

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
General Comments					
1			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	1) The one-man, one-vote portion as written denies members with legitimate interests in several Segments (in different quadrants) voting rights, unless they send different representatives. I'd imagine this could be a real pain for suppliers since one person could logically represent them in both the retail electric and retail gas quadrants. Two different representatives would mean plowing the same ground over again. Also if companies like mine consolidate gas and electric distribution, then I'd like to be able to preserve my votes without sending two people to do a job that one could do. 2) The whole discussion of "voting members" makes me crazy. Are there non-voting members? Introducing the voting member concept is confusing. 3) The procedures for reauthorizing what I call a representative member (trade association, etc.) as written leave it to that organization to say such membership is no longer needed, once two of its members join the Segment. I think it should be subject to a Segment vote - it is the Segment members votes they are diluting, they should have the say.
2			Mike Novak / National Fuel Gas Distribution	NAESB EC	Response to Bill's comment #2 above: In the Certificate of Incorporation, Article IV, Section 3 "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." Additionally, all other members can vote but some choose not to (DOE is a good example in Gas Wholesale). On 1), I had a discussion with Terry Moran on this yesterday that might help Bill N. I've run into the same problem myself in GISB because we have both a pipeline and an LDC.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
3			Ruth Kiselewich / BG&E	Distributors	<p>I tried doing both (I actually report my minutes to both divisions) at meetings but it ends up upsetting people because they never know where you are coming from. Its cleaner to have two people vote and teleconferencing makes that an easy option. When its important, we have someone from the pipeline come to the meeting. We sometimes cancel each other out but the different divisions very certain issues very differently. I'm not saying one-man one-vote is perfect but the alternative has its share of problems.</p> <p>1) I believe that information covered in higher level documents such as the NAESB Bylaws should not be repeated in lower level documents such as the Quadrant procedures. If you have even slightly different wording, you risk conflicting interpretation. Thus, in 2.1, I feel the REQ approach with the explanatory note not in the final document is better than the REQ approach. 2) I believe that wherever possible, items should be included in the higher level document. Thus, unless there is a good reason to have differences, the Quadrant procedures should address topics such as in 7.3(B) Election Mechanisms, rather than this being in Segment documents risking minor differences without any good reason. It is especially appropriate for a standards organization to have standard documentation.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
4			Jim Minneman / PPLSolutions	Services	<p>PPLSolutions believes that the REQ and the REQ governance procedures should have the same language unless there is a true difference in how the governance of the Quadrants will be done. In reviewing both the REQ and the REQ governance procedures we found very little common language but very few differences in intent. Using the same language where the intent is the same will make it much easier for people participating in both Quadrants to understand the real differences in governance. This will, in turn, make it much easier to comply with the rules defined in the procedures. Many of the following comments are made with this intent in mind.</p> <p>We have a unique opportunity to create Retail Quadrant procedures that are not only consistent with the Bylaws and with each other but that have “standard” language which will make comprehending the organization much easier for interested parties. Once the Board approves the procedures the opportunity will be gone. Now is the time to agree on common wording.</p>
5			Misty Ann Khan / Telerx	Services	Telerx endorses comments provided by PP&L Solutions and Reliant Energy except where noted.
	1.0	Keep definitions A, B, G & H?			
6			Jeff Anthony / Wisconsin Electric	Distributors	adopt REQ approach to definitions, and use REQ section 1.1 for Procedures

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
7			Jim Minneman / PPLSolutions	Services	To be consistent with the Bylaws and the REQ procedure definitions should be in Section 1.1. Eliminate segment definitions (A,B,G & H), instead put them in section 2.3; add "of NAESB" to end of definition 'D'; eliminate 'E' for redundancy; add definition for REQ Designated Alternate.
8			Les Nishida / Wisconsin Public Service	Distributors	delete A, B, G & H in favor of revised descriptions in section 2.3; restructure 1.0 into a section 1.1 to match REQ and a new section 1.2 for REQ definitions
9			Anne McGlynn / Exelon Dist Co	Distributors	Prefer to see the definitions in the Bylaws, not repeated in the Quadrant or Segment documents
10			Carol Busto / Dominion Virginia Power	Distributors	Definitions for the various segment members should remain in this document. Readers should not have to refer to four separate documents to determine which segment they are eligible for. Each segment could develop its own definition, however they should be repeated in these procedures as well. D-VP recommends removing the segment member definitions A, B, G & H here and replacing with revised definitions in Section 2.3
11			Keith Sappenfield / PanCanadian Energy	Suppliers	Add definition of Bylaws to Quadrant definitions. The term "Bylaws" is not defined in Bylaws. Suggested definition: "Bylaws" means the bylaws of NAESB; Except for addition of the term "Bylaws" PanCanadian Energy Services supports the above approach for definitions both in the REQ and REQ Procedures.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
12			Julie Unruh / Reliant Energy	Suppliers	Drop A, B, G & H. Add "REQ Designated Alternate" means a person elected by a Segment of the REQ and submitted to the NAESB Office to serve in place of a REQ EC Member who is unable to attend an EC meeting. Prefer to have Segments create definitions in the Segment procedures.
	2.0	Purposes, Scope, Principles & Policies			
13			Carol Busto / Dominion Virginia Power	Distributors	D-VP agrees with Bill Newbold's suggested revisions in his version of Sections 2.1, 2.2 and 2.3
14			Keith Sappenfield / PanCanadian Energy	Suppliers	The REQ and REQ Procedure documents should not include these or similar statements. These principals and statements are included in the Bylaws and need not be duplicated in the REQ or REQ Procedure documents
	2.1	Purpose & Scope			
15			Les Nishida / Wisconsin Public Service	Distributors	Rename the section "Purpose, Scope & Activities" and delete subsection numbering A & B; delete all text under old 2.1(B) Scope and replace with modified REQ text as follows: "The Retail Electric Quadrant is concerned with and tasked to handle retail electric related issues and practices that are within the scope of NAESB and typically addressed at the retail electric distribution level. The Retail Electric Quadrant shall work in conjunction with other NAESB Quadrants where proposed standards and model business practices affect those other Quadrants.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
16			Julie Unruh / Reliant Energy	Suppliers	Sect 2.1B / Scope: Electricity Distributor is not a defined term and should not be capitalized. Replace second paragraph with: "The REQ shall work closely with other NAESB Quadrants to strive for consistency where proposed Standards and Model Business Practices affect those other Quadrants.
17	2.1	Note on Principles to stay?	Jeff Anthony / Wisconsin Electric	Distributors	Keep the note as two separate subsections
18			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Incorporate first paragraph of note into text of 2.1(B) following existing statement: "The Retail Electric Quadrant would normally address issues and practices which are generally within the jurisdiction of state or local regulatory authorities. The findings, recommendations and proposed standards or model business practices produced by this Quadrant of NAESB may be implemented in individual jurisdictions only to the extent that they are consistent with applicable law and regulation. Standards and model business practices that prove successful where adopted, can be expected to promote more consistency across independent jurisdictions as legislators and regulators take note of the success."
19			Ruth Kiselewich / BG&E	Distributors	Exclude the explanatory note.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
20			Jim Minneman / PPLSolutions	Services	Replaces the second paragraph with the following wording: The "REQ shall work closely with other NAESB Quadrants to strive for consistency where proposed Standards and Model business Practices affect those other quadrants."
21			Terry Moran / PSE&G	Distributors	Incorporate first paragraph of note into text of 2.1(B) following existing statement: "The Retail Electric Quadrant would normally address issues and practices which are generally within the jurisdiction of state or local regulatory authorities. As such, the findings, recommendations and proposed standards or model business practices produced by this Quadrant of NAESB may be implemented in individual jurisdictions only to the extent that they are consistent with applicable law and regulation. Standards and model business practices that prove successful in those states that adopt them might well be adopted by additional jurisdictions if compatible with policies in their jurisdiction."
22			Julie Unruh / Reliant Energy	Suppliers	Do not need to be in the final document – all of these points state the obvious. The language in the first paragraph is particularly unnecessary, as state/local regulatory authorities will do what they wish with the standards/model business practices. This document is not the appropriate place for this language and this document need not address this issue.

2.2 Policies

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
23			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	<u>Incorporate second paragraph of 'note' as section 2.2 and name it Principles:</u> "The Retail Electric Quadrant will operate in conformance with the principles of NAESB as established in Section 2.2 (b) of the NAESB Bylaws, and in compliance with ANSI guidelines as codified therein.", then renumber this section as 2.3
24			Jeff Anthony / Wisconsin Electric	Distributors	Move the subsections on meetings of members and joint meetings to [a new] section 6 for consistency with Bylaws
25			Jim Minneman / PPLSolutions	Services	PPL Solutions prefers the approach taken in this (REQ) document and has commented that this approach should also be adopted by the REQ.
26			Les Nishida / Wisconsin Public Service	Distributors	Move the text of 2.2(A) to Section 6.0 which is consistent with the organization of the REQ Procedures; then replace the text in 2.2(A) with a modified REQ Policy statement which reads: "The REQ shall comply with the principles, policies and procedures laid out in the Bylaws and the Certificate of Incorporation of NAESB and with ANSI guidelines. As such, the REQ encourages a widely based membership and has identified Segments, which reflect this principle of inclusiveness. The REQ will ensure that all meetings, including those of its Members, Executive Committee (EC), and subcommittees and task forces, will be open to all persons and that all minutes thereof shall be available to the public."

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
27			Anne McGlynn / Exelon Dist Co	Distributors	prefer the current language
28			Terry Moran / PSE&G	Distributors	The Retail Electric Quadrant will operate in conformance with the principles of NAESB as established in Section 2.2 (b) of the NAESB Bylaws, and in compliance with ANSI guidelines. In keeping with these Principles, the Retail Electric Quadrant encourages membership from across the spectrum of the Retail Electric industry, reflecting the principle of inclusiveness. All Retail Electric Quadrant meetings, including those of its Members, Executive Committee (EC), subcommittees and task forces, shall be open to any interested member of the public and that all minutes thereof shall be available to the public in keeping with the principle of openness." PSE&G would recommend deleting A,B, the first paragraph of C, and D – as they are redundant with the bylaws. The second paragraph of C should be addressed in the NAESBOps – as the issue concerns all quadrants.
29			Keith Sappenfield / PanCanadian Energy	Suppliers	I would prefer that these principals apply to all quadrants and should be included in NAESBOps as operating principals and guidelines. If set forth in NAESBOps that are applicable to all quadrants, there is no need to duplicate such provisions in the REQ and REQ Procedure documents

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
30			Misty Ann Khan / Telerx	Services	Reword subsection 2.2(B) as follows: "From time to time, there will be joint meetings of the REQ with other Quadrants within NAESB, and Segments will meet jointly also conduct both intra- and inter-Quadrant joint meetings to transact Quadrant business." [It is not clear from the current language whether meetings between Segments within a Quadrant are being addressed or meeting between Segments from different Quadrants are being addressed. Both types of meetings may be necessary.
	2.2 (C)	One Person, One Vote Requirement			
		A. Change the provisions?			
		B. Move to NAESBops?			
31			Deborah Penn / APPA	Distributors	Acceptable as written, and to keep in REQ document.
32			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Insert a new subsection C for Voting Rights as follows: Only REQ Voting Members have the right to: 1) ratify standards or model business practices adopted by the Quadrant EC. Ratification voting will be in accordance with the requirements of the NAESB Bylaws. 2) vote in elections for the Board of Directors and Executive committee. These elections shall be held in accordance with NAESB and REQ and the applicable Segment's procedures.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
33			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	(in conjunction with above comment) Change current subsection 'C' to 'D' and rename it "One Member, One Vote", and change the language in 2.2(C)(2) to: "In the even that a duly authorized representative of a Member in one Segment also represents the Member in a Segment in any other NAESB Quadrant, the following voting guidelines apply: a) When voting in Board elections, EC elections, on governance issues presented to the Membership, and ratification votes: the Member's duly authorized representative shall be eligible to cast one vote on behalf of the Member (to be counted in the applicable REQ Segment), even if the duly authorized representative is also the duly authorized representative of a member in another Quadrant and eligible to cast a vote in that Quadrant. b) When engaged in a joint meeting, requiring Member voting, then the individual serving as a representative in more than one Segment must choose the Segment and Quadrant in which they will vote on any issue presented at the

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
					<p>meeting. This choice must be made before the first vote occurs and may not change during the course of the meeting. The authorized representative may only cast one vote on each voting issue. (i) to the extent that any other involved Quadrant's rule may differ on this point, the representative must still honor this Quadrant's rule for any such vote and may designate a substitute representative for the Member's other Segment interests during the joint meeting. c) At NAESB joint subcommittee or joint task force meetings, the person serving as a Member's duly authorized representative in more than one Segment must choose the Segment and Quadrant in which they will vote on any issue presented at the meeting. This choice must be made prior to the first vote, and may not change for the duration of the Member's participation on the subcommittee or task force. The authorized representative may only cast one vote on each voting issue. (i) To the extent that any other involved Quadrant's rule may differ on this point, the representative must still honor this Quadrant's rule for any such vote and may designate a substitute representative for the Member's other Segment and Quadrant interests in the subcommittee or task force. Further, agree that this subsection belongs in NAESBops rather than the Quadrant document. <i>[some additional edits for simplification / consistency were made to the above]</i></p>
34			Jeff Anthony / Wisconsin Electric	Distributors	Suggest 1) moving the sections (REQ 2.2 A and 2.2 B to section 6.0 to mimic the approach used in the REQ Procedure section 6.0; 2), retaining the current language in 2.2(C)(1); 3) keep this in the document pending a transfer to NAESBops.
35			Ruth Kiselewich / BG&E	Distributors	Move to NAESBops.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
36			Anne McGlynn / Exelon Dist Co.	Distributors	Keep for now until NAESBops are created and it becomes moot.
37			Carol Busto / Dominion Virginia Power	Distributors	D-VP agrees with Bill Newbold's suggested revisions & recommend moving to NAESBops
38			Julie Unruh / Reliant Energy	Suppliers	<p>Belongs in a NAESBOP so there are no differences between quads and Segments. Prefer the current language and wish to see this be the rule for all quads. Allowing the same individual to vote with proxies will make it administratively difficult to keep track of what entities for which the individual holds the proxy(ies). Additionally, it could lead to abuse, particularly if there is not a mechanism in place to verify during a meeting whether the individual does in fact have the proxy for the entities s/he claims to have. If proposed change in 2.2(C)(1) is accepted, there is no need for 2.2(C)(2). IF 2.2(C)(2) is retained, Reliant Energy believes this should be consistent across all quads, and thus recommends that this issue be moved into the NAESBops.</p> <p>Regarding the note below 2.2(C)(2), Reliant disagrees that such votes would be rare; although "official" votes are primarily for elections and ratifications, working groups/subcommittees often vote "unofficially," and in a joint quad meeting, this scenario could come up. Reliant prefers to see this in NAESBops.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
39			Misty Ann Khan / Telerx	Services	There may be cases where a company does not have the resources to appoint different individuals to represent it in multiple Segments or Quadrants. If that company is a paying Member in multiple Segments or Quadrants, that company should be allowed to cast multiple votes. Telerx does, however, agree that this issue is best addressed in a NAESB Op.
40	2.2 (D)	Ratification	Les Nishida / Wisconsin Public Service	Distributors	Move the text of 2.2(D) to Section 2.2(B) [as a result of other proposed changes to Section 2.0]
41			Anne McGlynn / Exelon Dist Co.	Distributors	Do we really need to call them "voting members"? Members who have paid their dues are voting members.
42	2.3	A. Segment flexibility on rules? B. Drop "local"?	Deborah Penn / APPA	Distributors	Keep 'local', but segment still not well defined. It should specify that parties serve retail customers and have an electric load serving obligation.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
43			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Need a paragraph following the descriptions: Segments may, but are not required to, expand membership eligibility to other parties, as described below in Section 5.2, 2, when a majority of the Segment believes it is necessary or desirable to do so to enable the Segment to represent the full spectrum of potential participants. Yes, [local] can be dropped. The important point is that they distribute electricity to end-users-not to other utilities or distributors. [see further comment on redefinition of Distributors]
44			Wayne Mastin / SCT	Services	segment flexibility: No need to add such language-seems like "motherhood" to me. yes, it can be dropped. See above. The important point is that they distribute electricity to end-users, not to other utilities or distributors.
45			Ruth Kiselewich / BG&E	Distributors	Note: Similar provision is not needed since it is in procedures and, by remaining silent, you do not preclude the segments having flexibility to determine own rules. Leave "local" in document since it helps to differentiate retail from wholesale.
46			Jeff Anthony / Wisconsin Electric	Distributors	Provision regarding Segment flexibility to set its own rules should be in the document. Drop the word "local".
47			Jim Minneman / PPLSolutions	Services	Each REQ Segment shall have the flexibility to determine its own Segment rules and procedures and to elect or select its own procedures in this Exhibit. Keep 'local'.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
48			Les Nishida / Wisconsin Public Service	Distributors	Change the second sentence to read " Members of the REQ are person[s] who meet the following membership requirements, and any requirements listed in the Segment Procedures, in any one of the four Segments of this Quadrant."; then delete the word Segment in the title of each of the numbered subsections.
49			Anne McGlynn / Exelon Dist Co.	Distributors	Agree that Segments should be allowed to determine their own rules and procedures; disagree with the removal of 'local'. If the distribution is not defined as local, I believe there could be confusion in determining transmission vs. distribution.
50			Terry Moran / PSE&G	Distributors	In first paragraph, revise wording of second sentence to read: "Members of the REQ are persons with legitimate business interest in the retail electric market and which meet the following membership requirements in any on of the four Segments of this Quadrant."

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
51			Carol Busto / Dominion Virginia Power	Distributors	<p>We feel strongly that the definitions of the segment members need to be consistent in both the REQ and RGQ documents. DVP would like to offer another possible approach to resolving some of the issues regarding in which segment a party will participate. DVP suggests renaming the Distributor segment as the "Delivery" segment, and including those engaged in either the transmission or distribution of electricity. Should the Quadrants decide that definitions in the REQ and RGQ need to be consistent, then the RGQ would need to move "pipelines" from their Supplier Segment to their Delivery Segment. This would eliminate the concern over whether or not to delete the word "local" from the definition. The Supplier Segment should be expanded to include producers (or generators) of electricity to fall in line with the RGQ document. Also adding the descriptive words "retail & wholesale" to marketers as in the RGQ is appropriate. Finally, the words "to end users" should be deleted. This would allow for any supplier of electricity selling to either wholesale or retail users.</p> <p>Lastly, aggregators have not been included in any segment. DVP proposes they be included in the Services segment since they essentially provide a "service" to either suppliers or end-users. For consistency in definitions between the retail quadrants, the RQG document would need to be modified to move aggregators from the Supplier Segment to the Services Segment. Also, a minor numbering change...Each segment should be numbered A, B, C, D, for consistency within the document. And Yes, adopt the RGQ language that segments have the flexibility to determine their own rules.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
52			Keith Sappenfield / PanCanadian Energy	Suppliers	<p>The requirements and definitions of the segment membership should be in the applicable Segment Procedures and not in the REQ or RGQ Quadrant Procedures. Delete all definitions set forth in this section regarding membership of Segments. This will permit the individual segments to determine their own rules and procedures for membership without the potential to be in conflict with the either the REQ or RGQ Quadrant Procedures. [Edits produced the following Segment definitions]</p> <ol style="list-style-type: none"> 1. Distributor Segment 2. End User Segment 3. Suppliers Segment 4. Services Segment

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
53			Julie Unruh / Reliant Energy	Suppliers	<p>“Membership” is undefined here, in the definitions, and in the Bylaws. Do we mean “Segment Membership,” as defined in this document? If so, this sentence seems redundant, and Reliant would recommend its removal. “Members” are defined in the Bylaws, but again, restating it here seems unnecessary. Further, change the last sentence of the paragraph and the segment descriptions as follows: “.... each prospective Member shall declare the Segment with which they are to be identified. The four Segments are:</p> <ol style="list-style-type: none"> 1. Distributor Segment 2. End User Segment 3. Suppliers Segment 4. Services Segment” <p>Reliant agrees with PanCanadian; the Segments should define themselves.</p>
54	2.3(1)	Distributor Segment Description	Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Reword to: “Parties eligible for Membership in this Segment are engaged in the distribution of electricity to retail customers.”

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
55			Jim Minneman / PPLSolutions	Services	<p>Replace the entire section with the following. This change will make the procedure consistent with the RGQ procedure. Some of the wording in the initial paragraph is confusing and unnecessary. Replacing this section will clarify the language. Section 2.3 REQ Segments What follows is a description of the Retail Quadrant organization structure, including a listing of REQ Segments. Suppliers: NOTE-WORDING FOR THIS DEFINITION SHOULD BE PROPOSED BY THE SUPPLIER SEGMENT. Distributors: Persons engaged in the regulated or publicly owned local distribution of electricity. End Users: Persons that consume electricity, including consumer advocacy organizations and retail customer groups. Service Providers: Persons that provide services to the participants in the retail electricity industry, including equipment manufacturers, equipment and service vendors, software providers, energy consultants, and other companies not otherwise declared in any other Segment.</p> <p>Each REQ Segment shall have the flexibility to determine its own Segment rules and procedures and to elect or select its own representatives to the NAESB Board and REQ EC, as long as those rules and procedures conform with NAESB Bylaws and the REQ Procedures of this Exhibit.</p>
56	2.3(2)	Membership Requirements - End User Segment	Wayne Mastin / SCT	Services	Parties eligible for Membership in this Segment consume electricity purchased at the retail level.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
57	2.3(3)		Ruth Kiselewich / BG&E	Distributors	Needs a period at the end of the paragraph.
58	2.3(4)		Ruth Kiselewich / BG&E	Distributors	Similar provision not needed since it is in procedures and, by remaining silent, you do not preclude the Segments having flexibility to determine own rules. Leave local in document since helps differentiate retail from wholesale.
59			Julie Unruh / Reliant Energy	Suppliers	Addition of RGQ language on Segment flexibility: not necessary, states the obvious. As for deleting the word "local", agree, although what would a non-local distributor be? Isn't this a transmission entity?
60	3 & 4		Misty Ann Khan / Telerx	Services	Change language following notes indicating "Sections are reserved for future use" to read "Section x as described in the NAESB Bylaws." The reader may not necessarily understand that the reason these sections are blank is because this document follows the NAESB format – a word of explanation at the beginning of the document explaining the format and the purpose of the skipped sections might be helpful.
	5.	Members			
61			Terry Moran / PSE&G	Distributors	PSE&G's recommendation is to (re)structure the [entire] similar to that of the RGQ - see attachment
62			Julie Unruh / Reliant Energy	Suppliers	For section 5.1, Bylaws use the term "Voting Members" - why was this modified?

Retail Electric Quadrant Procedures
Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
	5.1(A)	Strengthen statement?			
63			Deborah Penn / APPA	Distributors	Acceptable as is, but very open-ended and may be ignored.
64			Wayne Mastin / SCT		Main sentence: Representatives chosen by any person in any Segment should have, but are not required to have, some level of corporate responsibility for the business interests causing the person to seek Membership in the Segment.
65			Ruth Kiselewich / BG&E	Distributors	What about rewording this to: "Any person in any Segment may choose a representative with preference given to representatives with corporate responsibility for the business interests addressed in the Segment."
66			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG believes it is satisfactory as written.
67			Jim Minneman / PPLSolutions	Services	Delete the phrase "but are not required to have". This phrase does not clarify the meaning of the sentence and, in fact, raises confusion about the intent of this statement.
68			Les Nishida / Wisconsin Public Service	Distributors	Delete subsection (A)
69			Anne McGlynn / Exelon Dist Co.	Distributors	Statement is fine as is; NAESB wants to assure that the members are decisionmakers.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
70			Carol Busto / Dominion Virginia Power	Distributors	Leave as is ... no strong opinion
71			Keith Sappenfield / PanCanadian Energy	Suppliers	See clarifying language [for Section 2.3]. Otherwise this is sufficient for Segment membership that will further define any requirements.
72			Julie Unruh / Reliant Energy	Suppliers	5.1A: delete phrase ", but are not required to have"; statement is satisfactory. Anyone not having some corporate responsibility to act on behalf of his/her company will likely not be a productive or respected Member and will have no impact upon the NAESB process. Additionally, drafting a more specific statement will still not prevent individuals with insufficient corporate responsibility from participating.
	5.1(B)	Change from "significant" to "legitimate"?			
73			Bill Newbold / DTE Energy	Distributors	Leave as is.
74			Wayne Mastin / SCT	Services	Leave as is. Is either one quantifiable enough to be determinable in the event of a removal that is then appealed by the former member? "Legitimate" seems less troubled with the quantity problem.
75			Ruth Kiselewich / BG&E	Distributors	Note: Leave "signiificant". The opposite of legitimate has an incorrect connotation in this context.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
76			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG recommends consideration be given to making the above two statements an "AND" condition rather than "OR" (e.g., you'd want both to happen to remove a member). This is a suggestion, we do NOT feel strongly about this, just want to raise it for consideration. WE-WG would like to see LEGITIMATE used here, but this is a slight preference only, we don't feel either word will sway much if this occurrence ever comes to pass.
77			Jim Minneman / PPLSolutions	Services	Change the first sentence to read, "Members who do not have a legitimate business interest pertaining to the descriptions contained in Section 2.3 may be removed from Segment Membership by a simple majority vote of their declared Segment Membership, or they may be removed from NAESB membership by resolution of the REQ Executive Committee." This avoids the question of whether the member ever did have a legitimate interest (deleted "cease to have"), the term "legitimate" is more appropriate than "significant" and this allows a Segment to vote a member out of the Segment but allows the REQ EC to determine that another Segment may still be appropriate rather than automatically terminating NAESB Membership.
78			Anne McGlynn / Exelon Dist Co.	Distributors	Prefer "legitimate", and [yet] wonder how a residential end-user's "legitimate business interest" is determined.
79			Carol Busto / Dominion Virginia Power	Distributors	Leave as is. It must agree with the wording in 5.2.1

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
80			Keith Sappenfield / PanCanadian Energy	Suppliers	My comment is to leave it as "significant business interest." Any business interest is presumably "legitimate" with only the degree of such interest in question. While "significant" is a subjective judgement, it provides a basis for a segment member to question whether a party has sufficient interest in the segment membership.
81			Julie Unruh / Reliant Energy	Suppliers	Change wording to: "Segment Members that fail to carry out the functions described in Section 2.3 may be removed from Membership by either:" Both "legitimate" and "significant" have interpretive problems and it is not clear who will interpret the word chosen.
82			Misty Ann Khan / Telerx	Services	There should be a provision for transferring a member to a different more appropriate Segment as opposed to expelling them from NAESB.
83	5.2	Voting Members	Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Why are the concepts of members and voting-members both presented-how is it different than participants and members? Also, as written (before suggested changes) the general membership requirements are narrower than the voting member requirements. Revise 5.2(2)(c) to read as: "no more than two entities within the group represented subsequently join as Members of the Segment, at which point the Segment Membership will revisit the representative's eligibility for continued membership under the terms of section 5.2(2)(a)." There could be 50 members of the organization that are REQ Members, but 1000 of the 1500 members in the organization could still authorize it to join REQ on their behalf - rewording come closer to the desired intent.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
84			Les Nishida / Wisconsin Public Service	Distributors	Move subsections (B) and (C) to the end of subsection 5.2, renumbering them (3) and (4).
85			Carol Busto / Dominion Virginia Power	Distributors	Numbering of this section should follow the general format of the document.
86			Keith Sappenfield / PanCanadian Energy	Suppliers	Revise this entire subsection by editing it down to: "Membership and voting rights in the RGQ of NAESB shall be open to any Member that meets the Segment membership requirements where the Member has a legitimate business interest in the Segment of the retail natural gas market (or is a representative or Agent of such person) as set forth in the Segment Procedure for such segment." [also keep the footnote in the statement]
87			Julie Unruh / Reliant Energy	Suppliers	Bylaws call this section "Non-Voting Members" - why did we change? Suggest rolling this section in 5.1 or renumbering to 5.5, the first unused number in the Bylaws. Furthermore, rewrite the section as follows: "Membership and voting rights in the REQ of NAESB shall be open to any Segment Member (or representative or Agent of such person) that carries out the functions described in Section 2.3 above in the retail electric market, as determined by a simple majority of the Segment Membership." [Both "legitimate" and "significant" business interests have interpretative problems and it is not clear who will interpret the word chosen. Need more details about how this will be determined and how a party would appeal an adverse vote by the Segment.]

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
					<p>"The Member may be a trade association or an advocacy group representing a group of prospective members, provided that the group represents an interest that is identified within a Segment, yet is not represented in the judgment of a simple majority of the Segment Membership." [What does "underrepresented" mean and how would the Segment determine this? Remove.]</p> <p>"The prospective representative's relationship to the group wishing to be represented in this manner is documented in one of the following ways:</p> <p>(i) has statutorily or regulatory- designated authority to represent the interests of the subject group;</p> <p>(ii) is generally recognized representative of the subject group for other transactions (e.g. provides group insurance, group buying of another product, etc.); or</p> <p>(iii) provides a letter of authorization from the group, including an expiration date for the letter of authorization; and (iv) no more than two entities within the group represented subsequently join as full Members of the Segment, at which point the representative's authorization for representation and voting rights will be immediately voided unless reinstated by letter for the remainder of the operating year by the remaining members of the representative's constituency.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
88			Misty Ann Khan / Telerx	Services	The current wording seems to suggest that each member should be voted into membership by the existing Segment Membership. It was my understanding that a company need only send in their application and pay their dues to initially become a Member and then if the Segment perceives an issue with that Membership, it is up to them to vote the Member out or to another segment. If another meaning is intended for this section, Telerx would be happy to propose alternative wording. Telerx has no issue with the footnote in the draft document.
89	5.2(1)	"Significant" with "Legitimate"	Jim Minneman	Services	5.2(A)1 - Change "significant" to "legitimate".
90			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG has a slight preference for LEGITIMATE, but not a strong preference.
91			Carol Busto / Dominion Virginia Power	Distributors	No, leave as 'significant'
92			Julie Unruh / Reliant Energy	Suppliers	Either word has interpretive problems, recommend language shown in comment (above)
93	5.2(2)	Changes / deletions regarding Trade Associations?			

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
94			Deborah Penn / APPA	Distributors	Agree with ELCON that provisions should be deleted. The association may want to represent the interests of its smaller members, even though two or more of its larger members decide to join.
95			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	No, we need them [Trade Associations] in the Distributor segment if REA's/Municipals are to be represented. Besides, as (re)designed they can do no harm-the Segment is the decision-maker on whether or not to dilute their own votes.
96			Ruth Kiselewich / BG&E	Distributors	I do not agree with the request to delete the provisions in their entirety. They belong in here.
97			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG tends to agree in concept with ELCON, but if others are OK with this section (as implied in the paragraph below, we can accept leaving it.
98			Jim Minneman / PPLSolutions	Services	Delete sections 5.2(2)(B) and (C). These sections are more appropriately addressed at the Segment level. Different Segment may have different circumstances that would make it appropriate for them to develop different rules relative to trade associations.
99			Anne McGlynn / Exelon Dist Co.	Distributors	Agree with the phrasing in the REQ version
100			Carol Busto / Dominion Virginia Power	Distributors	No, keep

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
101			Keith Sappenfield / PanCanadian Energy	Suppliers	I agree with ELCON that these provisions should be deleted. In the end the provisions provide the reasoning that a segment or quadrant member would use in making his/her judgement on whether a party has a "significant" business interest. Enumerating the various factors does not add to the document and only increases the measures that a questioning party would have to perform to "prove" a party does not have a "significant business interest."
102			Julie Unruh / Reliant Energy	Suppliers	Disagree [with removal of Trade Association rules]
103			Misty Ann Khan / Telerx	Services	There has been some issue with the use of the word "entity" in the past, although Telerx does not take issue with its use here if no one else has a problem with it. Agree with the comment that the issue of Trade Associations and how they can participate is perhaps better left to the individual Segment procedures since each Segment may have a different set of issues regarding representative membership.
104	5.2(2)	Definition of "Under-represented"?	Jeff Anthony / Wisconsin Electric	Distributors	WE-WG does not believe further definition is needed. Occurrences of this will be done on a case-by-case basis dealing with the specifics at hand.
105			Carol Busto / Dominion Virginia Power	Distributors	Leave as is

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
106			Keith Sappenfield / PanCanadian Energy	Suppliers	No change
107			Julie Unruh / Reliant Energy	Suppliers	Recommend removing [the term] - see edits shown above
108	[6]	New Section	Jim Minneman / PPLSolutions	Services	Use [reserved] Section 6.0 for Meetings of REQ Members: "All meetings held in association with the NAESB REQ shall be open to all interested persons."
109			Les Nishida / Wisconsin Public Service	Distributors	move section 2.2(A) to here and reword to "All meetings held in association with the NAESB organization or the REQ are open to any interested person."
	7 7.1	Board Board Representation			
110			Jim Minneman / PPLSolutions	Services	Change to read: "The REQ shall elect Directors to the Board pursuant to the procedures specified by the respective REQ Segment." This clarifies that the election procedures are defined in the Segment procedures.
111			Les Nishida / Wisconsin Public Service	Distributors	Delete the text in this section and adopt a modified RGO text that reads, "The REQ shall have representatives to the Board, with each REQ Segment electing or selecting an equal number of these representatives, pursuant to the procedures specified by the respective REQ Segment in this Exhibit.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
112			Julie Unruh / Reliant Energy	Suppliers	Reword 7.1 to: "The REQ shall elect Directors to the Board pursuant to the procedures specified by the respective REQ Segment."
113	7.2(A)	Qualifications of Directors	Jeff Anthony / Wisconsin Electric	Distributors	Use all the additional RGQ requirements except "executive of the organization", as it is overly restrictive and unnecessary.
114			Jim Minneman / PPLSolutions	Services	Add the following requirements to be a Board representative to the beginning of the Section as subsection 7.2A: "To be eligible to serve as representative on the NAESB Board of Directors: -The person must be a Member of the Retail Electric Quadrant; - The person must have a working knowledge of the NAESB process; and - The person must be willing to commit the time and resources necessary to fulfill their obligations as a NAESB Director and to meet the minimum threshold of participation and attendance established in the NAESB Bylaws (Section 9.7 (f)). This clarifies expectations and would be more consistent with the RGQ procedure.
115			Julie Unruh / Reliant Energy	Suppliers	Insert a new 7.2(A) "Eligibility" and word this subsection as follows: "To be eligible to serve as a representative on the NAESB Board of Directors, the person must be willing to commit the time and resources necessary to fulfill the obligations as a REQ EC Member and 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."; renumber existing 7.2(A) as 7.2(B)

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
116	7.2(B)		Bill Newbold / DTE Energy	Distributors	In the last sentence of 7.2(B), change EC Member to "EC Member's representative"
117		Additional Director Qualifications?	Deborah Penn / APPA	Distributors	Not necessary as requirements listed [RGQ summary] are very subjective. However, may keep "to commit time and resources necessary" as a protection.
118			Bill Newbold / DTE Energy; Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	Use two of the RGQ qualification requirements: "willing to commit the time and resources necessary to fulfill the requirements of NAESB Bylaws section 9.7(f);" and "disclosing of their interest, or their employer's interests in the industry"
119			Ruth Kiselewich / BG&E	Distributors	If RGQ has these, I would suggest REQ also include them. The detailed requirements probably are not needed because it is unlikely that the Quadrant would elect a representative without these qualifications.
120			Jeff Anthony / Wisconsin Electric	Distributors	Use all the additional RGQ requirements except "executive of the organization", as it is overly restrictive and unnecessary.
121			Les Nishida / Wisconsin Public Service	Distributors	Adopt the first four additional qualifications as listed in the RGQ Procedures
122			Anne McGlynn / Exelon Dist Co.	Distributors	I prefer less rather than more. Do not agree that the member needs to be an executive of the organization represented.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
123			Terry Moran / PSE&G	Distributors	No need for these [additional] requirements - NAESB Bylaws and voter discretion will cover this
124			Keith Sappenfield / PanCanadian Energy	Suppliers	My comment is that these enumerated requirements are unnecessary, vague, undeterminable or unenforceable by either NAESB or its members. For these reasons, these additional requirements should not be included in the REQ and deleted from the RGQ
125			Julie Unruh / Reliant Energy	Suppliers	Renumber existing 7.2(B) as 7.2(C) and change "them" in third line of paragraph to "him / her"; as for the additional requirements from the RGQ document: 1) a Voting Member of the Quadrant; [already required in Bylaws, Sec. 7.2]; 2) an executive of the organization represented [not necessary; if can get elected, does not matter what the title is.]; 3) having a broad understanding of the industry [stating the obvious; anyone not having this understanding will not be elected]; 4) having a working knowledge of the NAESB process [same as previous bullet]; 5) willing to commit the time and resources necessary to fulfill the requirements of NAESB Bylaws Section 9.7(f); [same as previous bullet]; 6) disclosing of their interest, or their employer's interests in the industry [disagree – too vague. REQ Supplier and Services documents require legal name, and if applicable, ownership of the Member Company. This is sufficient disclosure. For companies like Reliant, the type of disclosure contemplated in the RGQ provision is too onerous for the purpose it attempts to serve.] --- Do not add the additional requirements.
126			Misty Ann Khan / Telerx	Services	Specifying that the Director must be a member of the Segment they represent is fine, the rest is best left in the Segment procedures.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
127			Deborah Penn / APPA	Distributors	No preference on whether 4, 5, or 6, but should be a minimum of 4 to begin activities.
128			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Where are we going to get six end-users for the Board and six for EC? We originally started with a similar number but decided to reduce it to make the overall Board size more manageable and because of concerns about having enough interested members to fill the slots. <i>[The RGQ has one additional issue, where do they get retail end-users- many are already in GISB/NAESB as "wholesale" end-users-logic dictates that there is no such thing as a wholesale end-user. How is this being resolved?]</i>
129			Wayne Mastin / SCT	Services	Agrees with Bill Newbold. I don't think expanding number to increase the possibility of becoming a director has any real recruitment potential for membership enhancement. 16 is fine.
130			Ruth Kiselewich / BG&E	Distributors	Note: I believe this issue may already have been resolved in favor of the current REQ recommendation. If not, I recommend the proposal for 16. More than 16 becomes unwieldy and, since meetings can be attended via teleconference, these should be fewer non-attendees.
131			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG prefers to keep the language as is.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
132			Jim Minneman / PPLSolutions	Services	<p>Change this section to read: A) Number of Directors - The REQ shall elect twenty (20) NAESB Directors, subject to the provisions of Section 19 of these Procedures. Each Segment of the Quadrant will elect five (5) Directors, subject to the provisions of Section 19 of these Procedures. B) Election of Directors - Nominations for and election of all Directors will be in accordance with Segment Procedures. C) Timing of Elections - Subject to the provisions of Section 19, election of Directors shall occur in the same month for all Segments of the REQ, and shall be coordinated by the NAESB Office. The NAESB Office will ensure that the requirements of this Section are satisfied by each Segment's slate of candidates prior to any actual voting by any Segment.</p> <p>PPL Solutions believes that an acceptable compromise on the number of REQ Directors is five (5) per Segment. This balances the positives of increased participation by larger a number of Directors against the positives of efficiency and effectiveness inherent in smaller groups. The procedures for electing Board members is properly located in the Segment procedures. The NAESB Office rather than the EC should coordinate elctions.</p>
133			Les Nishida / Wisconsin Public Service	Distributors	<p>Adopt modified RGQ language as follows: "The Retail Electric Quadrant of NAESB shall be represented on the NAESB Board of Directors by twenty-four (24) persons who shall be elected, from time to time, as required by Article 7 of the NAESB Bylaws and in this Exhibit to those Bylaws. The NAESB office shall coordinate the election process for the Retail Electric Quadrant representatives to the NAESB Board during the second week of November each year.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
134			Anne McGlynn / Exelon Dist Co.	Distributors	Prefer 16 to begin but not as few as 2 per segment.
135			Carol Busto / Dominion Virginia Power	Distributors	Leave at 16
136			Keith Sappenfield / PanCanadian Energy	Suppliers	PanCanadian's preference is for 4 (Four) Directors since the Services, Supplier and End-User Segments will consist of virtually the same companies in the REQ and RGQ having to elect 4 Directors and 4 EC Members for both the REQ and RGQ. For consensus between the REQ and RGQ, the number should be no more than five (5) in either the REQ or RGQ. I disagree that there will be problems with concentration of power or Quorum requirements. At the Board level, only governance changes to Bylaws or Certificate require a super majority. Further, with the availability of ballots and telephone conferencing I do not see problems arising due to smaller number of members.
137			Julie Unruh / Reliant Energy	Suppliers	Reliant Energy is in favor of 16 REQ members. We would prefer that the RGQ also have 16 members, but in the spirit of compromise, will not object to a different number. However, we do object to suggestions of allowing different numbers of segment members within a quadrant, as this unduly complicates the process for those who may wish to participate in more than one segment in more than one quadrant.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
138			Misty Ann Khan / Telerx	Services	Telerx prefers to leave the number of Directors at 4 per Segment for now. Could possibly provide a provision to revisit the number of Directors each time REQ surpasses a new membership threshold or percentage growth threshold.
	7.3(B)	A.	Move election mechanism details to Segment documents?		
139			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Leave here; there is an economy of having only one nominating committee for REQ. The mechanics of voting could be put in the Segment procedures.
140			Ruth Kiselewich / BG&E	Distributors	7.3B (2) The second line has "end user segment" which I believe should be deleted since this is addressing Quadrant elections. 7.3 B - Note: As noted in my introductory comments, I recommend that election mechanisms be in the Quadrant not segment procedures unless there is a very good reason for differences segment to segment.
141			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG support moving this information to Segment Procedures.
142			Les Nishida / Wisconsin Public Service	Distributors	move this section to Segment procedures
143			Anne McGlynn / Exelon Dist Co.	Distributors	These provisions should reside in the Segment procedures
144			Terry Moran / PSE&G	Distributors	PSE&G would support moving the procedures to the segment procedures documents

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
145			Carol Busto / Dominion Virginia Power	Distributors	Leave in Quadrant Procedures
146			Keith Sappenfield / PanCanadian Energy	Suppliers	PanCanadian agrees that this should be in the Segment Procedures.
147			Julie Unruh / Reliant Energy	Suppliers	Shorten this subsection to: "Nominations for and election of all Directors will be in accordance with Segment Procedures."; as for the question, these provisions should be in Segment Procedures as indicated by the above edit.
	7.3(C)	A. Move these election details (timing) to NAESBops? B. How should elections take place?			
148			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Timing and co-ordination should be at NAESB, nominations at REQ, detailed procedures could be anywhere.
149			Wayne Mastin / SCT	Services	NAESB paid staff should coordinate.
150			Ruth Kiselewich / BG&E	Distributors	Note: OK to put in the NAESBops. However, I recommend it be in the REQ to begin with so as not to delay the Quadrant formation. Down the road, we can modify the NAESBops and concurrently these procedures.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
151			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG support moving this information to Segment Procedures, and believes the NAESB Office should continue to handle purely administrative items such as these.
152			Les Nishida / Wisconsin Public Service	Distributors	move this section to NAESBops when appropriate
153			Anne McGlynn / Exelon Dist Co.	Distributors	Prefer the elections be coordinated by the NAESBops, though they could be moved to the Segments until NAESBops are created
154			Terry Moran / PSE&G	Distributors	Timing and coordination should be done by NAESB
155			Carol Busto / Dominion Virginia Power	Distributors	Timing & coordination of elections should be handled at NAESB level.
156			Keith Sappenfield / PanCanadian Energy	Suppliers	The election timing and generic election mechanisms need to be consistent across all Quadrants and Segments, thus should be part of NAESBops. If segment member selection is other than by election, then such selection mechanisms need to be set forth in the segment procedures. Any alternative selection mechanisms need to be approved by the NAESB Board to insure inclusivity, fairness and due process for all segment members
157			Julie Unruh / Reliant Energy	Suppliers	NAESB Office should coordinate election instead of EC. Recommend continuing current NAESB practice -- it ensures fairness, consistency, etc. Election timing and mechanism should be in NAESBops.

7.4(A) Preferred Term of Office?

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
158			Deborah Penn / APPA	Distributors	No preference.
159			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Two years, think of the turnover in the UBP process over 2-3 years. It's OK to have different rules in the different Quadrants, isn't it?
160			Ruth Kiselewich / BG&E	Distributors	Note: My preference is 2 years but I have no strong feelings. This gives more members the opportunity to play a key role and may encourage greater participation. I do not believe there would be any restriction to be re-elected in the future.
161			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG prefers 2 year terms.
162			Jim Minneman / PPLSolutions	Services	Two year terms are appropriate
163			Anne McGlynn / Exelon Dist Co.	Distributors	Two years
164			Terry Moran / PSE&G	Distributors	Two years is preferable
165			Carol Busto / Dominion Virginia Power	Distributors	Expecting a 3-year term of office from any individual is asking a lot. Two-year terms nowadays may be difficult, but this would still be our preference.
166			Keith Sappenfield / PanCanadian Energy	Suppliers	With an even number of segment members on Board or EC, two year terms of office would be best. If there is an odd number 5 or greater of Board or EC segment members, then 3 years would be desirable to insure holdover of experienced Board and EC members at each election

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
167			Julie Unruh / Reliant Energy	Suppliers	Preference: 2 years. This provision should not be in the Segment Procedures, as it is common across all Segments.
	7.4(B)	Term Limits?			
168			Deborah Penn / APPA	Distributors	Limit of two terms.
169			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	I don't think we need a limit, if someone is doing the job why not keep them, if not, vote them out.
170			Ruth Kiselewich / BG&E	Distributors	If we limit the number of terms which can be served, with rotation chairmanship, some members will not get to be chair.
171			Jeff Anthony / Wisconsin Electric	Distributors	No, WE-WG prefers no such restriction.
172			Jim Minneman / PPLSolutions	Services	Term limits are not required. People who are good workers and contribute to the organization should be allowed to continue as long as they are willing. People who are not good workers should be voted out.
173			Les Nishida / Wisconsin Public Service	Distributors	Delete this section. The information is contained in the Bylaws at 7.4(a). There should not be term limits.
174			Anne McGlynn / Exelon Dist Co.	Distributors	No, I am not for term limits

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
175			Carol Busto / Dominion Virginia Power	Distributors	No. It's probably going to be difficult to get enough interested parties willing to commit to the time and workload. If they want to serve multiple terms, they should be able to, assuming they are doing a satisfactory job.
176			Keith Sappenfield / PanCanadian Energy	Suppliers	I support not restricting the number of terms an individual member may serve. However in the event, the consensus is to restrict the number, the number should be two consecutive terms and permit the member to be re-elected after sitting out a term.
177			Julie Unruh / Reliant Energy	Suppliers	Proposed rewording: "A Director may serve no more than three (3) consecutive terms on the Board." In the interest of fairness and fresh perspectives, Reliant Energy prefers limiting terms for Directors in all quads to three consecutive terms. Therefore, it seems appropriate for this to be a quad-level issue and should be removed from the segment procedures.
178			Misty Ann Khan / Telerx	Services	While Telerx is open regarding the issue of term limitation, we do believe that there may be some value in allowing Segment elections to address the issue of how long a Director or EC Member serves in that position. There may be cases where a particular Director or EC Member who is willing to participate for multiple terms and is contributing significant value through continuity and experience is forced to leave office because of term limitations.
179	7.4(C)	Use GISB past practice for change of affiliation?	Deborah Penn / APPA	Distributors	These provisions are acceptable.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
180			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Use these.
181			Ruth Kiselewich / BG&E	Distributors	Note: Keep in Quadrant procedures. No good reason to have segment differences.
182			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG support moving this information to Segment Procedures.
183			Jim Minneman / PPLSolutions	Services	Eliminate subsection 7.4(C)(1) as it is more properly addressed in the Segment procedures.
184			Anne McGlynn / Exelon Dist Co.	Distributors	This should be in the Segment procedures
185			Carol Busto / Dominion Virginia Power	Distributors	No strong opinion ... lean towards using [draft REQ provisions]
186			Keith Sappenfield / PanCanadian Energy	Suppliers	It is my comment that these provisions be included in the Segment procedures since different segments may have different solutions for Change of Affiliation of a Director.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
187			Julie Unruh / Reliant Energy	Suppliers	Delete subsection 7.4(C)(1) and condense section to a single paragraph; This section should remain in the quad document, as it applies to all Segments and individuals could be moving between Segments within the Quad. If each Segment has different rules about this, an individual that was able to serve in one Segment may find him/herself unable to serve in another.
188			Misty Ann Khan / Telerx	Services	This item is best addressed in the Segment procedures because each Segment may want to handle it differently.
	7.5	Vacancies language?			
189			Deborah Penn / APPA	Distributors	The language provided is acceptable.
190			Bill Newbold / DTE Energy; Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	Use the RGQ language, revised as follows: "A NAESB Director shall cease to be a Director upon 1) the resignation of the Quadrant Membership of the entity whom the Director represents. 2) the lapse of the Quadrant Membership of the entity whom the Director represents through delinquent NAESB dues for the Quadrant Membership, or 3) the Director's resignation, removal or death."
191			Ruth Kiselewich / BG&E	Distributors	Note: Add proposed language.
192			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG supports adopting this RGQ language, yes.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
193			Jim Minneman / PPLSolutions	Services	This is good as written. The list in the RGQ draft document duplicates the conditions in the Bylaws.
194			Les Nishida / Wisconsin Public Service	Distributors	Adopt modified RGQ language as follows: "A NAESB Director shall cease to be a Director upon 1) the resignation of the REQ Membership of the entity of which the Director is a partner, director, officer, or agent; 2) the lapse of the REQ Membership of the entity of which the Director is a partner, director, officer, or agent or employee, through delinquent NAESB dues for the REQ Membership; or 3) the Director's resignation, removal, or death. A Director vacancy shall be filled for the remainder of that term in accordance with the procedures specified in the respective Segment Procedures in this Exhibit."
195			Anne McGlynn / Exelon Dist Co.	Distributors	Less language - leave as is without all the reasons
196			Terry Moran / PSE&G	Distributors	Use the RGQ approach, with Bill Newbold's suggested edits
197			Keith Sappenfield / PanCanadian Energy	Suppliers	This language is acceptable.
198			Julie Unruh / Reliant Energy	Suppliers	The existing language is acceptable.
199			Misty Ann Khan / Telerx	Services	This item is addressed in the draft [segment?] procedures. If language is adopted – see editorial changes.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
	7.6	% vote needed to remove a Director?			
200			Deborah Penn / APPA	Distributors	Issue for Segment membership.
201			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	I'd leave as is. I think the intent was to make it difficult to remove a Director at other than an election. I think the additional check provided by requiring assent from the other Segments is useful. The parties seeking a Director's removal would need to make a good case.
202			Wayne Mastin	Services	However, isn't it also appropriate to let a segment recall its own director(s)?
203			Ruth Kiselewich / BG&E	Distributors	Note: Leave in Quadrant. Make voting percentage consistent with NAESB bylaws.
204			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG support moving this information to Segment Procedures, the percentage should be determined by each Segment. Suggest adopting RGQ language of their Sect. 7.7.
205			Jim Minneman / PPLSolutions	Services	Replace the entire subsection as follows: "Section 7.6 Removal of Directors Each REQ Segment shall have the authority to remove a Director for cause. Prior to voting on such resolution to remove a Director for cause, the REQ Segment shall give the Director at least a 30-day notice of the proposed action and an opportunity to respond. A simple majority of the REQ Segment Membership shall be required to remove a Director." PPLSolutions believes that since a Director represents a Segment that removal of a Director is a Segment issue that should not require any approval from the Quadrant and especially not a 75% supermajority.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
206			Les Nishida / Wisconsin Public Service	Distributors	Adopt modified RGQ language as follows: "Each REQ Segment shall have the authority to remove a Director for cause. Prior to voting on such resolution to remove a Director for cause, the REQ Segment shall give the Director at least 30-day notice of the proposed action and an opportunity to respond. A two-thirds (67%) majority of the REQ Segment Membership shall be required to remove a Director."
207			Anne McGlynn / Exelon Dist Co.	Distributors	Issue for segment procedures
208			Terry Moran / PSE&G	Distributors	This is a segment issue - and should not require a Quadrant vote
209			Carol Busto / Dominion Virginia Power	Distributors	Leave as is
210			Keith Sappenfield / PanCanadian Energy	Suppliers	PanCanadian's preference is a simple majority.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
211			Julie Unruh / Reliant Energy	Suppliers	Replace this section. There are no provisions in the Bylaws regarding removal of Directors - in fact the Bylaws refer to the Quad and Segment Exhibits. Replace with the following text: "Each RGQ Segment shall have the authority to remove a Director for cause. Prior to voting on such resolution to remove a Director for cause, the RGQ Segment shall give the Director at least 30-day notice of the proposed action and an opportunity to respond. A simple majority of the RGQ Segment Membership from which the Director was elected shall be required to remove a Director." Prefer the percentage as written here. This provision should remain in the quad document, as the process should be the same for all Segments. The electing Segment should be able to remove the Director, but not ALL segments should be allowed to vote to remove.
212			Misty Ann Khan / Telerx	Services	In the interest of protecting the Segment's right to remove its own directors, this issue should be addressed at the Segment level.
213	[7.7]		Les Nishida / Wisconsin Public Service	Distributors	Insert this [new] section and adopt the RGQ language as follows: "A Director may resign his or her directorship by submitting a letter to the Secretary of NAESB, stating that he or she is resigning and giving the effective date of the resignation." (This section should be moved to the Segment Procedures.)
	10 10.1(A)		Executive Committee Chair Rotation		

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
214			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG prefers what is written here...we recommend leaving as is.
215			Jim Minneman / PPLSolutions	Services	<p>Insert the following under Section 10.1 prior to subsection (A): The REQ shall have an Executive Committee (EC), which shall also participate in the larger The REQ shall have an Executive Committee (EC), which shall also participate in the larger NAESB EC body, consisting of representatives from each REQ Segment, with each REQ Segment electing REQ EC Members, pursuant to procedures specified by the respective Segment in this Exhibit. REQ Designated Alternates may vote at EC meetings in place of an absent REQ EC Member from a given Segment. An REQ Designated Alternate holds identical voting rights as the REQ EC Member in whose place he or she serves, except for those matters on which the REQ EC Member has already voted by notational ballot prior to the beginning of the meeting.”</p> <p>This language is a closer parallel construction to section 7.1 and to the RGQ procedure.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
216			Julie Unruh / Reliant Energy	Suppliers	<p>Replace subsections (A) and (B) with the following single paragraph, and move the provisions of (A) and (B) into subsection 10.3. "The RGQ shall have an Executive Committee (EC), which shall also participate in the larger NAESB EC body, consisting of representatives from each RGQ Segment, with each RGQ Segment electing RGQ EC Members, pursuant to procedures specified by the respective Segment in this Exhibit. RGQ Designated Alternates may vote at EC meetings in place of an absent RGQ EC Member from a given Segment. An RGQ Designated Alternate holds identical voting rights as the RGQ EC Member in whose place he or she serves, except for those matters on which the RGQ EC Member has already voted by notational ballot prior to the beginning of the meeting." Regarding minutes, continue past [GISB] practice.</p> <p>Move existing provisions formerly in (A) here in a new subsection 10.4(D): Chair Rotation</p> <p>The REQ EC shall elevate the prior year Vice Chair of the Quadrant EC to Chair of the REQ EC at its first meeting in the new operating year and 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.</p> <p>[Reliant Energy assumes that the last sentence describes the process for the first election.]</p>
217	10.1(B)	Who should take REQ meeting minutes?	Deborah Penn / APPA	Distributors	NAESB Office if possible.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
218			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Having a permanent group like NAESB Office would bring a lot more consistency to the process and assure that it gets done. It's probably worth the additional overhead.
219			Wayne Mastin / SCT	Services	Main sentence: The REQ EC shall designate an individual as responsible for production of meeting minutes per NAESB Operating Procedures. The rest is the same. Answer to question: I believe [change above] allows any option to be executed.
220			Ruth Kiselewich / BG&E	Distributors	Leave proposed language since it leaves both the option to use the NAESB office whenever possible and, if there are conflicts, an alternate can be used.
221			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG has no opinion/preference on this.
222			Anne McGlynn / Exelon Dist Co.	Distributors	Quadrant EC can determine how to deal with minutes
223			Terry Moran / PSE&G	Distributors	Agree with changing first sentence: "The REQ EC shall designate an individual to be responsible for production of meeting minutes per NAESB Operating Procedures." [as suggested by others] and determine best approach as NAESB evolves.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
224			Carol Busto / Dominion Virginia Power	Distributors	Revise wording of second sentence of 10.1(B) to "This may involve an individual assigned this the responsibility on a permanent basis, or an agreement on how to designate a person or persons responsible for recording the minutes of each meeting." Comprehensive minute-taking requires an individual with focused attention and extremely good listening skills. Designating a (different?) person for each meeting is not the preferred course to take. Our first choice would be to let NAESB handle this responsibility; second choice is to assign a permanent individual (possibly including a backup). The last option [offered] should be deleted.
225			Keith Sappenfield / PanCanadian Energy	Suppliers	I prefer the past practice of NAESB Office taking and distributing EC minutes. This will insure consistency among all Quadrant EC s. It is expected that different Quadrant EC meetings will be coordinated to permit the NAESB Office to be available to take and process the meeting minutes. In any event, the posting, distribution and archiving of all EC meeting minutes should be performed by the NAESB Office.
226			Julie Unruh / Reliant Energy	Suppliers	[moved the provisions of (A) and (B) into subsection 10.3] Regarding minutes, continue past [GISB] practice.
	10.2(A)	Members can hold both a Board seat and an EC seat with different Representatives, or only one per Member?			
227		Change "EC Member" to "EC Member representative"?	Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Yes, and in B of D section also.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
228			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG support this change, yes.
229			Les Nishida / Wisconsin Public Service	Distributors	In Sub-section A, change all "EC Members" to "EC Member Representatives".
230			Anne McGlynn / Exelon Dist Co.	Distributors	Make the change
231			Terry Moran / PSE&G	Distributors	Should be [changed to] representative
232			Carol Busto / Dominion Virginia Power	Distributors	Yes [make the change]
233			Keith Sappenfield / PanCanadian Energy	Suppliers	Revise 10.2(A) as follows: "EC Members elected from the REQ may not hold both a REQ Board seat and a seat on the REQ EC at any point in time. If an EC Member is elected to the REQ Board from the REQ, their REQ EC seat is vacated when the REQ Board seats them as a Director." I agree that a single person who is an EC Member representative should not serve both on the REQ Board and REQ EC at the same time. However, the language should be clear to permit an REQ Board member to serve on the EC of any non-REQ Quadrant or an REQ EC member to serve on the Board of any non-REQ Quadrant.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
234			Julie Unruh / Reliant Energy	Suppliers	Rename section: "Eligibility", move former subsection (A) to subsection (C), and replace with the following paragraph: "To be eligible to serve as a representative on the NAESB Board of Directors, the person must be willing to commit the time and resources necessary to fulfill the obligations as a REQ EC Member and 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."
235	10.2(B)	Additional EC Qualifications?	Deborah Penn / APPA	Distributors	Not necessary as requirements listed [RGQ summary] are very subjective. However, may keep "to commit time and resources necessary" as a protection.
236			Bill Newbold / DTE Energy; Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	Keep last two RGQ requirements as in Board section.
237			Ruth Kiselewich / BG&E	Distributors	Should be consistent with 7.2 B. If RGQ has these, I would suggest REQ also include them. The detail requirements, however, probably are not needed because it is unlikely that the Quadrant would elect a representative without these qualifications.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
238			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG supports use of RGQ requirements, with exception of "functional manager", as they feel that is overly-restrictive, vague, and unnecessary. Recommend adopting RGQ Procedure 10.2.c after deleting second item there as well. WE-WG also recommends adopting RGQ Procedure section 10.2d.
239			Jim Minneman / PPLSolutions	Services	Comments under subsections 10.2-10.5 mirror the comments under 7.2-7.6; while the REQ draft procedures are reasonably consistent with the Bylaws, the Bylaws seem to be inconsistent on which section addresses which issues (e.g., section 7.3 addresses how many members are on the Board while 10.2 addresses this for the EC). PPLSolutions proposes that the construction used in section 7 be paralleled in section 10. This will provide better internal consistency, even though it does create a slight variation from the construct of the Bylaws. To this end, PPLSolutions proposes a complete rewrite of Section 10 [provided as a separate attachment]
240			Les Nishida / Wisconsin Public Service	Distributors	Adopt the first four additional qualifications as listed in the RGQ Procedures, and incorporate Sections 10.6, 10.7 and 10.8 into this section to consolidate the information on EC Membership rather than having it scattered throughout Section 10.
241			Anne McGlynn / Exelon Dist Co.	Distributors	No additions, please
242			Terry Moran / PSE&G	Distributors	additional requirements not needed

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
243			Keith Sappenfield / PanCanadian Energy	Suppliers	My comment is that these enumerated requirements are unnecessary, vague, undeterminable or unenforceable by either NAESB or its Quadrant/Segment members. For these reasons, these additional requirements should not be included in the REQ and deleted from the RGQ.
244			Julie Unruh / Reliant Energy	Suppliers	Rename section: "One Member, One Seat Per Quadrant"; revise the first line of paragraph to: "No two REQ EC Members may be employees of the same"
	10.2(C)	new section			
245			Julie Unruh / Reliant Energy	Suppliers	Relocate provisions formerly in 10.2(A) and 10.2(B) to here in a new subsection 10.2(C); reword as follows: section title: "One Office Per Representative"; "Elected EC Member representatives may not hold both a Board seat and a seat on the EC at any point in time. If an EC Member representative is elected as a Director from the REQ, the EC seat is vacated when the Board seats the Director." Regarding rewording to Member representative: Amend and use "representative." Minor wording changes [shown] to reflect PPLSolutions' recommendation.
	10.3(A)	How many EC from REQ?			
246			Bill Newbold / DTE Energy; Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	16 is OK same as B of D section.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
247			Ruth Kiselewich / BG&E	Distributors	Note: Like the 16 for reason stated above in comments on 7.3A.
248			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG prefers 16 directors, 24 seemed excessive and bureaucratic.
249			Anne McGlynn / Exelon Dist Co.	Distributors	During first year or two, keep to minimum of 16
250			Terry Moran / PSE&G	Distributors	16 is fine
251			Keith Sappenfield / PanCanadian Energy	Suppliers	My preference is for 4 (Four) Directors since the Services, Supplier and End-User Segments will consist of virtually the same companies in the REQ and RGQ having to elect 4 Directors and 4 EC Members for both the REQ and RGQ. For consensus between the REQ and RGQ, the number should be no more than five (5) in either the REQ or RGQ. I disagree that there will be problems with concentration of power or Quorum requirements. At the EC level there are provisions for Designated Alternates, telephone conferencing and EC ballots that should address any problems with Quorums or not having sufficient persons in attendance to conduct EC activities.
252			Julie Unruh / Reliant Energy	Suppliers	Reliant Energy is in favor of 16 REQ members. We would prefer that the RGQ also have 16 members, but in the spirit of compromise, will not object to a different number. However, we do object to suggestions of allowing different numbers of segment members within a quadrant, as this unduly complicates the process for those who may wish to participate in more than one segment in more than one quadrant.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
	10.3(B)	Election mechanisms?			
253			Anne McGlynn / Exelon Dist Co.	Distributors	Move [the provisions in this subsection 10.3(B)] to Segment
254			Julie Unruh / Reliant Energy	Suppliers	Reword this section to: "Nominations for and election to an EC seat will be in accordance with Segment Procedures." Move the details to Segment Procedures.
	10.3(B2)				
255			Bill Newbold / DTE Energy	Distributors	Change wording to: "other nominations may be made at or prior to the close of the REQ End User Segment nomination period by any Segment Member eligible to serve on the EC by submitting the name(s) of their nominees to the NAESB Office in ..."
256			Ruth Kiselewich / BG&E		In the opening paragraph - the second (closing parentheses) is missing.
	10.3(B3)				
257			Bill Newbold / DTE Energy; Carol Busto / Dominion Virginia Power	Distributors	I'd leave it here, since there is an economy of having only one nominating committee for REQ. The mechanics of voting could be put in the Segment procedures.
258			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG recommends moving to Segment procedures.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
259			Keith Sappenfield / PanCanadian Energy	Suppliers	These should be part of the Segment procedures.
	10.3(C)	A. Election timing? B. NAESB office coordinates?			
260			Bill Newbold / DTE Energy; Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	Timing and co-ordination should be at NAESB, nominations at REQ, detailed procedures could be anywhere.
261			Ruth Kiselewich / BG&E		Note: Put in NAESBops but same as comments as in 7.3C.
262			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG recommends moving to Segment procedures and recommends having the NAESB Office coordinate.
263			Anne McGlynn / Exelon Dist Co.	Distributors	Move [the provisions in this subsection] to NAESBops; keep in Segment until NAESBops created
264			Terry Moran / PSE&G	Distributors	Timing and coordination should be done by NAESB

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
265			Keith Sappenfield / PanCanadian Energy	Suppliers	The election timing and generic election mechanisms need to be consistent across all Quadrants and Segments, thus should be part of NAESBops. If segment member selection is other than by election, then such selection mechanisms need to be set forth in the segment procedures. Any alternative selection mechanisms need to be approved by the NAESB Board to insure inclusivity, fairness and due process for all segment members.
266			Julie Unruh / Reliant Energy	Suppliers	Reword subsection (C) to: "Election of EC Members shall occur in the same month for all Segments of the REQ, and shall be coordinated by the existing NAESB Office. The NAESB Office will ensure that the requirements of this Section are satisfied by each Segment's slate of candidates prior to any actual voting by any Segment." Prefer current practice, but this should be in NAESBops to ensure consistency.
267	10.3(D)	Term of office?	Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Two, as stated in B of D section.
268			Ruth Kiselewich / BG&E; Carol Busto / Dominion Virginia Power	Distributors	2 year term.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
269			Jeff Anthony / Wisconsin Electric	Distributors	Yes, WE-WG does NOT support the 3 year terms proposed by RGQ, we prefer 2 year terms with no limits.
270			Anne McGlynn / Exelon Dist Co.	Distributors	Two years is sufficient
271			Keith Sappenfield / PanCanadian Energy	Suppliers	PanCanadian prefers 2 years since it is unlikely that many persons will serve more that two years without a job change. Further since PanCanadian is proposing no restriction on number of terms this will not prevent persons from serving longer.
272			Julie Unruh / Reliant Energy	Suppliers	<p>Consolidate provisions [formerly] here in a new subsection 10.4(A), as follows: "Term of Office EC Members shall be elected for two-year terms, with half of the terms expiring in alternating years.</p> <ol style="list-style-type: none"> 1. Subject to the provisions of Section 19, two EC Members will be elected from each Segment each year to fill expiring terms. 2. Group A EC Members will have their terms expire in odd numbered years. 3. Group B EC Member terms will expire in even number years. 4. Terms of office will end in conjunction with end of the operating year of NAESB or as otherwise defined by the Board of Directors, Certificate of Incorporation or Bylaws, as amended." <p>Preferred term limit is 2 years. This provision should not be in the Segment Procedures as it is common across all Segments.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
273			Deborah Penn / APPA	Distributors	Limit of two terms.
274			Bill Newbold / DTE Energy	Distributors	No.
275			Wayne Mastin / SCT	Services	No unlimited terms.
276			Ruth Kiselewich / BG&E	Distributors	No restriction on term.
277			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG No.
278			Les Nishida / Wisconsin Public Service	Distributors	Delete this section. The information is contained in the Bylaws at 10.2(b). There should not be term limits.
279			Anne McGlynn / Exelon Dist Co.	Distributors	No term limits
280			Carol Busto / Dominion Virginia Power	Distributors	No limit, same as in Section 7.4
281			Keith Sappenfield / PanCanadian Energy	Suppliers	No restrictions is preferred.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
282			Julie Unruh / Reliant Energy	Suppliers	<p>Move existing provisions of subsection (E) to subsection 10.4; relocate former provisions of subsection (B) to a new 10.3(E), as follows: Meeting Minutes</p> <p>The NAESB Office will be responsible for recording and reporting voting results, keeping regular minutes of its proceedings and providing copies of these documents on the NAESB Web site. Regarding term limits, reword / simplify the paragraph [moved to 10.4(B)] as follows: "A Member may serve no more than two (2) consecutive terms on the Executive Committee."</p>
283			Misty Ann Khan / Telerx	Services	<p>While Telerx is open regarding the issue of term limitation, we do believe that there may be some value in allowing Segment elections to address the issue of how long a Director or EC Member serves in that position. There may be cases where a</p>
284	10.3(F)	Change Of Affiliation	Julie Unruh / Reliant Energy	Suppliers	<p>Relocate the provisions of this subsection to a new subsection 10.4(C), "Change of Affiliation</p> <p>In the event that the EC Member changes affiliation:</p> <ol style="list-style-type: none"> 1. changes affiliation to another Member within his/her industry Segment, the EC Member's term will continue until its natural expiration, provided that there is no other EC Member already representing the EC Member's new affiliation, in which case the EC Member changing affiliation will vacate the seat for election of a new EC Member; 2. and is no longer affiliated with the electing industry Segment, the EC Member will vacate the seat for election of a new REQ EC Member."
285			Misty Ann Khan / Telerx	Services	<p>This is best addressed in the Segment Procedures.</p>
	10.4	A. Move to NAESBops? B. Changes to provisions?			

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
286			Bill Newbold / DTE Energy; Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	At NAESB level, unless we disagree with other Quadrants on the rules. It applies to multiple Quadrants, it belongs at NAESB level.
287			Wayne Mastin / SCT	Services	NAESBops with a reference to them in this document.
288			Ruth Kiselewich / BG&E	Distributors	10.4 A (2) - Note: Put in NAESBops but same comments as in 7.3 C.
289			Jeff Anthony / Wisconsin Electric	Distributors	Noted an error in formatting section numbering for 10.4(B) and 10.5. On 10.4 (A) WE-WG has no preference on this item. 10.4 (B) WE-WG has no preference on this item.
290			Jim Minneman / PPLSolutions	Services	subsections 10.4 and 10.5 deal with issues that belong in the NAESBops; should be deleted from Quadrant procedures
290			Les Nishida / Wisconsin Public Service	Distributors	This entire section on EC Meetings should be move to NAESBops or the NAESB Bylaws when appropriate.
292			Anne McGlynn / Exelon Dist Co.	Distributors	Common issues that should be incorporated into the NAESBops [applies to both 10.4(A) & 10.4(B)]

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
293			Terry Moran / PSE&G	Distributors	re: 10.4(A) & 10.4(B): Should be in the NAESBops - and should include language that requires coordination across segments to ensure that the EC meetings are coordinated (logistics)
294			Keith Sappenfield / PanCanadian Energy	Suppliers	I believe that these provisions are better in NAESBops applicable to all Quadrants for consistency. I would not suggest that they be included in the Bylaws since updating or revising them would require supermajority of the Board.
295			Julie Unruh / Reliant Energy	Suppliers	These provisions should be in NAESBops. Replace this subsection 10.4 as noted in other comments.
296			Misty Ann Khan / Telerx	Services	Should remain in the quadrant procedures.
	10.5	A. Agree: Move to Segments?			
		[B. Changes?]			
297			Bill Newbold / DTE Energy	Distributors	In the sentence #2: The Temporary Chair may be a Member of the Executive Committee or any REQ Member...Does this mean voting members? See how I get confused? In sentence #5: Voting Members? Sentence #B: take out Executive Director's.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
298			Wayne Mastin / SCT	Services	In the sentence #2: Agrees with Bill Newbold. In sentence #5: Voting Members? Believe this is too restrictive-chair should be open to anyone acceptable to Quadrant EC, regardless of NAESB membership status. Some private individuals/small company employees hold high qualifications in technical areas, but they will not pony up to the \$5Gs to be a NAESB member. Sentence #B: take out Executive Director's.
299			Ruth Kiselewich / BG&E	Distributors	10.5 A (2) The word "at" is missing between "members" and "its". 10.5 A (4) Do you want to specify email for meeting notices since this is the most frequently used rather than the generic 'electronic'.
300			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG concurs with moving 10.5(D) to NAESBops.
301			Anne McGlynn / Exelon Dist Co.	Distributors	[regarding 10.5] OK short term; common issues that should be moved into the NAESBops

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
302			Carol Busto / Dominion Virginia Power	Distributors	What sort of voting on subcommittees and task forces are we talking about? Wouldn't a task force merely bring the results of their work back to the group at large for voting? This statement seems to conflict with item no. 6 below that states task force participation is open to any interested party. Agree with Bill Newbold's confusion over the "member vs voting-member" references. Item 6 clearly states submcommittees & task forces are intended to include "any interested party". Now I'm even more confused: throughout this documents we use "members", "voting-members", "non-members", "participants", "representatives", "interested parties"etc.etc.etc. We should clarify in each instance exactly who we are talking about. Agree with Wayne Mastin regarding who can be chair of task force / subcommittee.
303			Keith Sappenfield / PanCanadian Energy	Suppliers	I believe that subsection 10.5 is better in NAESBops applicable to all Quadrants for consistency.
304			Julie Unruh / Reliant Energy	Suppliers	These provisions belong in NAESBops. Replace subsection 10.5 with the current subsection 10.7 Vacancies
305			Misty Ann Khan / Telerx	Services	Regarding list of participants in Quadrant over last 12 months: Where will such a list be kept? Should we specify that this list is as provided by the NAESB office? Regarding minutes: Should minutes also be published on the NAESB web site?

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
	10.6	A. Move all or parts to Segment Procedures? B. Add notice provision? C. What % for removal?			
306			Anne McGlynn / Exelon Dist Co.	Distributors	regarding 10.6(A) - If the members do not follow the requirements, I do not believe there should be a vote to remove them.; Questions on 10.6: a) Move to segments; b) should not be a vote to remove, they should be notified they are removed
307			Bill Newbold / DTE Energy & Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	In sentence 10.6(B): remove End User. Questions: A) EC works at Quadrant level, so material belongs here. B) Yes, it should have similar notice rules to an election. C) Leave as is.
308			Wayne Mastin / SCT	Services	Additional comments: Q (A): See my comment about B of D removal at both levels. B) It is a potential way to avoid a violation of due process complaint.
309			Ruth Kiselewich / BG&E	Distributors	10.6 C - Notes: (a) Keep here rather than in Segment procedures (b) REQ provision is fine to include.
310			Jeff Anthony / Wisconsin Electric	Distributors	Question B - WE-WG prefers the simplicity of how this is addressed in RGQ Procedures sections 10.2F and 10.2E. Question C - WE-WG would prefer 67%.
311			Terry Moran / PSE&G	Distributors	Question A - move to segment procedures; Question B - Add notice period; Question C - only segment should vote

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
312			Keith Sappenfield / PanCanadian Energy	Suppliers	Question B - A notice period to the EC Member on the intent to vote should be included in the procedures; Question C - For cause, I feel a simple majority would be sufficient. I believe this provision is likely never to be used based on the past experience of the Wholesale Gas Quadrant that has never had to invoke this or any similar provision.
313			Julie Unruh / Reliant Energy	Suppliers	Rewrite this subsection as: "Each REQ Segment shall have the authority to remove a REQ EC Member representative for cause. Prior to voting on such resolution [who will make this resolution?] to remove a REQ EC Member representative for cause, the REQ Segment shall give the REQ EC Member representative at least 30-day notice of the proposed action and an opportunity to respond. A simple majority of the REQ Segment Membership from which the EC Member representative shall be required to remove a REQ EC Member representative." Delete the existing language. Regarding removal percentage, prefer as proposed, and this language should remain in the Quad document as the process should be the same for all Segments. The electing Segment should be able to remove the EC Member, but not ALL Segments should be allowed to vote to remove.
314	10.7(2)	Vacancies	Wayne Mastin / SCT	Services	The sentence that starts with: Candidates: Change to: The candidate...
315			Julie Unruh / Reliant Energy	Suppliers	Relocate this subsection to 10.5, and simplify as follows: "Vacancies -- In the event that a Director resigns or otherwise vacates a Board seat, the Quadrant will hold an election within 60 days to fill the vacant seat with a candidate from the same Segment as the original Director."

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
316	10.8	Voting	Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Change first sentence: "Only Members of the REQ EC shall have the right to vote to adopt standards or model business practices for the REQ and present them to the membership for ratification."
317			Julie Unruh / Reliant Energy	Suppliers	Delete this subsection in favor of revised / proposed subsection 2.2(D)
10.9(A2) Designated Alternates - Authority					
318			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Change 10.9(A)(2): "The name of the Designated alternate is on a list of approved Designated Alternates on file with both the NAESB Office and the EC."
319			Jim Minneman / PPLSolutions	Services	removal of sections 10.4 & 10.5 would renumber this section to 10.7; see attachment for suggested rewrite of this section; selection of Designated Alternates should be addressed in Segment procedures
320			Julie Unruh / Reliant Energy	Suppliers	Renumber this subsection as 10.7. Revise former 10.9(A)(2) as follows: "The name of the Designated Alternate is on a list of approved Designated Alternates selected by the appropriate Segment Membership according to Segment Procedures, and on file with the NAESB Office." There are no procedures described here regarding selection of the DA. Further the EC should not be monitoring who is a DA.

10.9(B) Election of Designated Alternates

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
321			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Question #2: Have a separate election. Question #3: Not needed.
322			Wayne Mastin / SCT	Services	Question #2: Quadrant level determination of number range of DAs (as above B.1), segment level determination for selection process.
323			Ruth Kiselewich / BG&E	Distributors	10.9 B(2) - Note: Separate election of alternates is fine but keep these guidelines in REQ procedures, not in Segment ones. 10.9 B (3) - Note: REQ proposal is fine.
324			Anne McGlynn / Exelon Dist Co.	Distributors	10.9 B(2) Agree with this change; 10.9 B (3) Can agree with this proposed change
325			Jeff Anthony / Wisconsin Electric	Distributors	10.9 B(3) WE-WG agrees with this proposed change.
326			Anne McGlynn / Exelon Dist Co.	Distributors	10.9 B(2)
327			Terry Moran / PSE&G	Distributors	subsections 1 & 2 -- Should be a separate election after the EC election; Question 3 -- Agree with the REQ language
328			Carol Busto / Dominion Virginia Power	Distributors	Have a separate election. Regarding additional provisions of REQ approach: "Seems like overkill. The DA is voting instead of the EC member. Why is this needed?"

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
329			Keith Sappenfield / PanCanadian Energy	Suppliers	I prefer this to be part of the Segment procedures and that it is up to the Segments to decide the process for electing Designated Alternates. Regarding the REQ provisions on a separate election, I agree with this change.
330			Julie Unruh / Reliant Energy	Suppliers	Reword as follows: "Each Segment will select no more than five (5), and no less than three Designated Alternate EC representatives in each election year, allowing for up to twenty (20) Designated Alternates overall." Delete the rest of the language in subsections (2) & (3). There should be at least five DAs per segment in cases where not all can travel to a meeting to be available for replacing an EC Member. Reliant Energy believes there should be a separate election for the DAs, the mechanism of which should be more fully described in Segment Procedures. The RGQ's provision on voting rights for DA's are not necessary – addressed in Bylaws.
331	18	Adopt REQ language?	Ruth Kiselewich / BG&E	Distributors	Use REQ language.
332			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG agrees with this proposed change.
333			Jim Minneman / PPLSolutions	Services	PPLSolutions supports adopting the wording in the REQ procedure to address amending this document
334			Les Nishida / Wisconsin Public Service	Distributors	Insert this Section on Amendments and adopt the language of the REQ Procedures

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
335			Anne McGlynn / Exelon Dist Co.	Distributors	Agree (with proposed change)
336			Terry Moran / PSE&G	Distributors	Agree (with proposed change)
337			Carol Busto / Dominion Virginia Power	Distributors	Adopt the REQ language.
338			Keith Sappenfield / PanCanadian Energy	Suppliers	I agree a provision needs to be included to amend this document. The REQ language is acceptable.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
339			Julie Unruh / Reliant Energy	Suppliers	<p>Different amendment language is proposed as follows: "In order for REQ Procedures to be amended, upon petition of at least five (5) REQ Members, the Vice Chair of the EC for the REQ shall announce an REQ meeting. Such announcement shall provide for at least a 30-day notice. In order to transact business at the REQ meeting, there shall be a quorum consisting of at least half of the REQ Membership. Following such meeting, the proposed resolution adopted at the meeting shall be sent out for comment, and the comments shall be distributed to all REQ Members in advance of a notational vote. REQ Members that do not respond to a call for a vote shall not be considered when votes are tallied. In order for a proposed change to take effect, it must be approved by at least 75% of REQ Members and 40% of each REQ Segment's Membership." Reliant Energy believes that the approval percentages should be consistent with the Bylaws. Additionally, given the importance of a vote to approve these procedures, there should be at least half of the Members present and non-votes should not be counted at all.</p>
	19	Transition			
340			Jim Minneman / PPLSolutions	Services	<p>PPLSolutions proposes a complete rewrite of section 19 along the lines of the REQ document; see attachment for proposed language</p>
341			Les Nishida / Wisconsin Public Service	Distributors	<p>Adopt the REQ language especially the concept of the Transitional Voting Multiplier.</p>

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
342			Keith Sappenfield / PanCanadian Energy	Suppliers	PanCanadian Energy proposes the following: Transition should provide for 2 Directors and 2 EC members. Transition should have a sunset date, recommend August 31, 2002. No intermediate or step up of Directors or EC members on specific time tables. Initial election should provide for 2 Directors and 2 EC members from each Segment. This number should be sufficient to start activities. Upon a minimum of 10(full Segment of 5 Directors and 5 EC members) or 12 (full Segment of 6 Directors and 6 EC members) members in each Segment, new election held within 30 days to increase Director and EC Members to terminate transition and operate under full membership of Quadrant. Recommend that transition period should be no longer than August 31, 2002. As late as December 31, 2002 would be acceptable.
343			Julie Unruh / Reliant Energy	Suppliers	Delete the introductory statement in this section. Further, the example [in the Note] alone proves that [the transition provisions as written are] not a workable solution. Reliant Energy prefers that the transitional provisions be eliminated from all quad documents due to the confusion they are likely to cause and the difficulty that will result in tallying votes, particularly as described in the RGQ Procedures. Reliant Energy would prefer that a NAESBOP be created to deal with this issue for all quadrants so that there is uniformity across the organization. Regardless of whether the NAESBOP is created or if this provision remains in the RGQ (or REQ) Procedures, there should be a sunset date of August 31, 2002 included in the provision.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
344			Misty Ann Khan / Telerx	Services	Telerx agrees with the Reliant comment [proposal as written is unworkable as demonstrated in the example] above. However, if this section is left in, 3 Directors per segment should be required since 2 would give veto power to any one Director and 4 may be a difficult number to achieve for some Segments initially.
	19.1	A. How many Directors / EC for REQ -- 1) to start? -- 2) ultimately?			
345			Deborah Penn / APPA	Distributors	Need a minimum of 4.
346			Bill Newbold / DTE Energy & Wayne Mastin / SCT; Carol Busto / Dominion Virginia Power	Distributors, Services	First sentence in A: add the word elected before 'REQ Directors'. Add 2nd paragraph: These provisions for short-handed interim operation of a Segment expire eighteen months (12 or 24 is OK too) from the date the Quadrant is accepted into NAESB (Board Members seated). Question: Leave at 4, if worried about the interim 2, then drop it and have 4 from the outset. A Segment with 5 members could run with empty EC seats. This leads to a new question, can a board member be a designated alternate and operate temporarily in both B of D and EC positions?

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
347			Ruth Kiselewich / BG&E	Distributors	2 per segment minimum during transition. The sooner you can fully form the quadrants, the better. Starting with a smaller number will encourage participation and permit you to increase the numbers perhaps faster than waiting for the higher numbers to occur. Because of the NAESB principles, there is still the onus on the segments to have larger participation and avoid key decisions without it. Two years for the transition procedures.
348			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG has no strong preference on this issue, but would support the "phase-in" approach proposed by REQ Procedure.
349			Anne McGlynn / Exelon Dist Co.	Distributors	Prefer to start small, but no less than 3 per Segment
350			Terry Moran / PSE&G	Distributors	Set the minimum at 4 Directors
351			Carol Busto / Dominion Virginia Power	Distributors	If NAESB Board accepts the REQ at March 7th meeting, does this [statement] require us to have Directors ready to seat at that meeting?
		B. Section expiration date?			
352			Bill Newbold / DTE Energy & Wayne Mastin / SCT	Distributors, Services	Question: Covered in new paragraph above, doesn't need to be here.
353			Jeff Anthony / Wisconsin Electric	Distributors	WE-WG prefers 2 years.

Retail Electric Quadrant Procedures

Comments Regarding Draft Version 2.3

Item	Section	Issue	Comment Source	Segment	Proposed Change / Comment
354			Anne McGlynn / Exelon Dist Co.	Distributors	Two years
355			Terry Moran / PSE&G	Distributors	If there is an interim period - it should be for 18 months
	19.2	A. Agree with provisions? B. Section expiration date?			
356			Wayne Mastin / SCT	Services	Question: I have the same comments as for the interim B of D issues.
357			Ruth Kiselewich / BG&E	Distributors	10.2 B - Change the three year term to 2 year to be consistent with recommendation in 10.3 D. 19.2 C - Note: 2 year transition period.
358			Anne McGlynn / Exelon Dist Co.	Distributors	Two year (expiration)
359			Terry Moran / PSE&G	Distributors	If there is an interim period - it should be for 18 months
360			Misty Ann Khan / Telerrx	Services	Should be addressed in Segment procedures. As a point of information, this wording is inconsistent with the proposed Segment procedures that call for candidates serving terms of one to two years as opposed to two to three.

PPLSolutions Proposed Rewrites -- Sections 10 & 19

10. Executive Committee

10.1 Duties and Responsibilities

“The REQ shall have an Executive Committee (EC), which shall also participate in the larger NAESB EC body, consisting of representatives from each REQ Segment, with each REQ Segment electing REQ EC Members, pursuant to procedures specified by the respective Segment in this Exhibit. REQ Designated Alternates may vote at EC meetings in place of an absent REQ EC Member from a given Segment. An REQ Designated Alternate holds identical voting rights as the REQ EC Member in whose place he or she serves, except for those matters on which the REQ EC Member has already voted by notational ballot prior to the beginning of the meeting.”

10.2 REQ EC Members

- A. To be eligible to serve as a representative on the REQ EC:
- The person must be a Member of the REQ
 - The person must have a working knowledge of the NAESB process; and
 - The person must be willing to commit the time and resources necessary to fulfill their obligations as a REQ EC Member and to meet the minimum threshold of participation and attendance established in the NAESB Bylaws [Section 9.7 (f)].
- B. One Member, One Seat Per Quadrant
No two REQ EC Members may be employees of the same Member holding Membership in multiple Segments within the Quadrant. This restriction does not prohibit election of two REQ EC Members from two affiliated companies within a holding company which each have individual Member status, or from two companies with a parent-subsidiary relationship, provided that the two REQ EC Members from companies with such a relationship represent Members of differing Segments.
- C. One Office Per Member Representative
If an REQ EC Member representative is elected as a Director from the REQ, the EC seat is vacated when the Board seats the Director.

10.3 Number and Election of REQ EC Members

- A. Number of REQ EC Members
The REQ shall elect twenty (20) REQ EC Members, subject to the provisions of Section 19 of these Procedures. Each Segment of the Quadrant will elect five (5) REQ EC Members, subject to the provisions of Section 19 of these Procedures.
- B. Election of REQ EC Members
Nominations for and election of all REQ EC Members will be in accordance with Segment Procedures.

- C. **Timing of Elections**
Subject to the provisions of Section 19, election of REQ EC Members shall occur in the same month for all Segments of the REQ, and shall be coordinated by the NAESB Office. The NAESB Office will ensure that the requirements of this Section are satisfied by each Segment's slate of candidates prior to any actual voting by any Segment.
- D. **Chair Rotation**
The REQ EC shall elevate the prior year Vice Chair of the Quadrant EC to Chair of the REQ EC at its first meeting in the new operating year and 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.
- E. **Meeting Minutes**
The REQ EC shall designate an EC Secretary responsible for production of meeting minutes per NAESB Operating Procedures. This may involve an individual assigned this responsibility on a permanent basis, or an agreement on how to designate a person or persons responsible for recording minutes of each meeting.”

10.4 Term of Office

- A. **Term of Office**
REQ EC Members shall be elected for two-year terms, with half of the terms expiring in alternating years, subject to the provisions of Section 19.
 1. Two REQ EC Members will be elected from each Segment each year to fill expiring terms.
 2. Group A REQ EC Members will have their terms expire in odd numbered years.
 3. Group B REQ EC Members terms will expire in even numbered years.
 4. Term expiration will be in conjunction with the end of the operating year of NAESB or as otherwise defined by the Board, Certificate of Incorporation or Bylaws, as amended.
- B. **Limit on Number of Terms of Office**
REQ EC Members elected from the REQ may run for re-election without restriction on the number of terms held.
- C. **Change of Affiliation**
In the event that a REQ EC Member changes affiliation and is no longer affiliated with the same electing industry Segment, the REQ EC Member will vacate the seat for election of a new REQ EC Member.

10.5 Vacancies

In the event that a REQ EC Member resigns or otherwise vacates their REQ EC seat, the Segment will hold an election within 60 days to fill the vacant seat with a candidate from the same Segment as the original REQ EC Member.
Until an election is held and a new EC Member is elected, a Designated Alternate will serve in the open EC seat.

10.6 Removal of REQ EC Members

Each REQ Segment shall have the authority to remove a REQ EC Member for cause. Prior to voting on such resolution to remove a REQ EC Member for cause, the REQ

Segment shall give the REQ EC Member at least 30-day notice of the proposed action and an opportunity to respond. A simple majority of the REQ Segment Membership shall be required to remove a REQ EC Member.”

Section 10.4 and 10.5 These sections on meetings and Subcommittees should be eliminated and these issues should be dealt with in the NAESB Operating procedures.

Section 10.9 Renumber to be section 10.7 and replace with the following:

10.7 Designated Alternates

A. Authority

Any person presenting themselves at an EC meeting as a Designated Alternate will be accepted as a participant provided that:

1. An EC Member from that Segment either indicates to the NAESB Office, EC Chair or Vice-Chair that they will be absent, or is in fact absent and remains absent, and
2. The name of the Designated Alternate is on a list of approved Designated Alternates selected by the appropriate Segment Membership according to these Procedures or Segment Procedures, and on file with both the NAESB Office and the EC.

B. Election of Designated Alternates

Each Segment will select no more than three (3), and no less than one Designated Alternate EC representative in each election year, allowing for up to twelve (12) Designated Alternates overall.”

PPLSolutions believes that the mechanism for electing Designated Alternates should be addressed in the Segment Procedures.

Section 18 PPLSolutions supports adopting the wording in the RGQ procedure to address amending this document.

Section 19 Replace the existing section 19 with the following:

19.1 Transitional Voting Threshold

Each Segment may populate up to five (5) seats on the NAESB Board or REQ EC. Recognizing that the REQ Segments might fill their allotted seats at varying rates, a Transitional Voting Period shall be established, whereby the voting threshold for REQ representatives on the NAESB Board and on the REQ EC will be tiered into two phases. During Phase I, to end no later than December 31, 2002, the Transitional Voting Threshold will be set to three (3), and during Phase II of the Transitional Voting Period, to end no later than December 31, 2003, the Transitional Voting Threshold will be set to four (4). Upon expiration of the Phase II of the Transitional Voting Period, no Transitional Voting Threshold will be in effect and this Section shall expire.

19.2 Transitional Voting Multiplier

Each REQ Segment will determine the number of seats on the NAESB Board or REQ EC it intends to populate and inform the NAESB office of this number. A Transitional Voting Multiplier shall be calculated for each REQ Segment by dividing the number of populated seats in the largest REQ Segment by the greater of the number of seats populated in that REQ Segment or the applicable Transitional Voting Threshold. The following example is used to illustrate this: A given REQ Segment populates three seats during Phase I of the Transitional Voting Period, while the largest REQ Segment in this case populates five. To determine the Transitional Voting Multiplier for the smaller REQ Segment in this example, the number of seats in the largest REQ Segment (which in this case is 5) would be divided by the Phase I Transitional Voting Threshold (which is 3) to arrive at 1.67 as the Transitional Voting Multiplier for the smaller REQ Segment in this case.

19.3 Application

When non-procedural votes are tallied at NAESB Board or EC meetings, each of the voters present will have their votes weighted by the Transitional Voting Multiplier applicable to that voter's REQ Segment. Where applicable, NAESB balanced voting rules will be applied after votes have been weighted. Thus in the example given in Section 19.2, if all three representatives from the smaller REQ Segment vote, the tally of their votes would be 5.

19.4 Limitation on Transitional Voting Multiplier

To the extent that the number of individuals identifying with a REQ Segment at a sub-committee or task force meeting is less than or equal to the number of REQ EC seats populated, the Transitional Voting Multiplier may be used to weight votes prior to the application of balanced voting rules.

19.5 Early Threshold Expiration

Should all REQ Segments populate the NAESB Board or the REQ EC seats in excess of the Transitional Voting Threshold prior to the expiration of Phase I of the Transitional Voting Period, Phase I shall expire immediately and the Transitional Voting Threshold for Phase II shall apply. Should all REQ Segments during Phase II of the Transitional Voting Period populate the NAESB Board or the REQ EC seats in excess of the Transitional Voting Threshold, Phase II shall expire immediately, no Transitional Voting Threshold will be in effect, and this Section shall expire.

PSE&G's recommendation is to structure the section similar to that of the RGQ - as illustrated below

Section 5 Members

Membership and voting rights in the REQ of NAESB shall be open to any Member that meets the following requirements:

- The Member has a legitimate business interest¹ in the retail electric market (or is a representative or Agent of such person), as determined by a simple majority of the segment Membership.
- Representatives designated by any person in any Segment should have
 - the authority to represent the interests of the person seeking Membership
 - in the Segment.
- Memberships in multiple Segments of the REQ are permissible for any person provided each Membership is filed and declared with NAESB, the
- person meets the Membership requirements of each Segment joined, and Membership dues are paid for each Segment.
 - A. Only one Membership per Segment is permissible for any person.
 - B. Multiple companies under common control within a corporate organization that desire to become Members must join individually. Members cannot extend their Membership to their parent company, affiliates, or subsidiaries.
- The Member may be a trade association or an advocacy group representing a group of prospective members, provided that
 - A. the group represents an interest that is identified within a Segment, yet is
 - 1. not represented, or
 - 2. is underrepresentedin the judgement of a simple majority of the Segment Membership, and
 - B. the prospective representative's relationship to the group wishing to be represented in this manner is documented in one of the following ways:

¹ as used in this section, "significant business interests" specifically includes the interests of statutorily appointed consumer advocates

1. has statutorily or regulatory designated authority to represent the interests of the subject group
 2. is generally recognized representative of the subject group for other transactions (e.g. provides group insurance, group buying of another product, etc.)
 3. provides a letter of authorization from the group, including an expiration date for the letter of authorization
- C. no more than two entities within the group represented subsequently join as voting Members of the Segment, at which point the Segment shall revisit the representative's eligibility for continued membership as specified in Section 5.2 (2a) above. the representative's authorization for representation and voting rights will be immediately voided unless reinstated by letter for the remainder of the operating year by the remaining members of the representative's constituency.