



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

TO: **Parliamentary Committee Named Members:** Bill Boswell, Jim Templeton, Lyn Maddox, Terry McGill, Cade Burks, Leonard Haynes, John Williams, Scott Brown, Dave McMillan, Joe Hartsoe, Michael Desselle, Dave Pfeifer, Greg Lander
Posting for Interested Industry Participants

FROM: Todd Oncken, NAESB Staff

RE: NAESB Parliamentary Committee Meeting Final Minutes – February 25, 2003

DATE: March 9, 2003

**NAESB Parliamentary Committee Meeting
Tuesday, February 25, 2003, 1:00 to 5:00 p.m. EST
Final Minutes**

1. Welcome and Introductions

Mr. Boswell opened the meeting and welcomed participants. Meeting attendees introduced themselves.

2. Antitrust Guidance

Mr. Costan gave the antitrust advice.

3. Adoption of Agenda

Mr. Haynes moved, seconded by Mr. Templeton, to adopt the agenda as written. The agenda was adopted unanimously.

4. Adoption of Draft November 21, 2002 Meeting Minutes

Mr. McGill moved, seconded by Mr. Templeton, to adopt the draft November 21, 2002 meeting minutes as written. The draft November 21, 2002 meeting minutes were adopted unanimously.

5. Review of Revised NAESB Operating Practices

Mr. Boswell proposed the following guidelines for the Parliamentary Committee:

- Our job is to assure that NAESB's procedures permit us to operate effectively and efficiently in a transparent fashion as a standards development organization.
- Tasks get assigned to one or more Committee Members and they're responsible for getting the task done, providing drafts to the committee, and acting as sponsor for the work product at the Parliamentary Committee meetings.
- The responsible committee member may do the drafting himself, or with other Parliamentary Committee members, or with other NAESB members as he sees fit, but he alone is responsible for the final work product presented to this committee. That means get all the advice you want from whomever you want, but you're responsible for deciding what to present to the rest of the Parliamentary Committee.
- Nobody likes surprises. Members are responsible to get drafts out in advance of Parliamentary Committee meetings. I think two weeks is a good rule unless anyone objects. Our General Counsel should get the draft before it is circulated to the Parliamentary Committee to vet it for conflicts with the certificate and bylaws.
- Drafts should be black-lined wherever possible so the rest of the Parliamentary Committee can easily identify the proposed changes.



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- Our first job is to conform the existing NAESBOps to the new structure. Remember that we adopted the GISBOps wholesale with just a global name change.
- Once that's done, we'll discuss enhancement to existing practices. Enhancements may be suggested by anyone, but have to come in through a Parliamentary Committee member or through the NAESB office to the Parliamentary Committee chair. If the Parliamentary Committee wants to deal with the proposed change, the chair will assign the matter to one or more Parliamentary Committee members and the procedures outlined earlier apply.
- Once the Parliamentary Committee adopts a change, it will be forwarded to the NAESB Board for action. Unless there is urgency, that means it will be placed on the agenda for the next Board meeting. We will attempt to schedule Parliamentary Committee meetings sufficiently in advance of Board meetings so that any approved changes go out in the Board Book.
- As with other Board Book issues, the proposal will go to Managing Committee for its review. Except where the change is reserved to the Board, the Managing Committee may act to adopt the change it deems immediate action to be appropriate, or it may send the change out for a notational vote by the Board. All Managing Committee actions to adopt changes are subject to Board review at the next Board meeting.

Mr. Desselle moved, seconded by Mr. Hartsoe, to adopt the proposed Parliamentary Committee guidelines. The guidelines were adopted unanimously.

NAESBOps 1-4, Executive Committee Subcommittees

Mr. McGill presented the draft of NAESBOps 1-4. Mr. McGill noted that with the assistance of Ms. Corcoran, he held meetings and solicited comments on NAESBOps 1-4. Parliamentary Committee members generally discussed the nature of NAESBOps 1-4.

Of note, the establishment and cataloging of the mission statements for Executive Committee subcommittees was discussed. Ms. Corcoran confirmed that if the Parliamentary Committee approves the concept, each subcommittee would develop a mission statement to be approved by the Executive Committee and noted in the appendix to this NAESBop. Mr. Boswell stated all existing mission statement should be redrafted for scope and brevity. Mr. Costan questioned the need for mission statements. Ms. Corcoran stated mission statements have been historically used to keep participants focus on the task assigned to a subcommittee. Mr. Boswell noted the NAESBop would be forwarded to the Board for consideration without the Appendix.

Mr. Mucci submitted the following language regarding eligibility for leadership of NAESB subcommittees. Mr. Mucci proposed that Section II(A)(4) now include, "[T]he chair, vice-chair, and all co-chairs must be a member of NAESB." Mr. McGill agreed with the language addition.

Participants discussed the organizational structure of NAESB Executive Committee subcommittees, task forces, and working groups. As the NAESBop is proposed, a task force is established by the Quadrant Executive Committee and must report to a subcommittee. NAESBOps 1-4 introduced the concept of a working group, a short-term task specific group a subcommittee can establish. A working group would report to the subcommittee. The NAESB Office will prepare a diagram depicting the proposed organizational structure.

It was noted there is currently not a significant distinction between subcommittees and task forces, particularly in the Wholesale Gas Quadrant (WGQ). Mr. Novak stated the Retail Gas Quadrant (RGQ) also has task forces that report to the Executive Committee, namely the Gas Practices Inventory Task Force (GPITF). It was suggested the RGQ rename its existing task forces in line with proposed NAESBOps 1-4.



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Ms. Davis suggested Section IV be deleted from NAESBOps 1-4 and added to NAESBOps 7, 8, and 10, since NAESBOps 7, 8, and 10 address the comment process. It was agreed this modification was appropriate.

Please see attached redlined NAESBOps for language changes.

Mr. Templeton moved, seconded by Mr. Desselle, that the Parliamentary Committee adopt draft NAESBOps 1-4 as modified, subject to subsequent formatting, and recommend to the Board of Directors that NAESBOps 1-4 be adopted as final NAESB Operating Procedures. The motion passed unanimously.

NAESBOP 5, Balanced Voting

Mr. Williams presented NAESBOP 5. Participants reviewed the draft document and proposed minimal changes. Being that balanced voting does not pertain to named committees, participants discussed the nature of named committees. It was explained that named committees are balanced through their composition in that only named members are eligible to vote. Examples provided included WGQ Interpretations Subcommittee, Parliamentary Committee or a Quadrant Executive Committee.

Ms. Hess asked how balanced voting would apply to joint quadrant subcommittees or working groups, since the retail quadrants have expressed their intent to work jointly on some items. It was explained that the vote of each quadrant would be balanced and provide 50% of the total balanced vote. Ms. Hess and Mr. Novak requested NAESBOP 5 be modified to include an example of balanced voting for joint quadrant meetings.

Please see attached redlined NAESBOP for language changes.

Mr. Haynes moved, seconded by Mr. Desselle, that the Parliamentary Committee adopt draft NAESBOP 5 as modified, subject to subsequent formatting, and recommend to the Board of Directors that NAESBOP 5 be adopted as a final NAESB Operating Procedure. The motion passed unanimously.

NAESBOP 6, Standards Development Activities

Mr. Williams presented NAESBOP 6. Participants discussed the need for inclusion of NAESBOP 6. Ms. McQuade provided background for its original inclusion and noted it was intended to focus the organization on the industry. Mr. Brown stated NAESBOP 6 did not follow the same structure as the other draft NAESBOps, but instead read like a preface. Participants agreed selected text of NAESBOP 6 should be included in the executive summary.

NAESBOP 9, Communicating with Regulatory Agencies

Mr. Hartsoe presented NAESBOP 9. Mr. Hartsoe stated, as process, the drafters for NAESBOP 9 contacted several regulatory agencies and NARUC for input. Mr. Hartsoe noted the federal ethics officer has yet to approve the draft NAESBOP due to concerns regarding the value of a NAESB Standards Manual, and whether the submission of a standards manual would constitute a gift with a value greater than \$25.00.

During discussion, it was noted that both Federal and state regulatory bodies have expressed a desire to receive information of wholesale and retail standards development.

Please see attached redlined NAESBOP for language changes.

Mr. McMillan moved, seconded by Mr. Hartsoe, that the Parliamentary Committee adopt draft NAESBOP 9 as modified, subject to subsequent formatting, and recommend to the Board of Directors that NAESBOP 9 be adopted as final a NAESB Operating Procedure. The motion passed unanimously.



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NAESBOP 11, Terms of Officers

Mr. Templeton presented NAESBOP 11. Participants discussed whether this NAESBOP was necessary since this topic was captured in the NAESB Bylaws. Noting that the proposed language does not parallel existing NAESBOPs, Mr. Boswell suggested the issue of terms of officers be addressed through a Board resolution, if needed. Mr. Templeton concurred proposing this item as a Board resolution was appropriate.

Mr. Novak suggested that all Board resolutions detailing NAESB's operations be posted if not included in NAESBOPs. Ms. McQuade noted the resolutions are posted in the minutes of the Board meetings, but agreed to post Board resolutions affecting operations separately.

NAESBOP 12, Openness of Meetings

Mr. Templeton presented NAESBOP 12. Mr. Costan commented this topic was covered in the NAESB Bylaws, but the proposed language provides additional detail. Ms. McQuade expressed her desire that the NAESB policy regarding openness of meetings be specifically stated.

Participants discussed meeting openness in the context of the NERC/NAESB Joint Interface Committee (JIC). Ms. McQuade stated that for NAESB to participate in the JIC meeting, the meeting must be an open meeting with transcription, teleconference capability, and anti-trust counsel. Ms. McQuade noted there has been some conflict within the JIC regarding openness of meetings. Mr. Boswell expressed his opinion that the JIC should determine the level of openness of JIC meetings.

It was agreed to include the proposed language on transcription in the executive summary.

NAESBOP 13, Publication Cycle

Mr. Bray presented NAESBOP 13. Ms. McQuade noted Mr. Bray's proposal would be rewritten in the format of a NAESBOP. Please see attached redlined NAESBOP for language and formatting changes.

Mr. Desselle moved, seconded by Mr. Haynes that the Parliamentary Committee adopt draft NAESBOP 13, subject to subsequent formatting, and recommend to the Board of Directors that NAESBOP 13 be adopted as final a NAESB Operating Procedure. The motion passed unanimously.

NAESBOPs 7, 8, and 10, Standards Related Procedures

Mr. McMillan provided an update on the drafting efforts for NAESBOPs 7, 8, and 10. Mr. McMillan reported that he delegated the bulk of the drafting for NAESBOPs 7, 8, and 10 to Ms. Van Pelt, Ms. Davis, and Ms. Hess. Mr. McMillan stated the redrafting is progressing, but will require some additional time due to the amount of work entailed and the decision to combine two of the existing NAESBOPs into one. Mr. McMillan said the work completed to date was consistent with the spirit of the Parliamentary Committee guidelines adopted today. Mr. McMillan estimated a draft of NAESBOPs 7, 8, and 10 would be ready for counsel review by the end of March.

It was suggested the NAESB office prepare interim changes for NAESBOPs 7, 8, and 10, consistent with the guidelines adopted today. Specifically, the interim document would contain conforming changes to account for NAESB's new structure. It was asserted this approach would provide a complete package of NAESBOPs for Board consideration at the March 20 Board meeting, with the understanding that additional changes to NAESBOPs 7, 8, and 10 would be forthcoming. Mr. McMillan concurred with the proposed approach, but noted the ongoing work for NAESBOPs 7, 8, and 10 should be expressly stated. Once drafted, NAESBOPs 7, 8, and 10 will be forwarded to NAESB Counsel, and then circulated to the Parliamentary Committee members prior to the Board meeting.



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6. Next Steps and Other Business

No other business was discussed.

7. Adjourn

The Parliamentary Committee Meeting adjourned at 3:25 p.m. EST.



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8. Attendees

Wholesale Gas Quadrant Parliamentary Committee Members

| | | |
|---------------------|---|---------|
| Jim Templeton | Principal, Comprehensive Energy Services | Phone |
| Bill Boswell | Assistant Secretary, Dominion | Present |
| Terry McGill | Executive Vice President, Enbridge Energy Company, Inc. | Phone |
| Lyn Maddox | President & COO, PG&E Energy Group Trading | Absent |

Retail Electric Quadrant Parliamentary Committee Members

| | | |
|----------------|--|---------|
| Leonard Haynes | Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region) | Present |
| John Williams | Chief Executive Officer and Co-founder, 8760, Inc. | Phone |
| J Cade Burks | President, EC Power | Phone |

Wholesale Electric Quadrant Parliamentary Committee Members

| | | |
|------------------|---|---------|
| David McMillan | Director Market Design, Calpine | Phone |
| R. Scott Brown | Vice President and Director, Exelon Generation Power Team | Absent |
| Michael Desselle | Director Public Policy, American Electric Power | Phone |
| Joseph Hartsoe | Vice President and Associate General Counsel, American Electric Power Marketing, Inc. | Present |

Retail Gas Quadrant Parliamentary Committee Members

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| Dave Pfeifer | Vice President – Energy, EnForm Consulting, LP | Absent |
| Greg Lander | Principal, CapacityCenter.com | Absent |

NAESB Administrative

| | | |
|--------------|-------------------------------------|---------|
| Rae McQuade | NAESB, Executive Director | Present |
| Todd Oncken | NAESB | Phone |
| James Costan | McGuireWoods, NAESB General Counsel | Phone |

Observers

| | | |
|--------------------|--------------------------------------|---------|
| Mike Bray | Shell Gas Transmission | Present |
| Jim Buccigross | 8760, Inc. | Present |
| Yvette Camp | Southern Company Services | Phone |
| Cynthia Corcoran | Enbridge | Phone |
| Dale Davis | Williams Gas Pipeline | Present |
| Andrew Dotterweich | Consumers Energy Company | Phone |
| Bill Griffith | Colorado Interstate Gas | Phone |
| Tom Gwilliam | Iroquois Gas Transmission System | Phone |
| Theresa Hess | Reliant Energy Retail Services | Present |
| Les Nishida | Wisconsin Public Service Corporation | Phone |
| Mike Novak | National Fuel Gas Distribution | Phone |
| Marjorie Perlman | Energy East Management Corporation | Phone |
| Kim Van Pelt | Panhandle Eastern Pipe lines | Phone |