



North American Energy Standards Board

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

TO: NAESB Retail Electric Quadrant and Retail Gas Quadrant Executive Committee,
Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Draft Minutes from the NAESB Retail Electric Quadrant and Retail Gas Quadrant
Executive Committee Meeting – October 8, 2003

DATE: October 21, 2003

**Retail Electric Quadrant/Retail Gas Quadrant
Joint Executive Committee Meeting
October 8, 2003 (9:00am – 11:30am)**

1. Welcome

Mr. Novak opened the meeting and Mr. Buccigross gave the antitrust advice. Introductions were made.

2. Joint Session Draft Agenda & Draft Minutes

Mr. Novak noted there were several agenda modifications submitted in advance: under other business; update on the Board of Directors, update on Business in Other Quadrants, and Public Key Infrastructure (PKI). Ms. Alexander suggested the addition of a discussion on Promotional Dues Membership. Ms. Kiselewich moved, seconded by Ms. Fatina to adopt the modified agenda. The modified agenda was adopted absent objection.

Mr. Oppenheim moved, seconded by Ms. McCain to adopt the August 7, 2003 draft minutes as modified. The draft minutes were adopted as modified absent objection.

3. General Actions, Possible Developments

EC Vice Chair Review of Triage Requests: Mr. Novak stated that the bulk of the requests discussed at the last Triage meeting were assigned to the Wholesale Gas Quadrant (WGQ). There was also one request (R03023) that was assigned to the WGQ and the Retail Gas Quadrant (RGQ). Mr. Novak suggested discussion of this request be deferred until the RGQ Executive Committee meeting. Mr. Minneman noted that he believes R03023 is strictly a WGQ request but that the retail quadrant should monitor these issues.

Communication Plan for New MBPs: Mr. Novak noted during the retail meetings the quadrants will conduct their first official vote on standards, and because there is no one official regulatory body for the retail markets he stated the suggestion was made to use a less formal process to publicize that work is being done on retail standards. It was noted that nothing has been formally decided yet. It was also suggested that NAESB representatives from the retail quadrants could do a presentation at NARUC's winter meetings which are scheduled for March 7-10. FERC has also requested that they receive a copy of work done in the retail quadrants. Ms. Alexander suggested the two retail EC chairs and Ms. McQuade communicate with the head of the NARUC office and various NARUC contacts about outreach and communication.

Potential Formation of Contracts Subcommittee(s): It was suggested that the development of the Contracts Subcommittee(s) in the retail quadrants be tabled until there are more resources available and/or a more urgent need. Ms. Calcagno stated the development of this subcommittee might encourage the participation of legal representatives, which could save time during the development process in the long run. Ms. Alexander suggested a task force could be created and



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populated by legal representatives to assist in the drafting of any legal documents that come out of the business practices subcommittees. Mr. Newbold noted the business practice subcommittees have decided to draft an outline for documents such as the Billing Services Agreement as opposed to drafting an official contract, but he also stated that should the retail markets desire standardized contract(s) there should be a group to pursue the drafting of those official documents. Ms. Calcagno stated she would submit a written proposal for the development of the contracts subcommittee if the quadrants decided this would be necessary.

Process for Publishing our Soon to be Approved Model Business Practices: Mr. Novak reminded participants that there have not been any formal decisions made regarding the process for publication of standards. Ms. Munson stated one of the goals during publication is to keep as much commonality between retail and wholesale as possible (e.g. similar look and feel of the standards as well as similar publication cycle). She noted that historically the NAESB office has made decisions concerning the numbering scheme of the standards, and she also suggested the Creditworthiness standards be published sooner rather than later. Ms. Munson noted standards are published on CD-rom and given a version number.

Ms. Kiselewich moved, seconded by Ms. Burnett that the retail quadrants publish any approved model business practices by the end of this year or as soon as possible in the first quarter of 2004. Ms. McQuade stated it is important to publish these standards as soon as possible because the state commission staff is interested in seeing the work products of this group and a visible work product will encourage increased participation. Upon a procedural vote the motion passed.

4. Subcommittee Updates and Samples of Expected Standards

Customer Processes Subcommittee: Mr. Oppenheim stated the model business practices for Billing and Payments and the outline for the BSA have been voted out of the subcommittee. The recommendation for these proposed standards is being finalized right now and will be sent out for comment shortly. The CPS is beginning work on the data sets and models which will accompany these proposed standards, and the CPS hopes to complete these data sets and models early in 2004. Mr. Oppenheim noted the recommendation to the EC would request that these model business practices not be published until they are fully staffed. Ms. Alexander voiced concerns that this schedule might conflict with what the EC has decided concerning publication of retail standards. Mr. Minneman stated the EC would make the final decision regarding the ratification and publication of standards, but will take into consideration any recommendation the subcommittee submits.

Glossary Subcommittee: Mr. Sytsma noted to date the subcommittee has met and adopted definitions for 37 terms. The current list of definitions can be found on the Glossary Subcommittee page on the NAESB website. The next meeting is scheduled for Oct. 30 and Mr. Sytsma requested that interested parties should submit requests for definitions prior to this date.

Supplier Utility Interface Subcommittee: Mr. Newbold stated the SUI has drafted and voted on its first set of model business practices, which will be considered at today's EC meetings. Additionally, the SUI has decided that supplier-licensing was not an item they could address at this time and suggested that the annual plan be adjusted accordingly in order to allow the two retail quadrants to continue to work together. It was agreed that the SUI subcommittees should work on Market Participant Interactions next. If the annual plan is approved then the SUI will start on Market Participant Interactions at their next meeting.



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Technical Electronic Implementation Subcommittee: Mr. Behr stated the TEIS met in September and did a lot of work on the Internet ET document. He noted there is a draft of this document published on the TEIS web page of the NAESB site.

5. Creditworthiness Model Business Practices

Presentation, Discussion and Q&A: Mr. Novak stated general discussion concerning these standards will be held in the joint session and voting will be held during the individual EC sessions. The EC will also entertain motions for minor changes to the proposed standards, and if there are suggestions for substantive changes Mr. Novak suggested that the EC defer voting on the standards at today's meetings. Ms. Alexander suggested that all proposed changes to the standards should be discussed during the joint meeting. There was consensus in the room that the discussion should be conducted in this manner. Participants discussed comments on the proposed Creditworthiness standards by section.

Overview: No proposed changes were noted in this section.

Principles: No proposed changes were noted in this section.

Definitions: Mr. Novak noted ultimately the definitions will look just like the model business practices and proposed changes to the definitions will be submitted by request.

Section 1.1: No proposed changes were noted in this section.

Section 1.2: No proposed changes were noted in this section.

Section 1.3: Mr. Newbold moved, seconded by Mr. Zavodnick delete the last sentence of proposed standard 1.3.1.7 and renumber it as proposed standard 1.3.1.6, and to renumber proposed standard 1.3.1.6 as proposed standard 1.3.1.7. Upon a procedural vote the motion passed.

Section 1.4:

Proposed Standard 1.4.1.2

Mr. Hurst voiced concerns that this standard requires entities to provide information on why they rejected another entity upon re-evaluation. Ms. McCain moved, seconded by Ms. Fatina to change the first sentence of 1.4.1.2 to read the "The Creditor should respond to a timely challenge within five (5) Business Days of receipt by providing rationale for its determination." Upon procedural vote the motion passed.

Mr. Zavodnick moved, seconded by Ms. Burnett to append the first two sentences of 1.3.1.13 (changing the word "evaluation" to "re-evaluation" to proposed standard 1.4.1.2. Upon a procedural vote the motion passed.

Proposed Standard 1.4.1.3

Concerns were voiced regarding the generality of this standard. Ms. Kiselewich moved, seconded by Mr. Zavodnick to add the language "; as applicable" to the end of proposed standard 1.4.1.3. Upon a procedural vote the motion passed.

Proposed Standard 1.4.1.6

Ms. Kiselewich moved, seconded by Mr. Newbold to add the following language to the end of proposed standard 1.4.1.6: "Such reconsideration will be treated as a new credit application." Upon a procedural vote the motion passed.

Proposed Standard 1.4.1.7



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Ms. McCain moved, seconded by Ms. Burnett to add the following language to the end of proposed standard 1.4.1.7: "Such re-evaluation will be treated as a new credit application." Upon a procedural vote the motion passed.

Section 1.5: No proposed changes were noted in this section.

Section 1.6: Concerns were voiced regarding the listing of surety bonds and security interest in collateral in this section. No proposed changes were noted in this section.

Section 1.7: No proposed changes were noted in this section.

Section 1.8: No proposed changes were noted in this section.

6. Technical Feasibility Report from the EDM Subcommittee

This item was not discussed.

7. 2003 Annual Plan Updates/2004 Annual Plan Development Efforts

Mr. Zavodnick stated the draft annual plans for the REQ and RGQ are almost completed with the exception of the approval of the EC's. Mr. Moran suggested changing the language of item six on both retail annual plans to include the language in item three instead of listing them as two separate items. Mr. Minneman suggested the new item six be moved up to item three with a due date of 3rd quarter, and change the due date on item five to the 4th quarter. He also suggested adding the Glossary Subcommittee work under ongoing maintenance items. Mr. Zavodnick noted the Non-EDM item will be added to the REQ plan for SUI.

8. Other Business

Promotional Dues: Ms. Alexander noted the NAESB Board will be discussing promotional dues at the next board meeting and she would like to encourage participation in this discussion. Ms. McQuade noted that she had forwarded information on to the Board Managing Committee, who supports extending the promotional dues.

Update on Other Quadrant Activities: Mr. Buccigross gave the update on the WGQ. The creditworthiness standards have been ratified, and the update on EDM issues has been completed. The Contracts subcommittee has submitted a recommendation to the EC for the Credit Support Addendum that will be voted on tomorrow. He noted that with the exception of the Sandia review the WGQ has completed everything on the 2003 annual plan.

Ms. McQuade gave the update on the WEQ. The WEQ voted on the development of new subcommittees which include Standards Review Subcommittee, Seams Subcommittee, Glossary Subcommittee, Information Technology, Electronic Scheduling Subcommittee, and Business Practices Subcommittee. She also noted the 2004 WEQ Annual Plan was approved.

Board Activity Update: Mr. Desselle gave the update on the NAESB Board of Directors activity. Mr. Costan has resigned his position as general counsel for NAESB and Mr. Boswell will now be filling this position and has resigned his position on the NAESB Board. Mr. Novak noted the Board discussed a possible fifty dollar charge for conference call participants and voiced concerns that this could discourage participation.

9. Adjourn

Mr. Connell moved, seconded by Mr. Moran to adjourn the meeting on October 8, 2003 at 1:30 p.m. MST.



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10. Attendees

Retail Electric Quadrant Executive Committee		
	Title, Organization	Present
Distribution Segment		
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company (MAAC NERC Region)	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
End User Segment		
V A C A N C Y		
V A C A N C Y		
Barbara Alexander	Consumer Affairs Consultant, State of Maine Public Advocate	In Person
V A C A N C Y		
Services Segment		
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	In Person
Mark Jarrett	Team Leader – Market Information and Analysis, Market Intelligence, Southern Company	Phone
Supplier Segment		
Bill Barkas	Manager of Retail State Government Relations, Dominion Retail, Inc.	In Person
Margarida Williamson	Senior Counsel, Calpine Power America, LP	Absent
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
Distributors Segment		
Nancy Cianflone V A C A N C Y	Director, Marketing Services Area, KeySpan Energy	Phone
Leslie H. Nishida	Gas Federal Regulatory Supervisor, Wisconsin Public Service Corporation	Phone
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
End Users Segment		
Bruce Hayes	Senior Regulatory Analyst, Ohio Consumers' Counsel	Absent
Tina Burnett V A C A N C Y V A C A N C Y V A C A N C Y V A C A N C Y	Chair, Northwest Industrial Gas Users Association	In Person
Service Providers Segment		
Rod Sipe	President, New Science Partners	Absent
Donald L. Sytsma	Vice President, R.J. Rudden Associates, Inc.	In Person
George M. Behr V A C A N C Y V A C A N C Y V A C A N C Y	Director, Energy Services Group, Inc.	In Person
Supplier Segment		
Suzanne Calcagno	Associate Director, Regulatory Compliance, UBS Warburg Energy, LLC	Phone
Barbara A. Fatina	Vice President, Exelon Energy	In Person
Marcy McCain	Project Manager - Regulatory Affairs, Duke Energy Gas Transmission, LLP	In Person
Richard Zollars	Director, Data and Information, Dominion Retail, Inc.	Phone
Joe Stengel alt. V A C A N C Y	Manager, Federal Regulatory Affairs, Philadelphia Gas Works	In Person

Administrative:

Rae McQuade
Veronica Thomason
Meghan McMillan

-Executive Director
-NAESB Staff
-NAESB Staff



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Observers to the Meeting:

Name	Company	In Person/Phone
Alejos, Amanda	NAESB	Phone
Arnaout, Mariam	American Gas Association	Phone
Behr, George	Energy Services Group	Phone
Camp, Yvette	Southern Company	Phone
Desselle, Michael	American Electric Power	In Person
Doyle, Michele	Con Edison	Phone
Hirst, Jonathan	Con Edison	Phone
Munson, Sylvia	ECOM	Phone
Ray, Judy	Alabama Power Company	Phone
Robert, Lisa	Defense Energy Support Center	Phone