



North American Energy Standards Board

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Home Page: www.naesb.org

via posting

TO: Retail Structure Review Committee Members, and Interested Industry Participants
FROM: Rae McQuade, President
Laura B. Kennedy, Meeting/Project Manager
RE: Notes from the Retail Structure Review Committee Conference Call on April 12, 2006
DATE: June 12, 2006

Dear Retail Structure Review Committee Members,

A conference call of the Retail Structure Review Committee (RSRC) was held on April 12. The following notes resulted from the meeting:

- Administration:
- Ms. Kennedy read the antitrust advice and the agenda was adopted by consent.
- Review Retail Leadership Recommendations:
- The Retail Leadership met on March 22, 2006. The participants did not reach a consensus on whether the Retail Quadrants should take up development of best practices for the retail electric and gas industries. The RSRC agreed that development of best practices will be done on a case by case basis at the appropriate level so that the Retail Quadrants are not developing policy.
 - The participants in the Retail Leadership were able to reach consensus regarding the need for the members of the Retail Quadrants to conduct an outreach to other industry participants to determine the role of the Retail Quadrants in the future.
 - There was discussion at the Retail Leadership meeting to schedule a meeting to coincide with the May Retail Executive Committee meeting and to invite industry groups, such as ELCON and other customers and associations that represent customers, to the meeting. It was determined that the meeting would not be held as the RSRC did not think feedback would be provided than was much different from that already provided by the Advisory Council, AGA and EEI (see below).
 - During the Retail Leadership meeting, the participants identified nine states where there is significant activity regarding retail choice in gas and nine where there is significant activity regarding retail choice in electricity. Six of the states are the same for both industries. These states are revisiting their rules and procedures. NAESB could provide help especially to the end use customers in those states.
- Review Results from April 10-11 AGA Rates & Regulation Seminar:
- Mr. Precht attended the April AGA Rates & Regulation Seminar. He received three comments from the AGA seminar participants: the participants do not have the resources to address issues that are not "broken"; suppliers should be involved if the model business practices are going to address traditional market issues; and until the state regulators recognize the benefits of NAESB and the model business practices adopted by the Retail Quadrants, industry participants do not see an incentive to participate in NAESB.



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- Review EEI & Member Recommendations:
- The EEI was not able to include time on the agenda for discussion of the work of the NAESB Retail Quadrants at its National Accounts meeting in Chicago. The EEI representative suggested that the meetings in June or July would be better suited for discussion of the work of the Retail Quadrants.
 - Mr. Bourbonnais will continue to try to get on the agenda for the EEI National Accounts meeting in June
- Review Options
- No new options regarding the future of the Retail Quadrants have been presented since the December 2005 Report to the NAESB Board of Directors. The options included in the December 2005 Report were: expand the scope of the Retail Quadrants to include development of model business practices for states that do not participate in choice; combine the Quadrants into one quadrant and make the appropriate changes to the bylaws; put the work of the Retail Quadrants on hold; change the NAESB Bylaws so that there would not be a minimum membership requirement; and maintain the status quo.
- Other Business:
- A suggestion was made to investigate the possibility of expanding the number of discount memberships to encourage state commissions and consumer advocates to join. The committee discussed drafting a proposal to extend the discounted memberships and propose it to the Board of Directors. Ms. McQuade will develop a draft proposal.
 - The committee decided it would have representatives attend the NARUC summer meeting and the EEI National Account meeting to attempt to obtain input from state commissioners, state commission staff, and the EEI National Account participants. These contacts would have to be made without NAESB engaging in advocacy.
 - A common suggestion in the meetings of the RSRC is that the Retail Quadrant participants should reach out to the state commissions in order to let them know of the work being done at NAESB. The committee plans to schedule calls with state commissioners prior to the summer NARUC meeting and then have follow up at the meeting in San Francisco, California. The calls would take place in June. The RSRC will try to get volunteers on the Board who are in the jurisdiction of the commissioners to participate in the calls.
 - The Retail Quadrants should investigate the possibility of developing model business practices for the interaction between Load Serving Entities (LSEs) and RTOs. This way, there could be reception from the regulated and restructured states. This issue would need to be a joint project with the NAESB Wholesale Electric Quadrant.
- Adjournment
- The meeting adjourned at 3:08 PM Central.



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Attendance:

Name	Organization	Participation
Bill Bourbonnais	WPS Resources Corporation	Committee Chair
Leonard Haynes	Southern Company	Committee Member
Ruth Kiselewich	Baltimore Gas and Electric Company	Committee Member
David Koogler	Dominion Virginia Power	Committee Member
Mike Novak	National Fuel Gas Distribution	Committee Member
Patrick Eynon	Ameren Services Company	Observer
Dan Jones	Cinergy	Observer
Phil Precht	Baltimore Gas and Electric Company	Observer
Bill Wolf	Baltimore Gas and Electric Company	Observer
Richard Zelenko	Dominion Retail, Inc.	Observer
Laura Kennedy	NAESB	NAESB Staff
Rae McQuade	NAESB	NAESB Staff