



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

**North American Energy Standards Board
Board of Directors Meeting
September 23, 2002**



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

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**NORTH AMERICAN ENERGY STANDARDS BOARD
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SEPTEMBER 23, 2002**

WELCOME AND OPENING REMARKS

- The meeting specifics are:

WHERE: Hunt Valley Marriott Hotel
245 Shawan Road
Hunt Valley, MD 21031

Phone: 410-785-7000

WHEN: Monday, September 23, 2002
1:00 p.m. to 5:00 p.m. Eastern

Please feel free to call (713-356-0060) if you have any questions or comments, or additions to the agenda. The materials are posted on the NAESB Home Page in the "Board of Directors" area for attendees to download.

- For further assistance please reach:
Veronica Thomason at (713) 356 - 0060
- The officers presiding over the Executive Committee meeting are:
Bill Boswell - Chairman and CEO
Rae McQuade - Executive Director, COO & Secretary
- The legal representation for NAESB is provided by:
James Costan - NAESB General Counsel

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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NORTH AMERICAN ENERGY STANDARDS BOARD 2002 BOARD TERMS - Wholesale Gas Quadrant

END USER SEGMENT		TERM END:
Jonathan Puckett	Director of Control Operations, Duke Energy North America.	Dec 31, 2004
Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L	Dec 31, 2004
John Procario	Vice President & COO, Cinergy	Dec 31, 2004
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	Dec 31, 2002
Jim Templeton	Principal, Comprehensive Energy Services	Dec 31, 2002
LDC SEGMENT		TERM END:
Bill Boswell	Assistant Secretary, Dominion	Dec 31, 2004
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	Dec 31, 2004
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Dec 31, 2004
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	Dec 31, 2002
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co	Dec 31, 2002
PIPELINE SEGMENT		TERM END:
Terry McGill	Enbridge Energy Company, Inc.	Dec 31, 2004
John Somerhalder	President, El Paso Energy Pipeline Group	Dec 31, 2004
Shelley Corman	Vice President, Enron Transportation Services Company (Transwestern)	Dec 31, 2004
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Dec 31, 2002
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	Dec 31, 2002
PRODUCER SEGMENT		TERM END:
VACANCY	VACANCY	Dec 31, 2004
Allan Knopp	Manager, Regulatory Affairs, Conoco Gas and Power	Dec 31, 2004
VACANCY	VACANCY	Dec 31, 2004
Randy Mills	Regulatory Manager, ChevronTexaco	Dec 31, 2002
Johannes Walzebuck	Natural Gas Commercial Manager, ExxonMobil Gas Marketing Company	Dec 31, 2002
SERVICES SEGMENT		TERM END:
Sylvia Munson	CIO, EnCana Energy Services	Dec 31, 2004
Greg Lander	Principal, CapacityCenter.com	Dec 31, 2004
Rick Lentz	Principal, Tatum CIO	Dec 31, 2002
Lyn Maddox	President & COO, PG&E Energy Group Trading	Dec 31, 2002
Marty Patterson	Senior Vice President, IDACORP Energy	Dec 31, 2002

OFFICERS: Bill Boswell is CEO and 2002 chairman of the Board of Directors. Rae McQuade as Executive Director serves as Secretary and COO. The NAESB REQ and WEQ quadrants have not yet defined their quadrant vice chairmen. The RGQ Quadrant is not considered active at this date.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002 BOARD TERMS - Retail Electric Quadrant

DISTRIBUTOR SEGMENT		TERM END:
Dave Koogler	Director - Regulation & Competition, Dominion Virginia Power (SERC NERC Region).	Dec 31, 2005
Bill Bourbonnais	Manager Rates and Economic Evaluation, Wisconsin Public Service Corporation (MAIN NERC Region)	Dec 31, 2005
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company	Dec 31, 2004
Leonard Haynes	Senior Vice President Marketing, Georgia Power Company (SERC NERC Region)	Dec 31, 2004
END USER SEGMENT		TERM END:
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2004
SERVICES SEGMENT		TERM END:
Misty Ann Khan	Vice President, Telerx Marketing, Inc.	Dec 31, 2005
Stacey Park	Director, The Structure Group	Dec 31, 2005
J Cade Burks	President, EC Power	Dec 31, 2004
John Williams	Chief Executive Officer and Co-founder, 8760.	Dec 31, 2004
SUPPLIER SEGMENT		TERM END:
Helen Burt	Vice President, Customer Operations and Billing, TXU Energy	Dec 31, 2005
Waters Davis	President, Reliant Energy Retail Services	Dec 31, 2005
Gillan Taddune	President Texas Region, Green Mountain Energy	Dec 31, 2004
Richard Zelenko	General Manager, Dominion Retail Inc.	Dec 31, 2004

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002 BOARD TERMS - Wholesale Electric Quadrant

END USER SEGMENT		TERM END¹:
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	Dec 31, 2004/5
James B. Rouse	Associate Director Energy Policy, Praxair, Inc.	Dec 31, 2004/5
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Dec 31, 2004/5
Michael J. Travieso	People's Counsel, Maryland People's Counsel	Dec 31, 2004/5
Ron Jackups	Vice President, Electric System Operations, Cinergy	Dec 31, 2004/5
V A C A N C Y	To be filled from the Regulatory Sub-Segment	Dec 31, 2004/5
LDC SEGMENT		TERM END:
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Dec 31, 2004/5
Jim Miller	Vice President, Southern Company Services Inc.	Dec 31, 2004/5
Ted Humann	Senior Vice President Transmission, Basin Electric Power Cooperative	Dec 31, 2004/5
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Dec 31, 2004/5
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Dec 31, 2004/5
V A C A N C Y	To be filled from the Competitive Retailer Sub-Segment	Dec 31, 2004/5
GENERATION SEGMENT		TERM END:
Forrest E. Reeves	Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration	Dec 31, 2004/5
Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	Dec 31, 2004/5
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Dec 31, 2004/5
David McMillan	Director Market Design, Calpine	Dec 31, 2004/5
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Dec 31, 2004/5
Runoff election for one seat to be decided on September 19, 2002		
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	Dec 31, 2004/5
Charles Griffey	Vice President, Regulatory Planning and Analysis, Reliant Resources	Dec 31, 2004/5
TRANSMISSION SEGMENT		TERM END:
W Terry Boston	Executive Vice President, Tennessee Valley Authority	Dec 31, 2004/5
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	Dec 31, 2004/5
Dale Landgren	Vice President and Chief Strategic Officer, American Transmission Company	Dec 31, 2004/5
Carroll Waggoner	Sunflower Electric Power Corporation	Dec 31, 2004/5
In a runoff election for two seats, to be decided September 19, 2002:		
John H. Zemanek	Vice President Transmission, Entergy	Dec 31, 2004/5
Michael Desselle	Director Public Policy, American Electric Power	Dec 31, 2004/5
Karl Pfirrmann	Vice President Energy Supply, Allegheny Power	Dec 31, 2004/5

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002 BOARD TERMS - Wholesale Electric Quadrant

MARKETER/BROKER SEGMENT		TERM END ¹ :
Steve Oliver	Vice President of Bulk Power Marketing Transmission Services, Bonneville Power Administration /Power Business Line	Dec 31, 2004/5
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	Dec 31, 2004/5
Thomas A. Smith	Manager of Power Marketing, Tri -State Generation & Transmission Association, Inc.	Dec 31, 2004/5
Peter G. Esposito	Senior Vice President and Regulatory Counsel, Dynegy Marketing and Trade	Dec 31, 2004/5
Dowell Hudson	Vice President Special Projects, Energy Markets, Ontario Power Generation	Dec 31, 2004/5
Runoff election for one seat to be decided on September 19, 2002		
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Marketing Inc.	Dec 31, 2004/5
Dave Velazquez	Vice President of Business Planning, Conectiv Energy Supply, Inc.	Dec 31, 2004/5

¹ The members have not yet chosen their term ending dates which would be staggered within each segment – either ending on December 31, 2004 or December 31, 2005



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ANTITRUST GUIDELINES

- NAESB General Counsel Jay Costan will review the antitrust guidelines. The points are:

Antitrust guidelines direct meeting participants to avoid discussion of topics or behavior that would result in anti-competitive behavior including: restraint of trade and conspiracies to monopolize, unfair or deceptive business acts & practices, price discriminations, division of markets, allocation of production, imposition of boycotts, and exclusive dealing arrangements.



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1. ADOPTION OF AGENDA

- The proposed agenda, attached, has been distributed and is available on NAESB's home page.
- The members of the Board of Directors are requested to review the agenda, suggest changes if needed, and vote to adopt the agenda.



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NORTH AMERICAN ENERGY STANDARDS BOARD OF DIRECTORS MEETING Marriott Hunt Valley Inn, Hunt Valley, MD

Monday, September 23, 2002 -- 1:00 p.m. to 5:00 p.m. Eastern

DRAFT AGENDA

- 1:00 p.m.
1. Welcome & Administrative Items
 - Antitrust Guidelines
 - Agenda Adoption
 - Welcome to New Board Members
 2. Adoption of Minutes from June 28, 2002
 3. Quadrant Formation Activities
 - Wholesale Electric Quadrant Revised Procedures
 - September 4, 2002 Filing with the FERC
 - Retail Gas Quadrant Update
 4. Adoption of the NAESB-NERC Letter of Intent, Development of the Memorandum of Understanding
 5. Creation of the Technical Advisory Committee
 6. Parliamentary and Management Committees
 - Appointment of WEQ Parliamentary Committee members
 7. Annual Plans
 - Update on 2002 WGQ Plan, 2002 REQ Plan
 8. Finance Report
 9. Membership Report
 10. Other Business
- 5:00 p.m.
11. Adjourn



**NORTH AMERICAN ENERGY STANDARDS BOARD
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2. ADOPTION OF MINUTES

- **BACKGROUND:** The minutes of June 28, 2002 are posted on the home page for review and are included in these materials for vote to adopt.
- **ACTION:** The members of the Board of Directors are requested to review the draft minutes, suggest additional changes if needed, and vote to adopt as minutes of the meeting.



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September 7, 2002

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB Executive Director
RE: Draft Minutes for the NAESB Board of Directors Meeting June 28, 2002

NORTH AMERICAN ENERGY STANDARDS BOARD OF DIRECTORS MEETING

Boeing Museum of Flight, Seattle, Washington

Friday, June 28, 2002 -- 9:00 a.m. to 1:00 p.m. Pacific Time

Draft Minutes

1. Welcome & Administrative Items

Mr. Boswell welcomed the board members and observers to the Board meeting. Everyone introduced themselves. Ms. Burnett and Boeing were thanked for their sponsorship of this meeting. Mr. Costan reviewed the antitrust guidelines. Mr. Knopp moved, seconded by Mr. Templeton to adopt the agenda as presented. It was adopted unanimously.

2. Adoption of Minutes from March 7, 2002

Mr. Templeton moved, seconded by Mr. Maddox to adopt the minutes of March 7, as presented. There were no changes to the draft minutes offered. The motion carried unanimously.

3. Quadrant Formation Activities

The Retail Electric Quadrant (REQ) has seated its Board and Executive Committee members. They have presented the annual plan and the segment procedures for Board approval today. The Retail Gas Quadrant (RGQ) has developed a draft annual plan and is working towards reaching membership thresholds that would allow elections to be held for the Board and Executive Committee. The Wholesale Electric Quadrant (WEQ) is holding industry meetings to determine the number of segments and sub-segments and also how to incorporate the ISOs/RTOs in the organization. They currently have industry meetings scheduled for July 2 and July 9/10. Mr. Haynes made the motion seconded by Mr. Templeton to provide a July 2 update to the FERC regarding the activities to form the WEQ. The report will be based on WEQ formation preliminary decisions, and Mr. Costan, Mr. Boswell, Ms. McQuade and Mr. Templeton will prepared the report. The motion carried unanimously.

There was discussion on the possibility of establishing a Technical Advisory Council to allow RTOs/ISOs and similar organization an advisory voice in NAESB, in addition to whatever role the formation group might envision, should either the FERC or the RTOs/ISOs want such a council formed. Mr. Templeton moved, seconded by Mr. Patterson and amended by Mr. Maddox:

“Resolved, that upon request of the FERC or upon a request of the representative group of the ISOs/RTOs/or RROs, following the creation of the WEQ, there may be created a technical advisory council to advise the WEQ and the NAESB Board regarding reliability and related market design issues. Such request shall be applicable irrespective of the final configuration of the WEQ.”



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During discussion, it was noted that anyone can still participate in NAESB, but this is an enhancement and more formal role to ensure the ISOs/RTOs and RROs would have a unique role in WEQ standards development. As the WEQ is not operational, the council could not be formed until the quadrant was active and either the FERC or the RTO/ISO group requested that the council be formed. It was further noted that eligibility for membership on the council would be restricted to the ISOs/RTOs and RROs. The RTOs/ISOs and RROs have voiced frustration that they are unable to get their own segment. The FERC has noted that the RTOs/ISOs and RROs should have a specialized and strong voice.

After discussion concluded, the motion passed unanimously.

To offset some of the transition costs realized, the Board discussed invoicing organizations who had signed letters of intent for membership dues, and charging for attendance at meetings. The Board had already approved charging for meetings at the December Board meeting 2001 when the 2002 budget was approved. Ms. Khan motioned and Mr. Templeton seconded reaffirming charging for meeting attendance where needed, and to begin the invoicing process for those organization who had signed letters of intent. The motion passed with one in opposition. Mr. Popowsky expressed reservations that attendees should not be required to pay to attend by conference call.

4. Review of and possible vote regarding the NAESB-NERC Letter of Intent

The background on the Letter of Intent (LOI) was provided by Mr. Boswell. Mr. Drouin, chairman of the NERC Board of Trustees has been given the authority to negotiate the LOI with NAESB regarding communication and coordination protocols. The draft dated June 10 from NERC with some comments is the basis for NERC's negotiation. The motion was made by Mr. Patterson, seconded by Mr. Bourbonnais that:

“Resolved that the Board grants Mr. Boswell as chairman and CEO of NAESB the authority for negotiation of an LOI with Mr. Drouin as the chairman of NERC Board of Trustees, within the boundaries of the specifics of the June 10 draft letter and the one-page aspirational letter.”

During the discussion, it was noted that it is premature to have a Memorandum of Understanding (MOU) as the WEQ is not operational, and that the LOI should not limit the WEQ when it is prepared to work on an MOU with NERC.

At the conclusion of the discussion, the motion passed unanimously.

5. Additional Formation Activities

It was noted that the resolution to form the RGQ should be modified to extend the date for consideration. Mr. Costan offered the following language:

“WHEREAS, the Board of the North American Energy Standards (“NAESB”) accepted Quadrant Procedures for the Retail Gas Quadrant of NAESB at its March 7, 2002 Board meeting on the condition that the Retail Gas Quadrant satisfy the membership requirements set forth in Section 2.3 of the Bylaws by May 7, 2002; and

WHEREAS, the Retail Gas Quadrant has not yet satisfied the membership requirements set forth in Section 2.3 of the Bylaws but believes that it will be able to fulfill such requirements by September 23, 2002;

NOW, THEREFORE, BE IT:



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RESOLVED, that the Board of Directors of NAESB hereby extends the time up through September 23 , 2002 for the Retail Gas Quadrant to satisfy the membership requirements set forth in Section 2.3 of the Bylaws for purposes of acceptance of the Quadrant Procedures adopted by the Retail Gas Quadrant."

The motion was made by Mr. Bourbonnais and seconded by Mr. Templeton to adopt the above motion. It carried unanimously.

For segment procedures proposed by the REQ quadrant for adoption by the Board, the motion was made by Mr. Koogler and seconded by Mr. Templeton that:

WHEREAS, the Board of Directors of the North American Energy Standards ("NAESB") accepted Quadrant Procedures for the Retail Electric Quadrant at its March 7, 2002 Board meeting; and

WHEREAS, the Retail Electric Quadrant has proceeded with the identification and population of four Segments: Distributors, Suppliers, Service Providers, and End Users; and

WHEREAS, the Segments of the Retail Electric Quadrant have adopted Segment Procedures, which have now been reviewed by the General Counsel of NAESB, and the General Counsel has found that such Segment Procedures are not inconsistent with the Certificate of Incorporation and Bylaw of NAESB; and

WHEREAS, Section 19.3 of the Bylaws of NAESB provides for Board approval of Segment Procedures as part of the formation of new Quadrants of NAESB;

NOW, THEREFORE, BE IT:

RESOLVED, that the Board of Directors of NAESB hereby accepts the Segment Procedures for the Distributor, Supplier, Service Provider, and End User Segments of the Retail Electric Quadrant of NAESB.

The motion passed unanimously.

6. Annual Plans

Mr. Buccigross reviewed both the WGQ and the REQ annual plans. No changes are requested for the Board to approve on the WGQ annual plan. For the REQ annual plan, Ms. Khan made the motion seconded by Mr. Burks that the REQ plan be adopted by the Board. The Credit Worthiness item on the plan was questioned as within scope. After discussion it was determined that the plan is adopted as presented. All were in favor.

7. Parliamentary Committee

Mr. Boswell noted that the Parliamentary Committee will become active after at least three quadrants are operational and he has appointed their members. He asked for volunteers for the REQ and WGQ quadrants.

There was discussion on modifying the GISB Operating Practices to reflect the change to NAESB and conforming modifications, which could then serve as preliminary NAESB Operating Practices until the Parliamentary Committee has had an opportunity to review the practices. Mr. Mills made the motion seconded by Mr. Templeton to adopt the interim operating procedures. All were in favor.

8. Finance Report

Ms. McQuade and Ms. Wishart gave the finance report. The chart of accounts is designed to tracking quadrant activities separately. There were no questions on the report.



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9. Membership Report

Ms. McQuade reviewed the membership report and noted that there has been shifting of members from the WGQ to other quadrants. Other than the shifting to other quadrants, the membership loss in the WGQ is tacking with changes experienced over the last several years.

10. Other Business

The American Arbitration Association is considering joining NAESB. It provided materials for the Board members at the Board meeting. Mr. Maddox presented a Deloitte and Touche presentation on the industry's financial health. The focus of the presentation was that the industry needs to restore confidence in the market place.

11. Executive Session of Board members only

The Board went into an executive session to discuss compensation and benefits issues.

12. Adjourn

The meeting adjourned and lunch was served from noon to 1:00 p.m.



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13. Attendance:

Wholesale Gas Quadrant Board Members

Jonathan Puckett	Director of Control Operations, Duke Energy North America.	
Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L	Present
John Procario	Vice President & COO, Cinergy	By Phone
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	
Jim Templeton	Principal, Comprehensive Energy Services	Present
Bill Boswell	Assistant Secretary, Dominion	Present
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	By Phone
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	By Phone
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	By Phone
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co	
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John Somerhalder	President, El Paso Energy Pipeline Group	
Shelley Corman	Vice President, Enron Transportation Services Company (Transwestern)	By Phone
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	By Phone
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	
Allan Knopp	Manager, Regulatory Affairs, Conoco Gas and Power	By Phone
Randy Mills	Regulatory Manager, ChevronTexaco	Present
Stan Hemmeline	Manager, North America - West, ExxonMobil Gas Marketing Company	By Phone
Sylvia Munson	CIO, PanCanadian Energy Services (PanTech)	By Phone
Greg Lander	Principal, CapacityCenter.com	
Rick Lentz	Principal, Tatum CIO	By Phone
Lyn Maddox	President & COO, PG&E Energy Group Trading	Present
Marty Patterson	Senior Vice President, IDACORP Energy	Present

Retail Electric Quadrant Board Members

Dave Koogler	Director - Regulation & Competition, Dominion Virginia Power (SERC NERC Region).	Present
Bill Bourbonnais	Manager Rates and Economic Evaluation, Wisconsin Public Service Corporation (MAIN NERC Region)	Present
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company	Present
Leonard Haynes	Senior Vice President Marketing, Georgia Power Company (SERC NERC Region)	By Phone
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Present
Misty Ann Khan	Vice President, Telerx Marketing, Inc.	Present
Stacey Park	Director, The Structure Group	Present
J Cade Burks	President, EC Power	Present
John Williams	Chief Executive Officer and Co-founder, 8760.	Present
Helen Burt	Vice President, Customer Operations and Billing, TXU Energy	
Waters Davis	President, Reliant Energy Retail Services	By Phone



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Richard Zelenko	General Manager, Dominion Retail Inc.	By Phone
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NAESB Administrative

Rae McQuade	NAESB	
Veronica Thomason	NAESB	
JoAnn Garcia	NAESB	By Phone
Darla Wishart	Checks and Balances	
James Costan	McGuireWoods	
Lawrence Hoffson	Hoffman Paulson	

Observers

Bill Gryar	CMS Energy Group	
Mike Bray	Shell Gas Transmission	
Heidi Schrab	Green Mountain	
Alex DeBoissiere	Midwest ISO	
Matt Smith	Cinergy	
Kurt Conger	APPA and Seattle City	
Tina Burnett	Boeing	HOST
Jim Buccigross	8760	PRESENTER
Lisa Szot	CAISO	
Suzanne Calcagno	UBS Warburg Energy	
Theresa Hess	Reliant Energy Retail	
Ruth Kiselewich	Baltimore Gas & Electric	
Jeff Anthony	Wisconsin Electric -Wisconsin Gas	By Phone
Mariam Arnaut	American Gas Association	By Phone
Cherie Broadrick	Ercot	By Phone
Kenneth Brown	Public Service Electric & Gas Co	By Phone
Joanne Garcia	Naesb Houston	By Phone
James Hartwell	North East Power Coordinating Counsel	By Phone
David McMillan	Calpine	By Phone
Kim Van Pelt	Panhandle Eastern Pipeline	By Phone
Randy Young	Gulf South Pipeline Company	By Phone



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

3. QUADRANT FORMATION ACTIVITIES

- **BACKGROUND:** The revised procedures of the Wholesale Electric Quadrant (WEQ) were adopted by the Board notationally, and the procedures and legal opinion are attached.
- **BACKGROUND:** An update report provided to the FERC on September 4 regarding the formation activities of the WEQ is provided.
- **BACKGROUND:** Work with EPRI on the CIMS model, the Utility Industry Group and the Electronic Scheduling Collaborative is underway to best determine how to coordinate standard development work efforts.
- **BACKGROUND:** The RGQ has been in a membership drive and has been forming a recommended annual plan for 2002-2003 (attached).
- **ACTION:** No board action is required at this time.



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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.



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

NORTH AMERICAN ENERGY STANDARDS BOARD

RESOLUTION TO ACCEPT PROPOSED REVISED QUADRANT PROCEDURES OF THE WHOLESALE ELECTRIC QUADRANT AUGUST 25, 2002

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; and

WHEREAS, the NAESB Wholesale Electric Quadrant has adopted Quadrant Procedures, which were accepted by the Board of NAESB in late July 2002, and has now proposed revised Quadrant Procedures, attached hereto as Exhibit A, which it asks 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 shall 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 shall 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 (by vote or otherwise) 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

TO: NAESB Board of Directors
Jim Buccigross, EC Chair
Rae McQuade, Executive Director

FROM: Jay Costan

DATE: August 23, 2002

RE: Review of Proposed Revisions to Quadrant Procedures for the Wholesale Electric Quadrant

This will set forth my opinion on whether the proposed revised Quadrant Procedures recently transmitted from Wholesale Electric Quadrant ("WEQ") members meet the test of being "not inconsistent with the Certificate and Bylaws of NAESB," thus making them eligible for acceptance by the NAESB Board of Directors.

I conclude that the proposed revised WEQ Quadrant Procedures meet the applicable test, subject to two caveats described below. First, as outlined in my analysis of the initial WEQ Procedures dated July 14, 2002, the revised procedures must be interpreted and applied in such a way as not to exclude any entity with a legitimate business interest in the wholesale electric sector from joining a Segment and Sub-segment of the WEQ and running for a seat on the Board of Directors or Executive Committee from such Segment and Sub-segment. This requirement is particularly important to transmission organizations (i.e. RTOs RROs, ISOs, IMOs and the like), which should be permitted to join the Transmission Segment of the WEQ. Although the revised WEQ Procedures provide some clarification with regard to membership in the WEQ by "service providers," they provide no additional detail regarding how transmission organizations are to be treated. Accordingly, the required interpretation set forth in my July 14, 2002 memorandum and approved by the Board remains in effect, meaning that transmission organizations must, at a minimum, be permitted to join the Transmission Segment. As well, they may join any other Segment in which they have a legitimate business interest.

The second caveat on acceptance of the proposed revised procedures is that the Board needs to be assured that these revisions reflect the views of at least a majority of the Voting Membership of the WEQ. Although a majority of the Directors selected from the WEQ will be able to adopt and amend the procedures once WEQ elections are held, in the absence of Directors, the Board needs to have the assurance that the proposed revisions reflect the desires of at least a majority of the WEQ Voting Membership. Because the proposed revised procedures do not themselves state what members of the WEQ voted in favor of them, it is unknown whether they enjoy the support of a majority of the Voting Membership of the WEQ. As a result, it will be necessary for the

NAESB office to canvass the Voting Membership of the WEQ to assure majority support. In so doing, it would seem appropriate to base the canvass on Voting Members who have already paid their dues or who have submitted binding letters of intent.

With these two caveats, I believe that the revised procedures are not inconsistent with the NAESB Certificate and Bylaws and should therefore be accepted by the Board. Attached hereto is a draft resolution that addresses acceptance of the proposed revised procedures of the WEQ subject to the two conditions identified above.

* * * * *

Provided below are suggested comments to the WEQ on its revised Quadrant Procedures. These are not necessary to the Board's consideration of the attached resolution calling for conditional acceptance of the revised procedures, but are supplied solely as an aid to help the WEQ in interpreting its procedures and in drafting additional procedures consistent with the NAESB Certificate and Bylaws.

1. Sections 2.1 and 2.2 appear to be superfluous, since they merely track the NAESB Bylaws. It may be useful to strike them. One danger of retaining these provisions is that the NAESB Bylaws might change, which could create an inconsistency with Sections 2.1 and 2.2. The Bylaws always control, but there is no need to create potential confusion. Our advice to the other Quadrants in developing procedures, which they accepted, was to avoid repeating the provisions of the Bylaws in the text of their procedures.
2. The reference in the title of Section 6 to "Addendum to NAESB Bylaws – Article 6" is confusing and should be stricken. The NAESB Bylaws take precedence over Quadrant procedures and any procedure that purports to have the same weight as a Bylaw provision is invalid and of no effect.
3. The note in Section 5.1C regarding the need to include an appeals procedure is probably a good idea. One suggestion would be to allow an appeal to the WEQ Directors, in coordination with the NAESB General Counsel.
4. The description of eligibility criteria for members of the Board in Sections 7.2 A. 5. fails to mention "agents" of Voting Members of NAESB, who are eligible to serve on the Board under Section 7.2 of the Bylaws. The same holds true for members of the Executive Committee, as described in Section 10.2 A. 5. of the proposed revised procedures. As noted above, the better course here might be simply to reference the eligibility requirements in the Bylaws, as they are controlling in any event.
5. The WEQ Directors will need to elect one of their members as Quadrant Vice Chair of the Board. A provision may be added to the WEQ

procedures to address selecting a Vice Chair of the WEQ Directors, similar to the provision regarding the EC found in Section 10.3 E.

6. The provision in Section 10.9 E. regarding procedures governing joint meetings is acceptable, albeit unnecessary, provided it is interpreted so that NAESB Operating Procedures (which are matters of governance adopted by the Board of Directors) take precedence over operating procedures adopted and approved within the EC structure. It may be helpful to make this clarification explicit in Section 10.9 E, or simply to eliminate the provision altogether.

August 22, 2002

Rae McQuade
Executive Director
North American Energy Standards Board
1111 Louisiana
Houston, Texas 77002

Dear Rae:

Enclosed with this letter is an interim set of procedures for the newly formed wholesale electric quadrant (WEQ) of NAESB. This interim set of procedures specifically focuses on governance and voting aspects for the WEQ. Final detailed quadrant procedures will be forthcoming; however these interim procedures are being sent now to allow them to be put in place by September 4, 2002. Signatories to this letter (the Signatories), representatives of a broad industry consensus developed during the WEQ formation process, respectfully request that the NAESB Board approve these procedures on a notational basis in order that they may be in place for upcoming initial elections for the WEQ Executive Committee and members of the Board.

The quadrant procedures advanced with this letter are intended to allow the elections to take place under those principles approved at the formation process meeting in Wilmington, Delaware. We view them as a critical part of quadrant governance in that they address the subsegment issues that formed the basis of the Wilmington consensus agreement. In addition, we view the procedures as responsive to the conditions that the NAESB Board included in its July 29 approval of quadrant governance. Consistent with NAESB policy, we request that these procedures be posted to the WEQ website.

We note for your attention several issues. First, these procedures do not cover all circumstances in which vacancies could exist on the WEQ Executive Committee or the WEQ portion of the Board. A gap may exist during the transition period between initial formation and when the proposed provision for vacancies of the WEQ would become effective. Such a circumstance may afford a disproportionate influence to a particular interest or allow a subsegment to block action. In the event that such an unusual circumstance does arise, WEQ membership will bring the matter to the attention of the Board for immediate resolution.

Second, the Signatories broadly support the establishment of promotional dues for state consumer advocates and state utility commissions in a manner consistent with previous Board approval for such promotional dues memberships in the retail electric quadrant (REQ). Further, the Signatories support modifications of REQ promotional memberships applicable for the WEQ by establishing six promotional dues memberships, three for consumer advocacy offices and three for state utility commissions, for a period of at least two years.

Third, the Signatories appreciate that NAESB recognizes through its Letter of Intent (LOI) with the North American Electric Reliability Council (NERC) that standards to be developed for the Wholesale Electric Industry may have both reliability and business practice implications and, as such, standards development must be coordinated. The Signatories believe that the details of such coordination, as contemplated in the LOI with NERC and as yet to be developed with other organizations such as Regional Transmission Organizations (RTOs/ISOs), must be embodied in the WEQ procedures which we are in the process of developing on behalf of the WEQ membership. Accordingly, it is our view that the WEQ Executive Committee and Membership must be active participants in the development of the MOU to be ultimately approved by the NAESB Board. To accomplish this, we recommend that, upon election, the WEQ Executive Committee immediately establish a task force from the WEQ membership for this express purpose. The Signatories look forward to working with NAESB and WEQ leadership in this effort.

Finally, we note that these interim procedures represent the results of the Signatories' collaborative effort to achieve consensus. The Signatories represent that these interim procedures have the overwhelming support of the Signatories and of those of our members who have made their views known. However, in some instances unanimous support was not achieved. Accordingly, no Signatory or WEQ participant waives its legal rights with respect to any aspect of these procedures to take whatever appropriate action it deems necessary.

As indicated by NAESB in various recent announcements, we expect elections for quadrant governance to begin the first week in September, making it critically important that the NAESB Board approve the enclosed procedures by the end of August. To ensure that the Board timely considers and approves these procedures, please contact Michael Desselle of American Electric Power (214-777-1826) or Barry Lawson of the National Rural Electric Cooperative Association (703-907-5781) to the extent you have any questions or need additional clarifying information with regard to the procedures accompanying this letter.

On behalf of our constituent members, signatories to this letter appreciate the opportunity to independently establish the procedures within NAESB that will govern the development of business standards for the wholesale electric industry.

Our members expect to participate fully within NAESB, and look forward to continuing to lead the development of all procedures that the quadrant views as necessary for an open and orderly standards development process.

Sincerely,

S/

Allen Mosher
American Public Power Association

S/

Syd Berwager
Bonneville Power Administration

S/

David K. Owens
Edison Electric Institute

S/

John Anderson
Electricity Consumers Resource Council

S/

Mark Bennett
Electric Power Supply Association

S/

Charles Gray
National Association of Regulatory Utility Commissioners

S/

S/

Charlie Acquard
National Association of State Utility Consumer Advocates

S/

Dave Mohre
National Rural Electric Cooperative Association

S/

Gary Harper
Salt River Project

S/

Bob Goss
Southeastern Power Administration

S/

Stan Mason
Southwestern Power Administration

S/

Gary Jackson
Tennessee Valley Authority

S/

Mark Fidrych
Western Area Power Administration

WEQ Procedures

August 22, 2002

Page 5

S/

Karl Tammar

New York Independent System Operator

North American Energy Standards Board

Bylaws Addendum

Exhibit 2

Wholesale Electric Quadrant Procedures

Section 1 Definitions

1.1 Definitions Included In NAESB Bylaws

All capitalized terms, if not defined in Section 1.2, shall have the same definitions as specified in the Bylaws or Certificate of Incorporation (Certificate) of NAESB.

1.2 Definitions for the Purposes of this Exhibit

- A.** “Entity” means an individual, partnership, firm, corporation or organization who is a Member of the WEQ.
- B.** “IOU” means an investor owned utility who has substantial business interest in owning and/or operating any two of the following three asset categories --- generation, transmission, distribution.
- C.** “Segment Membership” means the Segment Members collectively.
- D.** “Segment Procedures” means the procedures attached to this document as exhibits for each of the Segments, as amended.
- E.** “Services” means providers of services to participants in the wholesale electric industry, which would include, but not be limited to, software providers, consultants and other Entities not otherwise considered to be a Transmission, Generation, Marketer/Broker, Distribution/Load-Serving Entity or End-User.
- F.** “Sub-Segment” means the allocation of Board and EC seats as shown on Attachment A.
- G.** “Sub-Segment Principles” means the principles described in Section 2.4 of these Procedures.
- H.** “Sunrise” means Sub-Segments may be revisited at any time, but no later than three (3) years from WEQ formation approval by the NAESB Board. Changes to Sub-Segments require a 75% affirmative vote from the WEQ Membership Segment.
- I.** “WEQ” means the Wholesale Electric Quadrant.
- J.** “WEQ Designated Alternates” mean the group of WEQ Memberships selected by each WEQ Membership Segment’s Sub-Segment to serve in the stead of WEQ EC Members who are unable to attend EC meetings.
- K.** “WEQ EC” means the Executive Committee of the WEQ.
- L.** “WEQ Membership” means the Voting Members of the WEQ collectively.
- M.** “WEQ Segment” means one of five (5) co-equal membership Segments of the NAESB WEQ, representing the following *functions* that exist in the operation of the

wholesale electric industry: **Transmission; Generation; Marketers/Brokers; Distribution/Load Serving Entities; End User.**

Section 2 Purpose, Scope, Activities and Policies

2.1 Purpose, Scope and Activities

A. Purpose

The purpose of the WEQ of NAESB is to propose, evaluate and adopt voluntary Standards that apply to business practice Standards, Model Business Practices and communication protocols which include, but are not limited to, electronic data interchange (“EDI”) record formats. All Standards shall be designed to promote more competitive, efficient and reliable wholesale electric service.

B. Scope and Activities

The WEQ is concerned with activities necessary or desirable to achieve the objectives and purposes of the commercial aspects of the wholesale electric industry, and are appropriate to the operation of the wholesale electric market.

The WEQ will work closely with other NAESB Quadrants to strive for consistency where proposed business practice Standards, Model Business Practices and communication protocols affect those other Quadrants.

2.2 Policies

The WEQ shall comply with the policies and procedures specified in the Bylaws and Certificate of NAESB. Further, the WEQ will recognize the Memorandum of Understanding (MOU) between NAESB’s WEQ and the North American Electric Reliability Council (“NERC”), once agreed upon between the two parties, and recognize the FERC and Canadian provincial jurisdiction over many of the parties to this agreement while executing activities of this body.

2.3 Segment Organization and Description

The WEQ shall be composed of five Segments: (1) Transmission, (2) Generation, (3) Marketers/Brokers, (4) Distribution/Load Serving Entities and (5) End Users. Each prospective Member of the WEQ shall declare the Segment(s), and if applicable, the Sub-Segment, with which they have a legitimate business interest and are to be identified.

A. Transmission

Any Entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.

B. Generation

Any Entity engaged in the activity of owning and/or operating wholesale

electric generation facilities in North America.

C. Marketers/Brokers

Any Entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

D. Distribution/Load-Serving Entities

Any Entity engaged in the activity of electric power sales and/or delivery to end use customers in North America, or any Entity designated to represent a distribution utility.

E. End Users

Any Entity in North America that is an end use consumer of electricity, engages in electricity regulation, or represents customer interests, or any Entity designated to represent an end user.

2.4 Sub-Segment Principles

The WEQ shall use the following principles to develop Sub-Segments for each Segment. These principles shall continue to be used for future Sub-Segment development. Sunrise rules will apply to the Sub-Segments. The Segment organization will operate under the following Sub-Segment Principles:

- A. No single business interest can by itself pass a Standard.
- B. All appropriate interests are represented.
- C. No Sub-Segment may alone block action.

2.5 Sub-Segment Organization

See Attachment A

Section 3 Reserved

Section 4 Reserved

Section 5 Members

5.1 Voting Members

A. Membership

Membership and voting rights in the WEQ shall be open to any person or legal Entity that:

1. Has an active, significant business interest in the wholesale electric market or is the representative or Agent of such a person or Entity, and
2. Is current in payment of its membership dues.

B. Multiple Memberships Per Quadrant

Memberships in multiple Segments of the WEQ are permissible for any

Entity, provided each membership is filed and declared with NAESB, the Entity meets the membership requirements of each Segment joined, membership dues are paid for each Segment and different company personnel are used for each Segment's activities.

C. Segment and Sub-Segment Qualification

Upon joining the NAESB WEQ, the Entity must identify a Segment and Sub-Segment, in accordance with Section 2.3 and the Sub-Segment allocation shown in Attachment A, that it feels most closely aligns with its business interest. If membership in the Segment or Sub-Segment is challenged, participation by this Entity can be barred by a 67% affirmative vote of the Segment and Sub-Segment. If an Entity is disallowed, reselection of Segment and Sub-Segment will be required. *(an appeals process needs to be added to this topic)*

D. Multiple Corporate Memberships

An Entity may join and vote in all Segments for which it is qualified and for which its membership dues are current. Multiple companies under common control within a corporate organization that desire to become Voting Members must join individually. Members cannot extend their WEQ Membership to their parent company, affiliates, or subsidiaries.

E. Service Entities

Service Entities will be viewed as having a legitimate business interest in any Segment and Sub-Segment to which they directly provide service by contracting primarily with Segment and Sub-Segment Membership.

Section 6 Meetings of the Members – Addendum to NAESB Bylaws -Article 6

All meetings held in association with the NAESB organization, or the WEQ, are open to any interested Entity and will be held in accordance with the NAESB Operating Procedures. From time to time, there may be joint meetings of the WEQ with other Quadrants within NAESB, and Segments may meet jointly to transact Quadrant business. Only EC, Board and the WEQ Membership ratification process is limited to Voting Members.

Section 7 Board

7.1 Board Representation

The membership of each WEQ Sub-Segment shall elect representatives to the Board from its Sub-Segment in accordance with the NAESB Bylaws, Certificate, and these WEQ Procedures.

7.2 Qualifications of Board Members

A. Eligibility

To be eligible to serve as a NAESB Board Member from the WEQ, a nominee must:

1. Have a working knowledge of the NAESB process,
2. Be willing to commit the time and resources necessary,
3. Have the authority to fulfill the obligations as a Board representative,
4. Be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 9.7(f), and any other applicable provisions, as set forth in the NAESB Bylaws and
5. Be a Voting Member, or a partner in, or an officer or employee of, a Voting Member of the WEQ.

B. One Member, One Seat Per Segment

No two Board Members from the same or affiliated companies can be elected to the Board from the same Segment.

C. One Office Per Member Representative

No Board Member elected from the WEQ may hold both a Board seat and an EC seat concurrently in the WEQ or any other NAESB Quadrant. If a WEQ EC Member is elected as a Board Member from the WEQ, the WEQ EC seat is vacated immediately upon the EC Member's assumption of the Board position.

7.3 Number and Election of Board Members

A. Number of Board Members

The WEQ shall elect thirty (30) Board Members. Each Segment of the WEQ will elect six (6) Board Members, in accordance with the Sub-Segment allocation shown in Attachment A of the WEQ Procedures. Vacant seats are subject to Section 7.5 C of these WEQ Procedures.

B. Election of Board Member

Nominations for and election of Board Members will be in accordance with the Sub-Segment allocation shown in Attachment A. Only Voting Members of the particular Sub-Segment for which the Board seat is being sought are allowed to vote in this process.

C. Segment Procedures

In preparation for any election of Board Members, other than initial Board Members:

1. Nominations may be made at or prior to the close of the WEQ nomination period by any appropriate Sub-Segment Member by submitting the candidate names to the NAESB Office in accordance with the NAESB Operating Procedures.
2. All Board nominees shall meet the personal and membership eligibility

requirements set out in these WEQ Procedures. NAESB shall confirm that a nominee meets the Board eligibility requirements.

3. All eligible nominees shall state in writing their willingness to accept the responsibility of serving as a Board Member, prior to the submission of their names to the Sub-Segment WEQ Membership at the election.

4. The WEQ Board nomination period shall end 30 days prior to the commencement of the election period. This deadline may be extended. All nominations will be in writing.

5. Any WEQ Sub-Segment Voting Member who is current in the payment of its membership dues is eligible to one vote per open Sub-Segment seat. The ballot shall contain the names of all eligible nominees.

6. The candidates receiving the greatest number of votes shall be elected.

D. Timing of Elections

The election of Board Members shall occur concurrently for all Segments of the WEQ.

7.4 Term of Office

A. Terms

Board Members shall be elected for two-year terms, with half of the terms expiring in alternating years. The initial selection shall be by lottery, providing that Sub-Segments with two (2) seats may only have one seat expire per year.

1. Group A Board Member terms will expire in odd numbered years.

2. Group B Board Member terms will expire in even numbered years.

3. The initial WEQ Board Members shall be seated at the NAESB annual meeting. Subsequent new WEQ Board Members shall be seated at one (1) year intervals following this date.

B. Limit on Number of Terms of Office

Board Members from the WEQ may run for re-election without restriction on the number of terms held.

C. Change of Affiliation

In the event that a WEQ Board Member changes affiliation, the Board seat will become vacant and open for re-election as prescribed in Section 7.5 of these WEQ procedures.

7.5 Vacancies

A. A person shall cease to be a Member of the Board upon (1) the Board Member's resignation, removal, or death; (2) term expiration; or (3) the resignation or lapse, through a delinquency in payment of the membership dues, of the Segment Membership of the Entity that the Board Member

represents. A vacancy shall be filled for the remainder of that term in accordance with Section 7.5 B & C of these WEQ Procedures.

- B. In the event that a Board Member resigns or otherwise vacates a seat, and less than 90 days remain in the term of office, the Board seat will remain vacant until the next election period.
- C. If any one seat on the Board is vacant, the respective Sub-Segment will conduct nominations and elections to fill that seat. If, after ninety (90) days the seat is still vacant, that seat will be designated an “At Large” seat and the Segment will hold elections to fill that seat conforming to the Sub-Segment Principles. If that seat is still vacant within another ninety (90) days (180 days total) the voting rights of that “At Large” seat will be suspended. The Segment will be expected to re-organize with new Sub-Segments consistent with the six (6) Board seats, six (6) EC seats, and Sub-Segment Principles. The new sub-segmentation will become effective on approval by 75% of the Segment and then 67% of the WEQ Membership with the rights of the Board Members and EC Members effective under the new Sub-Segment designations. If the Segment is unable to develop new Sub-Segments within another ninety (90) days, an affirmative vote of 67% of the WEQ Membership is needed within the next ninety (90) days to develop the new Sub-Segments for the Segment consistent with the Sub-Segment Principles.

7.6 Removal of WEQ Board Members by WEQ Membership - Reserved

7.7 Resignation of Members of the Board

A Member of the Board may resign his or her position by submitting a letter to the Secretary of NAESB with a copy to the Board Chair stating that he or she is resigning and giving the effective date of the resignation.

Section 8 Reserved

Section 9 Reserved

Section 10 Executive Committee

10.1 EC Representation

The membership of each WEQ Sub-Segment shall elect representatives to the EC from its Sub-Segment in accordance with the NAESB Bylaws, Certificate, and these WEQ Procedures.

10.2 Qualifications of EC Members

A. Eligibility

To be eligible to serve as a NAESB EC Member from the WEQ, a

nominee must:

1. Have a working knowledge of the NAESB Process,
2. Be willing to commit the time and resources necessary,
3. Have the authority to fulfill the obligations as an EC representative,
4. Be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 10.4(j), and any other applicable provisions, as set forth in the NAESB Bylaws and
5. Be a Voting Member, or a partner in, or an officer or employee of, a Voting Member of the WEQ.

B. One Member, One Seat Per Segment

No two EC Members from the same or affiliated companies can be elected to the EC from the same Segment.

C. One Office Per Member Representative

No EC Member elected from the WEQ may hold both a Board seat and an EC seat concurrently in the WEQ or any other NAESB Quadrant. If a WEQ EC Member is elected as a Board Member from the WEQ, the WEQ EC seat is vacated immediately upon the EC Member's assumption of the Board position.

10.3 Number and Election of EC Members

A. Number of EC Members

The WEQ shall elect thirty (30) EC Members. Each Segment of the WEQ will elect six (6) EC Members, in accordance to the Sub-Segment allocation shown in Attachment A of the WEQ Procedures. Vacant seats are subject to Section 10.5 C of these WEQ Procedures.

B. Election of EC Members

Nominations for and election of all EC Members will be in accordance with the Sub-Segment allocation shown in Attachment A. Only Voting Members of the particular Sub-Segment for which the EC seat is being sought are allowed to vote in this process.

C. Segment Procedures

In preparation for any election of EC Members, other than initial EC Members:

1. Nominations may be made at or prior to the close of the WEQ nomination period by any appropriate Sub-Segment Member by submitting the candidate names to the NAESB Office in accordance with the NAESB Operating Procedures.
2. All EC nominees shall meet the personal and membership eligibility requirements set out in these WEQ Procedures. NAESB shall confirm that

a nominee meets the EC eligibility requirements.

3. All eligible nominees shall state in writing their willingness to accept the responsibility of serving as an EC Member, prior to the submission of their names to the Sub-Segment WEQ Membership at the election.

4. The WEQ EC nomination period shall end 30 days prior to the commencement of the election period. This deadline may be extended. All nominations shall be in writing.

5. Any WEQ Sub-Segment Voting Member who is current in the payment of its membership dues is eligible to vote per open Sub-Segment seat. The ballot shall contain the names of all eligible nominees.

6. The candidates receiving the greatest number of votes shall be elected.

D. Timing of Elections

The election of EC Members shall occur concurrently for all Segments of the WEQ.

E. Officers of the WEQ EC

The WEQ EC shall elect a Chair, a Vice Chair and a Secretary who shall serve for a period of one (1) calendar year. The Chair, and in his or her absence the Vice Chair, shall preside over the meetings of the WEQ EC. The secretary shall record and post the minutes of meetings.

F. Chair Rotation

At the expiration of the term of office of the current WEQ EC chair, the WEQ EC shall elevate the prior-year Vice Chair of the WEQ EC to Chair of the WEQ and shall elect a new Vice Chair. If the Vice Chair is vacant at the time of the first meeting of a new operating year, both a Chair and Vice Chair will be elected.

10.4 Term of Office

A. Terms

EC Members shall be elected for two-year terms, with half of the terms expiring in alternating years. The initial selection shall be by lottery, providing that Sub-Segments with two (2) seats may only have one seat expire per year.

1. Group A EC Member terms will expire in odd numbered years.
2. Group B EC Member terms will expire in even number years.
3. The initial WEQ EC Members shall be seated at the NAESB annual meeting. Subsequent new EC Members shall be seated at one (1) year intervals following this date.

B. Limit on Number of Terms of Office

EC Members from the WEQ may run for re-election without restriction on the number of terms held, provided that the position of the Chair, Vice

Chair and Secretary shall have a term limit of one year each.

C. Change of Affiliation

In the event that the EC Member changes affiliation, the EC seat will become vacant and open for re-election as prescribed Section 10.5 of these WEQ Procedures.

10.5 Vacancies

- A. A person shall cease to be a Member of the EC upon (1) the EC Member's resignation, removal, or death; (2) term expiration; or (3) the resignation or lapse, through a delinquency in payment of the membership dues, of the Segment Membership of the Entity that the EC Member represents. A vacancy shall be filled for the remainder of that term in accordance with the Segment Procedures.
- B. In the event that an EC Member resigns or otherwise vacates a seat, and less than 90 days remain in the term of office, the EC seat will remain vacant until the next election period and the respective Sub-Segments Designated Alternate will serve until a new EC Member is elected.
- C. If any one seat on the EC is vacant, the respective Sub-Segment will conduct nominations and elections to fill that seat. If, after ninety (90) days the seat is still vacant, that seat will be designated an "At Large" seat and the Segment will hold elections to fill that seat conforming to the Sub-Segment Principles. If that seat is still vacant within another ninety (90) days (180 days total) the voting rights of that "At Large" seat will be suspended. The Segment will be expected to re-organize with new Sub-Segments consistent with the six (6) EC seats, six (6) Board seats, and Sub-Segment Principles. The new sub-segmentation will become effective on approval by 75% of the Segment and then 67% of the WEQ Membership with the rights of the Board Members and EC Members effective under the new Sub-Segment designations. If the Segment is unable to develop new Sub-Segments within another ninety (90) days, an affirmative vote of 67% of the WEQ Membership is needed within the next 90 days to develop the new Sub-Segments for the Segment consistent with the Sub-Segment Principles.

10.6 Removal of WEQ EC Members - Reserved

10.7 Resignation of Members of the EC

A Member of the WEQ EC may resign his or her position by submitting a letter to the Secretary of NAESB with a copy to the WEQ EC Chair stating that he or she is resigning and giving the effective date of the resignation.

10.8 Designated Alternates

Each Segment's Sub-Segment of the WEQ may develop and approve a list of individuals to serve as Designated Alternates and will give such list to the NAESB office in accordance with the NAESB Bylaws.

A. Authority

Persons presenting themselves at an EC meeting as Designated Alternates will be accepted as a participant provided that:

1. No two EC Members and Designated Alternates from the same Voting Member can represent a Segment at an EC meeting.
2. He or she has been designated to attend by an absent EC Member from his/her Segment's Sub-Segment
3. The WEQ EC Member from that Segment either indicates to the NAESB Office, EC Chair or Vice Chair that the EC Member will be absent, or is in fact absent and remains absent, and
4. The name of the Designated Alternate is on a list of approved Designated Alternates selected by the appropriate Sub-Segment Membership according to these WEQ Procedures, and is on file with the NAESB Office.

10.9 EC Meetings

A. WEQ EC Meetings

1. WEQ EC meetings shall be held at times and locations determined by the Chair or Vice Chair of the WEQ EC. Meeting notices shall specify when in-person attendance is required, provided that in-person attendance shall not be required to vote.
2. The secretary of the WEQ EC shall record the minutes of meetings. In the event that the secretary is unavailable, the Chair of any WEQ EC meeting will designate a WEQ EC Member to record minutes of meetings.

B. Notices

The WEQ EC secretary shall post advance meeting notices and agenda on the NAESB website and transmit same in writing, by facsimile, e-mail, or other electronic means to all WEQ EC Members. Unless under extreme circumstances, meeting notices shall provide at least 10 days notice of the meeting.

B. Voting

1. The WEQ EC shall practice Balanced Voting and record voting results.
2. Each WEQ EC Member may participate and vote in EC meetings by

notational ballot. Every notational ballot shall be executed in writing by the WEQ EC Member or by his or her duly authorized attorney in fact and filed with the Secretary of NAESB.

3. Notational voting shall be permitted in accordance with the NAESB Bylaws, Section 10.4 (k)(i-iii).

D. Joint EC Meetings

In the event that the EC of the WEQ meets jointly with an EC of another NAESB Quadrant, the choice of Quadrant EC Chair presiding over the joint meeting will be determined by the precedence established in the order of rotation of EC Vice Chairs as specified in the NAESB Bylaws.

E. Governance

WEQ EC meetings shall be governed by one of the following:

1. Specific subcommittee or task force operating procedures as approved by a 67% affirmative vote of the EC or
2. NAESB Operating Procedures.

10.10 EC Subcommittees & Task Forces (Under Discussion)

Section 11 Reserved

Section 12 Reserved

Section 13 Reserved

Section 14 Reserved

Section 15 Reserved

Section 16 Reserved

Section 17 Reserved

Section 18 Reserved

Section 19 Reserved

Attachment A

NAESB WHOLESALE ELECTRIC QUADRANT PROPOSED INITIAL QUADRANT PROCEDURES JULY 10, 2002

The NAESB Wholesale Electric Quadrant will be composed of five segments. Each segment will have six seats on the Board of Directors and the Executive Committee. The organization for the segments is shown below:

- **Transmission:** Any entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.

Sub-segments:	Muni/Coop	Number of Seats:	1
	Fed/State/Provincial		1
	IOU		2
	ITC		2

- **Generation:** Any entity engaged in the activity of owning and/or operating wholesale electric generation facilities in North America.

Sub-segments:	Muni/Coop	Number of Seats:	1
	Fed/State/Provincial		1
	IOU		2
	Merchant		2

- **Marketers/Brokers:** Any entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

Sub-segments:	Muni/Coop	Number of Seats:	1
	Fed/State/provincial		1
	Not IOU affiliated		2
	IOU Affiliated		2

- **Distribution/Load Serving Entities:** Any entity engaged in the activity of electric power sales and/or delivery to end use customers in North America, or any entity designated to represent a distribution utility.

Sub-segments:	Muni/Coop	Number of Seats:	2
	IOU		2
	Competitive Retailer		1
	<i>(not available to muni/coop, IOU or IOU affiliates)</i>		
	Other		1
	<i>(not available to muni/coop, IOU or IOU affiliates)</i>		

- **End Users:** Any entity in North America that is an end use consumer of electricity, engages in electricity regulation, or represents customer interests, or any entity designated to represent an end user.

Sub-segments:	End Use (also in another segment)	Number of Seats:	1
	Regulator		1
	Residential/Commercial		1
	Large Industrial (not in other segments)		2
	End Use (Self Generation)		1

IOU Definition: An investor owned entity who has substantial business interest in owning and/or operating any two of the following three asset categories --- generation, transmission, distribution.

Attachment A (cont.)

Procedural Elements:

1. Entities may participate in multiple segments within WEQ.
2. “Sunrise .” Sub-segment principles will continue. Sub-segments may be revisited at any time, but no later than three years. Changes to sub-segments require 75% affirmative from with segment, subject to other minimum participation and deadline requirements.
3. RTO/ISO/IMO participation. All RTOs/ISOs and comparable Canadian entities are strongly encouraged to participate in the Standards drafting process from conception through drafting to the ratification stage. Furthermore, a Technical Advisory Council comprising those jurisdictionally-approved entities will be formed to provide technical support and counsel to the NAESB Board and EC. The Council will have the obligation to provide a technical assessment, evaluation and recommendation to the EC on all Standards relevant to the grid system and RTO market operations. Furthermore, the Council has an affirmative obligation to apprise the EC of a given Standard’s feasibility.
4. Fixed Annual Payment. All WEQ participants will pay a fixed annual payment. Annual payment should provide for required budget to administer the process to develop Standards. Exceptions must be approved by the NAESB Board.
5. Sub-segment population. NAESB WEQ will establish minimum number for populating sub-segments within a segment, including a deadline for such population.
6. Consultants. Contract consultants may be considered as an option for Standards drafting, contingent on identification of need and availability of sufficient funding.

Final comprehensive affirmation. This vote *[the vote taken by the Wholesale Electric Quadrant Formation Group on July 10 to endorse this package for forwarding to the NAESB Board of Directors for approval]* will reflect only the elements of this settlement. No changes of any kind can be made to this agreement without prior agreement of parties.

Attachment B

PLACEHOLDER - Coordination with the North American Electric Reliability Council (NERC)

Attachment C

**PLACEHOLDER - NAESB WHOLESALE ELECTRIC QUADRANT
STANDARDS DEVELOPMENT PROCESS**



NORTH AMERICAN ENERGY STANDARDS BOARD

1100 Louisiana, Suite 3625 · Houston, Texas 77002 · **Phone:** (713) 356-0060 · **Fax:** (713) 356-0067
email: naesb@aol.com · **Web Site Address:** www.naesb.org

September 3, 2002
VIA FACSIMILE (202-586-4403) and post

The Honorable Ms. Magalie Salas
Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20585

RE: Electric Market Design and Structure, Docket No. RM01-12-000

Dear Ms. Salas:

As directed by the Commission in its May 16, 2002 Order in this docket, enclosed is a status report on recent activities relating to the formation of a Wholesale Electric Quadrant ("WEQ") of the North American Energy Standards Board ("NAESB").

In its May 16, 2002 Order, the Commission determined that "NAESB standards will establish common business practices and communication protocols by which customers will transact business with the RTOs and between the RTOs" (para. 18). It further determined that "RTO and other transmission operators will be a part of the NAESB process, and the industry as a whole needs to consider what aspects of RTO practice need to be standardized" (para. 18). Lastly, it determined that "the Commission needs to be confident that by Fall 2002, a standards development organization will be in place to consider business practice standards arising from standard market design, interconnection procedures or other areas of where business practice standards development is needed to improve the efficiency of the market." (para. 21).

We provided an update to the Commission on July 1, 2002 regarding the above points. This document serves as a follow-up update:

- The Wholesale Electric Quadrant (WEQ) Formation Group met six times: April 5, 2002, May 8-9, 2002, May 29-30, 2002, June 9-10, 2002 and June 20-21, 2002 and July 9-10. A minimum of 100 persons have attended each meeting, either in person or via conference call (the first five meetings were addressed in the July 1 update to the Commission).
- All meeting materials have been posted on the NAESB website, and a transcript has been prepared of the discussion at all meetings. NAESB has provided an independent facilitator to aid in the discussion and has provided antitrust counsel to assure compliance with federal antitrust law. NAESB also provided a parliamentarian to help assure adherence to agreed-upon procedures for the last two meetings.



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September 3, 2002
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- The WEQ has already reached the minimum requirement of at least 40 members in the aggregate, at least five members per Segment, and at least four Segments, as set forth in the NAESB Bylaws (Attachment 1 – WEQ Membership List).
- Preliminary WEQ quadrant procedures were conditionally accepted by the Board of Directors on July 29 (Attachment 2 – WEQ Preliminary Procedures).
- Revised quadrant procedures were ratified by the membership on August 30 and are being considered by the Board for acceptance (Attachment 3 – Board Ballot Package on WEQ Revised Procedures, Attachment 4 – WEQ Membership Ratification Results). The NAESB Board will approve the procedures of the WEQ so long as the procedures are not inconsistent with the NAESB Certificate and Bylaws. Using this procedure, the Board has already approved Quadrant procedures for the Retail Electric Quadrant, the Retail Gas Quadrant and the Wholesale Gas Quadrant. Currently, the Wholesale Gas Quadrant and the Retail Electric Quadrant are seated at the Board and the Executive Committee.
- The WEQ quadrant is identifying candidates for the Board of Directors and Executive Committee (Attachment 5 – WEQ Candidate List as of August 30, 2002). The elections will be held from September 4 to September 13. The WEQ representatives to the Board will be seated at the upcoming September 23 meeting and the WEQ Executive Committee members will be seated at the October 17-18 meeting.
- Mr. Boswell as chairman of NAESB and Mr. Drouin as chairman of the North American Electric Reliability Council (NERC) Board of Trustees signed a Letter of Intent (LOI) between the NERC and NAESB on August 15, 2002 (Attachment 6 – Letter of Intent). This LOI is a prelude to a Memorandum of Understanding to be negotiated between the NAESB WEQ leadership and the NERC Board of Trustees/Stakeholders leadership. Both Mr. Boswell and Mr. Drouin hope this can be accomplished by October.
- At its meeting on June 28, the NAESB Board voted unanimously to allow for possible creation of a Technical Advisory Council made up of representatives of RTOs, RROs and ISOs to assist and advise the WEQ once it is formed. A copy of the adopted motion was provided to the Commission in the July 1 update. The ISO/RTO/RRO/IMO leadership is considering the creation of the council as one of the several ways their groups may choose to participate within NAESB. The NAESB Board has provided that the WEQ procedures must be interpreted to permit these groups to participate in any segments in which they have a legitimate business interest, and, at a minimum, in the Transmission Segment of the WEQ.
- The NAESB office has contacted the leadership of the Electronic Scheduling Collaborative and the OASIS Scheduling Collaboration groups to determine how to coordinate work efforts.



NORTH AMERICAN ENERGY STANDARDS BOARD

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September 3, 2002
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Please feel free to call me at (713) 356-0060 or refer to the NAESB website (naesb.org) should you have any questions or need additional information regarding activities relating to the formation of the WEQ.

Very truly yours,

Rae McQuade
Executive Director

Enclosures:

- (1) WEQ Membership List
- (2) WEQ Preliminary Procedures
- (3) Board Ballot Package on WEQ Revised Procedures
- (4) WEQ Membership Ratification Results
- (5) WEQ Candidate List as of August 30, 2002
- (6) NERC-NAESB Letter of Intent

cc: The Honorable Pat Wood, Chairman
The Honorable William L. Massey
The Honorable Linda Key Breathitt
The Honorable Nora Mead Brownell
Cynthia A. Marlette, General Counsel
Daniel L. Larcamp, Director, OMTR

William P. Boswell, Chairman and CEO, NAESB
Joelle Ogg, Counsel for the WEQ Formation Meetings
Jay Costan, General Counsel of NAESB

North American Energy Standards Board

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Via email and posting

TO: Retail Gas Quadrant Prospective Members and Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Retail Gas Quadrant Request for Comments
DATE: June 13, 2002

Attached please find a draft "strawman," or proposal, outlining topics under consideration for the RGQ 2002-2003 Annual Plan. As you probably know, the first step in developing NAESB model business practices and standards is for each industry quadrant to prepare an annual plan identifying the items to be worked on by NAESB through year-end 2003. The quadrant annual plans are used by the NAESB Board to determine how resources will be expended during a given year and to focus the efforts of the Executive Committee and its subcommittees in developing model business practices and standards.

A task force of participants interested in the Retail Gas Quadrant (RGQ) began the process of crafting such a plan by conducting a survey this past May, soliciting input from a cross-section of the retail natural gas industry—including suppliers, distributors, end users, service providers, and regulators. Survey respondents were asked to associate each of the eleven proposed line items with a relative priority level (e.g. High, Medium, Low, or Do Not Address). They were also asked to comment on each of the categories and to contribute additional line items for consideration. Several of you have completed the survey. The task force has compiled and reviewed those responses, and the NAESB office has posted the individual responses as well as compiled results on its web site.

Based on the survey results, the Annual Plan Task Force has developed the attached STRAWMAN proposal for the 2002-2003 RGQ annual plan. The Task Force recognizes that while the survey was distributed to numerous entities representing a broad cross-section of industry stakeholders, the relatively small number of responses may not be representative of all interested industry segments. Accordingly, the RGQ Annual Plan Task Force is seeking comment and input on the attached "strawman proposal" to ensure that the views of a broader group of interests are represented. Your comments will be used to formulate a final recommendation on the 2002-2003 RGQ Annual plan, a high-level plan intended to provide direction to the RGQ on work priorities once the RGQ is established and running. The final recommendation for the plan will be presented to the NAESB Board of Directors for approval, but not before a viable Retail Gas Quadrant—with a total of at least forty members and a minimum of five per Segment—is established and not before its representatives are seated on the NAESB Board of Directors.

Please review the proposal and provide your comments to the NAESB office via e-mail (naesb@aol.com) by **Thursday, June 20, 2002**. All comments received by the NAESB office will be posted on the web site and forwarded to the RGQ Annual Plan Task Force members for their consideration. If you have difficulty retrieving this document, please call the NAESB office at (713) 356-0060.

Best Regards,

Rae McQuade

cc: Jay Costan

North American Energy Standards Board

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Background:

A group of interested participants in the Retail Gas Quadrant conducted a survey in May, soliciting input from a cross-section of the retail natural gas industry—including suppliers, distributors, end users, service providers, and regulators. Survey respondents were asked to associate each of the eleven proposed line items with a relative priority level (e.g. High, Medium, Low, or Do Not Address). They were also asked to comment on each of the categories and to contribute additional line items for consideration. The task force has compiled and reviewed those responses, and the NAESB office has posted both responses and compiled results on its web site.

Based on those survey results, the Task Force has categorized the eleven line items that were included in the survey into three categories: 1) High Priority Activities (or action items); 2) Medium Priority Activities; and 3) Low Priority Activities, as represented in the table below. These categories reflect the priority level at which the work will be done, rather than whether or not the work will be carried out. While the bulk of quadrant resources would be focused towards higher priority items, this does not mean no work could be started on lesser priority issues, for example, before high-priority action items are completed.

The rankings to the left of each line item in the table below represent the relative priorities assigned by survey respondents, and are included here because they were used to determine the priority category of each item. The rankings do not constitute a definitive order in which the work will be carried out. Also, survey respondents have contributed a number of additional line items to be considered for the annual plan. These have been categorized as “Provisional Activities”— which means that those action items were not voted on by other respondents to the survey and would only be tackled if determined to be appropriate for the annual plan and if time and resources allow it during the 2002-2003 timeframe. Please follow the steps below:

- 1. Provide your comments on each of the line items by indicating whether or not you agree with their priority level and why.**
- 2. Assign a priority level (High, Medium, Low, or Do Not Address) for each of the action items included in the “Provisional Activities” section.**
- 3. If you have other comments and input, including other action items you would like to suggest, please provide those in the “Other Comments” section at the bottom of this document.**
- 4. Complete the “Contact Information” section.**
- 5. Save this Read-only file under a different name. Suggested naming format:**
“RGQAPS-ABBREVIATED_COMPANY_NAME”. e.g. RGQAP-DYNEGY; RGQAP-PPLSOL; RGQAP-BGE; RGQAP-KEYSPAN; RGQAP-OHOCC; RGQAP-PAPUC and so on.
- 6. By Thursday, June 20, 2002, return the completed document to the NAESB office via e-mail (naesb@aol.com).**

THANK YOU.

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD SEEKS INDUSTRY COMMENT ON THE

Strawman for Retail Gas Quadrant 2002-2003 Annual Plan - **DRAFT**

Action Item, Description and Priority Category	Completion Quarter	Subcommittee Assignment
High Priority Activities		
1 Creditworthiness		
<i>Develop practices for Distributors extending commercial credit to Suppliers to cover financial risk.</i>		
<u>Comments:</u>		
2 Inventory Existing Natural Gas Practices within States		
<i>Conduct inventory of existing natural gas practices in various states.</i>		
<u>Comments:</u>		
3 Examine Wholesale Gas Quadrant EDM Standards		
<i>Review NAESB Wholesale Gas Quadrant's (formerly known as GISB) "Electronic Delivery Mechanisms" manual to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant.</i>		
<u>Comments:</u>		
4 Examine Wholesale Gas Quadrant Non-EDM Standards		
<i>Review NAESB Wholesale Gas Quadrant's other manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant (i.e. review "Nominations," "Flowing Gas," "Invoicing," "Capacity Release," and "Contracts" manuals).</i>		
<u>Comments:</u>		
5 Supplier Licensing		
<i>Develop practices for licensing Suppliers with state utility commissions and for registering Suppliers with Distributors (e.g. application process and requirements).</i>		
<u>Comments:</u>		

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Action Item, Description and Priority Category

Completion Quarter Subcommittee Assignment

Medium Priority Activities

6 Customer Enrollment, Switching & Dropping

Develop practices for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a Supplier (including Suppliers dropping customers).

Comments:

7 Billing & Payment

Develop practices for billing customers; remittance to parties providing services to customers under different billing options (e.g. dual or consolidated bills; rate-ready or bill-ready); and payment between Distributor and Supplier under different payment options (e.g. assumption of receivables, pay-as-you-get-paid).

Comments:

8 Customer Information

Develop practices for the release, collection, exchange and maintenance of customer information between Distributors and Suppliers, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information.

Comments:

9 Customer Inquiries

Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notifying the other party, such as inquiries involving switching and enrollment/disenrollment, billing, customer account changes, customer disputes and distribution emergencies.

Comments:

Low Priority Activities

10 Market Participant Interactions

Develop model practices to support interactions between Distributors and Suppliers, such as governing documents that establish the legal relationship, roles and obligations, including performance standards, of both Distributor and Supplier (e.g. content and framework of governing documents or orders, Master Service Agreement, operational manuals, and so on).

Comments:

North American Energy Standards Board

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Action Item, Description and Priority Category	Completion Quarter	Subcommittee Assignment
--	--------------------	-------------------------

11 Utility-Supplier Disputes

Develop dispute resolution procedures to resolve differences between Distributors and Suppliers, which would be included in the governing documents.

Comments:

Provisional Activities

Balancing and Scheduling

How to account for differences between actual usage and third party deliveries. How imbalances will be resolved.

Comments:

Customer Service Characteristics

Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.

Comments:

Examine Retail Electric Quadrant EDM Standards

Review NAESB Retail Electric Quadrant's "Electronic Delivery Mechanisms" manual to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant.

Comments:

Internet Bulletin Board "Informational Posting" Standards

Develop a standard "Look and Feel" for delivery service provider's Internet Bulletin Board posting of information related to delivery services for customers and suppliers in competitive retail markets. [Revise the latest version of the NAESB EDM manual to incorporate utilities as delivery service providers in addition to the existing interstate natural gas pipelines.]

Comments:

LDC Operational Notices

Develop procedures and timeframes for transmitting notices regarding local operational conditions—such as maintenance-induced restrictions, curtailments or flow orders.

Comments:

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Action Item, Description and Priority Category

Completion Quarter Subcommittee Assignment

VEE for Retail Consumer Meter

Develop standards for Validation, Editing and Estimation (VEE) of meter data used for utility and supplier billing activities including practices for issuance of restatement of prior periods and a maximum time limit for restatements.

Comment:

Other Comments

CONTACT INFORMATION

Name	
Title	
Company	
Telephone	
Fax	
E-mail	

PLEASE RETURN BY THURSDAY, JUNE 20, 2002 TO THE NAESB OFFICE VIA E-MAIL (NAESB@AOL.COM). COMMENTS WILL BE POSTED ON THE NAESB WEB SITE AT <http://www.naesb.org>.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

4. NERC-NAESB LETTER OF INTENT

- **BACKGROUND:** On August 15, Mr. Boswell and Mr. Drouin signed the Letter of Intent between the two organizations, attached. Mr. Drouin has assigned five board members to work with a similar group from the WEQ Board members from NAESB to draft the Memorandum of Understanding.
- **ACTION:** A group of Board members from the WEQ may be identified to work with the NERC Board representatives to draft a memorandum of understanding between NERC and NAESB.

**Letter of Intent
Regarding
Communication and Coordination Protocols
between
North American Energy Standards Board
and
North American Electric Reliability Council**

A. Introduction

A need exists to develop standards to enhance energy markets throughout North America. There are both business practice and reliability aspects to such standards, and each has implications for the other. The North American Energy Standards Board (“NAESB”) and the North American Electric Reliability Council (“NERC”) desire to work together to coordinate the development of business practice standards and electronic communication protocols by NAESB and the development of reliability standards by NERC. It is the intent of both organizations that the business practice and reliability standards be harmonized, that all reasonable efforts be made to eliminate overlap and duplication of effort, and that each organization be able to move forward with its appropriate standards development activity while keeping the other fully informed as to its efforts.

The Wholesale Electric Quadrant of NAESB has recently been formed. This letter of intent (LOI) is, therefore, preliminary in nature. It will be supplemented by a more extensive memorandum of understanding (MOU) that describes the details of the coordination process after the Wholesale Electric Quadrant of NAESB is populated and elects its representatives. The MOU may address other issues that are deemed relevant by the parties, even though these issues are not contained in this LOI.

B. Principles of Agreement

NERC and the Wholesale Electric Quadrant of NAESB (WEQ) will work together to ensure the coordinated development of business practice standards and electronic communications protocols (by NAESB) and of reliability standards (by NERC) in a manner that is both efficient and beneficial to the industry and the marketplace as a whole. This process may include joint standards development as agreed by the parties, recognizing that standards may have both reliability and business practice elements.

C. Coordination Protocols

Coordination should include the following elements, but may include other elements as agreed by the parties:

1. Each organization will notify the other of its anticipated standards development activity for the coming twelve months.


2. NERC will notify NAESB of each proposal to develop a standard as soon as it receives a standard authorization request.
3. NAESB will notify NERC of each proposal that passes triage and is approved by the NAESB Executive Committee to develop a wholesale electric business practice standard or electronic communications protocol.
4. Each organization will notify the other of the relevant comment periods and opportunities to participate in discussions and drafting groups.
5. NERC may participate in the NAESB WEQ standards development process either as an organization or through individual members.
6. NAESB may participate in the NERC standards development process either as an organization or through individual members.
7. NAESB and NERC may form joint working groups for drafting particular standards or parts of standards and may convene joint industry workshops and forums for discussion of particular items. Moreover, NAESB and NERC may jointly agree concerning the timing and method of development of proposed standards, as to reliability and business practice issues.

D. Conflicts

In the unlikely event that conflicts arise that cannot be resolved between the NAESB WEQ and NERC, the matter may be submitted to the Federal Energy Regulatory Commission for resolution. The parties will endeavor to avoid taking this action and may create a joint dispute resolution process.

NORTH AMERICAN ENERGY
STANDARDS BOARD

By:


William Boswell, Chairman
August 15, 2002

NORTH AMERICAN ELECTRIC
RELIABILITY COUNCIL



By _____
Richard Drouin, Chairman
August 15, 2002



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

5. TECHNICAL ADVISORY COUNCIL

- **BACKGROUND:** A white paper, attached, was prepared and forwarded to the CEO group of the ISOs and RTOs, as they determined whether to support the creation of a technical advisory council.
- **ACTION:** A group of Board members from the WEQ may be identified to work with the CEO group of ISOs and RTOs in determining if and how the technical advisory council should be set up.

THE NAESB TECHNICAL ADVISORY COUNCIL
A WHITE PAPER

BACKGROUND

Throughout its eight-year history, the North American Energy Standards Board and its predecessor organization, the Gas Industry Standards Board, have benefited greatly from the advice and counsel of numerous organizations, both public and private.

Some of these relationships between GISB/NAESB and other organizations, like those involving the Department of Energy, a founding GISB member, and the Federal Energy Regulatory Commission (FERC), have evolved of their own accord into public-private partnerships that have greatly increased the credibility and acceptance of GISB/NAESB and its standards.

Other alliances have been intentionally forged by GISB/NAESB to ensure that key constituencies remain involved in the organization's activities and empowered to offer points of view that might not otherwise be heard, or that might not be heard in the same fashion. An example of this is the Advisory Council (formerly the Advisory Committee), which has been invaluable in bringing the perspectives of state public utility commissions and other regulatory agencies to the table.

At its meeting in Seattle on June 28, the NAESB Board of Directors unanimously approved a resolution stating that following the formation of the wholesale electric quadrant (WEQ) and upon a request by FERC or a representative group of independent system operators (ISOs), regional transmission organizations (RTOs), regional reliability organizations (RROs), and independent market operators (IMOs), there may be created a Technical Advisory Council to advise the WEQ and the NAESB Board regarding reliability and related market design issues. The Board held that such request would be applicable irrespective of the final configuration of the WEQ.

A resolution approved July 10 by the WEQ formation group that outlined basic quadrant procedures calls for the formation of an RTO-IMO-ISO-RRO Technical Advisory Council to provide technical support and counsel to the NAESB Board of Directors and Executive Committee. The resolution stated, "The council will have the obligation to provide a technical assessment, evaluation and recommendation to the EC on all standards relevant to the grid system and RTO market operations. Furthermore, the council has an affirmative obligation to apprise the EC of a given standard's feasibility." While the NAESB Board would treat this resolution as informational in terms of the thoughts of the formation group, the suggestions it contains have merit.

A PARADIGM

While the exact shape of the Technical Advisory Council has yet to be determined, a paradigm for the relationship between NAESB and the council may be GISB/NAESB's partnership with the Department of Energy's Sandia National

Laboratories. At GISB's Fifth Annual Meeting in 1999, Robert Gee, then Assistant Secretary of Energy for Fossil Energy, announced that Sandia would conduct a study, known as a "surety assessment," of the security of GISB's electronic delivery mechanism (EDM) standards. While Sandia's initial assessment has been completed, the Sandia relationship continues under NAESB.

The independent review by Sandia's Internet experts ensures that the appropriate levels of security, scalability, usability, performance and reliability are met by the EDM standards. The procedure is that NAESB sends EDM standards and documentation to Sandia for review. Once the review is complete, Sandia prepares a report indicating areas where changes should be considered. The report is reviewed by NAESB technical subcommittees, which propose changes to address the points outlined in the report or conclude that no changes are necessary. The Executive Committee then adopts the subcommittee recommendations or sends them back to the subcommittees for further consideration. The ultimate NAESB response is provided to DOE and posted on NAESB's website, www.naesb.org.

The Sandia process has proved to be of immeasurable benefit to NAESB. It gives the organization access to the expertise of the leading experts in the field of cybersecurity, providing assurance that in the process of developing standards to enhance the operation of a competitive energy industry, NAESB can also deliver the safeguards that market participants demand.

Applying this model to the wholesale electricity standards developed by NAESB's WEQ would help to address the reliability and operational concerns of RTOs, IMOs, RROs, ISOs and the National Electric Reliability Council (NERC). It could also ensure that these organizations have an important role in helping to develop the WEQ's Annual Plan, the document that, once approved by the NAESB Board of Directors, sets the year's agenda for the quadrant.

Adopting the Sandia model could result in the following operational role for the Technical Advisory Council:

- **Annual Plan:** The Board of Directors task force(s) charged with developing a draft WEQ annual plan could send the draft to the Technical Advisory Council, which would have (perhaps) 30 days to review the plan and make comments on the action items as well as suggest additional items for inclusion in the plan. The Board of Directors would review the council's comments and take appropriate action. Certainly, the members of the Technical Advisory Council could also participate in the meetings where the annual plan is devised, as all meetings are open and any interested party can participate.

- **Standards:** Before the Executive Committee votes on proposed standards, the council would have (again perhaps) 30 days to review the standards and make recommendations. The Executive Committee would give due deference to the council's views, and would inform the council on the final actions it took on the standards. The report back to the council might explain how the council's issues are to be addressed, and would also require Board approval prior to the report being forwarded to the council

membership. The comments provided by the council could also accompany the relevant status reports provided to any regulatory agency, and would be made publicly available via posting on the NAESB website. As noted earlier, the members of the Technical Advisory Council could also participate in the meetings where the standards are developed, as all meetings are open and any interested party can participate, and can vote in the subcommittee meetings where the standards are drafted.

A special section of the NAESB website could be assigned to the Technical Advisory Council. Meeting notices, comments, reports and other information would be posted in this section, adding to the council's visibility and influence.

It should be emphasized that the special role envisioned for the Technical Advisory Council is in addition to, not a substitute for, the opportunity that RTOs, IMOs, RROs and ISOs have, whether or not they are NAESB members, to participate in the subcommittee work that is the underpinning of all NAESB activity, including standards and annual plan development. Attendance at subcommittee meetings guarantees a voice and a vote on issues under consideration. Participatory democracy and inclusiveness have been hallmarks of the NAESB process, and RTOs, IMOs, RROs and ISOs stand to benefit from this tradition.

CONCLUSION

RTOs, IMOs, RROs and ISOs have the opportunity to join NAESB and enjoy the many benefits of membership, including the ability to be considered for office on the Board or Executive Committee, to vote on standards ratification and to receive free access to NAESB materials and reduced registration prices for standards and contracts classes and the Annual Meeting. NAESB membership has significant value for anyone interested in the future shape of the nation's marketplace for natural gas and electricity.

But regardless of whether RTOs, IMOs, RROs and ISOs choose to become NAESB members, the Technical Advisory Council should help ensure that the voice of this vital part of the electricity industry is heard at NAESB. This special relationship has the potential to prove to forge a lasting benefit for NAESB and the companies and organizations that have placed their confidence in its standards and products.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

6. PARLIAMENTARY COMMITTEE AND MANAGEMENT COMMITTEE

- **BACKGROUND:** As noted in the certificate (excerpt provided), the Chairman of the Board of Directors appoints the Parliamentary Committee, which is a board committee charged with making recommended modifications to the NAESB governance documents – namely, the certificate, the bylaws and the NAESB Operating Practices. The participants from the WGQ and REQ quadrants have been identified. The Parliamentary Committee will begin meeting once there are three active quadrants. A pre-parliamentary committee conference call was held on August 16.
- **ACTION:** The participants from the Board representing the WEQ may be identified at this meeting.
- **BACKGROUND:** The Board notationally approved the creation of the Management Committee, and the resolution is attached.
- **ACTION:** The Board may choose to discuss any action of the board notationally approved between meetings. As approved, once the vice chairs of the REQ and WEQ Board representatives are identified, the Management Committee may begin meeting.

311 been elected and qualified, (ii) the Director's resignation of his or her Voting
312 Membership (if the Director is the Voting Member as an individual) or the lapse of the
313 Director's Voting Membership for delinquency in membership fee payment, (iii) the
314 resignation or lapse (through delinquency in membership fee payment) of Voting
315 Membership of the entity of which the Director is a partner, officer, employee or agent,
316 or (iv) the Director's death, resignation, or removal.

317 **Section 7.5 Vacancies**

318 Vacancies in the Board resulting from the circumstances described in Subsections 7.4(b)(ii), (iii)
319 or (iv) above shall be filled by the Quadrant and Segment in which the vacancy occurs, in accordance
320 with the procedures specified in that Quadrant's Exhibit.

321 **Section 7.6 Removal of Directors**

322 Procedures for removal of Directors representing a Quadrant and Segment are contained in the
323 pertinent Exhibit.

324 **Section 7.7 Resignations**

325 Any Director may resign at any time by giving written notice to the Secretary. The resignation
326 shall be effective upon receipt by NAESB or at such subsequent time as may be specified in the notice
327 of resignation.

328 **Section 7.8 Board Committees**

329 (a) The Board, by Majority vote of the entire Board, may establish, by means of resolutions
330 to be attached hereto, committees of the Directors. The resolutions shall describe the
331 powers and authorities of each committee, require each committee to adopt
332 procedures, and provide opportunity for Directors from each Quadrant and Segment to
333 participate in the committee's work.

334 (b) There shall be a Parliamentary Committee, consisting of members of the Board with at
335 least two Directors from each Quadrant. The function of the Parliamentary Committee
336 is to address issues related to corporate governance, including, but not limited to, the

337 Certificate of Incorporation, the Bylaws and the Operating Procedures. Members of
338 the Parliamentary Committee shall be appointed by the Chair of the Board, who shall
339 serve as the chair of this committee.

340 **Section 7.9 Advisory Council**

341 The Board shall establish a standing Advisory Council, to be known as the "NAESB Advisory
342 Council." The Advisory Council shall be composed of not more than twenty-five (25) persons who
343 shall be knowledgeable about the issues involved in carrying out the purposes, scope and activities of
344 NAESB. The membership of the Advisory Council should be rotated from time to time, and should
345 reflect participation by federal, state and local agencies; public interest groups; non-profit research
346 organizations; and similar organizations. The Advisory Council shall develop its own procedures
347 consistent with the general guidance of the Board and not inconsistent with the Certificate. The
348 Advisory Council shall advise both the Board and EC.

349

350 **ARTICLE 8 - OFFICERS**

351 **Section 8.1 Number**

352 The officers of NAESB shall include a Chair, and up to three Vice Chairs (each representing a
353 different Quadrant within the Board), a Secretary, a Treasurer, an Assistant Treasurer, and an Executive
354 Director. The officers may include one or more Assistant Secretaries, other Assistant Treasurers, and
355 such other officers as the Board may determine by resolution. Any number of offices may be held by
356 the same person.

357 **Section 8.2 Qualifications of Officers of NAESB**

358 The officers shall be natural persons at least eighteen (18) years of age who are Directors,
359 except that the Executive Director, Secretary, Assistant Secretaries and Assistant Treasurers need not
360 be Directors.



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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.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

7. ANNUAL PLAN REVIEW

- **BACKGROUND:** Mr. Buccigross, as chair of the Executive Committee, reviews the annual plans of the organization with the Board, attached. Currently the WGQ plan is operational. The REQ plan will not be operational until the REQ subcommittees are active.
- **ACTION:** The Board will be asked to consider, discuss and approve any changes to the plan offered by Mr. Buccigross.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002 ANNUAL PLAN - WHOLESALE GAS QUADRANT

Item Description	Completion ¹	Assignment
Contracts		
1 Complete the development of the contract for purchases and sales of natural gas. Status: Complete with the exception of credit annex.	1 st Qtr	Contracts Subcommittee
2 Develop the Mexican Addendum to the base contract for purchase and sales of natural gas.	3 rd Qtr	Contracts Subcommittee
3 Build an electronic contract for the base contract for purchase and sales of natural gas.	4 th Qtr	Contracts Subcommittee
9 Modify the Funds Transfer Agreement as necessary after several years of use. Status: In Progress.	2 nd Qtr	Contracts Subcommittee
Electronic Delivery Mechanisms and Related Activities		
4 Complete technical implementation of Sandia recommendations. Status: Complete.	1 st Qtr	EDM Subcommittee
5 Explore additional possibilities for partnership with the Department of Energy similar to that of the Sandia report. Status: Discussion underway.	3 rd Qtr	EC Officers
6 Review and enhance security standards as required by technological changes. Status: Complete with the completion of item no. 4 but additional work may be required as an outcome of item no. 5.	2 nd Qtr	EDM Subcommittee
7 Develop XML technical implementation for base contract and for scheduling documents necessary to complete the pilot program. Status: Subcommittee work suspended.	4 th Qtr	XML Subcommittee
Standards Implementation		
8 Continue the implementation of FERC Order No. 637 standards as specified in the Order 637 work plan defined by the Order 637 GISB Action Subcommittee. Status: Ratification in progress.	3 rd Qtr	Assigned by the EC
10 Develop standards as necessary to implement the FERC order as a result of Docket No. RM96-1-019 (Partial Day Recalls).	4 th Qtr	Assigned by the EC

¹ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

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Item Description	Completion ²	Assignment
Provisional Activities³		
Examine report and determine if an "energy day" standard is needed, including assessment of changes to existing GISB standards.		
Determine if a standard transportation services agreement is needed and if so, develop it.		
Determine if a model financial hedging agreement is feasible and if so develop a model financial hedging agreement.		
Develop standards as necessary to implement the FERC order as a result of Docket No. RM01-10-000 (Affiliate Order).		
Program of Standards Maintenance & Fully Staffed Standards Work⁴		
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI (X12) Subcommittee
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis

- Notes: (a) Priority is given to action items that are carry-overs from the 2001 Annual Plan.
- (b) Any new activity should be preceded by a request from the submitter after which it will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

² Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

³ To the extent that it is determined that any of the provisional activities should be worked upon during the year, the Board has the discretion to modify the annual plan.

⁴ This work is considered routine maintenance and thus the items are not separately numbered.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2002-2003 ANNUAL PLAN - RETAIL ELECTRIC QUADRANT¹

Item Number & Description	Completion ³	Assignment
Retail Access Uniform Business Practices (UBP)⁴		
1 Billing & Payments <i>Develop practices for billing customers and remitting payments to parties providing services to the customer.</i>	1 st Qtr 2003	Customer Processes Subcommittee
2 Creditworthiness Standards <i>Develop practices for extending commercial credit by Distributors to Suppliers to cover financial risk.</i>	1 st Qtr 2003	Supplier-Utility Interface Subcommittee
3 Customer Enrollment & Switching <i>Develop practices for market participants to process customer switch requests, for maintaining current customer account information regarding a customer's Supplier, and for notifying affected parties.</i>	2 nd Qtr 2003	Customer Processes Subcommittee
4 Supplier Licensing <i>Develop practices for licensing Suppliers with state utility commissions.</i>	2 nd Qtr 2003	Supplier-Utility Interface Subcommittee
5 Retail Meter Data Validation, Editing & Estimating <i>Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, load profiling, settlement, etc. Issues related to unbundled or competitive metering are not to be considered.</i>	3 rd Qtr 2003	Supplier-Utility Interface Subcommittee

¹ As outlined in the NAESB Bylaws, the REQ will also address requests submitted by members and assigned to the REQ through the Triage Process.

³ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

⁴ A "Glossary" exists from the November 2000 UBP document that should be maintained and updated as a common glossary for all items under this sub-heading as the sub-committees address the UBP items in this section of the Plan.

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Item Number & Description	Completion³	Assignment
6 Customer Information <i>Develop practices for the release, collection, exchange & maintenance of customer information between Distributors and Suppliers.</i>	3 rd Qtr 2003	Customer Processes Subcommittee
7 Load Profiling <i>Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.</i>	3 rd Qtr 2003	Supplier-Utility Interface Subcommittee
8 Customer Inquiries <i>Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.</i>	4 th Qtr 2003	Customer Processes Subcommittee
9 Market Participant Interactions <i>Develop supplier registration processes for Distributors and protocols for communications and interactions between Distributors and Suppliers.</i>	4 th Qtr 2003	Supplier-Utility Interface Subcommittee
10 Utility - Supplier Disputes <i>Develop dispute resolution procedures applicable to differences between Distributors and Suppliers.</i>	4 th Qtr 2003	Supplier-Utility Interface Subcommittee
11 Settlement Process <i>Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.</i>	1 st Qtr 2004	Supplier-Utility Interface Subcommittee

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Data Exchange Protocols⁵

12	Electronic Delivery Mechanisms <i>Develop electronic delivery mechanism guidelines including but not limited to: transactional data interchange, web sites, and bulletin boards.</i>	4 th Qtr 2002	Technical Electronic Implementation
13	Technical Electronic Implementation Standards – Billing & Payments	2 nd Qtr 2003	Technical Electronic Implementation
14	Technical Electronic Implementation Standards – Customer Enrollment and Switching	3 rd Qtr 2003	Technical Electronic Implementation
15	Technical Electronic Implementation Standards – Metering	4 th Qtr 2003	Technical Electronic Implementation
16	Technical Electronic Implementation Standards – Load Profiling	Qtr 2003	Technical Electronic Implementation
17	Technical Electronic Implementation Standards – Customer Information	Qtr 2003	Technical Electronic Implementation

⁵ Data exchange standards for Uniform Business Practices should be completed by the end of the quarter following the quarter in which the Executive Committee adopts the model business practices for that area of focus.



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

8. FINANCE REPORTS

- **BACKGROUND:** In this section, you will find the 2002 Finance Report. Ms. McQuade and Ms. Wishart will review the financial statements.
- **ACTION:** No Board action is required.



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North American Energy Standards Board
Revenue and Expenses -- Accrual Based
As Of August 2002

Income Less Cost of Sales	August 2002	Year to Date	2002 Budget
Gas Wholesale Membership Dues	(\$17,500)	\$608,541	
Gas Retail Membership Dues	\$6,000	\$33,166	
Electric Wholesale Membership Dues	\$165,000	\$210,000	
Electric Retail Membership Dues	(\$833)	\$138,985	
Total Membership Dues	\$152,667	\$990,692	\$1,200,000
Gas Wholesale Work Products	(\$3,301)	\$47,065	
Work Products for all Quadrants	(\$2,600)	\$2,325	
Annual Meeting	(\$10,659)	(\$10,659)	
	(\$16,560)	\$38,731	\$187,500
Total Income Less Cost of Sales	\$136,107	\$1,029,423	\$1,387,500
Expenses	August 2002	Year to Date	Year to Date
Salaries, Benefits, Payroll Expenses	\$48,097	\$333,240	\$580,000
Office Rents and Parking	\$4,107	\$31,082	\$53,000
Office Expenses	\$3,657	\$32,367	\$75,000
Telecommunications	\$5,811	\$64,884	\$125,000
Travel and Meeting Expenses	\$19,869	\$161,047	\$170,000
Publications, Mailings, Printing	\$7,864	\$87,827	\$100,000
Outside Services	\$17,770	\$162,179	\$190,000
Insurance, Taxes and Fees	\$473	\$4,379	\$24,000
Total Expenses	\$107,648	\$877,005	\$1,317,000
Net Income	\$28,459	\$152,418	\$70,500
Capital Expenditures		\$3,700	\$60,000
Net Income After Expenditures	\$28,459	\$148,718	\$10,500



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North American Energy Standards Board
Balance Sheet -- Accrual Based
As Of August 2002

Assets	August 2002
Current Assets	\$167,845
Accounts Receivable	\$522,100
Fixed Assets	\$13,800
Total Assets	<u><u>\$703,745</u></u>

Liability & Equity

Accounts Payable	\$9,902
Deferred Revenue Electric Retail	\$83,348
Deferred Revenue Gas Retail	\$63,334
Deferred Revenue Gas Wholesale	\$83,958
Deferred Revenue Electric Wholesale	\$406,667
Retained Earnings	(\$95,882)
Net Income	\$152,418
Total Expenses	<u><u>\$703,745</u></u>

Accounts Receivable Analysis	\$522,100
Payment Received Since August 31 against 90 day outstanding items	\$15,000
Credit Memos To Be Issued (Items more than 90 Days Outstanding)	\$0
Items More than 90 Days Outstanding For Which No Credit Memo is to be Issued	\$5,500
Items 61-90 Days Outstanding	\$0
Items 31-60 Days Outstanding	\$105,200
Items 30 Days or Less Outstanding	\$396,400
	\$522,100



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

9. 2002 MEMBERSHIP REPORT

- **BACKGROUND:** Attached is the most recent membership report for the NAESB organization for all four quadrants.
- **ACTION:** No Board action is required.

NAESB Membership List - Statistics
as of September 15, 2002

Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	TOTAL	131
	End Users	20
	Distributors	23
	Pipelines	40
	Producers	11
	Services	37
REQ Segments	TOTAL	48
	End Users	6
	Distributors	24
	Services	11
	Suppliers	7
WEQ Segments	TOTAL	158
	End Users	12
	Distributors/LSEs	30
	Generators	36
	Marketers/Brokers	33
	Transmission	42
	None Specified	5

Quadrant/Segment Membership Analysis		Number of Letters
RGQ Segments	TOTAL	34
	End Users	5
	Distributors	20
	Services	6
	Suppliers	3
	None Specified	0
Number of missing applications		16

The RGQ quadrant is not active. Prospective membership is indicated by letters of intent. For the quadrant to become active, there is a required minimum of at least 5 members per segment and 40 members total in the quadrant. The WEQ quadrant met the thresholds on August 8, and is now in the process of nominating and electing Board and Executive Committee members.

**North American Energy Standards Board Membership List and Letters of Intent
as of September 15, 2002**

Quadrant		Organization	Segment	Contact	SubSegment
Retail Electric Quadrant:	1	8760	s	John S. Williams	
	2	Alabama Power	d	John Russom	
	3	Alabama Power	su	Judy W. Ray	
	4	Allegheny Power	d	Jason W. Corin	
	5	Ameren Corporation	d	Jean M. Mason	
	6	American Electric Power	d	Thomas J. Ringenbach	
	7	American Public Power Association	d	Deborah Penn	
	8	Baltimore Gas & Electric Co.	d	Ruth Kiselewich	
	9	Boeing Co.	e	Keith C. Warner	
	10	Calpine Energy Services, LP	su	Janet Dixon	
	11	Cinergy Services, Inc.	d	Paul K. Jett	
	12	Consolidated Edison Company of NY	d	Richard G. Muzikar	
	13	Consumers Energy	d	Ronald Carrier	
	14	Defense Energy Support Center	e	Lisa Robert	
	15	Detroit Edison Company	d	William J. Newbold, Jr.	
	16	Distribution Control Systems, Inc.	s	H. Ward Camp	
	17	Dominion Retail	su	Richard A. Zollars	
	18	Dominion Virginia Power	d	David F. Koogler	
	19	Duke Power	d	N.E. (Ed) Tucker	
	20	EC Power International	s	Judy Bailey	
	21	Electric Reliability Council of Texas (ERCOT)	e	Sam R. Jones	
	22	Electricity Consumers Resource Council (ELCON)	s	John A. Anderson	
	23	Energy East Management Corporation	d	Eric Wilen	
	24	Exelon Energy Delivery	d	Charles Tenorio	
	25	Georgia Power Company	d	Michael Garrett	
	26	Georgia Power Company	su	Cathy Heath, J.M. Kubler	
	27	Green Mountain Energy Company	su	Heidi Schrab	
	28	Gulf Power Company	d	Joel Thomas Kilgore	
	29	MidAmerican Energy	d	James E. Wilson	
	30	Mississippi Power Company	d	Dorman Davis	
	31	National Grid USA	d	Eric P. Cody	
	32	Office of Public Advocate, State of Maine	e	Barbara Alexander	
	33	Ohio Consumers Council	e	Randy Corbin	
	34	Pennsylvania Office Of Consumer Advocate	e	Tanya J. McCloskey	
	35	PMO Link, Inc.	s	Geoffrey Hingle	
	36	PPLSolutions, LLC	s	James M. Minneman	
	37	Public Service Electric & Gas	d	Terrence Moran	
	38	Reliant Energy Retail Services, LLC	su	Waters Davis, Theresa L. Hess	
	39	Savannah Electric and Power Company	d	Karen L. Prentice	
	40	SchlumbergerSema	s	George C. Roberts	
	41	Southern California Edison	d	Gail Higashi	
	42	Southern Company Services	s	Mark S. Jerrett	
	43	Structure Group	s	Stacy Park	
	44	Systrends	s	Dick Brooks	
	45	Telerx	s	Misty A. Khan	
	46	TXU Energy Retail	su	Felecia Lokey	
	47	Wisconsin Electric	d	Jeffrey E. Anthony	
	48	Wisconsin Public Service Corporation	d	William L. Bourbonnais	
Wholesale Gas Quadrant:	1	8760	s	John Williams, Jim Buccigross	
	2	AEP Energy Services, Inc.	s	Cathy Szasz	
	3	AIG Energy Trading	s	Carl Peterson	
	4	Algonquin Gas	pl	Marcy McCain	
	5	Allegro Development	s		
	6	Ameren Corporation	l	Scott Glaeser	
	7	ANR Pipeline Company	pl	Joseph Pollard	
	8	Aquila Energy	s	Scott Eckerman	
	9	Arizona Public Service Company	e	Kelly Daly, Gary Duede	
	10	Baltimore Gas & Electric Co.	l	Bob Juskus	
	11	Boeing Co.	e	Tina Patton	
	12	BP Energy	pr	Bill Benham	

**North American Energy Standards Board Membership List and Letters of Intent
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Quadrant	Organization	Segment	Contact	SubSegment
	13	Bridgeline Gas Marketing	pl	Hugh Connett
	14	Burlington Resources	pr	Paul Keeler
	15	Calpine Energy Services, LP	e	Janet Dixon
	16	Caminus	s	Heather Woods
	17	CapacityCenter.com	s	Greg Lander
	18	Cargill Incorporated	s	Kathy Gerken
	19	CGI Group	s	Carl Caldwell
	20	Chevron/Texaco	pr	Randy Mills
	21	Cinergy	e	John Procaro
	22	Cinergy Marketing and Trading	s	Randy Bevis
	23	CMS Panhandle Eastern Pipe Line Co.	pl	William Grygar
	24	Columbia Gas Distribution Co.	l	Andrew Sonderman
	25	Columbia Gas Transmission	pl	Steve Melton
	26	Columbia Gulf Transmission Co.	pl	Michael Hansen
	27	Comprehensive Energy Services	e	Jim Templeton
	28	Conoco, Inc.	pr	Allan Knopp
	29	Consolidated Edison Company of NY	l	Mary Jane McCartney
	30	Coral Energy Resources, L.P.	s	LuAnn Martell
	31	Dauphin Island Gathering Partners	pl	Katie Rice
	32	Defense Energy Support Center	e	Veronica Jones, Jacob Moser
	33	Department of Energy	e	Christopher Freitas
	34	Dominion Exploration and Production, Inc.	pr	David Ogden
	35	Dominion Resources (Previously CNG)	l	William Boswell
	36	Dominion Transmission, Inc.	pl	Gary Sypolt
	37	DTE Energy Trading, Inc	s	Marcia Hissong
	38	Duke Energy Gas Transmission - Texas Eastern	pl	Richard Kruse
	39	Duke Energy North America	e	Jonathan D. Puckett
	40	Dynegy Inc.	s	Mark Scheel
	41	Edison Mission Marketing and Trade	e	Christian Hnat, William Roberts
	42	El Paso Merchant Energy	e	Bill Hebenstreit
	43	El Paso Natural Gas	pl	John Somerhalder
	44	El Paso Oil and Gas	pr	Art Slagle
	45	Elite Computer Consultants	s	Wayne Holtkamp
	46	Enbridge Pipelines	pl	Joan Schnepf
	47	EnCana Corp.	s	Keith Sappenfield
	48	EnCana Petroleum	pr	Keith Sappenfield
	49	The Energy Authority, Inc.	s	Marsha Sebert
	50	Energy East Management Corporation	l	Marjorie Perlman
	51	Enesys	s	Anthony Sykes
	52	Entergy Services, Inc.	e	Arlynn Kelleher, Terry Shields
	53	Equitable Gas Company	l	Steve Rafferty
	54	Equitrans, L.P.	pl	
	55	Explore Interactive	s	Claude Bethea
	56	ExxonMobil Gas Marketing	pr	Richard Smith
	57	Florida Power & Light Company	e	Dona Gussow, John Stepenovitch
	58	Great Lakes Gas Transmission	pl	Gene Fava
	59	Gulf South Pipeline	pl	Claire Burum
	60	H S Resources Inc.	pl	Carol Hall
	61	Hatch Associates Limited	s	Dan McEvoy
	62	IDACORP Energy	s	Marty Patterson
	63	Imperial Irrigation District	e	Javier Esparza
	64	IPNet Solutions, Inc.	s	Bisher Ahdab
	65	Iroquois Gas Transmission System	pl	Tom Gwilliam
	66	Key Span Energy	l	Dolores Chezdar
	67	KW International PLC	s	Chai Barnwell
	68	Laclede Gas Co.	l	Kenneth Neises
	69	Latitude Technologies	s	Leigh Spangler
	70	Lower Colorado River Authority	e	Mickey Bell
	71	Marathon Oil Company	pr	Hugh Roberts
	72	Mid Continent Market Center	pl	Delaine Kurth
	73	Midland Cogeneration Venture	e	Lee Smith
	74	Mirant Americas Energy Marketing	s	Scott McGough

**North American Energy Standards Board Membership List and Letters of Intent
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Quadrant	Organization	Segment	Contact	SubSegment	
	75	Mississippi River Transmission	pl	Robert Trost	
	76	National Fuel Gas Distribution	l	Michael Novak	
	77	National Fuel Gas Supply Corp.	pl	Dave Reitz	
	78	Natural Gas Pipeline Co of America	pl	Paul Love	
	79	Nicor Gas	l	Nancy Brucher	
	80	NISource Inc.	l	M. Christopher Maturo	
	81	Northeast Gas Markets, LLC	s	Melissa Ferullo	
	82	Northern Border	pl		
	83	Northwest Natural Gas Company	l	Randolph Friedman	
	84	NOVA Gas Transmission Ltd.	pl	Doug Miller	
	85	NRG Power Marketing	s	Arlene Jorgensen Hilstead	
	86	Occidental Energy Marketing Inc. (OEM)	pr	Carol Wilson	
	87	Ocean Energy Inc.	pr	Veronica L. Cavazos	
	88	Oklahoma Natural Gas Company	l	Bill Kimler	
	89	Pacific Gas & Electric	l	John Breen	
	90	PacifiCorp Power Marketing Inc.	e	Don Winslow	
	91	PECO Energy Co.	l	Reed Horting	
	92	Pemex Gas y Petroquimica Basica	pl	Lic. Antonio Roqueni	
	93	Peoples Gas Light & Coke Co.	l	Raulando de Lara	
	94	PG&E Energy Trading	s	Lyn Maddox	
	95	PG&E Gas Transmission	pl	Jay Story	
	96	Portland Natural Gas Transmission System	pl	David Morgan	
	97	PPL Energy	e	Joseph Cammarano	
	98	Public Service Electric & Gas	l	David Wohlfarth	
	99	Questar Pipeline Co.	pl	Scott Hansen	
	100	Quorum Business Solutions Inc.	s	Douglas Allen	
	101	Reliant Energy Gas Transmission Company	pl	Larry Thomas	
	102	Reliant Energy Services, Inc.	e	Gary Hinners, John Orr	
	103	Resource Data International	s	Konni Keuter	
	104	Sabine Pipe Line LLC	pl	Deborah Plattsmier	
	105	Salt River Project Agricultural Improvement & Power District	e	Diane McVicker	
	106	SCANA Corporation	pl	Jacquelyn Gettle	
	107	Sempra Energy - Southern California Gas Co.	l	Lee Stewart	
	108	Shell Gas Transmission, LLC	pl	Chuck Cook	
	109	Southern Company	e	Norrie McKenzie	
	110	Southern Natural Gas Co.	pl	Prince McDougal	
	111	Southwest Gas Corporation	l	Larry Black	
	112	Sterling Commerce	s	Jeff Clavert	
	113	Tatum CIO Partners	s	Eric Lentz	
	114	Tennessee Gas Pipeline	pl	Larry Smith	
	115	Tiger Natural Gas	s	Tracy Phillips	
	116	Tractebel Energy Marketing, Inc.	s	Mark Hodges	
	117	TransCanada Pipelines	pl	Doug Miller	
	118	Transwestern Pipeline Co.	pl	Donna Scott	
	119	TXU Energy Trading Co.	s	Ellen Dailey, Brad Jones	
	120	TXU Lone Star Pipeline Company	pl	Dean Murray	
	121	UBS Warburg Energy	s	Suzanne Calcagno	
	122	U.S. Power Solutions Corporation	s	Ward Camp	
	123	Vector Pipeline L.P.	pl	Amy Bruhn	
	124	Viking Gas Transmission Company	pl	Sherry Hiller	
	125	Washington Gas Light Co.	l	Tim Sherwood	
	126	Westcoast Energy Inc.	pl	Miranda Barnes	
	127	Westfield Gas & Electric Light Dept.	l	Joyce Bodak	
	128	Williams Energy Services Co.	s	Anne Denison	
	129	Williams Gas Pipeline	pl	Dale Davis	
	130	Williston Basin Interstate Pipeline	pl	Keith Tiggelaar	
	131	Wisconsin Public Service Corporation	l	Patrick Fox	
Retail Gas Quadrant (LOI):	1	? AGL Resources Inc.	d	Ernie F. Blake	
	2	Amerada Hess Corporation	su	Randy Magnani	
	3	Baltimore Gas & Electric Company	d	Steve Zavodnick	

**North American Energy Standards Board Membership List and Letters of Intent
as of September 15, 2002**

Quadrant	Organization	Segment	Contact	SubSegment	
	4	Boeing Company	e	Keith Warner	
	5	Consolidated Edison Co. of New York, Inc.	d	Joseph P. Oates	
	6	Consumers Energy Company	d	Ronn Rasmussen	
	7	Duke Energy Gas Transmission, LLP	su	Richard Kruse	
	8	Energy East Management Coporation	d	Eric Wilen	
	9	Energy Services Group, Inc.	s	George Behr	
	10	EnForm Consulting, L.P.	s	David F. Pfeifer	
	11	Indiana Office of Utility Consumer Counselor	e	Matthew Parsell	
	12	KeySpan Energy Delivery	d	Nancy Cianflone	
	13	Michigan Consolidated Gas Company	d	H.L. Dow	
	14	National Fuel Gas Distribution Corporation	d	Walter DeForest	
	15	New Science Partners	s	Rod Sipe	
	16	Niagara Mohawk	d	James Dillon, Janice Bailey	
	17	NISource Inc.	d	Dorothy Hawkins	
	18	Northwest Industrial gas Users	e	Paula E. Pyron	
	19	Ohio Consumers' Counsel	e	Dirken D. Winkler, John Smart	
	20	Orange and Rockland	d	Joseph P. Oates	
	21	Peco Energy Company	d	William Oppenheim	
	22	Pennsylvania Office of Consumer Advocate	e	Tanya J. McCloskey, Stephen Keene	
	23	Peoples Gas System	d	Rachel Gebhardt	
	24	Philadelphia Gas Works	d	Craig White	
	25	PMO Link, Inc.	s	Geoffrey Hingle	
	26	Public Service Electric & Gas Company	d	Joseph Jansen	
	27	Questar Gas Company	d	Pat Naisbitt, Allen Alred	
	28	R. J. Rudden Associates	s	John Charbonneau	
	29	Southwest Gas Corporation	d	John Hester	
	30	Systrends	s	Dave Darnell	
	31	TXU Energy Retail	su	Felecia Lokey	
	32	Washington Gas Light Company	d	Adrian P. Chapman	
	33	Wisconsin Electric Wisconsin Gas	d	Peter H. Newman	
	34	Wisconsin Public Service Corporation	d	William Bourbonnais	
Wholesale Electric Quadrant+A393:	1	? 8760	m	John S. Williams, Jim Buccigross	
	2	ACES Power Marketing LLC	m	Roy J. True	muni
	3	AIG Energy Trading Inc.	m	Carl Peterson	niou
	4	Alabama Electric Cooperative, Inc.	d	Kenneth J. Skrobback	muni
	5	Allegheny Energy	d	Pamela Mills	iou
	6	Allegheny Energy	g	Pamela Mills	merc
	7	Allegheny Energy	m	Pamela Mills	iou
	8	Allegheny Energy	t	Pamela Mills	iou
	9	Alliant Energy Corporate Services, Inc.	d	Eric J. Guelker	iou
	10	American Electric Power Marketing, Inc.	m	Barbara Radous	iou
	11	American Electric Power Service Corp.	d	Thomas Ringenbach	iou
	12	American Electric Power Service Corp.	t	John Stough	iou
	13	American Municipal Power - Ohio, Inc.	d	Pat Frazier, Chris Norton	muni
	14	American Transmission Company LLC	t	Dale Landgren, Julie Voeck	itc
	15	Arizona Residential Utility Consumer Office	e	Lindy Funkhouser	comres
	16	Arkansas Electric Cooperative Corporation	g	Ricky Bittle	muni
	17	Arkansas Electric Cooperative Corporation	t	Ricky Bittle	
	18	Arkansas Electric Cooperative Corporation	d	Ricky Bittle	
	19	Baltimore Gas & Electric Company	t	John J. Moraski, Ralph Bourquin	iou
	20	Basin Electric Power Cooperative	t	Dan Klempel	muni
	21	Basin Electric Power Cooperative	m	David Raatz	
	22	Basin Electric Power Cooperative	g	Jason Doerr	muni
	23	Basin Electric Power Cooperative	d	Ted Humann	muni
	24	Boeing Company	e	Steve LaFond	lind
	25	Bonneville Power Administration	d	Leslie Pompel	other
	26	Bonneville Power Administration	g	Leslie Pompel	fed
	27	Bonneville Power Administration	m	Leslie Pompel	fed
	28	Bonneville Power Administration	t	Barbara Rehman	fed

**North American Energy Standards Board Membership List and Letters of Intent
as of September 15, 2002**

Quadrant	Organization	Segment	Contact	SubSegment
29	BP America Inc.	e	Jeanne Zaiontz	lind
30	Buckeye Power, Inc.	d	Peter H. Buros	
31	Calpine Corporation	g	David McMillan	merc
32	Cap Gemini Ernst and Young	m	William F. Hunter	niou
33	Central Electric Power Cooperative	d	C. Pinckney Roberts, Arthur Fusco	muni
34	ChevronTexaco Energy Research and Technology	e	Carol Guthrie	sgen
35	Cinergy	e	Matthew Smith	enduse
36	Cinergy	g	Matthew Smith	iou
37	Cinergy	m	Matthew Smith	iou
38	Cleco Power, LLC	t	Keith Comeaux	iou
39	Columbus Southern Power Company	g	Barbara Radous	merc
40	Comprehensive Energy Services	e	Jim Templeton	enduse
41	Conectiv Energy Supply, Inc.	g	Gloria Ogenyi	merc
42	Conectiv Energy Supply, Inc.	m	Gloria Ogenyi	iou
43	Conectiv Power Delivery	t	Tsion Messick	iou
44	Connecticut Municipal Elec. Energy Cooperative	d	Brian E. Forshaw	muni
45	Consolidated Edison Co. of New York, Inc.	t	Joseph P. Oates	iou
46	Consolidated Edison Co. of New York, Inc.	d	Terry Agriss	iou
47	Consumers Energy Company	d	Steven L. Gaarde	iou
48	Consumers Energy Company	g	Steven L. Gaarde	iou
49	Dairyland Power Cooperative	t	Bruce Staples	muni
50	Detroit Edison	d	David G. Nick	iou
51	Dominion Energy Marketing, Inc.	g	Lou Oberski	iou
52	Duke Energy Corp.	d	Ollie Frazier	iou
53	Duke Energy Corp.	t	Thomas C. Britton	iou
54	Duke Energy North America	g	James Thompson, Rudy Tolentino	merc
55	Duke Energy North America	m	Michael F. Gildea	iou
56	Dynegy Marketing and Trade	m	Jason Cox, Mark Scheel	niou
57	Edison Electric Institute	n	David Owens, Dave Dworzak	n
58	El Paso Corporation	g	Dennis M. Price	merc
59	El Paso Merchant Energy	m	Sam Beason	niou
60	Electric Reliability Council of Texas (ERCOT)	n	Sam R. Jones	n
61	Electricity Consumers Resource Council (ELCON)	e	John Anderson	lind
62	EnCana Midstream	e	Keith Sappenfield	lind
63	Energy East Management Corporation	t	Marjorie Perlman	iou
64	Entergy Services, Inc.	t	Edward J. Davis	iou
65	Entergy Services, Inc.	m	F. Jay Poche	iou
66	Exelon Corporation - PECO Energy	d	John F. Leonard, Jr.	iou
67	Exelon Energy Delivery	t	John Blazekovich	iou
68	Exelon Generation - Power Team	m	Linda Clarke	iou
69	Exelon Generation Company LLC	g	Regina Carrado	iou
70	ExxonMobil Gas Marketing	e	Steve Sayuk	sgen
71	Florida Municipal Power Agency	g	Rick Casey	muni
72	Florida Municipal Power Agency	d	Steven H. McElhaney	muni
73	Florida Power & Light Company	g	Dona Gussow	
74	Florida Power & Light Company	m	Joe Stepenovitch	iou
75	Florida Power & Light Company	t	Marty Mennes	iou
76	Georgia Transmission Corporation	t	Gary D. Tipps, Ross Kovacs	muni
77	Hydro One Networks	t	Dave Barrie	itc
78	Indiana Municipal Power Agency	g	Dick Foltz	muni
79	Maryland Peoples Counsel	e	Michael J. Travieso	comres
80	Michigan Electric Transmission Company LLC	t	Charles V. Waits	itc
81	Michigan Public Power Agency	d	James R. Nickel, Daniel E. Cooper	muni
82	Midwest Independent Transmission System Operator+J96	n	Bill Phillips	n
83	Mirant Corp.	m	Susann D. Felton	niou
84	Modesto Irrigation District	t	Roge Van Hoy	muni
85	Municipal Energy Agency of Mississippi	d	C. Neil Davis	muni
86	National Grid USA	d	Timothy J. Brennan	other
87	National Grid USA	t	Masheed Rosenqvist	itc
88	North Carolina Eastern Municipal Power Agency	g	Jessie C. Tilton III	muni
89	North Carolina Electric Membership Corporation	d	David Beam	muni
90	North Carolina Electric Municipal Power Agency #1	m	Clay A. Norris	muni

**North American Energy Standards Board Membership List and Letters of Intent
as of September 15, 2002**

Quadrant	Organization	Segment	Contact	SubSegment
	91 North Carolina Electric Municipal Power Agency #1	d	Andrew Fusco	muni
	92 Northeast Utilities Service Company	t	David Boguslawski, William P. McKinn	iou
	93 NorthWestern Energy	t	Ted Williams	iou
	94 NRG Power Marketing, Inc.	g	Steve Corneli	merc
	95 Oglethorpe Power Corporation	g	Glenn D. Loomer	muni
	96 Ohio Consumers' Counsel	e	John Smart, Randy Corbin	comres
	97 Old Dominion Electric Cooperative	g	James N. Kimball	muni
	98 Oncor	t	Ellis Rankin	iou
	99 Ontario Power Generation	g	Barry Green	merc
	100 Ontario Power Generation	m	Dowell Hudson, JoAnne Magnante	niou
	101 PacifiCorp	d	Alec Burden	iou
	102 PacifiCorp	m	Edison G. Elizeh	iou
	103 PacifiCorp	g	Greg Maxfield	iou
	104 PacifiCorp	t	Jim Hicks	iou
	105 PacifiCorp Power Marketing, Inc.	g	Don Winslow	merc
	106 PG&E National Energy Group	m	Jack Hawks	iou
	107 PPL Electric Utilities Corporation	t	Ray Mammarella	iou
	108 Portland General Electric	m	Terri Peschka	iou
	109 Portland General Electric	t	Frank Afranji	iou
	110 Praxair, Inc.	e	James B. Rouse	lind
	111 Progress Energy	d	Benjamin Crisp	iou
	112 Progress Energy	g	Philip Lewis	iou
	113 Progress Energy	m	Micheal Settlege	iou
	114 Progress Energy	t	Verne Ingersoll	iou
	115 PSEG Energy Resources and Trade LLC	m	James D. Hebson	iou
	116 PSEG Power LLC	g	Grgory Eisenstark	merc
	117 Public Service Electric and Gas Company	d	Colin J. Loxley	
	118 Public Service Electric and Gas Company	t	Jeffrey C. Mueller	
	119 Puget Sound Energy, Inc.	t	George Marshall, Bob Harshbarger	niou
	120 Reliant Energy HL&P	t	Paul Rocha	iou
	121 Reliant Energy Power Generation	g	John Simpson	merc
	122 Reliant Energy Services, Inc.	m	Charles Yeung	niou
	123 Sacramento Municipal Utility District	g	Thomas Ingwers	muni
	124 Salt River Project Agricultural Improvement and Power District	d	Wendy Weathers	other
	125 Salt River Project Agricultural Improvement and Power District	g	David P. Slick	fed
	126 Salt River Project Agricultural Improvement and Power District	m	John D. Coggins III	fed
	127 Salt River Project Agricultural Improvement and Power District	t	Steve Cobb	fed
	128 Seminole Electric Cooperative, Inc.	g	Lane Mahaffey	muni
	129 Seminole Electric Cooperative, Inc.	t	Glenn Spurlock	muni
	130 Southeastern Power Administration	g	Bob Goss	fed
	131 Southern California Edison	t	Ronald D. Nunnally	iou
	132 Southern Company Services, Inc.	d	Donny L. Akers	iou
	133 Southern Company Services, Inc.	g	Tony A. Reed	iou
	134 Southern Company Services, Inc.	m	Joel Dison	iou
	135 Southern Company Services, Inc.	t	R.D. (Dean) Ulch	iou
	136 Southwest Transmission Cooperative, Inc.	t	Larry D. Huff	muni
	137 Southwest Power Pool	n	Carl Monroe	n
	138 Southwestern Power Administration	g	Forrest E. Reeves	fed
	139 Southwestern Power Administration	t	Stanley L. Mason	fed
	140 Sunflower Electric Power Corporation	t	L. Christian Hauck, Carroll Waggoner	muni
	141 Tennessee Valley Authority	d	Ron L. Owens	other
	142 Tennessee Valley Authority	g	William F. Irish	fed
	143 Tennessee Valley Authority	m	Gary L. Jackson	fed
	144 Tennessee Valley Authority	t	Mitchell Needham	fed
	145 TRANSlink Development Company LLC	t	Audrey Zibelman	itc
	146 Tri-State Generation and Transmission Association, Inc.	t	Bruce Sembrick	muni
	147 Tri-State Generation and Transmission Association, Inc.	m	Thomas A. Smith	muni
	148 TXU Energy Trading	m	Brad Jones, Jeff Shorter	iou
	149 UBS Warburg Energy	m	Suzanne Calcagno	niou
	150 Vermont Public Power Supply Authority	g	William J. Gallagher	muni
	151 Western Area Power Administration	t	Mark Fidrych	fed
	152 Western Area Power Administration	m	Jeffrey Ackerman	fed

**North American Energy Standards Board Membership List and Letters of Intent
as of September 15, 2002**

Quadrant	Organization	Segment	Contact	SubSegment
	153 We Energies	d	Linda Horn	iou
	154 We Energies	g	James R. Keller	iou
	155 Williams Energy Services	n	Anne Denison	
	156 Wisconsin Public Power Inc.	d	Mike Stuart	muni
	157 Wisconsin Public Service Corporation	g	William Bourbonnais	iou
	158 Xcel Energy Inc.	m	Steven J. Beuning, Steve Peluso	iou

Legend	
	? Company contacted to confirm LOI. No application received in NAESB Office.
Segment Abbreviations:	d Distribution for retail and Distribution/LSEs for wholesale
	e End Users
	g Generation
	l Local Distribution
	m Marketers/Brokers
	pl Pipelines
	pr Producers
	s Services
	su Suppliers
	t Transmission
	n Non-voting member or no segment specified
WEQ SubSegment Abbreviations:	blank Company has not replied which sub-segment they intend to join
	compret Competitive Retailer (not IOU or IOU affiliated)
	comres Commercial/Residential
	enduse End Users also present in other segments
	fed Federal/State/Provincial
	iou Investor Owned Utilities or IOU Affiliates
	itc Independent Transmission Companies
	lind Large Industrial End Users
	merc Merchants
	muni Municipals/Cooperatives
	n Specifically requested to be undeclared
	niou Not IOU affiliated
	other Other, not IOU or IOU affiliated
	sgen End User, Self Generation



**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
SEPTEMBER 23, 2002**

10. OTHER BUSINESS

- **BACKGROUND:** The Board actions taken by notational vote since the June 28 meeting are provided here.
- **ACTION:** No Board action required.

NORTH AMERICAN ENERGY STANDARDS BOARD

Resolution to Accept Proposed 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 Formation Group has adopted proposed Quadrant Procedures attached hereto as Exhibit A, which it proposes be accepted by the Board of NAESB and attached to the Bylaws as an Exhibit; and

WHEREAS, the proposed Quadrant Procedures have been submitted to NAESB's General Counsel for review to determine whether such proposed 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 Quadrant Procedures of the Wholesale Electric Quadrant are not inconsistent with the Certificate and Bylaws of NAESB, provided that (i) the Wholesale Electric Quadrant holds to the consensus view expressed at its July 9 -10, 2002 formation meeting that the principle of Inclusivity set forth in Section 2.2 of the NAESB Bylaws would be adhered to, so that any entity with a legitimate business interest in the wholesale electric sector would be able to join a Segment and Sub-segment of the Wholesale Electric Quadrant through the process of self-selection and be considered for seats on the Board and Executive Committee; and (ii) unless and until the Voting Members of the Wholesale Electric Quadrant clarify or modify the Procedures to provide differently, the proposed Quadrant Procedures must be interpreted and applied so that "service providers" are viewed as having a legitimate business interest in any of the Segments or Sub-segments described in the proposed Quadrant Procedures, and transmission organizations (i.e., RTOs, ISOs, RROs, IMO and the like) are viewed as having a legitimate business interest in the Transmission Segment;

NOW, THEREFORE, BE IT:

RESOLVED, that the Board of Directors of NAESB hereby accepts (subject to the conditions described below) the 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) On or before August 30, 2002, the Voting Members of the Wholesale Electric Quadrant may amend or clarify the Quadrant Procedures with respect to specific Segments or Sub-segments for which service providers and transmission organizations will qualify for membership; or

(2) Absent such clarification or modification, the proposed Quadrant Procedures will be interpreted and applied so that "service providers" will be viewed as having a legitimate business interest in any of the Segments or Sub-segments of the Wholesale Electric Quadrant designated in the proposed Quadrant Procedures, and transmission organizations will be viewed as having a legitimate business interest in the Transmission Segment.

July 2002



North American Energy Standards Board

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Home Page: www.naesb.org

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.



North American Energy Standards Board

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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 not 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



North American Energy Standards Board

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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.



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RESOLUTION REGARDING THE CREATION OF EXECUTIVE COMMITTEE SUB-COMMITTEES

WHEREAS, the bylaws of NAESB assign to the Board and to NAESB's Parliamentary Committee the responsibility for developing and adopting matters involving corporate governance, and

WHEREAS, through the NAESBOPS the Board has adopted procedures for the operation of committees, sub-committees and task forces, and may adopt other such procedures in the future, and

WHEREAS, the Executive Committee (EC), as a whole and through the Quadrant ECs, properly may wish to create sub-committees and task forces for the purpose of discharging its standards-setting/standards maintenance and model business practice -setting/maintenance responsibilities,

NOW THEREFORE BE IT RESOLVED, that the EC and the Quadrant ECs shall have the general authority to adopt resolutions establishing sub-committees and task forces for the specific purposes of facilitating the development, establishment and maintenance of standards and model business practices, which sub-committees and task forces shall in their operation comply with the NAESBOPS in all respects, and

BE IT FURTHER RESOLVED, that the EC may request authorization from the Managing Committee of the Board to establish other sub-committees and task forces not covered by the preceding paragraph, and only upon such authorization being granted shall the said sub-committees and task forces exist or come into being, and

BE IT FURTHER RESOLVED, that the Managing Committee may delegate this indicated authority to the Parliamentary Committee.