda for the June Board meeting.

7. Adjourn

Mr. Haynes adjourned the meeting at 3:15 p.m. Eastern.



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9. Attendees

Name	Organization	Note
Bill Boswell	McGuire Woods	Member
Scott Brown	Exelon Corporation	Member
Jim Buccigross	Group 8760	
Cade Burks	EC Power	Member
Greg Butrus	Southern Company	
Yvette Camp	Southern Company	
Cynthia Corcoran	Enbridge Energy	
James Costan	McGuire Woods	
Michael Desselle	American Electric Power	Member
Leonard Haynes	Southern Company	Member/Chair
Theresa Hess	Reliant Energy Retail Services	
Terry McGill	Enbridge Energy	Member
Dave McMillan	Calpine	Member
Rae McQuade	NAESB Executive Director	Administrative
Lyn Maddox	PG&E Energy	Member
Mark Maassel	NiSource, Inc.	
Leslie Nishida	Wisconsin Public Service Corp.	
Todd Oncken	NAESB	Administrative
Marjorie Perlman	Energy East Management Corporation	
Judy Ray	Alabama Power	
Jim Templeton	Comprehensive Energy	Member
John Williams	Group 8760	Member