



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: NAESB Wholesale Gas Quadrant Executive Committee Conference Call Final Minutes – June 27, 2003

DATE: July 1, 2003

**Wholesale Gas Quadrant Executive Committee Conference Call
June 27, 2003, 1:30 p.m. – 3:00 p.m. Central
Final Minutes**

1. Welcome

Mr. Buccigross called the meeting to order and welcomed call participants. Mr. Oncken gave the antitrust advice. Ms. McQuade called the roll of Executive Committee members.

Mr. Novak moved, seconded by Mr. Young, to adopt the agenda as drafted. The motion passed unanimously.

2. Ratification of Creditworthiness Standards

Ms. Davis moved, seconded by Mr. Young, as follows:

The ten business practice creditworthiness standards adopted by the NAESB WGQ Executive Committee on June 5, 2003 should be transferred to the NAESB WGQ Information Requirements Subcommittee (IR) to be fully staffed and assigned a high priority. A recommendation on the resulting implementation should be available for vote at the October 9, 2003 Executive Committee meeting. The subject standards and corresponding implementation should be member ratified as a complete package upon adoption by the Executive Committee of the recommendation for the implementation.

Ms. Davis explained that the schedule proposed would be consistent with the Executive Committee schedule and proposed publication date of NAESB WGQ Standards version 1.7. She noted the creditworthiness standards could be included in the publication if a shortened ratification period was utilized. Mr. Buccigross observed a shortened ratification period for the creditworthiness standards would be imprudent. Given the nature of and the controversy surrounding the standards, Ms. McQuade agreed. Ms. Van Pelt supported the motion as drafted.

Mr. Novak relayed that in recent conversations he has had with FERC staff, they noted that their preference would be for the creditworthiness standards be ratified as quickly as possible. He noted, when adopting the work of a standards organization, the FERC finds ratification of the standards critical to their deliberations. He said it would be appropriate to include the issues surrounding the fully staffing of the standards in the cover letter to the communication of the ratified standards to the FERC. Mr. Sappenfield concurred the standards should be ratified in the normal course of business. Mr. Buccigross also supported ratification of the standards in the normal course of business, stating the standards should go to ratification within some reasonable amount of time and noting ratification of the ten creditworthiness standards is not assured.

Ms. Davis stated adopting the business standards and implementation as a package is an historic practice of first GISB, and then the NAESB WGQ. She said including information about fully staffing the standards in the cover letter, while helpful, did not provide any assurance that the FERC will not mandate compliance with the standards before the implementation is completed and



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ratified. Additionally, she cautioned separating the elements could bring NAESB dangerously close to the FERC mandating the standards without the corresponding implementation.

Ms. Davis's motion was re-read. In a roll call vote, the motion failed with 5 votes in favor, 11 votes opposed. [Motion 1 -- procedural]

Participants discussed whether the creditworthiness standards that passed the WGQ EC on June 5 should be referred to the WGQ Information Requirements Subcommittee (IR) to begin the full staffing process. Mr. Novak supported assigning the standards to IR, observing that the staffing work should not be controversial.

Mr. Novak moved, seconded by Mr. Colombo, as follows:

The ten business practice creditworthiness standards adopted by the NAESB WGQ Executive Committee on June 5, 2003 should be transferred to the NAESB WGQ Information Requirements Subcommittee (IR) to be fully staffed and assigned a high priority. The FERC cover letter accompanying the ratified business practice creditworthiness standards, expected to be sent on July 28, should include language that would request the FERC delay implementation of the business practice creditworthiness standards until they are fully staffed. The letter should also include a schedule showing the dates that the fully staffed standards would be ratified by NAESB membership.

There was no discussion on the motion. The motion passed with 11 votes in favor, 5 votes opposed. [Motion 2 -- procedural]

3. Publication Date for NAESB WGQ Standards version 1.7

Mr. Buccigross introduced the resolution prepared by Mr. Novak regarding the publication date for NAESB WGQ Standards version 1.7. Mr. Novak stated adjusting the date would provide the opportunity for the subcommittees to finish work that is close to completion, particularly in light of the Business Practices Subcommittee focus on proposed creditworthiness standards. While Mr. Novak proposed October 31, 2003 as the publication date, he opened discussion of extending the time beyond that date.

Participants discussed alternate publication dates. Suggestions included December 31, 2003 or November 30, 2003. It was noted the issue of publication date could be revisited at a subsequent meeting. Ms. Van Pelt opposed revisiting the publication date at a subsequent time.

As a result of discussion, Mr. Novak revised the prepared resolution to read as follows: "The WGQ Executive Committee hereby defers the publication date for NAESB WGQ Standards version 1.7 to December 31, 2003." Mr. Colombo seconded the motion. The motion passed unanimously. [Motion 3 -- procedural]

4. Other Business

Mr. Spangler provided a report on two pending issues from the EDM Subcommittee: 1) a draft letter to the Internet Engineering Taskforce (IETF) Electronic Data Interchange on the Internet (EDIINT); and 2) the Report on Technical Feasibility and Impacts of Separating the WGQ EDM into Multi-Quadrant Electronic Transport and Quadrant-Specific EDM Documents. Mr. Spangler explained that the feasibility report is the result of the joint effort between the WGQ EDM Subcommittee and Retail Electric and Retail Gas Quadrant Technical Electronic Implementation Subcommittees. He noted the first three pages of the report note the key issues identified, with the subsequent pages providing documentation. Mr. Spangler recommended Executive Committee members read the report to be prepared for discussion and possible vote at the August EC meeting. It was noted a decision to move forward would be required by all quadrants wishing to participate.



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Mr. Spangler explained recent changes made by IETF to the AS2 version 12 exclude the relevant GISB EDM specifications previously contained in AS2 version 11. He said the draft letter essentially states NAESB has an interest in the IETF work. It was noted timing of submission of the letter was key, since the comment period on AS2 version 12 would soon expire. Accordingly, Mr. Novak moved, seconded by Mr. Sappenfield, to forward the draft letter to the Board Managing Committee for review. Participants discussed the implications of NAESB being excluded from AS2. It was noted sending the letter to IETF would provide an opportunity for NAESB to internally consider and come to resolution on any implications. The motion passed unanimously.

5. Adjourn

The meeting adjourned at 2:50 p.m. Central.

6. Executive Committee Attendees

| | Title, Organization | Present |
|--------------------------------------|--|---------|
| End User Segment | | |
| Diane McVicker | Sr. Principal Fuel Supply Analyst, Salt River Project | No |
| Gary Hinners | Director-Natural Gas Regulatory Issues, Reliant Energy Services, Inc. | Yes |
| Kelly Daly | Partner, Stinson, Morrison & Hecker, rep. Arizona Public Service Co. | No |
| Dona Gussow | Contracts Coordinator, Florida Power and Light | No |
| Tina Burnett | Natural Gas Operations Administrator, The Boeing Company | No |
| LDC Segment | | |
| Rick Ishikawa, alt. for R. Schwecke | Transportation Contract Administrator, Southern California Gas Co. | Yes |
| Craig Colombo, alt. for D. Chezar | Dominion Resources | Yes |
| Chris Maturo | Director, Operations Integration, NiSource, Inc. | Yes |
| Mike Novak | Assistant General Manager, National Fuel Gas Distribution | Yes |
| Bill Oppenheim, alt. for S. Sullivan | Manager Asset Optimization, PECO Energy | Yes |
| Pipeline Segment | | |
| Paul Love, alt. for M. Gracey | Director, Electronic Customer Services, Natural Gas Pipe Line Company of America | Yes |
| Bill Griffith | Director, Transmission & Storage, Colorado Interstate Gas Co. | Yes |
| Dale Davis | Consultant, Williams Gas Pipeline | Yes |
| Randy Young | Director, Regulatory Compliance, Gulf South Pipeline Co., LP | Yes |
| Kim Van Pelt | GISB Coordinator, Panhandle Eastern Pipe Line | Yes |
| Producer Segment | | |
| Jim Busch | Director of Energy Policy and Regulation, BP Energy Company | No |
| Paul Keeler | Managing Attorney, Marketing, Burlington Resources | No |
| Sheri Heslington | Dominion Exploration | Yes |
| Richard Smith | Director, Regulatory Affairs, ExxonMobil | Yes |
| Mike Shepard | General Counsel, Mewbourne Oil Company | No |
| Services Segment | | |
| Suzanne Calcagno | Associate Director – Regulatory Compliance, UBS Warburg Energy | No |
| V A C A N C Y | V A C A N C Y | |
| Leigh Spangler | CEO, Latitude Technologies | Yes |
| Jim Buccigross | Vice President, 8760 Inc. | Yes |
| Keith Sappenfield | Regional Director – US Regulatory Affairs, EnCana Marketing (USA) Inc. | Yes |

Administrative:

Rae McQuade
 Todd Oncken

-Executive Director
 -Deputy Director



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Other Participants

| Name | Company | Comments |
|--------------------|--------------------------------|----------|
| Kathryn Burch | Duke Energy Gas Transmission | |
| Christopher Burden | Williams Gas Pipeline | |
| Theresa Hess | Reliant Energy Retail Services | |
| Marcy McCain | Duke Energy | |
| Donna Scott | Transwestern Pipeline | |

7. Voting Record

| | Motion 1 | Motion 2 | Motion 3 |
|--------------------------------------|-----------------------|-----------------------|-----------------------|
| End User Segment | | | |
| Diane McVicker | | | |
| Gary Hinners | No | Yes | Yes |
| Kelly Daly | | | |
| Dona Gussow | | | |
| Tina Burnett | | | |
| LDC Segment | | | |
| Rick Ishikawa, alt. for R. Schwecke | No | Yes | Yes |
| Craig Colombo, alt. for D. Chezar | No | Yes | Yes |
| Chris Maturo | No | Yes | Yes |
| Mike Novak | No | Yes | Yes |
| Bill Oppenheim, alt. for S. Sullivan | No | Yes | Yes |
| Pipeline Segment | | | |
| Paul Love, alt. for M. Gracey | Yes | No | Yes |
| Bill Griffith | Yes | No | Yes |
| Dale Davis | Yes | No | Yes |
| Randy Young | Yes | No | Yes |
| Kim Van Pelt | Yes | No | Yes |
| Producer Segment | | | |
| Jim Busch | | | |
| Paul Keeler | | | |
| Sheri Heslington | No | Yes | Yes |
| Richard Smith | No | Yes | Yes |
| Mike Shepard | | | |
| Services Segment | | | |
| Suzanne Calcagno | | | |
| V A C A N C Y | | | |
| Leigh Spangler | No | Yes | Yes |
| Jim Buccigross | No | Yes | Yes |
| Keith Sappenfield | No | Yes | Yes |
| Results: | Failed 5 yes/11 no | Passed 11 yes/5 no | Passed 16 yes/0 no |