

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

November 14, 2003

OFFICE OF THE CHAIRMAN

Ms. Rae McQuade, Executive Director
North American Energy Standards Board
1301 Fannin, Suite 2350
Houston, TX 77002

Dear ~~Ms.~~ **Rae** McQuade:

Thanks so much for coming in to share NAESB's annual plan for 2004. I appreciate all of the hard work NAESB is doing to create much-needed standard business practices in the electric and natural gas industries.

Several elements of your annual plan particularly intrigued me. I think that one of the most critical of these is the need for the electric and natural gas sectors to work together to resolve scheduling timeline differences, particularly with respect to intra-day gas nominations. This is one that I would very much like to see resolved prior to the summer 2004 peaking season.

Similarly, I note that in your open letter to the Wholesale Electric Quadrant the goal of developing complimentary business practices to NERC reliability standards and policies. The letter notes the need for knowledgeable industry personnel to achieve sustainable results. The goal of bringing commercial and reliability practices together certainly should be a high priority which is deserving of a commitment of resources to accomplish, preferably prior to the summer season.

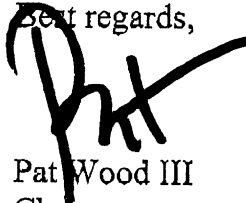
In addition, I find it to be quite important to resolve LNG gas quality standards, as LNG is an important element of our natural gas supply and, in some areas like Maryland, feeds directly into the market area with little opportunity for commingling.

The creation of a standard purchase power contract with NAESB's involvement would ensure that all market participants would have an opportunity for input using NAESB's ANSI approved process, and would improve market liquidity.

Also, with respect to seams activities, you mentioned that NAESB is cataloguing issues, prioritizing and trying to make sure there is no duplication. This is a project worth investing some time and effort in.

Please let us know exactly how we can best help these efforts.

Best regards,



Pat Wood III
Chairman