



North American Energy Standards Board

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Home Page: www.naesb.org

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NORTH AMERICAN ENERGY STANDARDS BOARD OPERATING PRACTICE

Procedures for NAESB Executive Committee Subcommittees

The following are general procedures of NAESB Executive Committee Subcommittees and are intended to guide such subcommittee operations. Where specific procedures for a subcommittee exist and have been approved by the Executive Committee, the applicable, specific procedures are intended to guide the operations of the subcommittee in lieu of these generally applicable procedures.

I. Establishment of Subcommittees

The bylaws of NAESB assign to the Board and to NAESB's Parliamentary Committee the responsibility for developing and adopting matters involving corporate governance. Through the NAESBOPS the Board has adopted procedures for the operation of committees, sub-committees and task forces, and may adopt other such procedures in the future. The Executive Committee (EC), as a whole and through the Quadrant ECs, properly may wish to create sub-committees and task forces for the purpose of discharging its standards-setting/standards maintenance and model business practice-setting/maintenance responsibilities.

The EC and the Quadrant ECs shall have the general authority to adopt resolutions establishing sub-committees and task forces within a subcommittee for the specific purposes of facilitating the development, establishment and maintenance of standards and model business practices, which sub-committees and task forces within the subcommittee shall in their operation comply with the NAESBOPS in all respects, and that the EC may request authorization from the Managing Committee of the Board to establish other sub-committees and task forces within a subcommittee not covered by the preceding paragraph, and only upon such authorization being granted shall the said sub-committees and task forces exist or come into being, and the Managing Committee may delegate this indicated authority to the Parliamentary Committee. The EC or Quadrant EC may on its own motion or at the request of the subcommittee approve task forces within a subcommittee to address issues that are expected to require action thought the tenure of the subcommittee. After the establishment of a



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subcommittee and the subcommittee may establish working groups as needed to address issues that can be resolved in a distinct manner.

- A. Subject to the foregoing, sSubcommittees are voluntary committees set up at the pleasure of the ~~Executive Committee (“EC”)~~EC or Quadrant EC to perform various functions as set forth in the Bylaws and as may be determined by the EC or Quadrant EC from time to time. The scope and activities of any Subcommittee shall be determined by the EC or Quadrant EC.
- B. The EC or Quadrant EC will prepare a written statement concerning the purpose and tasks to be accomplished by the Subcommittee, the name of the Subcommittee and will select a member of the EC or Quadrant EC to act as temporary Chair of said Subcommittee.
- C. The role of the temporary Chair is to make arrangements through the office of the Executive Director for the initial meeting, including drafting a notice of the meeting and agenda, determining time and place and issuing the notice, agenda and venue information to all NAESB members. The temporary Chair shall serve only until such time as the Subcommittee is organized and elects its own Chair.
- D. The notice for the meeting should include: a) a copy of the name and purpose statement of the “to be formed” Subcommittee; b) ~~an~~ public invitation ~~to NAESB members~~ to volunteer to serve on the Subcommittee; c) a proposal that the acting Subcommittee Chair be selected as the Chair, with the option for NAESB members serving on the Subcommittee to recommend another EC member to perform the Chair functions for the ongoing Subcommittee (if there are alternates proposed, a vote would be taken at the first meeting to select the Chair); and, d) the suggestion that the Subcommittee also consider the need for a co-chair or vice chair and recording member.

II. Order of Business - Initial Meeting

- A. At the initial meeting of a Subcommittee the following organizational matters will be addressed by those present:
 - 1. Welcome participants, call the role of attendees by quadrant and segment, and give the antitrust advice.
 - 2. Adopt the proposed agenda, with ~~additions~~modifications, if any.
 - 3. Review the name, objectives and task assignment(s) for the Subcommittee as contemplated and directed by the EC or Quadrant EC. Based on such objectives and task assignments. The subcommittee shall prepare a Mission Statement that should be approved by the subcommittee through a balanced vote. The Mission Statement must be



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presented to the EC for approval. Attached, as Exhibits _____ are the Missions Statement from all existing subcommittees.

- 43.** Determine, if necessary, the term of the Chair (and other committee positions, as applicable). Elect/ratify the Chair (and other committee positions as applicable) and Vice Chair or co-chair pursuant to the Voting process outlined below. The Chair, Vice Chair, or one of the co-chair(s) of a NAESB EC Subcommittee must be a member of the EC. Subcommittees may select co-chairs by segment if they so choose.
- 54.** Other organizational business as may be necessary to implement a committee structure and procedures necessary to carry out the EC or Quadrant EC objectives.
- 65.** Take any other actions, as may be appropriate.

B. — B. It is understood that the organizational actions of adoption, ratification and election shall be accomplished at the initial meeting by balanced~~simple~~ majority vote of participants~~NAESB members~~ present (see NAESB Op No. _____) and volunteering to serve on the Subcommittee. Substantive business of the Subcommittee shall be subject to quorum and majority rules as set forth below.

III. Subcommittee Participation~~Membership~~

- A.** Subcommittee participation~~membership~~ is open to all interested participants, parties~~provided however, voting at certain subcommittees is limited to named members or alternates~~ (eg. Quadrant ECs) (see NAESB Op No. 3).
- B** A participanty may join as many Subcommittees as they desire, and may do so at any time.

IV. Majority and Minority Recommendations to the EC

In the absence of consensus and following a vote of the Subcommittee, those members voting in the minority will be reminded by the cChair of their right to forward their proposal directly to the EC or Quadrant EC and of the date when the Subcommittee's majority proposal is to be discussed and addressed by the EC or Quadrant EC.

V. Establishment of Subcommittee Task Forces~~Working Groups~~

A Subcommittee established by the EC or Quadrant EC may establish, at its discretion, a Task Force or Task Forces~~Working Group~~ to assist in the achievement of its objectives and tasks. Provided however, said Working Group~~Task Force(s)~~ shall report to the Subcommittee on a regular basis and all proposed actions and recommendations of said Working Group~~Task Force(s)~~ must be reviewed and ratified, adopted and/or voted on by the full Subcommittee prior to advancement to the EC or Quadrant EC.



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VI. Classification of NAESB Group Charges

There are four kinds of groups.

Group 1

Groups which are established by the EC that are assigned specific topic(s) for the development of standards related to the Annual Plan and given a business practice review and business practice recommendation(s) charge within such topic(s).

Examples are:

- a) Intraday Task Force,
- b) Title Transfer Tracking Task Force, and
- c) Other topic-oriented groups established by the EC and given a similar business practice charge

Group 2

Groups which are established by the EC with a request-oriented and ancillary matters business practice review and business practice recommendation(s) charge, (i.e., conforming changes, standards maintenance and clean-up).

Examples are:

- a) Business Practice Subcommittee (BPS),
- b) Contracts Subcommittee,
- c) Task Force(s) established under the Subcommittees established by the EC,

Examples are:

- i) Model Trading Partner Agreement Task Force,
- ii) Funds Transfer Agreement Task Force,
- iii) Short-Term Gas Purchase Agreement Task Force, and
- d) Any future group formed at the direction of the EC and charged with resolving request-oriented business practice issues within the subject matter of their charge from the EC.

Group 3:

Groups which are established by the EC with a request-oriented and ancillary matters charge but without a business practice charge; or, are charged with "full staffing" of business practice issues which have been addressed by a duly constituted group (i.e. Groups 1 and 2 above).

Examples are:

- a) Information Requirements Subcommittee,
- b) Technical Subcommittee,
- c) Common Codes Task Force,



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- ~~d) Task Forces established by other Group 3 Subcommittees (e.g. Future Technology Task Force), and~~
- ~~e) Such other group(s) as may be constituted by the EC and not charged with the resolution of business practice issues.~~

Group 4:

~~Interpretations Subcommittee (ISC) which is established by the EC and is charged with the interpretation or clarification of NAESB Standards which may impact business practices. The ISC is not charged with the creation of new business practices. Rather, it is charged with interpreting the applicability of NAESB Standards to current business practices. Additionally, while the ISC may determine that one or more business practices are not in keeping with a NAESB Standard(s) (and that other(s) are), it may not propose (as an interpretation response) new NAESB business practice standards (i.e., X.1.X, X.2.X, X.3.X, or X.4.X standards).~~

VII. Meetings of the Subcommittee

- A.** The notice of an initial meeting of a NAESB ~~Executive Committee (EC) Subcommittee, NAESB EC Task Force,~~ or NAESB Task Force under a NAESB EC Subcommittee will be ~~distributed~~made available at least ~~three~~two weeks in advance of the meeting to the public, all NAESB members, participants and interested trade association staff for distribution to their members. Provided, however, an emergency meeting might be called. NAESB EC Subcommittee Working Groups may call meetings with less than two weeks notice.
- B.** Meetings of the Subcommittee are arranged and presided over by the Chair, ~~or~~ Vice Chair, or co-chair in the event of the Chair's absence.
- C.** Meetings of the Subcommittee are open to all members of NAESB and other interested ~~participants~~persons.
- D.** Meetings will be held at times and in places reasonably selected for the convenience of Subcommittee members. Meetings may be held by teleconference. Meetings will be noticed by means of the NAESB Home Page. A fee may be charged to attend the meeting with prior notification.
- E.** All sSubcommittees will proceed with balanced voting for other than administrative or procedural items such as adoption of agendas or adoption of minutes, ~~as far as possible, on a consensus basis.~~ The balanced voting procedure is described in the NAESB Ops [PUT NAME HERE ONCE IT IS APPROVED< WITH DATE]. ~~The Subcommittee Chair may call a vote to determine the course of action to be taken or the nature of the Subcommittee's recommendation to the EC.~~ Each participating company per segment is



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permitted one vote. ~~The EC may approve alternative subcommittee procedures which indicate who shall be entitled to vote to determine the course of action to be taken or the nature of the specific Subcommittee's recommendation to the EC.~~

- F** In-person group meetings normally should be noticed at least two weeks in advance of the meeting. Teleconference-only meetings normally should be noticed at the preceding meeting, and a—All teleconference-only meetings should normally be noticed at least one week ~~two business days~~ in advance through posting on the World Wide Web.
- G.** ~~Where reasonable,~~All in-person meetings should provide for attendance by teleconference, and may be scheduled at the callers' expense with prior notification. At an in-person meeting, the chair of the group, will also call-in (or open) the teleconference number (via a speakerphone) so as to admit the teleconference attendees by phone and permit interaction between the in-person attendees and the by teleconference attendees.
- H.** Agendas for all NAESB meetings should be generated by the NAESB Chair(s), Vice Chair or co-chair and posted on the NAESB Home Page sufficiently in advance of the meeting to allow persons accessing the Home Page on a daily basis to identify the issues to be discussed (by or associated with a Request or Clarification Number or Annual Plan item) and be able to attend. Exceptions to this may be granted by the indulgence of the ~~EC~~Executive Committee (EC).

~~VIII. Work by a Group on a matter not Assigned a specific NAESB Request Number;~~

- ~~A. Should any group with a business practice charge (Groups 1 and 2 above), find itself discussing an ancillary matter which has not been assigned a NAESB Request or Clarification number, yet which is within the charge of the group and reasonably determined by the chair to be within the subject matter before it, it may continue with the discussion of the matter (without reaching a resolution) during the subject meeting. Such discussion and any action items related to such matter will be recorded in the minutes of the group. Should it be determined that further discussion is warranted or a resolution is desired, the Chair(s) of the group, with a majority consent of the members of the group, may place the item on subsequent agenda(s) of the group and process the matter(s) to resolution. Absent a majority consent of the group to so process the matter, the group will await receipt of i) a Request for Standard, ii) a Request for Clarification or Interpretation, iii) other instruction from the EC, or iv) majority consent of the group before processing the matter further.~~
- ~~B. Should any group not having a business practice charge, (Group 3) find itself discussing an ancillary matter which has not been assigned a NAESB Request number, it may continue with the discussion of the matter (without reaching a resolution) during the subject meeting. Such discussion and any action items related to such matter will be recorded in the minutes of the group. The Committee will await receipt of a Request For Standard or a recommendation requiring full staffing for further discussion of the matter.~~



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- ~~C. Should the Interpretations Subcommittee find itself discussing an ancillary matter which has not been assigned a NAESB Clarification number, it may continue with the discussion of the matter (without reaching a resolution) during the subject meeting. Such discussion and any action items related to such matter will be recorded in the minutes of the Interpretations Subcommittee. The Committee will await a receipt of Request For Clarification Or Interpretation for further discussion of the matter.~~
- ~~D. Those participants in discussions referred to above are encouraged to attend and participate in the deliberations of the group to which a Request for Clarification or Interpretation was assigned.~~
- ~~IX. Standard Alternative Subcommittee Balanced Voting Procedures~~
- ~~A. Pursuant to Section VII.E, above, the EC is authorized to establish alternative voting procedures for subcommittees when it deems such to be appropriate.~~
- ~~B. As stated in Section VII.E, voting in subcommittees and task forces shall proceed on a consensus basis using balanced voting, which can occur as: unless specific written subcommittee or task force voting procedures are currently in place or unless otherwise determined by the EC to use one of the alternatives set forth below ("balanced voting" or "named members")~~
- ~~1) "Balanced Voting" means each segment has maximum of two (2) countable votes, regardless of the number of members present from a segment. If there are two or more members from a segment in attendance, countable votes are determined by dividing the total number of votes cast by members of a segment by the total number of that segment's voters present and voting, and multiplying the result by two. Where there are two or fewer segment members present, each vote counts as one countable vote. A simple majority is required to decide issues and abstentions are not counted. The chair shall be selected from among the members of the group, or appointed by the EC, as the EC may determine.~~
- ~~2) Balanced voting can also be achieved via named members. "Named Members" means individual NAESB subcommittee or task force members are specifically assigned by the EC to the subcommittee or task force. There will be an equal number of members from each segment, and each member shall have one vote. One Ddesignated alternates are is allowed to represent a named segment member in the event that one of the named segment members does not attend a subcommittee or task force meeting, and notational voting is not permitted. A simple majority of those voting is required to decide issues and abstentions are not counted. The chair shall be selected from among the members of the group, or appointed by the EC, as the EC may determine.~~