



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
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Home Page: www.naesb.org

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

FROM: Todd Oncken, NAESB Deputy Director

RE: Draft Minutes from the NAESB Wholesale Gas Quadrant Executive Committee Meeting – December 11, 2003

DATE: December 23, 2003

**Wholesale Gas Quadrant
Executive Committee Meeting
Thursday, December 11, 2003
9:00 a.m. to 4:00 p.m. Central
Houston, TX**

1. Welcome

Mr. Buccigross called the meeting to order. Mr. Oncken gave the antitrust advice and called the roll of Executive Committee members. A quorum was established. The 2004 Executive Committee schedule was reviewed. The Executive Committee will meet February 24-26, May 4-6, August 24-26 and November 16-18, with the WGQ meeting on the third day of each session. It was noted that interim meetings could be called on an as needed basis. Locations are still being determined and in cases where a host is not available, the meetings will be held in Houston.

2. Wholesale Gas Quadrant Draft Agenda & Draft Minutes

During review of the draft agenda, it was noted that the letter from Chairman Wood and the Gas-Electric Coordination Task Force would be discussed in connection with the review of the 2004 Annual Plan. Review and vote on minor corrections was added as the first bullet under subcommittee updates. Ms. Davis moved, seconded by Ms. Chezar, to adopt the revised agenda. The motion passed unanimously.

The redlined WGQ Executive Committee draft minutes from October 9, 2003 were reviewed. No additional changes were made. Ms. Davis moved, seconded by Mr. Young, to adopt the redlined draft minutes from October 9, 2003. The motion passed unanimously.

3. Review of Board Approved 2004 Annual Plan and Assignments

The Board approved 2004 WGQ Annual Plan was reviewed in light of Chairman Wood's letter (Tab4) and the establishment documents for the Gas-Electric Coordination Task Force (Tab 6).

November 14, 2003 letter from Chairman Wood: Ms. McQuade reported that she, Mr. Desselle and Mr. Haynes met with Chairman Wood on November 10 and Chairman Wood sent a response on November 14 noting the items he found significant during the meeting. Ms. McQuade stated the Chairman was very disappointed in the work product produced on wholesale gas creditworthiness issues. However, she said the meeting, where the draft 2004 Annual Plans was discussed, was positive overall. Participants discussed the Chairman's displeasure over creditworthiness. Mr. Hinnens suggested that the comments made in the filing should have explained the work product. Ms. McQuade explained the Chairman's seminal question was whether the NAESB process was broken, to which she responded that some members believed that clear policy was not provided, and as such could not vote for many parts of the proposed standards.

The elements of Chairman Wood's letter were reviewed and clarification was offered on several points. It was noted that the majority of the letter addressed wholesale electric concerns; however, LNG and the coordination of gas and electric on intraday issues would directly impact the WGQ.



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Ms. McQuade stated there would likely be communication back to the FERC on the plan of action and general timeline after the Gas-Electric Coordination Task Force has met.

NAESB Gas-Electric Coordination Task Force (GEC): The draft work plan for the GEC was reviewed. Participants discussed meeting locations and timing at length. It was noted that the first date (co-chairs planning conference call) was a firm date, but the subsequent dates outlined in the work plan and posted on the NAESB web site were proposed dates subject to change at the discretion of the task force chairs. Additionally, Executive Committee members expressed a preference to have two day meetings instead of single day meetings.

Ms. McVicker volunteered to co-chair the task force for the WGQ. Additional co-chairs of the task force include Ms. Calcagno representing the RGQ, Ms. Kiselewich representing the REQ, and Mr. Jackson representing the WEQ. Ms. McVicker agreed that two day meetings would be appropriate, especially since the initial meetings will be for the education of all participants. Further, Ms. McVicker said she would bring the meeting timing concerns noted to the attention of the other co-chairs during the planning meeting.

Ms. McQuade noted that the WEQ is forming an internal task force which will make up its participation in the GEC. She noted this task force will presumably meet separately on occasion to discuss WEQ specific issues. Ms. Van Pelt and Ms. Chezar favored that approach but a WGQ task force was not established at this time.

Mr. Griffith noted that the mission of the GEC has not been fully scoped and accepted by all four quadrants. Mr. Buccigross suggested that the GEC, possibly through its leadership, draft a mission statement for Executive Committee consideration in a four quadrant environment.

2004 WGQ Annual Plan: Mr. Buccigross stated the 2004 WGQ Annual Plan was presented and approved by the Board during its December meeting. He noted that the Board was informed of the potential change regarding Request R03031 ([gas-electric scheduling coordination](#)), but the draft plan was adopted without modifications.

Ms. Van Pelt moved, seconded by Mr. Young, to move the provisional item, "Intraday nomination issues" to active status. Ms. Van Pelt said this change would highlight potential resource issues for member organizations. Ms. Chezar suggested it would be more appropriate to address these issues as standards maintenance. It was suggested that "Status Report on Gas-Electric scheduling coordination issues" would be more descriptive language for the item. Further, it was suggested that the new item be assigned to the GEC TF with a completion date of 2Q2004. Ms. Van Pelt and Mr. Young accepted the changes to the motion. The motion passed unanimously.

Mr. Spangler moved, seconded by Mr. Novak, to move the provisional item, "FERC order – Docket No. RM01-10-000 (Affiliate Order)" to active status, assigned to the BPS with a completion date of 2Q2004. Ms. Van Pelt proposed the following alternative language for the item: Review and develop necessary standards for FERC Order 2004 (Affiliate Order). Mr. Spangler and Mr. Novak accepted the change to the motion. The motion passed unanimously.

4. Subcommittee Updates and Final Review of 2003 Annual Plan

Minor Corrections: Ms. Davis presented several minor corrections that were discovered during the compilation of version 1.7. Ms. Davis stated there were 23 corrections, and characterized them as follows: 4 relate to footnotes; 10 are typographical errors; 3 are transactional reporting; and 6 are modifications to the technical change log. Additionally, she noted the spelling of NAESB needed to be corrected on item 23 before the corrections were adopted. Ms. Davis moved, seconded by Mr. Griffith, to adopt the minor corrections revealed through compilation of NAESB WGQ Standards version 1.7. The motion passed unanimously.



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Business Practices Subcommittee: Ms. Van Pelt reported on the Business Practices Subcommittee (BPS). She stated the BPS is currently working on several requests, including the request regarding segmented nominations. Regarding that request, she said the subcommittee is evaluating alternative measures that would produce a standard with broader applicability. Ms. Van Pelt stated the BPS would complete its work on the requests it has started and then look at the schedule and other pending requests. Included in the pending requests is Request R03023 (PGAS request for XML measurement), which will also have to be coordinated with the RGQ.

Contracts Subcommittee: Mr. Sappenfield gave the Contracts Subcommittee report. He stated an interpretations request has been referred to the subcommittee and a request regarding arbitration language for the Base Contract is pending in the Triage Subcommittee. Mr. Sappenfield projected that both items would be addressed after the arbitration request was assigned to the subcommittee.

EDM Subcommittee: Mr. Burden gave the EDM Subcommittee report. Mr. Burden stated the subcommittee is continuing its work with the retail quadrants to develop an Electronic Transport (ET) specification that would serve the general needs of all three quadrants, with quadrant-specific needs being served by individual quadrant specifications. Mr. Burden informed the Executive Committee that decisions about version and standards numbering, as well as document management and maintenance, will have to be addressed for the new ET since it would apply to the three quadrants. The Executive Committee recognized these as issues that should be resolved. Ms. Van Pelt suggested proposing the specification as NAESB ET version 1.0, and maintaining the specification through a multi-quadrant subcommittee, similar to how it was developed.

Information Requirements Subcommittee: Ms. Davis reported on the Information Requirements Subcommittee (IR). ~~She stated IR is working through its backlog and a revised log has been posted. She noted two impending requests were for a storage report and fuel information request. She stated that IR is currently working on two requests (storage report and fuel information) and questions regarding such have been forwarded to BPS. In the future, in order to work through some of the backlog that has been building due to the time being spent on new data sets, half of each meeting will be dedicated to working through the smaller, less time consuming requests. A revised log has been posted.~~

Technical/X12 Subcommittee: Ms. Van Pelt reported on the Technical/X12 Subcommittee. She stated the subcommittee is completing its work on a single data set for transactional reporting to be presented to the DISA X12 Subcommittee. Ms. Van Pelt noted that the single data set will be used in three different ways for the purposes of the NAESB standards. Ms. Van Pelt projected DISA's work on the data set will be completed by the end of 2004 and the new data sets can be included in NAESB WGQ Standards version 1.8. Additionally, she noted there is some backlog the subcommittee is working through.

Interpretations Subcommittee: Mr. Buccigross reported that the Interpretations Subcommittee met on October 16 regarding Request C03006 and referred that item to the Contracts Subcommittee for further action.

Final Update of 2003 Annual Plan: Mr. Buccigross reviewed the 2003 Annual Plan, but no modifications were offered. Mr. Buccigross noted that most of the items of the 2003 plan would be completed.

5. Board Meeting 12-04-03 Review

Mr. Buccigross reported on the December 4, 2003 Board of Directors Meeting. Mr. Buccigross stated that the Board approved all 2004 Annual Plans without modification. Additionally, Ms. McQuade stated the Board adopted the budget which contained the assumption of charging for selected conference calls and continued promotional dues of \$500 for three Consumer Advocate



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Representatives for each of the WEQ, REQ and RGQ. For the convenience of the Executive Committee, Ms. McQuade reviewed the conference call administration policy, as follows: With the exception of trade association staff, consumer advocates and government employees, \$50 fee will be assessed per line for conference calling attendance when the opportunity to attend in person is available; as an alternative, member organizations can pay a one time fee of \$1000 to cover all conference calling needs of the organization for 2004. A letter describing how the policy will work will be distributed soon. Ms. McQuade noted the effects on participation and administration of the conference calling policy will be closely monitored by the Board.

6. Revised WGQ Procedures

Ms. Van Pelt presented the revised WGQ procedures. It was noted that the procedures were not redlined against the current procedures, but instead were based upon the RGQ procedures and modified accordingly. The revised procedures will be distributed in word format for member comment. It was noted that the procedures rely heavily on segment procedures, so Ms. Van Pelt suggested each segment review its procedures. Since the process for amendment of the procedures (section 18.1) is consistent with the current NAESB Certificate of Incorporation and Bylaws, those procedures will be followed in adoption of the revised procedures. Should significant comments be received, the WGQ Procedures Task Force will meet again to discuss the comments and make any warranted changes prior to adoption.

7. New Business.

Installation of 2004 EC Officers: Ms. McQuade announced that Mr. Buccigross and Ms. Van Pelt were elected as chair and vice chair, respectively, of the WEQ Executive Committee for 2004.

Publication Related Item: Ms. Van Pelt suggested that the WGQ develop a procedure to continually update the standards books after each ratification ballot. Ms. Van Pelt said that although the document would not be published, it would assist the subcommittee leadership in doing their work. Additionally, she suggested this process would help in the final compilation of the manuals prior to publication of the next version. All parties agreed that was a good idea. Documents in editable form will be forwarded to the subcommittee chairs for their editing, once the version 1.7 manuals have been completed.

Discussion of recent creditworthiness events: Mr. Hinners briefly discussed the compliance order recently issued by the FERC (see tab 19 of the meeting materials). It was noted this order could impact NAESB WGQ Standard 5.3.zdD. Mr. Hinners suggested the Executive Committee should modify, or delete, NAESB WGQ Standard 5.3.zdD to be consistent with FERC policy prior to publication of version 1.7. This option was discussed but action was not taken since there was not enough time for either process to conclude prior to the publication date. The process for modification or deletion is similar to the process for adoption of a standard.

To address the issue, it was decided that the transmittal letter to the FERC for NAESB WGQ Standards version 1.7 would include a notation that there is a pending request to modify or delete Standard 5.3.zdD in light of the Cove Point Order. Ms. Chezar agreed to draft the noted standards request. There was tacit agreement among the Executive Committee that the request would be limited to this discrete issue and would not be a reopening of creditworthiness.

Comments from Mr. Oberski, chair of the WEQ Executive Committee: Mr. Oberski introduced himself to the Executive Committee and made brief comments on the WEQ's work for the coming year. He noted that Chairman Wood's letter closely parallels the 2004 WEQ Annual Plan. He noted it is incumbent upon the WEQ to demonstrate to the FERC and the industry that it can produce results. Mr. Oberski thanked the Executive Committee in advance for their cooperation regarding



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the Gas-Electric Coordination Task Force and noted the high priority that the WEQ has placed on this item.

8. Adjourn

The meeting adjourned at 12:30 p.m. Central.



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9. Attendees

Note: The votes listed below are as follows: Y = In favor, O = Opposed, A = Abstain.

End User Segment	Title, Organization	Attendance	V1 ¹
Diane McVicker	Sr. Principal Fuel Supply Analyst, Salt River Project	In Person	Y
Gary Hinners	Director of Natural Gas Regulatory Issues, Reliant Energy Services, Inc.	In Person	Y
Kelly Daly	Partner, Stinson, Morrison & Hecker, rep. Arizona Public Service Co.	Phone	Y
Dona Gussow	Contracts Coordinator, Florida Power and Light	In Person	Y
Tina Burnett	Natural Gas Operations Administrator, The Boeing Company	In Person	Y
LDC Segment			
Rodger Schwecke	Pipeline Products Projects Manager, Southern California Gas Company	In Person	Y
Dolores Chezar	Director, Regulatory Policy, KeySpan Energy	In Person	Y
Craig Colombo, alt. for C. Maturo	Dominion Resources	In Person	Y
Mike Novak	Assistant General Manager, National Fuel Gas Distribution	In Person	Y
Steve Sullivan	Regulatory Manager of Gas Supply, Consolidated Edison Co. of NY	Phone	Y
Pipeline Segment			
Paul Love, alt. for M. Gracey	Director, Electronic Customer Services, Natural Gas Pipe Line Company of America	In Person	Y
Bill Griffith	Director, Transmission & Storage, Colorado Interstate Gas Co.	In Person	Y
Dale Davis	Consultant, Williams Gas Pipeline	In Person	Y
Randy Young	Director, Regulatory Compliance, Gulf South Pipeline Co., LP	In Person	Y
Kim Van Pelt	NAESB Coordinator, Panhandle Eastern Pipe Line	In Person	Y
Producer Segment			
Jim Busch	Director of Energy Policy and Regulation, BP Energy Company	Absent	
Paul Keeler	Managing Attorney, Marketing, Burlington Resources	In Person	Y
Sherri Heslington	Dominion Exploration & Production, Inc.	Absent	
Richard Smith	Regulatory, ExxonMobil Gas & Power Marketing	In Person	Y
Mike Shepard	General Counsel, Mewbourne Oil Company	In Person	Y
Services Segment			
Suzanne Calcagno	Associate Director – Regulatory Compliance, UBS Warburg Energy	Absent	
V A C A N C Y	V A C A N C Y		
Leigh Spangler	CEO, Latitude Technologies	In Person	Y
Jim Buccigross	Vice President, 8760 Inc.	In Person	Y
Keith Sappenfield	Regional Director of Regulatory Affairs, EnCana Marketing (USA) Inc.	In Person	Y

¹ Motion: adopt the minor corrections revealed through compilation of NAESB WGQ Standards version 1.7.



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Administrative:

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

Observers to the Meeting:

Name	Company	In Person/Phone
Mariam Arnaout	American Gas Association	Phone
Bill Barkas	Dominion Retail	In Person
Mike Bray	Shell Gas Transmission	In Person
Curt Brechtel	Arizona Public Service Co.	Phone
Kathryn Burch	Duke Energy Gas Transmission	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Pete Connor	NiSource	Phone
Valerie Crockett	Tennessee Valley Authority	In Person
Tom Gwilliam	Iroquois Gas Transmission System	Phone
Scott Hansen	Questar Pipeline Co.	In Person
Veronica Jones	Defense Energy Support Center	Phone
Melissa Lauderdale	Edison Electric Institute	Phone
Jane Lewis	American Gas Association	Phone
Les Nishida	Wisconsin Public Service Co.	In Person
Lou Oberski	Dominion	In Person
Bill Oppenheim	Not Provided	In Person
Lawrence Paulson	Hoffman-Paulson Associates	In Person
Marjorie Perlman	Energy East Management Corp.	Phone
Phil Precht	Baltimore Gas & Electric	In Person
Donna Scott	Transwestern Pipeline Co.	In Person
Leonard Wright	Questar Pipeline Co.	In Person