



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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Home Page: www.naesb.org

May 24, 2004

TO: NAESB WEQ Business Practice Subcommittee (BPS) Participants and Interested Parties

FROM: Rae McQuade, Executive Director

RE: WEQ Business Practice Subcommittee Meeting Announcement and Agenda- June 2 & 3

DATE: May 24, 2004

Dear WEQ BPS Interested Parties,

The Wholesale Electric Quadrant Business Practice Subcommittee Leadership has called a meeting of the BPS to begin drafting the business practices standards for Version 0 on June 2 & 3, 2004 in Atlanta at Georgia Power's offices. The primary reason for this meeting is to discuss which portions of NERC operating policies should become NAESB business practices, beginning with Policy 9. Although the NERC drafting team for reliability standards is also working on identifying the business practices, NAESB BPS will initiate its own effort to do so at this meeting with coordination with NERC. The meeting will begin with NERC Operating Policy 9, as previously noted, but will then focus on moving through each of the operating policies. Subsequent meetings will address NERC planning standards and compliance templates. The operating policies can be downloaded from the NERC web site and specific addresses are noted in our request R04013 (attached).

Below are the specifics of the meeting:

WHERE: Georgia Power Bldg., 241 Ralph McGill Blvd., Atlanta, GA

WHEN: Wednesday, June 2, 2004
10:00 a.m. to 5:00 p.m. Eastern

Thursday, June 3, 2004
9:00 a.m. to 3:00 p.m. Eastern

The meeting location information including nearby hotels and maps can be downloaded from the NAESB web site for the WEQ BPS, (http://www.naesb.org/weq/weq_bps.asp). A draft agenda is shown following. In addition there have been a few changes made to the WEQ BPS timeline. The changes have been added, and the modified timeline is attached to this announcement. Please note that the July 1 & 2, 2004 meeting in Chicago, IL has been moved to July 7 & 8, 2004 in Houston, TX and the August 6, 2004 submission deadline has been moved to August 9, 2004.

Please call the office (713-356-0060) for call-in instructions if you would like to participate but are unable to travel to the meeting. This, as with all NAESB meetings, is an open meeting, regardless of membership status in NAESB. We look forward to your attendance.

Best Regards,

Rae McQuade

Rae McQuade
Executive Director, North American Energy Standards Board



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NORTH AMERICAN ENERGY STANDARDS BOARD WHOLESALE ELECTRIC QUADRANT BUSINESS PRACTICES SUBCOMMITTEE MEETING DRAFT AGENDA

June 2 – 10:00 a.m. to 5:00 p.m. Eastern

June 3 – 9:00 a.m. to 3:00 p.m. Eastern

- | | | |
|------------------------------------|----|--|
| 10:00 a.m. June 2 nd | 1. | Welcome & Introductions |
| | 2. | Antitrust |
| | 3. | Adoption of Agenda |
| | 4. | Adoption of 5/11/04 Draft Minutes |
| | 5. | Review of Outcome of NERC Standards Drafting Team meeting 5/20/04 |
| | 6. | Review of NERC Operating Practices, beginning with Policy 9 <ul style="list-style-type: none">• Identification of Business Practices• Rationale• Draft Recommendations |
| | 7. | Next Steps & Other Business |
| 3:00 p.m. June 3 rd | 8. | Adjourn |



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via email and posting

TO: NAESB WEQ Business Practices Subcommittee Participants
FROM: Rae McQuade, Executive Director
RE: Request for Standards Development and Timeline and Deliverable Dates for Preparing "Version 0" Business Practices
DATE: May 13, 2004

Dear WEQ BPS Interested Parties,

The WEQ BPS met on May 11 to discuss the transition of the business practices in the existing NERC policies from those NERC policies to NAESB business practices. The goal of the meeting was twofold – to finalize the request for standards development, and to set a timeline and deliverables deadlines that coincide with NERC's Transition Plan for developing "Version 0" reliability standards.¹ The request was unanimously endorsed by the BPS on May 11 and is attached for your information. The timeline also attached, was drafted by the NAESB office with the BPS leadership in coordination with NERC and the ISO RTO Council.

Please note that the intent of the request is to develop "Version 0" business practices that complement the "Version 0" reliability standards. "Version 0" reflects the business practices from the reliability operating policies, planning standards and compliance templates in effect today, with language changes for consistency with the NERC functional model.

Best Regards,

Rae McQuade

Rae McQuade

Executive Director, North American Energy Standards Board

cc: WEQ Executive Committee Members
Mark Fidrych
Glenn Ross
Mike Grim
Linda Campbell
Gerry Cauley
Bill Lohrman
Don Benjamin

Gordon Scott
Michael Desselle
Lou Oberski
Steve Cobb
Phil Cox
Joel Dison
DeDe Kirby
Todd Oncken

¹ The NERC Accelerated Transition Plan can be downloaded from:

http://www.nerc.com/pub/sys/all_updl/standards/Accelerated-Standards-Transition-Plan-Draft-4-19-04-FINAL.pdf



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WHOLESALE ELECTRIC QUADRANT BUSINESS PRACTICES SUBCOMMITTEE MEETING SCHEDULE OF EVENTS AND MILESTONES TO PREPARE "VERSION 0" BUSINESS PRACTICES

| Date | Time | Location | Event |
|----------------|--|---------------------|--|
| May 11 | 1 - 4 P Central | Houston | NAESB WEQ BPS Meeting |
| May 20- 21 | All Day | Chicago | NERC Standards Drafting Team Meeting |
| June 2-3 | 2 nd 10 A - 5 P 3 rd 9 A - 3 P Eastern | Atlanta | NAESB WEQ BPS Meeting |
| June 9- 11 | All Day | Chicago | NERC Standards Drafting Team Meeting |
| June 17- 18 | All Day | Columbus, OH | NAESB WEQ BPS Meeting |
| June 28- 30 | All Day | Chicago | NERC Standards Drafting Team Meeting |
| July 2 | | | Distribution of NERC Version 0 Reliability Standards Draft 1 for comment |
| July 6 | | | Distribution of NAESB Version 0 Business Practice Standards Draft 1 for comment - comments to be returned by August 6 |
| July 7 - 8 | All Day | Houston | NAESB WEQ BPS Meeting |
| July 13 | Afternoon | Salt Lake City | Proposed JIC Meeting where the two version 0 requests (the SAR from NERC and the request from NAESB) will be presented for JIC review and assignment - presumably to NERC and NAESB. |
| Aug 9 | | | Comments returned to NAESB on proposed standards included in Draft 1 of the NAESB Version 0 Business Practice Standards |
| Aug 11- 13 | All Day | ?? | NERC Standards Drafting Team Meeting |
| Aug 17- 18 | All Day | Houston | NAESB WEQ BPS Meeting |
| Aug 24 | All Day | Colorado Springs | NAESB WEQ EC Meeting |
| Aug 30 | | | Distribution of NERC Version 0 Reliability Standards Draft 2 for comment |



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WHOLESALE ELECTRIC QUADRANT BUSINESS PRACTICES SUBCOMMITTEE MEETING SCHEDULE OF EVENTS AND MILESTONES TO PREPARE "VERSION 0" BUSINESS PRACTICES

| Date | Time | Location | Event |
|-------------|-------------|-----------------|--|
| Aug 30 | | | Distribution of NAESB Version 0 Business Practice Standards Draft 2 for comment – comments to be returned by September 30 |
| Sep 30 | | | Comments returned to NAESB on proposed standards included in Draft 2 of the NAESB Version 0 Business Practice Standards |
| Oct 12-13 | All Day | Washington DC | NAESB WEQ BPS Meeting |
| Oct 25 | | | Distribution of NERC Version 0 Reliability Standards Draft 3 for comment |
| Oct 25 | | | Distribution of NAESB Version 0 Business Practice Standards Draft 3 for comment – comments to be returned by November 25 |
| Nov 16 | All Day | Washington DC | NAESB WEQ EC Meeting |
| Nov 25 | | | Comments returned to NAESB on proposed standards included in Draft 3 of the NAESB Version 0 Business Practice Standards. Comments forwarded to the WEQ EC for consideration with Draft 3 for vote. |
| Nov 30 | All Day | Tampa | WEQ EC Meeting, EC vote on proposed standards included in Draft 3 proposed standards including consideration of comments submitted on November 25. |
| Nov 30 | | | Assuming the proposed standards are adopted by the EC on November 30, the EC-endorsed proposed standards are sent out to the WEQ membership for ratification. |
| Dec 30 | | | Ratification ballot due back to the NAESB office. Assuming results indicate that members ratify EC-endorsed proposed standards, they are considered NAESB standards. |

R04013
North American Energy Standards Board

**Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction**
or
**Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction**

Date of Request: May 13 2004

1. Submitting Entity & Address:

WEQ Business Practices Subcommittee

2. Contact Persons, Phone #, Fax #, Electronic Mailing Address:

| | | |
|-----------------|----------------------------------|--------------------------|
| Name : | Phil Cox | Mr. Joel Dison |
| Company: | American Electric Power | Southern Company |
| Title : | Transmission and Markets Analyst | Manager of Market Policy |
| Phone: | 614-324-4598 | (205) 257-6481 |
| Fax : | 614-583-7505 | (205) 257-6824 |
| E-mail : | epcox@aep.com | jjdison@southernco.com |

3. Description of Proposed Standard or Enhancement:

Prepare business practices that support NERC's reliability practices and functional model terminology reflective of today's implementation. This request should be considered a companion request to the NERC Standards Authorization Request for Version 0 Reliability Standards.

The NERC Board of Trustee-approved operating policies and planning standards, the 38 compliance templates approved by the NERC board on April 2, and all approved revisions to Operating Policies 5, 6, and 9 balloted in April 2004 – will be translated into an initial baseline (Version 0) set of business practice standards. The list of items can be found as an attachment – see item 10 of this request.

As NERC notes in its SAR:

There are several important reasons for accelerating the transition from existing operating policies and planning standards to a single set of reliability standards under the ANSI-accredited process:

a The August 14 blackout has challenged NERC and the industry to demonstrate that its reliability standards are unambiguous and measurable – now.

b The U.S./Canada Power System Outage Task Force final report of April 5, 2004 states in Recommendation 25: "NERC should reevaluate its existing reliability standards development process and accelerate the adoption of enforceable standards."

c An April 14, 2004 Order of the Federal Energy Regulatory Commission (FERC) states a policy objective addressing "the need to expeditiously modify [NERC] reliability standards in order to make these standards clear and enforceable."

d The continued use of multiple formats, processes and forums for developing and maintaining reliability rules is an inefficient dilution of industry and staff resources.

e The transition to new standards and retiring of existing operating policies and planning standards will be too complex for industry implementation if taken one standard at a time over several years.

NERC's reliability policies have essential business practice elements that integrally support the reliability standards. However, from NAESB's perspective, such business practice standards when adopted would be voluntary. Regulatory agencies may then take their own subsequent actions to make such standards jurisdictionally enforceable. NAESB will coordinate its filing with the FERC to coincide with NERC adoption of the Version 0 standards.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard and required communication protocols):

These business practice standards will be drafted to implement existing business practices as they reside in NERC's current reliability operating policies and planning standards effective today:

- a. Extract the business practices from the existing reliability rules – namely the existing Board-approved operating policies and planning standards, the 38 compliance templates approved by the NERC board on April 2, and all approved revisions to Operating Policies 5, 6, and 9 balloted in April 2004 – into an initial baseline (Version 0) set of business practice standards.
- b. Follow NERC's effort to identify the Functional Model designation for each performance requirement and measure in the Version 0 standards, and reflect the same functional model terminology in NAESB business practices.
- c. Work collaboratively with NERC to identify sections of the existing operating policies and planning standards that are suitable for NAESB to incorporate into NAESB "Version 0" business practice standards.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

As described above, these complementary business practice standards are integral to the operation and enforceability of NERC's reliability standards. The collaborative effort with NERC to prepare a Version 0 foundation of business practices will serve as a cornerstone for future NAESB business practice standards development.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

There should be no additional costs to implement the business practices supporting Version 0 reliability standards as these business practices are in effect today in NERC's operating policies and planning standards.

7. Description of Any Specific Legal or Other Considerations:

NAESB should continue to coordinate with NERC as the Version 0 business practices are developed to ensure that they fully support and track NERC's reliability standards.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

There should be no additional testing required to implement the business practices supporting Version 0 reliability standards as these business practices are in effect in current NERC operating policies and planning standards today.

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:

Please see the response to item 8.

10. Attachments and reference materials (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

NERC operating policies, planning standards, and compliance templates

<http://www.nerc.com/~oc/pds.html> (operating policies)

<http://www.nerc.com/~oc/standards/> (revised operating policy 5, 6, 9)

<http://www.nerc.com/~filez/pss-psg.html> (planning standards)

<http://www.nerc.com/~comply/annual.html> (compliance templates)

Functional model

<http://www.nerc.com/~filez/functionalmodel.html>

NERC Transition Plan

ftp://www.nerc.com/pub/sys/all_updl/standards/Accelerated-Standards-Transition-Plan-Draft-4-19-04-FINAL.pdf

SAR – Version 0 reliability standards development

<http://www.nerc.com/~filez/standards/Version-0.html>