



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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Home Page: www.naesb.org

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

FROM: Meghan McMillan, NAESB Staff

RE: Minutes from the NAESB Retail Gas Quadrant Executive Committee Meeting – December 13, 2002

DATE: January 17, 2003

NAESB Retail Gas Quadrant Executive Committee Friday, December 13, 2002 Final Minutes

1. Welcome

Mr. Buccigross opened the meeting by welcoming all of the newly elected Retail Gas Quadrant Executive Committee members, thanked Consolidated Edison Company of New York for hosting, and gave the antitrust guidelines. Each of the RGQ Executive Committee members introduced themselves and the roll was taken. Mr. Buccigross generally reviewed NAESB meeting practices and announced he would preside over the meeting until the RGQ Executive Committee Vice Chair is elected.

2. Adoption of Retail Gas Quadrant Draft Agenda

Mr. Novak proposed the addition of the following bullets under Other Business: creation of subcommittees and task forces, creation of RGQ Second Vice Chair position, number of seats per segment, and RGQ web site liaison. Mr. Buccigross added selection of RGQ Annual Plan Subcommittee (APS) representatives as a sixth bullet under Other Business. Mr. Zavodnick moved, seconded by Ms. Calcagno, to adopt the modified agenda. A procedural vote was taken and the agenda was adopted as modified.

3. Overview of NAESB Organization and Standards Development Process

Mr. Buccigross reviewed the development and maintenance of the annual plan and the operation and duties of subcommittees. Mr. Buccigross noted that the Board of Directors from all four quadrants ultimately approves the annual plan and, once approved, then subcommittees can begin to develop standards and model business practices based on the annual plan items. Mr. Buccigross said subcommittee work occurs through both face-to-face and conference call meetings, with attendance and voting not being limited by NAESB membership. Mr. Buccigross stated the subcommittee end product is a recommendation that is posted on the NAESB website and subject to a 30-day industry comment period, after which it will be presented to the quadrant EC for a vote. If the quadrant EC votes to approve the recommendation, the recommendation is sent out for member ratification, a process which requires a 67% affirmative vote of that quadrant's members.

Mr. Buccigross noted, alternatively, any individual or company can submit a standards request form which will then be sent to the Triage Subcommittee. The Triage Subcommittee, composed of representatives of each segment of each quadrant, then makes the following determinations: 1) Does the Triage Subcommittee believe that this request is in the scope of NAESB?; 2) If the request is in scope, to which quadrant is its properly assigned?; and 3) Once assigned to a quadrant, to which subcommittee should it be assigned and at what priority? Voting on Triage determination three is limited to the Triage representatives of the quadrant to which the request is assigned. The Triage determinations are then presented to the Executive Committee, with determinations one and two needing the approval of all four quadrants and determination three needing approval of the



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quadrant to which the request was assigned. Mr. Buccigross said once the Triage process is complete, the request proceeds through the subcommittee process described above.

4. Selection of Triage Representatives

The following Triage Representatives were identified at the meeting: Rod Sipe, services; Bruce Hayes, end users; Suzanne Calcagno, suppliers; Nancy Cianflone distributors; Marcy McCain, suppliers alternate; Steve Zavodnick, distributors alternate.

5. Discussion of Selection Process for RGQ EC Vice Chair

Mr. Buccigross reviewed the election process for the RGQ EC Vice Chair, and opened the floor for nominations. Mr. Zavodnick, seconded by Mr. Oppenheim, nominated Mr. Novak. Hearing no other nominations, the RGQ Executive Committee accepted Mr. Novak as the 2003 Vice-Chair by proclamation. As the new REQ EC Vice Chair, Mr. Novak assumed leadership of the meeting.

6. 2003 Draft Annual Plan

Mr. Novak requested that Mr. Buccigross review the new preamble to the annual plan. Mr. Buccigross reviewed the two page preamble that will now accompany each annual plan. He said the preamble explains that the annual plan is the road map for each quadrant's standards development efforts and clarifies the Executive Committee's responsibilities concerning the annual plan.

The group discussed item prioritization and assigning annual plan items to subcommittees. Mr. Buccigross suggested making any necessary changes and subcommittee assignments at this meeting in order to send the plan to the Board of Directors for approval. Mr. Novak suggested the EC not worry about completion dates or subcommittee assignments at this EC meeting, but instead approve the annual plan topics and send the draft annual plan to the Board. Mr. Novak proposed the RGQ's goal should be to have all assignments and priorities set by February 2003. Ms. Alexander proposed the group assign priorities to the items before adopting the annual plan. Mr. Jansen asked if prioritization in the other quadrants should be considered in order to take advantage of work that has been completed, and also questioned the effects of changing the priority of items after annual plan approval. Mr. Minneman suggested the RGQ begin initial work on items the REQ has already started. Mr. Dotterweich voiced policy concerns regarding item 3 of the plan as it relates to creditworthiness.

Mr. Zavodnick moved, seconded by Ms. Calcagno, to suspend discussion on the annual plan and move to Agenda Item 7, bullet two, which allows for the creation of RGQ subcommittees and task forces. Mr. Zavodnick amended the motion to say the items on the agenda will be discussed out of order. Mr. Zavodnick stated he would like to assign items 3 and 6 to committees with completion dates to facilitate coordination with the REQ. Concerns were voiced about setting the priority of these items without looking at the whole plan. A procedural vote on the motion to discuss the agenda items out of order by moving to Agenda Item 7, bullet two and to assign items 3 and 6 of the annual plan to subcommittees with completion dates to facilitate coordination with the REQ was taken and the motion passed with nine votes in favor, one opposed and Mr. Novak abstaining.

Mr. Zavodnick moved to approve Items 1-11 of the draft annual plan with the following changes: 1) remove the priorities; 2) assign Annual Plan Item 2, Examine Wholesale Gas Quadrant EDM Standards, to the TEIS; 3) assign Annual Plan Item 3, Creditworthiness, to the SUIS; and 4) assign Annual Plan Item 6, Billing and Payment, to the CPS. Ms. Cianflone seconded the motion. Mr. Novak proposed an amendment to Mr. Zavodnick's motion to assign Annual Plan Item 1 to the Retail Gas Business Practice Inventory Task Force. Mr. Oppenheim voiced concerns about the language used in Annual Plan Item 3. Mr. Minneman noted this issue is being addressed at the



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subcommittee level in the REQ. On a suggestion from Ms. McQuade, it was agreed that Annual Plan Item 3 would be modified to parallel the creditworthiness language used in the creditworthiness item on the WGQ Annual Plan. Therefore, Annual Plan Item 3 would now read: "Develop creditworthiness standards and such development should be restricted to implementation of existing policy and the non-policy-oriented aspects of creditworthiness." On a procedural vote the motion to adopt the RGQ plan as modified passed unanimously. Accordingly, Ms. McQuade will submit the amended RGQ Annual Plan to the Board for approval.

Mr. Minneman suggested the RGQ identify individuals to serve on the Annual Plan Subcommittee, and the selected RGQ APS representatives meet with the REQ's APS representatives some time in February 2003.

7. Other Business

- Election of 2003 NAESB EC Chair

Mr. Novak reviewed the NAESB EC Chair election process, as follows: Ms. McQuade will poll the four quadrant Vice Chairs to determine who is interested in running for the position of NAESB EC Chair and then distribute via email an appropriate ballot to all Executive Committee Members. Mr. Novak explained that while every Executive Committee Member is eligible to vote, the election is weighted with each quadrant providing 25% of the final vote. Mr. Novak noted that the winner of the election will serve as overall Executive Committee Chair and Vice Chair of his or her respective quadrant.

- Creation of subcommittees and task forces

Mr. Novak presented five resolutions the first three pertaining to the creation of subcommittees and task forces for the RGQ. The proposed subcommittees and task forces are as follows: Customer Processes Subcommittee, Supplier-Utility Interface Subcommittee, Technical Electronic Implementation Subcommittee, Retail Gas Business Practice Inventory Task Force, and the Recruiting Task Force.

Resolution One:

Mr. Novak read the resolution as follows:

Whereas, there are similarities between the Annual Plan adopted by the Retail Electric Quadrant (REQ) and the Draft Annual Plan for the Retail Gas Quadrant (RGQ), and

Whereas, the NAESB Triage Subcommittee is authorized to recommend that Request for Standards Development (or for development of Model Business Practices) be assigned to both the RGQ and REQ, as appropriate, and

Whereas, the RGQ and REQ may individually direct their sub-committees to hold joint meetings to address such requests, and

Whereas, the similar sub-committee structures should help to minimize process differences, and

Now, therefore, the RGQ Executive Committee hereby creates the following sub-committees:

Customer Processes Subcommittee

Supplier-Utility Interface Subcommittee

Technical Electronic Implementation Subcommittee



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And, further, the RGQ Executive Committee directs each of these sub-committees to hold organizational meetings for the purpose of developing mission statements and electing sub-committee chair(s) prior to the February 2003 Executive Committee Meeting.

Ms. Fatina moved, seconded by Mr. Zavodnick, to adopt resolution one. Mr. Minneman, Vice Chair of the Retail Electric Quadrant, provided a summary of the function of each of the REQ subcommittees. On a procedural vote Ms. Fatina's motion passed unanimously. Mr. Sappenfield suggested, for the sake of future collaboration, the formation of joint committees comprised of RGQ EC and REQ EC members.

Resolution Two:

Mr. Novak read the resolution as follows:

Whereas, the Draft Annual Plan for the Retail Gas Quadrant (RGQ) contains an item "inventory Existing Natural Gas Practices Within States", and

Whereas, the resulting inventory is intended to provide information relevant to the development of Model Business Practices within other RGQ subcommittees, and

Now, therefore, the RGQ Executive Committee hereby creates the Retail Gas Business Practice Inventory Task Force.

And, further, the RGQ Executive Committee directs this task force to hold an organizational meeting for the purpose of developing mission statements and electing sub-committee chairs prior to the February 2003 Executive Committee Meeting.

Mr. Zavodnick moved, seconded by Ms. Calcagno, to adopt resolution two. On a procedural vote Mr. Zavodnick's motion passed unanimously.

Resolution Three:

Mr. Novak read the resolution as follows:

Whereas, increased Retail Gas Quadrant (RGQ) membership helps to broaden the cross-section of the industry contributing towards the development of Model Business Practices for retail gas, and

Whereas, each RGQ segment has either or both Board and/or Executive Committee seats open and increased participation at both levels of membership is beneficial to the functional operations of the quadrant, and

Now, therefore, the RGQ Executive Committee hereby creates the Recruiting Task Force.

And, further, the RGQ Executive Committee directs this task force to hold an organizational meeting for the purpose of developing a mission statement and electing task force chair(s) prior to the February 2003 Executive Committee Meeting.

Mr. Jansen moved, seconded by Ms. Fatina, to adopt resolution three. On a procedural vote Mr. Jansen's motion passed unanimously.

- Creation of RGQ second vice-chair position

Mr. Novak presented the following resolution (resolution 4) to create the position of RGQ Second Vice Chair.

Resolution Four:

Mr. Novak read the resolution as follows:



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Whereas, Section 10.3(a) of the bylaws of the North American Energy Standards Board provides for a Vice Chair from the Retail Gas Quadrant (hereinafter, 'RGQ Vice Chair'), and

Whereas, the responsibilities of the RGQ Vice Chair include, amongst other, chairing meetings of the Retail Gas Quadrant (RGQ) Executive Committee, and

Whereas, the RGQ Vice Chair may be unable, from time to time, to participate as chair of the RGQ Executive Committee and therefore, be unable to chair such meetings, and

Now, therefore, the RGQ Executive Committee hereby creates the position of RGQ Second Vice Chair,

And, further, the Executive Committee directs that term for RGQ Second Vice Chair be for one year, ending December 31 each year and that the RGQ elect the RGQ Second Vice Chair from the membership of the RGQ Executive Committee at the last meeting it holds each year, or thereabouts, as practicable.

The participants discussed whether the RGQ EC procedures should be modified to address this position. Mr. Minneman suggested a motion be made to pass resolution four and determine at a later date if the RGQ procedures need to be modified. Ms. Calcagno moved, seconded by Ms. McCain, to adopt resolution four. Several changes were suggested to the language of the resolution (in the first line the words "bylaws of the" were inserted before "North American Energy..." and the words "attend meetings" were replaced with "participate as chair"). The corrections made during the meeting are reflected in the above resolution. The modifications were accepted by Ms. McCain. On a procedural vote Ms. Calcagno's amended motion passed unanimously.

- Number of seats per segment

Resolution Five:

It was noted that upon its acceptance, resolution five would be submitted to the Board for a final decision. Mr. Novak read the resolution as follows:

Whereas, Sections 7.3 and 10.3 of the North American Energy Standards Board Bylaws (hereinafter, 'bylaws') establish twenty-four (24) persons as the number of Board or Executive Committee Members for the Retail Gas Quadrant, and

Whereas, Section 19.3 of the RGQ Procedures provides for an automatic reduction of the number of seats per segment from six to five unless the RGQ decides otherwise during its December 2002 meeting, and

Whereas, the first meeting of the RGQ Executive Committee is taking place during December 2002 and therefore, little or no experience operating at the twenty-four member level has been developed, and

Now, therefore, the RGQ Executive Committee recommends to the Board of Directors to retain the twenty-four person level currently provided for in Sections 7.3 and 10.3 of the Bylaws.

Ms. Alexander voiced concerns about the substance of resolution five. She stated there is no real advantage in having a meeting where the only segment having six people in it is the distribution segment. Further, she said experience has shown that the RGQ will have a very difficult time getting four, let alone six, end users and service segment members to be routinely represented on the Executive Committee.



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Ms. Cianflone moved, seconded by Ms. Calcagno, to approve resolution five and forward it on to the Board for further action. On a procedural vote Ms. Cianflone's motion passed with 9 votes being cast in favor and two votes opposing. Mr. Novak proposed the review of this issue every December to satisfy concerns about the RGQ not being able to reach its participation threshold; no decision was made concerning this proposal.

- RGQ web site liaison

Mr. Novak, as the current RGQ web site liaison, gave a description of this position and solicited a volunteer to assume the position officially. According to Mr. Novak, the RGQ web site liaison would compile a list of suggested web site changes and communicate those proposed changes with the NAESB office. Mr. Minneman gave an update on the REQ's contribution to suggestions concerning the NAESB web site and the status of the list server. Mr. Novak noted that documents explaining the list server will be circulated.

- Selection of RGQ Annual Plan Subcommittee Representatives

Ms. McQuade reviewed the Annual Plan Subcommittee duties and responsibilities. Mr. Novak asked for a point person to volunteer from each segment to serve on this subcommittee. Mr. Zavodnick volunteered for the distributor segment. No other volunteers were recorded at the meeting.

Mr. Nishida voiced concerns because some of the RGQ EC member terms expire in December 2002. It was decided that the Parliamentary Committee would discuss this issue and determine if those terms need to be extended.

8. Adjourn

Ms. Calcagno moved, seconded by Mr. Zavodnick, to adjourn the RGQ Executive Committee meeting. The meeting adjourned on Friday, December 13, 2002 at 4:03pm.



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9. Executive Committee Attendees

Title, Organization		Res. 1	Res. 2	Res. 3	Res. 4	Res. 5	Present
Distribution Segment							
Joseph M. Jansen	Manager Supplier Regulations, Public Service Electric and Gas Company	Yes	Yes	Yes	Yes	Yes	In Person
Leslie H. Nishida	Gas Federal Regulatory Supervisor, Wisconsin Public Service Corporation	Yes	Yes	Yes	Yes	Yes	In Person
Michael Novak	Assistant General Manager, National Fuel Gas Distribution, LLP	Yes	Yes	Yes	Yes	Yes	In Person
Nancy Cianflone	Director, Marketing Services Area, KeySpan Energy	Yes	Yes	Yes	Yes	Yes	In Person
Steve Zavodnick	Senior Engineer Gas Operations, Baltimore Gas and Electric Company	Yes	Yes	Yes	Yes	Yes	In Person
William Oppenheim	Manager, Asset Optimization, PECO Energy	Yes	Yes	Yes	Yes	Yes	In Person
End User Segment							
Bruce M. Hayes	Senior Regulatory Analyst, Ohio Consumers' Counsel	Yes	Yes	Yes	Yes	No	Phone
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							
V A C A N C Y							
Services Segment							
Rod Sipe	President, New Science Partners	Yes	Yes	Yes	Yes	No	In Person
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							
V A C A N C Y							
Supplier Segment							
Barbara A. Fatina	Vice President, Exelon Energy	Yes	Yes	Yes	Yes	Yes	In Person
Marcy McCain	Project Manager, Regulatory Affairs, Duke Energy Gas Transmission, LLP	Yes	Yes	Yes	Yes	Yes	In Person
Richard Zollars	Director, Data and Information						Absent
Suzanne Calcagno	Associate Director, Government & Regulatory Affairs, UBS Warburg Energy LLC	Yes	Yes	Yes	Yes	Yes	In Person
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10. Other Participation

Administrative:

Rae McQuade	-Executive Director
James Costan	-General Counsel
Meghan McMillan	-NAESB Staff

Observers to the Meeting:

Arnaout, Mariam	AGA	Phone
Barkas, Bill	Dominion Retail	In Person
Buccigross, Jim	8760 Inc.	In Person
Colombo, Craig	Dominion Resources	In Person
Davis, Dale	Williams Gas Pipeline	In Person
Dotterweich, Andy	Consumers Energy	In Person
Fyock, Les	Philadelphia Gas Works	In Person
Hess, Theresa	Reliant Energy Retail Services	In Person
Lawson, Barry	NRECA	In Person
Lokey, Felecia	TXU Energy	Phone
Minneman, Jim	PPL Solutions	In Person
Moran, Terry	PSE&G	In Person
Newbold, William	Detroit Edison	Phone
Perlman, Marjorie	Energy East	In Person
Sappenfield, Keith	EnCana Corporation	In Person
Stengel, Joe	PGW	In Person
Van Pelt, Kim	CMS	In Person
Van West, Lori	Excel Energy	Phone