

NAESB Retail Quadrants Meeting – Draft Minutes
Juno Beach, Florida – February 20, 2002 9:00 AM – 4:00 PM EST

Participants from all segments of the electric and natural gas industries met today to discuss procedures for the Retail Gas Quadrant (RGQ) and the Retail Electric Quadrant (REQ) of the recently formed North American Energy Standards Board (NAESB). Jim Buccigross (Group 8760/current NAESB Wholesale Gas Executive Committee Chair) facilitated the meeting. Upon reviewing the antitrust guidelines, the participants completed the following business:

- **Listened to a brief presentation of current REQ Procedures.** Those procedures will be finalized only after a final determination is made on whether specific sections belong in the Quadrant Procedures or Segment Procedures.
- **Reviewed the timelines for establishing the two retail quadrants** as follows:
 - Week of 2/25 - Present drafts of the REQ and RGQ procedures and of the Segments' procedures to NAESB office for review by NAESB Directors.
 - Proceed with member recruitment efforts.
 - Mar 6 - Submit final proposals of REQ and RGQ procedures and letters of intent to join NAESB Membership to the NAESB office (indication to the NAESB Directors of the level of support for the Quadrants' Procedures).
 - Mar 7 - NAESB Board convenes first meeting; will consider adopting proposed Quadrants' procedures as Exhibits to NAESB Bylaws.
 - Post 3/7 - Finalize Segments' Procedures for adoption by the appropriate NAESB Segment Membership.
 - Present final Segment Procedures to the NAESB Board for a vote to incorporate into the Exhibits to the Bylaws.
- **Reviewed but did not complete (due to time constraints) re-drafted procedures for the RGQ and the REQ.** **Adopted** the following Segment definitions in the RGQ procedures and REQ procedures, respectively:
 - Suppliers: **RGQ:** Persons, ~~other than Distributors~~, engaged in the sale of natural gas and/or pipeline capacity, including marketers (retail, wholesale), aggregators, producers, asset managers and pipelines. **UNRESOLVED:** Matter of Segment affiliation of pipeline companies.
REQ: ~~Parties Persons eligible for Membership in the Segment are service providers and marketers~~ engaged in the competitive sale of electricity to end users.
 - Distributors: **RGQ:** Persons engaged in the ~~regulated or publicly owned~~ local distribution of natural gas.
REQ: ~~Parties eligible for Membership in this Segment are Persons~~ engaged in the regulated or public owned local distribution of natural gas.
 - Services: **RGQ:** Persons that provide services to the participants in the retail natural gas industry, including equipment manufacturers, equipment and service vendors, software providers, energy consultants, and other companies not otherwise declared in any other Segment.
REQ: ~~Persons Parties eligible for Membership in this Segment~~ that provide services to the participants in the retail electric industry, including equipment manufacturers, equipment and service vendors, software providers, energy consultants, and other companies ~~or individuals~~ not otherwise ~~eligible for Membership declared in any another~~ Segment.
 - End Users: **RGQ:** Persons that consume natural gas, ~~including or represent~~ consumers of natural gas advocacy organizations and retail customer groups.
REQ: ~~Parties eligible for Membership in this Segment~~ Persons that consume electricity or represent consumers of electricity.
- **Discussed but did not resolve the matter of segment affiliation of pipeline companies.** Two proposals were considered: 1. Maintain the definition of the RGQ for Suppliers, which include pipeline companies; and 2. Move the Segment affiliation of pipeline companies to the Services Segment, as "ancillary services."
- **Briefly reviewed Segment Procedures** to determine which sections belong in the Segment versus the Quadrant documents and which are duplicative of the NAESB Bylaws and categorized language as follows:

Segment Level

- Definition of the Segment
- Membership requirements (*move from Quadrant document*)
- Removal of Member from Segment
- Additional requirements for Directors and for EC Members
- Limit on number of terms for Directors and EC Members
- Amendments to Segment Procedures
- Transition Language (*move from Quadrant document*)

Quadrant Level

- List and define all Segments (keep)
- Qualifications of Directors and of EC Members (keep)
- NAESB Membership (keep language here)
- Term of office (*move from Segment document*)
- Procedures to remove Directors (*consistent across Segments*)
- Segments vote to remove Directors

- **Remove language on** “Ability to remove Directors” (in Bylaws) | - **Remove language on** “Vacancies” (in Bylaws)
- **Discussed the matter of consumer advocacy groups** and provided general support for the following proposal to be presented to the NAESB Board on March 7th, independent of the proposed Quadrant Procedures under consideration:

“For a period of two years, the [*“Retail Gas” or “Retail Electric”*] Quadrant supports the adoption of promotional dues of no more than \$500 for no more than three representatives of residential end users to become Voting Members of the End User Segment. Promotional dues shall be available on a first-come, first-serve basis to membership organizations who represent residential end user customers [*statutorily appointed consumer advocates or, if no such office exists, membership organizations that represent residential end user customers*].”

Note: Bracketed and italicized language represents alternative language.
- **Agreed to convene separate conference calls for the REQ and the RGQ to identify substantive issues within their procedures.** REQ calls: February 22 at 11:00 AM and February 25. RGQ conference call(s) will be held the week of February 25—specific date to be determined following this meeting.

Meeting Participants:

Alexander, Barbara - NASUCA/AARP	McGlynn, Anne – ComEd-Excelon
Arnaut, Mariam - AGA	McKeever, Deborah – Oncor Group (subs. TXU)
Barkas, Bill - Dominion Retail*	McQuade, Rae – NAESB
Boswell, Bill - Dominion	Merrill, Tim – Industrial Energy Services (rep. TXU Energy Retail)
Bourbonnais, Bill – Wisconsin Public Service	Minneman, Jim – PPL Solutions
Bragg, Audrey - Washington Gas*	Moran, Terry – Public Service Electric & Gas
Buccigross, Jim - Group 8760	Newbold, Bill – Detroit Edison
Burch, Kathryn – Duke Energy Gas Transmission	Novak, Mike – National Fuel Gas Distribution
Busto, Carol – Dominion Virginia Power	O’Neill, Karen – Green Mountain Energy Company
Camp, Yvette – Southern Company	Oppenheim, Bill – PECO Energy Company
Cezar, Dolores – KeySpan	Patton, Tina – The Boeing Company
Cianflone, Nancy – KeySpan	Penn, Deb – American Public Power Association*
Corbin, Jason - Allegheny Power Service Corporation*	Sappenfield, Keith – PanCanadian Energy Services
Daly, Kelly – rep. Arizona Public Service & Pinnacle Energy	Schneider, Rich – Public Service Electric & Gas
Darnell, David – Systrends, Inc.	Scheel, Mark - Dynegy
Driggs, Charlie – Conectiv	Specht Adusei-Poku, Marilyn – Nisource
Gracy, Mark – Tennessee Pipeline	Tenorio, Chip – ComEd-Exelon
Greene, Joel – Energy Advocates LLP	Unruh, Julie – Reliant Energy
Khan, Misty – Telerx Marketing	VanPelt, Kim – CMS Panhandle Eastern Pipe Line
Kiselewich, Ruth – Baltimore Gas & Electric	Young, Randy – Gulf South Pipeline Company
Koogler, David – Dominion Virginia Power	Zavodnick, Steve – Baltimore Gas & Electric*
Lennon, Rose - Washington Gas*	American Electric Power*
Mason, Jean - Ameren*	US Energy