



# 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 WEQ Master Service Agreements (MSA) Task Force Conference Call Participants and Posting for Interested Parties

**FROM:** Rae McQuade, Executive Director

**RE:** NAESB WEQ MSA Task Force Conference Call Minutes – March 3, 2003

**DATE:** March 4, 2003

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**NORTH AMERICAN ENERGY STANDARDS BOARD  
WEQ Master Service Agreements (MSA) Task Force  
March 3, 2003, 2:00 p.m. to 4:00 p.m. CST**

**1. Welcome**

Ms. Lauderdale welcomed meeting participants. Participants introduced themselves. Mr. Oncken gave the antitrust advice. Mr. Crespo moved, seconded by Mr. Johnson, to adopt the minutes from the February 24, 2003 meeting as written. The draft minutes were adopted without objection.

Ms. Lauderdale briefly recapped the work completed during the previous calls. To date, Ms. Lauderdale noted the MSA has agreed on a process to catalog the differences in the EEI and WSPP agreements and completed an initial review of those agreements. Mr. Crespo prepared a summary of the differences between the two contracts identified at the February 24 meeting. Ms. Lauderdale stated the task of today's call was reviewing the work paper prepared by Mr. Crespo in anticipation of its presentation at the March 5, 2003 WEQ Contracts Subcommittee meeting.

**2. Review of contract comparison results from February 24 conference call**

Ms. Lauderdale initiated discussion of the completeness of work paper. Participants discussed the possibility of ranking items in order of importance. It was noted that ranking would be difficult since several of the items were interrelated, and a change to one clause could have impacts on other areas.

Participants discussed the method used during the February 24 conference call for adding items to the work paper. It was noted that the February 24 process was to identify issues of difference, not judge the significance of those differences. Further, it was noted the goal was to be as inclusive as possible, so the fact that an item appears on the list does not demonstrate consensus on its inclusion.

Participants discussed the force majeure provisions and products traded under each agreement. It was noted that each contract has a provision which allows for that contract's use with products not defined within the contract. Mr. Kolobara suggested that was not sufficient on the issue of differences because the perceptions of the individuals using the contracts should be considered. Mr. Kolobara asserted the products traded under the different agreements are different. He noted that until the traders are willing to use one contract for the products contemplated by the other contract, possible cross-use of the contracts is theoretical.

Mr. Small stated the products contemplated by each contract are very different. He questioned the usefulness of standardizing terms when the products are so different.



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Further, it was noted that product differences might present problems in chain transactions. Additionally, it was noted that sometimes the definition of the products helps to define the characteristics of the transaction.

It was agreed to include the energy products definition from the original Southern California Edison work paper for the February 24 conference call. In adding this language, Mr. Crespo proposed to add the language of the contracts without providing any analysis.

Ms. Anderson noted the reserve requirements and uncontrollable financial force majeure are different under the EEI and WSPP. Ms. Anderson said there is disagreement in the West whether reserves can be met financially. Ms. Anderson requested these issues be added to the list.

As an additional change, participants reached consensus on the following title for the work paper: *Review for Discussion Purposes of the Language of the WSPP and EEI Agreements.*

The revised work paper is attached to these minutes.

### **3. Preparation for the March 5 Contracts Subcommittee Meeting**

It was agreed to present the resulting work paper at the March 5 Contracts Subcommittee meeting. Please see above discussion and attached document for details.

### **4. Other Business**

No other business was discussed.

### **5. Adjourn**

Ms. Lauderdale adjourned the call at 2:50 p.m. CST.



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### 6. Meeting Attendees:

<b>Name</b>	<b>Company</b>	<b>Notes</b>
Brenda Anderson	Bonneville Power	
Madeline Andrews	Mirant	
Francis Berkemeier	Consumers Energy	
Craig Bucher	Amp-Ohio	
Steve Bunkin	Goldman Sachs	Co-chair
Kyler Cornish	Entergy Services	
John Crespo	American Electric Power	Co-chair
Mark Devereaux	Consumers Energy Company	
Joel Dison	Southern Company	
Duane Duclaux	Dominion Energy Clearing House	
Raquel Gayle	Troutman Sanders	
Brian Harns	Troutman Sanders	
Wayne Harris	Aces Power Marketing	
Martha Hewitt	Seminole Electrical Coop	
Alan Johnson	Mirant	
Lin Johnson	Exelon Generation Company	
Arlene Jorgensen-Hillestead	NRG Energy	
Miki Kolobara	Salt River Project	
Melissa Lauderdale	EEL	Co-chair
John Morissette	Select Energy	
Sandy Murrey	WE Energies	
Lou Oberski	Dominion	
Todd Oncken	NAESB	Administrative
David Perlman	FERC	
Mark Russell	Salt River Project	
Dede Russo	Alliant	
Elizabeth Sager	UBS	
Tiffany Silvey	Calpine	
Mike Small	Wright & Talisman	
William Smith	Allegheny Power	
Edward Tammy	Florida Power & Light Co	
Jim Trangsrud	Salt River Project	
Steve Watson	Tennessee Valley Authority	
John Zoida	Southern California Edison	