



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

Via email
September 4, 2002

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Results of the NAESB Board of Directors Notational Ballots for (1) the Creation of Board Managing Committee, (2) the Modifications to the Certificate and Bylaws for Non-Voting Membership, (3) the Acceptance of the WEQ Revised Initial Procedures, and (4) the Acceptance of the Promotional Dues for Consumer Advocates and State Regulators

Dear Board Members,

Thank you for voting in the ballots that were recently forwarded to you regarding 4 items:

- (1) the Creation of Board Managing Committee,
- (2) the Modifications to the Certificate and Bylaws for Non-Voting Membership,
- (3) the Acceptance of the WEQ Revised Initial Procedures, and
- (4) the Acceptance of the Promotional Dues for Consumer Advocates and State Regulators

All motions passed. The resolutions are attached.

Regarding the modifications to the certificate and bylaws, those language changes to the certificate will require ratification by the NAESB membership. The ratification ballot will be sent out shortly.

Regarding the revised WEQ procedures, the revised procedures were accepted by the Board upon the conditions that 1) they be interpreted and applied so that transmission organizations (i.e., RTOs, ISOs, RROs, IMOs and the like) are viewed as having a legitimate business interest at least in the Transmission Segment; and 2) that the NAESB Office confirms that the proposed revised Quadrant Procedures reflect the views of at least a majority of the existing Voting Membership of the Wholesale Electric Quadrant, made up of Voting Members who have already paid their membership dues or have executed binding letters of intent to do so. As to this latter condition, the WEQ Membership was balloted and an overwhelming majority of those returning ballots voted in favor of the revised procedures.

Regarding the resolutions not requiring membership ratification, they have become effective immediately; thus, the Managing Committee is approved, and will be complete upon election of its other ex officio members from the Quadrant Directors (i.e., the respective Quadrant vice chairs).

Best Regards,

Rae McQuade

Rae McQuade
Executive Director and COO, NAESB

cc: James. M. Costan, NAESB General Counsel, McGuireWoods LLP



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Board Members:

SEGMENT	BOARD MEMBER	WHOLESALE GAS QUADRANT
END USER	Jonathan Puckett	Director of Control Operations, Duke Energy North America.
	Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L
	John Procario	Vice President & COO, Cinergy
	Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy
	Jim Templeton	Principal, Comprehensive Energy Services
LDC	Bill Boswell	Assistant Secretary, Dominion
	Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Co.
	Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.
	Walt DeForest	Senior Vice President, National Fuel Gas Distribution
	Lee Stewart	President, Energy Transportation Services, Southern California Gas Co
PIPELINE	Terry McGill	Enbridge Energy Company, Inc.
	John Somerhalder	President, El Paso Energy Pipeline Group
	Shelley Corman	Vice President, Enron Transportation Services Company (Transwestern)
	Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline
	Richard Kruse	Senior Vice President, Duke Energy Gas Transmission
PRODUCER	Allan Knopp	Manager, Regulatory Affairs, Conoco Gas and Power
	Randy Mills	Regulatory Manager, ChevronTexaco
	Stan Hemmeline	Manager, North America - West, ExxonMobil Gas Marketing Company
SERVICES	Sylvia Munson	CIO, PanCanadian Energy Services (PanTech)
	Greg Lander	Principal, CapacityCenter.com
	Rick Lentz	Principal, Tatum CIO
	Lyn Maddox	President & COO, PG&E Energy Group Trading
	Marty Patterson	Senior Vice President, IDACORP Energy
SEGMENT	BOARD MEMBER	RETAIL ELECTRIC QUADRANT
DISTRIBUTOR	Dave Koogler	Director - Regulation & Competition, Dominion Virginia Power (SERC NERC Region).
	Bill Bourbonnais	Manager Rates and Economic Evaluation, Wisconsin Public Service Corporation (MAIN NERC Region)
	Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company
	Leonard Haynes	Senior Vice President Marketing, Georgia Power Company (SERC NERC Region)
END USER	Sonny Popowsky	Pennsylvania Office of Consumer Advocate
SERVICES	Misty Ann Khan	Vice President, Telerx Marketing, Inc.
	Stacey Park	Director, The Structure Group
	J Cade Burks	President, EC Power
	John Williams	Chief Executive Officer and Co-founder, 8760.
SUPPLIER	Helen Burt	Vice President, Customer Operations and Billing, TXU Energy
	Waters Davis	President, Reliant Energy Retail Services
	Richard Zelenko	General Manager, Dominion Retail Inc.

OFFICERS: Bill Boswell is CEO and 2002 chairman of the Board of Directors. Rae McQuade as Executive Director serves as Secretary and COO. The vice -chairs representing the Quadrants have not been named.



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RESOLUTION ESTABLISHING BOARD MANAGING COMMITTEE

WHEREAS, pursuant to Article 7.8(a) of the Bylaws, the Board by majority vote may create certain committees and specify their functions, and

WHEREAS, due to the increasing size of the Board as a result of Quadrant formation, it would be helpful to the Chairman & CEO to provide him and the Executive Director assistance in managing and administering the affairs of the corporation between Board meetings, and making the meetings of the Board as efficient and effective as may be practicable, and

WHEREAS, it would also be helpful to have certain managerial functions addressed by a representative group from within the Board,

NOW, THEREFORE, the Board of Directors of the North American Energy Standards Board hereby establishes a Managing Committee, consisting of the Chair, the Past Chairs (who are currently members of the Board), the Board Vice Chairs of each of the Quadrants, and the Executive Director (who shall be secretary of the committee and shall have a voice in the committee's business but no vote), and

FURTHER, assigns to the said Managing Committee the following responsibilities:

- 1) Assisting the Chair and the Executive Director in establishing the agenda of the meetings of the Board,
- 2) Assisting the Chair and the Executive Director in preparing and monitoring financial matters of the corporation, including budgets, audit reports and the like, and reviewing reports of such matters prior to their submittal to the Board,
- 3) Assisting in the creation and review of the Quadrant Annual Plans, prior to their submittal for Board approval,
- 4) Acting as a compensation & benefits committee, including reviewing and establishing staff benefits and setting the compensation of the Executive Director,
- 5) Acting as an editorial review committee to approve formal communications of an external nature, including written communications with regulatory agencies and the media,
- 6) Acting to review legal and personnel matters of a confidential nature, and
- 7) Acting in any other matter which would require Board approval, except for those matters specifically reserved to the full Board by the Bylaws, and for those matters which require more than a simple majority vote of the Board. In the case of actions taken under this provision, they shall be reported to the Board at its next meeting, and may be discussed under "new business" at the request of any member.

AND FURTHER resolves that the Managing Committee may establish sub-committees, consisting of members of the Managing Committee and other Board members. A member of the Managing Committee shall chair any sub-committees.



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NORTH AMERICAN ENERGY STANDARDS BOARD RESOLUTION PROPOSED CHANGES TO THE CERTIFICATE AND BYLAWS CLARIFICATION OF NON-VOTING MEMBERS

Certificate: Article IV, Section 3:

Section 3. Non-voting members. Persons may join as non-voting members at their option. This may include Non-voting members shall include, but not be limited to, federal, state, and local agencies; non-profit research organizations, trade and industry organizations; consumer advocate groups; and similar entities, should they choose to participate in this fashion. This category is intended generally for those entities that do not consider it appropriate to join as voting members, for those otherwise precluded from voting in standards-setting organizations, or as otherwise provided in the bylaws.

Bylaws: Article 5, Section 5.2

Section 5.2 As provided on Article IV, Section 3 of the Certificate, Non-voting Members ~~shall~~ may include, but not be limited to, federal, state and local agencies; non-profit research organizations; and similar entities.



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NORTH AMERICAN ENERGY STANDARDS BOARD

RESOLUTION TO ACCEPT PROPOSED REVISED QUADRANT PROCEDURES OF WHOLESALE ELECTRIC QUADRANT

WHEREAS, the North American Energy Standards Board ("NAESB") commenced operations on January 1, 2002, and is now organizing Quadrants, including the Wholesale Electric Quadrant which will develop standards and model business practices for the wholesale electric sector;

WHEREAS, the NAESB Wholesale Electric Quadrant has adopted proposed Quadrant Procedures, which were accepted by the Board of NAESB in late July 2002, and has non adopted revised Quadrant Procedures, attached hereto as Exhibit A, which it proposes be accepted by the Board of NAESB to supersede its existing Exhibit to the Bylaws; and

WHEREAS, the proposed revised Quadrant Procedures have been submitted to NAESB's General Counsel for review to determine whether such revised procedures are not inconsistent with the Certificate and Bylaws of NAESB; and

WHEREAS, the General Counsel of NAESB has rendered a conditional opinion that the proposed revised Quadrant Procedures of the Wholesale Electric Quadrant are not inconsistent with the Certificate and Bylaws of NAESB, provided that unless and until the Voting Members of the Wholesale Electric Quadrant clarify or modify the Procedures to provide differently, the proposed revised Quadrant Procedures must be interpreted and applied so that transmission organizations (i.e., RTOs, ISOs, RROs, IMOs and the like) are viewed as having a legitimate business interest in the Transmission Segment; and provided further that the NAESB Office confirms that the proposed revised Quadrant Procedures reflect the views of at least a majority of the existing Voting Membership of the Wholesale Electric Quadrant, made up of Voting Members who have already paid their membership dues or have executed binding letters of intent to do so;

NOW, THEREFORE, BE IT:

RESOLVED, that the Board of Directors of NAESB hereby accepts (subject to the conditions described below) the revised Quadrant Procedures for the Wholesale Electric Quadrant of NAESB attached hereto as Exhibit A, which will be appended to the Bylaws of NAESB as an Exhibit, provided that by September 23, 2002, the Wholesale Electric Quadrant satisfies the membership requirements set forth in Section 2.3 of the Bylaws; and

FURTHER RESOLVED, that acceptance of the proposed Quadrant Procedures of the Wholesale Electric Quadrant is subject to the following conditions:

- (1) The proposed revised Quadrant Procedures will be interpreted and applied so that transmission organizations will be viewed as having a legitimate business interest in the Transmission Segment; and
- (2) No later than August 30, 2002, the NAESB Office confirms that the proposed revised Quadrant Procedures reflect the views of at least a majority of the Voting Membership of the Wholesale Electric Quadrant, as described above.

August 2002



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NORTH AMERICAN ENERGY STANDARDS BOARD

RESOLUTION ON PROMOTIONAL DUES FOR THE WHOLESALE ELECTRIC QUADRANT

AUGUST 25 2002

WHEREAS, the North American Energy Standards Board ("NAESB") commenced operations in January 2002, and is now organizing the Quadrant for the Wholesale Electric sector; and

WHEREAS, it has been proposed that the Wholesale Electric Quadrant (WEQ) offer a possibility of voting membership at reduced annual dues to individuals who serve as state commission regulatory staff, state consumer advocates or in a similar capacity, or organizations of state consumer advocates or similar persons (hereinafter "Consumer Advocate Representatives") in the End-User Segment of the WEQ for the two-year period through December 2003; and

WHEREAS, Article VII, Section 1 of the Certificate of Incorporation of NAESB generally requires that the dues for all voting members be the same, except for "promotional dues" approved by the Board of Directors; and

WHEREAS, the Board previously approved a similar limited arrangement for the two Retail Quadrants; now therefore, be it

RESOLVED, that NAESB authorizes promotional dues of \$500 per year for three voting memberships for the End User Segments of the WEQ to Consumer Advocate Representatives that represent end user customers. Such promotional dues shall expire on December 31, 2003. An open season shall be conducted, to close on September 3, 2002, to solicit interest by qualifying consumer advocate representatives through letters of intent. If promotional dues are sought by more than the allowed number of eligible representatives, the representatives shall select from among themselves who shall be permitted voting membership(s). In no case shall such members that have been granted promotional dues be permitted to occupy more than one seat on the Board and Executive Committee of the WEQ, and further

RESOLVED, that NAESB authorizes promotional dues of \$500 per year for three voting memberships for the End User Segments of the WEQ to state regulatory staff or similar entities that represent end user customers. Such promotional dues shall expire on December 31, 2003. An open season shall be conducted, to close on September 3, 2002, to solicit interest by qualifying state regulatory staff representatives through letters of intent. If promotional dues are sought by more than the allowed number of eligible representatives, the representatives shall select from among themselves who shall be permitted voting membership(s). In no case shall such members that have been granted promotional dues be permitted to occupy more than one seat on the Board and Executive Committee of the WEQ.