



## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
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**TO:** NAESB Retail Electric Quadrant and Retail Gas Quadrant Executive Committee,  
Posting for Interested Industry Participants

**FROM:** Todd Oncken, NAESB Deputy Director

**RE:** NAESB Retail Electric Quadrant and Retail Gas Quadrant Joint Executive Committee  
Meeting Draft Minutes- August 7, 2003

**DATE:** August 20, 2003

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**Retail Electric Quadrant/Retail Gas Quadrant Joint Executive Committee  
Thursday, August 7, 2003  
Draft Minutes**

### 1. Welcome

Mr. Minneman called the meeting to order and thanked PECO Energy for hosting the Executive Committee meetings. Mr. Oncken gave the antitrust advice. The roll was called and a quorum established.

### 2. Joint Session Draft Agenda & Draft Minutes

Mr. Minneman reviewed the draft agenda. Mr. Novak noted Request R03006 was withdrawn so it should be deleted from the agenda. Additionally, a review of other quadrant activities was added. Ms. Kiselewich moved, seconded by Mr. Zavodnick, to adopt the modified agenda. The motion passed unanimously.

Ms. Hess moved, seconded by Mr. Oppenheim, to adopt the draft minutes of the June 4, 2003 Retail Electric Quadrant (REQ) and Retail Gas Quadrant (RGQ) Joint Executive Committee meeting, as modified. The motion passed unanimously.

### 3. Update on WEQ and WGQ Activities

Ms. McQuade provided an update on Wholesale Electric Quadrant (WEQ) activities. She noted the following decisions and discussions at the August WEQ Executive Committee meeting: 1) creation of the Technical Subcommittee, to be chaired by Mr. Landrum and Mr. Johnson, to address business practices that would have typically been assigned to the Oasis Scheduling Collaborative (OSC) and to address Request R03007 (PKI); 2) creation of the Electronic Scheduling Subcommittee to address business practice standards development that would typically be addressed by the Electronic Scheduling Collaborative (ESC) and any of its deliverables; 3) presentation of a strawman for the 2004 WEQ Annual Plan; 4) presentation on the progress of the Inadvertent Interchange Payback Task Force standards drafting process, including the results of the August 4 NERC/NAESB Coordination meeting where it was determined that NAESB's payback standard would be based on inadvertent energy data provided by NERC; 5) presentation on Electric Quarterly Reporting (EQR) and the FERC's preliminary decision to standardize certain data elements through a small users group instead of the NAESB process.

Mr. Novak reported on the Wholesale Gas Quadrant (WGQ) activities. He noted the following significant discussions at the August WGQ Executive Committee meeting: 1) extended discussion of Request R03006, the Gas Price Index request, which resulted in the withdrawal of the request; 2) extended discussion on the technical feasibility report of developing a common Electronic Transport specification which resulted in adoption of a motion authorizing the WGQ EDM Subcommittee to move forward with development in conjunction with the REQ and RGQ Technical Electronic Implementation Subcommittees (TEIS); 3) update by the Contracts Subcommittee on the Credit Support Addendum to the NAESB Base Contract for the Sale of Natural Gas indicating a



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recommendation would likely come before the Executive Committee at the October Executive Committee meeting; and 4) discussion of the WGQ Annual Plan process for 2004.

#### **4. Review of New Requests and Assignments, Possible Developments**

PKI Effort - Please see discussion of WEQ meeting above. Ms. McQuade suggested the retail quadrants send a representative to the WEQ meetings on PKI. It was noted NERC's adoption of PKI would likely lead to the WEQ's adoption of PKI for commercial communications, which would ultimately have impacts for the retail quadrants. Additionally, it was noted that PKI and NAESB EDM are quite different, so developments in PKI would impact the EDM standards and implementations. Ms. McQuade reported on the NERC PKI workshop held on July 1. She stated the workshop was very informative and noted Mr. Zavodnick was also in attendance. Given the importance of the issue, it was decided that the retail quadrants would have a formal representative to the WEQ Technical Subcommittee and a report of PKI activities would be added as a standing agenda item for REQ/RGQ Joint EC meetings.

Non Disclosure Statements - Mr. Novak stated that the Supplier Utility Interface Subcommittee (SUIS) began discussions of a Non Disclosure Statement as part of its proposed creditworthiness standards. He said the general feeling on the conference call was that attorneys should participate in the discussions given the legal aspects of the agreement. Mr. Novak suggested the REQ and RGQ establish a Contracts Subcommittee which would meet jointly to first address the Non Disclosure Statement and then address other contracts-related issues. Mr. Novak noted the WGQ has worked under that organization for several years.

Participants discussed the concept of a Contracts Subcommittee. Concern was expressed that all standards would proceed through the Contracts Subcommittee as a test of legal sufficiency. Mr. Novak stated that the history of the WGQ Contracts Subcommittee shows the differences between a contract and business practices are easy to identify. Additional concern was stated over staffing another standing subcommittee. Ms. Calcagno, a co-chair of the WGQ Contracts Subcommittee, commented on the WGQ Contracts Subcommittee. She stated the WGQ Contracts Subcommittee is generally staffed by business people, but attorneys participate for the technical issues. She noted the WGQ Contracts Subcommittee draws from a different set of participants than the other WGQ subcommittees. Ms. Alexander opposed the creation of a Contracts Subcommittee, but suggested a task force that reported its work back through the existing subcommittee structure would be more appropriate.

Mr. Novak stated that a Contracts Subcommittee would create an infrastructure for the REQ and RGQ to examine contractual issues and draft standard contracts, where appropriate. Additionally, Mr. Novak stated the WGQ Base Contract is widely accepted by the industry, and part of that acceptance is based on the development process through the WGQ Contracts Subcommittee. Mr. Newbold suggested a Contracts Subcommittee would be appropriate if the decision were made that as a general practice business subcommittee work would result in a model agreement.

Consensus could not be reached on the establishment of a Contracts Subcommittee. As a next step, it was decided that a written proposal, including a draft mission statement, would be presented to the REQ and RGQ Executive Committees for consideration prior to the October Executive Committee meetings.

Participants discussed the SUIS's evaluation of the Non Disclosure Agreement as part of the creditworthiness standards. Ms. Alexander moved, seconded by Mr. Jarrett, that the REQ and RGQ Executive Committees instruct the REQ and RGQ SUIS to suspend development of the Non Disclosure Agreement pending further instruction from the REQ and RGQ Executive Committees. With no discussion, the motion passed unanimously.



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### 5. Subcommittee Updates and Samples of Expected Standards

Customer Processes Subcommittee: Mr. Alston reported on the progress of the Customer Processes Subcommittee (CPS), stating the subcommittee is close to completing its work on billing and payment. Mr. Alston stated the model business practices would soon be ready for Executive Committee review. Further, he stated customer switching and enrollment, the CPS's next assignment, would not be completed in the timeline anticipated by the Annual Plan. He suggested the completion date be reassigned to read 2004.

The process for reporting the model business practices (as recommendations) out of the subcommittee was discussed. It was noted the CPS intends to report the model business practices out of the subcommittee before the data sets and accompanying implementation is complete. Ms. Hess commented that the subcommittee has voted to complete the model business practices and submit a recommendation to the Executive Committee for action, but ask that the model business practices not be sent for member ratification until the data sets are complete.

Glossary Subcommittee: Ms. Mason gave an update on the Glossary Subcommittee. She stated the Glossary Subcommittee has completed work on most of the CPS and SUIS definition requests. She noted the definitions for Service Delivery Points, Rate Code and Business Day are outstanding. After completion of the CPS and SUIS requests, Ms. Mason stated the Glossary Subcommittee will work on completing its procedures.

Supplier Utility Interface Subcommittee: Mr. Newbold reported on the progress made at the July SUIS meeting. He stated the SUIS extensively discussed the scope of the creditworthiness document, completed the first review of the Non Disclosure Statement, and resolved a number of key outstanding issues in the working document. He stated the SUIS would likely vote on a clean version of the model business practices document during its August 11 conference call.

Mr. Newbold stated an outstanding issue was the definition of business day. He noted the vote in the SUIS is scheduled to be taken before the Glossary Subcommittee takes action on the proposed definition. Participants discussed possible actions to address the timing issue. Possible solutions included rescheduling the SUIS meeting where the vote would be taken or taking the vote on the assumption that the proposed definition would be accepted and then revoting if the definition was modified. It was decided the Glossary Subcommittee would reschedule its August 13 meeting for August 11 prior to the previously scheduled SUIS meeting. Additionally, the SUIS scheduled a conference call on August 18 from 9:00 a.m. to noon Central.

Technical Electronic Implementation Subcommittee: Mr. Jarrett reported on the progress of the TEIS. He stated the TEIS has been working with the WGQ EDM Subcommittee on the possibility of creating a common communications protocol. He stated the working group discovered there were two pieces to EDM transmissions, the delivery and the contents. Further, he said the working group studied the possibility of a common delivery process which could be used by all of the quadrants. He noted that study resulted in the *Report on Technical Feasibility and Impacts of Separating the WGQ EDM Into Multi-Quadrant Electronic Transport and Quadrant-Specific EDM Documents*, located under tab 3 of the meeting materials. Mr. Jarrett stated that the WGQ passed the following motion at its August Executive Committee meeting:

The WGQ EC directs the WGQ EDM subcommittee to: 1) proceed with the separation of WGQ EDM TAB 6 and review of WGQ Standards 4.x.x for potential inclusion in the common ET specification; and 2) work jointly with the REQ/RGQ TEIS to develop a joint ET specification.



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It was decided to postpone any required action to direct the TEIS to proceed until the individual REQ and RGQ Executive Committee meetings.

### **6. Technical Feasibility Report from the EDM Subcommittee**

Please see Technical Electronic Implementation Subcommittee report above.

### **7. 2003 Annual Plan Updates**

Updates to the 2003 RGQ and REQ Annual Plans were reviewed. Please see attached redlined annual plans. The modified 2003 Annual Plans will be presented to the Board of Directors in September.

### **8. 2004 Annual plan Development Efforts**

Mr. Zavodnick reported on the 2004 Annual Plan process for the WEQ and WGQ, as follows: 1) the WEQ has prepared a 2004 Annual Plan strawman, available in the meeting materials under Tab 7, which will be distributed for comment; and 2) the WGQ will begin its Annual Plan development through a conference call on September 2, 2003. Participants discussed the process for development of the 2004 REQ and RGQ Annual Plans.

Mr. Zavodnick suggested the completion dates of the 2003 REQ and RGQ Annual Plans be reviewed by subcommittee leadership as a starting point, noting that several of the dates indicate completion in 2004. Further, he suggested the subcommittee chairs propose a completion timeline for the existing items. Mr. Zavodnick stated those changes could be reflected in a strawman to be distributed for comment, and the submitted comments would ultimately be reviewed by the REQ and RGQ leading to annual plans for approval by the REQ and RGQ Executive Committees in October and presentation to the Board of Directors in December. Mr. Newbold and other REQ Executive Committee members noted the REQ has an Annual Plan Subcommittee. They suggested it was the role of the Annual Plan Subcommittee to set the priority of annual plan items, not the subcommittee leadership. Mr. Moran commented that proceeding through the Annual Plan Subcommittee would provide more balance representation and result in a process that was more equitable. The exact approach to draft the 2004 REQ and RGQ Annual Plans was not established during the meeting.

The following timeline for annual plan development was established:

- August 22, 2003: completion of draft annual plans for distribution and industry comment
- September 5, 2003: comments due on the draft annual plans
- September 12, 2003: completion of revised draft incorporating comments
- September 15, 2003: Joint REQ/RGQ meeting to discuss the draft annual plans

### **9. Other Business**

No other business was discussed.

### **10. Adjourn**

The meeting adjourned at 1:35 p.m. Eastern.



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### 11. Attendance

<b>Retail Electric Quadrant Executive Committee</b>		
	<b>Title, Organization</b>	<b>Present</b>
<b>Distribution Segment</b>		
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company	In Person
Terry Moran	Regulatory Issues Manager, PSEG (MAAC NERC Region)	In Person
William Newbold	Strategy Manager of Electric Choice Implementation Team, Detroit Edison (ECAR NERC Region)	Phone
Jonathan Kubler	Manager of Pricing and Rates, Georgia Power Company	Phone
<b>End User Segment</b>		
V A C A N C Y		
Steve LaFond	Corporate Electricity Resources, Boeing Corporation	Absent
Steve Ward, alt. for B. Alexander	Maine Office of Public Advocate	In Person
V A C A N C Y		
<b>Services Segment</b>		
Jim Minneman	Director of Business Services, PPL Solutions LLC	In Person
Dick Brooks	Independent Consultant	Absent
Rob Connell	Manager of Commercial Systems Applications, Electric Reliability Council of Texas	Phone
Mark Jarrett	Team Leader – Market Information and Analysis, Market Intelligence, Southern Company	In Person
<b>Supplier Segment</b>		
Bill Barkas	Manager of Retail State Government Relations, Dominion Retail, Inc.	In Person
Theresa Hess, alt. for M. Williamson	Manager NAESB Relations, Reliant Energy Retail Services	In Person
V A C A N C Y		
V A C A N C Y		



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## Retail Gas Quadrant Executive Committee

	Title, Organization	Present
<b>Distributors Segment</b>		
Nancy Cianflone	Director, Marketing Services Area, KeySpan Energy	Phone
Joseph M. Jansen	Manager Supplier Regulations, Public Service Electric and Gas Company	In Person
Joe Stengel, alt. for L. Nishida	Federal Regulatory Affairs Manager, Philadelphia Gas Works	In Person
Michael Novak	Assistant General Manager, National Fuel Gas Distribution Corporation	In Person
William Oppenheim	Manager, Asset Optimization, PECO Energy	In Person
Steven M. Zavodnick	Senior Engineer Gas Operations, Baltimore Gas and Electric Company	In Person
<b>End Users Segment</b>		
Barbara Alexander, alt. for B. Hayes	Consumer Affairs Consultant, rep. Indiana Office of Utility Consumer Counselor	Phone
Tina Burnett	Chair, Northwest Industrial Gas Users Association	Phone
V A C A N C Y		
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<b>Service Providers Segment</b>		
Rod Sipe	President, New Science Partners	Absent
Donald L. Sytsma	Vice President, R.J. Rudden Associates, Inc.	Absent
George Behr	Director, Energy Services Group, Inc.	In Person
V A C A N C Y		
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<b>Supplier Segment</b>		
Suzanne Calcagno	Associate Director, Regulatory Compliance, UBS Warburg Energy, LLC	In Person
Barbara A. Fatina	Vice President, Exelon Energy	Phone
Marcy McCain	Project Manager - Regulatory Affairs, Duke Energy Gas Transmission, LLP	Absent
Richard Zollars	Director, Data and Information, Dominion Retail, Inc.	In Person
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### Administrative:

Rae McQuade	-Executive Director
Veronica Thomason	-NAESB Staff
Todd Oncken	-Deputy Director



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### Observers to the Meeting:

<b>Name</b>	<b>Company</b>	<b>In Person/Phone</b>
Rick Alston	ODEC	Phone
Bill Bourbonnais	WPS Resources	Phone
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Dale Davis	Williams Gas Pipeline	In Person
Bill Griffith	El Paso Corp.	In Person
Susan Ishida	Southern California Edison	Phone
Jean Mason	Ameren	Phone
Marjorie Perlman	Energy East Management Corp.	In Person
Phil Precht	Baltimore Gas and Electric Co.	In Person
Ken Thiry	Wisconsin Public Service	Phone