

North American Energy Standards Board

Meeting of the Members

2005 Key Accomplishments

NAESB Board of Directors Meeting

June 22, 2006

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Wholesale Electric
 - ❖ January 18, 2005: RM05-5-000, WEQ standards including version 0 complementary business practices to NERC reliability standards, standard of conduct, and OASIS business practices completed and forwarded to the FERC. The FERC issued a NOPR on May 9, with comments due by July 1, 2005. The final order was issued April 26, 2006 (Order 676).
 - ❖ June 27, 2005: RM05-28-000, Gas-electric interdependency report and business practice standards for pipeline-power plant communications. The FERC has not issued a NOPR at this time. A subsequent final report was filed on February 24, 2006.
 - ❖ July 1, 2005: NAESB Comments on RM05-5-000 – changes requested by the FERC in the NOPR.

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Wholesale Electric (continued)
 - ❖ July 15, 2005: NAESB Report on the ANOPR RM00-10-000 against NAESB OASIS Activities and Planned Activities.
 - ❖ October 11, 2005: Began working with SNL to review and prepare a surety assessment of the NAESB technical standards, specific to the TEIS, EDM and PKI efforts. SNL expects to conclude its assessment by second quarter 2006. December 9, 2005: Comments of NAESB on the second technical conference of the formation of the ERO, Docket No. RM05-30-000.
 - ❖ November 29, 2005: The WEQ EC adopted the Inadvertent Interchange Payback Report, which will be presented to the FERC in 1st Q 2006.

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Wholesale Electric (continued)
 - ❖ December 13, 2005: Redesign of the NAESB Certification Program was prepared and approved by the Board of Directors. It went into effect in January 2006.
 - ❖ December 13, 2005: D-U-N-S® Analysis Report and Recommended Actions prepared and approved by the Board of Directors. The WEQ will pursue alternatives to the D&B solutions beginning in January.
 - ❖ December 19, 2005: The WEQ EC adopted the TLR split of standards for version 0. The ratification will be postponed until first quarter 2006 to permit the WEQ Board members to ensure that adequate coordination for TLR exists between NERC and NAESB.

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Wholesale Electric (continued)
 - ❖ December 22, 2005: NAESB comments on RM05-30-000 – formation of the Electric Reliability Organization.
 - ❖ Planned, First Quarter 2006: Final Report of the GEIC presented to the Board of Directors for approval to be sent to the FERC
 - ❖ Planned, First Quarter 2006: Separation on TLR standards into version 0 business practices and reliability standards and associated FERC filings.

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Wholesale Gas
 - ❖ May 9, 2005: FERC issued a final order in RM96-12-026, adopting version 1.7 of the NAESB WGQ standards including the gas quality standards, for implementation in September 2005.
 - ❖ June 27, 2005: RM05-28-000, Gas-electric interdependency report and business practice standards for pipeline-power plant communications. The FERC has not issued a NOPR at this time.
 - ❖ December 13, 2005: Redesign of the NAESB Certification Program was prepared and approved by the Board of Directors. It went into effect in January 2006.

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Wholesale Gas (continued)
 - ❖ December 13, 2005: D-U-N-S® Analysis Report and Recommended Actions prepared and approved by the Board of Directors. The WEQ will pursue alternatives to the D&B solutions.
 - ❖ Planned, First Quarter 2006: Final Report of the GEIC presented to the Board of Directors for approval to be sent to the FERC

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Retail Gas & Electric
 - ❖ September 27, 2005: Retail standards published, posted on the NAESB web site, and announcements of availability were sent to NAESB members, NAESB Advisory Council, NARUC, industry trade associations, and government agencies.
 - ❖ December 13, 2005: Redesign of the NAESB Certification Program was prepared and approved by the Board of Directors. It went into effect in January 2006.
 - ❖ December 13, 2005: D-U-N-S® Analysis Report and Recommended Actions prepared and approved by the Board of Directors. The retail quadrants will not pursue alternatives to the D&B solutions at this time.

North American Energy Standards Board Key Accomplishments

2005 Key Accomplishments:

- ❖ Retail Gas & Electric (continued)
 - ❖ December 13, 2005: Retail Structure Review Report and Recommended Actions prepared and approved by the Board of Directors. No actions were taken to alter the structure at this time.

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ Wholesale Electric:
 - ❖ Recommendation R04021: Definitions and standards for daily operational communications between pipelines and power plants. (Ratified 7/8/05).
 - ❖ Recommendation R05009: Modify the NAESB Version 0 TLR business practices to remain consistent with the NERC Version 0 TLR reliability standards. (Ratified 10/10/05).
 - ❖ 2003 WEQ Annual Plan Item 6-IIP: (IIPTF Final Report) Develop business practices standards for Inadvertent Interchange Payback. (Adopted by the WEQ EC on 11/29/05 – no ratification required.)

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ Wholesale Electric (continued):
 - ❖ Recommendation R04013A: Version 0 Business Practices Standards – Development of post-split “Version 0” Transmission Loading Relief Business Practice Standard.
 - ❖ Recommendation R04035/R05002: Clarify OASIS 1A nomenclature and amend WEQ standard 4.19/Amend sections 9.5 and 10.5 of OASIS 1A Redirect Standards. (Ratified 01/05/06.)
 - ❖ Recommendation R04006D: OASIS 1A Enhancements – Sale or Assignment of Transmission Service. (WEQ EC voted back to Electronic Scheduling Subcommittee and Information Technology Subcommittee on 11/29/05 issues surrounding Redirect Standard 9.8.1.)

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ Wholesale Electric:
 - ❖ Recommendation R04035: Version 0 Transmission Loading Relief.

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ **Retail Gas & Electric:**
 - ❖ **Recommendation R04017: Trading Partner Agreement for Retail Use as Modified by the REQ EC, RGQ EC, and WGQ EC on March 4, 2005. (Ratified 5/13/05 in REQ and RGQ).**
 - ❖ **RGQ Annual Plan Item 12, REQ Annual Plan Item 14, WGQ Annual Plan Item 7: Adoption of the common NAESB Electronic Transport (ET). (Ratified 8/30/05 in REQ and RGQ).**
 - ❖ **Recommendation R04030: Add a new data element to the Internet Electronic Transport (Internet ET) "refnum-orig". (Ratified 9/26/05).**

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ **Retail Gas & Electric:**
 - ❖ **Retail Gas Quadrant Annual Plan Item 6 and Retail Electric Quadrant Annual Plan Item 6: Establish the Quadrant specific EDM (QEDM) standards for REQ and RGQ. (Ratified 9/26/05)**

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ Wholesale Gas:
 - ❖ Numerous requests completed that maintain the existing body of standards: from code and data element changes, to modifications to existing business practices, to technical changes.
 - ❖ Recommendation R98040/R98050/01018: Modify Flowing Gas Implementation Guide to include Storage Balance Reporting Dataset, Add Datasets Storage & Park/Loan Balance to Upload of Requirements for Download (And Response Datasets), and Add Transaction Type Data Element Code Values. (Ratified 3/17/05).

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ Wholesale Gas:
 - ❖ WGQ Annual Plan Item 8: FERC Order 2004 (affiliate Order). (Ratified 5/3/05).
 - ❖ Recommendation R04017: Trading Partner Agreement for Retail Use as Modified by the REQ EC, RGQ EC, and WGQ EC on March 4, 2005. (Ratified 5/13/05 in WGQ).
 - ❖ WGQ Annual Plan Item 7, RGQ Annual Plan Item 12, REQ Annual Plan Item 14: Adoption of the common NAESB Electronic Transport (ET). (Ratified 7/1/05 in WGO).
 - ❖ WGQ 2005 Annual Plan Item 3: Adoption of the WGQ Quadrant EDM Manual as a replacement for the NAESB WGQ Electronic Delivery Mechanism (EDM) Manual. (Ratified 7/1/05).

North American Energy Standards Board Standards Adopted

2005 Standards Adopted:

- ❖ **Wholesale Gas:**
 - ❖ **Recommendation R04021 and R04021-A: Definitions and standards for daily operational communications between pipelines and power plants and the technical implementation for the standards in R04021. (Ratified 8/15/05).**
 - ❖ **Clarification C05002: Clarification to NAESB WGQ Standard 4.3.88 – add proposed WGQ Interpretation 7.3x regarding a clarification for usage of 128-bit Secure Socket layer encryption under NAESB WGQ Standard 4.3.88. (Adopted by the WGQ Executive Committee on 12/1/05 with ratification ballots due on 1/9/06.)**

North American Energy Standards Board Other Efforts

2005 Other Efforts:

- ❖ **January 1, 2005: Sunset provisions were applied to the certificate in January 1, 2005, extending the sunset provision from “no later than December 31, 2004” to “no later than December 31, 2014.”**
- ❖ **March 4, 2005: Review by ANSI of our governance documents to ensure that our status as a Standards Development Organization was still active as ANSI made changes to its “ANSI's Essential Requirements” that went into effect this year. We complied with their inquiries and received notification that we did meet the requirements for an SDO.**
- ❖ **April 14, 2005: The WEQ Procedures changes to reflect an additional at-large subsegment in each WEQ segment were ratified on April 14, 2005.**

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Other Efforts

2005 Other Efforts:

- ❖ October 11, 2005: Began working with SNL to review and prepare a surety assessment of the NAESB technical standards, specific to the TEIS, EDM and PKI efforts. SNL expects to conclude its assessment by second quarter 2006. A previous review by SNL began in 1999 and concluded in March 27, 2000 with a report from SNL to NAESB, at that time GISB. A GISB/NAESB response was prepared along with standards modifications to implement the recommendations on February 22, 2002.
- ❖ October 21, 2005: Centurion software installed to encrypt files and emails for use with SNL project – using a symmetrical method of receiver and sender passwords to exchange “official use only” documents and work papers.

North American Energy Standards Board

Other Efforts

2005 Other Efforts:

- ❖ November 1, 2005: 2004 Financial Review concluded by Dishongh, Jankowski and Eubank PC, auditing firm. No changes to our accounting reports or process were recommended.
- ❖ We continued our monthly update calls with state commissioners, staff, NAESB members and others.
- ❖ We held regular meetings of the Joint Interface Committee to assign standards requests to either NERC or NAESB.
- ❖ We visited with executives of trade associations to review our activities and plans.
- ❖ We visited with FERC, NARUC, the DoE to review our activities and plans.