



North American Energy Standards Board

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via email

TO: NAESB Retail Structure Review Committee and Managing Committee Members, and Posting for Interested Parties
FROM: James Cargas, NAESB Deputy Director
RE: Notes from Retail Structure Review Committee Conference Call on Nov. 21, 2005
DATE: November 29, 2005

Dear NAESB Retail Structure Review Committee and Managing Committee Members,

A Retail Structure Review Committee (RSRC) conference call was held on November 21, 2005. The following notes and assignments resulted from the meeting.

Retail Structure Review Committee:

Monday, November 21, 2005

- Administrative:
- Mr. Cargas reviewed the anti-trust warning and took roll-call.
 - The draft agenda was adopted by consensus.
- Review of Merger Proposal:
- The preliminary proposal for combining the Gas and Electric Quadrants was reviewed. Under this proposal for a single Combined Retail Quadrant with 4 segments each and 7 Board and EC seats per segment, no incumbent Board or EC member would lose their seat. Mr. Novak agreed to clarify some descriptions. Any Bylaw amendment would need to clarify that current Board and EC members would not be disenfranchised.
 - A potential time-line for implementation was discussed and it was concluded that no amendment to the Bylaws would become final until mid-2006 at the earliest.
 - In the meantime, efforts to increase Retail membership should continue. In the unlikely event both quadrants reach 40 members each, the proposed Bylaw amendments could be abandoned.
 - It was a consensus that based on current experience it is unlikely that increasing the retail quadrant memberships to 40. Lowering the 40 member threshold in the Bylaws was not seen as a good option since the quadrant would lack critical mass below 40 members.
 - Consensus was reached that gas and electric Board or EC members could be employees of the same organization with separate gas and electric Memberships in the Combined Retail Quadrant (amending Sec. 7.2(B) of REQ Procedures and Sec. 7.2(B) of RGQ Procedures).
 - It was also a consensus that one or two Board and EC positions would be held for either gas only or electric only Members to ensure they get a voice in the process. If the seat is not filled by a single energy entity it could be filled by a combination entity.
- Review of Draft Final Report:
- Some minor edits were discussed. Any additional edits should be submitted to the NAESB Office no later than Wed., Nov. 30.
 - The views and positions of Executive Committee RSRC members not present would be determined by Mr. Bourbonnais contacting them prior to the November 30 EC meeting.
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- Presentations to Board and EC:
- Ms. Kiselewich and Mr. Novak offered to present the proposal to combine the quadrants at the Nov. 30 EC meeting in Washington, DC.
 - Since Mr. Bourbonnais will not be in attendance at the December 13 Board meeting, Mr. Novak, with assistance from Mr. Koogler and Ms. Kiselewich, will present the proposal and final report to the Board.
- Other Business:
- An additional conference call on Dec. 2 was scheduled to review any input from the November 30 EC meeting and prepare for the Board meeting presentation.

Action Items:

- Mr. Cargas will draft a memo on the procedures for amending the Bylaws and potential timeline.
- Mr. Bourbonnais will revise the Final Report before the next call on Dec. 2.
 - All edits and comments on the Final Report are due by Wed., Nov. 30.
- Mr. Bourbonnais will poll Executive Committee RSRC members who were not present to gauge their degree of support or opposition to combining the quadrants.
- Mr. Novak will develop a power point presentation of the revised Combination Proposal, and present it to the REQ/RGQ EC along with Ms. Kiselewich on Nov. 30.
- Mr. Novak, with assistance from Mr. Koogler and Ms. Kiselewich, will present the Final Report to the Board on Dec. 13.

Upcoming RSRC Conference Calls and Meetings:

- Wednesday, November 30, at 10:00am Central - EC Meeting Presentation
- Friday, December 2, at 3:00pm Central – RSRC Conference Call
- Tuesday, December 13, at 9:00am Central - Board Meeting Presentation
- Tuesday, January 17, at 10:00am Central – RSRC Conference Call

Attendance:

	Name:	Organization:	Quadrant(s):
1	William Bourbonnais	WPS Resources	REQ, RGQ, WEQ, WGQ
2	Ruth Kiselewich	Baltimore Gas & Electric	REQ, RGQ, WGQ
3	James Cargas	NAESB	
4	Dale Davis	Williams Gas Pipeline	WGQ
5	David Koogler	Dominion	REQ, RGQ, WEQ, WGQ
6	Mike Novak	National Fuel Distribution	WGQ, RGQ