



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
Home Page: www.naesb.org

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

FROM: Meghan McMillan, NAESB Staff

RE: Final Minutes from the NAESB Wholesale Gas Quadrant Executive Committee Meeting – October 17, 2002

DATE: December 9, 2002

**Wholesale Gas Quadrant Executive Committee Meeting
Thursday, October 17, 2002 (8:00 a.m. – 11:30 a.m.)
Final Minutes**

1. Welcome

Mr. Novak opened the meeting and welcomed participants. Mr. Costan read the antitrust guidelines. Mr. Buccigross thanked Arizona Public Service for hosting the meetings.

2. Wholesale Gas Quadrant Draft Agenda & Draft Minutes of September 30, 2002 Conference Call

Changes were made to the WGQ draft agenda as follows.

- Mr. Scheel added a WGQ Procedures Task Force update under agenda item 6.
- Mr. Novak asked that Meeting Coordination Task force be removed from the agenda as the group has finished its work.
- Subcommittee Task Force and Activity Resolution and a discussion of meeting scheduling were added to Other Business.

Mr. Buccigross informed the WGQ EC the minutes from the October 11, 2002 call would be reviewed and adopted on the next joint call. Ms. McVicker motioned the adoption of the agenda as modified and Mr. Young seconded. A procedural vote was taken to adopt the agenda as modified. The agenda was unanimously adopted as modified.

The draft minutes of September 30, 2002 were reviewed. Ms. Davis asked that a sentence be added under item two at the end of the first paragraph to read, "Dynergy's suggested changes to 5.1.z3 were discussed but were not adopted." Several changes to the attendee list were recorded. Ms. Chezar motioned, as seconded by Mr. Young, to adopt the modified minutes for September 30 minutes as final. A procedural vote was taken and was adopted unanimously.

3. Review of Triage Decisions

Mr. Buccigross stated the Triage items were discussed and adopted on the teleconference call last Friday, October 11, 2002 by the REQ and WGQ ECs. It was agreed the items would be triaged to the WGQ and the WGQ EC participants on the phone triaged them to subcommittees and assigned them a priority. It was noted ultimately, all quadrants will be able to vote on the Triage Subcommittee, and if there is not a majority on the phone, the items go out for notational vote. All votes on the Triage Subcommittee are balanced. It was decided alternates for the Triage members would be selected. Ms. Heslington noted the vacancy on the Triage committee for the WGQ producer segment, and volunteered to serve in that position. Ms. Heslington is now the producer segment representative on Triage Subcommittee for WGQ. Mr. Sappenfield volunteered to fill the vacancy on Triage Subcommittee for the services segment in WGQ. It was noted there is also an opening for BPS chair. Alternates for WGQ Triage committee representatives were chosen as follows: Mr. Buccigross for the WGQ services segment; Mr. Young for the pipeline segment; Ms.



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Chezar for the LDC segment; and Mr. Hebenstreit will continue to serve as alternate for the End User segment.

4. Discussion on New Annual Plan Item - Creditworthiness

Mr. Buccigross noted the Board added a resolution to pursue the issue of creditworthiness to the annual plan. He summarized the resolution for the committee, and noted the whole text could be found in the board minutes. There was a brief discussion about how the committee should pursue this issue. Mr. Young made a motion that the committee send the creditworthiness issue to BPS to develop a work plan and move forward, and Ms. Chezar seconded the motion. It was noted any work products developed on creditworthiness would be strictly non-policy, and, at this time, work would be limited to the wholesale gas quadrant. Mr. Young amended his motion to say the BPS should develop a work plan for creditworthiness standards and report back to the WGQ EC at its December 2002 meeting. Ms. Chezar agreed with the amendment. Ms. Kiselewich asked the WGQ EC consider keeping creditworthiness issues consistent across quadrant lines. It was noted that the FERC order and subsequent Board resolution directed this only to the WGQ. Ms. Chezar added the Board is aware creditworthiness is on the REQ's annual plan. There was additional discussion of coordinating the creditworthiness issues across quadrants.

Mr. Griffith stated the motion on the floor should be amenable to all parties. He continued saying, the BPS would develop a work plan and bring it back to the EC in December, and there would be a Board meeting in November at which additional instruction may be given. Mr. Griffith added this was really just a preliminary effort to define the scope of the work to be done. Mr. Buccigross added that as a courtesy this work plan would be sent to the REQ EC and the RGQ EC. Mr. Buccigross stated the work plan would come back to the WGQ EC to be adopted. Ms. McQuade noted there would be a report made to FERC on June 1, 2003. Mr. Buccigross took a procedural vote on the motion, which passed unanimously.

5. 2002 WGQ Annual Plan Review

Mr. Buccigross stated it would be noted under item 11 (creditworthiness) on the annual plan that it was assigned to BPS to prepare a work plan and present it to the WGQ EC in December. Mr. Sappenfield was assigned as chair of Contracts subcommittee. Mr. Buccigross reviewed the status of each annual plan item as follows: item 1 is complete; item 2 assigned to the fourth quarter; item 3 is assigned to the fourth quarter; item 9 is complete; item 4 is complete; item 5 is pending due to anticipated information from the Department Of Energy; item 6 is complete pending developments on item 5 and will probably carry over into the 2003 annual plan; work was suspended on item 7, which might carry over into the 2003 plan; items 8 and 10 are complete, with the exception of the development of examples for partial day recalls. Ms. Van Pelt requested any ratifications be posted on the final actions page right after the completion of the ratification process so everyone could refer to those standards. Ms. McQuade stated all recommendations that are subject to ratifications will be attached to the draft EC minutes as well. Ms. Chezar asked if the annual plan committee had been activated to work on the 2003 plan. Mr. Buccigross proposed they add the recruitment of representatives to serve on the Annual Plan Committee to other business.

6. Update on 2002 Annual Plan & Subcommittee Reports

Business Practices Subcommittee: Ms. Van Pelt gave the update for the subcommittee. A meeting was held on October 9, 2002 to discuss the two items Triaged to the BPS at the last EC meeting. One of them will be completed and the other was transferred to IR after the subcommittee determined there were no BPS issues. There will be a meeting on October 24, 2002 to resolve the



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remaining issue and then the subcommittee will begin work on creditworthiness. The BPS is also in need of two chairs to represent producer and services segments. Mr. Hebenstreit was named as interim chair for Tina Burnett, representing End Users, on the BPS. It is anticipated the meetings on creditworthiness issues will be mostly face-to-face. They will try to have the first meeting in the next few weeks.

Contracts Subcommittee: Mr. Sappenfield gave the update for this subcommittee. Volunteers for co-chair are welcome. There were only three items on the annual plan for this committee. There will probably be a short meeting after Nov 1, 2002 to organize a plan of action to work on these items. Interested parties were encouraged to participate, and can request that they be put on the email list by contacting the NAESB Office. Mr. Sappenfield plans to reflect the work being done by EEI when discussing the credit annex item. The group was referred to the EEI website (www.eei.org) for more information. Mr. Dworzak provided the group with the email address of EEI's general counsel, Edward Comer (ecomer@eei.org), if they have questions about the contract EEI is developing.

EDM Subcommittee: Mr. Spangler gave the update for this subcommittee. There has been discussion of coordination at the technical level. Currently, there are no outstanding issues on the table. Potential volunteers were encouraged to contact Mr. Spangler.

Information Requirements Subcommittee: Ms. Davis gave the update for this subcommittee. Work is currently being done to develop examples related to partial day capacity recall standards, and this is the highest priority item at this time. IR determined these examples would be listed in the Business Process and Practices section of the Capacity Release Books. Ms. Van Pelt stated these examples do not need to go to Technical. She proposed IR have a call to review the examples and the language so they can wrap this up by the December EC meeting. Ms. McQuade will note in a letter to be sent out (to whom?) that these examples are going out for comment by November 7, 2002, and she will check the letter with Ms. Davis before sending it. Over the last two months IR has disposed of a number of requests related to capacity release. Ms. Davis requested any interested party should contact her about helping on this committee.

Technical and ANSI X12 Subcommittee: Ms. Van Pelt gave the update for this subcommittee. The committee is currently finishing a request adding proprietary entity codes to capacity release data sets. The next order of business is Tennessee request regarding changes to report locations in the capacity release data sets. The committee will then submit the template for transactional reporting data sets for approval. The next item is Exxon's request for the development of a gas imbalance statement, which should be undertaken in January or February of next year.

Publication Process Review Task Force: Mr. Novak gave the update for the task force. A memo was sent to the Parliamentary Committee identifying some changes to the NAESBOP's that reflect the way that publication has evolved. The changes contained in the report were reviewed. The possibility of developing a cross-quadrant PPRTF was discussed. It was decided this issue could possibly be added to the agenda for the next join EC call.

Wholesale Gas Quadrant Procedures Task Force: Mr. Spangler gave the update for this task force whose role is to update the quadrant and segment procedures for WGQ. The task force is currently researching whether the board terms are two or three years. Once completed, the document will be sent to Ms. McQuade so she can send it out for 30-day comment period.

7. Other Business



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Subcommittee and Task Force Resolution: Mr. Novak read his resolution as follows:

Whereas the WGQ Common Codes Subcommittee has not conducted any standards development /maintenance activity over / during the last year and no requests for standards development have been received during this period or anticipated, the WGQ Executive Committee directs that the status of the Common Codes Subcommittee be set to inactive. Subsequent requests for standards development / maintenance pertaining to the work product of the Common Codes Subcommittee should be assigned to BPS.

Note: Similar language was included for the Cross Contract Ranking Subcommittee to be shown as inactive and subsequent related requests be assigned to BPS. Additionally, the Allocation Grid Drafting Team should be shown as inactive and subsequent related requests be assigned to IR.

The purpose of this resolution functions to update the status of inactive subcommittees and task forces to show which are no longer meeting. He requested a procedural vote to adopt this resolution. Mr. Novak made a motion to adopt the resolution and Ms. McVicker seconded. It was proposed there be an inactive archive on the website and after six months or a year inactive items will be removed and there will be a request process to obtain those documents from the NAESB office if needed. A procedural vote was taken on the motion. The motion passed unanimously. It was noted each quadrant will have a liaison whose function will be to coordinate with the NAESB office on website issues. Mr. Spangler has agreed to perform that liaison function for the WGQ.

Meeting Scheduling: Ms. Chezar requested the committee discuss the following four items: 1) the status of the WGQ EC vice-chair, 2) the scheduling of EC meetings to maintain the ability to extend meeting times, 3) face-to-face joint EC meetings, and 4) discuss different options for scheduling joint meetings. Mr. Novak addressed the issue of the WGQ EC vice-chair stating this is a transitional year that was set up in NAESB bylaws (a lame duck period). Prospectively, each quadrant will have its own vice-chair who will chair the quadrant's EC meetings. The four EC vice chairs will also function as officers of the joint EC and one will be the chair over the joint EC. It was determined the best way to approach the scheduling of EC meetings was to consider agenda items and schedule time blocks accordingly. Concerns were voiced about holding EC meetings on Fridays. An attempt will be made to schedule future meetings for the middle of the week. Anyone interested in hosting a 2003 EC meeting was encouraged to contact Ms. Garcia at the NAESB office. Subcommittee chairs were also reminded that before scheduling meetings they need to check the dates with the NAESB office in an effort to minimize overlapping meetings.

Annual Plan Subcommittee Representatives: The following volunteers were recruited for the Annual Plan Subcommittee:

- Mr. Young and Ms. King from pipelines
- Ms. Heslington for producers
- Mr. Novak for LDC's
- Mr. Buccigross for services
- End Users to be determined

It was noted the Annual Plan Subcommittee is not a named subcommittee and any interested parties are encouraged to volunteer. A meeting will be scheduled shortly to develop a strawman document including carryover items from the 2002 plan.

8. Adjourn

Ms. McVicker moved to adjourn and Mr. Spangler seconded. A procedural vote was taken. The meeting adjourned on Thursday, October 17, 2002 at 11:50 a.m.



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9. Executive Committee Attendance

	Title, Organization	Present
End User Segment		
Diane McVicker	Principal Fuel Supply Sr. Analyst, Salt River Project	In person
Bill Hebenstreit	Vice President Contract Services, El Paso Merchant Energy	In person
Kelly Daly	Partner, Morrison & Hecker, rep. Arizona Public Service Co.	In person
Dona Gussow	Contracts Coordinator, Florida Power and Light	Phone
Tina Burnett (alt. Joel Greene)	Partner, Energy Advocates LLP	In person
LDC Segment		
Rodger Schwecke (alt. Rick Ishikawa)	Transportation Contract Administrator, Southern California Gas	In person
Dolores Chezar	Director, Regulatory Policy, KeySpan Energy	In person
Chris Maturo	Director, Operations Integration, NiSource	In person
Mike Novak	Assistant General Manager, National Fuel Gas Distribution	In person
Steve Sullivan	Regulatory Manager of Gas Supply, Consolidated Edison of NY	In person
Pipeline Segment		
Mark Gracey	Consultant - Business Processes, Tennessee Gas Pipeline Co.	In person
Bill Griffith	Director, Transmission & Storage, Colorado Interstate Gas Co.	In person
Dale Davis	Consultant, Williams Gas Pipeline	In person
Randy Young	Director, Regulatory Compliance, Gulf South Pipeline Co., LP	In person
Kim Van Pelt	GISB Coordinator, CMS Panhandle Eastern Pipe Line	In person
Producer Segment		
Lauren Kaestner	Regulatory Consultant, BP Amoco	In person
Paul Keeler	Managing Attorney, Marketing, Burlington Resources	In person
Sheri Heslington	Dominion Exploration	Phone
Richard Smith	Director, Regulatory Affairs, ExxonMobil	In person
V A C A N C Y		
Services Segment		
Mark Scheel	Manager Governmental Affairs, Dynegey Inc.	In person
Carl Caldwell	Director, Consulting Services, CGI	Absent
Leigh Spangler	CEO, Latitude Technologies	In person
Jim Buccigross	Vice President, 8760 Inc.	In person
Keith Sappenfield	Director, EnCana Energy Services	In person

10. Other Participation

Administrative:	Rae McQuade	-Executive Director
	JoAnn Garcia	-NAESB Staff
	Jay Costan	-General Counsel
	Meghan McMillan	-NAESB Staff
	Todd Oncken	-NAESB Staff

Observers to the Meeting:

Name	Company	In person/Phone
Barkas, Bill	Dominion Retail	In person
Bragg, Audrey	Washington Gas	Phone
Bray, Mike	Shell Gas Transmission	In person



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Broadrick, Cherie	ERCOT	Phone
Burch, Kathryn	Duke Energy Texas Eastern	In person
Butrus, Greg	Southern Company	Phone
Camp, Yvette	Southern Company	Phone
Colombo, Craig	Dominion Resources	In person
Davis, Ed	Entergy	In person
Dibble, Jay	Calpine	In person
Dison, Joel	Southern Company	In person
Dotterweich, Andy	Consumers Energy	In person
Duede, Gary	Arizona Public Service	In person
Dworzak, David	Edison Electric Institute	In person
Goss, Bob	Southeastern Power Administration	In person
Gwilliam, Tom	Iroquois Gas Transmission System	In person
Hess, Theresa	Reliant Energy Retail Services	In person
Hudson, John	Center Point Energy	Phone
Jaquet, Tammy Lee	Duke Energy	In Person
Johnson, Alan	Mirant Corp.	In person
Jones, Veronica	Defense Energy Support Center	Phone
Kardas, Joe	National Field Supply Company	Phone
Keeler, Jon	Great Lakes Gas Transmission	In person
King, Iris	Dominion Transmission Inc.	In person
Kiselewich, Ruth	Baltimore Gas & Electric	In person
Minneman, Jim	PPL Solutions	In person
Ray, Judy	Alabama Power	Phone
Reed, Tony	Southern Company	In person
Robert, Lisa	Defense Energy Support Center	Phone
Scott, Donna	Transwestern	In person
Zavodnick, Steve	Baltimore Gas & Electric	In person