



North American Energy Standards Board

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TO: Retail Structure Review Committee Members
FROM: James Cargas, Deputy Director, NAESB
CC: Managing Committee Members
RE: Draft Agenda for June 1 Conference Call
DATE: May 27, 2005

Dear Retail Structure Review Committee,

The first conference call of the Board-level Retail Structure Review Committee (RSRC) will be on **Wednesday, June 1st from 9:00 to 10:00am Central (10:00 to 11:00am Eastern)**. Please reserve this date and time. The call-in information will be circulated closer to the call. The draft agenda and background materials follow. We look forward to hearing from you on the call.

Draft Agenda

1. Welcome & Administrative Items
 - Antitrust guidelines (James Cargas)
 - Introduction of members (Bill Bourbonnais, Chair)
 - Adoption of draft agenda
2. Review and Adoption of Draft Mission Statement and Committee Name

The Retail Structure Review Committee functions solely at the pleasure of the NAESB Board of Directors and reports to the NAESB Board of Directors through the NAESB Board Managing Committee. The Committee will make recommendations to the full board to address the membership levels in the retail electric and retail gas quadrants through possible changes to NAESB By-laws, structural changes to the quadrants or their segments including merger of the two quadrants.
3. Recommendations to Chairman for Additional Committee Members
4. Discussion of Options
 - a. Root Issues and Causes:
 - Lack of progress on expansion of customer choice
 - Low membership and participation
 - Recruitment experience and potential
 - Other Issues?
 - b. Structural Changes:
 - Merger of quadrants option
 - Other structural options
 - Impacts on income and development of model business practices
 - Requirements for amending bylaws and quadrant procedures
 - c. Amending Bylaws Option:
 - Reduce number of segments or members in each segment
 - Reduce minimum number of quadrant members
 - d. Discussion of No Change Option or Other Options
5. Adoption of Timeline
 - Target deadline for recommendations to Board of Directors: Sept. 22 or Dec. 13.
 - Proposed conference call schedule:
 - July dates to consider: 8, 12, 19 or 21.
 - August dates to consider: 10, 12, 16 or 18.
 - September dates to consider: 6, 7, 8 or 9.
6. Other Business
7. Adjourn



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NAESB Bylaws:

Section 2.3 Quadrants and Segments

The procedures of each Quadrant and Segment, respectively, shall conform to the policies of NAESB as stated in the Certificate and these Bylaws. The Board shall have authority to enforce these NAESB policies with regard to the procedures of the Quadrants and Segments.

In order to have representation on the Board or the EC, a Quadrant shall have at least forty Voting Members and at least four Segments. Each Segment shall have at least five Voting Members. This minimum representation requirement shall be reconsidered by the Board prior to March 31, 2003 and biannually thereafter.

Section 18.1 Amendments

The Bylaws of NAESB may be amended by the Board in the manner described in the Certificate. Each Quadrant's Exhibit may be adopted or amended by majority vote of the Directors representing that Quadrant or as may be specified in the procedures contained in that Quadrant's Exhibit. Votes on consistency of Quadrant procedures with the Certificate and Bylaws are in the manner described in Article V, Section 5 of the Certificate.

NAESB Certificate, Article V:

Section 5

The By-Laws may be adopted or amended by the Board on an affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant. The procedures of any Quadrant attached to the By-Laws as an Exhibit, or any amendment of such procedures, may be accepted for consistency by the Board by a simple majority vote.

Board of Directors Resolution Creating Committee (adopted unanimously Dec. 9, 2004):

“NOW, THEREFORE BE IT:

RESOLVED, That a board level committee be established to make recommendations to the full board to deal with the membership levels in the retail electric and retail gas quadrants;

That this committee should be composed of board members appointed by the Chairman and from the retail electric and retail gas quadrants;

That this committee's deliberations should include whether these two quadrants should be merged and/or otherwise be restructured to bring membership levels above NAESB minimum levels; and

That this committee should develop its recommendations and present them to the full board by the 4th Quarter of 2005.”