



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

TO: NAESB Wholesale Gas Quadrant (WGQ) Executive Committee (EC), Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Final Minutes from the NAESB Wholesale Gas Quadrant Executive Committee Meeting – October 9, 2003

DATE: October 24, 2003

**Wholesale Gas Quadrant
Executive Committee Meeting
October 9, 2003
Final Minutes**

1. Welcome

Mr. Buccigross opened the meeting and gave the antitrust advice. Ms. McQuade called the roll of EC members.

2. Wholesale Gas Quadrant Draft Agenda & Draft Minutes

Mr. Young moved, seconded by Mr. Spangler to adopt the agenda as written. Upon a procedural vote the agenda was adopted absent objection. Ms. Davis moved, seconded by Mr. Novak to adopt the August 6, 2003 redlined draft minutes. Upon a procedural vote the redlined draft minutes were adopted absent objection.

3. Review of New Requests and Assignments

R03019 – R03027 with the exception of R03023: Ms. Van Pelt reviewed the triage recommendations for these requests. Mr. Novak moved, seconded by Mr. Young to adopt the triage recommendations R03019 – R03027 with the exception of R03023. Upon a procedural vote the motion passed unanimously.

R03023: The Triage recommendation was to find this request in scope and assign it to the WGQ and RGQ where it would then be assigned to the Business Practices Subcommittee and the Supplier-Utility Interface Subcommittee, respectively. Mr. Novak stated the RGQ EC discussed this request and decided to defer making a decision about how to pursue this issue until hearing the WGQ EC discussion. There was a brief discussion of R03023 during which concerns were voiced about the vendor specific nature of the request, and a suggestion was made for this request to be modified, clarifying that the requestor is asking for a model and not a standard. Mr. Bartle stated he will be revising his request to clarify that it is requesting a model.

Ms. Van Pelt moved, seconded by Mr. Novak to send R03023 to the BPS to be worked on as a model and to be handled in the normal course of business jointly with the RGQ. Upon a procedural vote the motion passed unanimously.

4. Discussion and Vote on Recommended Standards

Ms. Davis moved, seconded by Mr. Ishikawa to accept the recommendations for AP03006; R00011 as Revised; R00016; R01021; R02012; R03002; R98011/R98012/R98001; R99008; R99020/R99032/R01001/R02005; and R00020, and R99052/R01006. The recommendations for the Credit Support Addendum (CSA) – AP03002, C03004, C03005 and the Minor Corrections for R97058B, will be voted on individually. Upon a super-majority vote (67% of the WGQ EC members and 40% of the EC members within each segment) vote the motion passed unanimously. The vote is reflected as V1 under Section 8 – Attendees. C03004 and C03005: Ms. Davis reviewed the



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redline revisions to these clarifications. Ms. Davis moved, seconded by Ms. Van Pelt to adopt the clarification recommendations for C03004 and C03005 as redlined after they are edited for correct spelling. Upon a super-majority vote the motion passed unanimously. The vote is reflected as V2 under Section 8 – Attendees.

Minor Correction – R97058B: Ms. Davis reviewed the correction. Ms. Davis moved, seconded by Ms. McVicker to adopt the minor correction for R97058B. Upon a super-majority vote the motion passed unanimously. The vote is reflected as V3 under Section 8 – Attendees.

Credit Support Addendum – AP03002: Mr. Sappenfield reviewed the Credit Support Addendum (CSA) and the User’s Guide, as well as the comments submitted on the CSA and User’s Guide as well as his suggested changes. Ms. Calcagno moved, seconded by Mr. Spangler to adopt the recommendation for the CSA and User’s Guide as modified.

Mr. Novak voiced concerns about the development of this document, and referred participants to the comment submitted by Mewborne Oil, which stated “our concern stems from the realization that standard documents promulgated by NAESB carry a certain weight of authority amongst industry participants.” In light of this comment Mr. Novak suggested the CSA should be passed as a model as his segment could not support this document as a standard.

Mr. Shepard stated the NAESB Base Contract, as it exists, provides ample language to cover issues of creditworthiness with opportunities to modify the contract using special provisions. He voiced concerns that the adoption of this document will eventually lead to the withdrawal of support for the NAESB Base Contract. Mr. Shepard further stated that he cannot support the CSA as either a standard or as a model. Mr. Sappenfield responded the CSA was written as an addendum similar to the Canadian Addendum, and entering into the addendum would only occur if both signatories supported the addendum. The addendum would not be included automatically to the Base Contract nor would it be mandatory, as neither the addendum nor the contract itself is mandatory.

Ms. Calcagno withdrew the motion to vote on the CSA and User’s Guide as standards. Ms. Calcagno then moved, seconded by Mr. Spangler to adopt the recommendation for the CSA as a model along with the User’s Guide as modified by Mr. Sappenfield. Mr. Novak proposed a friendly amendment to insert the word “Model” into the title of the CSA. The friendly amendment was accepted by the motioner and the seconder. Upon a roll call vote the motion passed. As a model, the vote was a simple majority vote – it passed with 11 in favor and 8 opposed, with one abstention. The vote is reflected as V4 under Section 8 – Attendees.

5. Approval of draft 2004 Annual Plan

Mr. Buccigross reviewed the 2004 WGQ Annual Plan. There was discussion concerning the provisional items and Ms. Chezar suggested the Energy Day provisional item and the Intraday Nominations provisional item be removed. It was agreed that the Energy Day provisional item should be removed from the plan, but the Intraday Nominations provisional item should stay on the plan.

Mr. Spangler noted that the current NAESB standards state that Annual Plan item four (Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual) should be completed in the spring of each year and he suggested they change the completion date on the annual plan to the 2nd quarter until the process of changing the standard is completed. Mr. Buccigross suggested leaving the due date for item four on the annual plan as it is and changing the standard between now and when this item is due.

Mr. Novak moved, seconded by Ms. McVicker to adopt the 2004 WGQ Annual Plan and send it to the Board for approval. Upon a procedural vote the motion passed unanimously.



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6. Subcommittee Updates and 2003 Annual Plan

Business Practices Subcommittee: Ms. Van Pelt noted the subcommittee is working on normal course of business items. Upcoming BPS meetings are as follows: October 24, 2003 conference call; November 6, 2003 conference call; Wednesday, November 19, 2003 face-to-face meeting in Houston at the NAESB offices.

Contracts Subcommittee: Mr. Sappenfield stated the current subcommittee work is complete, and no additional work is anticipated pending submitted requests.

EDM Subcommittee: Mr. Burden stated the WGQ EDM has been working jointly with the three other quadrants to develop a joint Internet Electronic Transport (ET) manual that covers transferring data and discussing the development of additional manuals that address the individual quadrants and their needs. The goal is to finish a draft of the Internet ET manual by the end of the year.

IR Subcommittee: Ms. Davis stated the IR has close to fifty items to be addressed. The subcommittee is currently working on a 1998 request. The next IR and Technical meetings will take place in Colorado Springs, CO on November 12-14 and then on December 8-9, 2003 in Houston.

Technical and ANSI X12 Subcommittees: Ms. Van Pelt stated the subcommittee is addressing work given to them by the IR subcommittee. Additionally, there have been two questions on transactional reporting data sets, which have not been submitted to X12 yet, and they will be discussed in February.

Interpretations Subcommittee: Mr. Novak stated the next Interpretations call is scheduled for October 16, 2003.

Update of the 2003 Annual Plan: Mr. Buccigross stated after the completion of the CSA today and with the exception of the SANDIA review the WGQ has completed all 2003 annual plan items.

Update on BOD meeting: Mr. Buccigross stated the Board met in Austin, and it was announced that Mr. Costan has stepped down from his position as NAESB's general counsel and Mr. Boswell will be taking over that position and resigning his seat on the NAESB Board. There was a discussion at the Board meeting about charging individuals for conference calls, which is one thing the Board is considering to compensate for the increasing cost of conference calls. No formal decisions were made concerning this issue.

7. Adjourn

Mr. Sappenfield moved, seconded by Mr. Novak to adjourn the meeting on October 9, 2003 at 1:30 p.m. MST.



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8. Attendees

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

Title, Organization		Attendance	V1¹	V2²	V3³	V4⁴
End User Segment						
Diane McVicker	Sr. Principal Fuel Supply Analyst, Salt River Project	In Person	Y	Y	Y	Y
Gary Hinners	Director of Natural Gas Regulatory Issues, Reliant Energy Services, Inc.	Phone				
Kelly Daly	Partner, Stinson, Morrison & Hecker, rep. Arizona Public Service Co.	In Person	Y	Y	Y	Y
Dona Gussow	Contracts Coordinator, Florida Power and Light	Phone	Y	Y	Y	Y
Tina Burnett	Natural Gas Operations Administrator, The Boeing Company	In Person	Y	Y	Y	Y
LDC Segment						
Rick Ishikawa, alt. for R. Schwecke	Transportation Contract Administrator, Southern California Gas Company	In Person	Y	Y	Y	Y
Dolores Chezar	Director, Regulatory Policy, KeySpan Energy	In Person	Y	Y	Y	A
Chris Maturo	Director, Operations Integration, NiSource, Inc.	In Person	Y	Y	Y	O
Mike Novak	Assistant General Manager, National Fuel Gas Distribution	In Person	Y	Y	Y	Y
Steve Sullivan	Regulatory Manager of Gas Supply, Consolidated Edison Co. of NY	Phone	Y ⁵		Y ⁵	Y
Pipeline Segment						
Mark Gracey	Consultant – Transportation Services, Tennessee Gas Pipeline Co.	In Person	Y	Y	Y	O
Bill Griffith	Director, Transmission & Storage, Colorado Interstate Gas Co.	In Person	Y	Y	Y	O
Dale Davis	Consultant, Williams Gas Pipeline	In Person	Y	Y	Y	O
Randy Young	Director, Regulatory Compliance, Gulf South Pipeline Co., LP	In Person	Y	Y	Y	O
Kim Van Pelt	GISB Coordinator, Panhandle Eastern Pipe Line	In Person	Y	Y	Y	O
Producer Segment						
Jim Busch	Director of Energy Policy and Regulation, BP Energy Company	Absent				
Paul Keeler	Managing Attorney, Marketing, Burlington Resources	Absent				
Sherri Heslington	Dominion Exploration	Phone				
Richard Smith	Director, Regulatory Affairs, ExxonMobil	In Person	Y	Y	Y	O
Mike Shepard	General Counsel, Mewbourne Oil Company	In Person	Y	Y	Y	O
Services Segment						
Suzanne Calcagno	Associate Director – Regulatory Compliance, UBS Warburg Energy	Phone				Y
V A C A N C Y	V A C A N C Y					
Leigh Spangler	CEO, Latitude Technologies	In Person	Y	Y	Y	Y
Jim Buccigross	Vice President, 8760 Inc.	In Person	Y	Y	Y	Y
Keith Sappenfield	Regional Director of Regulatory Affairs, EnCana	In Person	Y	Y	Y	Y

¹ Motion AP03006; R00011 as Revised; R00016; R01021; R02012; R03002; R98011/R98012/R98001; R99008; R99020/R99032/R01001/R02005; and R00020, and R99052/R01006.

² Motion: adopt the clarification recommendations for C03004 and C03005 as redlined after they are edited for correct spelling.

³ Motion: adopt the minor correction for R97058B.

⁴ Motion: adopt the CSA as a model along with the User's Guide as modified by Mr. Sappenfield.

⁵ Vote supplied by Bill Oppenheim, sitting as an alternate for Steve Sullivan.



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Title, Organization	Attendance	V1 ¹	V2 ²	V3 ³	V4 ⁴
Marketing (USA) Inc.					

Administrative:

Rae McQuade	-Executive Director
Veronica Thomason	-NAESB Staff
Meghan McMillan	-NAESB Staff

Observers to the Meeting:

Name	Company	In Person/Phone
Bartle, Ardis	P-Gas	Phone
Bray, Mike	Shell Gas Transmission	In Person
Brechner, Curt	Arizona Public Service	In Person
Burch, Kathryn	Duke Energy Gas Transmission	In Person
Burden, Christopher	Williams Gas Pipeline	In Person
Byrnes, John	None Given	Phone
Calcagno, Suzanne	UBS Warburg Energy	Phone
Connor, Keith	NiSource Distribution Co.	Phone
Gussow, Dona	Florida Power & Light Co.	Phone
Heslington, Sheri	Dominion	Phone
Hinners, Gary	Reliant Energy	Phone
Johnson, Alan	Mirant	In Person
Johnson, David	Systrends	In Person
Jones, Veronica	Defense Energy Support Center	Phone
Love, Paul	NGPL	Phone
McCain, Marcy	Duke Energy Gas Transmission	In Person
McGough, Brenda	None Given	Phone
Perlman, Marjorie	Energy East	Phone
Scott, Donna	Transwestern Pipeline Co.	Phone
Stengel, Joe	Philadelphia Gas Works	In Person
Sullivan, Steve	Consolidated Edison Co. of New York	Phone