

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**North American Energy Standards Board**  
**Board of Directors Meeting**  
**March 22, 2007**

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
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**TAB 1**

**WELCOME AND OPENING REMARKS**

This section includes:

- Welcome and opening remarks including meeting specifics.
- The roster of the members of the Board of Directors.
- Antitrust guidelines to be covered by General Counsel Bill Boswell at the beginning of the meeting.

This section tracks with agenda item 1. There are no actions expected of the Board members.

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**WELCOME AND OPENING REMARKS**

- The meeting specifics are:

Where:           Sheraton North Houston Hotel  
                  15700 John F. Kennedy Blvd., Houston, Texas 77032  
                  Hotel Phone: 281-442-5100

|                       |  |  |
|-----------------------|--|--|
| When:   Wed, March 21 | 3:00 pm to 5:00 pm<br>3:00 pm to 5:00 pm | Retail Leadership Meeting – El Paso Room<br>Wholesale Electric Leadership Meeting – Austin Room          |
| Thu, March 22         | 8:30 am to 9:30 am<br>9:30 am to 1:00 pm | Board Resources Meeting – Austin Room<br>Board Meeting – Salon C & D<br>A working lunch will be provided |

Please feel free to call (713-356-0060) if you have any questions or comments, additions to the agenda, or additional meeting materials. If you would prefer attending by conference call, the NAESB Office can provide the conference calling information for any of the above meetings.

- For further assistance please reach:

Veronica Thomason       at       (713) 356 - 0060

- The officers presiding over the Board of Directors meeting are:

|                  |   |
|------------------|---|
| Joe Stepenovitch | - Chairman                                  |
| Michael Desselle | - Vice Chairman Wholesale Electric Quadrant |
| Richard Zelenko  | - Vice Chairman Retail Electric Quadrant    |
| Bill Bourbonnais | - Vice Chairman Retail Gas Quadrant         |
| Rae McQuade      | - President, COO and Secretary              |
| Bill Boswell     | - General Counsel                           |

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**ANTITRUST GUIDELINES**

- The following guidelines will be reviewed by counsel at the meeting. The meeting will be monitored, transcribed, and minutes will be taken. The guidelines are as follows:

Antitrust guidelines direct meeting participants to avoid discussion of topics or behavior that would result in anticompetitive behavior including: restraint of trade and conspiracies to monopolize, unfair or deceptive business acts or practices, price discriminations, division of markets, allocation of production, imposition of boycotts, and exclusive dealing arrangements.

Any views, opinions or positions presented or discussed by meeting participants are the views of the individual meeting participants and their organizations. Any such views, opinions or positions are not the views, positions or opinions of NAESB, the NAESB Board of Directors, or any NAESB Committee or Subcommittee, unless specifically noted otherwise.

As it is not the purpose of the meeting to discuss any antitrust topics, if anyone believes we are straying into improper areas, please let us know and we will redirect the conversation.

## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
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### NORTH AMERICAN ENERGY STANDARDS BOARD 2007 BOARD TERMS – Wholesale Gas Quadrant

| <b>PRODUCERS SEGMENT</b>                        |  | <b>TERM END:</b> |
|---|--|------------------|
| Jay Ellzey                                      | Vice President Commercial Operations, Chevron Natural Gas                      | 12-31-2008       |
| William T. Benham                               | Vice President – Regulatory Affairs, BP Energy Company                         | 12-31-2007       |
| Keith Sappenfield                               | Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.         | 12-31-2007       |
| V A C A N C Y                                   |  | 12-31-2008       |
| Pete Frost                                      | Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing          | 12-31-2007       |
| <b>PIPELINE SEGMENT</b>                         |  |                  |
| Jim Goldmann                                    | Vice President - Transportation Services and Development, Alliance Pipeline LP | 12-31-2008       |
| Bill Grygar                                     | Vice President, Panhandle Eastern Pipe Line                                    | 12-31-2008       |
| Susanna B. Barry                                | Vice President – Commercial Operations, Tennessee Gas Pipeline Company         | 12-31-2008       |
| Anne Bomar                                      | Vice President, Dominion   | 12-31-2007       |
| Richard Kruse                                   | Senior Vice President, Spectra Energy Transmission                             | 12-31-2007       |
| <b>LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT</b> |  |                  |
| Clifton Olson                                   | Vice President of Supply and Transmission, Energy East Corporation             | 12-31-2008       |
| Adrian Chapman                                  | Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas        | 12-31-2008       |
| Reed Horting                                    | Vice President, Gas Supply & Transportation, PECO Energy Co.                   | 12-31-2008       |
| Mike Novak                                      | Asst. General Manager, National Fuel Gas Distribution Corporation              | 12-31-2007       |
| Lee Stewart                                     | Senior Vice President, Gas Transmission, Southern California Gas Company       | 12-31-2007       |
| <b>END USERS SEGMENT</b>                        |  |                  |
| Valerie Crockett                                | Senior Energy & Policy Specialist, Tennessee Valley Authority                  | 12-31-2008       |
| <b>Joe Stepenovitch</b>                         |  | 12-31-2008       |
| Diane McVicker                                  | Senior Principal Fuel Analyst, Salt River Project                              | 12-31-2008       |
| Terry Morrison                                  | Vice President of Energy Marketing and Trading, Florida Power & Light          | 12-31-2007       |
| Jim Templeton                                   | Principal, Comprehensive Energy Services                                       | 12-31-2007       |
| <b>SERVICES SEGMENT</b>                         |  |                  |
| John Bretz                                      | Vice President - Gas Marketing, Anadarko Energy Services Company               | 12-31-2008       |
| V A C A N C Y                                   |  | 12-31-2008       |
| Jim Buccigross                                  | Vice President Energy Industry Practice, Group 8760 LLC                        | 12-31-2007       |
| Bill Hebenstreit                                | Manager – Contract Administration, Cheniere Marketing, Inc.                    | 12-31-2007       |
| Suzanne Calcagno                                | Director, Regulatory Compliance, UBS Energy, LLC                               | 12-31-2008       |

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### NORTH AMERICAN ENERGY STANDARDS BOARD 2007 BOARD TERMS – Retail Electric Quadrant

| <b>SUPPLIERS SEGMENT</b>         |  | <b>TERM END:</b> |
|----------------------------------|--|------------------|
| Peter Kelly-Detwiler             | Director of Operations, Constellation NewEnergy  | 12-31-2007       |
| V A C A N C Y                    |  | 12-31-2007       |
| V A C A N C Y                    |  | 12-31-2008       |
| <b>Richard Zelenko</b>           | Vice President, Dominion Retail Inc.   | 12-31-2008       |
| <b>DISTRIBUTORS SEGMENT</b>      |  |                  |
| David Koogler                    | Director – State Regulation, Dominion Virginia Power (SERC NERC Region)                              | 12-31-2007       |
| Dennis Derricks                  | Director Regulatory Policy and Analysis, Wisconsin Public Service Corporation                        | 12-31-2007       |
| Ruth Kiselewich                  | Director Special Projects and Supplier Services, Baltimore Gas & Electric Company (MAAC NERC Region) | 12-31-2008       |
| Debbie McKeever                  | Market Advocate, TXU Electric Delivery   | 12-31-2008       |
| <b>END USERS SEGMENT</b>         |  |                  |
| Sonny Popowsky                   | Consumer Advocate, Pennsylvania Office of Consumer Advocate  | 12-31-2007       |
| V A C A N C Y                    |  | 12-31-2007       |
| V A C A N C Y                    |  | 12-31-2008       |
| V A C A N C Y                    |  | 12-31-2008       |
| <b>SERVICE PROVIDERS SEGMENT</b> |  |                  |
| Jim Minneman                     | Director of Business Services, PPL Solutions LLC   | 12-31-2007       |
| V A C A N C Y                    |  | 12-31-2007       |
| J Cade Burks                     | President, EC Power  | 12-31-2008       |
| V A C A N C Y                    |  | 12-31-2008       |

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### NORTH AMERICAN ENERGY STANDARDS BOARD 2007 BOARD TERMS – Wholesale Electric Quadrant

| TRANSMISSION SEGMENT      |   | TERM END:  | SUBSEGMENT:        |
|---------------------------|---|------------|--------------------|
| Dan Klempel               | Director Transmission Regulatory Compliance, Basin Electric Power Cooperative                                     | 12-31-2007 | Muni/Coop          |
| W Terry Boston            | Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority                            | 12-31-2008 | Fed/State/Prov.    |
| John E. Lucas             | Director - Transmission Policy and Services, Southern Company Transmission  | 12-31-2008 | IOU                |
| <b>Michael Desselle</b>   | Chief Administrative Officer and Vice President of Process Integrity – Southwest Power Pool                       | 12-31-2007 | IOU                |
| V A C A N C Y             |   | 12-31-2008 | ITC                |
| Terri Grabiak             | Director – FERC and RTO Internal Affairs, Allegheny Energy, Inc.  | 12-31-2007 | at large           |
| Ken Wiley                 | President and Chief Executive Officer, Florida Reliability Coordinating Council                                   | 12-31-2007 | At-Large           |
| GENERATION SEGMENT        |   |            |                    |
| Curtis Winterfeld         | Vice President of Power Marketing, Deseret Generation & Transmission Cooperative                                  | 12-31-2007 | Muni/Coop          |
| Belinda Thornton          | Senior Manager – Real Time Trading, Tennessee Valley Authority  | 12-31-2008 | Fed/State/Prov.    |
| Lou Oberski               | Director – Electric Market Policy, Dominion Resource Services, Inc.   | 12-31-2008 | IOU                |
| Charles W. Severance      | Manager – Supply & Wholesale Services, Wisconsin Public Service Corporation                                       | 12-31-2007 | IOU                |
| Michael Gildea            | Executive Director, Regulatory Affairs, Constellation Generation Group  | 12-31-2007 | Merchant           |
| Gloria Ogenyi             | Vice President Energy Policy, Conectiv Energy Supply, Inc.  | 12-31-2008 | Merchant           |
| Ron Mucci                 | Manager - Regulatory Affairs, Williams Power Company  | 12-31-2007 | At-Large           |
| MARKETERS/BROKERS SEGMENT |   |            |                    |
| Roy True                  | Manager of RTO Market Development, ACES Power Marketing   | 12-31-2008 | Muni/Coop          |
| Jeff Ackerman             | Manager, Colorado River Storage Project Energy Management and Marketing Office, Western Area Power Administration | 12-31-2007 | Fed/State/Prov.    |
| Michael Grim              | Director of Markets and Regulation, TXU Business Services   | 12-31-2008 | Not IOU Affiliated |
| Mark Bennett              | General Counsel/Director of Policy, Electric Power Supply Association   | 12-31-2007 | at large           |
| Mark Klein                | Vice President Commercial and Trading, PacifiCorp Energy  | 12-31-2008 | IOU                |
| R. Scott Brown            | Vice President and Director, Exelon Generation Power Team   | 12-31-2007 | IOU                |
| Rick Smead                | Director, Navigant Consulting, Inc.   | 12-31-2007 | At-Large           |

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| <b>DISTRIBUTION/LOAD SERVING ENTITIES (LSE) SEGMENT</b> |  | <b>TERM END:</b> | <b>SUBSEGMENT:</b>                |
|---|--|------------------|-----------------------------------|
| Arthur G. Fusco   | Vice President and General Counsel, Central Electric Power Cooperative Inc.  | 12-31-2008       | Muni/Coop                         |
| Barry R. Lawson   | Manager-Power Delivery, National Rural Electric Cooperative Association  | 12-31-2007       | Muni/Coop                         |
| Leonard Haynes  | Executive Vice President – Supply Technologies, Renewables and Demand, Southern Company  | 12-31-2008       | IOU                               |
| Frank Johnson   | Senior Vice President Electric Transmission and Distribution, Consumers Energy   | 12-31-2007       | IOU                               |
| Thomas Burgess  | Director – FERC Compliance, FirstEnergy Service Company  | 12-31-2007       | at large                          |
| Joe Hartsoe   | Vice President and Associate General Counsel, American Electric Power Service Corp.  | 12-31-2008       | at large                          |
| Bruce Ellsworth   | New York State Reliability Council   | 12-31-2007       | At-Large                          |
| <b>END USERS SEGMENT</b>                                |  |                  |                                   |
| V A C A N C Y   |  | 12-31-2007       | End Use (Also in another segment) |
| Carol Guthrie   | General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company                              | 12-31-2008       | End Use (Self Generator)          |
| John Reese  | Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service | 12-31-2008       | Regulator                         |
| V A C A N C Y   |  | 12-31-2007       | Residential/Commercial            |
| V A C A N C Y   |  | 12-31-2008       | Large Industrial                  |
| John A. Anderson  | President and CEO, Electricity Consumers Resource Council (ELCON)  | 12-31-2007       | Large Industrial                  |
| Michehl Gent  | Open Access Technology International, Inc.   | 12-31-2007       | At-Large                          |

The subsegments noted in the above roster are:

At-Large -- Regional reliability organizations, regional transmission organizations, consultants, service companies, information services and software companies, law firms, and other such organizations that are not specifically encompassed in the other subsegments for a given segment.

Competitive Retailer (not available to MUNI/COOP, IOU or IOU affiliates)

End Use (also in another segment)

Federal/State/Provincial

IOU – Investor Owned Utility or IOU Affiliated

ITC – Independent Transmission Company

Large Industrials (not in other segments)

Merchant

Muni/Coop – Municipals, Cooperatives

Not IOU Affiliated

OTHER -- (not available to MUNI/COOP, IOU or IOU affiliates)

Regulator

Residential/Commercial

End Use (Self Generation)

The number of seats within each segment that are allotted to subsegments are controlled through the WEQ Procedures.

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### NORTH AMERICAN ENERGY STANDARDS BOARD 2007 BOARD TERMS – Retail Gas Quadrant

| <b>SUPPLIERS SEGMENT</b>         |   | <b>TERM END:</b> |
|----------------------------------|---|------------------|
| Kathy Fudali                     | Manager, Contract Administration, Sprague Energy Corp.                  | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2007       |
| <b>DISTRIBUTORS SEGMENT</b>      |   |                  |
| Craig White                      | Chief Operating Officer, Philadelphia Gas Works                         | 12-31-2008       |
| <b>William Bourbonnais</b>       | Vice President – Transmission, WPS Resources Corporation                | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2008       |
| Ralph Cleveland                  | Senior Vice President – Engineering and Operations, AGL Resources, Inc. | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2008       |
| <b>END USERS SEGMENT</b>         |   |                  |
| V A C A N C Y                    |   | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2007       |
| <b>SERVICE PROVIDERS SEGMENT</b> |   |                  |
| Leigh Spangler                   | President, Latitude Technologies Inc.                                   | 12-31-2008       |
| V A C A N C Y                    |   | 12-31-2008       |
| Dave Darnell                     | President & CEO, Systrends USA  | 12-31-2007       |
| Greg Lander                      | Principal, Commerce Energy Group  | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2007       |
| V A C A N C Y                    |   | 12-31-2008       |

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 2**

**MEETING ANNOUNCEMENT AND AGENDA**

This section includes:

- The meeting announcement and agenda for the Board normal business,

The material presented is background information for the discussion of agenda item 1. No changes were offered to the agenda since its availability.

The Board will discuss and review agenda and will be asked to adopt the agenda through a simple majority vote.



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March 1, 2007

**TO:** NAESB Board of Directors, Posting for Interested Parties  
**FROM:** Rae McQuade, NAESB President and COO  
**RE:** Meeting Agenda for the NAESB Board Meeting – March 22, 2007

Dear Board Members:

The first Board meeting for 2007<sup>1</sup> will be held on March 22 in Houston at the Sheraton North Houston Hotel, which is located in the George Bush Intercontinental Airport complex. We look forward to seeing you at the meeting. Conference calling will be available should you be unable to attend in person. We would appreciate an RSVP of your intent to attend by March 9 if possible, so that we can make the appropriate meeting arrangements. You can drop an email to Veronica Thomason ([vthomason@naesb.org](mailto:vthomason@naesb.org)) or call the office (713-356-0060).

For related meetings, prior to the Board meeting, from 8:30 am to 9:30 am, the Resources Committee will meet at the Sheraton North Houston Hotel. Similarly, the day before the Board meeting, from 3:00 pm to 5:00 pm, both the WEQ Leadership and the Retail Leadership groups will meet – also at the Sheraton North Houston Hotel. All meetings are open to any interested party and Board members are encouraged to attend. Attire for all meetings are business casual.

The Board agenda is attached, and should you like other items to be addressed, please forward your suggestions to the NAESB office. All meetings are available via conference call for those unable to attend in person. The agendas and materials will also be posted on the NAESB web site at the following address: [http://www.naesb.org/weq/weq\\_bod.asp](http://www.naesb.org/weq/weq_bod.asp) for the Board meeting and leadership meetings, and [http://www.naesb.org/board\\_resource.asp](http://www.naesb.org/board_resource.asp) for the Resources Committee meeting.

Where: Sheraton North Houston Hotel (in the George Bush Intercontinental Airport complex)  
 15700 JFK Boulevard, Houston, Texas 77032  
 Hotel Phone: 281-442-5100

|          |                                   |                                       |                    |
|----------|-----------------------------------|---------------------------------------|--------------------|
| When:    | March 21                          | Retail Leadership Meeting             | 3:00 pm to 5:00 pm |
|          |                                   | Wholesale Electric Leadership Meeting | 3:00 to 5:00 pm    |
| March 22 | Resources Committee Meeting       | 8:30 am to 9:30 am                    |                    |
|          | Board meeting                     | 9:30 am to 1:30 pm                    |                    |
|          | A working lunch will be provided. |                                       |                    |

Best Regards,

*Rae*

Rae McQuade  
 NAESB President & COO

<sup>1</sup> For your convenience, the other Board meetings scheduled for 2007 are June 28, September 27 and December 13.



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**NAESB BOARD OF DIRECTORS MEETING  
 Sheraton North Houston Hotel, Houston, Texas  
 Thursday, March 22 – 9:30 am to 1:00 pm Central  
 DRAFT AGENDA**

- |           |  |
|-----------|--|
| 8:30 a.m. | Resources Committee Meeting  |
| 9:00 a.m. | Continental Breakfast  |
| 9:30 a.m. | <ol style="list-style-type: none"> <li>1. Administration and Welcome           <ul style="list-style-type: none"> <li>• Antitrust Guidelines</li> <li>• Introduction of Board Members and Guests</li> <li>• Agenda Adoption</li> <li>• Adoption of Draft Minutes – December 14, 2006</li> </ul> </li> <li>2. Advisory Council Report</li> <li>3. Reports from board committees</li> <li>4. Updates on specific efforts:           <ul style="list-style-type: none"> <li>• WEQ Order 890, TLR and ATC Efforts</li> <li>• WEQ Structure – 6<sup>th</sup> Segment</li> <li>• WEQ Drafting Collaborative considerations</li> <li>• Retail and WEQ DSM and EE</li> <li>• WGQ Gas Quality</li> <li>• WGQ Gas-Electric Interdependency</li> <li>• WEQ and WGQ e-Tariff Project</li> </ul> </li> <li>5. Executive Committee Reports           <ul style="list-style-type: none"> <li>• Standards Adopted Since the December 14, 2006 Board Meeting</li> <li>• Filings with the FERC</li> <li>• Executive Committee Report from each Quadrant</li> <li>• Adoption of 2007 Annual Plans</li> </ul> </li> <li>6. Membership and Financial Report           <ul style="list-style-type: none"> <li>• Membership Report</li> <li>• Financial Report for 2006 YE</li> <li>• Financial Report for 2007 YTD</li> </ul> </li> <li>7. Plan for June 2007 Board Meeting</li> <li>8. Liaisons with external groups           <ul style="list-style-type: none"> <li>• FERC</li> <li>• NARUC</li> <li>• Comments from the Floor</li> </ul> </li> <li>9. Old and New Business           <ul style="list-style-type: none"> <li>• Meeting Schedule for 2007</li> </ul> </li> </ol> |
| 1:00 p.m. | Adjourn  |

*Attire – Business Casual  
 Working buffet lunch will be provided.*

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
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**MARCH 22, 2007**

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**TAB 3**

**DRAFT MINUTES – DECEMBER 14, 2006**

This section includes:

- The draft minutes for the Board meeting on December 14, 2006.

The material presented is background information for the discussion of agenda item 1.

The Board will discuss and review minutes and will be asked to adopt the minutes as final through a simple majority vote. The minutes were made available and posted and no suggested edits to the minutes were forwarded prior to this meeting.



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January 2, 2007

**TO:** NAESB Board Members, Posting for Interested Industry Participants  
**FROM:** Laura Kennedy, NAESB Meeting/Project Manager  
**RE:** Draft Minutes from the NAESB Board of Directors Meeting – December 14, 2006

**NORTH AMERICAN ENERGY STANDARDS BOARD  
 NAESB BOARD OF DIRECTORS MEETING  
 December 14, 2006 in Houston, TX  
 Draft Minutes**

### 1. Administration and Welcome

Mr. Boswell read the antitrust guidelines. Mr. Stepenovitch welcomed the Board Members and guests. Ms. Kennedy called the roster of the Board members and quorum was established. Mr. Desselle moved, seconded by Mr. Lucas, to adopt the agenda. The motion passed unanimously. Next, the Board members reviewed the draft minutes from the September 21, 2006 Board meeting. The draft minutes were included in the Board Book behind Tab 3, beginning on page 15. Ms. Crockett noted that a correction should be made on page 5, paragraph 3, line 6: R0303B should be changed to R03035B. Mr. Templeton moved, seconded by Mr. Desselle, to adopt the draft minutes from the September 21, 2006 meeting as revised as the final minutes. The motion passed unanimously. The final minutes from the September 21, 2006 Board meeting are posted on the NAESB website at <http://naesb.org/pdf2/bd092106fm.doc>.

### 2. Reports from Board Committees

Resources Committee: Mr. Brown provided the update of the work of the Resources Committee. The material in the Board Book provided by the Resources Committee was included behind Tab 4, on pages 28-55. Mr. Brown reported that overall the efforts of the Resources Committee have contributed to the membership of sixty-five new members. There have been sixty-two member resignations. Since the September Board meeting, there have been eleven new members. Mr. Brown encouraged the Board members to submit any potential membership leads to the NAESB office or the Resources Committee. In the last quarter, the members of the Resources Committee met with trade associations to provide membership information. The trade associations included WECC and EPSA. EPSA has since joined NAESB.

Ms. McQuade noted that the NAESB office would be working to prepare a monthly electronic newsletter that will help to increase awareness of NAESB activities. On December 18-19, 2006, Ms. McQuade, Mr. Buccigross, and Ms. York will hold a NAESB seminar for FERC staff in at FERC's offices in Washington, DC.

Mr. Brown stated that it is the expectation that the Retail Quadrants' Demand Side Management Effort will result in increased participation in the Retail Quadrants and hopefully new memberships.



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Retail Structure Review: Mr. Bourbonnais provided the update of the work of the Retail Structure Review Committee (RSRC). The material in the Board Book provided by the RSRC was included behind Tab 4, on pages 56-74.

Mr. Bourbonnais presented the RSRC 2006 Report on behalf of the RSRC. The presentation was posted after the meeting on the NAESB website: [Presentation - RSRC 2006 Report and Recommendations](#). The options discussed by the RSRC in the 2006 Report to address the membership levels in the Retail Quadrants are similar to the options presented in the 2005 Report: Revision of the NAESB Bylaws; Merging the two Retail Quadrants, Continuing to Expand the Focus of the Retail Quadrants to Include Projects for Regulated Markets Along with Customer Choice Markets, and Delaying Any Structural Changes at This Time.

It was the recommendation of the RSRC that “the NAESB Board of Directors continue to delay any structural changes to the Retail Quadrants at this time...” to “allow the Retail Quadrants to complete their original work plan of customer choice business practices, continue work on one and develop the two new 2007 business practices for both customer choice and regulated retail markets and continue to attempt to increase retail quadrant memberships through the current outreach and new business practice initiatives. The RSRC also recommended “that the NAESB Board direct the RSRC to continue its work into 2007 to: complete a review of the need for structural changes to the two Retail Quadrants beyond 2007 based on quadrant membership levels, progress and interest in initiatives for business practices for both retail customer choice and regulated markets and complete a strategic plan for the quadrants beyond 2007.”

A draft resolution was submitted and included on page 74 for Board adoption of the RSRC Recommendation:

**WHEREAS**, the Retail Structure Review Committee voted to endorse the actions to be taken for the Retail Gas and Retail Electric Quadrants,

**BE IT RESOLVED**, that the Board of Directors of NAESB approves the Retail Structure Review Committee recommendations for the structure and operation of Retail Gas and Retail Electric Quadrants in 2007.

Mr. Bourbonnais moved, seconded by Mr. Templeton, to adopt the resolution included on page 74. The motion unanimously passed a simple majority vote. [*Vote 1*].

### 3. Updates on Specific Standards Development

TLR Timeline: Ms. York provided the report on the development of the TLR business practice standards. A summary of recent meetings regarding TLR can be found in the Board book behind tab 5, pages 76-78. Ms. York reported that the NERC SAR Drafting Team was formed in July 2006. The SAR was to not only include the split of the NERC TLR Reliability standards with the NAESB TLR business practices, but also all of the outstanding revisions to TLR that had been submitted to NERC including: modifications requested by Southwest Power Pool (SPP), a field test for PJM and Midwest ISO, and SPP to change the market curtailment threshold from 0% to 3% for reliability purposes, and any other incremental changes that need to be made to the TLR procedure. On December 5, 2006, the NERC Standards Committee Executive Committee agreed that the portion of the SAR that included the split would not need to be re-posted. The NERC Standards Committee Executive Committee asked the TLR SAR Drafting Team to continue working on drafting the standards while an official Standards Drafting Team is named.



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The NAESB WEQ Business Practices Subcommittee and the NERC TLR Drafting Team will meet jointly starting January 10, 2007. NERC has reported that it plans to complete the standards drafting by the end of February. Ms. York stated that during the WEQ Leadership call, she asked if NAESB could postpone the filing of the TLR standards until March to determine if progress can be made on the development of the NERC TLR standards. The WEQ Leadership supported postponing the filing of the NAESB TLR standards until March.

ATC Efforts: Ms. York reported on the progress of the work on the ATC standards by NERC and NAESB. A summary of NAESB meetings on this effort can be found in the Board book behind tab 5, pages 79-83. Ms. York reported that at the most recent meeting of the NAESB groups that work on the ATC standards, the BPS and ESS/ITS, the subcommittee drafted language for scheduling and granting partial service and reviewed the NERC proposed revisions to MOD001. It is the expectation that the NERC ATC Drafting Team will post MOD001 on January 2, 2007 for comment. It is the expectation that the FERC Final Order on the OATT Reform will be issued in early 2007. This effort will take a large part of the resources of the WEQ in 2007.

JISWG: The Joint Interchange Scheduling Working Group is a joint NERC and NAESB subcommittee. The JISWG has held thirteen meetings in 2006. A meetings summary for the JISWG can be found in the Board book behind tab 5k pages 83-84. The most recent development of the JISWG was the creation of the NAESB standards for Public Key Infrastructure. The WEQ Executive Committee is scheduled to vote on this recommendation at a special conference call on December 19.

Retail Contracts: Mr. Novak stated that the Retail Executive Committees adopted a recommendation for a Contract for Purchase Sale of Electricity and Gas (Request No. R05013) during the November 15, 2006 meeting. The recommendation has been posted for member ratification, with ballots due on January 7, 2007. The recommendation submitted by the Retail Contracts Subcommittee is included in the Board book behind tab 5, pages 85-87. The Retail Executive Committees adopted the recommendation with a few minor modifications.

OASIS Enhancements: Ms. York reported that the WEQ ESS/ITS have met ten times to continue to develop enhancements to OASIS. The majority of the work included development of new standards for Resales and Transfers, Capacity Release, and modifications to Multiple Requests and Redirects. The ESS/ITS has also modified the Standards of Conduct to amend definitions and numbering for affiliate standards. It is the expectation that the ESS/ITS will have a significant amount of work to revise the OASIS pursuant to the Final Order on OATT Reform when it is issued by the FERC.

WEQ Structure – 6<sup>th</sup> Segment: Mr. Desselle reported that on November 28, 2006 the WEQ Drafting Collaborative met via conference call and reached a consensus on amendments to the WEQ Procedures to support the creation of a sixth segment – Independent Grid Operator/Planners. A notational ballot was distributed on November 29, 2006 for all WEQ Board members to vote on the changes proposed to the WEQ Quadrant Procedures proposed by the WEQ Drafting Collaborative. The ballot is included behind tab 5, pages 93-95 of the Board book. A provision was added to state that creation of any new segment would require the definition of sub-segments within nine months of its creation. Another stipulation that was added to the WEQ Quadrant Procedures was that if it appears that there will be a segment block at the Executive Committee, then the item will come to the Board of Directors for discussion and possible direction to the WEQ Executive Committee. This stipulation will not have the effect of overriding a vote of the Executive Committee on a standard. The notational



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ballots are due on December 28. To date, the majority of the votes that have been returned have been in support of the proposed modifications.

Sandia Report: Mr. Buccigross reported that the Department of Energy Sponsored Information Assurance Work for NAESB (included on pages 96-139 of the Board book) has been released. Sandia conducted the surety assessment on behalf of the Department of Energy. The report illustrates where potential problem areas exist within the NAESB WGQ, WEQ, and Retail electronic transport standards and public key infrastructure standards. Overall the assessment issued by Sandia was that there are no major holes or obvious vulnerabilities, but there were items identified that will be addressed by the appropriate subcommittees.

#### 4. Copyright Update

Mr. Boswell provided the update on the NAESB Copyright Policy. The information that corresponds to this agenda item can be found on the Board book behind tab 6, pages 141-177. Mr. Boswell reported that NAESB has adopted a formal site license agreement that is available for companies sign.

Mr. Ackerman asked about the use of the NAESB copyrighted materials in the instances of training processes. He noted that the NAESB business practice standards will become increasingly significant in relation to the NERC reliability standards. Mr. Ackerman stated that the NAESB copyright could pose roadblocks for proper training for those in the industry that are required to comply with NAESB and NERC standards, such as members of WECC. Mr. Ackerman noted that there are many members of WECC that cannot afford the NAESB membership and rely on the WECC to provide training for the NERC and NAESB standards.

Ms. McQuade noted that for organizations to have access to NAESB standards, membership is not required. A company that is not a NAESB member can be compliant with the copyright policy for \$150. Ms. McQuade added that NAESB is working with NERC to create a revenue neutral waiver so NERC can include NAESB standards in its own publication.

Mr. Ackerman stated that while he was not disputing the need for the NAESB Copyright Policy, there should be some way to find a solution for the training issue. Mr. Winterfeld noted that there is a distinction between using the standards for textbook materials and the ongoing use of the standards. Mr. Winterfeld suggested that if the standards are to be used for textbook purposes, that the materials would be collected at the end of the training session.

#### 5. Executive Committee Reports

Wholesale Electric Quadrant: Mr. Oberski reviewed the WEQ Annual Plan as revised by the WEQ Executive Committee during the November 14, 2006 meeting. The revised WEQ 2006 Annual Plan can be found in the Board book behind tab 7, pages 187-192. The three areas that were the focus of the WEQ during 2006 were the complementary business practice standards to the NERC reliability standards, the ATC efforts, and OASIS enhancements. These areas will remain the focus of the WEQ during 2007 with the entire OATT Reform added to the work.

Retail Quadrants: Mr. Novak reviewed the Retail 2006 Annual Plan revised by the Retail Executive Committees during the November 2006 meeting. The revised plan is included on pages 193-197 of the Board book. Mr. Novak stated that during 2006 the Retail Quadrants made additional progress on the customer choice items, adopted a model contract, completed the model business practices portion of the request from Wal-Mart to adopt standards for



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Electronic Retail Billing (Request No. R05016), and completed the model business practices portion of Annual Plan Item 4 – Customer Enrollment.

Wholesale Gas Quadrant: Mr. Buccigross reviewed the progress of the WGQ Executive Committee. The WGQ 2006 Annual Plan as revised by the WGQ Executive Committee during the November 16, 2006 meeting is included behind Tab 7, pages 198-201 of the Board book. Mr. Buccigross stated that the majority of the items on the 2006 Annual Plan have been completed and were completed on time. The WGQ also published Version 1.8 of the Wholesale Gas Quadrant standards. The only two carryover items will be the review of the PKI standards as necessary once the WEQ adopts the standards and review of the Sandia Surety Assessment.

Mr. Desselle moved, seconded by Ms. Ogenyi, to adopt the revisions to the three annual plans as proposed by the Executive Committees. The motion unanimously passed a simple majority vote. [Vote 2].

Standards Adopted Since the September 21 Board Meeting: Ms. McQuade stated that the standards adopted since the September 21 Board meeting can be found in summary format on pages 179-181 of the Board book. The WGQ adopted three recommendations that were primarily maintenance revisions. The Retail Quadrants adopted two recommendations that are currently posted for ratification: the retail contract and the model business practices drafted for Customer Enrollment. The WEQ adopted business practice standards to include a Standards of Conduct link on the OASIS page; amended definitions, terms, and numbering of the WEQ Order 2004 (affiliate) standards; and standards for Resales and Transfers of transmission service.

Ms. McQuade noted that the Requests received since the last meeting are included on page 182-184 of the Board book. This includes Request No. R06024 submitted by Advanced Energy to standardize the method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand derived from the implementation of demand side management and energy efficiency programs.

Filings with the FERC: Since the September 21 Board meeting, NAESB submitted three reports to the FERC. On October 30, NAESB filed Minor Correction to the Manual Time Error Correction Standards under Docket No. RM05-5. On November 2, 2006, NAESB provided comments to the FERC regarding the October 12 Technical Conference on OATT Reform. On November 16, NAESB filed an Update to the Coordinate Interchange business practice standards in Docket No. RM05-5.

The proposed FERC Filing Schedule can be found on page 186 of the Board book.

### Review and Adoption of 2007 Annual Plans:

Retail Quadrants: Mr. Novak presented the proposed Joint Retail 2007 Annual Plan drafted by the Retail Executive Committees during the November meeting. The proposed Joint Retail 2007 Annual Plan can be found in the Board book behind tab 7, pages 202-212 of the Board book. Mr. Novak stated that most items on the 2007 plan are items that were also on the 2006 plan. He noted that for Item 4 – Customer Enrollment, Drop and Account Information Change Using a Registration Agent, the business practices will be created using the Texas model. The Retail Executive Committees formed a Texas Task Force to create a recommendation that includes the mechanics of the Registration Agent Model. Item 9 – Consider and develop as needed model business practices to support Gas Design Day Forecast and Item 10 – Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived



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from the implementation of demand side management and energy efficiency programs are attempts to move to development of model business practices for non-retail choice markets.

*Wholesale Electric Quadrant:* Ms. York presented the proposed WEQ 2007 Annual Plan drafted by the WEQ Executive Committee during the November meeting. The proposed 2007 plan can be found in the Board book behind tab 7, pages 213-218.

Ms. McQuade noted that the NAESB received two sets of comments from Mr. Bilke on behalf of Midwest ISO. The comments were also included in the Board book on pages 219-221. Mr. Oberski provided a response to the comments submitted by Mr. Bilke and noted that it was the recommendation of the WEQ Executive Committee leadership to not revise the WEQ 2007 Annual Plan based on the response to the comments.

For the comment regarding Item 1(c) – Develop business practice standards to support Operate within Limits (R03017): Mr. Oberski stated that while this item is not a high priority, it is a request and must be addressed appropriately within NAESB's process. It is a possibility that the outcome of this Request will be to take no action, but the request must work through the process.

For the comment regarding Item 1(f) – Develop jointly with NERC a Joint NERC/NAESB Operating training manual: Mr. Oberski stated that during offline discussions with Midwest ISO representatives, Midwest ISO understands the need for split standards to be published in a joint operating manual and modified its original comment in the form of a second set of comments. The comments stated that Midwest ISO will not prejudice the usefulness of the joint manual, but cautioned NAESB on what would be included in the manual.

For the comment on Item 3a(iii) – Registry: Determine and develop needed business practice standards to support the registry functions currently supported by NERC (Request No. R04037): Mr. Oberski stated that request has been assigned to a joint NERC/NAESB group, the JISWG. Mr. Oberski stated that it is the recommendation of the leadership of the WEQ Executive Committee to allow the JISWG members to determine whether NERC or NAESB will maintain the Registry.

Ms. McQuade stated that she asked someone from Midwest ISO to attend this meeting via conference call in order to present their comments. She noted that it is NAESB's intention to work with NERC to obtain a revenue neutral solution in place so that NERC can determine what standards it would like to include in the joint operating manual.

*Wholesale Gas Quadrant:* Mr. Buccigross presented the proposed WGQ 2007 Annual Plan drafted by the WGQ Executive Committee during the November 16 meeting. The proposed plan is included on pages 222-226 of the Board book. Mr. Buccigross stated that the WGQ 2007 Annual Plan is divided into 4 categories: Damage Reporting for Natural Gas Pipeline Facilities; Electronic Delivery Mechanisms and Related Activities, Contracts Activities, and Gas-Electric Interdependency. The plan also includes the ongoing standards maintenance and provisional activities.

A proposed resolution for the Board to adopt the three 2007 Annual Plans was included on page 226 of the Board book:

**WHEREAS**, under the guidance of each Quadrant Executive Committee the proposed 2007 Annual Plans were developed,

**WHEREAS**, each Quadrant Executive Committee approved its annual plan for 2007 and presents them to the Board for approval, and



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**WHEREAS**, under Article III, Section 4 of the Certificate of Incorporation of NAESB requires that the Annual Plan(s) of the organization be approved by the Board of Directors through a simple majority vote;

**BE IT RESOLVED**, that the Board of Directors of NAESB approves the Annual Plans of each of the four Quadrants for 2007.

Mr. Desselle moved, seconded by Mr. Lucas, to adopt the resolution as drafted. The motion unanimously passed a simple majority vote. [Vote 3].

### 6. Financial Report

Ms. McQuade reviewed the membership report that was included behind tab 8, pages 228-241 of the Board book. Ms. McQuade noted that there are six new members since the membership chart was created. Ms. McQuade also reviewed the chart of the Accrual Based Income and Expenses as of October 2006. Ms. McQuade noted that the estimated \$62,000 net income will be applied to retained earnings. She noted that this amount was achieved by not replacing outgoing staff. Ms. Wishart reviewed the Financial Report for October 2006 included on page 248 of the Board book. Ms. Wishart noted that the October Financials reflect Total Assets and Liability/Equity of \$1,035,732.31 and accounts receivable of \$574,500.

Review and Adoption of 2007 Budget: Ms. Wishart reviewed the proposed 2007 budget included on page 250 of the Board book. A proposed resolution was included on page 251 of the Board book:

**WHEREAS**, the NAESB office working with Ms. Wishart drafted the 2007 budget based on income and expenses YTD October augmented by expectations for revenue and expenses through year-end 2006,

**WHEREAS**, the 2007 budget estimates for a slight positive net income to offset previous years negative retained earnings,

**WHEREAS**, under Article III, Section 4 of the Certificate of Incorporation of NAESB, the Board of Directors is given the responsibility for approving the budget of the organization through a simple majority vote;

**BE IT RESOLVED**, that the Board of Directors of NAESB approves the 2007 budget.

Mr. Templeton moved, seconded by Mr. Mucci, to adopt the budget resolution as proposed. The motion unanimously passed a simple majority vote. [Vote 4].

Promotional Dues Program: Ms. McQuade noted that the Promotional Dues Program has been in place since the creation of the Retail Quadrants and the current provision for the Promotional Dues Program will end on December 31, 2006. A proposed resolution was included on page 251 of the Board book:

**WHEREAS**, the NAESB current provision for the promotional dues program will end on December 31, 2006,

**WHEREAS**, under Article V, Section 6 of the Certificate of Incorporation of NAESB, the Board of Directors is given the responsibility to approve promotional dues programs through a vote of at least seventy-five (75%) from the Board, including an affirmative vote of at least forty percent (40%) from the Directors representing each Segment within each Quadrant,



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**BE IT RESOLVED**, that the Board of Directors of NAESB approves the continuation of a special promotional dues program that will permit three representatives from recognized consumer advocacy groups and an unlimited number of regulators and their staff (with the provision that any given state is only represented once per quadrant) to join the End-User Segments of the RGQ, the REQ, and the WEQ of NAESB at a reduced annual membership of \$500 each. The program will be reviewed to determine if it should be continued no later than December 31, 2010.

### 7. Plan for March 2007 Board Meeting

Ms. McQuade noted that the Schedule of 2007 Meetings is included on page 255 of the Board book. The Advisory Council meeting is scheduled on February 17, 2007 in Washington, DC. The March 2007 Board meeting is scheduled on March 22 in Houston, Texas.

### 8. Old and New Business

#### Liaisons with external groups:

Ms. McQuade noted that NAESB representatives will teach a seminar on NAESB process and the specific standards to FERC staff on December 18-19 at FERC's offices in Washington, DC.

On page 253-254 of the Board book, there is a summary of NAESB meetings with external entities since the September Board meeting including the panel at the OATT Reform NOPR Technical Conference, OATI, the NERC Standards Workshop in Dallas, Sandia and the Department of Energy, WECC, EPSA, FERC, NARUC, the International Gas Union, and EASEE.

Dr. Foss stated that the University of Texas Center for Energy Economics is working with the NGC on issues facing the natural gas industry. She stated that if anyone is interested in this project to contact her.

### 9. Adjourn

Mr. Lucas moved, seconded by Mr. Desselle, to adjourn. The meeting adjourned at 12:12 PM Central.



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## 10. Board Attendance (Vacancies Omitted)

### Wholesale Gas Quadrant Board Members

| PRODUCERS SEGMENT                               | ATTENDANCE | VOTE 1 | VOTE 2 | VOTE 3 | VOTE 4 |
|---|------------|--------|--------|--------|--------|
| Jay Ellzey                                      | In Person  | S      | S      | S      | S      |
| William T. Benham                               | Absent     |        |        |        |        |
| Keith Sappenfield                               | In Person  | S      | S      | S      | S      |
| Pete Frost                                      | Phone      | S      | S      | S      | S      |
| <b>PIPELINE SEGMENT</b>                         |            |        |        |        |        |
| Jim Goldmann                                    | In Person  | S      | S      | S      | S      |
| Larry Smith                                     | In Person  | S      | S      | S      | S      |
| Bill Grygar                                     | In Person  | S      | S      | S      | S      |
| Anne Bomar                                      | Absent     |        |        |        |        |
| Richard Kruse                                   | Phone      | S      | S      | S      | S      |
| <b>LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT</b> |            |        |        |        |        |
| Clifton Olson                                   | Absent     |        |        |        |        |
| Adrian Chapman                                  | Phone      | S      | S      | S      | S      |
| Reed Horting                                    | Phone      | S      | S      | S      | S      |
| Mike Novak                                      | Phone      | S      | S      | S      | S      |
| Lee Stewart                                     | In Person  | S      | S      | S      | S      |

| END USERS SEGMENT       | ATTENDANCE | VOTE 1 | VOTE 2 | VOTE 3 | VOTE 4 |
|-------------------------|------------|--------|--------|--------|--------|
| Valerie Crockett        | In Person  | S      | S      | S      | S      |
| <b>Joe Stepenovitch</b> | In Person  | S      | S      | S      | S      |
| Diane McVicker          | In Person  | S      | S      | S      | S      |
| Terry Morrison          | Phone      | S      | S      | S      | S      |
| Jim Templeton           | In Person  | S      | S      | S      | S      |

| SERVICES SEGMENT | ATTENDANCE | VOTE 1 | VOTE 2 | VOTE 3 | VOTE 4 |
|------------------|------------|--------|--------|--------|--------|
| John Bretz       | Absent     |        |        |        |        |
| Michael Smith    | Absent     |        |        |        |        |
| Jim Buccigross   | Phone      | S      | S      | S      | S      |
| Bill Hebenstreit | In Person  | S      | S      | S      | S      |



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## Retail Electric Quadrant Board Members

| SUPPLIERS SEGMENT                       | ATTENDANCE      | VOTE 1 | VOTE 2 | VOTE 3 | VOTE 4 |
|---|-----------------|--------|--------|--------|--------|
| Peter Kelly-Detwiler<br>Richard Zelenko | Absent<br>Phone | S      | S      | S      | S      |
| <b>DISTRIBUTORS SEGMENT</b>             |                 |        |        |        |        |
| David Koogler                           | In Person       | S      | S      | S      | S      |
| Dennis Derricks                         | In Person       | S      | S      | S      | S      |
| Ruth Kiselewich                         | Absent          |        |        |        |        |
| <b>Leonard Haynes</b>                   | Phone           | S      | S      | S      | S      |
| <b>END USERS SEGMENT</b>                |                 |        |        |        |        |
| Sonny Popowsky                          | Absent          |        |        |        |        |

| SERVICE PROVIDERS SEGMENT    | ATTENDANCE             | VOTE 1 | VOTE 2 | VOTE 3 | VOTE 4 |
|------------------------------|------------------------|--------|--------|--------|--------|
| Jim Minneman<br>J Cade Burks | In Person<br>In Person | S      | S      | S      | S      |

## Wholesale Electric Quadrant Board Members

| TRANSMISSION SEGMENT      | SUB-SEGMENT  | ATTENDANCE       | VOTE 1 | VOTE 2 | VOTE 3 | VOTE 4 |
|---------------------------|--|------------------|--------|--------|--------|--------|
| Dan Klempel               | Muni/Coop  | Absent           |        |        |        |        |
| W Terry Boston            | Director Transmission Regulatory Compliance, Basin Electric Power Cooperative  | Phone            | S      | S      | S      | S      |
| John E. Lucas             | Executive Vice President - Transmission/Power Supply Group, Tennessee Valley Authority   | In Person        | S      | S      | S      | S      |
| <b>Michael Desselle</b>   | Chief Administrative Officer and Vice President of Process Integrity - Southwest Power Pool  | In Person        | S      | S      | S      | S      |
| Paul McCoy<br>Ken Wiley   | Managing Director & Chief Operating Officer, Trans-Elect President and Chief Executive Officer, Florida Reliability Coordinating Council | Absent<br>Absent |        |        |        |        |
| <b>GENERATION SEGMENT</b> |  |                  |        |        |        |        |
| Curtis Winterfeld         | Vice President of Power Marketing, Deseret Generation & Transmission Cooperative   | Phone            | S      | S      | S      | S      |
| Belinda Thornton          | Senior Manager - Real Time Trading, Tennessee Valley Authority   | Phone            | S      | S      | S      | S      |
| Charles W. Severance      | Manager - Supply & Wholesale Services, Wisconsin Public Service Corporation  | In Person        | S      | S      | S      | S      |
| Michael Gildea            | Executive Director, Regulatory Affairs, Constellation  | Phone            | S      | S      | S      | S      |



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|                                  |   |                 |           |   |   |   |   |   |   |
|----------------------------------|---|-----------------|-----------|---|---|---|---|---|---|
| Gloria Ogenyi                    | Generation Group  |                 |           |   |   |   |   |   |   |
| Ron Mucci                        | Vice President Energy Policy, Connectiv Energy Supply, Inc.   | Merchant        | Phone     | S | S | S | S | S | S |
|                                  | Manager - Regulatory Affairs, Williams Power Company  | At-Large        | In Person | S | S | S | S | S | S |
| <b>MARKETERS/BROKERS SEGMENT</b> |   |                 |           |   |   |   |   |   |   |
| Roy True                         | Manager of RTO Market Development, ACES Power Marketing   | Muni/Coop       | In Person | S | S | S | S | S | S |
| Jeff Ackerman                    | Manager, Colorado River Storage Project Energy Management and Marketing Office, Western Area Power Administration | Fed/State/Prov. | In Person | S | S | S | S | S | S |
| Michael Grim                     | Director of Markets and Regulation, TXU Business Services   | Not IOU         | Absent    |   |   |   |   |   |   |
| Joseph Hartsoe                   | Vice President and Associate General Counsel, American Electric Power Service Corp.                               | Affiliated IOU  | Phone     | S | S | S | S | S | S |
| R. Scott Brown                   | Vice President and Director, Exelon Generation Power Team   | IOU             | In Person | S | S | S | S | S | S |
| Rick Smead                       | Director, Navigant Consulting, Inc.   | At-Large        | In Person | S | S | S | S | S | S |

**DISTRIBUTION/LOAD SERVING ENTITIES (LSE) SEGMENT**

|                 |   |           |           |   |   |   |   |   |   |
|-----------------|---|-----------|-----------|---|---|---|---|---|---|
| Arthur G. Fusco | Vice President and General Counsel, Central Electric Power Cooperative Inc.                 | Muni/Coop | Phone     | S | S | S | S | S | S |
| Barry R. Lawson | Manager-Power Delivery, National Rural Electric Cooperative Association                     | Muni/Coop | Absent    |   |   |   |   |   |   |
| Mark Crosswhite | Senior Vice President & General Counsel – Generation and Energy Marketing, Southern Company | IOU       | Phone     | S | S | S | S | S | S |
| Frank Johnson   | Senior Vice President Electric Transmission and Distribution, Consumers Energy              | IOU       | Absent    |   |   |   |   |   |   |
| Bruce Ellsworth | New York State Reliability Council  | At-Large  | In Person | S | S | S | S | S | S |

**END USERS SEGMENT**

|                  |  |                          |           |   |   |   |   |   |   |
|------------------|--|--------------------------|-----------|---|---|---|---|---|---|
| Carol Guthrie    | General Manager, Electric Market Strategies, Chevron/Texaco Energy Research and Technology Company                             | End Use (Self Generator) | Absent    |   |   |   |   |   |   |
| John Reese       | Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service | Regulator                | Absent    |   |   |   |   |   |   |
| Jeanne Zaiontz   | Director, Regulatory Affairs, BP Energy Co.  | Large Industrial         | Absent    |   |   |   |   |   |   |
| John A. Anderson | President and CEO, Electricity Consumers Resource Council (ELCON)  | Large Industrial         | Absent    |   |   |   |   |   |   |
| Michehl Gent     | Open Access Technology International, Inc.   | At-Large                 | In Person | S | S | S | S | S | S |

**Retail Gas Quadrant Board Members**

|                          |  |               |               |               |               |
|--------------------------|--|---------------|---------------|---------------|---------------|
| <b>SUPPLIERS SEGMENT</b> | <b>ATTENDANCE</b>                                      | <b>VOTE 1</b> | <b>VOTE 2</b> | <b>VOTE 3</b> | <b>VOTE 4</b> |
| Kathy Fudali             | In Person  | S             | S             | S             | S             |
|                          | Manager, Contract Administration, Sprague Energy Corp. |               |               |               |               |



# North American Energy Standards Board

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Home Page: [www.naesb.org](http://www.naesb.org)

**DISTRIBUTORS SEGMENT**

|                     |   |           |   |   |   |   |
|---------------------|---|-----------|---|---|---|---|
| Craig White         | Craig White   | Phone     | S | S | S | S |
| William Bourbonnais | William Bourbonnais   | In Person | S | S | S | S |
| Ralph Cleveland     | Senior Vice President - Engineering and Operations, AGL Resources, Inc. | Phone     | S | S | S | S |

**END USERS SEGMENT**

|                                  |                                       |           |   |   |   |   |
|----------------------------------|---------------------------------------|-----------|---|---|---|---|
| <b>SERVICE PROVIDERS SEGMENT</b> |                                       |           |   |   |   |   |
| Leigh Spangler                   | President, Latitude Technologies Inc. | In Person | S | S | S | S |
| Dave Darnell                     | President & CEO, Systrends USA        | Phone     | S | S | S | S |
| Greg Lander                      | Principal, Commerce Energy Group      | Absent    |   |   |   |   |

**1.1. Other Attendance**

| Name               | Organization                   | Attendance |
|--------------------|--------------------------------|------------|
| Bill Boswell       | NAESB                          | In Person  |
| Kathryn Burch      | Duke Energy Gas Transmission   | In Person  |
| Christopher Burden | Williams Gas Pipeline          | In Person  |
| Craig Colombo      | Dominion Resources             | In Person  |
| LaRita Cormier     | Riverside Reporting            | In Person  |
| Dale Davis         | Williams Gas Pipeline          | In Person  |
| Rhonda Denton      | BP Energy Co.                  | In Person  |
| Chuck Feagans      | Tennessee Valley Authority     | Phone      |
| Michelle Foss      | UT Center for Energy Economics | In Person  |
| Mark Gracey        | Tennessee Gas Pipeline Co.     | In Person  |
| Bill Griffith      | El Paso Natural Gas Co.        | In Person  |
| Laura Kennedy      | NAESB                          | In Person  |
| Bill Lohrman       | NERC                           | In Person  |
| Terry McGill       | Enbridge Energy Company, Inc.  | In Person  |
| Rae McQuade        | NAESB                          | In Person  |
| Lou Oberski        | Dominion                       | In Person  |
| Denise Rager       | NAESB                          | In Person  |
| Marv Rosenberg     | FERC                           | In Person  |
| Sharri Sparks      | Arizona Public Service         | In Person  |
| Nicole Spaur       | Sprague Energy                 | In Person  |
| Veronica Thomason  | NAESB                          | In Person  |



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| Name          | Organization                | Attendance |
|---------------|-----------------------------|------------|
| Kim Van Pelt  | Panhandle Eastern Pipe Line | In Person  |
| Daria Wishart | NAESB                       | In Person  |
| Kathy York    | Tennessee Valley Authority  | In Person  |

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 4**

**ADVISORY COUNCIL REPORT**

This section includes:

- The draft minutes for the Advisory Council Report held on February 17, 2007.

The material presented is background information for the discussion of agenda item 2.

The Board will discuss the meeting and no action is expected of the Board. Board members may use this opportunity to receive guidance from the Advisory Council



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**via posting**

**TO:** NAESB Advisory Council and for Interested Industry Participants  
**FROM:** Laura Kennedy, NAESB Meeting/Project Manager  
**RE:** Draft Minutes from the NAESB Advisory Council Meeting – February 17, 2007  
**DATE:** March 6, 2007

**NORTH AMERICAN ENERGY STANDARDS BOARD  
 ADVISORY COUNCIL MEETING  
 Renaissance Washington Hotel – Washington, DC  
 February 17, 2007 – 4:00 PM to 6:00 PM Eastern  
 Draft Minutes**

### 1. Welcome

Mr. Ellsworth opened the meeting and welcomed the Advisory Council members and observers. Mr. Boswell read the antitrust guidelines. The attendees introduced themselves.

The meeting materials for this meeting were provided to the attendees and can be found on the NAESB website: [Background Materials](#).

The Advisory Council recognized Mr. Rosenberg for his service to the industry.

### 2. Coordination with Government Agencies

2006 FERC Filings: NAESB made several filings with the FERC in 2006. A list of the filings with descriptions of each filing can be found on pages 21-22 of the Background Materials. A couple of the submittals of note were: An updated filed with the FERC which addressed 4 issues: (1) the comments filed by NERC that asked that three sets of business practices in Version 0 be remanded back to NERC, (2) the TLR process and the plans for ensuring that the business practices and the reliability standards stay closely coordinated, (3) the Inadvertent Interchange Payback report which noted that the Inadvertent Interchange business practices standards for Version 0 remain unchanged, and (4) a joint standards development process for NERC and NAESB (filed under Docket No. RM05-5-000 on February 17, 2006) and on February 24, 2006 NAESB filed the final report of the Gas Electric Interdependency Committee.

Department Of Energy, Sandia National Laboratories: NAESB worked closely with the Department of Energy and Sandia National Laboratories to aid Sandia in its surety assessment of the NAESB standards. A summary of the outcome of each meeting held on this topic can be found in the Background Materials on pages 23-24. On October 23, 2006 the Department of Energy released the [Sandia Surety Assessment Report to NAESB](#) for analysis and response. The annual plans of each NAESB Quadrant have been drafted to include evaluation of the Surety Assessment. NAESB will combine the responses from each Quadrant to submit to the Department of Energy.

### 3. Coordination with Other Standards Organizations and Energy Groups

NARUC: NAESB holds Monthly Update Calls at least every other month to brief state commissioners and commission staff on NAESB activities. Ms. Barney, Ms. Westerfield, and



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Mr. Pearce work with the NAESB office to create agendas for these calls. These calls also aid in communications with NARUC. Ms. McQuade and NAESB members are often speakers at the NARUC Trimester meetings on NAESB and NAESB activities. Additional information on NAESB coordination with NARUC for 2006 can be found in the Background Materials on pages 24-26.

NERC: NAESB continues to work with NERC to develop complementary business practice standards for the reliability requirements. In 2006, the NAESB Wholesale Electric Quadrant worked closely with NERC to develop NERC standards for Transmission Loading Relief (TLR) and to develop NAESB and NERC standards for Available Transfer Capability (ATC). Now that the NAESB Wholesale Electric Quadrant has added an Independent Grid Operator/Planner Segment, it is the expectation that the NERC/NAESB/IRC Joint Interface Committee will be dissolved in the near future.

Trade Associations: NAESB meets with several industry organizations on an informal basis throughout the year to review annual plans and discuss development efforts underway at NAESB that are relevant to their constituencies.

#### **4. Update on Quadrant Activities**

WEQ 2006 Highlights and Review of 2007 Annual Plan: The WEQ 2006 Annual Plan that highlights the items the WEQ completed in 2006 can be found on pages 95-100 of the Background Materials. The WEQ completed several enhancements to OASIS and made amendments to the Version 0 standards in 2006.

In 2007, the WEQ plans to focus efforts on the development of business practice standards in support of OATT Reform as set forth in the FERC NOPR issued in Docket Nos. RM05-25-000 and RM05-17-000 as well as continue to develop standards complementary to the NERC reliability requirements. The WEQ 2007 Annual Plan can be found on pages 111-117 of the Background Materials.

RGQ and REQ 2006 Highlights and Review of Joint 2007 Annual Plan: The Joint Retail 2006 Annual Plan that highlights the items the NAESB Retail Quadrants completed in 2006 can be found on pages 101-105 of the Background Materials. The Retail Quadrants continue to work on the items on the Annual Plan to address customer choice business processes.

In 2007, the Retail Quadrants plan to continue the development of model business practices for customer choice states as well as take on new activities including develop needed model business practices for Demand Side Management, Energy Efficiency, and Gas Design Day. The Joint Retail 2007 Annual Plan can be found on pages 118-128 of the Background Materials.

WGQ 2006 Highlights and Review of 2007 Annual Plan: The WGQ 2006 Annual Plan that highlights the items the WGQ completed in 2006 can be found on pages 106-109 of the Background Materials. Accomplishments of note by the WGQ in 2006 include the update to the NAESB Base Contract for the Purchase and Sale of Natural Gas, standards for a uniform process for reporting the underlying assumptions and methodologies for determining gas quality specifications from measured data. The WGQ completed Version 1.8 of its standards that is scheduled to be filed with the FERC in the next few weeks.

The WGQ 2007 Annual Plan was included on pages 129-132 of the Background Materials. In 2007, the WGQ plans to develop an updated Canadian Addendum based on the revisions to the NAESB Base Contract for the Purchase and Sale of Natural Gas, develop FAQs for the updated Base Contract, and develop additional standards for gas quality.



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### 5. Discussion on Specific Activities

Gas-Electric Interdependency: The WGQ plans to review whether or not the industry would support adding an intraday nomination period or timeline to support firm transportation holders being able to nominate gas after the requirements for the electric market are known. This effort is in response to the directives of [FERC Docket Nos. RM05-5-001 and RM96-1-027](#) as related to the NAESB Gas Electric Interdependency report submitted in Docket No. RM05-28-000. This effort is covered under WGQ 2007 Annual Plan Item 7.

Seams Issues: In 2004, NAESB submitted a matrix of Seams issues identified by the industry to the FERC. The matrix included a designation of whether the issue was ripe for business practice development, reliability standard development, or for the ISOs and RTOs to address. During the November 2006 WEQ Executive Committee meeting there was a request to re-open the Seams Subcommittee to review the Seams Matrix to determine if there are items that need to be addressed by NAESB. The Seams Subcommittee met once in January and once in February. The subcommittee is currently working to determine whether there are any business practice standards requests that need to be developed for submission to NAESB.

e-Tariff Efforts: FERC staff contacted NAESB in December 2006 regarding organizing an effort to develop standards for filing electronic tariffs with the FERC. NAESB's WEQ and WGQ are working with the Association of Oil Pipelines to develop standards to aid in the submittal of tariffs via electronic process to the FERC. Mr. Sappenfield has volunteered to chair the effort on behalf of the WGQ and NAESB is seeking a volunteer to chair the effort on behalf of the WEQ.

Demand Side Management and Energy Efficiency: Page 124 of the Background Materials includes the text of the request from Advanced Energy to develop a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand derived from the implementation of demand side management and energy efficiency programs. NAESB is coordinating plans for the first meeting with the Department of Energy.

### 6. Resources

As of January 31, NAESB has 320 members, with 141 in the WEQ, 127 in the WGQ, 26 in the REQ, and 25 in the RGQ. The full membership report can be found on pages 144-157 of the Background Materials. There has been a net gain of four members since the end of 2006.

### 7. WEQ Structure – Status of Segment for Independent Grid Operators/Planners

On November 28, 2006 the WEQ Procedures Drafting Collaborative reached a consensus on proposed amendments to the WEQ Quadrant Procedures to include a sixth segment: the Independent Grid Operator/Planner Segment. A notational ballot was distributed to the members of the WEQ Board on November 29, 2006 with ballots due on December 28, 2006. The WEQ Board adopted the proposed provisions as there were sufficient votes to garner the required seventy-five percent (75%) of the entire Board and at least forty percent (40%) of each segment. On January 2, 2007, notational ballots were distributed to the WEQ membership to ratify the amendments to the WEQ Procedures. Ballots were due on February 2 and garnered the needed votes to pass. The revised WEQ Quadrant Procedures require that the new segment define sub-segments within 9 months of the group becoming operative. The relevant material for this item, including the redlined WEQ Quadrant Procedures can be found on pages 159-174 of the Background Material.



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### 8. New Business

Mr. DeBoissiere nominated Mr. Ellsworth to serve as the chair of the Advisory Council for 2007-2008. Commissioner Keeting seconded the motion. The motion passed unanimously.

### 9. Adjourn

The meeting adjourned at 5:47 PM Eastern by consensus.

### 10. Attendance

#### Advisory Council Members in Attendance

|    |                        |  |
|----|------------------------|--|
| 1  | Bruce Ellsworth, Chair | New York State Reliability Council           |
| 2  | Vicky Bailey           | BHMM Energy Services, LLC                    |
| 3  | Diane Barney           | New York State Department of Public Service  |
| 4  | Alex DeBoissiere       | Midwest ISO                                  |
| 5  | Christopher Freitas    | Department of Energy                         |
| 6  | Robert Gee             | The Gee Strategies Group                     |
| 7  | Bob Gray               | Arizona Corporation Commission               |
| 8  | Charles Gray           | NARUC  |
| 9  | W. Robert Keating      | Massachusetts Department of Public Utilities |
| 10 | Thom Pearce            | Ohio Public Utilities Commission             |
| 11 | Marvin Rosenberg       |  |
| 12 | Bob Rowe               | Balhoff & Rowe, LLC                          |

#### Observers in Attendance

|    |                           |                                      |
|----|---------------------------|--------------------------------------|
| 13 | Mark Bennett              | EPSA                                 |
| 14 | Bill Boswell              | NAESB                                |
| 15 | Bill Bourbonnais          | Wisconsin Public Service Resources   |
| 16 | Dave Cook                 | NERC                                 |
| 17 | Valerie Crockett          | Tennessee Valley Authority           |
| 18 | Leonard Haynes            | Southern Company                     |
| 19 | Laura Kennedy             | NAESB                                |
| 20 | Ruth Kiselewich           | Baltimore Gas and Electric           |
| 21 | Melissa Lauderdale        | Edison Electric Institute            |
| 22 | Bill Lohrman              | NERC                                 |
| 23 | Rae McQuade               | NAESB                                |
| 24 | Joelle Ogg                | Brunenkant & Cross, LLP              |
| 25 | Ed Overtree               | NAESB                                |
| 26 | Pat Schaub                | Federal Energy Regulatory Commission |
| 27 | Jamie Simler              | Federal Energy Regulatory Commission |
| 28 | Commissioner Marc Spitzer | Federal Energy Regulatory Commission |



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29 Kathy York

Tennessee Valley Authority



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### 2007 Advisory Council

|                      |   |
|----------------------|---|
| Bruce Ellsworth      | Chairman, NAESB Advisory Council & Former Commissioner, N.H. Public Utilities Commission & Former Chairman, NARUC                           |
| Charles Acquard      | Executive Director, NASUCA  |
| Vicky Bailey         | Principal, BHMM Energy Services, LLC, Former FERC Commissioner & Former Assistant Secretary, U.S. Department of Energy                      |
| Diane Barney         | New York State Department of Public Service   |
| Denise Bode          | Commissioner, Oklahoma Corporation Commission   |
| John Bulger          | Member, National Energy Board   |
| Steve Chesebro'      | Chairman, Harvest Natural Resources & Founding and First Chairman, Gas Industry Standards Board and North American Energy Stds. Board       |
| Alex DeBoissiere     | Vice President, Government Regulations, Midwest ISO   |
| David Eichenlaub     | Virginia Corporation Commission   |
| Jim Fama             | Executive Director – Energy Delivery, Edison Electric Institute   |
| Michelle Michot Foss | Chief Energy Economist and Head of Center for Energy Economics, University of Texas   |
| Christopher Freitas  | Program Manager, U.S. Department of Energy  |
| Robert Gee           | President, The Gee Strategies Group, & former Assistant Secretary, U.S. Dept. of Energy, & former Chair, Public Utility Commission of Texas |
| Bob Gray             | Senior Economist - Utilities Division, Arizona Corporation Commission   |
| Charles Gray         | Executive Director, NARUC   |
| Craig Goodman        | Executive Director, NEM   |
| Sheila Hollis        | Partner, Duane, Morris & Heckscher  |
| W. Robert Keating    | Commissioner, Massachusetts Department of Public Utilities  |
| James Kerr, II       | Commissioner, North Carolina Utilities Commission   |
| Rebecca Klein        | Former Chair, Texas Public Utility Commission   |
| Jerry Langdon        | Executive V.P. and Chief Administrative Officer, Reliant Resources & Former FERC Commissioner   |
| Ruth Kretschmer      | Vice President of Policy and Business Development, GEV Corporation, & former Commissioner, Illinois Commerce Commission                     |
| Don Mason            | Commissioner, Ohio Public Utilities Commission  |
| Charles Matthews     | Former Commissioner, Texas Railroad Commission  |
| John McCarthy        | Acting Chief Operating Officer, National Energy Board   |
| Raul Monteforte      | Former Comisionado, Comision Reguladora de Energia  |
| Dave Nevius          | Vice President, NERC  |
| Thom Pearce          | Ohio Public Utilities Commission  |
| Marvin Rosenberg     |   |
| Bob Rowe             | Former Chairman, Montana Public Service Commission  |
| Howard Shafferman    | Partner, Ballard Spahr Andrews and Ingersoll  |
| Veronica Smith       | Executive Director, Pennsylvania Public Utility Commission  |
| John Shelk           | President & CEO, Electric Power Supply Association  |
| Sandra Waldstein     | Senior Policy Advisor, Vermont Public Service Board   |
| Lou Ann Westerfield  | Idaho Public Utility Commission   |

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 5**

**BOARD COMMITTEE UPDATES**

This section includes:

- Resources Committee notes of December 14, 2007t

The material presented is background information for the discussion of agenda item 3. No action is expected of the Board. Board members may use this opportunity to give guidance to the Resources Committee.



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**via email**

**TO:** NAESB Resources Committee, Managing Committee, and Retail Structure Review Committee (RSRC) Members; and Posting for Interested Parties

**FROM:** Denise Rager, NAESB Meeting and Membership Administrator and DeDe Kirby, NAESB Meeting Project Manager

**RE:** Notes from Resources Committee Meeting on December 14, 2006

**DATE:** December 15, 2006

Dear Resources Committee, RSRC, and Managing Committee Members,

A Resources Committee conference call meeting was held on December 14, 2006. The following notes and assignments resulted from the meeting.

### Resources Committee:

**Thursday, December 14, 2006**

- Administrative:
- Ms. Kirby reviewed the anti-trust guidelines and took roll-call. Mr. Brown asked that discussion for upcoming elections of the Board and EC be added to the agenda as well as the upcoming Advisory Council meeting in February. The revised draft agenda was adopted by consensus.
- Status Towards 2006 Goal:
- The Committee's progress since the last conference call was at net 11 new members.  
 Since the Committee began its work: New members, 65; Home page access, 6; Resignations, 62; Progress = **Net 3**
    - New members since last call [11]:
      - Allegheny Energy, Inc. (WEQ, Generation, IOU)
      - American Public Gas Association (WGQ, LDC)
      - Citigroup Energy, Inc. (WGQ, Services)
      - Electric Power Supply Association (WEQ, Marketer/Broker, At-large)
      - First Energy Service Company (WEQ, Transmission, IOU)
      - Hess Corporation (WGQ, Services)
      - J.P. Morgan Ventures Energy Corp. (WGQ, Services)
      - Lehman Brothers Commodity Services, Inc. (WGQ, Services)
      - Reliant Energy Services (WEQ, Generation, Merchant)
      - Salt River Project Agricultural Improvement and Power District (WEQ, Marketer/Broker, Fed/State/Prov)
      - Sierra Pacific Resources (WEQ, Transmission, IOU)
    - Subscriptions to Home Page Access since last call [0].
    - Resignations since last call [15]:
      - Powerex Corp. (WGQ, Services)
      - Sunflower Electric Power Corporation (WEQ, Transmission, Muni/Coop)
      - Portland General Electric (WGQ, Pipeline)
      - Union Gas (RGQ, Distribution)
      - SolArc Inc. (WGQ, Services)
      - Duke Energy Americas, LOC (DEA) (WEQ, Marketer/Broker, IOU)
      - Cinergy Marketing and Trading (WGQ, Services)
      - Calpine Energy Services, LP (REQ, Supplier)
      - Cinergy Services, Inc. (REQ, Distributor)



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- Telvent (WGQ, Services)
- NJR Energy Services Company (WGQ, Services)
- ITC Transmission (WEQ, Transmission, ITC)
- Defense Energy Support Center (REQ, End Users)
- Nicor Gas (WGQ, LDC)

Discussion on  
Updated  
Membership  
Analysis,  
Vacancies on the  
Board and EC,  
Membership  
Prospects Report:

- Please reference [Membership Analysis, Vacancies on the Board and EC, Membership Prospects - Revised 12/13/06](#) for this discussion.
- Ms. Rager said that several folks were expected to pay this month on fees past due because they have to be active members before they can run for Board and EC seats.
- Mr. Hebenstreit said it could benefit membership and payment of fees if the NAESB webpage would offer a way for members and potential members to pay online.
- Ms. Rager stated that Ms. Figy was still talking to her company, Advantage IQ, about joining NAESB. Ms. Rager listed the potential membership as a likely.
- Mr. Koogler stated that it would be best to approach Advanced Energy concerning membership after the initial kick-off meeting for R06024 (Demand Side Management and Renewable Energies). He noted that Advanced Energy had been approved for the reduced membership fee.
- Ms. Rager listed Alcoa as “not likely” for membership but stated she would place one additional phone call to the company.
- Mr. Brown stated that he would assist in contacting APPA concerning membership.
- Mr. Brown stated that he would assist in contacting American Wind Energy Assn. concerning membership.
- Mr. Hebenstreit noted that a membership package should have been sent to Chesapeake Energy earlier and asked that NAESB follow up as soon as possible.
- A NAESB membership package should be sent to Devon Energy shortly.
- Duke Energy Corp. has joined, but not yet paid.
- Ms. Rager stated that it was not likely that E.ON U.S. would join.
- Ms. Kirby stated that she had contacted Mr. Patrinicola’s assistant to inquire about Entessa joining NAESB, but the phone call had never been returned. A follow-up inquiry was also not returned.
- A membership package should be sent to EOG Resources shortly.
- It was noted that General Motors should be removed from the list at this time.
- Mr. Brown noted that Liberty Power had recently become a retailer in Chicago, IL. Mr. Brown asked that the NAESB office compile a list of entities that had recently become retailers for potential membership contacts.



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- It was noted that Lukens Energy should be removed from the list as they were not able to join at this time.
- Ms. Kirby stated that Marriott had not returned NAESB office inquires into possible membership.
- Ms. Rager stated that she and Ms. Kennedy had contacted Merrill Lynch about membership several times, but were told they would rather purchase materials only.
- Mr. Brown stated that the MRO had voted to join NAESB.
- Mr. Brown said he would follow up with NRG.
- Mr. Brown said he would follow up with Public Service of New Mexico.
- Mr. Koogler stated he would follow up with Siemens NewEnergy Associates after the kick off meeting for R06024.
- Mr. Rager noted that Textron should be removed from the list as they were only interested in materials.
- Mr. Brown will follow up with Vectren.
- Mr. Koogler stated that Virginia Consumers Council was still considering membership, but was not quite ready to pursue.
- Mr. Brown noted that more on ISO/RTO membership would be discussed during the Board Meeting.
- Mr. True noted that he was waiting to contact the Munis and Coops until after NAESB had updated the calendar of events and meetings. Mr. True will speak with them about a possible NAESB presentation on membership.
- Mr. Ackermann stated that the WECC membership would still like to discuss options with NAESB leadership concerning access to materials. He said that members of WECC did not think it appropriate for WECC volunteers to develop standards that are submitted to NAESB and then have to pay for access to those standards. He said this made it difficult to train companies on NAESB standards. It was noted that if WECC and NAESB could find some resolution to the copyright protection on the standards and purchase of the standards, progress should be made concerning members of WECC also joining NAESB.
- Mr. Koogler stated it was on the agenda for the Board meeting. Mr. Brown asked the NAESB office and Mr. Koogler to develop a potential membership list resulting from R06024.
- Mr. Brown stated there was no new update on this item from Mr. Boswell or Ms. McQuade at this time.

Update on  
Request R06024

Review of  
succinct  
copyright  
language to be  
added to  
membership  
letters:

Update on

- Mr. Brown asked that Ms. McQuade follow up on this item.



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quarterly report  
 to be included  
 with membership  
 invoices:

Update on  
 Cost/Benefit  
 Study:

- Mr. Hebenstreit stated that there were issues concerning what the deliverables would be in the study. Mr. Brown stated that this item should be put on hold.

Other Business:

- Mr. Brown asked if Advisory Council meetings had been distributed. He asked that the Trade Associations be included in those invitations.
- Mr. Brown noted an action item to follow up with companies whose NAESB contacts were resigning from Board seats. He listed TXU in particular. Mr. Brown asked the NAESB office to note those folks on the list who were resigning seats prior to the upcoming elections.

New Ideas:

- Mr. Hebenstreit noted that a letter should be sent to FERC staff indicating which companies were members of NAESB to emphasize the importance of membership in NAESB.
- Mr. Hebenstreit asked that NAESB recognize the importance of the billing cycle in successfully obtaining new memberships. It was noted that a successful campaign for membership should begin after Labor Day. In addition, he asked that a list of companies be kept that replied NAESB membership was not within their budgets. Mr. Hebenstreit and Mr. True will head up the effort. It will be discussed more at the Resources Committee meeting prior to the March Board meeting.

Adjournment

- The meeting adjourned by consensus at 8:53 a.m. Central time.

### Attendance:

| <b>Name:</b> | <b>Organization:</b> | <b>Named Member:</b>   |            |
|--------------|----------------------|--|------------|
| Jeff         | Ackerman             | Western Area Power Assoc.                                      | Yes        |
| Scott        | Brown                | Exelon Corporation   | Yes, Chair |
| Chris        | Burden               | Williams Gas Pipeline  |            |
| Dale         | Davis                | Williams Gas Pipeline<br>New York State Reliability<br>Council | Yes        |
| Bruce        | Ellsworth            | Alliance Pipeline  |            |
| Jim          | Goldmanu             | NAESB  |            |
| DeDe         | Kirby                | Dominion Virginia Power  | Yes        |
| David        | Koogler              | PPL Solutions  |            |
| Jim          | Minneman             | National Fuel Gas Dist.  | Yes        |
| Mike         | Novak                | NAESB  |            |
| Denise       | Rager                |  |            |

### Upcoming Meetings:

A meeting will be scheduled to proceed the NAESB March 2007 Board Meeting.

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 6**

**UPDATES ON SPECIFIC STANDARDS DEVELOPMENT EFFORTS**

This section includes a summary of WEQ Order 890, WEQ Structure – 6th Segment, WEQ Drafting Collaborative considerations, Retail and WEQ DSM and EE, WGQ Gas Quality, WGQ Gas-Electric Interdependency, WEQ and WGQ e-Tariff Efforts and for each of the items, additional materials are presented for context:

- WEQ Order 890, TLR and ATC Efforts
  - TLR Timeline Update
  - Order 890 Matrix
- WEQ Structure – 6th Segment
  - IGO Candidacy Request
- WEQ Drafting Collaborative considerations
  - Drafting Collaborative Request and Redline Procedures
- Retail and WEQ DSM and EE
  - Meeting Announcement
- WGQ Gas Quality
  - Minutes and Draft Standards
- WGQ Gas-Electric Interdependency
- WEQ and WGQ e-Tariff Efforts
  - Draft minutes from 2-1-07 and FERC work paper

The material presented is background information for the discussion of agenda item 4. No action by the Board is expected. Board members may use this opportunity to give guidance to the Executive Committee.



## North American Energy Standards Board

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### NAESB BOARD OF DIRECTORS MEETING MATERIALS UPDATES ON SPECIFIC EFFORTS FEBRUARY 28, 2007

#### WEQ ORDER 890, TLR AND ATC EFFORTS

- The WEQ BPS continues to meet jointly with NERC to complete the TLR transition of business practices to NAESB. Most recently, on February 27-28, 2007, the WEQ BPS met jointly with the NERC TLR Drafting Team in Birmingham, Alabama hosted by Southern Company. During this meeting, the joint groups heard a Report of Incremental Changes that Have Been Incorporated into the Existing NAESB TLR Standards; worked on the Mapping of NERC IRO-006 Attachment 1; discussed the NERC Field Test for MISO and PJM; and developed an IDC Reference Document for TLR. The group has planned a meeting for March 19, during which the BPS will discuss the progress of NERC TLR Drafting Team and draft language to address minor changes identified during the last meeting with the NERC TLR Drafting Team including a revision to TLR Level 5a. **The TLR timeline is attached to provide additional context.** It was NERC's expectation at the beginning of this year that the TLR split would be completed in March. NAESB had ratified the TLR split standards in April of last year.
- The WEQ BPS with the ESS/ITS continue to meet jointly with NERC to address ATC issues. The subcommittees reviewed the draft language for NERC MOD002, and MOD003. and began drafting language to address items 1A and 3E of Request No. R05004A, as well as items 2 and 3D (CBM). NERC has proposed transferring MOD003 to NAESB. The NERC ATC Drafting Team also made assignments on various aspects of ETC and TRM and discussed changes that need to be made to NERC FACs 12 and 13. On April 17, the group has planned to:
  - (1) review draft language for business practices to incorporate the requirements of NERC MOD003 (NERC plans to retire this standard);
  - (2) draft language to address adoption of requirements currently in MOD006 (NERC plans to retire this standard);
  - (3) review draft language for business practices for frequency and posting requirements for all ATC components;
  - (4) identify need for additional business practices to complement MOD001; and
  - (5) identify how to account for counterflows in the posting requirements.
- FERC issued a Final Rule (Order 890) on [Preventing Undue Discrimination and Preference in Transmission Service](#). This order will require extensive changes to NAESB OASIS standards, addresses ATC/TTC standards already under development, will create new transparency reporting and new services – all of which will require modified or new NAESB standards. The order was published in the Federal Register on March 15, 2007, which began the clock for meeting deadlines. A matrix has been drafted outlining NAESB commitments to standards development and the subcommittees and others have been asked to prepare comments by each item for assignment to committee and listing of the tasks entailed. **The matrix is attached to provide additional context.** The comments are due into the office by March 19. A conference call has been scheduled with FERC staff for March 27 to review our efforts to date.

#### WEQ STRUCTURE – 6<sup>TH</sup> SEGMENT

- On April 28, 2006, a [letter](#) was sent to each of the presidents of the ISOs and RTOs explaining the maturation of our organization and requesting their support, leadership within NAESB and participation. We have received positive responses for Ercot, CAISO and IESO. Commission staff is aware of this letter. On June 7, 2006, Phil Harris of PJM forwarded a [response](#) to the April 28 NAESB letter referenced above on behalf of the ISOs and RTOs. On August 24, 2006, a meeting was set up to discuss the response of the IRC and to discuss the feasibility of a segment created for ISOs and independent transmission planners. It was held in Washington D.C. and facilitated by Mr. Miles of FERC.
- A [recommendation](#) was drafted by the group and accepted by the IRC. The recommendation has the following: *If the following four conditions are met, the Board Committee supports the creation of a sixth segment in the WEQ Quadrant: Independent Grid Operators/Planners, to be composed of ISOs, RTOs and other independent grid*



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS UPDATES ON SPECIFIC EFFORTS FEBRUARY 28, 2007

operators – with no subsegments defined at this time. The sixth segment will have 7 Board seats and 7 EC seats, as required by the NAESB bylaws. The conditions to be met are:

- (1) The IRC and NAESB support the dissolution of the JIC and will pursue such action with NERC,
- (2) The creation of the new segment will comply fully with the WEQ subsegment principles as noted in Section 2.4 on the WEQ Procedures,
- (3) The “At Large” subsegment in the other five segments will be redefined to exclude the ISOs, RTOs and other independent grid operators and planners, and
- (4) The nine IRC members will join NAESB as members and commit resources to the development of NAESB business practices.

- On October 19, 2006, the WEQ Board was asked to [vote notationally](#) on giving directions to the Drafting Collaborative to amend the WEQ Procedures to permit the creation of a 6<sup>th</sup> segment. The [vote passed](#). The Drafting Collaborative met on [November 28](#), during which the procedures were revised and approved. The WEQ Board voted to approve the [revised procedures](#) on [December 28](#), and the WEQ members ratified the procedures on [February 2, 2007](#). The organization is in the process now of setting up the 6<sup>th</sup> segment for the WEQ. Nominations for the Board and EC seats are due April 13. **The letter asking for candidates is attached to provide additional context.**

#### WEQ DRAFTING COLLABORATIVE CONSIDERATIONS

- The WEQ Leadership Group is discussing a request to modify the WEQ Procedures to remove the restriction that an individual cannot hold both a Board and EC seat concurrently. **The letter describing the effort is attached to provide additional context.**

#### RETAIL DSM AND EE

- A meeting will be held on April 11, hosted by the Department of Energy to begin work on the request forwarded by Advanced Energy. **The invitation letter and the request itself are attached to provide additional context.**

#### WGQ GAS QUALITY

- On January 4, the WGQ BPS met via conference call to review the outcome of the December 7, 2006 WGQ EC meeting and consider and draft language for gas quality standards related to Recommendation R06008 (Modify WGQ Business Practice Standard 4.3.90 to clarify that all available data at representative points should be made available by Transmission Service Providers). In January 12, the WGQ BPS met via conference call to continue work on standards language as related to Recommendation R06008 and Gas Quality Standards. On February 8, the WGQ BPS met to continue development of a revised Recommendation for R06008. The meeting resulted in several revised proposed standards that will be posted for formal comment and considered by the WGQ Executive Committee in May 2007. **The business practice standards drafted by the group are attached along with the last set of minutes to provide additional context.** It is expected that the WGQ EC will vote out these standards at the May 10 meeting. This has been a contentious effort as can be noted by the votes taken.

#### WGQ GAS-ELECTRIC INTERDEPENDENCY

- **October 25, 2006:** FERC issued notices of proposed rulemakings for [Docket Nos. RM96-1-027 and RM05-5-001](#) as well as an [order instituting inquiries for ISOs and RTOs](#) regarding gas-electric coordination issues (Docket Nos. EL07-1, EL07-2, EL07-3, EL07-4, EL07-5 and EL07-6). The NOPRs outline the expectation that the FERC will adopt NAESB gas-electric coordination standards. The NOPRs appeared in the [Federal Register](#) on November 3, which began the clock for commenting. The comments and intervening comments have been filed.



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS UPDATES ON SPECIFIC EFFORTS FEBRUARY 28, 2007

- Three areas may require NAESB WGQ standards development. The development activity is included in the WGQ Annual Plan as a development item. If standards are needed for these areas, they would be specific to WGQ and as such would be addressed by the WGQ. Other quadrants are encouraged to participate and indeed vote if standards development is warranted. The three areas are:

1. For indexed pricing of released capacity, as noted in paragraph 18 of the NOPR:

*18. The Commission clarifies that, as it stated in Panhandle, releasing shippers should be free to offer the same type of pricing arrangements that the pipeline offers and, therefore, releasing shippers are free to use gas price indices in pricing released capacity so long as the rate paid by the replacement shipper does not exceed the maximum rate in the pipeline's tariff. As the Commission stated in Northern, "rate formulas that produce varying rates during the term of an agreement are permissible as discounted rates, so long as the rate remains within the range established by the maximum and minimum rates set forth in the pipeline's tariff."*

a review of the NAESB WGQ standards may be warranted to ensure that they support pricing arrangements.

2. For within-the-path scheduling, as noted in paragraph 21 of the NOPR:

*21. The scenario posed by NAESB is a slight variation of the within-the-path scheduling as described in Order No. 637-B. Although the shipper has scheduled capacity through a posted point of constraint, the secondary delivery point it seeks to use is outside of its transportation path. In most cases, it would be reasonable to permit the reassignment as posited by NAESB, since the shipper seeking to redesignate delivery points already has a transportation contract with primary points through the posted constraint point and has scheduled gas through that point so that reallocating gas to a different delivery point would not pose an operational problem. The only possible caveat would be if the shipper (Shipper 1) seeks to redesignate a secondary delivery point (outside its path) that is also being requested by another shipper, and the delivery point is within the path of the Shipper 2. If both secondary nominations to that point cannot be accepted, as in the case of the example above, Shipper 2, with a contract path through the secondary point, would have priority.*

a review of existing standards to determine if modifications are needed may be warranted.

3. For changes to the intraday nomination timelines, as noted in paragraph 23 of the NOPR:

*23. Any standards that would allow better coordination between scheduling of gas and electric markets would be of benefit to both industries, and we encourage NAESB to continue its efforts to develop such standards. With respect to intra-day nominations, the Commission's regulations provide that firm transportation capacity must be accorded scheduling priority over interruptible transportation capacity. At the same time, however, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations:*

*making the third intra-day nomination non-bumping creates a fair balance between firm shippers, who will have had two opportunities to reschedule their gas, and interruptible shippers and will provide some necessary stability in the nomination system, so that shippers*

*can be confident by mid-afternoon that they will receive their scheduled flows."*

*However, within the confines of these policies, NAESB may consider whether changes to existing intra-day schedules can better provide for coordination between gas and electric scheduling. For instance, the current NAESB standards require intra-day nominations to be submitted by 10 a.m. (bumping) and 5 p.m. (non-bumping). There is no reason why another bumping intra-day nomination opportunity could not be introduced between these two or that the timing of these intra-day nomination opportunities could not be adjusted to better coordinate with electric scheduling.*

a review of existing standards to determine if modifications are needed may be warranted.



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NAESB BOARD OF DIRECTORS MEETING MATERIALS  
UPDATES ON SPECIFIC EFFORTS  
FEBRUARY 28, 2007

### WEQ AND WGQ E-TARIFF EFFORTS

- Joint WEQ and WGQ meetings have been held to identify business practices that would support an e-Tariff system. The first meeting was held on February 1 at the FERC, opened by Chairman Kelliher. Proposals from INGAA, EEL, AOPL and Texas Intrastate Association were given, along with a review by FERC staff of requirements to be met for an e-Tariff program. On March 13, 2007, the second meeting was held at NAESB offices, chaired by Keith Sappenfield and Jane Daly. The FERC staff further delineated their requirements and answered questions from EEI and INGAA. The group began drafting standards and comments are due by April 12. Upcoming meetings are scheduled for April 26 in Washington DC hosted by AGA, and June 4, in Phoenix, hosted by APS to continue drafting standards. **The draft minutes from February 1 are attached to provide additional context.**



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**TO:** Rae McQuade, President, NAESB  
**FROM:** DeDe Kirby, NAESB Meeting and Project Manager  
**RE:** **Update on development of the split Transmission Loading Relief (TLR) NAESB Business Practice Standards and the status of the standards**  
**DATE:** January 29, 2007

**August 2-3, 2004:** On August 2-3, 2004, team leaders from the NERC Version 0 Standards Drafting Team and the NAESB Business Practices Subcommittee (BPS) met in Chicago, IL to develop a joint recommendation on the division of the NERC Operating Policies into NAESB Business Practice Standards and NERC Reliability Standards. The unanimously endorsed recommendation of the task force for TLR was for NERC and NAESB to adopt a TLR procedure document with the same language and format in their respective Version 0 standards and immediately begin a joint project to develop replacement Version 1 standards distinguishing reliability requirements and business practices by the end of 2005.

**August 16, 2004:** The final recommendation of the joint task force that meant in Chicago was presented to the Joint Interface Committee on August 16, 2004. The recommendation above for the separation of business practices and reliability standards from the Version 0 TLR standard with commitment to file the Version 1 standards with the FERC by end of year 2005 was unanimously approved by the members of the JIC.

**December 31, 2004:** NAESB WEQ membership ratified the Version 0 TLR (pre-split) standards.

**December 8, 2004:** The joint TLR Task Force met 8 times from December of 2004 until June of 2005 to complete the designated split of the business practices from the reliability standards of TLR Version 0. On **June 1-2, 2005** the NAESB members of the task force unanimously supported the division completed by the task force and the NERC members took a straw man vote to show their unanimous support. At this point, the standards moved to their assigned drafting teams at NERC and NAESB for completion.

**June 14-15, 2005:** The NAESB WEQ BPS met 7 times, from June 14-15, 2005 to October 12, 2005, to complete the NAESB post-split TLR standard. It was voted out of subcommittee on October 12<sup>th</sup>. Please note the standard was posted for informal comments prior to being voted out of subcommittee.

**(NERC) July 14, 2005:** NERC Operating Reliability Subcommittee (ORS) submitted a Standards Authorization Request (SAR) for the post-split NERC TLR Standards. Twelve sets of comments were submitted on the SAR: six sets supported the division and six did not.

**October 10, 2005:** R05009 Recommendation (Modify the NAESB Version 0 TLR business practices to remain consistent with the NERC Version 0 TLR reliability standards [dynamic flows]) was ratified by NAESB WEQ membership.<sup>1</sup>

**(NERC) November 18, 2005:** NERC ORS sent a letter to NAESB requesting that NAESB cease development of Recommendation R04013A (NAESB post-split TLR standards) based upon the comments received at NERC. This letter was received as comments on Recommendation R04013A. All comments received on the recommendation were reviewed by the NAESB BPS on **November 22<sup>nd</sup>** in preparation of the NAESB November 29<sup>th</sup> WEQ Executive Committee (EC) meeting. Although these comments were officially considered by the WEQ EC, the BPS members noted the following reasons that NAESB should move forward with Recommendation R04013A: a separate standard should exist at NAESB to adequately address the commercial needs of the industry; division and maintenance of standards had been addressed previously by NERC and NAESB during other standards drafting activities (Coordinate Interchange); the JIC had previously unanimously supported the assignment of this project and; not moving forward with the standard could effect the standards drafting process at both NERC and NAESB.

<sup>1</sup> Please note that this change to the NAESB pre-split Version 0 standard was completed to correspond with NERC changes to their Version 0 TLR standards to account for dynamic schedules. This change followed up on the commitment of NERC and NAESB to keep the standards in line with the "same language and format." The Urgent Action SAR was approved by the NERC Board of Trustees in June 2005.



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**November 29, 2005:** Recommendation R04013A (post-split TLR standards) was reviewed by the WEQ Executive Committee. The WEQ EC recommended the adoption of the TLR Business Practices with ratification held in abeyance until TLR implementation issues between NERC and NAESB were clearly defined. The WEQ EC recommended the WEQ Board members make this determination.

**December 19, 2005:** The WEQ EC approved the Recommendation by notational ballot on December 19, 2005.

**February 17, 2006:** NAESB filed a progress report with the FERC updating them on the state of the NERC-NAESB joint standards development process.<sup>2</sup> The following statement, found in the progress report, reaffirms NAESB's commitment to complete the joint development of the TLR standards and to work with NERC to provide for standards that complement each other:

NAESB would not immediately file these business practices with the Commission for consideration until NERC and NAESB have had an additional opportunity to determine if further changes are needed, and NERC has completed its process of developing the reliability standards. It is expected that NERC and NAESB will employ the joint development process to ensure that the coordination of the development of the two products is achieved.

**February 22, 2006:** Joint development template for NERC and NAESB efforts was presented to the Board of Directors via email. The Board unanimously adopted the template and authorized the NAESB office to move forward with ratification of the post-split TLR standards.

**(NERC) February 24, 2006:** NERC filed a statement with the FERC in support of the progress report on joint standards development filed by NAESB on February 17, 2006.<sup>3</sup>

**April 10, 2006:** The post-split standard was ratified by 80% of the NAESB WEQ Membership that voted.

**(NERC) May 3, 2006:** NERC ORS discussed SAR for post-split standards and future action plan.

**(NERC) June 22-23, 2006:** NERC Standards Authorization Committee (SAC) approved the formation of a TLR SAR Drafting Team and asked for nominations for this team.

**(NERC) August 2, 2006:** URGENT ACTION: SPP Regional Difference - IRO-006-3 posted for NERC Board of Trustees adoption.

**(NERC) August 17, 2006:** The NERC TLR SAR Drafting Team began meeting. Its first priority is to answer the comments submitted on the previous NERC TLR SAR.

**September 1, 2006:** R06002 Recommendation - Modify NAESB pre-split Version 0 TLR business practices to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (inclusion of market flows). – was ratified by 100% OF THE NAESB WEQ Membership that voted.<sup>4</sup>

**(NERC) September 11, 2006<sup>5</sup>:** The NERC TLR SAR Drafting Team held its second meeting.

<sup>2</sup> [Progress Report on NAESB Activities impacting Docket No. RM05-5-000, "Standards for Business Practices and Communication Protocols for Public Utilities"](#), filed with the Commission on February 17, 2006, Accession Number 20060217-5041.

<sup>3</sup> [Statement of North American Electric Reliability Council In Support of Comments and Report by North American Energy Standards Board, under RM05-5](#) filed with the Commission on February 21, 2006, Accession Number 20060217-5082.

<sup>4</sup> Please note that Recommendation R06002 also follows up on NERC and NAESB's commitment to keep the Version 0 standards in line with the "same language and format." However, this commitment was made in reference to the standards held in NERC Operating Policy IRO-006-Attachment 1. NERC waivers in the version 0 standards were not contained in Attachment 1. It would not have been appropriate to contain these waivers in the NAESB Version 0 standard, since these originally not part of Attachment 1. However, during the Version 1 effort it was determined that these waivers were commercial in nature (please reference the addition to the NAESB standard of the PJM/MISO regional difference). Therefore, NERC has made the SPP change to IRO-006 (NERC's version 0 standard) and NAESB has made the corresponding change to its version 1 standard (more specifically, regional differences are included in Appendix D of the NAESB post-split standard). When NERC completes its version 1 standard, the SPP waiver should not be included.

<sup>5</sup> Please note that more information is not available for this meeting (or the following meeting) on the NERC website at this time.



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**(NERC) October 2, 2006:** The NERC TLR SAR Drafting Team held its third meeting in Carmel, Indiana.

**(NERC) October 13, 2006:** The NERC TLR SAR Drafting Team held its fourth meeting.

**(NERC) November 6, 2006:** The NERC TLR SAR Drafting Team held its fifth meeting.

**(NERC) December 5, 2006:** The NERC TLR SAR Drafting Team held its sixth meeting. NERC SC (Executive Committee) held a conference call the same day and approved the TLR SAR that includes the General Update with NAESB. The SC E,C authorized the team to keep moving forward with drafting, even though the SAR is posted for comment, and the SAC asked to repopulate the drafting team. They issued a notice for nominations along with the SAR posting for comment asking for nominations to be submitted by January 12, 2007.. The SAC encouraged all current drafting team members to re-nominate themselves for the team. The SAR Drafting Team sent a memo to Gerry Cauley and Rae McQuade notifying them that their intent to move forward was under the NERC/NAESB joint development process. The NERC Standards Drafting Team and WEQ BPS will now meet jointly to continue development of TLR NERC Reliability Standards and to make modifications to the ratified post-split TLR business practices as needed. The NAESB team is proceeding with any changes necessary under the WEQ 2007 Annual Plan Item 1 (d) (ii) and (iii).

**January 10-11, 2007:** The NERC TLR Drafting Team and the NAESB WEQ BPS met jointly in Houston, TX to continue work on the development of the NERC TLR post-split reliability standards and any modifications to the NAESB ratified post-split standards. The group discussed how best to develop a joint operator's manual for the two sets of standards, once the NERC standards are complete. It is anticipated that in order to have a manual that makes sense, transition language must be added to the NAESB standards and may also be needed in the NERC standards. In addition, NERC staff informed the teams that when balloted, it would be necessary to include the NAESB standards in order to show industry how the split would work and that no integral parts of the original IRO-006 were left out. The balloting body will be informed that the NAESB standards are not to be considered in the vote on the NERC ballot. However, the standard showing the removal of those portions from the NERC TLR standards must be voted on according to NERC process. Therefore, the group continued with delineating the standards and identifying which were included in the NAESB business practices, and which are to be included in the NERC reliability standards. The group also discussed the implication and effect of the PJM/MISO curtailment threshold field test (included in the SAR as phase 2) on the development of the TLR standards and the incorporation of the regional differences for PJM and SPP in the NAESB ratified standards (Appendix D).<sup>6</sup>

**February 27-28, 2007:** The teams will meet in Birmingham, AL to continue work on the draft standards.

**March 28-29, 2007:** The teams will meet in Houston, TX to continue work on the draft standards.

**April 18-19, 2007:** The teams will meet in Houston, TX to continue work on the draft standards.

**(NERC) 2<sup>nd</sup> Quarter, 2008:** NERC's expected date of completion of TLR Split

<sup>6</sup> Please note that these are notes kept by Ms. Kirby, as minutes are not available for this meeting from the NERC TLR drafting team at this time. When available, these notes will be updated.



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March 2, 2007

**TO:** NAESB OATT Distribution List, NAESB Subcommittee Chairs and NAESB OATT NOPR Team  
**cc:** Gerry Adamski  
**FROM:** Rae McQuade, Kathy York  
**RE:** Order 890 Identification of NAESB Standards Development Tasks, Planning

via email

Dear OATT Distribution List, Subcommittee Chairs, and OATT NOPR Team:

On February 16, the FERC released [Order No. 890 \(Docket Nos. RM05-17-000 and RM05-25-000\): "Preventing Undue Discrimination and Preference in Transmission Service."](#) It can be accessed through the hyperlink provided in the above text. The final order has not yet been published in the Federal Register. As provided on February 26, the attached matrix identifies the cites and the language in the final order in which the Commission has specifically notes that NAESB should develop business practices or is not expected to develop business practices (as noted in the sections on "Commission Determination").

The matrix now has some open spaces, where we would ask you to do the following:

- Column 1      Review the item and if the work is already underway in a particular subcommittee, please indicate which NAESB committee is performing the task. If you have opinions on where the item should be assigned, please also note in this column..
- Column 2      If the work described by the item is already underway, the status should be "underway". If the work is planned but has not yet started, the status should be "assigned." Otherwise the status should be blank.
- Column 3      Any notes you have on a given item that would help in the planning should be put in column 3.

This matrix and your comments will be the basis for planning how NAESB will address the items assigned to it. We would appreciate your remarks by March 19.

Several of you are now on a OATT Order 890 distribution list ([order890@naesb.org](mailto:order890@naesb.org)), and can email each other through the use of this distribution lists. You can be seen on page 2 of this document. If you would like to work on this effort or have colleagues that would like to work on this effort, please inform the NAESB office that you would like to be added to the OATT Order 890 distribution list. *The OATT NOPR team list put together last year is not automatically added to this distribution, so please check to see if you want your address added.* We very much appreciate the 18 individuals that have volunteered to date, and hope to see more volunteers in the future.

For response to the FERC, once published in the Federal Register, NAESB is to provide the following:

- 90 days after publication    NERC/NAESB status report and work plan for completion of ATC related business practices and standards, (paragraph 223)
- 90 days after publication    NAESB status report and work plan for completion of OASIS functionality or uniform business practices (other than those related to ATC), (paragraph 141)

We appreciate the recognition given to NAESB in this final order and look forward to working with you in our NAESB committee structure to meet the Commission's and the industry's expectations.

With Best Regards,

*Rae and Kathy*



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### NAESB ORDER 890 ANALYSIS TEAM

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| 95-6 | 141. |               |           | <p>Other reforms adopted in the Final Rule will involve coordination with the North American Energy Standards Board (NAESB) to establish OASIS functionality or uniform business practices. The Commission requests that NAESB file a status report within 90 days of publication of the Final Rule in the Federal Register that contains a work plan for development of such OASIS functionality and business practices. This work plan should indicate, for each reform, what actions are necessary and an estimate of the timeframe for completing those actions. Pending resolution of these issues with NAESB, the Commission requires that each transmission provider develop its own OASIS functionality or business practice necessary to implement each such reform within 90 days of publication of the Final Rule in the Federal Register, unless a different compliance requirement is otherwise specified in this Final Rule. Upon review of this work plan, the Commission will issue an order establishing further compliance deadlines as necessary.</p> |
| 127  | 194. |               |           | <p>In the NOPR, the Commission proposed to address this potential for undue discrimination by requiring industry-wide consistency and transparency of all components of the ATC calculation methodology and certain definitions, data, and modeling assumptions. The Commission proposed to provide guidance regarding aspects of ATC calculations that should be more consistent and proposed to direct public utilities, working through NERC and NAESB, to revise reliability standards and business practices that are relevant to ATC calculations. The Commission also proposed to require increased detail in Attachment C of each transmission provider's OATT and proposed amending the OASIS regulations to require increased transparency. Although commenters challenged aspects of this proposed remedy, no commenters challenged the underlying finding that ATC reform is necessary to remedy undue discrimination in the provision of transmission service.</p>  |
| 128  | 196. |               |           | <p>In light of these concerns, we direct public utilities, working through NERC reliability standards and NAESB business practices development processes, to produce workable solutions to complex and contentious issues surrounding improving the consistency and transparency of ATC calculations. We are directing our guidance to public utilities and require that they implement our direction by working with NERC to develop reliability standards that accomplish the ATC reforms required in this rulemaking. We will coordinate our directives here with the ATC-related reliability standards that are pending in Docket No. RM06-16-000. The specifics of our findings</p>   |



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with respect to ATC reform are discussed below.

139 214. In the NOPR, the Commission expressed confidence that the existing NERC and NAESB processes were well-suited to achieving greater consistency in ATC calculations. The Commission therefore proposed to require public utilities, working through NERC and NAESB, to revise the reliability standards and business practices relating to ATC, consistent with the guidance provided in the Final Rule, within 180 days after the publication of the Final Rule in the Federal Register.

144 221. The Commission directs public utilities, working through NERC and NAESB, to modify the ATC-related reliability standards and business practices in accordance with specific direction provided in this Final Rule. As we explain above, the development of a more coherent and uniform determination of ATC across a region will help limit the potential for undue discrimination in the calculation of ATC. The Commission concludes that the NERC reliability standards development process and the NAESB business practices development process are the appropriate forums for developing this consistency.

144-5 222. NERC has been certified as the ERO and, as such, has been found to have the ability to develop reliability standards through processes with reasonable notice and opportunity for public comment. NERC's processes are open and provide due process as well as a balance of interests, while assuring independence from users and owners and operators of the bulk-power system. Moreover, NAESB has a long history of developing standard business practices for the electric industry, on which the Commission has relied in various contexts. While other entities may bring certain benefits, commenters have not demonstrated the superiority of IEEE, a regional reliability organization, or a particular RTO over NERC and NAESB. Once components of ATC are made consistent and ATC calculation methodologies are made transparent, opportunities for discretion that may lead to undue discrimination in the calculation of ATC will be sufficiently eliminated to invalidate the need for the creation of independent entities to oversee that calculation. To the extent that, even following the adoption of these reforms, customers have complaints regarding the calculations performed by individual transmission owners, they can be addressed on a case-by-case basis.

145-6 223. With respect to a timeline for completion, the Commission concurs with NERC that a significant amount of work remains to be done on ATC-related reliability standards development. We also agree with the many commenters who state that the NOPR's



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proposed six-month timeline is too short for such a complex assignment. Although NERC projects that it may be able to complete the process by the summer of 2007 (which is approximately six months from the date of the Final Rule), we believe NERC should have additional flexibility with respect to its timeline. Accordingly, we direct public utilities, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of the Final Rule in the Federal Register. We also direct public utilities to work through NAESB to develop business practices that complement NERC's new reliability standards within 360 days after the publication of the Final Rule in the Federal Register. Finally, we direct NERC and NAESB to file, within 90 days of publication of the Final Rule in the Federal Register, a joint status report on standards and business practices development and a work plan for completion of this task within the timeframe established above.

243. To achieve greater consistency in ETC calculations and further reduce the potential for undue discrimination, the Commission adopts the NOPR proposal and directs public utilities, working through NERC and NAESB, to develop a consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses. We expect that NERC will address ETC through the MOD-001 reliability standard rather than through a separate reliability standard. By using MOD-001, the ETC calculation can be adjusted to be applicable to each of the three ATC methodologies under development by NERC.

246. We agree with NERC that some elements of ETC are candidates for business practices rather than reliability standards. Accordingly, we direct public utilities, working through NAESB, to develop business practices necessary for full implementation of the developed MOD-001 reliability standard.

257. The Commission therefore adopts a combination of the NOPR options one and two, and declines to adopt option three. First, we require public utilities, working through NERC and NAESB, to develop clear standards for how the CBM value shall be determined, allocated across transmission paths, and used. We understand that NERC has already begun the process of modifying several of the CBM-related reliability standards and that the drafting process is a joint project with NAESB. Second, we require transmission providers to reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service.



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| 163   |      |               |           |   |
| 167   | 262. |               |           | Concerning TAPS' proposal to remove the reservation decision from the sole discretion of transmission providers, we determine that LSEs should be permitted to call for use of CBM, if they do so pursuant to conditions established in the reliability standards development process. We direct public utilities working through NERC to modify the CBM-related standards to specify the generation deficiency conditions during which an LSE will be allowed to use the transfer capability reserved as CBM. In addition, we direct that transmission set aside as CBM shall be zero in non-firm ATC calculations. Finally, we order public utilities to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage.   |
| 167   | 272. |               |           | The Commission adopts the NOPR proposal and requires public utilities, working through NERC, to complete the ongoing process of modifying TRM standards MOD-008 and MOD-009. We understand that the standard drafting process is underway as a joint project with NAESB.  |
| 167-8 | 273. |               |           | The Commission also adopts the NOPR proposal to establish standards specifying the appropriate uses of TRM to guide NERC and NAESB in the drafting process. Transmission providers may set aside TRM for (1) load forecast and load distribution error, (2) variations in facility loadings, (3) uncertainty in transmission system topology, (4) loop flow impact, (5) variations in generation dispatch, (6) automatic sharing of reserves, and (7) other uncertainties as identified through the NERC reliability standards development process. Because load, facility loading and other uncertainties constantly deviate, we will not require that TRM set aside capacity be set at zero in the non-firm ATC calculation. In other words, we will not require transfer capability that is set aside as TRM to be sold on a non-firm basis. We find that clear specification in this Final Rule of the permitted purposes for which entities may reserve CBM and TRM will virtually eliminate double-counting of TRM and CBM. |
| 177   | 293. |               |           | With regard to EPSA's request for the standardization of additional data inputs, we believe they are already captured in the Commission's proposal as adopted in this Final Rule. Xcel asks the Commission to require consistency in the determination of counterflows in the calculation of ATC. Counterflows are included in the list of assumptions that public utilities, working through NERC, are required to make consistent. We believe that counterflows, if treated inconsistently, can adversely affect reliability and competition, depending on how they are accounted for. Accordingly, we reiterate that   |



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public utilities, working through NERC and NAESB, are directed to develop an approach for accounting for counterflows, in the relevant ATC standards and business practices. We find unnecessary Xcel's request that we require a date certain for specific issues in the Western Interconnection to be addressed. Above we require public utilities, working through NERC, to modify the ATC standards within 270 days after the publication of the Final Rule in the Federal Register.

301. The Commission adopts the NOPR proposal and requires the development of reliability standards that ensure ATC is calculated at consistent intervals among transmission providers. The Commission thus directs public utilities, working through NERC and NAESB, to revise reliability standard MOD-001 to require ATC to be recalculated by all transmission providers on a consistent time interval and in a manner that closely reflects the actual topology of the system, e.g., generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data. This process must also consider whether ATC should be calculated more frequently for constrained facilities. ATC-related requirements for OASIS posting are discussed below.

310. The Commission adopts the NOPR proposal and directs public utilities, working through NERC, to revise the related MOD reliability standards to require the exchange of data and coordination among transmission providers and, working through NAESB, to develop complementary business practices. The following data shall, at a minimum, be exchanged among transmission providers for the purposes of ATC modeling: (1) load levels; (2) transmission planned and contingency outages; (3) generation planned and contingency outages; (4) base generation dispatch; (5) existing transmission reservations, including counterflows; (6) ATC recalculation frequency and times; and (7) source/sink modeling identification. The Commission concludes that the exchange of such data is necessary to support the reforms requiring consistency in the determination of ATC adopted in this Final Rule. As explained above, transmission providers are required to coordinate the calculation of TTC/TFC and ATC/AFC with others and this requires a standard means of exchanging data.

325. We do not believe our requirement to include additional information in Attachment C will be overly burdensome or lead to an excessive level of future tariff revisions. Attachment C must provide an accurate documentation of processes and procedures



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related to the calculation of ATC, not the actual mathematical algorithms themselves, which should be posted on the transmission provider's web site. These processes define service availability and, as such, must be part of the transmission provider's OATT. It is entirely appropriate that, because revisions to such processes impact transmission availability, they should be filed for Commission approval and included in a transmission provider's OATT. We also require transmission providers to file a revised Attachment C to incorporate any changes in NERC's and NAESB's revised reliability standards and business practices related to ATC calculations, as requested by the Commission in this Final Rule. This filing should be made within 60 days of completion of the NERC and NAESB processes. As we expect transmission providers to rarely change their ATC calculation methodologies, we do not believe this requirement will trigger an unacceptable level of tariff filings modifying the Attachment C description of the ATC components and processes.

196-7 328. We reject proposals to address the transparency of ATC methodology by merely referencing business practices and reliability standards developed by NERC, NAESB, and WECC. ATC calculations have a direct and tangible effect on the granting of open access transmission service. As such, an accurate and detailed statement of the methodology and its components that defines how the transmission provider determines ATC belongs in the transmission provider's OATT as the means of holding the transmission provider accountable for following non-discriminatory procedures for granting service, not in business practices kept by the transmission provider. However, as noted above, the actual mathematical algorithms should be posted on the transmission provider's web site, with the link noted in the transmission provider's Attachment C.

214 369. The Commission adopts the NOPR proposal, with the modifications discussed below, to require that the transmission provider post a brief, but specific, narrative explanation of the reason for a change in monthly and yearly ATC values on a constrained path. Rather than requiring a narrative when a monthly or yearly ATC value changes as a result of transactions being reserved, service ending, or the TTC estimate for the path changing by more than 10 percent, we will require a narrative when a monthly or yearly ATC value changes only as a result of a 10 percent change in TTC. This will reduce the number of ATC changes for which a narrative will be required and address concerns that the new requirement unduly burdens transmission providers. Any remaining burden is justified by the benefit to transmission customers of receiving timely information



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| 220-1 | regarding changes in TTC that result in changes to ATC. In addition, we adopt NAESB's suggestion that posted information include the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network).  |               |           |                   |
|       | 385. The Commission adopts the NOPR proposal and requires transmission providers and network customers to use OASIS to request designation of new network resources and to terminate designation of network resources. This information shall be posted on OASIS for 90 days and available for audit for a five-year period. Transmission customers thus shall be able to query requests to designate and terminate a network resource. This requirement adds valuable transparency without undue burden, since it is nothing more than maintaining a database of designation requests made and responded to electronically. The Commission orders public utilities, working through NAESB, to develop appropriate templates for OASIS.  |               |           |                   |
| 223   | 394. In response to NRECA and other commenters regarding the availability and format of data available on OASIS, we note that current regulations already require that OASIS data be made available in a useable, machine-readable user friendly format to transmission customers. The improvements required in the Final Rule will enhance the level of detail posted on OASIS and, in turn, transmission customers' ability to verify the transmission provider's treatment of transmission requests. Thus, to the extent NRECA or others desire greater consistency in data formats, they should propose such revisions through the NERC and NAESB processes.   |               |           |                   |
| 232-3 | 413. The Commission adopts the proposed requirement to post on OASIS metrics related to the provision of transmission service under the OATT. Specifically, transmission providers must post (1) the number of affiliate versus non-affiliate requests for transmission service that have been rejected and (2) the number of affiliate versus non-affiliate requests for transmission service that have been made. This posting must detail the length of service request (e.g., short-term or long-term) and the type of service requested (e.g., firm point-to-point, non-firm point-to-point or network service). The Commission also will require transmission providers to post their underlying load forecast assumptions for all ATC calculations and, to post on a daily basis, their actual daily peak load for the prior day. The Commission directs transmission providers to work through NAESB to develop standards for consistent methods of posting the new requirements on OASIS. |               |           |                   |



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262-3 460. The Commission adopts the NOPR's proposal and will require that transmission planning meetings be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders. We recognize that it may be appropriate in certain circumstances, such as a particular meeting of a subregional group, to limit participation to a relevant subset of these entities. We emphasize, however, that the overall development of the transmission plan and the planning process must remain open. We agree with the concerns of some commenters that safeguards must be put in place to ensure that confidentiality and CEII concerns are adequately addressed in transmission planning activities. Accordingly, we will require that transmission providers, in consultation with affected parties, develop mechanisms, such as confidentiality agreements and password-protected access to information, in order to manage confidentiality and CEII concerns. Lastly, concerns surrounding the application of the Commission's Standards of Conduct to planning participants, and whether and how these standards should affect access to and use of information obtained in the planning process, will be discussed below.

401 703. We also note that management of inadvertent energy is needed to adhere to NAESB standards. Historically, transmission providers have paid back inadvertent interchange imbalances in kind, which has not, as a general matter, proven to be problematic. Our primary concern with respect to inadvertent energy is to avoid incentives that could degrade reliability. To date, the return-in-kind approach has proven to be adequate as a general matter. However, if there is evidence that it is no longer sufficient to maintain reliability, or is allowing certain entities to lean on the grid to the detriment of other entities, the Commission has authority under FPA section 215 to direct the ERO to develop a new or modified standard to address the matter.

470-1 815. As with any innovative rate program, however, the Commission will monitor the secondary capacity market to ensure that participants are not exercising market power. To enhance oversight and monitoring by the Commission, we adopt reforms to the underlying rules governing capacity reassignments. First, we require that all sales or assignments of capacity be conducted through or otherwise posted on the transmission provider's OASIS on or before the date the reassigned service commences. The Commission thus eliminates the current ability of transmission customers to assign the transmission rights to another party with subsequent notification to the transmission provider. The mechanisms for



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negotiating a reassignment remain the same. The transmission customer may either request that the transmission provider make the capacity available on its OASIS or the transmission customer may negotiate the terms of an assignment bilaterally. In either instance, however, the resulting sale or assignment must be posted by the transmission provider on its OASIS prior to the date the reassigned service commences. We require transmission providers working through NAESB to develop appropriate OASIS functionality to allow such postings. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards.

594-5

1005. The Commission will not mandate the use of network customer resources or other third party resources in the provision of planning redispatch. If they choose, network customers and third parties may voluntarily provide planning redispatch services. A seller is free to post its price to relieve a specific congested transmission facility and its ability to relieve the congestion. To facilitate provision of such service by third parties, we direct transmission providers to modify their OASIS sites to allow for posting of these third party offers. Accordingly, we direct transmission providers to work in conjunction with NAESB to develop this new OASIS functionality and any necessary business practice standards. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards.

617-8

1046. Further, as discussed in more detail below, we disagree that NERC must modify its processes in order to allow transmission providers to implement this product. However, we will allow for a sufficient period of time for development of business practices and tracking mechanisms to implement the product. We recognize that there may be some regional variation in the way transmission providers approach the provision of conditional firm service beyond the minimum attributes that we establish in this Final Rule. Thus, we do not direct that transmission providers work with NAESB to develop business practices for implementation of the conditional firm service. Rather, we direct transmission providers located in the same region to coordinate such development among themselves. We also encourage participation of non-public utility transmission providers in the region and interested transmission customers in the development of these business practices. Public utility transmission providers should make efforts to include these interested parties in their regional coordination efforts. We direct transmission providers to implement these mechanisms and business practices within 180 days after the publication



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of this Final Rule in the Federal Register.

634-5

1078. Finally, we address requests to allow for automatic assignment of short-term firm point-to-point service to conditional firm customers. We agree that transmission providers must take into account the conditional firm service in evaluating the availability of short-term firm service. Because conditional firm is a long-term firm use of the system, it should not be interrupted prior to short-term firm service. However, short-term firm service reserved prior to the reservation of conditional firm service should maintain priority over conditional firm service in the periods when conditional firm service is conditional, i.e., when specified system conditions exist or conditional curtailment hours apply. Because the assignment proposal meets both of these objectives, we direct transmission providers to assign short-term firm service to conditional firm customers as the service becomes available. Accordingly, we direct transmission providers to work with NAESB to develop the appropriate communications protocols to implement this attribute of conditional firm service. Transmission providers need not implement this requirement until NAESB develops appropriate communications protocols.

686-7

1162. Accordingly, to provide greater availability of redispatch information, the Commission adopts certain additional posting requirements for transmission providers. Specifically, we direct each transmission provider to post on OASIS its monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability redispatch under the pro forma OATT. Additionally, to demonstrate the range of redispatch costs each month, the Commission directs transmission providers to post a high and low redispatch cost for the month for each of these same transmission constraints. The transmission provider shall calculate the monthly average cost in \$/MWh for each congested transmission facility by dividing monthly total redispatch costs (at the facility) by the total MWhs that would otherwise be curtailed (at the facility) in the month absent the redispatch. Transmission providers shall post internal constraint or interface data for the month if any planning redispatch or reliability redispatch is provided during the month, regardless of whether the transmission customer is required to reimburse the transmission provider for those exact costs. Thus, if the transmission customer pays for redispatch pursuant to a negotiated fixed rate, the transmission provider is required to post and calculate the monthly average redispatch costs and the high and low costs in the month even though the transmission provider will bill the customer the fixed rate. The same posting requirement



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applies if the customer is paying a monthly "higher of" rate. The transmission provider shall post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to transmission customers for redispatch-related services. We direct transmission providers to work in conjunction with NAESB to develop this new OASIS functionality and any necessary business practice standards.

753-4

1269. In Order No. 676, the Commission adopted the "Standards for Business Practices and Communication Protocols for Public Utilities" developed by the NAESB's Wholesale Electric Quadrant (WEQ). Order No. 676 incorporated the aforementioned standards by reference into the Commission's regulations, required public utilities to implement the standards by July 1, 2006, and required public utilities to file revisions to their OATTs to include these standards. The WEQ Standards include a number of standards addressing requirements for dealing with redirects on both a firm and non-firm basis. All of the WEQ Standards dealing with redirects were adopted by the Commission in Order No. 676, except for WEQ Standard 001-9.7, which addresses the impact of a firm redirect on a long-term firm transmission customer's rollover rights under section 2.2 of the pro forma OATT. The Commission directed the WEQ to reconsider WEQ Standard 001-9.7 and to adopt a revised standard consistent with the Commission's policies. The Commission also offered guidance to assist the WEQ in developing a standard that is consistent with Commission policy.

758-9

1278. The Commission also concludes that the NAESB WEQ is the appropriate standard-setting body for developing business practices and implementing the Commission's redirect policy. The Commission will refrain from commenting here on the NAESB process itself because we believe that the industry is best situated to determine how to structure the standard-setting process to provide for the widest possible participation and consensus. We nevertheless clarify that, consistent with precedent, NAESB is charged with implementing Commission policy through business practices. The Commission finds that the NAESB WEQ is an acceptable standards development process, representing a cooperative effort by industry participants to develop business practices that enhance the efficiency of the electric grid. Where necessary, NAESB participants may seek clarification of Commission policy so that NAESB may develop the appropriate standards.

782-3

1316. We will not adopt any of the changes to the proposed performance metrics



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requested by commenters, other than adding metrics to track delays by customers as discussed above. The Commission is in a better position to determine the specific performance metrics that will achieve our policy goals and thus we will not request that NAESB develop the metrics to be posted. We believe the set of performance metrics we have chosen strike the appropriate balance between requiring information that will enhance transparency and help ensure that the transmission provider is processing request studies in a timely and non-discriminatory fashion while limiting the burden the transmission provider faces. For instance, we believe the performance metrics that address the cost of system impact studies and facilities studies as well as the cost of any proposed transmission upgrades can be calculated with relatively little effort by the transmission provider and should provide meaningful benefits to transmission customers. The transmission provider readily knows the cost of studies it completes and the costs of proposed system upgrades and summaries of this information should enhance the transmission customer's ability to decide whether to submit a request for service that may result in a study offer.

1318. We agree, however, with EEI's recommendation that the Commission delegate to NAESB the responsibility for developing the Standard and Communications Protocols, business practices and OASIS modifications that will be necessary to provide the performance metrics adopted above. NAESB is in the best position to develop the standards and the processes by which the performance metrics are posted.

1346. As we discuss below, we believe NAESB's queue hoarding and queue flooding business practices, as well as additional reforms adopted in this Final Rule, will address the problem surrounding the submission of multiple requests. With regard to requests for a technical conference or further procedures to consider the effect of our operational penalty regime, we believe the commenters' proposals would largely provide anecdotal information and speculation on the impacts of the new planning and coordination requirements. Our experience from the last ten years, and the comments provided in response to the NOI and NPR, provide a sufficient basis to develop a penalty regime. In addition, the very requirement that transmission customers post performance metrics and submit notification filings prior to assessment of operational penalties will provide actual experience with the new regime. As explained above, the notification procedures adopted today will ensure that we will not assess a penalty for late studies unless justified by the circumstances. We can propose additional changes to the study process or penalty regime



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based on the actual experience under this Final Rule if our experience warrants it.

814 1365. The Commission will not require transmission providers to charge a fee for duplicative requests for transmission service. We will instead first consider whether the newly adopted NAESB queue flooding and queue hoarding business practices reduce the number of requests that the transmission customer does not intend to confirm. We are concerned that benefits to market participants would not justify the administrative costs of a new fee if the NAESB business practices can effectively discourage transmission service requests the transmission customer does not intend to confirm. We also believe that the current deposit mechanism in section 17.3 of the pro forma OATT should have the same effect as a fee based on the transmission provider's cost to process the request for transmission service, like the fee MISO and CREPC propose. Pursuant to section 17.3, in the event a transmission customer retracts or withdraws a request, the transmission provider is allowed to deduct from the transmission customer's deposit the costs the transmission provider incurred to process the request. As a result, we do not believe any other fee structure is necessary to make the transmission provider whole when a transmission customer submits a transmission service request it does not expect to confirm.

820-1 1377. The Commission agrees that transmission requests across multiple transmission systems should be coordinated by the relevant transmission providers. We will not, however, amend the pro forma OATT to require such coordination. Rather, we require transmission providers working through NAESB to develop business practice standards related to coordination of requests across multiple transmission systems. In order to provide guidance to NAESB, we will articulate the principles that should govern processing across multiple systems. All the transmission providers involved in a request across multiple systems should consider a request that requires studies across multiple systems to be a single application for purposes of establishing the deadlines for rendering an agreement for service, revising queue status, eliciting deposits and commencing service. In order to preserve the rights of other transmission customers with studies in the queue, the priority for the single application should be based on the latest priority across the transmission providers involved in the multiple system requests. We note that regional entities like wesTTrans are already coordinating requests across multiple transmission systems and we believe such coordination is an acceptable solution to this



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issue.

1378. We interpret Exelon's request that we require all transmission providers to allow transmission customers to link consecutive requests for firm point-to-point transmission service and to evaluate such requests as a single request as asking us to (1) allow transmission customers to require the transmission provider to either grant service for the entire period, deny service for the entire period, or offer the same partial quantity for the entire period and (2) require the transmission provider to consider the full duration of the linked requests when determining reservation priority pursuant to sections 13.2 of the pro forma OATT (short-term firm point-to-point transmission service). We require transmission providers working through NAESB to develop business practice standards to allow a transmission customer to rebid a counteroffer of partial service so the transmission customer is allowed to take the same quantity of service across all linked transmission service requests. Transmission providers need not implement these business practice standards until NAESB develops appropriate standards. We note that the transmission customer should not be required to take the same quantity of service across consecutive transmission service requests; it should simply have the option to do so. On the second issue, we reiterate that, according to existing NAESB business practice standard 001-4.16, the transmission provider is required to consider the full duration of the linked requests when determining reservation priority pursuant to section 13.2 of the pro forma OATT.

1390. We will not modify the pro forma OATT to address requests to allow the transmission provider to terminate idle transmission service requests. NAESB's business practice 001-4.11 allows the transmission provider to retract a request if the transmission customer does not respond to an acceptance within the time established in NAESB business practice standard 001-4.13. Therefore, we interpret TDU Systems comments to refer to circumstances when a transmission customer fails to respond to the transmission provider's request for additional information during the course of a request study. As discussed above, by the time the transmission provider offers a system impact study agreement, it should have all of the information that it needs to complete the study. Pursuant to section 17.4 of the pro forma OATT, the transmission provider can deem a transmission service request deficient if the transmission customer does not provide all of the information the transmission provider needs to evaluate the request for service. We will revise section 17.7 of the pro forma OATT so that the transmission provider is able to terminate a request for transmission service if a transmission customer that is extending



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the commencement of service does not pay the required annual reservation fee within 15 days of notifying the transmission provider that it would like to extend the commencement of service. We will not change the pro forma OATT to allow the transmission provider to terminate a transmission service request if the transmission customer changes its application for service. We believe the existing pro forma OATT is sufficient to allow a transmission provider to manage situations where the transmission customer modifies its application for service to the point that the customer is requesting transmission service that is meaningfully different than its initial request.

827

1392. Commenters also suggest changes to the OASIS protocols, including prohibiting transmission customers from changing a request into a pre-confirmed request and requiring OASIS platforms to be accessible on non-Windows/Explorer computers. We believe these issues are best addressed by NAESB.

834

1402. We acknowledge that our revised policy on priority for pre-confirmed requests may be less effective than the NOPR proposal in alleviating the problems that arise when transmission customers submit multiple identical requests for service. However, we have taken other steps – notably accepting the NAESB business practices on queue flooding and queue hoarding – that we believe will substantially reduce the instances of multiple identical requests for service.

836-7

1407. In response to requests for clarification from MidAmerican and TransServ, we clarify that a new pre-confirmed request for transmission service would preempt a request of equal duration that has been accepted by the transmission provider but not yet confirmed by the transmission customer. Thus, we decline to adopt TDU Systems' suggestion that the Commission include a time window between acceptance of a request and confirmation of the request, during which a request can not be preempted by a pre-confirmed request for transmission service. This is consistent with our desire to give transmission service first to those customers that are committed to taking the transmission service if it is granted. In the case of monthly firm point-to-point transmission service, the transmission customer has up to four days to confirm an accepted request. This is a potentially long delay when there is another transmission customer that is willing to commit to take the same service. Moreover, this policy is consistent with NAESB business standard 001-4.25, which allows a pre-confirmed request for non-firm point-to-point transmission service to preempt a request of equal duration and lower price that has



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been accepted but not confirmed.

1477. We direct transmission providers to develop OASIS functionality to (1) allow all of the information required for a request to designate network resources to be provided electronically, (2) mask information about operating restrictions and generating cost on OASIS, and (3) allow for queries of all information provided with designation requests in accordance with section 37.6 of the Commission's regulations. As provided in paragraph 385, we also direct transmission providers to work in conjunction with NAESB to develop business practice standards describing procedural requirements for submitting designations over any new OASIS functionality. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. Prior to implementation of this new OASIS functionality, any information that cannot be provided electronically may be submitted by transmitting the information to the transmission provider by telefax or providing the information by telephone over the transmission provider's time recorded telephone line.

1504. In response to South Carolina E&G's request, we reiterate that not all of the information required by section 29.2 of the pro forma OATT for designation of a network resource will be made publicly available on OASIS. As discussed above, information about operating restrictions and generating cost will be masked to protect commercially sensitive information. South Carolina E&G has also requested clarification of the Commission's intent with respect to how designated network resource information is posted. Our existing regulations specify the view, download, and query requirements for information posted regarding network resource designations. The details of how those informational postings are accomplished are best left to be determined as part of the NAESB standards development process.

1532. In response to TranServ's request that the exact nature of how the customer would make an attestation should be determined in the NAESB forum, we note that the contents and the specific information that is required to be provided with the attestation are specified in the pro forma OATT, and we are requiring that the attestation be submitted through OASIS with each request to designate a new network resource. The appropriate subject for transmission providers to coordinate with NAESB to resolve is limited to the appropriate formatting of such information to be provided in OASIS. In response to TranServ's request that NAESB should also determine the treatment of OASIS requests



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where the customer fails to provide the necessary attestation, we point out that we have already directed that such requests are to be found deficient by the transmission provider and treated in accordance with the procedures in section 29.2 of the pro forma OATT.

909-10

1541. We direct transmission providers to develop OASIS functionality and, working through NAESB, business practice standards describing the procedural requirements for submitting both temporary and indefinite terminations of network resources, to allow network customers to provide all required information for such terminations. Such OASIS functionality should allow for electronic submittal of the type of termination (temporary or indefinite), the effective date and time of the termination, and identification and capacity of resource(s) or portions thereof to be terminated. For temporary terminations, such OASIS functionality should also allow for electronic submittal of (1) effective date and time of redesignation, following the period of temporary termination; (2) information and attestation for redesignating the network resource following the temporary termination, in accordance with section 30.2 of the pro forma OATT; and (3) identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination. In response to TransServ's request, we clarify that the request for temporary termination of the resource and the requests for the related transmission service identified in item (3), if any, should be evaluated as a single request, and approved or disapproved as such. We specifically direct transmission providers, working through NAESB, to develop business standards describing the procedures for submitting and processing requests for concomitant evaluations of transmission requests and temporary terminations. When processing such requests, the evaluation of the transmission service requests identified in item (3) should take into account the redesignation of the network resources identified in the request for termination. However, the evaluation of the transmission service requests in item (3) should be processed taking proper account of all competing transmission service requests of higher priority.

911

1543. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. Prior to implementation of this new OASIS functionality, requests for temporary or indefinite terminations of network resources may be submitted by transmitting the required information to the transmission provider by telefax or providing the information by



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telephone over the transmission provider's time recorded telephone line.

933-4 1591. We agree with parties arguing that network customers should not be required to use the new NAESB processes and OASIS tools to be developed in response to this section until such time as the NAESB standards and OASIS functionality have been developed and implemented. However, once the new standards and functionality are in place, network customers must use these new procedures to undesignate (whether temporarily or as part of an indefinite termination) any network resources, regardless of the date that those resources were originally designated.

953-4 1627. We agree with suggestions for the posting of additional curtailment information on OASIS and, therefore, require transmission providers, working through NAESB, to develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments. Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. These postings must include all circumstances and events contributing to the need for a firm service curtailment, specific services and customers curtailed (including the transmission provider's own retail loads), and the duration of the curtailment. This information is in addition to the Commission's existing requirements: (1) when any transmission is curtailed or interrupted, the transmission provider must post notice of the curtailment or interruption on OASIS, and the transmission provider must state on OASIS the reason why the transaction could not be continued or completed; (2) information to support any such curtailment or interruption, including the operating status of facilities involved in the constraint or interruption, must be maintained for three years and made available upon request to the curtailed or interrupted customer, the Commission's Staff, and any other person who requests it; and, (3) any offer to adjust the operation of the transmission provider's system to restore a curtailed or interrupted transaction must be posted and made available to all curtailed and interrupted transmission customers at the same time.



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March 9, 2007

**TO:** Gordon Van Welie (ISO-NE), Phil Harris (PJM), Mark Lynch (NY ISO), Kevin Burns (TranServ), Bill Marshall (New Brunswick System Operator), Paul Murphy (IESO), Dale McMaster (AESO), Yakout Mansour (Cal ISO), Nick Brown (SPP), Sam Jones (ERCOT), Graham Edwards (Midwest ISO)

**cc:** Michael Desselle, Bill Boswell, Laura Kennedy, Denise Rager, Michael Calimano, Bill Phillips, Alicia Daugherty, Ray Giuliani, Bill Blevins, Carl Monroe, Veronica Thomason

**FROM:** Rae McQuade

**RE:** Request for Candidates for the Board Seats and the Executive Committee Seats for the New Wholesale Electric Quadrant Independent Grid Operators/Planners Segment

---

Dear All,

We are beginning the request for candidates today for the newly formed Wholesale Electric Quadrant Independent Grid Operators/Planners Segment. If you are interested in serving on either the Board or the Executive Committee as a member of the IGO segment, please inform the NAESB office by April 13. You can do so by calling or emailing Denise Rager (713-356-0060, [drager@naesb.org](mailto:drager@naesb.org)). As others join the IGO segment during the thirty-day nomination period and become NAESB members with dues current, they can also self nominate for one of the Board or EC seats. If you have any questions on the membership process or the election process, also feel free to contact Denise.

As a member, your organization will be eligible for both the Board and the EC, but the same individual cannot hold both seats. At the end of the nomination period, if there are eight or more candidates for the seven seats on each of the Board and EC, we will run an election. The members of the IGO segment are the voting body for these Board and EC seats. Each member will receive a ballot to vote for the seven nominees they would support for the seats for each governing body. The election would be held from April 16 to April 30. If no election is required, the announcement will be made on April 16.

A link to our new quadrant procedures is provided here<sup>1</sup> for your convenience. We look forward to working with you in this new capacity, and if you have others that you would like added to the notification when the nomination period begins for the open seats on the Board and EC, please feel free to provide that information to me.

In addition, should you have any questions on NAESB or this process, please do not hesitate to call. With three active dockets at the FERC for NAESB WEQ standards (Docket Nos. RM05-5-000, RM05-17-000, RM05-25-000), of which Docket No. RM05-5-000 now mandates compliance with NAESB standards (Order 676), NAESB is clearly relevant to the wholesale electric market. Membership and leadership in NAESB brings opportunities to shape the standards development work products and the overall direction of the organization. Please let us know if you have some individuals that you would like us to contact regarding not only membership but also for interest in these vacant seats on the Board or EC.

Feel free to contact our office if you need any other information.

With Best Regards,

*Rae McQuade*

Rae McQuade, President  
North American Energy Standards Board

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<sup>1</sup> The Wholesale Electric Quadrant Procedures can be accessed: [http://www.naesb.org/pdf/weq\\_quadrant\\_procedures.doc](http://www.naesb.org/pdf/weq_quadrant_procedures.doc) from the NAESB web site.



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### CONSIDERATIONS

**BACKGROUND & STATUS:** The NAESB process to create the new Wholesale Electric Quadrant Independent Grid Operators/Planners<sup>2</sup> segment was concluded on February 2 of this year, and on February 5, NAESB noticed and posted that the segment had been created. In addition, NAESB informed the leadership and contacts of all groups that might be interested in joining the segment and were eligible as members of the IGO segment. Since that time, NAESB has received two applications (Cal ISO, PJM) with invoices sent out, and has had five members join the segment as members. Now that NAESB has five active members<sup>3</sup> in the new segment, the office can begin the process for populating the seven board seats and seven executive committee seats. The five active members are SPP, ERCOT, Midwest ISO, NY ISO and TranServ. As others join the IGO segment during the thirty-day nomination period and become NAESB members with dues current, they can also self nominate for one of the Board or EC seats.

**PROCESS:** Typically, the process for nominating and electing members to serve on these seats follow a schedule of (1) a two-week nomination period where members self-nominate, (2) a two-week election period if any seats are contested. The voters in a contested race are comprised of the members of the segment, (or subsegments in the case they are defined for a segment). Since this is a new segment, it was agreed to extend the nomination period to a full month to permit those considering membership to have additional time to complete the membership application and submit the membership dues. With this in mind, the request for nomination of candidates is sent out on March 9 to be due on April 13. If there are contested seats (more than 7 nominees for either the Board or the Executive Committee), the election would be held from April 16 to April 30. If there are less than seven nominees for either body, then the vacancies will remain until there is sufficient interest to run an election to fill the seats. For any assistance in membership issues, please call Denise Rager (713-356-0060, [drager@naesb.org](mailto:drager@naesb.org)). Should you need a status on where the process stands at any time, also contact Ms. Rager.

**ELIGIBILITY FOR A BOARD OR EXECUTIVE COMMITTEE SEAT IN THE IGO SEGMENT:** To be considered candidates for either the Board or the Executive Committee, an individual must be an active member of the IGO segment-- that is, a member in good standing with dues current. Similarly, to vote in an IGO election, an individual must be an active member of the IGO segment.

**BOARD OR EXECUTIVE COMMITTEE?** As new members are deciding whether to run for an EC seat or a Board seat or both, the differences in being seated as a Board member or an EC member may prove helpful. A member company can hold both Board and EC seats, but not by the same individual. For the nominations and elections, while an individual can only hold either a Board or an EC seat, he can nominate and be considered for both -- if he wins both, then the Board seat prevails.

- **BOARD:** For the Board members, the Board acts wholly as a group considering Board issues for wholesale and retail gas and electric. The Board members are exposed to all aspects of NAESB at a strategic level. They control our annual plans. The board controls all governing aspects of the organization, (changes to the certificate, bylaws and standard operating practices). Board members cannot have proxies or alternates. The Board meets quarterly and members can participate in person or by phone. Board meetings for 2007 are March 22, June 28, September 27 and December 13.
- **EXECUTIVE COMMITTEE:** For the Executive Committee, unless a standard is assigned to multiple markets (wholesale and retail gas and electric), each interest operates independently but follows the same operational rules. The Wholesale Electric Quadrant Executive Committee would address all standards development issues to which it had been assigned through the annual plan or through requests related to the annual plan. It does not address any procedural matters -- only standards development and maintenance issues and after work products are forwarded from subcommittees, it votes on standards, which are then ratified by the membership. EC members can have designated alternates that can sit in for an absent EC member or vacancy if they are members of that segment/subsegment. The EC meets quarterly and members can participate in person or by phone. Wholesale Electric Quadrant EC meetings schedule for 2007 is February 6, May 8, August 14 and November 6, and the EC may choose to schedule additional meetings or conference calls as necessary.

### OTHER RELEVANT INFORMATION:

- For a packet of materials explaining membership benefits, please contact Ms. Rager.
- Current rosters for the Executive Committee and the Board can be found on the NAESB web site: [http://www.naesb.org/pdf/ec\\_terms.pdf](http://www.naesb.org/pdf/ec_terms.pdf), [http://www.naesb.org/pdf2/bod\\_terms.pdf](http://www.naesb.org/pdf2/bod_terms.pdf)

<sup>2</sup> Independent Grid Operators/Planners are defined as any entity in North America authorized by an appropriate governmental authority to operate as a regional transmission organization, independent system operator, independent tariff administrator or independent planning entity and which does not have a business or financial interest in any other WEQ segment.

<sup>3</sup> Active members are companies who have completed the NAESB membership applications and have submitted the annual dues.

---

**From:** Rae McQuade  
**Sent:** Tuesday, February 27, 2007 10:30 AM  
**Subject:** Request to the NAESB Drafting Collaborative Regarding Restriction Against Holding Concurrent Seats on the WEQ Board and WEQ EC

Dear WEQ Board, WEQ EC, and Posting for Interested Parties,

At the February Wholesale Electric Quadrant Executive Committee Meeting, there was a unanimous vote to request that the WEQ Board and the Drafting Collaborative review the WEQ Procedures and consider removal of the restriction against a NAESB WEQ member holding both a WEQ Board and WEQ EC seat concurrently, (this would assume that they were duly elected to both seats). I have taken the liberty to begin a redline of the procedures to that effect and have attached the draft procedures for your consideration. If you are interested in participating in the Drafting Collaborative where this item will be considered, please let our office know and we will add you to the distribution list. A conference call will be set up shortly to discuss the redlined language and determine if there is support to go forward. For reference, this item will also be discussed at the upcoming WEQ leadership meeting on March 21 and the Board meeting on March 22.

With Best Regards,

*Rae*

Rae McQuade, President, NAESB  
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**North American Energy Standards Board  
Wholesale Electric Quadrant Procedures**

As Amended and Approved by the NAESB WEQ Membership – **February 2, 2007 PUT NEW DATE HERE**

**1 Definitions**

**1.1 Definitions Included In NAESB Bylaws**

All capitalized terms, if not defined in Section 1.2, shall have the same definitions as specified in the Bylaws or Certificate of Incorporation (Certificate) of NAESB.

**1.2 Definitions for the Purposes of this Exhibit**

**A** “Entity” - an individual, partnership, firm, corporation or organization who is a Member of the WEQ.

**B** “IOU” - an investor owned entity with substantial business interest in owning and/or operating any two of the following three asset categories --- generation, transmission, distribution.

**C** “Segment Membership” - the Segment Members collectively.

**D** “Segment Procedures” - the procedures that may be attached to this document as exhibits for each of the Segments, as amended.

**E** “Services” - providers of services to participants in the wholesale electric industry, which would include, but not be limited to, software providers, consultants and other Entities not otherwise considered to be a Transmission, Generation, Marketer/Broker, Distribution/Load-Serving Entity or End-User.

**F** “Sub-Segment” - the allocation of Board and EC seats as shown on Attachment A.

**G** “Sub-Segment Principles” - the principles described in Section 2.4 of these Procedures.

**H** “Sunrise” - Sub-Segments may be revisited at any time, but no later than three (3) years from WEQ formation approval by the NAESB Board. .

**I** “WEQ” - the Wholesale Electric Quadrant.

**J** “WEQ Designated Alternates” - the group of WEQ Memberships selected by each WEQ Membership Segment’s Sub-Segment to serve in the stead of WEQ EC Members who are unable to attend EC meetings.

**K** “WEQ EC” - the Executive Committee of the WEQ.

**L** “WEQ Membership” - the Voting Members of the WEQ collectively.

**M** “WEQ Segment” - one of six (6) equal Membership Segments of the NAESB WEQ, representing the following *functions* that exist in the operation of the wholesale electric industry: **Transmission; Generation; Marketers/Brokers; Distribution/Load Serving Entities; End User, Independent Grid Operators/Planners.**

**2 Purpose, Scope, Activities and Policies**

**2.1 Purpose, Scope and Activities**

**A Purpose**

The purpose of the WEQ of NAESB is to propose, evaluate and adopt voluntary Standards that apply to business practice Standards, Model Business Practices and communication protocols including, but not limited to, electronic data interchange (“EDI”) record formats. All Standards shall be designed to promote more competitive, efficient and reliable wholesale electric service.

**B Scope and Activities**

The WEQ is concerned with activities necessary or desirable to achieve the objectives and purposes of the commercial aspects of the wholesale electric industry, and are appropriate to the operation of the wholesale electric market.

The WEQ will work closely with other NAESB Quadrants to strive for consistency where proposed business practice Standards, Model Business Practices and communication protocols affect those other Quadrants.

**North American Energy Standards Board  
Wholesale Electric Quadrant Procedures**

As Amended and Approved by the NAESB WEQ Membership – **February 2, 2007 PUT NEW DATE HERE**

**2.2 Policies**

The WEQ shall comply with the policies and procedures specified in the Bylaws and Certificate of NAESB.

**2.3 Segment Organization and Description**

The WEQ shall be composed of six Segments: (1) Transmission, (2) Generation, (3) Marketers/Brokers, (4) Distribution/Load Serving Entities, (5) End Users and (6) Independent Grid Operators/Planners. Each prospective Member of the WEQ shall declare the Segment(s), and if applicable, the Sub-Segment, with which they have a legitimate business interest and are to be identified.

**A Transmission**

Any Entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.

**B Generation**

Any Entity engaged in the activity of owning and/or operating wholesale electric generation facilities in North America.

**C Marketers/Brokers**

Any Entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

**D Distribution/Load-Serving Entities**

Any Entity engaged in the activity of electric power sales and/or delivery to end use customers in North America, or any Entity designated to represent a distribution utility.

**E End Users**

Any Entity in North America that is an end use consumer of electricity, engages in electricity regulation, or represents customer interests, or any Entity designated to represent an end user.

**F Independent Grid Operators/Planners**

Any Entity in North America authorized by an appropriate governmental authority to operate as a regional transmission organization, independent system operator, independent tariff administrator or independent planning entity and which does not have a business or financial interest in any other WEQ segment

**2.4 Sub-Segment Principles**

The WEQ shall use the following principles to develop Sub-Segments for each Segment. These principles shall continue to be used for future Sub-Segment development. Sunrise rules will apply to the Sub-Segments. Changes to Sub-Segments require a 75% affirmative vote of the WEQ Membership from that Segment of which that Sub-Segment is a part and a 67% affirmative vote of the WEQ Membership as a whole. In both cases, the percentages are calculated based on those members who return ballots. Appeals of the changes to Sub-Segments should be addressed by the aggrieved Sub-Segment to the NAESB Office. The appeals will be considered by the NAESB Board of Directors members who represent the WEQ, and will be resolved through a 75% affirmative vote of the NAESB Board of Directors members representing the WEQ, and a minimum 40% affirmative vote of each of the NAESB Board of Directors members representing the WEQ for each of the WEQ Segments. As noted earlier, the percentages are calculated based on those members who vote.

The Segment organization will operate under the following Sub-Segment Principles:

**A** No single business interest can by itself pass a Standard.

**B** All appropriate interests are represented.

**C** No Sub-Segment may alone block action.

**D** Creation of any new segment requires sub-segment definitions within 9 months after segment population.

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**2.5 Sub-Segment Organization**

95 See Attachment A. Attachment A “Procedural Elements” are not intended to conflict with the WEQ  
Quadrant Procedures. As of February 2, 2007, the Sub-Segments and seats held on the Board of  
Directors and Executive Committee per Segment are:

|     |  |               |  |                  |   |
|-----|--|---------------|--|------------------|---|
|     | <b>Transmission:</b>                       | Sub-segments: | Muni/Coop  | Number of Seats: | 1 |
|     |  |               | Fed/State/Provincial                                       |                  | 1 |
| 100 |  |               | IOU  |                  | 2 |
|     |  |               | ITC  |                  | 2 |
|     |  |               | At Large   |                  | 1 |
|     | <b>Generation:</b>                         |               | Muni/Coop  |                  | 1 |
|     |  |               | Fed/State/Provincial                                       |                  | 1 |
| 105 |  |               | IOU  |                  | 2 |
|     |  |               | Merchant   |                  | 2 |
|     |  |               | At Large   |                  | 1 |
|     | <b>Marketers/Brokers:</b>                  |               | Muni/Coop  |                  | 1 |
|     |  |               | Fed/State/Provincial                                       |                  | 1 |
| 110 |  |               | Non- IOU Affiliated  |                  | 2 |
|     |  |               | IOU Affiliated   |                  | 2 |
|     |  |               | At Large   |                  | 1 |
|     | <b>Distribution/Load Serving Entities:</b> |               | Muni/Coop  |                  | 2 |
|     |  |               | IOU  |                  | 2 |
| 115 |  |               | Competitive Retailer                                       |                  | 1 |
|     |  |               | <i>(not available to muni/coop, IOU or IOU affiliates)</i> |                  |   |
|     |  |               | Other  |                  | 1 |
|     |  |               | <i>(not available to muni/coop, IOU or IOU affiliates)</i> |                  |   |
|     |  |               | At Large   |                  | 1 |
| 120 | <b>End Users:</b>                          |               | End Use <i>(also in another segment)</i>                   |                  | 1 |
|     |  |               | Regulator  |                  | 1 |
|     |  |               | Residential/Commercial                                     |                  | 1 |
|     |  |               | Large Industrial <i>(not in other segments)</i>            |                  | 2 |
|     |  |               | End Use <i>(Self Generation)</i>                           |                  | 1 |
| 125 |  |               | At Large   |                  | 1 |
|     | <b>Independent Grid Operators/Planners</b> |               |  |                  | 7 |

3 **Reserved**

4 **Reserved**

130 5 **Members**

**5.1 Voting Members**

**A Membership**

Membership and voting rights in the WEQ shall be open to any person or legal Entity that:

- 135 1 Has an active, significant business interest in the wholesale electric market or is the representative or Agent of such a person or Entity, and
- 2 Is current in payment of its membership dues.

**B Multiple Memberships Per Quadrant**

Memberships in multiple Segments of the WEQ are permissible for any Entity, provided each membership is filed and declared with NAESB, the Entity meets the membership requirements of

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140 each Segment joined, membership dues are paid for each Segment and different company  
personnel are used for each Segment's activities.

**C Segment and Sub-Segment Qualification**

145 Upon joining the NAESB WEQ, the Voting Member must identify a Segment and within that  
Segment, only one Sub-Segment, in accordance with Section 2.3 and the Sub-Segment allocation  
shown in Attachment A, that it feels most closely aligns with its business interest.

150 If membership in the Segment is challenged, participation by this Voting Member can be barred  
by a 67% affirmative vote of that Segment. If a Voting Member is disallowed, the Voting  
Member has 60 days to appeal the decision to the Board of Directors, and upon receipt of the  
appeal, the Board of Directors will take action within 60 days. If the Voting Member does not  
appeal the disallowal or if the Board of Directors upholds the disallowal action in the case of an  
appeal, reselection of Segment and Sub-Segment will be required. In the case of an appeal, the  
Voting Member will remain a Voting Member in the Segment, and Sub-Segment, pending the  
resolution of the appeal by the Board of Directors.

155 If membership in the Sub-Segment is challenged, participation by this Voting Member can be  
barred by a 67% affirmative vote of that Sub-Segment. If a Voting Member is disallowed, the  
Voting Member has 60 days to appeal the decision to the Board of Directors, and upon receipt of  
the appeal, the Board of Directors will take action within 60 days. If the Voting Member does not  
appeal the disallowal or if the Board of Directors upholds the disallowal action in the case of an  
appeal, reselection of Segment and Sub-Segment will be required. In the case of an appeal, the  
Voting Member will remain a Voting Member in the Segment and Sub-Segment pending the  
resolution of the appeal by the Board of Directors.

**D Multiple Corporate Memberships**

160 An Entity may join and vote in all Segments for which it is qualified and for which its  
membership dues are current. Multiple companies under common control within a corporate  
organization that desire to become Voting Members must join individually. Members cannot  
extend their WEQ Membership to their parent company, affiliates, or subsidiaries.

**6 Meetings of the Members**

170 All meetings held in association with the NAESB organization, or the WEQ, are open to any interested Entity  
and will be held in accordance with the NAESB Operating Procedures. From time to time, there may be joint  
meetings of the WEQ with other Quadrants within NAESB, and Segments may meet jointly to transact Quadrant  
business. Only the EC, Board and the WEQ Membership ratification processes are limited to Voting Members.

**7 Board**

**7.1 Board Representation**

175 The membership of each WEQ Sub-Segment shall elect representatives to the Board from its Sub-  
Segment in accordance with the NAESB Bylaws, Certificate, and these WEQ Procedures.

**7.2 Qualifications of Board Members**

**A Eligibility**

To be eligible to serve as a NAESB Board Member from the WEQ, a nominee must:

- 180 1 Have a working knowledge of the NAESB process,
- 2 Be willing to commit the time and resources necessary,
- 3 Have the authority to fulfill the obligations as a Board representative,
- 4 Be willing to meet the minimum threshold of participation and attendance established in the  
NAESB Bylaws, Section 9.7(f), and any other applicable provisions, as set forth in the NAESB  
Bylaws and
- 185 5 Be a Voting Member or a partner, an officer, an employee or an agent of a Voting Member of  
the WEQ.

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**B One Member, One Seat Per Segment**

No two Board Members from the same or affiliated companies can be elected to the Board from the same Segment.

**C ~~One Office Per Member Representative~~ RESERVED**

~~No Board Member elected from the WEQ may hold both a Board seat and an EC seat concurrently in the WEQ or any other NAESB Quadrant. If a WEQ EC Member is elected as a Board Member from the WEQ, the WEQ EC seat is vacated immediately upon the EC Member's assumption of the Board position.~~

**7.3 Number and Election of Board Members**

**A Number of Board Members**

The WEQ shall elect forty-two (42) Board Members. Each Segment of the WEQ will elect seven (7) Board Members, in accordance with the Sub-Segment allocation shown in Attachment A of the WEQ Procedures. Vacant seats are subject to Section 7.5 C of these WEQ Procedures.

**B Election of Board Members**

Nominations for and election of Board Members will be in accordance with the Sub-Segment allocation shown in Attachment A. Only Voting Members of the particular Sub-Segment for which the Board seat is being sought are allowed to vote in this process.

**C Board Election Procedures**

In preparation for any election of Board Members, other than initial Board Members:

- 1 Nominations may be made at or prior to the close of the WEQ nomination period by any appropriate Sub-Segment Member by submitting the candidate names to the NAESB Office in accordance with the NAESB Operating Procedures.
- 2 All Board nominees shall meet the personal and membership eligibility requirements set out in these WEQ Procedures. NAESB shall confirm that a nominee meets the Board eligibility requirements.
- 3 All eligible nominees shall state in writing their willingness to accept the responsibility of serving as a Board Member, prior to the submission of their names to the Sub-Segment WEQ Membership at the election.
- 4 The WEQ Board nomination period shall end two weeks prior to the commencement of the election period. This deadline may be extended. All nominations will be in writing or by electronic communications.
- 5 Any WEQ Sub-Segment Voting Member who is current in the payment of its membership dues is eligible to one vote per open Sub-Segment seat. The ballot shall contain the names of all eligible nominees
- 6 The candidates receiving the greatest number of votes shall be elected.
- 7 In the event of a tie, a runoff election will be held to resolve the tie. In the event of another tie, the candidate chosen by lot will be announced as the newly elected Board member. The NAESB Office will conduct the lottery required to resolve the tie.

**D Timing of Elections**

The election of Board Members shall occur concurrently for all Segments of the WEQ.

**7.4 Term of Office**

**A Terms**

Initially, Board Members shall be elected for two-year terms, with half of the terms expiring in alternating years. All subsequent elections for other than filling vacancies during a term, are for two year terms.

**B Limit on Number of Terms of Office**

Board Members from the WEQ may run for re-election without restriction on the number of terms held.

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- 235           **C Change of Affiliation**  
                   In the event that a WEQ Board Member changes member or company affiliation, the Board seat will become vacant and open for re-election as prescribed in Section 7.5 of these WEQ Procedures.
- 240           **7.5 Vacancies**
- A** A person shall cease to be a member of the Board upon (1) the Board Member’s resignation, removal, or death; (2) term expiration; or (3) the resignation or lapse, through a delinquency in payment of the membership dues, of the Segment Membership of the Entity that the Board Member represents. A vacancy shall be filled for the remainder of that term in accordance with Section 7.5 B & C of these WEQ Procedures.
- 245           **B** In the event that a Board Member resigns or otherwise vacates a seat, and less than 90 days remain in the term of office, the Board seat will remain vacant until the next election period.
- C** If any seat on the Board becomes vacant and more than 90 days remain in the term of that seat, the respective Sub-Segment will conduct nominations and elections to fill that seat.
- 250                 **1.** If the seat is vacant after ninety (90) days, that seat will be designated an “At Large” seat and the Segment will hold elections to fill that seat conforming to the Sub-Segment Principles.
- 2.** If the seat is vacant after 180 days, the voting rights of that “At Large” seat will be suspended and the Segment will be expected to re-organize with new Sub-Segments consistent with the seven (7) Board seats, seven (7) EC seats, and Sub-Segment Principles. The new sub-segmentation will become effective on approval by 75% of the Segment and then 67% of the WEQ Membership. The percentage will be based on those members voting. The Segment will then conduct elections for its Board and EC members with the rights of the Board Members effective under the new Sub-Segment designations.
- 255                 **3.** If, after 270 days of the original vacancy, the Segment is unable to develop new Sub-Segments, an affirmative vote of 67% of the WEQ Membership is needed within the next ninety (90) days to develop and approve the new Sub-Segments for the Segment consistent with the Sub-Segment Principles. New Segment elections will be conducted as outlined above.
- 260                 **4.** At any time during the vacancy of the seat, the Sub-Segment in question elects a Board member to fill the vacancy, no further Sub-Segment actions are necessary.
- 265           **7.6 Reserved**
- 7.7 Resignation of Members of the Board**  
                   A Member of the Board may resign his or her position by submitting a letter to the Secretary of NAESB with a copy to the Board Chair stating that he or she is resigning and giving the effective date of the resignation.
- 270           **8 Election of WEQ Board Vice Chair**
- 8.1 Eligibility**  
                   Any Board member who is a member of the WEQ may be nominated for the WEQ Board Vice Chair position.
- 8.2 Election Process**  
 275            After a two week process where Board members can nominate, (including self-nomination), the NAESB office will run an election for the office of the WEQ Board Vice Chair and the candidate receiving the most votes from among the WEQ Board members will be announced as the WEQ Board Vice Chair. The WEQ Board Vice Chair may run for re-election at the conclusion of his/her term.
- 8.3 Term**  
 280            The WEQ Board Vice Chair will remain in office until the earlier of: the conclusion of the two year term, or he/she no longer holds a Board seat.

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**9 Reserved.**

**10 Executive Committee**

**10.1 EC Representation**

285 The membership of each WEQ Sub-Segment shall elect representatives to the EC from its Sub-Segment in accordance with the NAESB Bylaws, Certificate, and these WEQ Procedures.

**10.2 Qualifications of EC Members**

**A Eligibility**

To be eligible to serve as a NAESB EC Member from the WEQ, a nominee must:

- 290
- 1 Have a working knowledge of the NAESB process
  - 2 Be willing to commit the time and resources necessary,
  - 3 Have the authority to fulfill the obligations as an EC representative,
  - 4 Be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 10.4(j), and any other applicable provisions, as set forth in the
  - 295 NAESB Bylaws and
  - 5 Be a Voting Member, or a partner, an officer, employee or an agent of a Voting Member of the WEQ.

**B One Member, One Seat Per Segment**

No two EC Members from the same or affiliated Entities can be elected to the EC from the same Segment.

300

**C ~~One Office Per Member Representative Reserved~~**

~~No EC Member elected from the WEQ may hold both a Board seat and an EC seat concurrently in the WEQ or any other NAESB Quadrant. If a WEQ EC Member is elected as a Board Member from the WEQ, the WEQ EC seat is vacated immediately upon the EC Member's assumption of the Board position.~~

305

**10.3 Number and Election of EC Members**

**A Number of EC Members**

The WEQ shall elect forty-two (42) EC Members. Each Segment of the WEQ will elect seven (7) EC Members, in accordance to the Sub-Segment allocation shown in Attachment A of the WEQ Procedures. Vacant seats are subject to Section 10.5 C of these WEQ Procedures.

310

**B Election of EC Members**

Nominations for and election of all EC Members will be in accordance with the Sub-Segment allocation shown in Attachment A. Only Voting Members of the particular Sub-Segment for which the EC seat is being sought are allowed to vote in this process.

315

**C Election Procedures**

In preparation for any election of EC Members:

- 1 Nominations may be made at or prior to the close of the WEQ nomination period by any appropriate Sub-Segment Member by submitting the candidate names to the NAESB Office in accordance with the NAESB Operating Procedures
- 320 2 All EC nominees shall meet the personal and membership eligibility requirements set out in these WEQ Procedures. NAESB shall confirm that a nominee meets the EC eligibility requirements
- 325 3 All eligible nominees shall state in writing their willingness to accept the responsibility of serving as an EC Member, prior to the submission of their names to the Sub-Segment WEQ Membership at the election.

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- 330           4    The WEQ EC nomination period shall end two weeks prior to the commencement of the election period. This deadline may be extended. All nominations shall be in writing or electronically communicated.
- 5    Any WEQ Sub-Segment Voting Member who is current in the payment of its membership dues is eligible to vote per open Sub-Segment seat. The ballot shall contain the names of all eligible nominees.
- 6    The candidates receiving the greatest number of votes shall be elected.
- 335           7    In the event of a tie, a runoff election will be held to resolve the tie. In the event of another tie, the candidate chosen by lot will be announced as the newly elected EC member. The NAESB Office will conduct the lottery required to resolve the tie.

**D Timing of Elections**

The election of EC Members shall occur concurrently for all Segments of the WEQ.

**E Officers of the WEQ EC**

340           The WEQ EC shall elect a vice chair of the EC, and may elect a second vice chair who shall serve for a period of one (1) calendar year. The Vice Chair, and in his or her absence the Second Vice Chair, shall preside over the meetings of the WEQ EC.

**1 Eligibility**

345           Any EC member who is a member of the WEQ quadrant may be nominated for the WEQ EC Vice Chair position or Second Vice Chair position. It is encouraged but not required that the WEQ EC Vice Chair position and Second Vice Chair represent different segments of the WEQ.

**2 Election Process**

350           After a two week nomination process where WEQ EC members can nominate including self-nomination, the NAESB office will run an election and the candidates receiving the most votes from among the WEQ EC members will be announced the as the officers of the WEQ EC.

**10.4 Term of Office**

**A Terms**

355           Initially, EC Members shall be elected for two-year terms, with half of the terms expiring in alternating years. All subsequent elections for other than filing vacancies during a term, are for two years.

**B Limit on Number of Terms of Office**

360           EC Members from the WEQ may run for re-election without restriction on the number of terms held, provided that the position of the EC Vice Chair and Second Vice Chair shall have a term limit of one year each.

**C Change of Affiliation**

              In the event that the EC Member changes member or company affiliation, the EC seat will become vacant and open for re-election as prescribed Section 10.5 of these WEQ Procedures.

**10.5 Vacancies**

365           **A**   A person shall cease to be a member of the EC upon (1) the EC Member's resignation, removal, or death; (2) term expiration; or (3) the resignation or lapse, through a delinquency in payment of the membership dues, of the Segment Membership of the Entity that the EC Member represents. A vacancy shall be filled for the remainder of that term in accordance with Sections 10.5B & C of these WEQ Procedures.

370           **B**   In the event that an EC Member resigns or otherwise vacates a seat with less than 90 days remaining in the term of office, the EC seat will remain vacant until the next election period and the respective Sub-Segments Designated Alternate will serve until a new EC Member is elected.

**C**   If any seat on the EC becomes vacant and more than 90 days remain in the term of that seat, the respective Sub-Segment will conduct nominations and elections to fill that seat.

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- 375 1. If, after ninety (90) days the seat is still vacant, that seat will be designated an “At Large” seat and the Segment will hold elections to fill that seat conforming to the Sub-Segment Principles.
- 380 2. If, after 180 days of the vacancy, that seat is still vacant, the voting rights of the “At Large” seat will be suspended and the Segment will be expected to re-organize with new Sub-Segments consistent with the seven (7) EC seats, seven (7) Board seats, and Sub-Segment Principles. The new sub-segmentation will become effective on approval by 75% of the Segment and then 67% of the WEQ Membership. The percentage will be based on those members voting. The Segment will then conduct elections for its Board and EC members with the rights of the Board Members and EC Members effective under the new Sub-Segment designations.
- 385 3. If, after 270 days of the original vacancy, the Segment is unable to develop new Sub-Segments, an affirmative vote of 67% of the WEQ Membership is needed within the next 90 days to develop and approve the new Sub-Segments for the Segment consistent with the Sub-Segment Principles.
- 390 4. At any time during the vacancy of the seat, the Sub-Segment in question elects a Board member to fill the vacancy, no further Sub-Segment actions are necessary.

**10.6 Reserved**

**10.7 Resignation of Members of the EC**

A Member of the WEQ EC may resign his or her position by submitting a letter to the Secretary of NAESB with a copy to the WEQ EC Vice-chair stating that he or she is resigning and giving the effective date of the resignation.

**10.8 Designated Alternates**

Each Segment’s Sub-Segment of the WEQ may develop and approve a list of individuals to serve as Designated Alternates and will give such list to the NAESB office in accordance with the NAESB Bylaws.

**A Authority**

Persons presenting themselves at an EC meeting as Designated Alternates will be accepted as a participant provided that:

- 1 No two EC Members and Designated Alternates from the same Voting Member can represent a Segment at an EC meeting.
- 2 He or she has been designated to attend by an absent EC Member from his/her Segment’s Sub-Segment.
- 3 The WEQ EC Member from that Segment either indicates to the NAESB Office, EC Chair or Vice Chair that the EC Member will be absent, or is in fact absent and remains absent, and
- 4 The name of the Designated Alternate is on a list of approved Designated Alternates selected by the appropriate Sub-Segment Membership according to these WEQ Procedures, and is on file with the NAESB Office.

**B Election of Designated Alternates**

Each Sub-Segment may select Designated Alternates. In selecting Designated Alternate, the items below should be followed:

- 1 EC representative of Sub-Segment submits the list to NAESB office.
- 2 Alternates are members or agents of members of NAESB in good standing.
- 3 Alternates may not be presiding EC representatives (in any Segment or Sub-Segment) in the WEQ.
- 4 The Sub-Segment may provide a list that is considered approved if no objection from the Sub-Segment is raised. If objection is raised and not accommodated by the EC member providing the list, a vote of the Sub-Segment members is taken to approve the list with a 67% affirmative vote of those Sub-Segment members required for approval.
- 5 Alternates List may be revised.

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**10.9 EC Meetings**

**A WEQ EC Meetings**

- 425       1 WEQ EC meetings shall be held at times and locations determined by the EC Vice Chair or  
Second Vice Chair of the WEQ EC. The capability to participate by telephone is required for  
all WEQ EC meetings.
- 2 The NAESB Office shall record the minutes of EC meetings.

**B Notices**

- 430       The NAESB Office shall post advance meeting notices and agendas on the NAESB website and  
transmit same in writing, by facsimile, e-mail, or other electronic means to all WEQ EC Members.  
Unless under extreme circumstances, meeting notices shall provide at least 10 days notice of the  
meeting.

**C Voting**

- 435       1 The WEQ EC shall practice Balanced Voting and record voting results.
- 2 Each WEQ EC Member may participate and vote in EC meetings by notational ballot. Every  
notational ballot shall be executed in writing by the WEQ EC Member or by his or her duly  
authorized attorney in fact and filed with the Secretary of NAESB. The notational ballot may  
be mailed, sent via facsimile or sent via electronic mail to the NAESB Office.
- 440       3 Notational voting shall be permitted in accordance with the NAESB Bylaws, Section 10.4  
(k)(i-iii).

**D Joint EC Meetings**

- 445       In the event that the EC of the WEQ meets jointly with an EC of another NAESB Quadrant, the  
choice of Quadrant EC Vice Chair presiding over the joint meeting will be determined by the  
precedence established in the order of rotation of EC Vice Chairs as specified in the NAESB  
Bylaws.

**10.10 EC Subcommittees & Task Forces**

**A Establishing Subcommittees & Task Forces**

- 450       The EC of the WEQ shall set up its own subcommittees and task forces to deal with WEQ-specific  
issues for standards development as described in the WEQ Annual Plan. The WEQ EC chair may  
assign or solicit volunteers from the EC to co-chair the subcommittee or task force. The  
subcommittees and task forces will proceed in accordance with the relevant NAESB Operating  
Practices.

**B Meeting Minutes**

- 455       In the event that an individual from the NAESB Office is unavailable to take minutes, the Chair of  
any subcommittee / task force meeting will designate an individual to take minutes and forward  
them to the NAESB Office.

**C Reporting**

- 460       Each WEQ EC subcommittee or task force will report to the EC at no less than quarterly intervals,  
on a schedule to be defined by the EC for as long as the subcommittee or task force continues to  
exist.

**11 Reserved**

**12 Reserved**

**13 Reserved**

465 **14 Reserved**

**15 Reserved**

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**16 Reserved**

**17 Reserved**

**18 Amendments**

470       **18.1**     Any interested party may request a change to the WEQ Procedures by forwarding a request in writing to the NAESB Office.

475       **18.2**     The WEQ Procedures Drafting Collaborative Task Force is charged with drafting amendments to the quadrant procedures. The changes will be reviewed by NAESB Counsel to ensure that the amendments are not inconsistent with the organization's certificate and bylaws. After such assessment, the procedures will be reviewed for adoption by the WEQ membership. The NAESB Office will forward proposed amendments with a notational ballot to all WEQ Board members. The notational balloting period shall be 30 days. For the amendments to be adopted, 75% affirmative vote of the WEQ Board members with a minimum of 40% affirmative vote from each segment will be required. After the WEQ Board vote is taken and passes, the amendments must also be ratified by WEQ membership. For the amendments to be ratified, a minimum of 75% of the WEQ members returning ballots should vote affirmatively.

480       **18.3**     The foregoing notwithstanding, any actions taken under Section(s) 2.4, 7.5, or 10.5c of the WEQ Procedures shall be approved only in accordance with the provisions set forth in those Section(s); once so approved, such actions shall not be subject to, or require, any other or additional consideration under Section 18 of the WEQ Procedures.

485

**19 Reserved**

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Attachment A

**NAESB WHOLESALE ELECTRIC QUADRANT**

490

The NAESB Wholesale Electric Quadrant will be composed of six segments. Each segment will have seven seats on the Board of Directors and the Executive Committee. The organization for the segments is shown below:

495

- **Transmission:** Any entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.

| Sub-segments: | Muni/Coop            | Number of Seats: | 1 |
|---------------|----------------------|------------------|---|
|               | Fed/State/Provincial |                  | 1 |
|               | IOU                  |                  | 2 |
|               | ITC                  |                  | 2 |
|               | At Large             |                  | 1 |

500

- **Generation:** Any entity engaged in the activity of owning and/or operating wholesale electric generation facilities in North America.

| Sub-segments: | Muni/Coop            | Number of Seats: | 1 |
|---------------|----------------------|------------------|---|
|               | Fed/State/Provincial |                  | 1 |
|               | IOU                  |                  | 2 |
|               | Merchant             |                  | 2 |
|               | At Large             |                  | 1 |

505

- **Marketers/Brokers:** Any entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

| Sub-segments: | Muni/Coop            | Number of Seats: | 1 |
|---------------|----------------------|------------------|---|
|               | Fed/State/provincial |                  | 1 |
|               | Not IOU affiliated   |                  | 2 |
|               | IOU Affiliated       |                  | 2 |
|               | At Large             |                  | 1 |

510

- **Distribution/Load Serving Entities:** Any entity engaged in the activity of electric power sales and/or delivery to end use customers in North America, or any entity designated to represent a distribution utility.

| Sub-segments: | Muni/Coop  | Number of Seats: | 2 |
|---------------|--|------------------|---|
|               | IOU  |                  | 2 |
|               | Competitive Retailer                                       |                  | 1 |
|               | <i>(not available to muni/coop, IOU or IOU affiliates)</i> |                  |   |
|               | Other  |                  | 1 |
|               | <i>(not available to muni/coop, IOU or IOU affiliates)</i> |                  |   |
|               | At Large   |                  | 1 |

520

- **End Users:** Any entity in North America that is an end use consumer of electricity, engages in electricity regulation, or represents customer interests, or any entity designated to represent an end user.

| Sub-segments: | End Use (also in another segment)        | Number of Seats: | 1 |
|---------------|--|------------------|---|
|               | Regulator                                |                  | 1 |
|               | Residential/Commercial                   |                  | 1 |
|               | Large Industrial (not in other segments) |                  | 2 |
|               | End Use (Self Generation)                |                  | 1 |
|               | At Large                                 |                  | 1 |

525

- **Independent Grid Operators/Planners:** Any entity in North America authorized by an appropriate governmental authority to operate as a regional transmission organization, independent system operator, independent tariff administrator or independent planning entity and which does not have a business or financial interest in any other WEQ segment.

| Sub-segments: | None defined at this time | 7 |
|---------------|---------------------------|---|
|---------------|---------------------------|---|

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**North American Energy Standards Board  
Wholesale Electric Quadrant Procedures**

As Amended and Approved by the NAESB WEQ Membership – **February 2, 2007 PUT NEW DATE HERE**

**Definitions:**

- **IOU Definition:** An investor owned entity who has substantial business interest in owning and/or operating any two of the following three asset categories --- generation, transmission, distribution.
- **At Large Definition:** The At Large sub-segment within each segment is intended for regional reliability organizations, consultants, service companies, information services and software companies, law firms, and other such organizations that are not specifically encompassed in the other sub-segments for a given segment, and excludes the ISOs, RTOs and other independent grid operators and planners.

540

**545 Procedural Elements:**

1. Entities may participate in multiple segments within WEQ.
2. "Sunrise." Sub-segment principles will continue. Sub-segments may be revisited at any time, but no later than three years. Changes to sub-segments require 75% affirmative from with segment, subject to other minimum participation and deadline requirements.
3. Fixed Annual Payment. All WEQ participants will pay a fixed annual payment. Annual payment should provide for required budget to administer the process to develop Standards. Exceptions must be approved by the NAESB Board.
4. Sub-segment population. NAESB WEQ will establish minimum number for populating sub-segments within a segment, including a deadline for such population.
5. Consultants. Contract consultants may be considered as an option for Standards drafting, contingent on identification of need and availability of sufficient funding.
6. Segment Blocking. If at any time a segment acts to block the adoption of any standard during an EC vote on such standard, the blocking action shall be referred to the WEQ board members. Following such referral, the WEQ board members may request that the EC members of the segment explain the rationale for their votes.

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## North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
 Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@naesb.org](mailto:naesb@naesb.org)  
 Home Page: [www.naesb.org](http://www.naesb.org)

March 9, 2007

**TO:** NAESB Wholesale Electric, Retail Gas and Retail Electric Members, Interested Parties in the Gas and Electric Industries, Industry Trade Organizations, US DOE, EPA, Lawrence Berkeley Laboratory

**FROM:** Rae McQuade, NAESB President

**RE:** **Meeting to Address Request for NAESB Development of DSM/EE Business Practices**

An industry meeting has been scheduled on Wednesday, April 11 from 10:00 AM to 4:00 PM Eastern to discuss the request proposed by Advanced Energy to develop model business practices to support development of both natural gas and electric industry standards at a national level related to demand side management and energy efficiency. The effort to do so has been assigned to the retail gas, retail electric and wholesale electric interests within NAESB, and is included as part of the annual plans of each group. The effort as noted in the request ([R06024](#)) would promote a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs, through the development of model business practices. This effort would address demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program.

This is the first meeting of the group. The goals of the meeting are to define the scope and set the subcommittee organization to address the issues outlined in the request. Ruth Kiselewich and David Koogler will preside over the meeting.

We are very pleased and want to thank the US Department of Energy for hosting. The Department of Energy is a long-standing member of NAESB and its predecessor GISB, and we are fortunate to have a successful public-private partnership with them. The specifics of the meeting are:

**WHEN:** Wednesday April 11, 2007 – 10:00 AM to 4:00 PM Eastern

**WHERE:** U.S. Department of Energy, Forrestal Building, 1000 Independence Avenue, Washington, D.C.  
 Program Review Center, Room 8E-089

The agenda and meeting materials will be distributed and posted shortly on the NAESB web site. After reading request R06024, which can be accessed at the following link: <http://www.naesb.org/pdf2/dsmee041107w1.pdf>, if you would like to submit work papers for consideration at the meeting, please submit to the NAESB office at [naesb@naesb.org](mailto:naesb@naesb.org). We would appreciate receiving any papers or comments by April 4.

As with all NAESB meetings, this is an open meeting. If you plan to attend, please RSVP to the NAESB office ([naesb@naesb.org](mailto:naesb@naesb.org)) by April 2 with the following contact information: your name, the organization you are representing, email address and phone number. (Non-US citizens need prior clearance to enter DOE's building and thus should contact [lawrence.mansueti@hq.doe.gov](mailto:lawrence.mansueti@hq.doe.gov) by April 4.) If you are unable to attend but would like to be put on our distribution for this effort, please send in the same contact information and indicate that you should be added to the distribution list. All confirmed attendees will be added to the distribution list unless they specifically indicate that they do not want to receive information on this project from NAESB. Should you know of any colleagues that may have interest in attending this meeting or in following NAESB efforts in this area, we would appreciate it if you forwarded this invitation along.

NAESB will post all DSM/EE project related information on its site at the following address (<http://www.naesb.org/dsm-ee.asp>). Please note that any interested party can access this address.

With Best Regards,

*Rae McQuade*



## North American Energy Standards Board

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 Home Page: [www.naesb.org](http://www.naesb.org)

Distribution List as well as Posting on NAESB Web Site:

Carl Wilkins, Advanced Energy  
 Ruth Kiselewich, BG&E  
 Robert Burnette and David Koogler, Dominion Retail

NAESB Members of the Retail Gas, Retail Electric,  
 Wholesale Electric Quadrants  
 NAESB trade association contacts for the Retail Gas,  
 Retail Electric, Wholesale Electric Markets  
 NAESB Advisory Council

Lawrence Mansueti and Christopher Freitas of the  
 US Department of Energy  
 Stacy Angel, Nicholas Dietsch and Cynthia Cummis,  
 US Environmental Protection Agency  
 Commissioner Wellinghoff, David Kathan, Patricia  
 Schaub, Mary Beth Tighe of the Federal Energy  
 Regulatory Commission  
 Chuck Goldman, Lawrence Berkeley National  
 Laboratory

Grace Soderberg, NARUC  
 Bob Gray, Arizona Corporation Commission  
 Commissioner Dian Grueneich, California Public  
 Utilities Commission  
 Lou Ann Westerfield, Idaho Public Utility  
 Commission  
 Commissioner Alan M. Freifeld, Maryland Public  
 Service Commission  
 Diane Barney, New York Public Service Commission  
 Commissioner Ervin, North Carolina Utilities  
 Commission  
 Commissioner Kerr, North Carolina Utilities  
 Commission  
 Denis Bergeron, Maine Public Utilities Commission  
 Thom Pearce, Public Utilities Commission of Ohio  
 Sandra Waldstein, Vermont Public Service Board  
 David Eichenlaub, Virginia State Corporation  
 Commission

Bill Prindle, American Council for an Energy  
 Efficient Economy (ACEEE)  
 Meg Matt, Association of Energy Services  
 Professionals (AESP)  
 Ken Keating, BPA  
 Dan Delurey, Demand Response Coordinating  
 Committee  
 Ward Camp, Distribution Control Systems, Inc.  
 Jamie Wimberly, Distribution Energy Financial  
 Group LLC

Diane Munns, Edison Electric Institute  
 Ren Orans, Energy and Environmental Economics,  
 Inc.  
 Fred Gordon, Energy Trust of Oregon  
 Richard Spellman, GDS Associates, Inc.  
 Robert Mason, GoodCents, Energy Efficiency  
 Thomas McMahon, Honeywell Utility Solutions  
 Val Jensen, David Pickles and David Meisegeier, ICF  
 International  
 David LaPlante and Henry Yoshimura, ISO New  
 England  
 Steve Schiller, International Program Measurement  
 and Verification Protocol (IPMVP)  
 Mike Rufo, Itron, Inc.  
 Daniel Waintroob, KEMA Services  
 Mimi Goldberg and Liz Hicks, Kema/Xnergy  
 Mark Bowen and Patrick McCarthy, Lockheed  
 Martin Information Technology  
 Alicia Ward, Midwest Energy Efficiency Alliance  
 Tim Stout, National Grid  
 Paul DeCotis, New York State Energy Research and  
 Development Authority (NYSERDA)  
 Sue Coakley, Northeast Energy Efficiency Project  
 Margie Gardner, Northwest Energy Efficiency  
 Alliance  
 Tom Eckman, Northwest Power and Conservation  
 Council  
 Elliott Boardman, Peak Load Management  
 Association (PLMA)  
 Rich Sedano, Regulatory Assistance Project  
 Kelly Ross Gillespie, Southeast Energy Efficiency  
 Alliance c/o Alliance to Save Energy  
 Howard Geller, Southwest Energy Efficiency  
 Alliance  
 Dan Violette, Summit Blue Consulting  
 Blair Hamilton, Vermont Energy Investment  
 Corporation

**R06024**

October 6, 2006

Rae McQuade  
NAESB, President  
1301 Fannin, Suite 2350  
Houston, TX 77002

Dear Ms. McQuade:

Attached is a request for initiation of a NAESB business practice standard as described in your September 11, 2006, memo. We were advised by one of your board members, Mr. David Koogler with Dominion Power, to submit a request.

Mr. Koogler was present when we gave our annual report to the N.C. Utilities Commission. He took note that we were challenged by one of the Commissioners to quantify more of the benefits that North Carolina and other states were enjoying as result of the work we do with energy utilization and market transformation.

Advanced Energy is an independent non-profit that was chartered by the N.C. Utilities Commission in 1980 to work with electric utilities, in part, to develop and demand side management (DSM) and energy efficiency (EE) programs. Since 1980 Advanced Energy has been doing public benefits work to enhance how North Carolina businesses and individuals use energy. Recently we have been asked to assess the statewide potential for DSM and EE.

It has been some time since these subjects have been discussed in regulatory and public settings, especially as it pertains to the need for future electricity generation. We have a long-standing relationship with utilities and appreciate their support and collaboration on many issues affecting energy utilization in our state. The Public Staff of the N.C. Utilities Commission is an ally and recently recommended that we advise the N.C. Utilities Commission as to how we would manage a statewide Public Benefits Fund specifically for DSM and EE.

Other than the west coast, the northeast or selected mid-western states, the body of knowledge about DSM and EE has grown stale. Furthermore, a lot has changed with respect to the way homes and business and industry use energy since DSM and EE were in vogue in the 80s and early 90s. Many states and other jurisdictions lack the expertise and experience to evaluate and plan new programs.

We heard that NAESB has an excellent reputation in the development of standards and felt that this area might be an area that fit NAESB's mission. Please contact me with any questions regarding our attached request.

Sincerely,

Carl L. Wilkins, P.E.  
Director, Utility Services

Attachment

# R06024

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or  
Request for Enhancement of a NAESB Standard for Electronic Business Transactions**

**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**

**Instructions:**

- 1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.**
  
- 2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.**
  
- 3. Once completed, send your request to:**  
Rae McQuade  
NAESB, President  
1301 Fannin, Suite 2350  
Houston, TX 77002  
  
Phone: 713-356-0060  
Fax: 713-356-0067

**by either mail, fax, or to NAESB's email address, [naesb@naesb.org](mailto:naesb@naesb.org).**

**Once received, the request will be routed to the appropriate subcommittees for review.**

**Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at [http://www.naesb.org/monthly\\_calendar.asp](http://www.naesb.org/monthly_calendar.asp).**

# R06024

## Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

### 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: October 6, 2006

1. Submitting Entity & Address:

Advanced Energy  
909 Capability Dr.  
Suite 2100  
Raleigh, NC 27606-3870

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

Name : Carl Wilkins  
Title : Director Utility Services  
Phone : (919) 857-9008  
Fax : (919) 832-2696  
E-mail : cwilkins@advancedenergy.org

3. Title and Description of Proposed Standard or Enhancement:

Title:

Standardized Method for Quantifying Benefits, Savings, Cost Avoidance and/or the  
Reduction in Energy Demand Derived From the Implementation of Demand Side  
Management and Energy Efficiency Programs

Description:

Efforts are underway throughout the electricity industry to develop and implement demand side management measures and techniques in order to moderate the growth for electricity. However, a standardized method for quantifying the energy and demand impact of implementing proposed demand side management techniques does not exist. Entities involved in these activities are using a wide variety of methods to estimate the benefits of these programs. As various utilities across the nation look at implementing DSM and EE measures, it is evident that results may vary depending on many factors that are localized and at the discretion of the evaluating entity. On the other hand there are fairly standardized techniques

# R06024

## **Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions**

for evaluating and presenting the benefits and costs for a supply side option. As regulatory commissions investigate utility integrated resource plans, the development and presentation of the DSM and EE options are vigorously challenged by interveners as being incomplete, inconsistent and not treated as fairly as supply side options. Furthermore, utilities recognize the uncertainty of some proposed demand side options because they lack standardized quantitative justification which may address issues such as program persistence and other variables out of the DSM/EE program's control. DSM and EE programs often fail to pass cost effectiveness tests (RIM, UTC, PCT, etc.) because the benefit/cost data that is presented may be inaccurate or based on poor assumptions. Having a standardized method that is both recognized and understood by utilities, regulatory agencies, program administrators, consumer advocates and energy service professionals is vital. For example, the amount of energy reduction for a DSM measure in a small building can be simulated by a computer model, obtained by actual load research, using results from another similar program or estimated by engineering calculations. The benefits, costs and energy impacts from either of the aforementioned techniques can vary widely.

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- 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):

The proposed standard will be used by regulatory agencies, utilities, program administrators and any entity that are involved with quantifying impacts of a DSM or energy efficiency program. This standard may become an important part of a utility's integrated resource planning process. As more electric utilities announce new base-load generation additions to their long-term resource plans, the opportunity for this proposed standard to be use becomes more evident.

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# R06024

## Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

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

\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- **Proposed Revised NAESB WGQ Standard No. 4.3.90**

The Transportation Service Provider (TSP) should provide on its Informational Postings Web Site daily average gas quality information for prior gas day(s), to the extent rounely collected and readily available, for location(s) that are representative of mainline gas flow. To the extent that a TSP monitors tariff-based gas quality provisions for locations representative of mainline gas flows by non-electronic methods (e.g., spot sample), such information should be posted as soon as practicable.<sup>4</sup> The gas quality information posted pursuant to this standard is operational in nature.<sup>2</sup>

For purposes of this standard, “readily available” is that data which is currently available in electronic format or would be available electronically with minor enhancement(s) to existing data collection, processing and reporting capability.<sup>3</sup>

The gas quality information should be reported in units as specified in the tariff or general terms and conditions. Gas quality information not specified in the TSP’s tariff or general terms and conditions should be posted using units determined by the TSP.<sup>4</sup>

The information available for the identified location(s) should be provided in a downloadable format. In any event, all applicable parties’ compliance with gas quality requirements is in accordance with the TSP’s tariff or general terms and conditions.

~~The following~~Listed below are examples of gas quality attributes ~~that could be included in posting for the applicable Gas Day(s) and Location(s):~~

- Heating Value
- Interchangeability index(ices)/factor(s)
- Hydrocarbon liquid drop out control parameter(s)/factor(s)
- Hydrocarbon components, % of C1 – Cnn, as used in determining Heating Value
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans
- Mercury and/or any other contaminants being measured
- Other pertinent gas quality information that is specified in the TSP’s tariff or the general terms and conditions.

<sup>1</sup> Inserted from Pipeline segment work paper for the 1/12/07 BPS.

<sup>2</sup> Inserted from Pipeline segment work paper for the 1/12/07 BPS.

<sup>3</sup> Originated from LDC segment work paper as 4.2.x1 and revised during the 1/12/07 BPS meeting.

<sup>4</sup> Inserted from Pipeline segment work paper for the 1/12/07 BPS and additional revisions.

- **Proposed Revised NAESB WGQ Standard No. 4.3.90**

The Transportation Service Provider (TSP) should provide on its Informational Postings Web Site daily average gas quality information for prior gas day(s), to the extent rounely collected and readily available, for location(s) that are representative of mainline gas flow. To the extent that a TSP monitors tariff-based gas quality provisions for locations representative of mainline gas flows by non-electronic methods (e.g., spot sample), such information should be posted as soon as practicable.<sup>4</sup> The gas quality information posted pursuant to this standard is operational in nature.<sup>2</sup>

For purposes of this standard, “readily available” is that data which is currently available in electronic format or would be available electronically with minor enhancement(s) to existing data collection, processing and reporting capability.<sup>3</sup>

The gas quality information should be reported in units as specified in the tariff or general terms and conditions. Gas quality information not specified in the TSP’s tariff or general terms and conditions should be posted using units determined by the TSP.<sup>4</sup>

The information available for the identified location(s) should be provided in a downloadable format. In any event, all applicable parties’ compliance with gas quality requirements is in accordance with the TSP’s tariff or general terms and conditions.

~~The following~~Listed below are examples of gas quality attributes ~~that could be included in posting for the applicable Gas Day(s) and Location(s):~~

- Heating Value
- Interchangeability index(ices)/factor(s)
- Hydrocarbon liquid drop out control parameter(s)/factor(s)
- Hydrocarbon components, % of C1 – Cnn, as used in determining Heating Value
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans
- Mercury and/or any other contaminants being measured
- Other pertinent gas quality information that is specified in the TSP’s tariff or the general terms and conditions.

<sup>1</sup> Inserted from Pipeline segment work paper for the 1/12/07 BPS.

<sup>2</sup> Inserted from Pipeline segment work paper for the 1/12/07 BPS.

<sup>3</sup> Originated from LDC segment work paper as 4.2.x1 and revised during the 1/12/07 BPS meeting.

<sup>4</sup> Inserted from Pipeline segment work paper for the 1/12/07 BPS and additional revisions.

- **Proposed modifications to NAESB WGQ Standard No. 4.3.92:**

4.3.92 Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be provided in a tabular downloadable file to be described by the Transportation Service Provider. The first row of the file should contain the column headers and data should begin on the second row of the file. In addition, one of the columns should contain the applicable Gas Day. ~~Data should be made available in a single download for one and/or all location(s) representative of mainline gas flow as posted for a given date range within the most recent three month period.~~

- **Proposed NAESB WGQ Standard 4.3.x1.**

4.3.x1 For data provided pursuant to NAESB WGQ Standard 4.3.90, where a Transportation Service Provider (TSP) does not provide a Wobbe Number for location(s) that are representative of mainline gas flow, upon notification from a ~~customer or other applicable party~~ Service Requestor of its desire to begin discussing the interchangeability of gas supplies, should endeavor to calculate a Wobbe Number for such location(s) ~~that are representative of mainline gas flow.~~ Within 90 days of such notification ~~As soon as practical~~, but no later than the initiation of discussions to develop tariff-based gas quality interchangeability provisions, a TSP should provide a Wobbe Number for location(s) that are representative of mainline gas flow.

Where a TSP uses an alternative method to characterize interchangeability, it may substitute or supplement the Wobbe Number with the applicable data. Where no above-mentioned notification is received by the TSP or where the above mentioned discussions lead to a conclusion that tariff based gas quality interchangeability provisions are not necessary, a TSP may satisfy this standard by providing a Heating Value and Specific Gravity.

- **Proposed NAESB WGQ Standard 4.3.x2:**

4.3.x2 For data provided pursuant to NAESB WGQ Standard No. 4.3.90, a Transportation Service Provider (TSP) with tariff-based gas quality provisions for the control of hydrocarbon liquid drop out should measure or calculate a 1) Cricondentherm Hydrocarbon Dew Point (CHDP) or 2) C6+GPM for the location(s) that are representative of mainline gas flow. If applicable, the TSP should provide the control parameter specified within its tariff. Where a TSP uses an alternative approach to control hydrocarbon liquid drop out, it may substitute the appropriate control parameter.

- **Proposed NAESB WGQ Standard 4.3.x3:**

4.3.x3 Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be made available in a single download for one and/or all location(s) representative of mainline gas flow as posted for a given date range within the most recent three month period.



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**via posting**

**TO:** NAESB Wholesale Gas Quadrant (WGQ) Business Practices Subcommittee and Posting for Interested Parties

**FROM:** Laura B. Kennedy, Meeting/Project Manager

**RE:** Draft Minutes from WGQ Business Practices Subcommittee Meeting on February 8, 2007

**DATE:** March 5, 2007

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**Wholesale Gas Quadrant  
 Business Practices Subcommittee Meeting  
 February 8, 2007 10:00 a.m. – 4:00 p.m. Central  
 Draft Minutes**

### 1. Administrative

Ms. Van Pelt Called the meeting to order and welcomed the meeting participants. The participants in the room and on the phone introduced themselves. Ms. Kennedy read the antitrust guidelines. The subcommittee reviewed the draft agenda. Ms. McVicker moved, seconded by Mr. Young, to adopt the agenda as drafted. The motion passed without objection.

Next, the subcommittee reviewed the draft minutes from the January 4, 2007 conference call. It was noted that in the Attendance and Voting Record section of these minutes the following changes should be made: Mr. Ishikawa's company should be Southern California Gas; Ms. Burch's company should be Spectra Energy; Mr. Smith's company should be Exxon Mobil; and Mr. Burden should be added to the attendance with a note that he did not vote during that meeting. Mr. Young moved, seconded by Ms. Chezar to adopt the January 4, 2007 minutes as revised as the final minutes. The motion passed unanimously. The final minutes from the January 4, 2007 conference call are posted on the NAESB website: [Final Minutes](#).

The subcommittee reviewed the draft minutes from the January 12, 2007 conference call. Ms. Chezar requested that the statement attributed to her in the first paragraph of page two be modified to "It was stated that..." A typographical error was corrected in the fourth paragraph of page two. In the fifth paragraph of page 2, El Paso was changed to Panhandle. Ms. Burch's company designation was changed to Spectra Energy; Mr. Burden's attendance was noted as (not voting); and Mr. Smith's company was corrected as Exxon Mobil. Mr. Young moved, seconded by Ms. Chezar to adopt the January 12, 2007 minutes as revised as the final minutes. The motion passed unanimously. The final minutes from the January 12, 2007 conference call are posted on the NAESB website: [Final Minutes](#).

### 2. Review of the following Business Practices Requests:

R06008 National Fuel Gas Distribution, Discussion and possible vote: The subcommittee began its discussion by reviewing the work paper that consolidated the revisions proposed during the December 7, 2006 conference call of the WGQ Executive Committee and the work paper presented by the LDC Segment for the January 12 conference call of the WGQ BPS: [BPS Chairs Strawman Work Paper](#).

*Standard 4.3.90:* Mr. Shepard suggested replacing "and" with "and/or" to the phrase "...to the extent collected and readily available" in the first paragraph of Standard 4.3.90 as set forth in the BPS Chairs Strawman Work Paper. Mr. Shepard stated that the information could be readily available without being routinely collected. Ms. Van Pelt stated that there are instances when the



## North American Energy Standards Board

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 Home Page: [www.naesb.org](http://www.naesb.org)

data is readily available but is not necessarily purposefully collected. Mr. Raup supported Mr. Shepard's suggested change and noted that there are pieces of data that pipelines collect and sample to determine the value one time, which is an example of information that is readily available but not routinely collected.

Mr. Griffith did not support making the revision to "and/or". He stated that his interpretation of the phrase "routinely collected and readily available" is that there may have been some information that was collected routinely that is not being posted. It is readily available if there is some other information that needed a minor enhancement that makes it capable of being posted on a routine basis. After further discussion, Mr. Shepard withdrew his suggestion.

Mr. Griffith noted that in the final version of the standards that are posted for publication and comment that the footnotes should be removed. It was the consensus of the subcommittee that the footnotes would be removed before the standards were posted for comment and publication.

Mr. Frost requested an explanation of the phrase "...operational in nature." in the first paragraph of Standard 4.3.90 as set forth in the BPS Chairs Strawman Work Paper. Mr. Griffith stated that the reporting of data is available and is not subject to any review or audit, *i.e.*, the information is not billing quality data. Ms. Chezar noted that most websites have disclaimers that the data is only operational quality information.

Pursuant to this discussion, Ms. McVicker requested that the sentence be revised to state that the quality of the information posted is operational in nature. Mr. Griffith stated that it is preferable to state what the information is: operational in nature rather than that the information is not billing quality data. He noted that most of the posted information is not used in any billing process. Ms. Gussow noted that some of the data is used in determining heating value that is applied to volumes that are used in bottom line invoices. Ms. McVicker noted that if it is the intent of the language to convey that the quality of the data is preliminary, then the language "operational in nature" is vague. Mr. Novak suggested inserting the phrase "best available and" before "operational in nature." Mr. Griffith stated that he did not see value in adding the language proposed and that he would need to talk with counsel regarding these proposals. Mr. Smith stated if the phrase "best available" would add further confusion to the language then the language should not be modified. After further discussion, it was the consensus of the group that operational in nature was sufficient to convey the meaning intended.

The word "gas" was added between "mainline" and "flows" in the first paragraph. The s was deleted from the word "flows".

Next, the subcommittee reviewed the list of gas quality attributes and the lead in language for the list. Mr. Love suggested adding the phrase "that could be included" back to the language to control expectations that not everything on the list is going to be made available. Ms. Van Pelt stated that this notion is covered by the language in the first paragraph "...to the extent routinely collected and readily available..." Mr. Griffith supported Ms. Van Pelt's comment and stated that the controlling language is the first paragraph. After further discussion, the participants agreed that the first paragraph covers the notion that the list of gas quality attributes would be provided to the extent routinely collected and readily available.

Next, the subcommittee reviewed the second paragraph of 4.3.90 that is the definition of "readily available". Mr. Novak stated that the term "minor enhancement" as used in this language should be defined. Mr. Griffith stated it would be difficult to define the term in the standard and that it would be problematic to define an obligation to expend resources based on posting requirements in a standard. Mr. Griffith added that the situation for each pipeline is different. Mr. Shepard stated that the term will be defined based on the particular situation. Mr. Smith supported the language as drafted and stated that the way it is worded gives the data collector some discretion to determine what is considered a major enhancement and what is considered a minor enhancement.



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Ms. Dolores made the following motion: to adopt the proposed revised 4.3.90 work paper with the revisions made during this meeting: with the footnotes deleted, the word gas inserted between mainline and flow, the change from the word flows to flow, and the added comma to the section that defines “readily available”. Mr. Gwilliam seconded the motion. The motion unanimously passed a balanced vote as set forth below [*Vote 1*]:

### Wholesale Gas Quadrant

Balanced Voting by Segment Tally

| Segment      | Votes Cast |          |           | Balanced Vote |          |           |
|--------------|------------|----------|-----------|---------------|----------|-----------|
|              | YES        | NO       | TOTAL     | YES           | NO       | TOTAL     |
| End Users    | 4          | 0        | 4         | 2             | 0        | 2         |
| LDCs         | 6          | 0        | 6         | 2             | 0        | 2         |
| Pipeline     | 10         | 0        | 10        | 2             | 0        | 2         |
| Producer     | 4          | 0        | 4         | 2             | 0        | 2         |
| Services     | 2          | 0        | 2         | 2             | 0        | 2         |
| <b>Total</b> | <b>26</b>  | <b>0</b> | <b>26</b> | <b>10</b>     | <b>0</b> | <b>10</b> |

*Standard 4.3.x2*: It was the consensus of the subcommittee to support adoption of the language for Proposed Standard 4.3.x2 in the form that it was voted upon at the December 7, 2006 conference call of the WEQ Executive Committee:

For data provided pursuant to NAESB WGQ Standard No. 4.3.90, a Transportation Service Provider (TSP) with tariff-based gas quality provisions for the control of hydrocarbon liquid drop\_out should measure or calculate a 1) Cricondenthem Hydrocarbon Dew Point (CHDP) or 2) C6+GPM for the location(s) that are representative of mainline gas flow. If applicable, the TSP should provide the control parameter specified within its tariff. Where a TSP uses an alternative approach to control hydrocarbon liquid drop\_out, it may substitute the appropriate control parameter.

Mr. Griffith moved that the WGQ Business Practices Subcommittee recommend that the WGQ Executive Committee reconsider Proposed Standard 4.3.x2 in the form that it was voted upon at the December 7, 2006 conference call. Ms. Chezar seconded the motion. The motion unanimously passed a simple majority vote. [*Vote 2*].

*Standard 4.3.92*: Mr. Novak requested that the language in this standard require that the data contain the column headers either in the standard or in the implementation guide. Ms. Van Pelt noted that the language drafted for 4.3.92 was intended to mimic flat file/EDM formats without requiring one to use flat file/EDM formats.

There was discussion that the language should be modified to require that the first row should contain column headers and that the data should begin on the second row of the file. There was also a suggestion that at least one of the columns should contain the effective date. After further discussion, the following language was added to the end of the second sentence in 4.3.92 as set forth in the LDC Segment work paper ([LDC segment work paper submitted by M.Novak, National Fuel](#)): “...and data should begin on the second row of the file. In addition, one of the columns should contain the applicable Gas Day.”

A new proposed standard was drafted, 4.3.x3, to include the sentence that was removed from 4.3.92: “Data should be made available in a single download for one and/or all location(s) representative of mainline gas flow as posted for a given date range within the most recent three month period.”

Mr. Novak moved, seconded by Ms. Burch, to adopt the revisions to 4.3.92 as set forth above. The motion unanimously passed a balanced vote as set forth below [*Vote 3*]:



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### Wholesale Gas Quadrant

#### Balanced Voting by Segment Tally

| Segment   | Votes Cast |    |       | Balanced Vote |    |       |
|-----------|------------|----|-------|---------------|----|-------|
|           | YES        | NO | TOTAL | YES           | NO | TOTAL |
| End Users | 4          | 0  | 4     | 2             | 0  | 2     |
| LDCs      | 5          | 0  | 5     | 2             | 0  | 2     |
| Pipeline  | 10         | 0  | 10    | 2             | 0  | 2     |
| Producer  | 3          | 0  | 3     | 2             | 0  | 2     |
| Services  | 1          | 0  | 1     | 1             | 0  | 1     |
| Total     | 23         | 0  | 23    | 9             | 0  | 9     |

Mr. Novak moved, seconded by Mr. Frost, to adopt the language proposed for the new standard 4.3.x3:

Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be made available in a single download for one and/or all location(s) representative of mainline gas flow as posted for a given date range within the most recent three month period.

The motion passed a balanced vote as set forth below [Vote 4]:

### Wholesale Gas Quadrant

#### Balanced Voting by Segment Tally

| Segment   | Votes Cast |    |       | Balanced Vote |    |       |
|-----------|------------|----|-------|---------------|----|-------|
|           | YES        | NO | TOTAL | YES           | NO | TOTAL |
| End Users | 4          | 0  | 4     | 2             | 0  | 2     |
| LDCs      | 4          | 0  | 4     | 2             | 0  | 2     |
| Pipeline  | 0          | 7  | 7     | 0             | 2  | 2     |
| Producer  | 3          | 0  | 3     | 2             | 0  | 2     |
| Services  | 1          | 0  | 1     | 1             | 0  | 1     |
| Total     | 12         | 7  | 19    | 7             | 2  | 9     |

*Standard 4.3.x1:* Next, the subcommittee reviewed the language proposed for new standard 4.3.x1 in the LDC Segment work paper. Mr. Novak stated that the 90 days time frame came from the FERC letter order in the Tennessee Gas Pipeline case. The principle behind the 90 day time frame is to provide a reasonable amount of time for an organization to begin to provide data that is not currently provided today. Mr. Young stated that the regulatory arena was the proper forum to discuss Wobbe Numbers.

Mr. Novak moved, seconded by Ms. Mcvicker, to adopt the language for 4.3.x1 as set forth in the LDC Work Paper posted for this meeting. The motion passed a balanced vote as set forth below [Vote 5]:

### Wholesale Gas Quadrant

#### Balanced Voting by Segment Tally

| Segment   | Votes Cast |    |       | Balanced Vote |    |       |
|-----------|------------|----|-------|---------------|----|-------|
|           | YES        | NO | TOTAL | YES           | NO | TOTAL |
| End Users | 4          | 0  | 4     | 2             | 0  | 2     |
| LDCs      | 5          | 0  | 5     | 2             | 0  | 2     |
| Pipeline  | 0          | 8  | 8     | 0             | 2  | 2     |
| Producer  | 3          | 0  | 3     | 2             | 0  | 2     |
| Services  | 0          | 0  | 0     | 0             | 0  | 0     |



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|       |    |   |    |   |   |   |
|-------|----|---|----|---|---|---|
| Total | 12 | 8 | 20 | 6 | 2 | 8 |
|-------|----|---|----|---|---|---|

The resulting language for each standard is posted as an attachment to these minutes in redline and clean format: [Resulting Standards Language Redline](#) and [Resulting Standards Language Clean](#).

### 3. Next Meeting(s) and Agenda

Ms. Van Pelt stated that she would work with the NAESB office to schedule the next WGQ Business Practices Subcommittee meeting to handle other requests that have been assigned to the WGQ Business Practices Subcommittee

### 4. Adjourn

Ms. McVicker moved to adjourn. The meeting adjourned at 1:39 PM Central.



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## 5. Attendance of Voting Participants

| Name                     | Organization                    | Attendance | Vote 1 | Vote 2 | Vote 3 | Vote 4 | Vote 5 |
|--------------------------|---------------------------------|------------|--------|--------|--------|--------|--------|
| <b>END USERS SEGMENT</b> |                                 |            |        |        |        |        |        |
| Tina Burnett             | Boeing Company                  | In Person  | S      | S      | S      | S      | S      |
| Valerie Crockett         | Tennessee Valley Authority      | In Person  | S      | S      | S      | S      | S      |
| Dona Gussow              | Florida Power and Light         | Phone      | S      | S      | S      | S      | S      |
| Diane McVicker           | Arizona Public Service          | In Person  | S      | S      | S      | S      | S      |
| <b>LDC SEGMENT</b>       |                                 |            |        |        |        |        |        |
| Dolores Chezar           | KeySpan Gas Distribution        | In Person  | S      | S      | S      | S      | S      |
| Craig Colombo            | Dominion Resources              | Phone      | S      | S      | S      | S      | S      |
| Richard Ishikawa         | Southern California Gas         | Phone      | S      | S      | S      | S      | S      |
| Mike Novak               | National Fuel Gas Distribution  | In Person  | S      | S      | S      | S      | S      |
| Phil Precht              | Baltimore Gas and Electric      | In Person  | S      | S      | S      | S      | S      |
| Chris Raup               | Consolidated Edison of New York | Phone      | S      | S      | S      | S      | S      |
| <b>PIPELINE SEGMENT</b>  |                                 |            |        |        |        |        |        |
| Kathryn Burch            | Spectra Energy                  | In Person  | S      | S      | S      | A      | O      |
| Christopher Burden       | Williams Gas Pipeline           | Phone      | S      | S      | S      | O      | O      |
| Lisa Fitzgerald          | NiSource                        | In Person  | S      | S      | S      | O      | O      |
| Bill Griffith            | El Paso Natural Gas             | In Person  | S      | S      | S      | O      | O      |
| Tom Gwilliam             | Iroquois Gas Transmission       | In Person  | S      | S      | S      | O      | A      |
| Brenda Horton            | Kern River Gas                  | Phone      | S      | S      | S      | O      | O      |
| Iris King                | Dominion Transmission           | In Person  | S      | S      | S      | A      | A      |
| Paul Love                | Natural Gas Pipeline Company    | In Person  | S      | S      | S      | O      | O      |
| Kim Van Pelt             | Panhandle Eastern Pipe Line     | In Person  | S      | S      | S      | A      | O      |
| Randy Young              | Gulf South Pipeline             | In Person  | S      | S      | S      | O      | O      |
| <b>PRODUCERS SEGMENT</b> |                                 |            |        |        |        |        |        |
| Chuck Cook               | Chevron                         | In Person  | S      | S      | S      | S      | S      |



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| Name                    | Organization                              | Attendance | Vote 1 | Vote 2 | Vote 3 | Vote 4 | Vote 5 |
|-------------------------|---|------------|--------|--------|--------|--------|--------|
| Pete Frost              | ConocoPhillips                            | In Person  | S      | S      | S      | S      | S      |
| Mike Shepard            | Mewbourne Oil Company                     | Phone      | S      |        |        |        |        |
| Richard Smith           | ExxonMobil                                | In Person  | S      | S      | S      | S      | S      |
| <b>SERVICES SEGMENT</b> |   |            |        |        |        |        |        |
| Keith Sappenfield       | EnCana                                    | Phone      | S      | S      | S      | S      |        |
| Lisa Simpkins           | Constellation Energy<br>Commodities Group | Phone      | S      |        |        |        |        |

**6. Other Attendance**

| Name            | Organization                     | Attendance |
|-----------------|----------------------------------|------------|
| Mariam Arnaout  | American Gas Association         | Phone      |
| Pete Connor     | NiSource                         | Phone      |
| Angela Gonzalez | NAESB                            | In Person  |
| Laura Kennedy   | NAESB                            | In Person  |
| Lou Oberski     | Dominion Resource Services, Inc. | Phone      |
| Micki Schmitz   | Northern Natural Gas             | Phone      |



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**TO:** Wholesale Gas Quadrant, Wholesale Electric Quadrant, and Interested Parties

**FROM:** Laura Kennedy, Meeting/Project Manager

**RE:** Draft Minutes of e-Tariff Meeting February 1, 2007

**DATE:** February 10, 2007

**WEQ and WGQ E-Tariff Meeting  
Washington, DC hosted by Federal Energy Regulatory Commission  
February 1, 2007  
Draft Minutes**

### 1. Opening Remarks

Chairman Kelliher made opening remarks.

### 2. Administrative

Ms. Kennedy gave the antitrust guidelines. Mr. Buccigross welcomed the attendees and reviewed the agenda.

### 3. Background on e-Tariff presented by Commission Staff

Prior to making comments, Mr. Goldenberg, Sr. Counsel, Office of the General Counsel, OMTR, stated that the views expressed by the Staff during this meeting were not necessarily the views of the FERC or any FERC Commissioner.

FERC Staff provided a work paper prior to this meeting “for advanced background information and the areas in which standards may be required to implement an eTariff database” that was posted on the NAESB e-Tariff page: [Background E-Tariff Information](#). The work paper describes the purpose of the e-Tariff Program and provides examples of basic fields required for the tariff database.

Mr. Goldenberg, Mr. Pierce, and Mr. Nutsch of the FERC provided background information for the participants.

Mr. Goldenberg stated that the FERC began working with GISB and the gas industry fourteen years ago to develop standards for electronic commerce. The FERC is now seeking to develop an efficient mechanism for tariff sheets and the filings that are submitted with tariff sheets to be submitted in a format that can be used in a tariff database. The FERC developed a database program that has been tested by the electric, gas, and oil industries. Industry participants have raised several objections to the FERC database program. As a result, FERC Staff has asked NAESB to work alongside FERC Staff to develop an efficient tariff database and to develop standards and procedures so that an e-tariff program can become a reality. Mr. Goldenberg noted that maintaining historic information is crucial to FERC Staff, especially for rate cases. FERC Staff often need to examine the tariff language as it existed at the time the issues at hand took place. This proves difficult when there have been multiple filings since the time the complaint was filed and when the proposed revisions were accepted in part; suspended in part; and/or objected in part by the FERC or any combination thereof. In addition, FERC Staff receives requests for the paper index for the effective tariff rate schedule at a particular point in time. The paper indices will not be created as the FERC moves toward an e-Tariff filings and database program. The end result will be for the FERC Staff and the industry to be able to determine the effective tariff language at a particular point in time.

Mr. Pierce stated that the e-Tariff filing system needs to manage the tariff sheets and manage the receipt of the tariff accompanying documents. Under the current process, all tariff filings



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are made on paper. The gas industry currently has the FASTR tool that is outdated. The e-Tariff filing system also needs to have the functionality to: receive the tariff filing, receive the proposed tariff provisions (in either section or sheet format); require the inclusion of sufficient information to allow FERC Staff to duplicate and automate the current paper process of receiving and processing tariff filings and inserting and removing tariff sections while updating the status of those sections. The e-Tariff filing system should also result in providing the ability to search the tariff by metadata and by text.

Mr. Pierce reviewed the XML based tariff maintenance system developed by Staff in 2001. He noted that this system was not embraced by the industries. In 2004, FERC issued a NOPR<sup>1</sup> for the creation of a database of tariffs and tariff filings that supplies the metadata needed to manage tariff sheets. The Applicant's database would always be synchronized with the FERC's view of the tariff in question. The Applicants would also see the same data as the FERC Staff. FERC Staff developed Distributed Software that would allow Applicants to assemble an entire tariff filing in pieces and send the entire package once complete. The Distributed Software would also incorporate the Secretary's rules for submitting filings and would make sure the filing was complete. Thus, Applicants would be less likely to get a rejection for a filing for failure to comply with the Secretary's requirements for that particular type of filing.

#### **4. Requirements for e-Tariff presented by Commission Staff**

Mr. Pierce stated that while the FERC Distributed Software is ready to implement now, FERC Staff is open to the development of a web-based interface e-Tariff filing system or to modification of the Distributed Software. He set forth several requirements for a web-based interface e-Tariff filing system:

- FERC would maintain a website to receive tariff filings and tariff provisions or sheets
- Applicants will need to provide sufficient information to trigger docketing and tariff database rules
- Applicants must maintain own tariff database, including any Commission actions, in order to generate the necessary and correct input data for tariff filings
- 3<sup>rd</sup> Party applications must be updated for any changes in FERC filing requirements or format changes
- A web-based interface e-Tariff filing system would need standards for submission of tariff provisions or sheets to enable management of tariff sheets after receipt

In addition, Mr. Pierce noted that a web-based interface e-Tariff filing system would likely have longer upload and download times than Distributed Software. FERC internal software is not set up to work with a web-based interface e-Tariff filing system at this time and would have to be modified to do so. The current FERC NOPR in effect at this time was written for the development of Distributed Software, so a new NOPR would have to be issued if a web-based interface e-Tariff filing system were developed.

Mr. Pierce stated that he had reviewed the INGAA presentation and that the proposal was in line with what FERC Staff thinks the final product, conceptually, would look like if it is the consensus to develop a web-based e-Tariff filing system.

<sup>1</sup> [Docket No RM05-1-000 "Notice of Proposed Rulemaking, Prototype Testing, and Technical Conference", July 8, 2004.](#)



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### 5. Comments from Association of Oil Pipelines

Mr. Milbourne was the speaker on behalf of Association of Oil Pipelines (AOPL). The comments are posted in their entirety on the NAESB e-Tariff page: [Comments from the Association of Oil Pipelines \(AOPL\)](#).

To summarize Mr. Milbourne's comments, AOPL supports the FERC's e-Tariff filing initiative. AOPL shares the FERC's goals as expressed in the e-Tariff NOPR (RM01-5-00). It is AOPL's position that the benefits of an e-Tariff filing solution must outweigh the burdens. Mr. Milbourne emphasized several differences between oil pipeline tariff filings and tariff filings for the gas and electric industries. AOPL supports an alternative to an e-Tariff filing solution for oil pipelines: to continue to allow oil pipelines to submit tariff filings electronically in PDF format using the existing eFiling system.

Mr. Milbourne stated that members of AOPL are concerned about how the e-Tariff effort will proceed. He and other members of the industry are not familiar with NAESB and the NAESB process. He noted that the oil pipeline industry is different from the other FERC regulated industries. The oil pipeline tariffs are very simple. AOPL and its members do not want an e-Tariff filing system to result in requirements that would be overly burdensome for the oil pipeline industry when compared to current oil pipeline tariff filing requirements.

Mr. Buccigross noted that NAESB's scope does not provide for development of standards for oil pipelines. NAESB develops business practice standards for the electric and natural gas industries. All NAESB standards are voluntary. Only when a jurisdictional entity, such as FERC, chooses to adopt NAESB standards as regulations would an organization regulated by the FERC be required to comply with NAESB standards. Mr. Buccigross added that he hoped that whatever standards are developed in the e-Tariff effort would not be inconsistent with the needs of the oil pipeline industry.

Mr. Milbourne asked FERC Staff whether the FERC would go through its NOPR process for any e-Tariff standards submitted by NAESB. Mr. Goldenberg stated that should NAESB submit e-Tariff standards to the FERC, if the FERC chose to adopt those standards, the FERC would issue a supplemental NOPR to incorporate the standards by reference and ask for comment on the new standards.

### 6. Comments from Interstate Natural Gas Association of America

Mr. Kirk was the speaker on behalf of the Interstate Natural Gas Association of America (INGAA). The comments are posted in their entirety on the NAESB e-Tariff page: [Comments from INGAA](#).

To summarize Mr. Kirk's comments, INGAA supports an e-Tariff filing process. It is INGAA's position that "the transition to e-Tariff should be as simple, efficient and least costly to the industry as possible". The use of sheet-based tariffs should be maintained and gas pipelines should be allowed to continue to use their tariff management programs, while adapting for the metadata required to implement an e-Tariff filing process.

INGAA proposed a solution that would result in a modification to the FERC Online eFiling system using an XML similar format for submission of metadata. Other filing documents would be filed in native format. In addition, Applicants would submit a PDF file of the filing in its entirety to be posted on the FERC eLibrary. Notification of filing acceptance and notification of orders would be made via e-mail. The posted INGAA comments include additional detail of an e-Tariff Filing Architecture Proposal. Mr. Kirk noted that the proposal leaves many details yet to be developed and was intended to serve as general guidance. He added that INGAA and



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its members have expended considerable time and effort to assist the FERC Staff in the development of an e-Tariff system and are committed to continue with that support.

### 7. Comments from EEI

Mr. Bartholomot, Ms. Key, Mr. Hairston, and Mr. Lotto were speakers on behalf of the Edison Electric Institute (EEI). The presentation used by EEI is posted on the NAESB e-Tariff page: [EEI Presentation](#). EEI also submitted two additional work papers to aid in their comments: [EEI Sample Tariff in Two Views](#) and [EEI Essential Elements Analysis](#).

Mr. Bartholomot stated that EEI supports FERC's goal of receiving all documents electronically. He stated that the elibrary and efilng systems are dependable, efficient, and easy to use. EEI supports making revisions to the current elibrary and efilng systems to achieve the goals of receiving all documents electronically. Mr. Bartholomot stated that EEI and its members have tested the distributed software and have come to the conclusion that the distributed software is not workable. EEI has included in its presentation an overview of an alternative approach to the distributed software that uses the elibrary and efilng systems to receive electronic filing of tariffs and the related documents and organizes those documents in a way that can be searched and maintained by the FERC.

Ms. Key stated that the database should be used to locate tariffs and related documents, not to create the documents themselves. Ms. Key noted that the documents in question: the tariff and related documents are meant to serve as stand alone legal documents. The database FERC uses to maintain these documents should not have any impacts on the effect of the documents and the documents should not be linked to each other to give the appearance that the documents are not stand alone documents. Ms. Key stated that in most cases, when the documents are created they are e-mailed, redlined, commented on and finalized in most cases in Microsoft Word® format. Technology now provides the ability to search text in a PDF formatted document and in scanned documents using OCR software. Ms. Key stated that elibrary currently has 20-30 pieces of metadata associated with filed documents. Simple enhancements to the current elibrary system by adding the fields of metadata that are needed would be sufficient to meet the FERC's goals to update the FERC tariff filing and maintenance system. The e-Tariff distributed software would require the industry to disaggregate documents into smaller sections of text and then put the sections back together to be viewed or printed. When industry participants tested the distributed software it often took hours to input the information.

Mr. Lotto noted that he spent hours trying to import a table in his existing tariff into the distributed software. The document posted for this meeting titled "EEI Sample Tariff in Two Views" shows a snapshot of a page of Southern California Edison's tariff viewed using Adobe Acrobat Reader®. The second slide shows a snapshot of the same page of Southern California Edison's tariff viewed using the public viewer of the distributed software. Mr. Lotto stated that he was unable to format the table so that it could be viewed correctly.

Mr. Hairston stated that the goal of this effort is to have a database to be used by FERC Staff and the affected industries to include each utility's tariffs, rates, and rate schedules. The proposal presented by EEI would result in the modification of the efilng and elibrary systems to include the metadata fields FERC Staff deems necessary. The EEI proposal would change the advanced search capabilities on the FERC website to enable an elibrary user to search documents. Mr. Hairston stated that it is more feasible to adopt the EEI proposal instead of the FERC distributed software because: efilng and elibrary are widely used by the industry today; the efilng and elibrary currently contain more than a decade's worth of filings and interventions that are linked to the existing and previous tariffs; many of the metadata



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elements included in the work paper provided by FERC Staff for this meeting already exist in the FERC eLibrary; and modifications to eFiling and eLibrary would be easy to implement: changes could be made without undue delay. Mr. Hairston reviewed EEI's proposal for modifying the current eFiling and eLibrary systems.

Mr. Buccigross asked the EEI speakers to identify the common points of the EEI and INGAA proposals. Mr. Hairston stated that both proposals would provide the ability to file an agreement and retract a current version. Both proposals also concluded that using the current eFiling and eLibrary systems with some modifications would be the most efficient way to obtain the metadata FERC Staff is seeking. Mr. Bartholomot stated that the INGAA and AOPL presentations are supportive of the software already in place.

Mr. Kirk stated that both INGAA and EEI support using FERC Online as the portal and using the eFiling system as the interface. Mr. Kirk added that INGAA's proposal would accommodate FERC Staff's desire to have a tariff management system so filing would be submitted through the FERC Online portal to be loaded into the FERC database, but would also include the ability to attach a PDF version of the filing for posting on eLibrary.

Mr. Milbourne stated that the oil pipeline industry shares the concerns of EEI about the e-Tariff distributed software. Mr. Milbourne added that AOPL does not support the use of the distributed software to create the document because it would be interruptive to business process when trying to create and approve documents to be filed with the FERC. AOPL and its members do not support the requirement to disaggregate the document and support filing as a finished product. AOPL supports using either eLibrary or a separate customer database. Mr. Milbourne added that there should be a way to determine what metadata needs to be collected and at what level the metadata should be attached without undue difficulty.

### **8. Comments from Texas Pipeline Association**

Mr. Baskin was the speaker on behalf of the Texas Pipeline Association (TPA). The comments of the TPA are posted in their entirety on the NAESB e-Tariff page: [Comments from Texas Pipeline Association](#). Mr. Baskin provided an overview of the filing requirements for intrastate pipelines providing 311 service. Mr. Baskin stated that TPA supports an electronic filing system that accommodates the differences in filing requirements that would not result in burdensome filing requirements for intrastate pipelines. Mr. Baskin concluded his remarks by stating that the TPA hopes to work with the participants to "develop a system that will work for all stakeholders without unduly burdening any one of the stakeholders."

### **9. Plan for Addressing Needs of Industry and FERC**

Mr. Buccigross stated that NAESB will publish a calendar of meeting dates. The meetings will take place in Houston unless someone volunteers to host elsewhere. Mr. Buccigross provided an overview of the NAESB process and noted that all NAESB meetings are accessible by phone and when applicable web conferencing. For the next meeting, NAESB will post a presentation that describes the NAESB process in graphic format. The effort will be assigned to a cross quadrant subcommittee of the WEQ and WGQ. The subcommittee will develop the standards. The final product will be posted as a recommendation for thirty day comment period during which any interested party can submit comments. After the expiration of the comment period, the WEQ and WGQ Executive Committees will consider all comments and vote on the recommendation. The Executive Committee voting requirement for adoption of standards requires a super majority vote. The Executive Committees can modify the standards based on discussion and comments. If the Executive Committees adopt standards, the standards are posted for a thirty day ratification ballot. All members of the WEQ and WGQ will be eligible to vote on the ratification ballot. The standards are then filed with the FERC.



## North American Energy Standards Board

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Mr. Grimm asked whether FERC Staff would set forth the requirements they need for the e-Tariff metadata elements, etc. before the NAESB Subcommittee drafts standards that may or may not meet FERC Staff's requirements. Mr. Pierce stated that the standards and requirements needed will vary depending on the platform the industries choose to move forward. Mr. Pierce stated that the document FERC Staff submitted as a work paper for this meeting focused on filing of tariffs.

Mr. Milbourne stated that while the members of AOPL are free to attend NAESB meetings and free to make comments, members of AOPL do not have a place within NAESB to vote on standards. In addition members of AOPL do not have the resources to attend numerous meetings. In light of the simple nature of the oil pipeline tariffs and tariff filings, AOPL and its members are concerned about an end result that would require a burdensome filing process for oil pipelines that does not exist today. Mr. Buccigross stated that any standards ratified by NAESB are voluntary. NAESB does not have the ability to require that any organization, whether member or non-member, comply with its standards. Assuming standards are adopted for this effort, they will be filed with the FERC. It will be the decision of the FERC whether to require industries to comply with the standards submitted by NAESB through incorporation into the Federal Regulations. It is likely that the FERC would propose to incorporate the standards through the NOPR process, which would provide the oil pipeline industry the ability to submit comments.

Mr. Goldenberg stated that FERC Staff is willing to work with NAESB to move forward with this e-Tariff effort. FERC Staff plans on attending some of the meetings. Mr. Goldenberg stated that the requirements should include a method to create an effective tariff from a sheet; should include the ability to see the historical status to show what the tariff language was at a particular point in time. Mr. Goldenberg noted that for smaller kinds of tariffs and contracts FERC would be willing to accept the entire filing as one sheet. That type of filing would not be acceptable for the typical gas pipeline tariffs or ISO and RTO tariffs.

Ms. Nagle asked if the electric tariffs and gas tariffs have to use the same platforms. Mr. Pierce stated that FERC does not have the desire to support five different filing and database management systems.

Mr. Bartholomot asked whether a proposed elibrary application would be considered by FERC Staff. Mr. Goldenberg stated that the problem with using elibrary is that elibrary maintains documents filed for the entirety for the document. He stated that if everyone agreed to file the entire document every time a tariff filing is made, then elibrary may be a solution. He stated that he did not think that entities would want to file the entire tariff each time a modification is requested.

Ms. Nagle asked whether FERC Staff supported using a section based tariff system and if so does everyone need to move to the section based system. Mr. Pierce stated that FERC Staff does not prefer one method over the other. Mr. Pierce added that the INGAA presentation is similar to what FERC Staff would be willing to accept as long as the metadata needed is included.

Ms. Van Gordon stated that FERC Staff wants to be able to reference the page before and the page after the proposed revision. The goal is to create a baseline tariff in the software. Ms. Van Gordon asked if elibrary could be modified to include the baseline and then include the sheet by sheet filings. Mr. Pierce stated that elibrary is an archival database not designed to be a dynamic database. He stated that the task of the NAESB Subcommittee is to create the appropriate metadata standards to create filings. FERC Staff maintains the decision on how they will process using downstream software and database maintenance remains with FERC.



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FERC Staff also maintains the determination of how to provide the information to the public. Mr. Goldenberg added that FERC Staff is not fixed on using the distributed software, but once the industry determines how the information will be submitted, FERC Staff will determine what will be done with the information.

Ms. Van Pelt stated that NAESB standards govern the relationship between parties in the industry or the performance and expectations. NAESB standards do not typically affect the relationship between a regulating entity and parties in the industry. She stated that Panhandle Eastern Pipe Lines thought that NAESB would take on an administrative role to bring parties together for this effort rather than act as a standards setting body. She stated that when the Docket for e-Tariff was included as a Provisional Item on the WGQ 2007 Annual Plan it was an effort to be responsive to what came out of the FERC Docket.

### 10. Organization, Tasks and Assignments

After further discussion, Mr. Buccigross stated that a series of meetings would be scheduled with the first meeting taking place no sooner than one month from now. Mr. Bartholomot volunteered EEI to host one of the meetings. All meetings will be accessible via phone and web conference.

Mr. Buccigross stated that the WEQ and WGQ would form a joint Subcommittee for this effort.

### 11. Next Steps and Meetings

NAESB will work with those who volunteer to host meetings to schedule several meetings with the next meeting no sooner than one month from today. NAESB will post a call for work papers once the next set of meetings is scheduled.

### 12. Adjournment

The meeting adjourned at 3:23 PM Eastern.

### 13. Attendees in Person

| Attendee           | Organization                               |
|--------------------|--|
| Michael Alexander  | Duke Energy                                |
| Marianne Alvarez   | Exelon Corporation                         |
| Pat Barry          | Northern Natural Gas                       |
| Henri Bartholomot  | Edison Electric Institute                  |
| Lee Baskin         | Kinder Morgan & Texas Pipeline Association |
| Louise Bradford    | Panhandle Energy Pipelines                 |
| Mary Brosnan       | NiSource                                   |
| Jim Buccigross     | 8760, Inc.                                 |
| Kathryn Burch      | Spectra Energy Transmission                |
| Christopher Burden | Williams Gas Pipeline                      |
| Jay Carriere       | Mid American Energy Holdings Co.           |
| Amy Castronovo     | Enbridge, Inc.                             |
| Marg Caurardello   | Transco                                    |
| John Ciza          | Southern Company Generation                |
| Breanne Clarke     | El Paso Corporation - Western Pipelines    |
| Patty Cox          | CenterPoint Energy                         |



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|                     |   |
|---------------------|---|
| Valerie Crockett    | Tennessee Valley Authority              |
| John Cutting        | New York ISO                            |
| Kate Daley          | INGAA                                   |
| Dale Davis          | Williams Gas Pipeline                   |
| Rhonda Denton       | BP Energy Company                       |
| Roy Dewitt          | El Paso Corporation - Western Pipelines |
| Elizabeth Dieterich | Entergy                                 |
| Bud Earley          | Allegheny Energy, Inc.                  |
| Chris Folkes        | FERC                                    |
| Les Fyock           | APGA                                    |
| Michael Goldenberg  | FERC                                    |
| Mark Gracey         | Tennessee Gas Pipeline                  |
| Machelle Grim       | Dominion                                |
| Jerry Gross         | Questar Pipeline Co.                    |
| KC Hairston         | Balch & Bingham                         |
| Brian Hall          | CenterPoint Energy                      |
| Maurene Hamilton    | Panhandle Energy Pipelines              |
| Larry Jensen        | Discovery/Black Marlin                  |
| Brian Kaeser        | Dominion                                |
| Andrea Katz         | Northeast Utilities                     |
| Andrea Kells        | Bracewell & Giuliani                    |
| Laura Kennedy       | NAESB                                   |
| Jennifer Key        | Steptoe & Johnson                       |
| Steve Kirk          | Northern Natural Gas                    |
| Sneha Kohli         | FERC                                    |
| Ralph Kravis        | Unicon                                  |
| Gary Kravis         | Unicon                                  |
| Len Levine          | Leonard B. Levine & Associates          |
| Marcus Lotto        | Southern California Edison Company      |
| Paul Love           | Natural Gas Pipeline                    |
| James Mauldin       | FERC                                    |
| Marcy McCain        | Spectra Energy Transmission             |
| Rae McQuade         | NAESB                                   |
| Dan Mihalik         | AOPL                                    |
| Steve Milbourne     | AOPL/Buckeye Partners                   |
| Jeff Molinaro       | Enterprise Products                     |
| Lynn Myers          | Southern California Edison Company      |
| Molly Nagle         | Tennessee Gas Pipeline                  |
| David Nick          | DTE Energy                              |



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|                     |                                    |
|---------------------|------------------------------------|
| Casey Nutsch        | FERC                               |
| Gordon Pennington   | Attorney for United Illuminating   |
| Keith Pierce        | FERC                               |
| Mark Pierce         | Spectra Energy Transmission        |
| Jan Rogers          | Chevron Pipe Line                  |
| Sue Rosenberg       | Self                               |
| Marv Rosenberg      | Self                               |
| Matthew Royalty     | Southern Star                      |
| Cesar Seymour       | Suez Energy                        |
| Toni Sharp          | Kern River Gas Transmission        |
| Demce Simpson       | Ameren                             |
| Virginia Snyder     | PJM Interconnection                |
| Mike Stender        | El Paso Natural Gas                |
| Priya Swamy         | Dominion                           |
| Cindy Thompson      | Southern Star Central Gas Pipeline |
| Kathy Thornton      | Enbridge, Inc.                     |
| Marianna Toma       | Morgan Lewis & Bockius             |
| Pat Van Midde       | SDG&E                              |
| Michelle Van Gordon | Midwest ISO                        |
| Kim Van Pelt        | Panhandle Energy Pipelines         |
| Mark Vaughn         | NiSource                           |
| Marshia Youngleed   | Williams                           |
| Don Zeiszler        | Williston Basin Pipeline           |

## **FERC STAFF PROPOSED eTARIFF FRAMEWORK FOR MARCH 13, 2007 NAESB MEETING**

Based on the discussion at the February 1<sup>st</sup> NAESB Conference, FERC staff are willing to propose the following framework for electronic tariff filings.

1. Filers will have two options to load tariff text into the tariff data base (to accommodate both the EEI/AOPL and INGAA proposals)
  - a. **Entire Document Option** – Under certain conditions a company can load each of its jurisdictional agreements (tariff, rate schedule, etc.) as a single data base record with a .pdf file as one of the record's fields (see constraints in #2). Under this option, the company would need to refile the entire agreement as a single record with every proposed revision.
  - b. **Sheet Based Filing** -- A company can load individual tariff sheets or groups of sheets as individual records, and only replace the tariff sheet(s) records it is proposing to change.
2. Scope of .pdf Document filings. In the July 6, 2005, Notice of Additional Proposals And Procedures (FERC Stats. & Regs. [Notices] ¶ 35,551), the Commission proposed to allow oil tariffs and grandfathered agreements to be filed in .pdf format. If the industries wish to file .pdf format documents, research, analytical functionality and the ability to compile content must be addressed for both the Commission and the public. To implement this option (other than grandfathered contracts), there needs to be a discussion on the scope, content and structure of the .pdf file addressing the ability to conduct word search, headers to activate Adobe automatic Table of Contents generator and other issues.
3. The tariff database fields required for either the Document or Sheet Based option will be identical. The attachment includes the fields currently used for the eTariff data base along with a glossary of terms, which can be further discussed at the meeting.
  - a. Under the Document Option, the field data could be captured by a web-page, as a Tariff Filing is likely to have no more than one or two records. The record and field data to be captured and the means for capturing it needs to be discussed at the next meeting.
  - b. Under the sheet-based approach each tariff sheet will be a record, and likely numerous records will be part of every Tariff Filing. It would be more convenient for Companies making Tariff Filings if they had some way to package these records and upload them on the FERC website as a package as opposed to record-by-record. Standards need to be developed for identifying how the overall package data as well as the record data for each sheet will be transmitted (e.g., xml)
4. As requested by the parties at the conference, FERC is willing to discuss the creation of a web-based interface to facilitate all electronic filings, and in this case tariff filings.

## Glossary of Terms

| Line | Term                    | Definition  |
|------|-------------------------|---|
| 1    | Company                 | A company regulated by the FERC required to submit Tariff Filings pursuant to Parts 35, 154, 284, 341 or other Parts as required by the Commission.   |
| 2    | Database                | Compilation of all tariffs, Tariffs, OATTS, Rate Schedules, certain service agreements, Statement of Conditions, rates, and any other material the Commission requires to be filed in a data base format. A Company must have no more than one active Data base.  |
| 3    | Fields                  | A Field is an element of a Record. A Field may be mandatory or discretionary, will have defined formats, and have restricted values.  |
| 4    | Record                  | A single record of a Data base will consist of multiple Fields. A record may contain a Field that is plain text or a document (such as a PDF file). A Data base must contain at least one Record.   |
| 5    | Tariff Filing or Filing | A Tariff Filing consists of a Company filing made pursuant to Parts 35, 154, 284, 341 or other Parts as required by the Commission with all of its components: e.g.: Transmittal Letter, Notice, supporting documents, and required Records of tariffs, Tariffs, OATTS, Rate Schedules, service agreements, Statement of Conditions, rates, and any other material the Commission requires to be filed in a Data base format. |
| 6    | Type of Filing          | A specific Commission defined Tariff Filing that may be filed by a Company pursuant to Parts 35, 154, 284, 341 or other Parts as required by the Commission   |

## Draft eTariff Data Elements and Descriptions

### Introduction

The following specify the Data Dictionary for eTariff filings. Conceptually, an eTariff filing consists of the following items:

- Filing Data - which describes the overall filing
- Filing Attachment Data - supporting documents required by specific filing types
- Tariff Content Data - the actual tariff "text" or "content" of the Tariff itself

### Filing Data

This data defines the filing. In some ways this could be considered defining the "container" to which the Filing Attachment Data and Tariff Content Data belong.

| <i>Business Name</i>                  | <i>Element Name</i> | <i>Field Format</i> | <i>Restricted Values</i>   | <i>Definition of Data Element</i>  |
|---------------------------------------|---------------------|---------------------|--|--|
| Company Identifier                    | company_id          | Numeric (10)        | 1 - 2,147,483,648  | A FERC-Designated company identifier code  |
| Database Identifier                   | tariff_id           | Numeric (10)        | 1 - 2,147,483,648  | A unique identifier for each database for that company. This can be any value in the allowable range of numbers, but it must be unique for each company database..   |
| Database Title                        | tariff_title        | Alphanumeric (100)  | Free form text. Only required for initial, first-time filings.   | The title or name to give to each company database. After the initial filing has been made, this value is no longer required; the "database identifier will suffice.   |
| Filing Identifier                     | filing_id           | Numeric (10)        | 1 - 2,147,483,648  | A unique identifier for the specific filing for that company. This can be any value in the allowable range of numbers, but it must be unique across all filings for a specific company.  |
| Filing Title/Description              | filing_title        | Alphanumeric (80)   | Free form text. Must not be empty.   | The title given to the filing by the filing company  |
| Type of filing/Filing reference code  | filing_type         | Numeric (10)        | Some examples are:<br>(Sect. 35.13(a)(2)(iii) - Rate Schedule Changes Other Than Rate Increases/Compliance Filing)<br><br>(Sect. 342.2(a) - Establishing Initial Rates - Cost of Service option) | This defines the type of Tariff filing being made.<br><br>Please refer to <a href="http://www.ferc.gov/docs-filing/etariff/fil-soft-help/etariff-rules-table.pdf">http://www.ferc.gov/docs-filing/etariff/fil-soft-help/etariff-rules-table.pdf</a> for the current list of codes. |
| Point of Contact First Name           | poc_fname           | Character (30)      | Free form text. Must not be empty.   | First name of point of contact person for the filing   |
| Point of Contact Middle Initial       | poc_midinit         | Character (1)       | Free form text. Empty/null allowed.  | Middle initial of contact person for the filing  |
| Point of Contact Last Name            | poc_lname           | Character (30)      | Free form text. Must not be empty.   | Last name of point of contact person for the filing  |
| Point of Contact phone number         | poc_phone           | Character (15)      | Numeric. Form of 9999999999999999 digits are interpreted as: (999) 999-9999 x999999  | The phone number of the contact person for the filing  |
| Point of Contact email address        | poc_email           | Alphanumeric (100)  | Free form text. Value email should be entered.   | The email address of the contact person for the filing.  |
| Company Authorizing person First Name | auth_fname          | Character (30)      | Free form text. Must not be empty.   | First name of point of the authorizing person for the filing   |

| <b>Business Name</b>                      | <b>Element Name</b> | <b>Field Format</b> | <b>Restricted Values</b>   | <b>Definition of Data Element</b>   |
|---|---------------------|---------------------|--|---|
| Company Authorizing person Middle Initial | auth_midinit        | Character (1)       | Free form text. Empty/null allowed.  | Middle initial of authorizing person for the filing   |
| Company Authorizing person Last Name      | auth_lname          | Character (30)      | Free form text. Must not be empty.   | Last name of point of the authorizing person for the filing   |
| Authorizer/Signer email                   | signer_email        | Alphanumeric (100)  | Free form text. Value email should be entered, and the email address must be eRegistered with FERC.  | The email address of the authorizer/signer person for the filing.   |
| Associated Filing                         | assoc_filing        | Numeric (10)        | 1 - 2,147,483,648<br>This is not applicable to all filing types. Where it is used, it must refer to a previous filing, and the value here should be that filing's "filing_id" value. | This is used to associate the filing with a previous filing made to FERC. For example, compliance filings and withdrawal filings must identify the previous, applicable filing to which they pertain. |

Filing Attachment Data:

This defines data for each supporting document that is being provided with the filing.

| <i>Business Name</i>         | <i>Element Name</i> | <i>Field Format</i> | <i>Restricted Values</i>   | <i>Definition of Data Element</i>   |
|------------------------------|---------------------|---------------------|--|---|
| Company Identifier           | company_id          | Numeric (10)        | 1 - 2,147,483,648  | A FERC-Designated company identifier code   |
| Filing Identifier            | filing_id           | Numeric (10)        | 1 - 2,147,483,648  | A unique identifier for the specific filing for that company. This can be any value in the allowable range of numbers, but it must be unique across all filings for a specific company.   |
| Attachment Reference Code    | att_ref             | Numeric (10)        | If attachment pertains to a specific document defined for the type of filing, the appropriate document reference code must be used. If the attachment is an 'additional' or supplemental document that does not pertain to a specific supporting document required by the filing type, this value may be 0.<br><br>Some examples are:<br>(Transmittal letter - § 341.2(c)(1))<br>(Cost-Of-Service Summary Schedule - § 346.2(b))<br>(Statement A - § 346.2(c)(1))<br>(Statement B - § 346.2(c)(2)) | Different filing types have differing sets of requested supporting documentation. When an attachment is provided, and that attachment is meeting the request of a specific supporting document, the appropriate document reference code must be provided.<br><br>Please refer to <a href="http://www.ferc.gov/docs-filing/etariff/fil-soft-help/etariff-rules-table.pdf">http://www.ferc.gov/docs-filing/etariff/fil-soft-help/etariff-rules-table.pdf</a> for the current list of codes. |
| Waiver requested             | waive_req           | Character (1)       | "Y" - waiver is requested<br>"N" or " " - waiver not requested   | The requested supporting documentation can be requested to be waived by the filing company. For each document that is requested to be waived, the attachment reference code (above) is provided, and a value of "Y" is entered here. Of course, if an actual document is being provided, this value should be "N" or empty (" ").   |
| Supporting document          | doc_raw_data        | Binary (10 MB)      | None. Binary data. Actual document data.   | This is the actual document 'content'. That is, the binary data of the file contents as it is stored electronically.  |
| Supporting document filename | doc_filename        | Alphanumeric (64)   | Free form text. If a document is being attached (e.g. a waiver not requested), a filename must be entered here. Only valid filenames are permitted (e.g. the following characters are not allowed in filenames: ? / * \ ' > < . and so on.   | The filename of the document being attached. This filename will be used to recreate the document when needed.   |
| Document Security Level      | doc_sec_lvl         | Character (1)       | " " - only if waiver is requested<br>"P" - public<br>"B" - public non-Internet<br>"M" - privileged<br>"X" - Critical Energy Infrastructure   | The level of security of the specific document (if one is included).  |

### Tariff Content Data

This provides the data for each section/sheet, or complete contents, of a Tariff document that is being filed.

| <i>Business Name</i>                  | <i>Element Name</i> | <i>Field Format</i>  | <i>Restricted Values</i>   | <i>Definition of Data Element</i>  |
|---------------------------------------|---------------------|----------------------|--|--|
| Company Identifier                    | company_id          | Numeric (10)         | 1 - 2,147,483,648  | A FERC-Designated company identifier code  |
| Filing Identifier                     | filing_id           | Numeric (10)         | 1 - 2,147,483,648  | A unique identifier for the specific filing for that company. This can be any value in the allowable range of numbers, but it must be unique across all filings for a specific company.  |
| Option Designation                    | filing_opt          | Character (1)        | Must not be empty. "A" thru "Z" allowed. Also, options must increment through alphabet. E.g. a filing cannot have an "A" and a "C" option without also having a "B" option.          | In some cases, companies desire to submit several "options" for consideration by FERC. For example, one option may be to change 3 or 4 sheets in one way, but change them in a different way in another option. FERC can look at these changes grouped by option and decide if one is more appropriate than another. This designator allows this to be performed. If there is only 1 "option" of changes for review, this value should be "A". |
| Database Identifier                   | tariff_id           | Numeric (10)         | 1 - 2,147,483,648  | A unique identifier for the database for each company. This can be any value in the allowable range of numbers, but it must be unique for each database for the company.   |
| Record Identifier                     | sect_id             | Numeric (10)         | 1 - 2,147,483,648  | This is a unique identifier of the data contained. This identifier is what will track the changes to the content over time. The value must be unique for a specific company.   |
| Record Title                          | sect_title          | Alphanumeric (254)   | Free Form text. Allowed to be empty  | This is the title of the Record contents. When the Company database is assembled, this would be printed at the beginning of the record.  |
| Record Number                         | sect_num            | Alphanumeric (25)    | Free Form text. Must not be empty  | Some form of textual identifier. When the Company database is assembled, this would be printed at the beginning of the content.  |
| Record Collation value                | sect_sort           | Alphanumeric (25)    | Free Form text. Must not be empty  | When the company database is reassembled, this value will determine the sort order in which things are merged.   |
| Record Parent or Container Identifier | sect_parent         | Numeric (10)         | 1 - 2,147,483,648 if this content is a 'sub part' of other content, or 0 if not.   | In some cases, portions of a Record are 'sub sections' of other portions. If this approach is used, the value here must be a valid Record Identifier of another Record.  |
| Record Effective Date                 | eff_date            | Date (10)            | Valid Date values.   | This is the proposed date the specified content is supposed to go into effect.   |
| Record Effective Priority order       | apply_order         | Numeric (10)         | 1 - 2,147,483,648<br>The value must be unique for a specific section on a specific effective date.   | When multiple changes to the same content are proposed to go into effect on the same day, this value will determine which change will take precedence. I.e. the change filed with the highest priority value will be the one that becomes effective on the given date.   |
| Record raw data                       | sect_data           | Binary (10 MB)       | None. Binary data. Actual content data.<br>Valid Data Format is <TBD>  | This is the actual document 'content'. That is, the binary data of the contents as it is stored electronically. When the Company database is assembled, this is what is used to display the tariff content. This is the field for those choosing to file the tariff, rate schedule, contract as a single document.   |
| Record plain text                     | sect_text           | Alphanumeric (10 MB) | Free Form text. The text extracted from the raw data.<br>E.g. all control codes and special binary characters are removed.   | This is the plain text of the Record raw data contents. Formatting and other binary values are stripped from this content. This is the field for those filing tariff sections.   |
| Record type change requested          | sect_change         | Character (15)       | "NEW"<br>"CHANGE"<br>"CANCELLATION"  | This describes the type of change being requested.   |
| Associated Filing                     | assoc_filing        | Numeric (10)         | 1 - 2,147,483,648<br>This is not applicable to all filing types. Where it is used, it must refer to a previous filing, and the value here should be that filing's "filing_id" value. | This is used to associate the filing with a previous filing made to FERC. For example, compliance filings and withdrawal filings must identify the previous, applicable filing to which they pertain.<br><br>Note that this is used in conjunction with the "assoc_sect_id" value and the "assoc_option" (below).  |

| <b>Business Name</b>          | <b>Element Name</b> | <b>Field Format</b> | <b>Restricted Values</b>  | <b>Definition of Data Element</b>   |
|-------------------------------|---------------------|---------------------|---|---|
| Associated Record Identifier  | assoc_sect_id       | Numeric (10)        | <p>1 - 2,147,483,648</p> <p>This is not applicable to all filing types. Where it is used, it must refer to a Record ID in previous filing, and the value here should be that data's "sect_id" value.</p>                | <p>This is used to associate the specific content with a previous filed content item. For example, withdrawal filings must identify the content being requested to be withdrawn.</p> <p>Note that this is used in conjunction with the "assoc_filing" value (above) and the "assoc_option" (below).</p>   |
| Associated Option Designation | assoc_option        | Character (1)       | <p>"A" thru "Z"</p> <p>This is not applicable to all filing types. Where it is used, it must refer to correct Option Designation in a previous filing, and the value here should be that data's "filing_opt" value.</p> | <p>This is used to associate the specific content with a previous filed content item. For example, withdrawal filings must identify the content being requested to be withdrawn. And since filings can have multiple options, this value must be specified.</p> <p>Note that this is used in conjunction with the "assoc_filing" value and the "assoc_sect_id" (above).</p> |

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 7**

**EXECUTIVE COMMITTEE REPORTS**

This section includes:

- Standards Adopted since the December Board Report
- Requests Received in 2007
- Filings with the FERC
- The 2007 Annual Plans for each of the quadrants (redlined with changes from the November EC meetings)

The material presented is background information for the discussion of agenda item 5.

The Executive Committee leadership of each quadrant will discuss its progress towards completion of its 2007 annual plan and respond to questions from the Board. Action is required of the Board, to approve changes suggested by Executive Committees and to approve any changes suggested by the Board to the 2007 plans. To approve changes to the plans, the Board will be asked to vote to endorse those changes via a simple majority vote. During the discussions, the Board may use this opportunity to give guidance to the Executive Committee.



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS STANDARDS ADOPTED TO DATE IN 2007 FEBRUARY 28, 2007

#### FOR THE WHOLESALE GAS QUADRANT

- **2007:** No recommended standards have yet been adopted in 2007 for the WGQ. As they are adopted, the recommendation will be listed below with a brief description and the status of the recommendation including the date of the ratification and the links to the recommendation, ratification ballot and the final action.

#### FOR THE RETAIL QUADRANTS

- [Recommendation R05013](#): Develop a model electric retail contract. (*Ratified 01/07/07*).
- [Retail 2006 Annual Plan Item 4\(i\)](#): Customer Enrollment model business practices. (*Ratified 01/07/07*).

#### FOR THE WHOLESALE ELECTRIC QUADRANT

- [Recommendation R04006C1](#): - OASIS 1A Enhancements – Redirects (Release Mechanism). (*Ratification Ballots due on April 7, 2007*).
- [Recommendation for 2007 WEQ Annual Plan Item 3\(a\)\(2\)](#): - Implementation of S&CP changes to support Standards of Conduct business practices. (*Ratification Ballots due on April 7, 2007*)



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS REQUESTS RECEIVED TO DATE IN 2007 FEBRUARY 28, 2007

#### FOR THE RETAIL QUADRANTS

- No requests have yet been received for 2007 for the Retail Quadrants.

#### FOR THE WHOLESALE GAS QUADRANT

- [R07006](#) – Micki Schmitz of Northern Natural Gas submitted a request to add a reduction reason code to Operator Scheduled Quantity. *This request has not yet been triaged, but it is anticipated that it will be assigned to the WGO.*

#### FOR THE WHOLESALE ELECTRIC QUADRANT

- [R06027](#) – Jim Hansen of Seattle City Lights submitted a request on behalf of JISWG to develop an enhanced functionality specification for an Electric Industry Registry for the wholesale electric industry where the functions described in the specification would be classified as commercial in nature. The request was assigned to the JISWG to be addressed in the normal course of business of the group.
- [R07001](#) – Paul Sorenson of OATI submitted a request to develop a standard mechanism to implement a “RECALL” of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WEQ ESS/ITS.
- [R07002](#) – Paul Sorenson of OATI submitted a request to divide the OASIS S&CP into two documents: The S&CP and 2) an Implementation Guide There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WEQ ESS/ITS.
- [R07003](#) – Paul Sorenson of OATI submitted a request to clarify the S&CP implementation of the DEFERRAL request. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WEQ ESS/ITS.
- [R07004](#) – Alan Pritchard of Duke Energy submitted a request to develop business practice and technical standards for assigning, tracking, and limiting rollover rights. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WEQ ESS/ITS.
- [R07005](#) – Marilyn Franz of NEVP/SPPC submitted a request to allow BA’s to adjust dynamic schedule transaction type tags within the ATF changes rules. *This request has not yet been triaged, but it is anticipated that it will be assigned to the WEQ.*



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS NAESB SCHEDULE FOR FERC FILINGS FEBRUARY 28, 2007

#### FEDERAL ENERGY REGULATORY COMMISSION

- **February 1, 2007:** NAESB held a [one-day meeting](#) hosted by the FERC to discuss possible standards development activities for e-Tariff. Chairman Kelliher opened the meeting.
- **February 5, 2007 WEQ:** On November 16, 2006, a [NAESB WEQ Filing](#) was made with the FERC to update Coordinate Interchange (CI) business practice standards in Docket No. RM05-5. As a follow-up, NAESB provided [clarification](#) to FERC on the mapping of the former NERC CI standards to the NAESB CI standards on February 5, 2007. On February 20, 2007, the FERC issued a NOPR on RM05-5-003 reflecting these changes to CI standards.
- **Planned, March 27, 2007:** NAESB will hold a two-hour meeting with FERC staff to review the Order 890 plans and verify that NAESB has identified all items that require our attention. NERC will also be on the call.
- **Planned, June 2007 WEQ:** An [update was filed with the FERC](#) on February 17, 2006 that addressed 4 issues: (1) the comments filed by NERC that asked that three sets of business practices in Version 0 be remanded back to NERC, (2) the TLR process and the plans for ensuring that the business practices and the reliability standards stay closely coordinated, (3) the Inadvertent Interchange Payback report which noted that the Inadvertent Interchange business practices standards for Version 0 are to remain unchanged, and (4) a joint standards development process for NERC and NAESB. The update related to Docket No. RM05-5-000. On February 21, 2006, [NERC filed an update](#) with the FERC that supported the NAESB filing made on February 17, 2006 and retracted the comments filed in June 2005, requesting that three sets of business practices in Version 0 be remanded back to NERC. The update related to Docket No. RM05-5-000. On April 25, 2006, [FERC Order 676](#) was issued by FERC, and NAESB prepared a [NAESB press release](#) and [NAESB summary](#) of the order. The utilities implemented the WEQ standards on July 1, 2006 with waivers requested by June 1, 2006. The standards adopted by FERC as mandatory NAESB business practices included OASIS, OASIS S&CP, OASIS data dictionary, manual time error correction business practices, ACE equations special cases business practices, inadvertent interchange business practices and coordinate interchange business practices. Changes were requested to NAESB WEQ standard 001-9.7 (OASIS: redirects of transmission service) and standards of conduct, were not adopted by the FERC in 2006. By June 2007, it is expected that the WEQ should complete TLR and be prepared to file Version 1 of these standards.

#### FERC FILINGS

- **October 25, 2006:** FERC issued notices of proposed rulemakings for [Docket Nos. RM96-1-027 and RM05-5-001](#) as well as an [order instituting inquiries for ISOs and RTOs](#) regarding gas-electric coordination issues (Docket Nos. EL07-1, EL07-2, EL07-3, EL07-4, EL07-5 and EL07-6). The NOPRs outline the expectation that the FERC will adopt NAESB gas-electric coordination standards. The NOPRs appeared in the [Federal Register](#) on November 3, which began the clock for commenting.
- **January 9, 2007:** FERC issued an [Interim Rule on Standards of Conduct](#) (Docket No. RM07-6-000, Order 690). As NAESB has implemented standards to support standards of conduct, it was thought that there may be changes required to those standards. It was determined that no changes were needed.
- **January 18, 2007:** FERC issued a NOPR on [Standards of Conduct for Transmission Providers](#) (Docket No. RM07-1-000). As NAESB has implemented standards to support standards of conduct, as this order is considered and adopted in a final order, there may be changes to both WEQ and WGQ standards.
- **February 5, 2007:** NAESB filed [WEQ "Standards of Business Practices and Communication Protocols for Public Utilities"](#) (Docket Nos. RM05-5-000) to provide additional information regarding the November 16, 2006 submittal of modifications to NAESB Wholesale Electric Quadrant business practices for Coordinate Interchange (WEQ-004).



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS NAESB SCHEDULE FOR FERC FILINGS FEBRUARY 28, 2007

- **February 16, 2007:** FERC issued a Final Rule (Order 890) on [Preventing Undue Discrimination and Preference in Transmission Service](#). This order will require extensive changes to NAESB OASIS standards, addresses ATC/TTC standards already under development, will create new transparency reporting and new services – all of which will require modified or new NAESB standards.
- **February 20, 2007:** FERC issued a NOPR on [Standards for Business Practices and Communication Protocols for Public Utilities, Docket No. RM05-5-003](#) to adopt changes to the Coordinate Interchange (CI) business practice NAESB standards in order for the business practices and reliability standards for CI to remain consistent.

#### **FERC FILING PROPOSED SCHEDULE**

- NAESB has submitted filings to the FERC to date in 2006-2007 as noted below.

#### **Filed in the 1st Quarter 2006**

- (1) WEQ: Version 0 split of transmission loading relief (RM05-5-000) – Filed 2-17-06
- (2) WEQ: Inadvertent Interchange Payback report and comments (RM05-5-000) – Filed 2-17-06
- (3) WEQ and WGQ: Follow up report from the Gas-Electric Interdependency Committee (RM05-28-000) – Filed 2-24-06

#### **Filed in the 3rd Quarter 2006**

- (4) WEQ: A report was provided to the Commission on August 7 related to Docket Nos. RM05-25-000 and RM05-17-000. The report included a list of items that may require NAESB attention and standards development dependent on the final order and proposed staging of development and industry implementation. – Filed August 7, 2006.

#### **Filed in the 4th Quarter 2006**

- (5) WEQ: A minor correction on WECC timing, Docket No. RM05-5-000 – Filed 10-30-06
- (6) WEQ: A set of speaker points and addendum answering Commission questions on the OATT Reform NOPR as part of the October 12 FERC Technical Conference – Filed 11-2-06.
- (7) WEQ: NAESB filed a coordinate interchange version 1 modification to ensure consistency with NERC filings on coordinate interchange for reliability standards, Docket No. RM05-5-000 – Filed 11-16-06.

#### **Planned by 1st Quarter 2007**

- (8) WEQ: NAESB filed comments clarifying the coordinate interchange submittal on 11-6-06. The comments were filed in Docket No. RM05-5-000 – Filed 2-5-07.
- (9) WGQ: Gas Quality Part 2 – Part B of the request R03035, reporting of assumptions and calculations used in measurement of gas quality specifications (RM96 et al)
- (10) WGQ: Version 1.8 WGQ standards (published September 30, 2006) (RM96 et al). Should be filed once minor corrections are processed and NAESB determines if changes are needed to support the FERC actions on the court-vacated Order 2004.

#### **Planned by 2nd Quarter 2007**

- (11) WEQ: Several enhancements to OASIS including redirect modifications, resales and transfers, and changes to 10.6 (clarification of “all other types” – see our July 1 comments on RM05-5-000)
- (12) WEQ: Release mechanisms on the S&CP (RM05-5-000)



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS NAESB SCHEDULE FOR FERC FILINGS FEBRUARY 28, 2007

- (13) WEQ: TLR Version 0 split to be filed after it ratified and verified against the NERC reliability standards using the joint standards development template. (RM05-5-000) – It is questionable whether NERC will have its portion of TLR prepared in time to remain in sync with NAESB.
- (14) WEQ: Possible Version 1 changes to the standards including Coordinate Interchange Business Practices, TLR.
- (15) WEQ: Business Practices for the ATC/TTC functions should be filed with the FERC in 2007-2008 as requested by the Commission on May 18 in the NOPR, Docket No. [RM05-25-000](#), and subsequently finalized in Order 890.



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### NORTH AMERICAN ENERGY STANDARDS BOARD

#### 2007 WGQ Annual Plan

Approved by the NAESB Board of Directors on December 14, 2006 With Proposed Revisions on March 9, 2007

|  | Item Description   | Completion <sup>1</sup>       | Assignment <sup>2</sup>                      |
|--|--|-------------------------------|--|
| <b>Damage Reporting for Natural Gas Pipeline Facilities</b>                        |  |                               |  |
| 1  | Review and develop standards as appropriate to support posting of information as noted in Docket No. RM06-18-000, <a href="#">Order No. 682</a> .<br>Status: Not Started.  | 1 <sup>st</sup> Q, 2006       | BPS  |
| a.   | Review transmission line damage reporting to identify commonality and apply to item 1 above as appropriate.<br>Status: Not Started.  | 1 <sup>st</sup> Q, 2006       | BPS  |
| <b>Electronic Delivery Mechanisms and Related Activities</b>                       |  |                               |  |
| 2  | Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI).<br>Status: Pending Activities of the WEQ EC.   | Pending WEQ<br>PKI activities | EDM  |
| 3  | Develop or amend WGQ technical standards, as appropriate, to address to the DoE Sandia National Laboratories 2006 surety assessment findings and recommendations.<br>Status: Underway.   | 4 <sup>th</sup> Q, 2007       | BPS/EDM                                      |
| 4  | Prepare a joint analysis with the retail quadrants for AS2 and AS3 protocols as compared to the NAESB IET.<br>Status: Underway.  | TBD                           | WGQ EDM &<br>Retail TEIS                     |
| <b>Contracts Activities</b>  |  |                               |  |
| 5  | Develop FAQ for Updated NAESB Base Contract for Sale and Purchase of Sale of Natural Gas.<br>Status: Not Started.  | 1st Q, 2007                   | Contracts                                    |
| 6  | Review and update NAESB Canadian Addendum to the NAESB Base Contract for Sale and Purchase of Sale of Natural Gas to incorporate the recent NAESB Base Contract revisions (Initial Draft prepared by Chair of Contracts SC).<br>Status: Not Started. | 2 <sup>nd</sup> Q, 2007       | Contracts                                    |
| <b>Gas-Electric Interdependency</b>  |  |                               |  |
| 7  | Respond to directives of Docket Nos. <a href="#">RM05-5-001</a> and <a href="#">RM96-1-027</a> as related to the NAESB reports submitted in Docket No. <a href="#">RM05-28-000</a> .<br>Status: Not Started.   | TBD                           | TBD  |
| <b>Review and develop business practices standards to support e-Tariff program</b> |  |                               |  |
| 8  | Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. ( <a href="#">Docket No RM05-1-000</a> )<br>Status: Underway.  | 3rd Q, 2007                   | Joint<br>WEQ/WGQ<br>e-Tariff<br>Subcommittee |



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### NORTH AMERICAN ENERGY STANDARDS BOARD

#### 2007 WGQ Annual Plan

Approved by the NAESB Board of Directors on December 14, 2006 With Proposed Revisions on March 9, 2007

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#### Program of Standards Maintenance & Fully Staffed Standards Work<sup>3</sup>

|   |         |                                 |
|---|---------|---------------------------------|
| Business Practice Requests  | Ongoing | Assigned by the EC <sup>4</sup> |
| Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA. | Ongoing | ANSI X12 Subcommittee           |
| Information Requirements and Technical Mapping of Business Practices  | Ongoing | Assigned by the EC <sup>4</sup> |
| Ongoing Interpretations for Clarifying Language Ambiguities   | Ongoing | Assigned by the EC <sup>4</sup> |
| Ongoing Maintenance of Code Values and Other Technical Matters  | Ongoing | Assigned by the EC <sup>4</sup> |

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#### Provisional Activities<sup>5</sup>

Respond to requests as received that are related to Docket No. [AD06-11-000](#) (Market Transparency Reporting).

Respond to changes as needed to support decisions from the [D.C. Court of Appeals decision, No. 04-1183](#), decided on 11-17-06 vacating FERC Order Nos. 2004, 2004-A, 2004-B, 2004-C and 2004-D as applied to natural gas pipelines.

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Notes: (a) Priority is given to action items that are carry-overs from the 2006 Annual Plan.

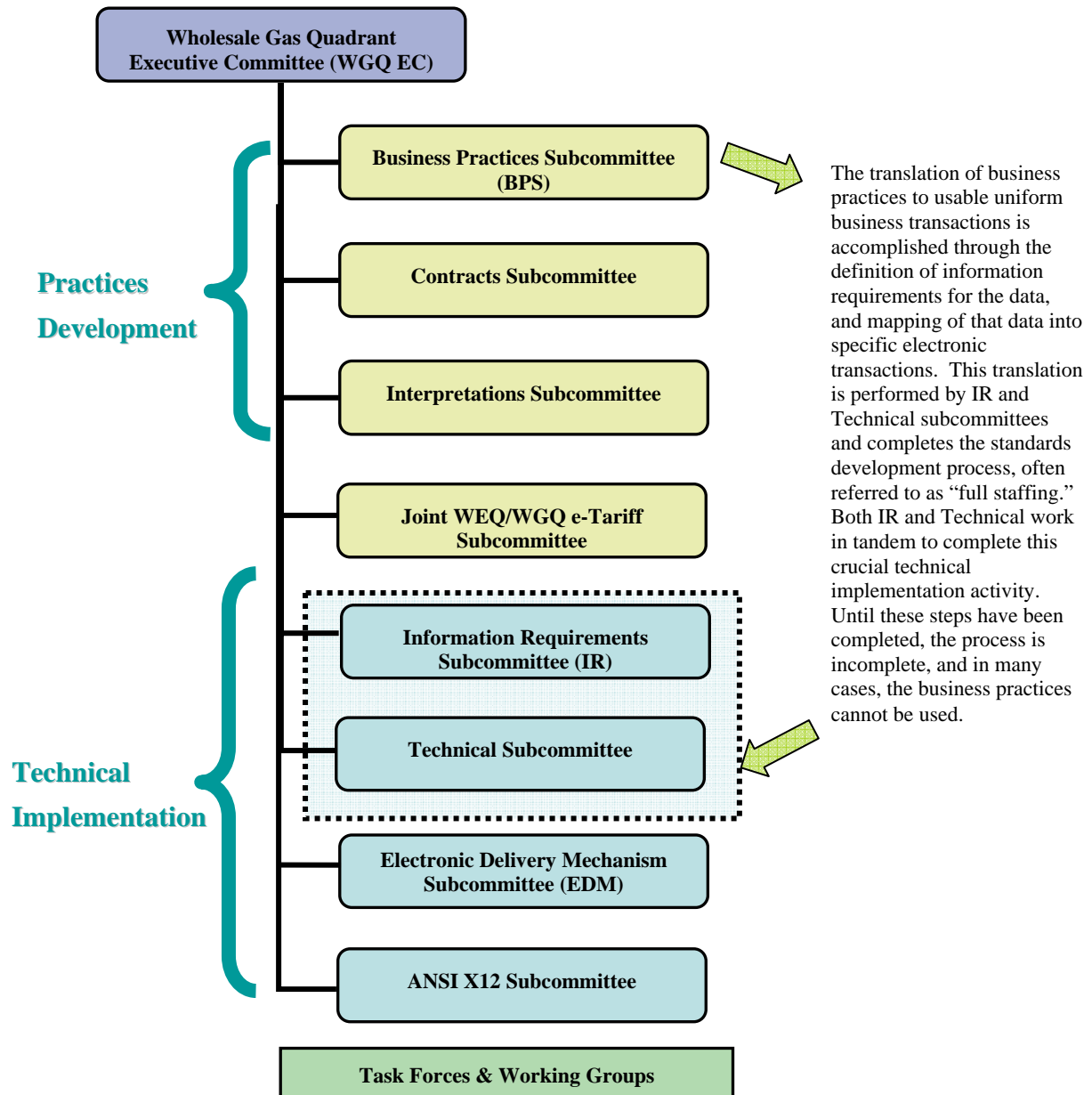
(b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

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### NAESB 2007 WGQ EC and Subcommittee Leadership:

Executive Committee: Jim Buccigross, Chair and Mike Novak, Vice-Chair

Business Practices Subcommittee: Kim Van Pelt, Tina Burnett, Dolores Chezar and Richard Smith

Information Requirements Subcommittee: Dale Davis

Technical Subcommittee: Kim Van Pelt

Contracts Subcommittee: Keith Sappenfield

Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden

Interpretations Subcommittee: Paul Love

Joint WEQ/WGQ e-Tariff Subcommittee: Keith Sappenfield



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### End Notes:

<sup>1</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>2</sup> The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

<sup>3</sup> This work is considered routine maintenance and thus the items are not separately numbered.

<sup>4</sup> The EC assigns maintenance of existing standards on a request by request basis.

<sup>5</sup> To the extent that it is determined that any of the provisional activities should be worked upon during the year as a result of a specific request for standards development or a FERC action, the Board has the discretion to modify the annual plan. Additionally, provisional activities will remain on the Annual Plan for one year pending the filing of a formal request or a decision to add them to the plan as active items.



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## NORTH AMERICAN ENERGY STANDARDS BOARD

2007 WEQ Annual Plan – Approved by the Board of Directors on December 14, 2006

Proposed Changes from the WEQ EC on 2-6-07

| Item Description  | Completion <sup>1</sup> | Assignment <sup>2</sup> |
|---|-------------------------|-------------------------|
| <b>1 Develop business practices standards as needed to complement reliability standards</b>   |                         |                         |
| Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs) using the NERC/NAESB Coordination Joint Standards Development Process as appropriate. Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are: |                         |                         |
| a) Make version 1 changes to business practices as requested.   | Ongoing                 | BPS                     |
| i) Make changes to business practices as related to inclusion of the NERC Reliability Functional Model functional model entities as NERC undertakes the same efforts.   | As requested            | BPS                     |
| Status: No requests.  |                         |                         |
| b) Develop business practices to support Coordinate Interchange – <a href="#">R05020</a> “Include a guideline for rounding schedules with partial mWh’s in the coordinate interchange business practice WEQ BPS-002-000”  | 2 <sup>nd</sup> Q, 2007 | BPS<br>JISWG            |
| Status: Not Started.  |                         |                         |
| c) Develop business practice standards to support Operate Within Limits (R03017).   | 2007                    | BPS                     |
| Status: Not Started. Coordination of NAESB timeline with NERC timeline is required.   |                         |                         |
| d) Develop business practices to support the reliability components of TLR.   |                         |                         |
| i) Version 0 Split of TLR business practices from reliability components.   | 2 <sup>nd</sup> Q, 2007 | BPS                     |
| Status: Completed ratification and delayed publication and filing with FEREC until NERC has had the opportunity to complete its split.  |                         |                         |
| ii) Continuous support of TLR Procedure in alignment with NERC efforts including version 1 development.   | Ongoing                 | BPS                     |
| Status: Ongoing as NERC makes changes. R06002 completed and approved by the WEQ EC on 5-9-06.   |                         |                         |
| iii) Complete version 1 TLR business practices.   | 2 <sup>nd</sup> Q, 2007 | BPS                     |
| Status: Dependent on successful completion of NERC efforts – 1(d)(i).   |                         |                         |
| e) Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards.   | 4 <sup>th</sup> Q, 2007 | BPS                     |
| Status: Not Started.  |                         |                         |
| f) Develop jointly with NERC a Joint NERC/NAESB Operating training manual.  | 2 <sup>nd</sup> Q, 2007 | BPS                     |
| Status: Not Started. Dependent on completion of version 1 TLR BPs, 1(d)(i).   |                         |                         |



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## NORTH AMERICAN ENERGY STANDARDS BOARD

2007 WEQ Annual Plan – Approved by the Board of Directors on December 14, 2006

Proposed Changes from the WEQ EC on 2-6-07

| Item Description   | Completion <sup>1</sup> | Assignment <sup>2</sup> |
|--|-------------------------|-------------------------|
| <b>2 Develop business practice standards in support of the FERC RM05-25-000 and RM05-17-000 (OATT Reform)</b>  |                         |                         |
| a) Develop version 1 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards would be based on recommendations from NERC's Long Term ATC/AFC Task Force and would involve revised procedures for the ATC calculation and/or revised protocols as determined by the final order. | 2007                    | BPS/ESS                 |
| Status: Underway using joint standards development process with NERC. Request R050004 was expanded to include the OATT NOPR items ( <a href="#">NOPR, Docket Nos. RM05-25-000 and RM05-17-000</a> , "Preventing Undue Discrimination and Preference in Transmission Services", issued May 19, 2006).   |                         |                         |
| b) Develop the needed business practices as companion to the NERC standards for ATC related efforts.   | TBD                     | BPS/ESS                 |
| i) Develop standards to support existing Request No. <a href="#">R05004</a> .<br>Status: Underway  | TBD                     | BPS/ESS                 |
| ii) Develop the needed business practices to support NERC efforts (MOD 001-MOD 009, FAC 12/13).<br>Status: Underway  | TBD                     | BPS/ESS                 |
| c) Develop version 1 business practice standards to support transparency reporting and related functions that may be required as a result of the final order.<br>Status: Not Started.  | TBD                     | BPS/ESS                 |
| <b>3 Develop business practices standards to improve the current operation of the wholesale electric market and develop and maintain business practice and communication standards for OASIS and Electronic Scheduling</b>   |                         |                         |
| a) Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling. Specific items to address include:   |                         |                         |
| i) Develop OASIS S&CP changes to support OASIS business practices:   |                         |                         |
| 1) Implementation of S&CP changes to support "relinquish" mechanism to complement non-firm redirects ( <a href="#">R04006C1</a> ).<br>Status: Complete – approved by the WEQ EC on 2-6-07.   | 1st Q, 2007             | ESS/ITS                 |
| 2) Implementation of S&CP changes to support Standards of Conduct business practices.<br>Status: Complete – approved by the WEQ EC on 2-6-07.  | 1st Q, 2007             | ESS/ITS                 |



## North American Energy Standards Board

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### NORTH AMERICAN ENERGY STANDARDS BOARD

2007 WEQ Annual Plan – Approved by the Board of Directors on December 14, 2006

Proposed Changes from the WEQ EC on 2-6-07

|      | Item Description  | Completion <sup>1</sup> | Assignment <sup>2</sup> |
|------|---|-------------------------|-------------------------|
| ii)  | Network Services: Determine and develop needed business practice standards or other support is needed to support use of OASIS for Network Service transactions ( <a href="#">R04006E</a> ).<br><br>Status: Underway.  | 3 <sup>rd</sup> Q, 2007 | ESS/ITS                 |
| iii) | Registry: Determine and develop needed business practice standards to support the registry functions currently supported by NERC ( <a href="#">R04037</a> ).<br><br>Status: Underway.   | 3 <sup>rd</sup> Q, 2007 | JISWG                   |
| iv)  | Identify e-Tag enhancements to support business practices (including e-Tag specification changes) ( <a href="#">R05018</a> ).<br><br>Status: Underway.  | 3 <sup>rd</sup> Q, 2007 | JISWG                   |
| v)   | Document procedures used to implement the displacement/interruption terms of the Pro Forma tariff ( <a href="#">R05019</a> ).<br><br>Status: Not Started.(Related to request <a href="#">R05004</a> )   | 4 <sup>th</sup> Q, 2007 | ESS/ITS                 |
| vi)  | Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS ( <a href="#">R05026</a> ).<br><br>Status: Underway. Scoping <a href="#">statement</a> completed by SRS and to be considered by the WEQ EC for assignment. | TBD                     | Not Assigned            |
| vii) | Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order).<br><br>Status: Underway – see item 7 in provisional items. Delayed awaiting rulemaking on OATT NOPR.  | Delayed                 | ESS/ITS                 |
| b)   | Develop and/or maintain standard communication protocols and cyber-security business practices as needed.   |                         |                         |
| i)   | Address the <a href="#">surety assessment findings</a> on NAESB PKI standards.<br><br>Status: Complete, will be provided as a response to the U.S. DoE upon completion by the WGQ for their response to the findings.   | 1 <sup>st</sup> Q, 2007 | JISWG                   |
| ii)  | Develop PKI standards for OASIS.<br><br>Status: Not Started.  | 2 <sup>nd</sup> Q, 2007 | ESS                     |
| iii) | Develop PKI Standards for e-tagging.<br><br>Status: Underway.   | 2 <sup>nd</sup> Q, 2007 | JISWG                   |
| iv)  | Develop enhanced Electric Industry Registry (EIR), ( <a href="#">R06027</a> )<br><br>Status: Underway.  | 3 <sup>rd</sup> Q, 2007 | JISWG                   |



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### NORTH AMERICAN ENERGY STANDARDS BOARD

2007 WEQ Annual Plan – Approved by the Board of Directors on December 14, 2006

Proposed Changes from the WEQ EC on 2-6-07

| Item Description  | Completion <sup>1</sup> | Assignment <sup>2</sup>             |
|---|-------------------------|-------------------------------------|
| c) Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers.<br>Status: Underway.  | 3 <sup>rd</sup> Q, 2007 | NAESB Staff with WEQ support        |
| <b>4 Review and develop business practices standards as applicable to address seams issues</b>  |                         |                                     |
| a) Review and evaluate entries in existing <a href="#">Seams Catalog</a> and identify possible business practices development.<br>Status: Underway.                             | 2 <sup>nd</sup> Q, 2007 | Seams                               |
| b) Develop business practice standards as identified from the review of the seams catalog.<br>Status: Underway.   | TBD                     | To be assigned                      |
| <b>5 Review and develop business practices standards to support e-Tariff program</b>  |                         |                                     |
| Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. ( <a href="#">Docket No RM05-1-000</a> )<br>Status: Underway. | 3 <sup>rd</sup> Q, 2007 | Joint WEQ/WGQ e-Tariff Subcommittee |



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### NORTH AMERICAN ENERGY STANDARDS BOARD

2007 WEQ Annual Plan – Approved by the Board of Directors on December 14, 2006

Proposed Changes from the WEQ EC on 2-6-07

#### PROVISIONAL ITEMS

- 1 Develop and or modify business practices related to support of NERC effort on the NERC Resources and Transmission Adequacy and Inadvertent Interchange Data Standards BAL-006 revisions.
- 2 Develop business practice standards as requested by the regional and state advisory groups.
- 3 Using the NERC Interconnected Operations Services reference document ([March 2002, version 1.1](#)) as a guide and starting point, develop business practices as necessary for ancillary services and/or interconnected operating services transactions.
- 4 Develop business practice standards as related to the Effectiveness Study of Competitive Wholesale Markets (Congressional Mandate), Electric Energy Market Competition Task Force, Docket No. [AD05-17-000](#), issued by the FERC on October 13, 2005.
- 5 Develop and or modify business practices as requested by FERC related to gas-electric coordination issues in [Docket No. RM05-5-001](#), "Standards for business practices for Interstate Natural Gas Pipelines", "Standards for Business Practices for Public Utilities," issued October 25, 2006 and related [order on inquiry](#), "Order Instituting Inquiries into Gas-Electric Coordination Issues," also issued on October 25, 2006.
- 6 Develop and/or maintain business practice standards to support gas-electric interdependencies
  - Respond to requests as received that are related to Docket No. RM05-28-000.
  - Respond directives related to the conclusions of the NAESB reports submitted in Docket No. RM05-28-000.
- 7 Develop business practices as needed to support NAESB Retail Electric Quadrant efforts on demand side management and energy efficiency programs.

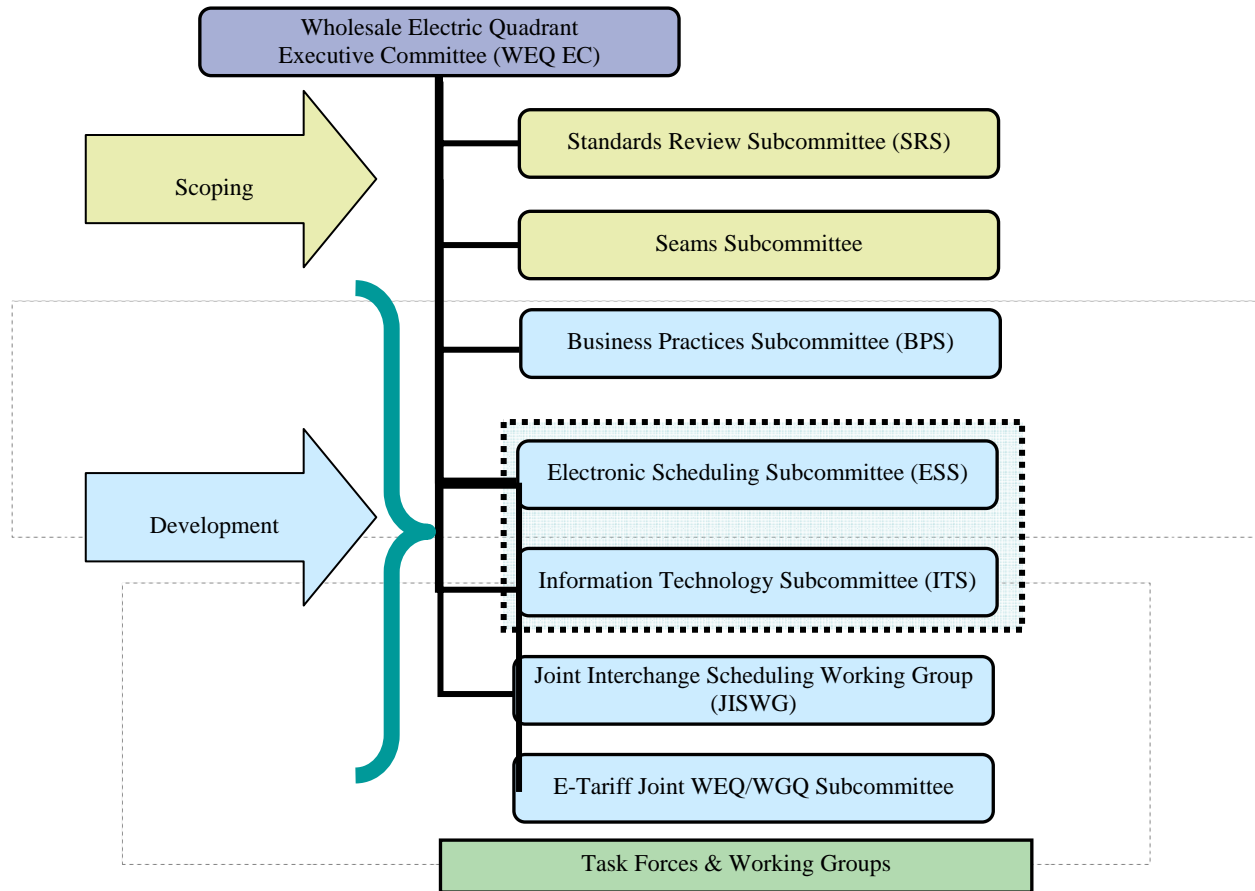


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## NAESB WEQ EC and Subcommittee Leadership:

Executive Committee: Kathy York (WEQ EC Chair) and Clay Norris (WEQ EC Vice Chair)

Standards Review Subcommittee: Raj Rana, Narinder Saini

Seams Subcommittee: Robert Schwermann

Business Practices Subcommittee & Task Forces: Kathy York & Jim Busbin

Electronic Scheduling Subcommittee/Information Technology Subcommittee & Task Forces: Paul Sorenson, J.T. Wood

- Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger

e-Tariff Joint WEQ/WGQ Subcommittee (e-Tariff): To be named



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### End Notes:

<sup>1</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>2</sup> The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.



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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2006 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS<sup>1</sup>**  
**Revisions Adopted by the Board on September 21, 2006**

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| Item Number & Description  | Completion <sup>2</sup>   | Assignment |
|--|---------------------------|------------|
| 1 Billing & Payment  |                           |            |
| a. Develop Technical Electronic Implementation Standards – Billing & Payments<br>Status: Underway  | 3 <sup>rd</sup> Qtr. 2006 | TEIS       |
| b. Develop additional model business practices for reversal and reissue, transformer loss factors, budget billing and payment plans, and missed bill windows<br>Status: Completed through the BPS process and submitted to IR.   | 4 <sup>th</sup> Qtr 2006  | IR         |
| 2 Pre-Enrollment Customer Information  |                           |            |
| a. Develop technical transaction processes for exchanging customer information necessary for interactions prior to enrollment and billing, i.e., customer authorization procedures, identifying types of customer information necessary for pre-enrollment activities, and methodologies for exchanging information.<br>Status: Underway. To be presented at the November EC meeting.  | 3 <sup>rd</sup> Qtr. 2006 | TEIS       |
| 3 Electronic Retail Billing.   |                           |            |
| a. Develop information requirements for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities pursuant to Request No. R05016.<br>Status: Completed.   | 1 <sup>st</sup> Qtr. 2006 | IR         |
| b. Develop Technical Electronic Implementation Standards – Electronic Retail Billing<br>Status: Underway. To be presented at the November EC meeting.  | 3 <sup>rd</sup> Qtr. 2006 | TEIS       |
| 4 Customer Enrollment, Drop and Account Maintenance  |                           |            |
| a. Develop practices for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.<br>Status: Underway. To be presented at the November EC meeting for enrollment part.   | 2 <sup>nd</sup> Qtr. 2007 | BPS        |
| b. Develop information requirements for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.<br>Status: Not Started. Customer enrollment should be complete by 4 <sup>th</sup> Qtr 2006, but drops and customer account information should span into 2007. | 3 <sup>rd</sup> Qtr. 2007 | IR         |

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**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**2006 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS<sup>1</sup>**  
**Revisions Adopted by the Board on September 21, 2006**

| Item Number & Description  | Completion <sup>2</sup>   | Assignment                      |
|--|---------------------------|---------------------------------|
| c. Develop Technical Electronic Implementation Standards – Customer Enrollment, Switching & Dropping.<br>Status: Not Started   | 4 <sup>th</sup> Qtr 2007  | TEIS                            |
| <b>5 Customer Inquiries</b>  |                           |                                 |
| a. Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.<br>Status: Not Started   | 4 <sup>th</sup> Qtr. 2007 | BPS                             |
| <b>6 Contracts</b>   |                           |                                 |
| a. Develop a model RGQ/REQ contract/outline modeled after the NAESB Base Contract for Sale and Purchase of Natural Gas, NAESB Standard 6.3.1 (NAESB Base Contract for Gas) designated for use by electric power markets or competitive gas markets. (R05013).<br>Status: Underway. To be presented at the November EC meeting. | 4 <sup>th</sup> Qtr. 2006 | Contracts                       |
| 7 Prepare a joint analysis with the WGQ for AS2 and AS3 protocols as compared to the NAESB IET.<br>Status: Not Started.  | 4 <sup>th</sup> Qtr. 2006 | TEIS & WGQ EDM                  |
| 8 Develop NAESB Certification checklist criteria for Retail Quadrants to be used in the NAESB Certification Program.<br>Status: Not Started.   | 4 <sup>th</sup> Qtr. 2006 | TEIS                            |
| 9 Partner with the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations.<br>Status: Underway   | 4 <sup>th</sup> Qtr. 2006 | EC Officers <sup>3</sup>        |
| <b>Program of Standards Maintenance &amp; Fully Staffed Standards Work<sup>4</sup></b>   |                           |                                 |
| Business Practice Requests   | Ongoing                   | Assigned by the EC <sup>5</sup> |
| Information Requirements and Technical Mapping of Business Practices   | Ongoing                   | Assigned by the EC <sup>5</sup> |
| Ongoing Interpretations for Clarifying Language Ambiguities  | Ongoing                   | Assigned by the EC <sup>5</sup> |
| Ongoing Maintenance of Code Values and Other Technical Matters   | Ongoing                   | Assigned by the EC <sup>5</sup> |
| Ongoing Development and Maintenance of Definitions   | Ongoing                   | Glossary                        |



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2006 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS<sup>1</sup>  
Revisions Adopted by the Board on September 21, 2006**

| Item Number & Description   | Completion <sup>2</sup> | Assignment |
|---|-------------------------|------------|
| <b>Provisional Activities</b>   |                         |            |
| Review security standards as may be deemed necessary, such as Public Key Infrastructure (PKI).  |                         |            |
| <b>Future Activities</b>  |                         |            |
| <b>Joint Effort:</b>  |                         |            |
| Supplier Certification: Develop practices for Distribution Companies to register/certify new Suppliers when they seek to begin doing business in the Distribution Company's service area.   |                         |            |
| Modify TPA as necessary.  |                         |            |
| <b>Retail Electric Quadrant Effort Only:</b>  |                         |            |
| Retail Meter Data Validation, Editing & Estimating: Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, etc. Issues related to unbundled or competitive metering are not to be considered. |                         |            |
| Load Profiling: Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.  |                         |            |
| Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.   |                         |            |
| <b>Retail Gas Quadrant Effort Only:</b>   |                         |            |
| Examine Wholesale Gas Quadrant Non-EDM Standards for applicability to retail business practices.  |                         |            |

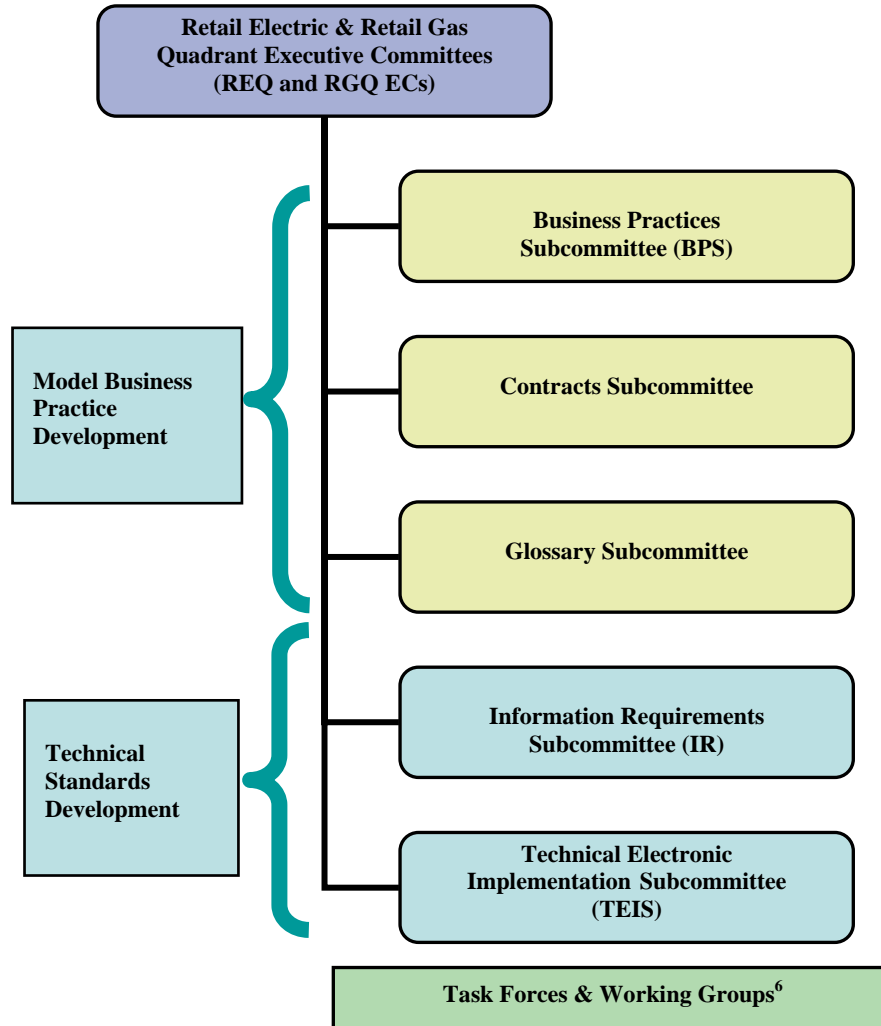


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### NAESB RGQ EC and Subcommittee Leadership:

Executive Committee: Mike Novak, Chair and Suzanne Calcagno, Vice-Chair

Business Practices Subcommittee: Phil Precht

Information Requirements Subcommittee: George Behr

Technical Electronic Implementation Subcommittee: George Behr

Contracts Subcommittee: Marcy McCain and Suzanne Calcagno

Glossary Subcommittee: Don Sytsma

### NAESB REQ EC and Subcommittee Leadership:

Executive Committee: Ruth Kiselewich, Chair and Ed Overtree, Vice-Chair

Business Practices Subcommittee: Mary Edwards and Dan Jones

Information Requirements Subcommittee: Ed Overtree

Technical Electronic Implementation Subcommittee: Jennifer Teel

Contracts Subcommittee: Ed Overtree

Glossary Subcommittee: Mary Edwards and Patrick Eynon



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### End Notes:

<sup>1</sup> As outlined in the NAESB Bylaws, the REQ and RGQ will also address requests submitted by members and assigned to the REQ and RGQ through the Triage Process.

<sup>2</sup> Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

<sup>3</sup> The project with SNL is a four quadrant effort, with all EC officers providing support to the SNL representatives.

<sup>4</sup> This work is considered routine maintenance and thus the items are not separately numbered.

<sup>5</sup> The REQ and RGQ ECs will assign maintenance efforts on a request by request basis.

<sup>6</sup> The ECs and the subcommittees can create task forces and working groups to support their development activities for development of model business practices and technical standards.

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 8**

**FINANCIAL REPORT & MEMBERSHIP REPORTS**

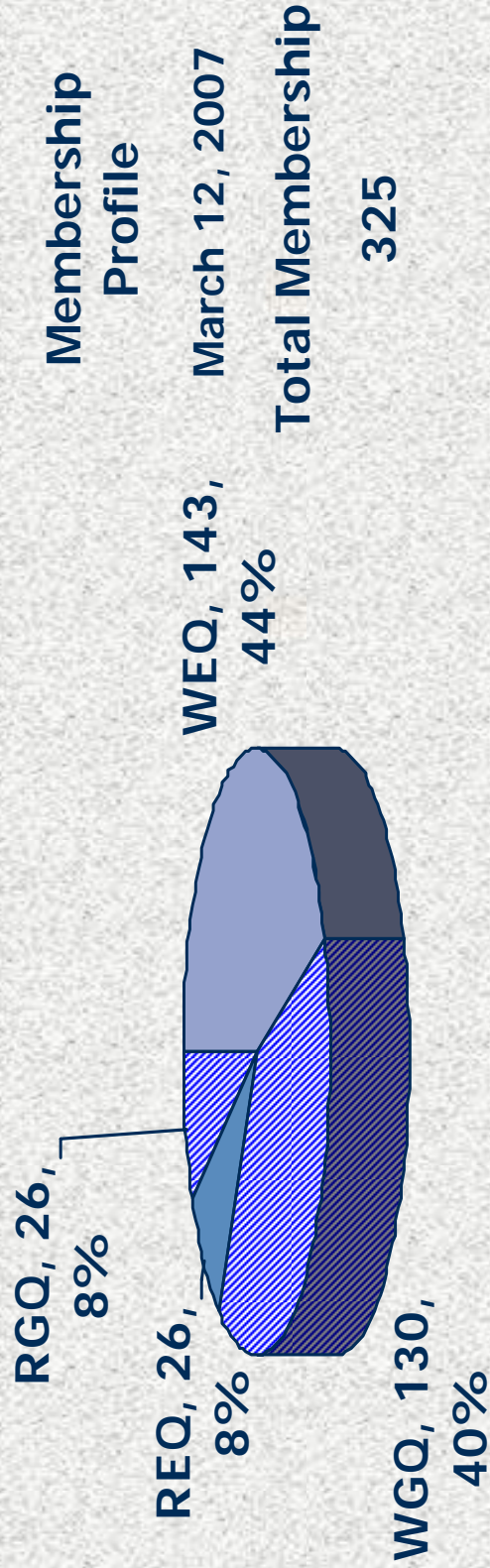
This section includes:

- Membership Report and Statistics
- Financial Reports YE for 2006
- Financial Reports YTD for 2007

The material presented is background information for the discussion of agenda item 6.

For the membership report and the financial reports, the material presented is for informational and discussion purposes with the no action expected of the board.

# North American Energy Standards Board 03/12/07



| Quadrant Statistics | WEQ | WGO | REQ | RGQ | Total |
|---------------------|-----|-----|-----|-----|-------|
| Membership YE 2006  | 141 | 124 | 26  | 25  | 316   |
| Net Change          | +2  | +6  | 0   | +1  | +9    |
| Change in Quadrant  | 0   | 0   | 0   | 0   | 0     |
| Membership YTD      | 143 | 130 | 26  | 26  | 325   |

North American Energy Standards Board Membership List  
As of March 12, 2007

NAESB Membership Statistics – Changes by Quadrant for 2007 as of March 12, 2007

| NAESB Membership Report - Quadrant/Segment Membership Analysis |                                     | Number of Members |
|--|-------------------------------------|-------------------|
| <b>WGQ Segments</b>  | <b>TOTAL</b>                        | <b>130</b>        |
|  | End Users                           | 18                |
|  | Distributors                        | 26                |
|  | Pipelines                           | 41                |
|  | Producers                           | 13                |
|  | Services                            | 32                |
| <b>REQ Segments</b>  | <b>TOTAL</b>                        | <b>26</b>         |
|  | End Users                           | 4                 |
|  | Distributors                        | 13                |
|  | Services                            | 5                 |
|  | Suppliers                           | 4                 |
| <b>RGQ Segments</b>  | <b>TOTAL</b>                        | <b>26</b>         |
|  | End Users                           | 3                 |
|  | Distributors                        | 11                |
|  | Services                            | 6                 |
|  | Suppliers                           | 6                 |
| <b>WEQ Segments</b>  | <b>TOTAL</b>                        | <b>143</b>        |
|  | End Users                           | 10                |
|  | Distributors                        | 24                |
|  | Transmission                        | 42                |
|  | Generation                          | 30                |
|  | Marketers                           | 30                |
|  | None Specified                      | 1                 |
|  | Independent Grid Operators/Planners | 6                 |

North American Energy Standards Board Membership List  
As of March 12, 2007

|       |   |    |
|-------|---|----|
| WEQ   | New Members:  | 3  |
|       | <i>Lincoln Electric System; New York Independent System Operator, Inc. (NYISO); TransServ International, Inc.; California ISO</i>   |    |
|       | Member Resignations:  | 2  |
|       | <i>Trans-Elect, Inc., Platte River Power Authority</i>  |    |
| WGQ   | New Members:  | 5  |
|       | <i>ANR Pipeline Company, Colorado Springs Utilities, Nexen Marketing; Houston Pipe Line Company, LP, Virginia Power Energy Marketing, Inc.; Transwestern Pipeline Company</i> |    |
|       | Member Resignations:  | 0  |
| REQ   | New Members:  | 0  |
|       | Member Resignations:  | 0  |
| RGQ   | New Members:  | 1  |
|       | <i>Allegro Development</i>  |    |
|       | Member Resignations:  | 0  |
| TOTAL | New Members   | 11 |
|       | Member Resignations:  | 2  |

North American Energy Standards Board Membership List  
As of March 12, 2007

| Quadrant                         |    | Organization                                  | Segment | Contact   | Sub-Segment |
|----------------------------------|----|---|---------|---|-------------|
| <b>Retail Electric Quadrant:</b> | 1  | Alabama Power                                 | d       | Judy W. Ray   |             |
|                                  | 2  | Ameren Services Company                       | d       | Patrick Eynon   |             |
|                                  | 3  | Baltimore Gas & Electric Co.                  | d       | Ruth Kiselewich                                       |             |
|                                  | 4  | Consolidated Edison Company of NY             | d       | Hollis Krieger  |             |
|                                  | 5  | Constellation NewEnergy, Inc.                 | d       | Sara O'Neill, Peter Kelly-Detwiler, Jansen Pollock    |             |
|                                  | 6  | Direct Energy Business Services               | su      | David Booty   |             |
|                                  | 7  | Dominion Retail                               | su      | William Barkas, Richard Zelenko                       |             |
|                                  | 8  | Dominion Virginia Power                       | d       | David F. Koogler, Mary Edwards                        |             |
|                                  | 9  | Duke Energy Corp                              | d       | Dan Jones   |             |
|                                  | 10 | EC Power International                        | s       | Judy Bailey, J. Cade Burks, Jennifer Teel             |             |
|                                  | 11 | Electric Reliability Council of Texas (ERCOT) | s       | Sam R. Jones, Rob Connell, Ray Giuliani, Susan Munson |             |
|                                  | 12 | Exelon Energy Delivery                        | d       | Toni Garza  |             |
|                                  | 13 | Gulf Power Company                            | d       | J. Thomas Kilgore                                     |             |
|                                  | 14 | MidAmerican Energy                            | d       | James E. Wilson                                       |             |
|                                  | 15 | Mississippi Power Company                     | d       | Dorman Davis  |             |
|                                  | 16 | Office of Public Advocate, State of Maine     | e       | Barbara Alexander                                     |             |
|                                  | 17 | Ohio Consumers Council                        | e       | Randy Corbin  |             |
|                                  | 18 | Pennsylvania Office Of Consumer Advocate      | e       | Tanya J. McCloskey, Sonny A. Popowsky                 |             |
|                                  | 19 | PPL Solutions, LLC                            | s       | James M. Minneman                                     |             |
|                                  | 20 | Public Service Electric & Gas                 | d       | Terrence Moran  |             |
|                                  | 21 | Southern Company Services                     | s       | Mark S. Jarrett                                       |             |
|                                  | 22 | Structure Group                               | s       | Stacey Wood   |             |
|                                  | 23 | TXU Electric Delivery                         | d       | Tommy Weathersbee, Debbie McKeever                    |             |
|                                  | 24 | TXU Energy Retail                             | su      | Felecia Lokey   |             |
|                                  | 25 | Wal-Mart Stores, Inc.                         | e       | Angela Beehler  |             |
|                                  | 26 | Wisconsin Public Service Corporation          | d       | Dennis Derricks, Les Nishida, Ken Thiry               |             |

North American Energy Standards Board Membership List  
As of March 12, 2007

| Quadrant                       |    | Organization  | Segment | Contact                                   | Sub-Segment |
|--------------------------------|----|---|---------|---|-------------|
| <b>Wholesale Gas Quadrant:</b> | 1  | 8760  | s       | Jim Buccigross                            |             |
|                                | 2  | American Electric Power Service Corporation                   | s       | Cathy Szasz                               |             |
|                                | 3  | American Public Gas Association                               | l       | Alonzo Weaver                             |             |
|                                | 4  | Alliance Pipeline LP  | pl      | Neil Coghlan                              |             |
|                                | 5  | Ameren Corporation  | l       | Scott Glaeser                             |             |
|                                | 6  | Anadarko Energy Services Company                              | s       | John Bretz, Steve Abbey                   |             |
|                                | 7  | ANR Pipeline Company  | s       | Sandy Meyers                              |             |
|                                | 8  | Apache Corporation  | pr      | Kelley Powell                             |             |
|                                | 9  | Arizona Public Service Company                                | e       | Ken Nordlander, Kelly Daly, Curt Brechtel |             |
|                                | 10 | Atmos Energy  | pl      | Steve Easley                              |             |
|                                | 11 | Ballard Natural Gas, LLC                                      | s       | Susan Thibodeaux                          |             |
|                                | 12 | Baltimore Gas & Electric Co.                                  | l       | Phil Precht                               |             |
|                                | 13 | Barclays Bank PLC   | s       | Guy Kern-Martin                           |             |
|                                | 14 | BG LNG Services, LLC  | s       | Martha Braddy                             |             |
|                                | 15 | Boeing Co., The   | e       | Tina Burnett                              |             |
|                                | 16 | BP Energy   | pr      | Bill Benham, Lauren Kaestner              |             |
|                                | 17 | Bridgeline Gas Marketing                                      | pl      | Georgia Blanchard                         |             |
|                                | 18 | Burlington Resources  | pr      | Paul Keeler                               |             |
|                                | 19 | Calpine Energy Services, LP                                   | e       | Shonnie Daniel, Craig Chancellor          |             |
|                                | 20 | Cargill Incorporated  | s       | Kathy Gerken                              |             |
|                                | 21 | Carolina Gas Transmission Corporation                         | pl      | Ryan Leahy                                |             |
|                                | 22 | Cascade Natural Gas Corporation                               | l       | Mark Sellers-Vaughn                       |             |
|                                | 23 | CenterPoint Energy Gas Resources Corp.                        | s       | James G. Beste                            |             |
|                                | 24 | CenterPoint Energy Gas Transmission Company                   | pl      | Larry Thomas                              |             |
|                                | 25 | CenterPoint Energy Mississippi River Transmission Corporation | pl      | Robert Trost                              |             |
|                                | 26 | Chandeleur Pipe Line Company                                  | pl      | Janice E. Rogers                          |             |
|                                | 27 | Cheniere LNG Marketing, Inc.                                  | s       | Mark Stubbe, Tammy Miller                 |             |
|                                | 28 | Chevron/Texaco  | pr      | Randy Mills                               |             |
|                                | 29 | Cimarex Energy Co.  | pr      | Charlotte Baker                           |             |
|                                | 30 | Citigroup Energy Inc.   | s       | Carrie Southard, Angela Davis             |             |
|                                | 31 | Colorado Springs Utilities                                    | l       | Joe M. Holmes                             |             |

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|----------|---|---------|--|-------------|
| 32       | Columbia Gas Transmission                 | pl      | Carl Levander                              |             |
| 33       | Comprehensive Energy Services             | e       | Jim Templeton                              |             |
| 34       | ConocoPhillips Gas and Power              | pr      | Peter Frost                                |             |
| 35       | Consolidated Edison Company of NY         | l       | Scott Butler, Paul Olmsted                 |             |
| 36       | Constellation Commodities Group Inc.      | s       | Lisa Simpkins                              |             |
| 37       | Coral Energy Resources, LP                | s       | Eric Gillaspie                             |             |
| 38       | Dauphin Island Gathering Partners         | pl      | Katie Rice                                 |             |
| 39       | Defense Energy Support Center             | e       | Veronica Jones, Kevin Ahern                |             |
| 40       | Department of Energy                      | e       | Christopher Freitas                        |             |
| 41       | Dominion Exploration and Production, Inc. | pr      | David Ogden, Gary Weaver, Sheri Heslington |             |
| 42       | Dominion Resources                        | l       | Craig Columbo                              |             |
| 43       | Dominion Transmission, Inc.               | pl      | Gary Sypolt, Iris King                     |             |
| 44       | DTE Energy Trading, Inc.                  | s       | Miki Kolobara                              |             |
| 45       | El Paso Natural Gas                       | pl      | William Griffith                           |             |
| 46       | El Paso Production Company                | pr      | Susan Lum                                  |             |
| 47       | Enbridge Energy Company, Inc.             | pl      | Terry McGill                               |             |
| 48       | EnCana Marketing (USA) Inc.               | s       | Keith Sappenfield                          |             |
| 49       | EnCana Corporation                        | pr      | Keith Sappenfield                          |             |
| 50       | Energy East Management Corporation        | l       | Marjorie Perlman                           |             |
| 51       | Entergy Services, Inc.                    | e       | Laura Berryman, Terry Shields              |             |
| 52       | Enterprise Products Partners L.P.         | pl      | Richard W. Porter                          |             |
| 53       | Equitable Gas Company                     | l       | Steve Rafferty                             |             |
| 54       | Equitrans, L.P.                           | pl      | Mina Speicher                              |             |
| 55       | ExxonMobil Gas Marketing                  | pr      | Richard Smith                              |             |
| 56       | Florida Power & Light Company             | e       | Dona Gussow                                |             |
| 57       | Florida Reliability Coordinating Council  | e       | Ken Wiley                                  |             |
| 58       | FPL Energy Power Marketing, Inc.          | e       | Michael Jessop                             |             |
| 59       | Gas Transmission Northwest Corp.          | pl      | Jay Story                                  |             |
| 60       | Great Lakes Gas Transmission              | pl      | Gene Fava                                  |             |
| 61       | Group 8760                                | S       | Jim Buccigross                             |             |
| 62       | Gulf South Pipeline                       | pl      | Randy Young                                |             |
| 63       | Hess Corporation                          | s       | Rebecca Batchelder                         |             |
| 64       | Houston Pipe Line Company LP              | pl      | Josie Castrejana                           |             |
| 65       | H S Resources Inc.                        | pl      | Carol Hall                                 |             |
| 66       | Imperial Irrigation District              | e       | William Rapp                               |             |

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|----------|---|---------|--------------------------------|-------------|
| 67       | Iroquois Gas Transmission System        | pl      | Tom Gwilliam                   |             |
| 68       | J.P. Morgan Ventures Energy Corp.       | s       | Ike Gibbs                      |             |
| 69       | Kern River Gas Transmission Company     | pl      | Brenda Horton                  |             |
| 70       | Key Span Energy                         | l       | Dolores Chezar                 |             |
| 71       | Laclede Gas Co.                         | l       | Kenneth Neises                 |             |
| 72       | Latitude Technologies                   | s       | Leigh Spangler                 |             |
| 73       | Lehman Brothers Commodity Services Inc. | s       | David Perlman                  |             |
| 74       | Louis Dreyfus Energy Services           | s       | Mary Ellen Bell, Ruby H.Melton |             |
| 75       | Lower Colorado River Authority          | e       | Mickey Bell                    |             |
| 76       | Macquarie Cook Energy, LLC              | s       | Angela Jones                   |             |
| 77       | Marathon Oil Company                    | pr      | Robin Perrine                  |             |
| 78       | Mewbourne Oil Company                   | pr      | Michael F. Shepard             |             |
| 79       | Mirant Energy Trading, LLC              | e       | Laura Trautman, Nicole Daggs   |             |
| 80       | National Fuel Gas Distribution          | l       | Michael Novak                  |             |
| 81       | National Fuel Gas Supply Corp.          | pl      | Joseph Kardas                  |             |
| 82       | Natural Gas Pipeline Co of America      | pl      | Paul Love                      |             |
| 83       | National Grid USA                       | l       | Bruce Garcy                    |             |
| 84       | New Jersey Natural Gas Company          | l       | Douglas C. Rudd                |             |
| 85       | Nexen Marketing                         | s       | Shelley Leavitt                |             |
| 86       | NiSource Inc.                           | l       | George Simmons                 |             |
| 87       | Northern Natural Gas                    | pl      | Mary Darveaux                  |             |
| 88       | Northwest Natural Gas Company           | l       | Randolph Friedman              |             |
| 89       | NOVA Gas Transmission Ltd.              | pl      | Doug Miller                    |             |
| 90       | Occidental Energy Marketing Inc. (OEMI) | pr      | Melinda Duncan                 |             |
| 91       | ONEOK                                   | l       | Patricia Anderson              |             |
| 92       | ONEOK Partners GP, LLC                  | pl      | Teri Tingler                   |             |
| 93       | Pacific Gas & Electric                  | l       | John Breen                     |             |
| 94       | Panhandle Eastern Pipe Line             | pl      | William Grygar, Kim Van Pelt   |             |
| 95       | PECO Energy Co.                         | l       | Reed R. Horting, Amy Hamilton  |             |
| 96       | Pemex Gas Y Petroquimica Basica         | s       | Juan Enrique Gonzalez Azuara   |             |
| 97       | Peoples Gas Light & Coke Co.            | l       | Tom Zack                       |             |
| 98       | Platts                                  | s       | Bill Murphy                    |             |

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|----------|--|---------|--|-------------|
| 99       | Portland Natural Gas Transmission System                     | pl      | David Haag   |             |
| 100      | PPL EnergyPlus, LLC  | e       | Anne Lovett  |             |
| 101      | Public Service Electric & Gas                                | l       | David Wohlfarth                                    |             |
| 102      | Questar Pipeline Co.   | pl      | Scott Hansen                                       |             |
| 103      | Quorum Business Solutions Inc.                               | s       | Mark Davis   |             |
| 104      | Sabine Pipe Line LLC   | pl      | Jan Rogers   |             |
| 105      | Salt River Project Agricultural Improvement & Power District | e       | Diane McVicker                                     |             |
| 106      | Sempra Energy - Southern California Gas Co.                  | l       | Lee Stewart, Rodger Schwecke                       |             |
| 107      | Sequent Energy Management, L.P.                              | s       | Pat Metteauer                                      |             |
| 108      | Southern California Edison Company                           | e       | Roman Bakke  |             |
| 109      | Southern Company Services, Inc.                              | e       | Alan Kilpatrick                                    |             |
| 110      | Southern Natural Gas Co.                                     | pl      | Renee Hyde, Tracey Nicholson                       |             |
| 111      | Southern Star Central Gas Pipeline                           | pl      | James L. Harder, Dale Sanders                      |             |
| 112      | Southwest Gas Corporation                                    | l       | Larry Black  |             |
| 113      | Spectra Energy Transmission                                  | pl      | Richard Kruse                                      |             |
| 114      | SunGard  | s       | Deborah Feliciano, Lucia Nail                      |             |
| 115      | Tennessee Gas Pipeline Company                               | pl      | Larry Smith, Mark Gracey                           |             |
| 116      | Tennessee Valley Authority                                   | e       | Valerie Crockett                                   |             |
| 117      | Texas Gas Transmission, LLC                                  | pl      | Mitch Whitehead                                    |             |
| 118      | Tiger Natural Gas  | s       | Bob Smith  |             |
| 119      | TransCanada Pipelines  | pl      | Doug Miller, Scott Coburn                          |             |
| 120      | Transwestern Pipeline Company, LLC                           | pl      | Blair V. Lichtenwalter, Mary Dramer, David Mendoza |             |
| 121      | Trinity Apex Systems   | s       | Richard (Dick) Couron                              |             |
| 122      | UBS Energy LLC   | s       | Suzanne Calcagno                                   |             |
| 123      | Vector Pipeline L.P.   | pl      | Amy Bruhn  |             |
| 124      | Vega Energy Partners, Ltd.                                   | s       | Lori Leeder  |             |
| 125      | Virginia Power Energy Marketing, Inc.                        | s       | Gregory V. Staton                                  |             |
| 126      | Washington Gas Light Co.                                     | l       | Adrian Chapman, Ken Yagelski                       |             |
| 127      | Westfield Gas & Electric Light Dept.                         | l       | Joyce Bodak  |             |
| 128      | Williams Gas Pipeline  | pl      | Dale Davis, Ron Mucci                              |             |
| 129      | Williston Basin Interstate Pipeline                          | pl      | Keith Tiggelaar                                    |             |
| 130      | Wisconsin Public Service Corporation                         | l       | Ronald G. Mosnik                                   |             |

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| Quadrant                            | Organization | Segment                                       | Contact | Sub-Segment                              |        |
|-------------------------------------|--------------|---|---------|--|--------|
| <b>Wholesale Electric Quadrant:</b> | 1            | ACES Power Marketing LLC                      | m       | Roy J. True                              | muni   |
|                                     | 2            | Alabama Electric Cooperative, Inc.            | d       | William Ronald Graham                    | muni   |
|                                     | 3            | Allegheny Energy, Inc.                        | t       | Terri Grabiak                            | iou    |
|                                     | 4            | Ameren Services                               | m       | Shawn Schukar                            | iou    |
|                                     | 5            | American Electric Power Service Corp.         | m       | Barbara Radous, Joseph Hartsoe, Phil Cox | iou    |
|                                     | 6            | American Municipal Power - Ohio, Inc.         | d       | Mack Thompson, Chris Norton              | muni   |
|                                     | 7            | American Public Power Association             | d       | Allen Mosher                             | muni   |
|                                     | 8            | American Transmission Company LLC             | t       | Julie Voeck                              | itc    |
|                                     | 9            | Arizona Public Service Company                | t       | Mark W. Hackney                          | iou    |
|                                     | 10           | Basin Electric Power Cooperative              | t       | Dan Klempel                              | muni   |
|                                     | 11           | Basin Electric Power Cooperative              | m       | David Raatz                              | nd     |
|                                     | 12           | Basin Electric Power Cooperative              | g       | Jason Doerr                              | muni   |
|                                     | 13           | Bonneville Power Administration               | d       | Sydney D. Berwager                       | other  |
|                                     | 14           | Bonneville Power Administration               | g       | Francis Halpin                           | fed    |
|                                     | 15           | Bonneville Power Administration               | m       | Brenda Anderson                          | fed    |
|                                     | 16           | Bonneville Power Administration               | t       | Barbara Rehman                           | fed    |
|                                     | 17           | BP America Inc.                               | e       | Jeanne Zaiontz                           | lind   |
|                                     | 18           | California Department of Water Resources      | g       | William (Bill) Forsythe                  | fed    |
|                                     | 19           | California ISO                                | i       | Yakout Mansour                           |        |
|                                     | 20           | Central Electric Power Cooperative            | d       | Arthur Fusco                             | muni   |
|                                     | 21           | ChevronTexaco Energy Research and Technology  | e       | Carol Guthrie                            | sgen   |
|                                     | 22           | Cleco Power, LLC                              | t       | Cindy Guillot                            | iou    |
|                                     | 23           | Comprehensive Energy Services                 | e       | Jim Templeton                            | enduse |
|                                     | 24           | Conectiv Energy Supply, Inc.                  | g       | Gloria Ogenyi, Paul Dwyer                | merc   |
|                                     | 25           | Conectiv Energy Supply, Inc.                  | m       | Gloria Ogenyi, Paul Dwyer                | iou    |
|                                     | 26           | Consolidated Edison Company of New York, Inc. | t       | Scott Butler                             | iou    |
|                                     | 27           | Constellation Generation Group                | g       | Michael Gildea                           | merc   |
|                                     | 28           | Consumers Energy Company                      | d       | Andrew C. Dotterweich, Frank Johnson     | iou    |

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|----------|---|---------|--|-------------|
| 29       | Coral Power, LLC  | m       | Robert Reilley, Paul Kerr                | niou        |
| 30       | Dairyland Power Cooperative   | t       | Chuck Callies                            | muni        |
| 31       | Department of the Interior, Bureau of Reclamation                               | g       | Dr. Karl Wunderlich                      | fed         |
| 32       | Deseret Power Electric Co-op  | g       | Curt Winterfeld                          | muni        |
| 33       | Dominion Energy Marketing, Inc.   | g       | Lou Oberski, Jalal Babik                 | iou         |
| 34       | Duke Energy Americas, LLC (DEA)   | g       | Walt Yeager                              | iou         |
| 35       | Duke Energy Corp.   | d       | Ollie Frazier                            | iou         |
| 36       | Dynegy Power Marketing, Inc.  | g       | Barry Huddleston                         | merc        |
| 37       | Edison Electric Institute   | n       | David Owens, Dave Dworzak, James P. Fama | N           |
| 38       | Edison Mission Marketing & Trading, Inc.  | g       | William Roberts                          | merc        |
| 39       | Electric Power Supply Association   | m       | Mark Bennett                             | at larg     |
| 40       | Electric Reliability Council of Texas (ERCOT)                                   | i       | Sam R. Jones, Ray Giuliani, Bill Blevins |             |
| 41       | ElectriCities of North Carolina (North Carolina Eastern Municipal Power Agency) | g       | Gregory Locke                            | muni        |
| 42       | Electricity Consumers Resource Council (ELCON)                                  | e       | John Anderson, John Hughes               | lind        |
| 43       | Empire District Electric Company, The   | t       | Bary K. Warren                           | iou         |
| 44       | Energy East Management Corporation  | t       | Marjorie Perlman                         | iou         |
| 45       | Entergy Services, Inc.  | t       | Edward J. Davis                          | iou         |
| 46       | Exelon Corporation - PECO Energy  | d       | John McCawley                            | iou         |
| 47       | Exelon Generation - Power Team  | m       | Jack Crowley                             | iou         |
| 48       | ExxonMobil Gas Marketing  | e       | Steve Sayuk, Mark Schanzer, Mark Ulrich  | sgen        |
| 49       | First Energy Service Company  | d       | Robert M. Martinko, Thomas C. Burgess    | iou         |
| 50       | FirstEnergy Solutions Corp.   | m       | Edward C. Stein                          | iou         |
| 51       | Florida Municipal Power Agency  | g       | Robert C. Williams                       | muni        |
| 52       | Florida Municipal Power Agency  | d       | Steven H. McElhaney                      | muni        |
| 53       | Florida Power & Light Company   | m       | Gerry Yupp, Raleigh Nobles               | iou         |
| 54       | Florida Power & Light Company   | t       | Marty Mennes                             | iou         |
| 55       | Florida Reliability Coordinating Council  | t       | Linda D. Campbell                        | at large    |
| 56       | Georgia Transmission Corporation  | t       | Patrick McGovern                         | muni        |
| 57       | Hydro One Networks  | t       | Mark Graham                              | itc         |
| 58       | Hydro – Quebec Transenergie   | t       | Victor Bissonnette                       | fed         |

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|----------|--|---------|--|-------------|
| 59       | Idaho Power Company                                      | t       | Tessia Park                                      | iou         |
| 60       | Imperial Irrigation District                             | m       | Kim M. Kiener, Frank M. Barbera                  | muni        |
| 61       | Imperial Irrigation District                             | t       | Juan Carlos Sandoval, Javier Esparza             | muni        |
| 62       | Indiana Municipal Power Agency                           | g       | Dick Foltz                                       | muni        |
| 63       | Lincoln Electric System                                  | g       | Douglas Bantam                                   | muni        |
| 64       | Maryland Peoples Counsel                                 | e       | Mike Tomczak                                     |             |
| 65       | Michigan Electric Transmission Company LLC               | t       | Charles V. Waits                                 | itc         |
| 66       | Michigan Public Power Agency                             | d       | James R. Nickel, Daniel E. Cooper                | muni        |
| 67       | MidAmerican Energy Company                               | m       | Norman B. Stratton                               | iou         |
| 68       | Midwest Independent Transmission System Operator         | i       | William (Bill) Phillips                          |             |
| 69       | Midwest Reliability Organization                         | t       | Daniel P. Skaar                                  | at large    |
| 70       | Missouri River Energy Services                           | d       | Brian Zavesky                                    | muni        |
| 71       | Modesto Irrigation District                              | t       | Roger Van Hoy                                    | muni        |
| 72       | National Association of Regulatory Utility Commissioners | e       | Lou Ann Westerfield                              | reg         |
| 73       | National Rural Electric Cooperative Assoc.               | d       | Barry Lawson                                     | muni/coop   |
| 74       | Navigant Consulting, Inc.                                | m       | Richard G. Smead                                 | at large    |
| 75       | New York Independent System Operator (NYISO)             | i       | Mark S. Lynch, Michael Calimano                  |             |
| 76       | New York State Dept. of Public Service                   | e       | William Heinrich                                 | reg         |
| 77       | New York State Reliability Council                       | d       | P. Donald Raymond                                | at large    |
| 78       | North American Electric Reliability Corporation          | d       | Donald M. Benjamin, Larry Kezele, Tom Vandervort | at large    |
| 79       | North Carolina Electric Membership Corporation           | d       | David Beam                                       | muni        |
| 80       | North Carolina Electric Municipal Power Agency #1        | m       | Clay A. Norris                                   | muni        |
| 81       | North Carolina Electric Municipal Power Agency #1        | d       | Matt Schull                                      | muni        |
| 82       | Northeast Utilities Service Company                      | t       | David Boguslawski, Calvin A. Bowie               | iou         |
| 83       | Ohio Consumers' Counsel                                  | e       | Randy Corbin                                     | comres      |
| 84       | Ontario Power Generation                                 | g       | Barry Green                                      | merc        |
| 85       | Ontario Power Generation                                 | m       | Renzo Marcuzzi                                   | niou        |
| 86       | Open Access Technology International, Inc.               | e       | Michehl Gent                                     | at large    |

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|----------|--|---------|-------------------------------------|-------------|
| 87       | Open Access Technology International, Inc.                     | t       | Paul R. Sorenson                    | at large    |
| 88       | Otter Tail Power Company                                       | t       | Daryl Hanson, Larry Larson          | iou         |
| 89       | PacifiCorp   | m       | Edison G. Elizeh, John Apperson     | iou         |
| 90       | PacifiCorp   | g       | Greg Maxfield                       | iou         |
| 91       | PacifiCorp   | t       | Brian Weber                         | iou         |
| 92       | PHI Power Delivery   | t       | Ken Gates                           | iou         |
| 93       | Portland General Electric                                      | m       | Terri Peschka                       | iou         |
| 94       | Powerex Corp   | m       | Michael L McWilliams, Sharole Tylor | fed         |
| 95       | PPL Electric Utilities Corporation                             | t       | Ray Mammarella                      | iou         |
| 96       | Progress Energy (Regulated)                                    | m       | James Eckelkamp                     | iou         |
| 97       | Progress Energy  | t       | Verne Ingersoll, Phillip W.Lewis    | iou         |
| 98       | PSEG Power LLC   | g       | Thomas M. Piascik                   | merc        |
| 99       | PSEG Energy Resources and Trade LLC                            | m       | James D. Hebson                     | iou         |
| 100      | Public Service Electric and Gas Company                        | d       | Colin J. Loxley                     | iou         |
| 101      | Public Service Electric and Gas Company                        | t       | Kenneth D. Brown                    | iou         |
| 102      | Puget Sound Energy, Inc.                                       | t       | George Marshall, Bob Harshbarger    | niou        |
| 103      | Qualedi, Inc.  | g       | Stephen A. Morocco                  | at large    |
| 104      | Reliant Energy Services  | g       | Gary A. Hinnners                    | merc        |
| 105      | Sacramento Municipal Utility District                          | d       | Robert D. Schwermann                | muni        |
| 106      | Sacramento Municipal Utility District                          | g       | Thomas Ingwers                      | muni        |
| 107      | Salt River Project Agricultural Improvement and Power District | d       | Wendy Weathers, Mark B. Bonsall     | other       |
| 108      | Salt River Project Agricultural Improvement and Power District | t       | Steve Cobb                          | fed         |
| 109      | Salt River Project Agricultural improvement and Power District | m       | Mark S. Mitchell                    | fed         |
| 110      | Seminole Electric Cooperative, Inc.                            | m       | Lane Mahaffey                       | muni        |
| 111      | Sierra Pacific Resources                                       | t       | Patricia Englin                     | iou         |
| 112      | South Carolina Electric & Gas Company                          | t       | S. Porcher Stoney                   | iou         |
| 113      | South Carolina Electric & Gas Company                          | m       | Kevin Spitzform                     | iou         |
| 114      | Southeastern Power Administration                              | g       | Bob Goss                            | fed         |
| 115      | Southern California Edison                                     | t       | Weston Williams                     | iou         |

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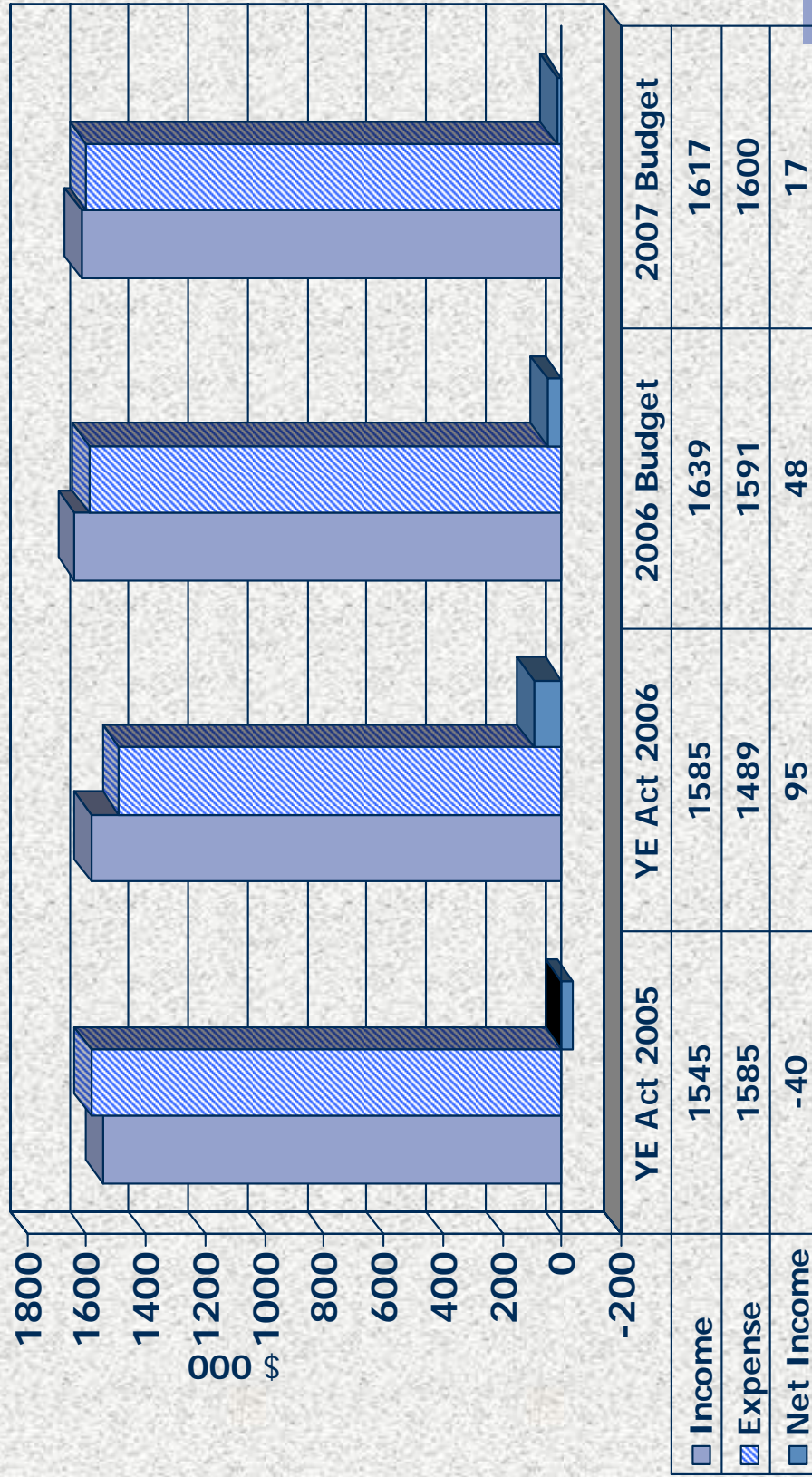
| Quadrant | Organization  | Segment | Contact  | Sub-Segment |
|----------|---|---------|--|-------------|
| 116      | Southern California Edison Co.                          | g       | Tracy Bibb   | iou         |
| 117      | Southern Company Services, Inc.                         | d       | Gary Rozier, Leonard Haynes, Greg Butrus               | iou         |
| 118      | Southern Company Services, Inc.                         | g       | John Ciza  | iou         |
| 119      | Southern Company Services, Inc.                         | m       | Joel Dison   | iou         |
| 120      | Southern Company Services, Inc.                         | t       | R.D. (Dean) Ulch, John Lucas, JT Wood, James Y. Busbin | iou         |
| 121      | Southwest Power Pool                                    | i       | Carl Monroe  |             |
| 122      | Southwest Transmission Cooperative, Inc.                | t       | Larry D. Huff  | muni        |
| 123      | Southwestern Power Administration                       | t       | Stanley L. Mason                                       | fed         |
| 124      | SUEZ Energy Marketing NA, Inc.                          | m       | Ken Lackey, Cesar Seymour                              | niou        |
| 125      | Tenaska, Inc.   | g       | Scott Helyer   | merc        |
| 126      | Tennessee Valley Authority                              | d       | Cindy Herron   | other       |
| 127      | Tennessee Valley Authority                              | g       | Kathy York   | fed         |
| 128      | Tennessee Valley Authority                              | m       | Clyde Harmon   | fed         |
| 129      | Tennessee Valley Authority                              | t       | W. Terry Boston  | fed         |
| 130      | TranServ International, Inc.                            | i       | Kevin Burns  |             |
| 131      | Tri-State Generation and Transmission Association, Inc. | t       | Bruce Sembrick   | muni        |
| 132      | TXU Energy  | m       | Elizabeth Howland, Mike Grim                           | nio         |
| 133      | TXU Electric Delivery                                   | t       | Ellis Rankin, Deborah McKeever                         | iou         |
| 134      | Vermont Public Power Supply Authority                   | g       | William J. Gallagher                                   | muni        |
| 135      | Western Area Power Administration                       | t       | Mark Fidrych   | fed         |
| 136      | Western Area Power Administration                       | m       | Jeffrey Ackerman                                       | fed         |
| 137      | Western Electricity Coordinating Council                | t       | Michael Wells, Louise McCarren                         | at large    |
| 138      | We Energies (Wisconsin Electric)                        | d       | Linda Horn   | iou         |
| 139      | We Energies (Wisconsin Electric)                        | g       | James R. Keller  | iou         |
| 140      | Williams Power Company                                  | g       | Ron Mucci  | at large    |
| 141      | Wisconsin Public Power Inc.                             | d       | Mike Stuart  | muni        |
| 142      | Wisconsin Public Service Corporation                    | g       | William Bourbonnais, Charles W. Severance, Neal Balu   | iou         |
| 143      | Xcel Energy Inc.  | m       | David Lemmons  | iou         |

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|-----------------------------|----|--|---------|---|-------------|
| <b>Retail Gas Quadrant:</b> | 1  | AGL Resources Inc.                                       | d       | Katrina Bond                                |             |
|                             | 2  | Allegro Development                                      | s       | Kimberly Page                               |             |
|                             | 3  | Baltimore Gas & Electric Company                         | d       | Phil Precht                                 |             |
|                             | 4  | Center Point Energy Minnegasco                           | su      | Andrea Newman                               |             |
|                             | 5  | Commerce Energy Group                                    | s       | Greg Lander                                 |             |
|                             | 6  | Dominion Retail, Inc.                                    | su      | Richard A. Zollars                          |             |
|                             | 7  | Energy Services Group, Inc.                              | s       | George Behr                                 |             |
|                             | 8  | Exelon Energy  | su      | Sheree M. Petrone                           |             |
|                             | 9  | Indiana Office of Utility Consumer Counselor             | e       | Matthew Parsell                             |             |
|                             | 10 | International LNG Alliance                               | s       | David Sweet                                 |             |
|                             | 11 | Interstate Gas Supply                                    | su      | Elizabeth Clothier                          |             |
|                             | 12 | Latitude Technologies                                    | s       | Leigh Spangler                              |             |
|                             | 13 | National Fuel Gas Distribution Corporation               | d       | Mike Novak                                  |             |
|                             | 14 | Niagara Mohawk   | d       | James Dillon                                |             |
|                             | 15 | Northern Indiana Public Service Company (NiSource, Inc.) | d       | Mark T. Maassel                             |             |
|                             | 16 | Ohio Consumer's Counsel                                  | e       | Bruce M. Hayes                              |             |
|                             | 17 | Pennsylvania Office of Consumer Advocate                 | e       | Tanya J. McCloskey                          |             |
|                             | 18 | Peoples Gas System                                       | d       | Rachel Gebhardt                             |             |
|                             | 19 | Philadelphia Gas Works                                   | d       | Joe Stengel, Craig White                    |             |
|                             | 20 | Public Service Electric & Gas Company                    | d       | Terrence Moran                              |             |
|                             | 21 | Sprague Energy Corp.                                     | su      | Kathy Fudali                                |             |
|                             | 22 | Systrends USA  | s       | Dave Darnell                                |             |
|                             | 23 | UBS Energy LLC   | su      | Suzanne Calcagno                            |             |
|                             | 24 | UGI Utilities, Inc.                                      | d       | Paul Szykman                                |             |
|                             | 25 | Wisconsin Public Service Corporation                     | d       | William Bourbonnais, Ken Thiry, Les Nishida |             |
|                             | 26 | Xcel Energy  | d       | Don Basler                                  |             |

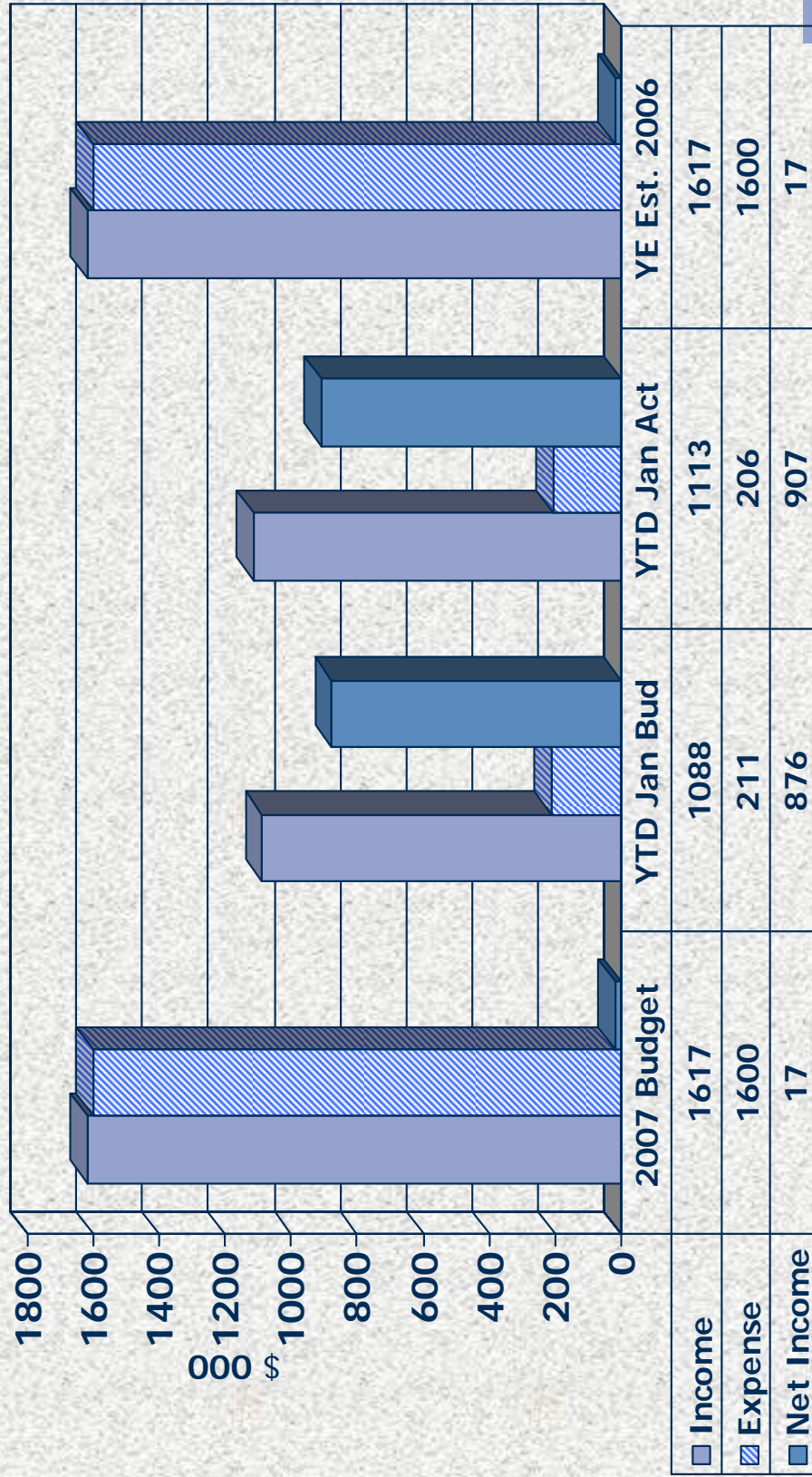
# North American Energy Standards Board Board of Directors Meeting – 3-22-07

2006 Year End Income and Expenses Compared to 2006 Budget and 2005 Year End



# North American Energy Standards Board Board of Directors Meeting – 3-22-07

As of January 2006 Accrual Based Income and Expenses



# North American Energy Standards Board

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February 28, 2007

**TO:** NAESB Board of Directors  
**FROM:** Rae McQuade, Darla Wishart  
**RE:** NAESB Financial Report

## Key financial highlights:

- December 14, 2006:** The Board of Directors approved the 2006 budget: \$1,616,920 for revenues to be collected in 2007 based primarily on 2006-7 dues collections, and \$1,599,647.00 for expenses expected in 2007, with an expected net income of \$17,273.00.
- YE December 31, 2006:** Total assets and total liabilities and equity for the yearend 2006 were \$864,810.76. Accounts Receivables related to outstanding membership dues were \$209,000, of which \$15,000 is 90 days or more in arrears, \$148,500 is 60 days in arrears and \$45,500 is 30 days or less in arrears. Our net income year end is \$95,288.34 (Expenses \$1,489,295.97 and net revenue of \$1,584,584.31). Compared to this period last year, we have a net income increase of \$135,656 (expenses were \$95,624 lower in 2006 YTD and revenues were \$40,033 higher YTD). Our expenses are 5.8% lower than budgeted for YTD (\$1,489,295.97 actual compared to \$1,581,015.00 budgeted), which is offset by revenues being 3.3% lower (\$1,584,584.31 actual to \$1,639,100 budgeted). As such, the net income is 39% higher than budgeted – \$95,288.34 actual compared to \$58,085.00 budgeted. On a cash basis, we have an ending balance as of December 31 of \$607,144.
- January 31, 2007:** Total assets and total liabilities and equity are \$664,333.83. Accounts Receivables related to outstanding membership dues were \$125,500, of which \$20,000 is 90 days or more in arrears, \$10,000 is 60 to 90 days in arrears, \$65,000 is 30-60 days in arrears and \$30,500 is 30 days or less in arrears. Our net income year-to-date is \$906,745.87 (Expenses \$206,228.59 and net revenue of \$1,112,974.46). Compared to this period last year, we have a net income decrease of \$45,134 (expenses were \$18,557 higher for this period YTD compared to 2006 and revenues were \$26,577 lower). Our expenses are 2.5% lower than budgeted for YTD (\$206,228.59 actual compared to \$211,474.37 budgeted), which is augmented by revenues being 2.3% higher (\$1,112,974.46 actual to \$1,087,993.40 budgeted). As such, the net income is 3.4% higher than budgeted – \$906,745.87 actual compared to \$876,519.03 –budgeted – a net gain of \$30,226.84. On a cash basis, we have an ending balance as of January 31 of \$491,591.

## MEETING STATISTICS

| Month        | Event                          | WEQ          | WGQ           | Retail        | Joint      | Board |
|--------------|--------------------------------|--------------|---------------|---------------|------------|-------|
| January      | 12 meetings/54 hours           | 5/22         | 3/15          | 4/17          |            |       |
|              | 13 conf. calls/40 hours        | 7/21         | 2/6           | 3/12          | 1/1        |       |
| February     | 13 meetings/62.5 hours         | 7/35         | 3/15.5        | 1/5           | 2/7        |       |
|              | 7 conf. calls/23.5 hours       | 3/10         | 1/4           | 3/9.5         |            |       |
| <b>Total</b> | <b>25 meetings/116.5 hours</b> | <b>12/57</b> | <b>6/30.5</b> | <b>5/22</b>   | <b>2/7</b> |       |
|              | <b>20 calls/53.5 hours</b>     | <b>10/21</b> | <b>3/10</b>   | <b>6/21.5</b> | <b>1/1</b> |       |



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## FINANCIAL REPORT YEAREND 2006 – ACCRUAL BASED

### BALANCE SHEET

|                            |                     |
|----------------------------|---------------------|
| Assets                     |                     |
| Current Assets             | \$617,966.52        |
| Accounts Receivable        | \$209,000.00        |
| Fixed Assets               | \$27,566.30         |
| Other Assets               | \$10,277.94         |
| Total Assets               | <u>\$864,810.76</u> |
| Liability & Equity         |                     |
| Deferred Revenue           | \$1,095,708.40      |
| Accounts Payable           | \$45,640.47         |
| Retained Earnings          | (\$371,826.45)      |
| Net Income                 | 95,288.34           |
| Total Liability and Equity | <u>\$864,810.76</u> |

### INCOME AND EXPENSE

|            |                    |
|------------|--------------------|
| Income     | \$1,584,584.31     |
| Expense    | \$1,489,295.97     |
| Net Income | <u>\$95,288.34</u> |

### INCOME AND EXPENSES TO BUDGET - YE

|                             |                |
|-----------------------------|----------------|
| 2006 YE Budget for Income   | \$1,639,100.00 |
| Income Variance             | (\$54,515.69)  |
| 2006 YE Budget for Expenses | \$1,581,015.00 |
| Expenses Variance           | (\$91,719.03)  |
| Net Income Variance         | \$37,203.34    |

### YEAR END ANALYSIS

|                                 |                |
|---------------------------------|----------------|
| 2006 Budget                     | \$1,639,100.00 |
| Revenue YE                      | \$1,584,584.31 |
| Expenses YE                     | \$1,489,295.97 |
| Difference - Revenue - Expenses | \$95,288.34    |

### CASH BASIS ANALYSIS

|                          |             |
|--------------------------|-------------|
| Beginning Balance 1-1-06 | \$521,905   |
| Total Cash Income        | \$1,587,266 |
| Total Costs              | \$1,502,027 |
| Ending Balance           | \$607,144   |

### ACCOUNTS RECEIVABLE ANALYSIS

|   |           |
|---|-----------|
| Accounts Receivable as of December 2006 | \$209,000 |
| Items 90 Days or more Outstanding       | \$15,000  |
| Items 60 Days Outstanding               | \$148,500 |
| Items 30 Days or Less Outstanding       | \$45,500  |

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## FINANCIAL REPORT YEAR-TO-DATE 2007 – ACCRUAL BASED, AS OF JANUARY 31, 2007

### BALANCE SHEET

|                            |                |
|----------------------------|----------------|
| Assets                     |                |
| Current Assets             | \$501,001.75   |
| Accounts Receivable        | \$125,500.00   |
| Fixed Assets               | \$27,554.14    |
| Other Assets               | \$10,277.94    |
| Total Assets               | \$664,333.83   |
| Liability & Equity         |                |
| Deferred Revenue           | \$7,958.37     |
| Accounts Payable           | \$26,167.70    |
| Retained Earnings          | (\$276,538.11) |
| Net Income                 | \$906,745.87   |
| Total Liability and Equity | \$664,333.83   |

### INCOME AND EXPENSE

|            |                |
|------------|----------------|
| Income     | \$1,112,974.46 |
| Expense    | \$206,228.59   |
| Net Income | \$906,745.87   |

### INCOME AND EXPENSES TO BUDGET - YTD

|                              |                |
|------------------------------|----------------|
| 2007 YTD Budget for Income   | \$1,087,993.40 |
| Income Variance              | \$24,981.06    |
| 2006 YTD Budget for Expenses | \$211,474.37   |
| Expenses Variance            | (\$5,245.78)   |
| Net Income Variance          | \$30,226.84    |

### YEAR END ANALYSIS

|   |                |
|---|----------------|
| 2006 Budget                             | \$1,616,920.00 |
| Revenue YTD Actual                      | \$1,112,974.46 |
| Remaining Revenue Estimated through YE  | \$503,945.54   |
| Estimated YE Revenue                    | \$1,616,920.00 |
| Expenses YTD Actual                     | \$206,228.59   |
| Remaining Expenses Estimated through YE | \$1,293,418.41 |
| Estimated YE Expenses                   | \$1,599,647.00 |
| Difference - Revenue - Expenses         | \$17,273.00    |

### CASH BASIS ANALYSIS

|                          |           |
|--------------------------|-----------|
| Beginning Balance 1-1-07 | \$607,142 |
| Total Cash Income        | \$107,423 |
| Total Costs              | \$222,975 |
| Ending Balance           | \$491,591 |

### ACCOUNTS RECEIVABLE ANALYSIS

|                                     |           |
|-------------------------------------|-----------|
| Accounts Receivable                 | \$125,500 |
| Items 90 Days or more Outstanding   | \$20,000  |
| Items 60 Days Outstanding           | \$10,000  |
| Items 30 Days Outstanding           | \$65,000  |
| Items Less Than 30 Days Outstanding | \$30,500  |

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 9**

**LIAISONS WITH EXTERNAL GROUPS**

This section includes:

- Summary of liaisons with other groups.

The material presented is background information for the discussion of agenda item 8, and the material presented is for informational and discussion purposes with the no action expected of the board.



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### NAESB BOARD OF DIRECTORS MEETING MATERIALS LIAISONS WITH EXTERNAL GROUPS FEBRUARY 28, 2007

#### ASSOCIATIONS, GOVERNMENT AGENCIES, RELATIONSHIPS WITH EXTERNAL ENTITIES

- October 23, 2006:** The Department of Energy released the [Sandia Surety Assessment Report to NAESB](#) for analysis and response. Changes are reflected in the 2007 plans and work is underway to address the issues raised. The WEQ response is complete and the WGQ response is expected in early summer, after which NAESB will respond to the DoE.
- Monthly Update Call 2007 Schedule:** Monthly update calls in 2007 are scheduled for January 31, March 14, May 23, July 25, September 12 and December 5. Update calls of one hour each month are held to brief state commissioners and staff on NAESB activities. The monthly update schedule, agenda, work papers and notes can be accessed from the NAESB web site ([http://www.naesb.org/monthly\\_update.asp](http://www.naesb.org/monthly_update.asp)). These conference calls are open to all interested parties and the materials for the calls can be accessed from the NAESB web site at the above address.
- February 17, 2007:** The [NAESB Advisory Council](#) meeting took place in conjunction with the NARUC winter session. The meeting was scheduled from 4:00 PM to 6:00 PM Eastern at the Renaissance Washington Hotel in Washington, DC. It was well attended, and the agenda covered such items as DSM, EE, gas-electric interdependency, participation by the ISOs, coordination with NERC, gas quality, and OATT reform.
- February 18, 2007:** A [primer](#) from Jimmy Glotfelty of ICF regarding the [GEIC report](#) produced on June 22, 2006 and a [primer](#) from Ken Costello of NRRRI regarding the GEIC report on July 30, 2006 was published in support of the NAESB filing made on February 22, 2006. The [FERC NOPR](#) (Docket Nos. RM05-5-001 and RM96-12-027) regarding this filing was made available on October 25 to address communication standards. Valerie Crockett and Rae McQuade participated in the NARUC winter session on this issue on February 18, 2007.

**NORTH AMERICAN ENERGY STANDARDS BOARD**  
**BOARD OF DIRECTORS MATERIALS**  
**MARCH 22, 2007**

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**TAB 10**

**OLD & NEW BUSINESS**

This section includes:

- 2007 Calendar of Meetings

The material presented is background information for the discussion of agenda item 9, and the material presented is for informational and discussion purposes with the no action expected of the board.



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November 6, 2006

**TO:** NAESB Executive Committee and Interested Industry Participants  
**FROM:** Rae McQuade, NAESB Executive Director  
**RE:** Schedule of 2007 Meetings

Below is the schedule for 2007 meetings for the Executive Committee, Board of Directors and Advisory Council. Unless sponsors are noted for the meetings or the location has already been set as noted below, they will be held in Houston. Should other sponsors volunteer in the next few weeks, these locations may change:

| <b>Date</b>  | <b>Meeting</b>  | <b>Location</b>   |
|--------------|---|---|
| February 6-8 | EC Meetings – WEQ, Retail and WGQ                       |   |
| February 17  | Advisory Council Meeting                                | Washington D.C. in conjunction with the NARUC Winter meetings |
| March 22     | Board of Directors                                      | Houston   |
| May 8-10     | Executive Committee Meetings (WEQ, Retail, WGQ)         |   |
| June 28      | Board of Directors Meeting & Strategic Planning Session |   |
| August 14-16 | Executive Committee Meetings (WEQ, Retail, WGQ)         |   |
| September 27 | Board of Directors Meeting & Strategic Planning Session | Houston   |
| November 6-8 | Executive Committee Meetings (WEQ, Retail, WGQ)         |   |
| December 13  | Board of Directors                                      | Houston   |