



## North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@aol.com](mailto:naesb@aol.com)

Home Page: [www.naesb.org](http://www.naesb.org)

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**via email and posting**

**TO:** NAESB Members and Interested Industry Participants  
**FROM:** Rae McQuade, Executive Director  
**RE:** Wholesale Electric Quadrant Meeting Agenda and Meeting Announcement – May 29 and 30, 2002  
**DATE:** May 14, 2002

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As previously announced on April 17 and again on May 8, NAESB will hold a meeting in Birmingham hosted by 8760 Inc. on May 29 and 30, 2002 to continue discussions on the segment definitions and the number of seats at the Board and Executive Committee for the wholesale electric quadrant. At this meeting, preliminary definitions for the five segments should be identified. Three of those definitions were drafted at the meeting on May 8 and May 9. Sub-segments for each segment should be discussed and identified. The number of representatives to the Board and to the Executive Committee representing the WEQ should also be identified.

A follow-up meeting to confirm decisions made on May 29 and 30 and to continue discussions regarding the WEQ procedures for election of Board of Directors and Executive Committee representatives is scheduled for June 20/21 in Columbus, Ohio hosted by AEP. A subsequent meeting may be scheduled for July 15/16 to confirm decisions made on June 20/21, should it be determined that this meeting is needed. The upcoming Board meeting is June 28 in Seattle.

To populate the wholesale electric quadrant, the NAESB Board of Directors will vote to adopt wholesale electric quadrant procedures, which at a minimum require segment identification and definitions, and procedures for election of Board of Directors and Executive Committee representatives. The procedures may be further defined and changed as the quadrant determines after the quadrant has been formed.

The meeting specifics are:

**WHERE:** Richard M. Scrusby Conference Center  
One Health South Parkway  
Birmingham, AL 35243

**WHEN:** May 29 1:00 p.m. to 5:00 p.m.  
May 30 8:00 a.m. to Noon

Holding the meetings the afternoon of the first day and the morning of the second day was suggested to allow for attendees to travel to the meeting to accommodate the meeting into their schedules with a minimum of time spent away from the office. While the meeting may go late on May 29, it will not go late on May 30, as attendees will have made travel arrangements based on the meeting concluding at noon. Several nearby hotels are listed in this announcement for those traveling to the meeting.

Conference calling will be available for those unable to travel to the meeting. Written comments are also suggested from those unable to participate in the meeting, or for those who prefer to participate via written comments in addition to participation in the meeting. Comments should be provided 5 business days prior to the meeting to allow for attendees sufficient time to review all meeting materials, late comments will be identified as such and posted and distributed. All written



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comments will be posted and distributed to the meeting attendees. The meeting will be transcribed and the transcripts available for purchase, and antitrust counsel will be present throughout the meeting.

Please notify the NAESB office ([naesb@aol.com](mailto:naesb@aol.com)) if you intend to attend, including your name, organization represented and email address. We would appreciate notification of attendance by May 26 to provide adequate meeting planning. If you intend to participate by phone, the NAESB office ([naesb@aol.com](mailto:naesb@aol.com)) will provide you with the conference calling number and instructions.

We look forward to your attendance,

Best Regards,

*Rae McQuade*



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**North American Energy Standards Board  
Draft Agenda For Wholesale Electric Quadrant Segment Descriptions Meeting  
Birmingham, Alabama  
May 29 and 30, 2002**

**MAY 29:**

- 1:00 p.m.      1.      Welcome and Opening Remarks
- Welcome
  - Introductions and Roll Call
  - Antitrust Guidance
- 1:30 p.m.      2.      Review of Meeting Rules
- Time per speaker
  - Time per topic to ensure that all agenda items are addressed
  - How votes are taken
- 2:00 p.m.      3.      Identification of the segment descriptions for the NAESB Wholesale Electric Quadrant (WEQ) and sub-segments identification for each segment
- Continue discussion and identification of segment definitions from May 9
  - Review that all participants can join at least one of the segments
  - **Straw Vote** of the segment definitions
  - Discussion and identification of sub-segments for the five segments defined
  - **Straw Vote** of the sub-segment identifications
- 5:00 p.m.      Adjourn First Day  
*(This day's ending time may be extended if the attendees determine it is needed).*



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**North American Energy Standards Board  
Draft Agenda For Wholesale Electric Quadrant Segment Descriptions Meeting  
Birmingham, Alabama  
May 29 and 30, 2002**

**MAY 30:**

- 8:00 a.m.      Open Second Day of the Meeting
- Welcome
  - Introductions and Roll Call
  - Antitrust Guidance
- 8:15 a.m.      3.      Continuation and conclusion of prior day's agenda item 3
- Discussion and identification of sub-segments for the five segments defined
  - **Straw Vote** of the sub-segment identifications
- 10:00 a.m.      4.      Number of WEQ Representatives on the Board and Executive Committee
- Review of other quadrants' decisions
  - Proposed number of seats on the WEQ Board and EC - equal for each segment
  - **Straw vote** (non-binding, to be confirmed at the next meeting) on the segment descriptions
- 11:00 a.m.      5.      How to Populate the NAESB WEQ
- 11:15 a.m.      6.      Preparation of the Initial Procedures for the NAESB WEQ
- Segment Definitions
  - Board and EC members nominations and elections process
  - Plan to Present to the NAESB Board of Directors
- 11:30 a.m.      7.      Items for further development of the NAESB WEQ Procedures
- 11:45 a.m.      8.      Next Steps Needed for the Formation of the NAESB WEQ
- Noon            Adjourn



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## North American Energy Standards Board Agenda Item Notes For NAESB WEQ Formation Meeting Birmingham Alabama May 29 and 30, 2002

### AGENDA ITEM 1:

- Phone participant attendance will be recorded by the conference calling attendant. The participants will not be announced as they join the conference call to avoid meeting disruptions.
- Jim Buccigross, chair of the NAESB Executive Committee will open the meeting. Facilitation for the meeting will be provided by Deloitte. JoElle Ogg of Williams McMullen will provide antitrust counsel.

### AGENDA ITEM 2:

- Roberts Rules of Order will be followed for the meeting.
- Time limits per speaker should be decided to allow for all participants (either in person attendance or via conference call) to voice their opinions prior to either confirming votes or non-binding straw votes ("sense of the room" votes) to be taken. Time limit defined on May 8 is two minutes, which has been used in other meetings.
- Roll call votes should be taken for confirming votes and possibly for straw votes as well. The voter would identify himself, the company and business interest represented and his vote. This voting procedure is then captured for the record on the transcript and is tallied as it is taken. This procedure is used for many types of votes taken in NAESB - at the Board, Executive Committee and in subcommittee meetings.
- It was agreed at the May 8 and 9 meeting that consensus is a two-thirds vote. This is the percentage used for the ratification process in NAESB and at the Executive Committee for each of the quadrants. Once the segments are identified, balanced voting can take place where each segment has an equal number of votes and a simple majority of the total number of balanced votes determines the outcome. The balanced voting procedure is used throughout the NAESB subcommittees.
- Individuals may not vote multiple times on the same motion. If the individual represents more than one company and business interest, then that individual should choose which company and business interest he is representing before a roll call vote or balanced vote is taken. If more than one individual represents the same company and business interest, then only one of those individuals can cast a vote. All phone participants are eligible to vote. All quadrants operate in this manner. Proxy voting is not permitted.
- Abstentions are recorded but do not count in either total votes cast nor in the total affirmative votes and total opposing votes. All quadrants operate in this manner.



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**North American Energy Standards Board  
Agenda Item Notes For NAESB WEQ Formation Meeting  
Birmingham Alabama  
May 29 and 30, 2002**

**AGENDA ITEMS 3 AND 4:**

- A company can hold multiple memberships in different quadrants and segments assuming that said company has legitimate business interests within those quadrants and segments. This is currently present in the wholesale gas quadrant and is also expected in both the retail gas and retail electric quadrants. Multiple memberships are addressed in the NAESB governance documents – NAESB certificate and bylaws. A quadrant can petition to have the bylaws and certificate changed. Quadrant procedures should not be inconsistent with the NAESB certificate and bylaws.
- All industry participants for a given quadrant should have the ability to join at least one of the segments identified for that quadrant. This is the principle of inclusion noted in the NAESB governance documents.



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**North American Energy Standards Board  
Meeting Location Logistics for the NAESB WEQ Formation Meeting  
Birmingham Alabama  
May 29 and 30, 2002**

**Directions to the Meeting venue:** Richard M. Scruschy Conference Center  
One Health South Parkway  
Birmingham, AL 35243

Health South is located on Hwy 280, minutes south of the Hwy 459/280 interchange. Health South is on the right (west) side of Hwy 280. Participants will see a large Health South sign in a large grassy area and turn in. At the guard station, tell the guard you're attending the NAESB/WEQ meeting at the Scruschy center and be waved through.

**Nearby Hotels:**

- |                               |   |
|-------------------------------|---|
| Hampton Inn Colonnade         | Located just north of the Health South campus<br>Tel: 205-967-0002, room block under the name of NAESB<br>Rate: \$81/night (includes breakfast)<br>Room block is being held until May 20  |
| Fairfield Inn Colonnade       | Located south of the Health South campus<br>Tel: 205-991-1055, room block under the name of NAESB<br>Rate: \$65/night (includes breakfast)<br>Room block is being held until May 20.  |
| Marriott 280                  | Located directly across the hwy from the Health South campus<br>Tel: 888-426-5171, room block under the name of NAESB<br>Rate: \$139/night (does NOT include breakfast)<br>Room block is being held until May 20.   |
| Hampton Inn in Mountain Brook | (approx 15 minutes away)<br>Rate: \$69/night (includes continental breakfast)<br>2731 US Hwy 280, Birmingham, AL 35223<br>NAESB Room block code is NAE, must dial local Birmingham reservation number w/this code to get rate<br>Tel: 205-870-7822<br>Room block is being held until May 20.  |
| Courtyard by Marriott         | (approx 15 minutes away)<br>Rate: \$69/night (does NOT include breakfast, but has a restaurant for breakfast on site)<br>500 Shades Creek Parkway<br>Homewood, AL 35209<br>NAESB Room block code is NAE0, must dial local Birmingham reservation# w/this code to get rate Phone: 205-879-0400<br>Room block is being held until May 24. |



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## North American Energy Standards Board Outcome of May 8 and 9 NAESB WEQ Formation Meeting Birmingham Alabama May 29 and 30, 2002

### Segments Identified:

- Transmission
- Generation
- Marketers/Brokers
- Distribution/Load Serving Entities
- Customers

### Segment Preliminary Definitions:

- **Transmission:** Any entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.
- **Generation:** Any entity engaged in the activity of owning and/or operating wholesale electric generation facilities in North America.
- **Marketers/Brokers:** Any entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

**Discussion was postponed on Distribution/LSEs Segment.** The definition discussed without a sense of the room taken when the discussion was halted was:

- **Distribution/LSEs:** Any entity engaged in the activity of local delivery of electric power to end-use customers through physical or contractual agreements in North America.

**No discussion was held on the Customer Segment.** The definition below was written on the chart as a suggestion to begin discussion.

- **Customers:** Any entity that is eligible to receive electric energy at wholesale; and entities that represent customer interests including trade organizations, local, state, federal, provincial, etc. regulators and other companies or individuals not otherwise eligible for membership in another segment.