

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

**North American Energy Standards Board
Board of Directors Meeting
June 22, 2005**

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**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

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.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

WELCOME AND OPENING REMARKS

- The meeting specifics are:

Where: Menger Hotel
204 Alamo Plaza
Houston, Texas 77032
Hotel Phone: 281-443-2310

When: June 22 9:00 am to 1:00 pm

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. The materials are posted on the NAESB Home Page in the "Board of Directors" area for attendees to download.

- For further assistance please reach:

Veronica Thomason at (713) 356 - 0060

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

Mark Maassel	- Chairman
Michael Desselle	- Vice Chairman Wholesale Electric Quadrant
Leonard Haynes	- Vice Chairman Retail Electric Quadrant
Joe Stepenovitch	- Vice Chairman Wholesale Gas Quadrant
Rae McQuade	- President, COO and Secretary
Bill Boswell	- General Counsel

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD 2005 BOARD TERMS – Wholesale Gas Quadrant

END USER SEGMENT		TERM END:
Valerie Crockett	Tennessee Valley Authority	Dec 31, 2006
Joe Stepenovitch	Florida Reliability Coordinating Council	Dec 31, 2006
John Procaro	Vice President & COO, Cinergy - regulated	Dec 31, 2006
VACANCY		Dec 31, 2005
Jim Templeton	Principal, Comprehensive Energy Services	Dec 31, 2005
LDC SEGMENT		TERM END:
Clifton Olson	Vice President of Supply and Transmission, Energy East Corporation	Dec 31, 2006
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	Dec 31, 2006
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Dec 31, 2006
Mike Novak	Asst. General Manager, National Fuel Gas Distribution Corporation	Dec 31, 2005
Lee Stewart	Senior Vice President, Gas Transmission, Southern California Gas Company	Dec 31, 2005
PIPELINE SEGMENT		TERM END:
Terry McGill	Executive Vice President, Enbridge Energy	Dec 31, 2006
VACANCY		Dec 31, 2006
Bill Grygar	Vice President, Panhandle Eastern Pipe Line	Dec 31, 2006
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Dec 31, 2005
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	Dec 31, 2005
PRODUCER SEGMENT		TERM END:
Jay Ellzey	Manager – Regulatory and Opco Support, ChevronTexaco Natural Gas	Dec 31, 2006
William T. Benham	Vice President – Regulatory Affairs, BP Energy Company	Dec 31, 2005
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	Dec 31, 2005
Bill Hebenstreit	Director of Contract Services - El Paso Production Company	Dec 31, 2006
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Dec 31, 2005
SERVICES SEGMENT		TERM END:
VACANCY	VACANCY	Dec 31, 2006
VACANCY	VACANCY	Dec 31, 2006
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	Dec 31, 2005
Lyn Maddox	Consultant, Oxadel Consulting, LLC	Dec 31, 2005
Gregory White	Manager, President & CEO, Promet Energy Partners, LLC	Dec 31, 2006

OFFICERS: Mark Maassel is CEO and 2005 Chairman of the Board of Directors. Rae McQuade as President serves as Secretary and COO. Leonard Haynes is the REQ Vice Chairman. Michael Desselle is the WEQ Vice Chairman. Joe Stepenovitch is the WGQ Vice Chairman.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2005 BOARD TERMS – Retail Electric Quadrant

DISTRIBUTOR SEGMENT		TERM END:
David Koogler	Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region)	Dec 31, 2005
Bill Bourbonnais	Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region)	Dec 31, 2005
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company (MAAC NERC Region)	Dec 31, 2006
Leonard Haynes	Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region)	Dec 31, 2006
END USER SEGMENT		TERM END:
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2006
V A C A N C Y		Dec 31, 2006
SERVICES SEGMENT		TERM END:
V A C A N C Y		Dec 31, 2005
Stacey Wood	Director, The Structure Group	Dec 31, 2005
J Cade Burks	President, EC Power	Dec 31, 2006
V A C A N C Y		Dec 31, 2006
SUPPLIER SEGMENT		TERM END:
Brian Landrum	President, Reliant Energy Retail Services	Dec 31, 2005
David Booty	Director of Operations, Direct Energy Business Services	Dec 31, 2005
V A C A N C Y		Dec 31, 2006
Richard Zelenko	General Manager, Dominion Retail Inc.	Dec 31, 2006

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NORTH AMERICAN ENERGY STANDARDS BOARD 2005 BOARD TERMS – Wholesale Electric Quadrant

END USER SEGMENT		TERM END:	SUB SEG
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	Dec 31, 2005	LIND
Jeanne Zaiontz	Director, Regulatory Affairs, BP Energy Co.	Dec 31, 2006	LIND
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Dec 31, 2006	SGEN
V A C A N C Y		Dec 31, 2005	COMPRET
V A C A N C Y		Dec 31, 2005	IOU
John Reese	Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service	Dec 31, 2006	REG
Kevin Burns	Vice President Sales and Marketing, Open Access Technology International, Inc.	Dec 31, 2007	AT LARGE
DISTRIBUTION/LSE SEGMENT		TERM END:	SUB SEG
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Dec 31, 2005	IOU
Mark Crosswhite	Senior Vice President & General Counsel – Generation and Energy Marketing, Southern Company	Dec 31, 2006	IOU
Barry R. Lawson	Manager-Power Delivery, National Rural Electric Cooperative Association	Dec 31, 2005	MUNI-COOP
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Dec 31, 2006	MUNI-COOP
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Dec 31, 2005	OTHER
Carrie Cullen Hitt	Vice President of Governmental and Regulatory Affairs, Constellation NewEnergy	Dec 31, 2006	COMPRET
Bruce Ellsworth	New York State Reliability Council	Dec 31, 2007	AT LARGE
GENERATION SEGMENT		TERM END:	SUB SEG
V A C A N C Y		Dec 31, 2006	FED
Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	Dec 31, 2005	IOU
John J. Dellas	Executive Manager, Electric Supply, Consumers Energy	Dec 31, 2006	IOU
Dennis Sobieski	Managing Director – Business Development, PSEG Power	Dec 31, 2005	MERC
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Dec 31, 2005	MUNI-COOP
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	Dec 31, 2006	MERC
V A C A N C Y		Dec 31, 2007	AT LARGE

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TRANSMISSION SEGMENT		TERM END:	SUB SEG
W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	Dec 31, 2006	FED
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	Dec 31, 2005	ITC
Paul McCoy	Executive Vice President of Transmission System Operations, Trans-Elect	Dec 31, 2006	ITC
V A C A N C Y		Dec 31, 2005	MUNI-COOP
John E. Lucas	Manager, Transmission Services, Southern Company	Dec 31, 2006	IOU
Michael Desselle	Director Public Policy, American Electric Power	Dec 31, 2005	IOU
Ken Wiley	President and Chief Executive Officer, Florida Reliability Coordinating Council	DEC 31, 2007	AT LARGE
MARKETER/BROKER SEGMENT		TERM END:	SUB SEG
V A C A N C Y		Dec 31, 2005	FED
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	Dec 31, 2005	IOU
Roy True	Manager of Regulatory Affairs – ERCOT, ACES Power Marketing	Dec 31, 2006	MUNI-COOP
Jim Mayhew	Director, RTO Coordination and Commercial Liaison , Mirant Corp.	Dec 31, 2005	N IOU
Michael Grim	Director of Markets and Regulation, TXU Business Services	Dec 31, 2006	N IOU
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Service Corp.	Dec 31, 2006	IOU
Rick Smead	Director, Navigant Consulting, Inc.	Dec 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 sub-segments for a given segment.

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

EU -- End Use (also in another segment)

FED – Federal/State/Provincial

IOU – Investor Owned Utility or IOU Affiliated

ITC – Independent Transmission Company

LIND – Large Industrials (not in other segments)

MERC – Merchant

MUNI-COOP – Municipals, Cooperatives

N IOU –Not IOU affiliated

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

REG -- Regulator

RESCOM -- Residential/Commercial

SGEN -- 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 2005 BOARD TERMS – Retail Gas Quadrant

DISTRIBUTORS SEGMENT		TERM END:
Craig White	Acting Chief Operating Officer, Philadelphia Gas Works	Dec 31, 2006
Glen R. Schwalbach	Assistant Vice President Corporate Planning, Wisconsin Public Service Corporation	Dec 31, 2005
Mark T. Maassel	President, Northern Indiana Public Service Company (NiSource, Inc.)	Dec 31, 2006
Paul J. Szykman	Director – Rates and Gas Supply, UGI Utilities, Inc.	Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2006
END USERS SEGMENT		TERM END:
V A C A N C Y		Dec 31, 2006
Tina Burnett	Chair, Northwest Industrial Gas Users Association	Dec 31, 2006
V A C A N C Y		Dec 31, 2006
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
SERVICE PROVIDERS SEGMENT		TERM END:
Leigh Spangler	President, Latitude Technologies Inc.	Dec 31, 2006
Dave Pfeifer	Vice President – Energy, SunGard EnForm Consulting, LP	Dec 31, 2006
Dave Darnell	President & CEO, Systrends Inc.	Dec 31, 2005
Greg Lander	Principal, Commerce Energy Group	Dec 31, 2005
Richard J. Rudden	President & CEO, R. J. Rudden Associates, Inc.	Dec 31, 2005
V A C A N C Y		Dec 31, 2006
SUPPLIER SEGMENT		TERM END:
Kathy Fudali	Manager, Contract Administration, Sprague Energy Corp.	Dec 31, 2006
V A C A N C Y		Dec 31, 2006
V A C A N C Y		Dec 31, 2006
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005

**NORTH AMERICAN ENERGY STANDARDS BOARD
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JUNE 22, 2005**

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
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

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.

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



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May 23, 2005

TO: NAESB Interested Parties
FROM: Rae McQuade, NAESB President and COO
RE: Meeting Announcement and Agenda for the NAESB Board Meeting – June 22, 2005

Dear interested parties to the upcoming board meeting and strategic session:

As noted earlier this month, the June 22nd Board meeting and strategic session will be held in San Antonio at the Menger Hotel, which is located in downtown San Antonio, adjacent to the Alamo. The specifics of the meeting are:

Where: Menger Hotel
 204 Alamo Plaza
 San Antonio, TX 18205
 Hotel Phone: 210-223-4361

When: June 22nd Board meeting 9:00 am to 1:00 pm
 A buffet lunch will be served at 1:00 pm.

The meeting is open to all interested parties. Conference calling will be available should you be unable to attend in person. There is a line charge for attending by using the conference calling option. Please contact Veronica Thomason (vthomason@naesb.org, 713-356-0060) for additional information on the meeting and conference calling information. Board materials should be posted shortly.

Best Regards,

Rae McQuade
 NAESB President and COO



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NAESB BOARD OF DIRECTORS MEETING Menger Hotel, San Antonio, Texas

Wednesday, June 22 – 9:00 a.m. to 1:00 pm Central DRAFT AGENDA

- 8:30 a.m. Continental Breakfast
- 9:00 a.m. 1. Administration and Welcome
- Antitrust Guidelines
 - Introduction of Board Members and Guests
 - Agenda Adoption
 - Adoption of Draft Minutes from 3-3-05
- 9:15 a.m. 2. Meeting of the Members
- 9:30 a.m. 3. Strategic Session
- Review of the last strategic session
 - Energy Day Efforts Review of 6-27-05 report and vote on Board Committee effort represented in the report)
 - Retail Directions – green power, status of Wal-Mart requests, other issues
 - Wholesale Gas Directions – gas quality status, other issues
 - Wholesale Electric Directions – OASIS status, other issues
 - Funding Issues
- 12:30 p.m. 4. Board Business
- Standards Adopted Since the March Board Meeting
 - Filings with the FERC made since last report
 - Reports from the Board Committees
 - Resources
 - Retail Awareness
 - Retail Structure Review
 - Certification
 - Executive Committee Report from each Quadrant
 - Wholesale Gas Annual Plan Review and Simple Majority Vote on Changes
 - Wholesale Electric Annual Plan Review and Simple Majority Vote on Changes
 - Retail Annual Plans Review and Simple Majority Vote on Changes
 - Financial Report
 - Partnerships and coordination with other groups
5. Plan for upcoming September 22 Board Meeting in Houston
6. Old and New Business
- Meeting Schedule for 2005
- 1:00 p.m. Adjourn

Attire – Business Casual

Buffet Lunch served immediately following the Board meeting

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
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TAB 3

DRAFT MINUTES – MARCH 3, 2005

This section includes:

- The draft minutes for the Board meeting on March 3, 2005.

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.



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March 15, 2005

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 – March 3, 2005

**NORTH AMERICAN ENERGY STANDARDS BOARD
 NAESB BOARD OF DIRECTORS MEETING
 March 3, 2005 in Houston, TX
 Draft Minutes**

1. Administration and Welcome

Mr. Desselle called the meeting to order and welcomed the board members, participants and guests. Mr. Boswell advised the participants of the anti-trust guidelines. Ms. Kennedy then called roll for the board members. Mr. Desselle announced that quorum was established. Mr. Haynes made a motion, seconded by Mr. Stepenovitch to adopt the agenda. The agenda was adopted unanimously. Mr. Lawson noted that Mr. True's company name should be changed to ACES Power Marketing on page 12 of the draft minutes from the December 9, 2004 Board Meeting. Mr. Waggoner made a motion to adopt the revised draft minutes of December 9, 2004, and Mr. Chapman seconded the motion. The minutes were adopted by consent. The final minutes from the December 9, 2004 Board Meeting are posted on the NAESB website at <http://www.naesb.org/pdf2/bd120904fm.doc>.

2. Executive Committee Reports

A. Executive Committee Report from each Quadrant

Mr. Buccigross reviewed the WGQ annual plan, located on pages 38 - 40 of the Board Meeting Book. Mr. Buccigross reported that the WGQ has been focused on the Gas-Electric Activities jointly assigned to the WGQ BPS and WEQ BPS, specifically the Energy Day requests.

The Electronic Delivery Mechanisms and Related Activities: preparation of a common NAESB Electronic Transport (ET) and WGQ Quadrant Electronic Delivery Mechanism (WGQ QEDM) manuals (Item 3), along with the review of minimum technical characteristics in Appendices, C, D, and E of the EDM Manual (Item 4), review and enhancement of security standards as required by technological changes (Item 5), exploration of additional possibilities for partnership with the Department of Energy (Item 6), and preparation of documents and submission of EDM standards to ANSI for approval as ANSI standards (Item 7) are items that will be reviewed on an annual basis to ensure the WGQ standards maintain the proper security and reliability.

Mr. Buccigross said the review and development of necessary standards for the posting requirements contained in Paragraph 10 of FERC Notice of Proposed Rulemaking and Termination Order, Docket Nos. RM96-1-026 and RM96-1-015, 109 FERC ¶ 61,326 (Dec 21, 2004) (Item 8) was added to the WGQ Annual Plan to address Paragraph 10 of FERC NOPR, Docket Nos. RM96-1-026 and RM96-1-015 that states that affiliate standards should specify a location for posting voluntary consent to information disclosure by non-affiliated customers as



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required by Commission regulations. The standards for Item 8 have been developed and ratified by the WGQ members.

The review and development of a Canadian Supplement to the ISDA Gas Annex (Item 9) and the review and development of modifications to the NAESB Base Contract for the Sale and Purchase of Natural Gas (R04028) (Item 10) have not begun, but have a 3rd and 4th Quarter completion date.

Mr. Desselle stated the Managing Committee had approved addition of Item 8 to the WGQ Annual Plan. Mr. Buccigross made a motion, seconded by Mr. Horting to modify the WGQ Annual Plan to include Item 8. The motion passed unanimously. [Vote 1]

Mr. Oberski reviewed the WEQ Annual Plan, found on pages 41 - 44 of the Board Meeting Book. Mr. Oberski said the WEQ Executive Committee made subcommittee assignments and added completion dates to the Annual Plan Items at its meeting in February.

The development of business practice standards as needed to complement reliability standards (Item 1) is a continuing effort with NERC to develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests. Item 1 was assigned to the BPS and many of the activities have been given high priority completion periods. Item 2 - Develop business practice standards for Version 1 to support ATC calculations was assigned to the BPS and given a first quarter, 2005 completion date. The development and maintenance of business practice and communication standards for OASIS and Electronic Scheduling (Item 3) was assigned almost entirely to the WEQ ESS and ITS with completion dates ranging from second quarter, 2005 to 2006. The development of business practices standards to improve the current operation of the wholesale electric market (Item 4) was assigned to various subcommittees and completion dates. Item 5 - Determine the need for and develop, if necessary, business practice standards supportive of the Gas-Electric Coordination Report represents the joint effort with the WGQ to develop business practice standards for Energy Day (R04016), to develop business practice standards for electric scheduling timelines (R04020), and to develop business practice standards for communications between entities representing gas-fired power generators and the pipelines serving them (R04021). Request R04021 has been assigned a high priority second quarter, 2005 completion date to comply with Chairman Wood's request to have standards filed with the FERC by June 1, 2005.

Mr. Brown asked the status of the WEQ Standards Review Subcommittee (SRS). Mr. Oberski stated that the WEQ Executive Committee had tabled a motion to disband the WEQ SRS at its meeting in February in favor of assigning the SRS the task of reviewing the NERC Standards Authorization Committee 2005 Work Plan. The SRS will determine if additional standards development work could be identified from the plan. The SRS had a conference call to discuss this issue on February 28, 2005. After the SRS reports its determination, the WEQ Executive Committee will revisit the tabled motion to disband the WEQ SRS. Mr. Desselle added that the NERC Board of Trustees dissolved the Markets Committee on February 8, 2005, but the scheduled weekly conference calls of the Technical Steering Committee will help NERC and NAESB coordinate regularly. Mr. Desselle and Ms. McQuade are members of the NERC Technical Steering Committee.

Mr. Brown made a motion to adopt the WEQ Annual Plan to include the modifications explained by Mr. Oberski that was seconded by Mr. Severance. The motion passed unanimously. [Vote 2]



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Mr. Novak reviewed the RGQ/REQ Annual Plans, found on pages 45 - 50 of the Board Meeting Book. Mr. Novak stated that since the last Board meeting, the RGQ and REQ Executive Committees had modified completion dates and made new subcommittee assignments on the Annual Plans. The retail quadrants will make the transition to the new subcommittee structure with the Business Practices Subcommittee (BPS) and Information Requirements Subcommittee (IRS) during the second quarter, 2005. The retail quadrants' efforts are focused particularly in the area of completion of the model business practices for Billing and Payment Datasets and Models (Item 1). At the RGQ/REQ joint Executive Committee meeting in February, Executive Committee members passed a resolution to prioritize development of electronic implementations of model business practices first in NAESB EDI format and second in NAESB Flat File format. Upon request and instruction from the Executive Committee, model business practices will be developed utilizing XML format. Mr. Novak said that this resolution was based on the results of the 2004 questionnaire created by the REQ and RGQ Technical Electronic Implementation Subcommittee concerning the electronic implementations of various retail transactions in use throughout the retail market.

A joint conference call of the WGQ, REQ, and RGQ Executive Committees is scheduled for February 4, 2005 to vote on the recommendation for the Trading Partner Agreement (Item 2). The proposed changes to the Trading Partner Agreement will make it useful in retail markets as well as in the wholesale gas industry. Development of business practices for Customer Information (Item 3) and Customer Enrollment, Switching and Dropping (Item 4) will begin in the second quarter, 2005.

Mr. Novak noted that NAESB had received a letter from Wal-Mart supporting standardization of retail utility electronic billing transactions and datasets to include non-customer choice implementations. Wal-Mart sent the letter based on the premise that JCPenney Department Stores had submitted a request for standards development to standardize the billing transactions. The request has not been submitted to date. Mr. Brown suggested that NAESB should contact Wal-Mart and JCPenney directly to offer assistance in submitting NAESB requests. Ms. McQuade noted that the NAESB office would undertake an outreach to Wal-Mart and JCPenney for possible submission of requests for standards development.

Ms. McQuade said that one of the state commissioners have mentioned the need for development of procedures for meter data validation. She asked that if we continue to see interest in this effort, would the retail quadrants consider promoting the Retail Meter Data Validation item that is currently assigned to the Future Activities section of the REQ Annual Plan. Mr. Novak said that the REQ would be able to accommodate requests from commissioners to re-prioritize that item.

Mr. Haynes moved, seconded by Mr. Bourbonnais to adopt the REQ and RGQ Annual Plans as modified by the REQ and RGQ Executive Committees. The motion passed unanimously. [Vote 3]

B. Standards Adopted Since the December Board Meeting

Ms. McQuade reviewed the standards that were adopted since the Board Meeting in December. The retail quadrants adopted high level principles and business practices for dispute resolution and market participant interactions. Mr. Desselle reported that the WEQ had ratified Version 0 standards, Standards of Conduct, and standards for OASIS 1 and OASIS 1A. The standards were included in the filing with the FERC in January, 2005. (See Item 2C).



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C. Filings with the FERC

Mr. Desselle stated that the NAESB office submitted a filing to FERC on January 18, 2005 that included Version 0 business practices, OASIS 1a business practices, large generation interconnection order changes, standard of conduct business practices and the standards drafted to incorporate FERC Order Nos. 638, 805, and 889. Standards for Transmission Load Relief (TLR) and Version 1 Coordinate Interchange business practices (CIBP) were not included in the filing. The filing was submitted under FERC Docket Number RM05-5-000. Mr. Rosenberg, FERC Senior Economist, Market Development, has reviewed the filing and identified areas where minor modifications should be made to the filing before a NOPR is issued by the FERC. The NAESB office is working to make those modifications and present them to the WEQ Executive Committee as soon as possible.

3. Update on Energy Day Efforts

Mr. Oberski stated that the WGQ and WEQ BPS Energy Day Meeting Schedule is on pages 90 - 91 of the Board Meeting Book. Mr. Oberski said the Energy Day standards development is on track for submission of standards to the FERC by June 1, 2005. The latest Energy Day Subcommittee meeting was held at the NAESB offices in Houston, Texas on March 1 and 2. There has been significant participation from NAESB members and non-members since the first Energy Day meeting in December, 2004. At the last meeting, participants further modified the proposed communication standards that are included in the Board Meeting Book on pages 93 - 97. Mr. Oberski stated that the proposed communication standards center around four principles for gas-electric coordination. Proposed standard S1 states that WGQ tariffs will not be violated by the communication standards; and any existing contracts, rights, or services will not be diminished by the communication standards. Proposed standard S2 states that once a nomination has been confirmed, there is an opportunity to change the anticipated hourly burn rate of the gas. Proposed standard S3 provides for unscheduled flows that change the daily scheduled quantity. Proposed standard S6 is modeled on the ISO New England Cold Weather Operating Procedure and sets forth the criteria to begin formal communication between transportation service providers and ISOs, RTOs, or any other appropriate independent electric transmission entity during severe weather forecasts or potential energy shortfalls. The committee is continuing to modify the specific language of the standards and the next meeting is scheduled on March 21 and 22 at Dominion's Innsbrook Auditorium in Glen Allen, Virginia.

4. Reports from Board Committees: Managing Committee, Resources, Retail Awareness, Gas-Electric Interdependency, and Membership Requirements

The Board Committee reports are located on pages 99 - 119 of the Board Meeting Book. Mr. Desselle stated that the Managing Committee met on January 14 to review annual salary determinations. An impromptu meeting of some of the members of the Managing Committee was held during the NARUC Winter Meetings in Washington, DC. Mr. Desselle proposed the following resolution on behalf of the Managing Committee that was seconded by Mr. Templeton:

RESOLVED, that the Executive Director and Chief Operating Officer, Rae McQuade, is herewith designated President of the North American Energy Standards Board in addition to her other titles; and further,

RESOLVED, that her duties as an officer remain as those set forth in Article III, Section 7 of the Certificate.



North American Energy Standards Board

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The resolution passed unanimously. [Vote 4]

Mr. Desselle stated that the Managing Committee also determined that the June 2005 meeting of the Board of Directors should be the annual meeting of the organization pursuant to the Bylaws. Mr. Desselle proposed the following resolution on behalf of the Managing Committee that was seconded by Mr. Stepenovitch:

RESOLVED, that the June 2005 meeting of the NAESB Board be designated as the 2005 Annual Meeting of the corporation, pursuant to Section 6.2 of the Bylaws.

The resolution passed unanimously. [Vote 5]

Mr. Desselle stated that the Managing Committee wanted to include a strategic session during the June 2005 Board meeting much like the June 2004 strategic session. The June 2005 Board meeting will take place in San Antonio, Texas.

Mr. Desselle also reported that NERC requested permission from NAESB to include the NAESB WEQ Version 0 standards in the publication of the NERC Operating Manual. NAESB will continue to coordinate with NERC to resolve this issue in a way that is revenue neutral for NAESB.

Mr. Cargas reviewed the progress of the Board Resources Committee. He stated the Committee has had one conference call since the last Board meeting. Mr. Cargas reported that the efforts of the committee have resulted in a net gain of thirteen new members when membership resignations are taken into account. The Resources Committee sent a letter to the members of the dissolved NERC Markets Committee that are not NAESB members on February 28, 2005. The letter encouraged those organizations to join NAESB and included membership packets. The Resources Committee is working on a similar outreach to the stakeholders of PJM and MISO who are not NAESB members.

Mr. Brown stated that Ms. Ogenyi's leadership has been successful and the Committee will continue to work to meet its goal of thirty new members. Mr. Brown stated that at the December, 2004 Board Meeting, Board Members were encouraged to make contact with one or two potential members. Mr. Brown urged Board Members who have not already done so to make the initial contact with at least one potential member, and the NAESB staff will follow up by providing membership information.

Mr. Burks then reviewed the progress of the Retail Awareness Committee. Mr. Burks is chair of this committee. Mr. Burks stated that on February 4, 2005, the committee sent letters to the public utility commissions of twenty-four states to increase awareness of the retail quadrants' model business practices. The committee has gathered testimonials and success stories from the implementation of NAESB standards that were incorporated in the letter. Mr. Burks said the Retail Awareness Committee has set a goal to meet with at least six state utility commissions in six months. The Retail Awareness Committee has already met or had conference calls with public utility commission staff from the District of Columbia Public Service Commission and the Texas Public Utility Commission. The District of Columbia Public Service Commission is interested in standards for meter data validation and the Texas PUC would like to obtain the standards already in use by ERCOT for customer interaction. A meeting is scheduled for March 7, 2005 with the Michigan Public Services Commission and NAESB is coordinating a meeting with ERCOT in the near future.



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Next, Mr. Templeton reviewed the progress of the Gas-Electric Interdependency Committee. The committee has drafted three white papers since the last Board meeting: Issues to Test for NAESB Appropriateness, Perceived Disconnects Between Gas and Electric Industries, and Cooperative Capacity Coverage located on pages 113 - 117 of the Board Meeting Book. Mr. Smead highlighted the four issue categories that will serve as a starting point for the committee to use to organize the issues raised by gas and electric industry participants. The four issues are (i) inadequate physical capacity in New York and New England, (ii) generator economics that preclude committing to firm transport, (iii) the efficient utilization of the capacity that is there, and that is committed to shippers, and (iv) alternative structures for providing some capacity insurance for generators. Mr. Rudden added that the next determination will be the role NAESB will have to address these disconnects within the industry.

Mr. Desselle asked for volunteers to become the chair and members of the Membership Requirements Committee created at the December 9, 2004 Board Meeting. The Committee was created to make recommendations to the Board to deal with the membership levels in the retail quadrants. The committee is scheduled to present its recommendations to the Board by 4th quarter, 2005.

Mr. Burks suggested that the NAESB Certification Program be reviewed to determine if changes to the program could be made to incorporate EDM. The Board members agreed that the certification program should be reviewed to bring it up to date and make it more useful to the retail gas and electric industries. Mr. Desselle stated that Board members who were interested in working on updating the NAESB Certification Program should contact Mr. Burks or the NAESB office.

5. Reports from the NAESB office

The Executive Director's Report can be found in the Board Meeting Book on Pages 121 - 156. Ms. McQuade explained the Monthly Update call occurs on the third Thursday of each month at 2:00 pm Eastern and is a chance to spend one hour a month to obtain a high level update on the controversial and high visibility issues within NAESB as well as updates from the subcommittees. Attendance on the monthly update calls has included participants from up to twenty state commissions, federal agencies, and many NAESB members. State commission staff members have expressed interest in the progress of the Energy Day subcommittee, and gas quality. Ms. McQuade explained that the next Monthly Update call is scheduled for March 16, the agenda for which is posted on the NAESB website.

Next, Ms. McQuade gave the membership report. She explained that because of the efforts of the Resource Committee, there has been a net gain of 7 members since the beginning of the year. Ms. McQuade noted that while some members have chosen not to renew their membership, non-member participation in NAESB subcommittees has continued to increase. Organizations that do not want to become members but want to participate on a regular basis have chosen to pay the web access fee.

Mr. Desselle noted that the WEQ Procedures Drafting Collaborative Task Force recently voted to add a new At Large sub-segment within each WEQ segment. The change would provide full membership benefits to RTOs, ISOs, regional reliability councils, consultants, lawyers, and service companies. Mr. Desselle added that the WEQ Board Members would be receiving a notational ballot to vote on the proposed changes to the WEQ Quadrant Procedures. If the measure passes the WEQ Board vote, then it will be forwarded to the WEQ membership for ratification.



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Ms. McQuade then reviewed the report forwarded to the FERC since the last Board meeting. On January 18, 2005, NAESB submitted the first set of wholesale electric standards under Docket No. RM-05-1-000. The filing included business practices that address OASIS, OASIS 1A, OASIS Standards and Communications Protocols and Data Dictionaries, business practices directly related to the NERC Version 0 reliability standards for coordinate interchange, area control error (ACE) equation special cases, manual time error correction, and inadvertent interchange payback, and standards implementing the wholesale electric standards of conduct contained in FERC Order No. 2004. Ms. McQuade noted that the Version 0 business practices did not include transmission load relief business practices or coordinate interchange business practices. Within the next few months, NAESB will submit a filing to reflect the requirements of FERC Order No. 2004-C.

Ms. McQuade noted the NAESB Advisory Council met in Washington, DC on February 12. Advisory Council members were interested in the progress of the Energy Day subcommittee, and the Gas-Electric Interdependency Committee. Mr. Ellsworth was re-nominated and endorsed as the chair of the Advisory Council for 2005. The Advisory Council is in the process of drafting a letter in support of the Energy Day efforts undertaken by NAESB.

Mr. Desselle reported that on February 14, he was a member of a delegation that met with FERC Chairman Wood, FERC Commissioner Brownell, FERC Commissioner Kelliher, Mr. Rosenberg, Mr. Goldenberg, and Mr. Nichols. Ms. McQuade, Mr. Maassel, Mr. Stepenovitch, and Mr. Cargas were also present at the meeting. The notes from the meeting are on located on pages 142 - 145 of the Board Meeting Book. At the FERC Open Meeting on December 15, 2004, Commissioner Brownell requested regular updates to the Energy Day efforts prior to the June 1, 2005 deadline set by Chairman Wood. The meeting provided the commissioners with the requested update on Energy Day as well as Version 0, Version 1, OASIS, Gas Quality, and membership issues.

Ms. McQuade stated that a joint meeting with NERC on the future direction of OASIS 2 is scheduled for March 29 and will be held in the FERC building in Washington, DC. The purpose of the meeting is to determine the level of support by the industry of going forward with OASIS 2 development and to coordinate the development of OASIS 2 modifications with NERC, the ISO/RTOs and EPRI.

6. Financial Report

Next, Ms. McQuade reviewed the NAESB Financial Report, located on pages 158 – 161 of the Board Meeting Book. The report included the Year End 2004 accrual based financial report, and the Year to Date 2005 financial report accrual based as of January 2005.

Ms. McQuade said that there had been losses in membership in every quadrant since June 2004 – which resulted in a loss of revenue of \$300,000. Ms. McQuade stated that steps had been taken in 2004 to reduce expenses by \$150,000 – thus resulting in a negative retained earnings in 2004 of \$150,000. It is the expectation that the addition of the new sub-segment in the WEQ and the issuance of the WEQ standards will provide a way to compensate for some of the negative retained earnings.

Ms. McQuade reviewed the status of the Conference Calling Charges Program. NAESB has collected \$50,000 for Conference Calling Charges in 2005. The conference calling fee was implemented to address the costs incurred to provide web casting. Mr. Gwilliam presented three items for consideration regarding the current conference calling charges program. First, Mr. Gwilliam noted that when the conference calling program was presented, it was intended to



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offset telecommunication charges. Mr. Gwilliam suggested that at the end of 2005, NAESB members would no longer be charged the conference calling fee and charges would continue for non-members. Second, Mr. Gwilliam said that instead of a conference calling fee, an increase in membership dues by a small percentage would help defray the cost of providing the web conferencing services. Third, Mr. Gwilliam stated that if NAESB does continue to charge for conference calls, that invoices be sent to those organizations that paid the conference calling fee in the previous year. Mr. Desselle thanked Mr. Gwilliam for his remarks and noted that the Board would take Mr. Gwilliam's comments under advisement.

7. Plan for June 16, 2005 Board Meeting

Mr. Desselle informed the group that the June 16, 2005 Board meeting will be held in San Antonio, Texas. This meeting will be the annual meeting of the membership and a strategic session for the Board. Ms. McQuade asked if anyone had any agenda items for the regular Board meeting or the strategic session to let the NAESB office know and it will be included on the June 16, 2005 agenda.

8. Old and New Business

A. Meeting Schedule for 2005

Mr. Desselle directed the Board Members' attention to the schedule for the Board of Director meetings in 2005, located on page 163 of the Board Meeting Book. After the June 16, 2005 meeting, the next Board of Director meeting is scheduled on September 22, 2005 at the IAH Airport Marriott Hotel in Houston, Texas.

B. Installation of Mark Maassel as Chairman, NAESB Board of Directors

Mr. Desselle thanked the Board, Ms. McQuade, and the NAESB staff. He then passed the gavel to Mr. Maassel, the 2005-2006 NAESB Chair. Mr. Desselle was presented with a gavel in honor of his service as 2004-2005 NAESB Chair.

9. Adjourn

The meeting was adjourned by consent at 11:08 a.m. central.

10. Action Items From this Meeting

- Ms. McQuade noted that the NAESB office would undertake an outreach to Wal-Mart and JCPenney for possible submission of requests for standards development.
- The NAESB office is working to make those modifications [*minor corrections to the WEQ OASIS 1a and OASIS standards as identified by FERC staff*] and present them to the WEQ Executive Committee as soon as possible.
- NAESB will continue to coordinate with NERC to resolve this issue [*publication of the NERC operator's manual and the request to publish NAESB correlated standards*] in a way that is revenue neutral for NAESB.
- The Advisory Council is in the process of drafting a letter in support of the Energy Day efforts undertaken by NAESB.
- The Board members were asked to approach one or two of their colleagues who are not members of NAESB and determine if they are interested in joining.



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- The June 16 Board meeting will be a strategic session of the organization and will be held in San Antonio. Board members were asked to provide agenda items.

11. Board Attendance

NORTH AMERICAN ENERGY STANDARDS BOARD Wholesale Gas Quadrant Board Members

END USER SEGMENT		ATTENDANCE
VACANCY		
Joe Stepenovitch	Florida Reliability Coordinating Council	In Person
John Procario	Vice President & COO, Cinergy	In Person
VACANCY		
Jim Templeton	Principal, Comprehensive Energy Services	In Person
LDC SEGMENT		
Clifton Olson	Vice President of Supply and Transmission, Energy East Corporation	In Person
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	In Person
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	In Person
Mike Novak	Asst. General Manager, National Fuel Gas Distribution Corporation	In Person
Lee Stewart	Senior Vice President, Gas Transmission, Southern California Gas Company	Phone
PIPELINE SEGMENT		
Terry McGill	Executive Vice President, Enbridge Energy	Absent
John Somerhalder	President, El Paso Energy Pipeline Group	In Person
Bill Gryger	Vice President, Panhandle Eastern Pipe Line	In Person
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Phone
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	In Person
PRODUCER SEGMENT		
Jay Ellzey	Manager – Regulatory and Opco Support, ChevronTexaco Natural Gas	In Person
William T. Benham	Vice President – Regulatory Affairs, BP Energy Company	Absent
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	In Person
Bill Hebenstreit	Director of Contract Services - El Paso Production Company	In Person
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Absent
SERVICES SEGMENT		
VACANCY	VACANCY	
VACANCY	VACANCY	
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	In Person
Lyn Maddox	Oxadel Consulting, LLC	In Person
Gregory White	Manager, President & CEO, Promet Energy Partners, LLC	In Person

NORTH AMERICAN ENERGY STANDARDS BOARD Retail Electric Quadrant Board Members

DISTRIBUTOR SEGMENT		ATTENDANCE
David Koogler	Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region)	In Person
Bill Bourbonnais	Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region)	In Person
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company (MAAC NERC Region)	Absent
Leonard Haynes	Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region)	In Person
END USER SEGMENT		
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Absent
Bryan Anderson	Capital Partner, Foley & Lardner	In Person
VACANCY		
VACANCY		
SERVICES SEGMENT		
VACANCY		



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Stacey Wood	Director, The Structure Group	In Person
J Cade Burks	President, EC Power	In Person
V A C A N C Y		

SUPPLIER SEGMENT

Brian Landrum	President, Reliant Energy Retail Services	Absent
David Booty	Director of Operations, Direct Energy Business Services	In Person
V A C A N C Y		
Richard Zelenko	General Manager, Dominion Retail Inc.	Absent

NORTH AMERICAN ENERGY STANDARDS BOARD Wholesale Electric Quadrant Board Members

END USER SEGMENT		ATTENDANCE
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	Phone
Jeanne Zaiontz	Director, Regulatory Affairs, BP Energy Co.	Absent
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Absent
V A C A N C Y		
Ron Jackups	Vice President, Electric System Operations, Cinergy	Absent
John Reese	Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service	Absent
DISTRIBUTION/LSE SEGMENT		
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Absent
Mark Crosswhite	Senior Vice President & General Counsel – Generation and Energy Marketing, Southern Company	In Person
Barry R. Lawson	Manager-Power Delivery, National Rural Electric Cooperative Association	In Person
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Absent
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Absent
Carrie Cullen Hitt	Vice President of Governmental and Regulatory Affairs, Constellation NewEnergy	Absent
GENERATION SEGMENT		
V A C A N C Y		
Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	In Person
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Absent
Dennis Sobieski	Managing Director – Business Development, PSEG Power	Absent
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Absent
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	Absent
TRANSMISSION SEGMENT		
W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	Phone
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	In Person
Paul McCoy	Executive Vice President of Transmission System Operations, Trans-Elect	Phone
Carroll Waggoner	Sr. Manager Transmission Policy, Sunflower Electric Power Corporation	In Person
Richard Smead	Director, Navigant Consulting, Inc.	In Person
Michael Desselle	Director Public Policy, American Electric Power	In Person
MARKETER/BROKER SEGMENT		
Allen L. Burns	Executive Vice President-Industry Restructuring, Bonneville Power Administration	Absent
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	In Person
Roy True	Manager of Regulatory Affairs – ERCOT, ACES Power Marketing	Absent
Jim Mayhew	Director, RTO Coordination and Commercial Liaison , Mirant Corp.	In Person
Michael Grim	Director of North American Market Development – Public Policy Division, TXU Energy	In Person



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NORTH AMERICAN ENERGY STANDARDS BOARD Wholesale Electric Quadrant Board Members

Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Service Corp.	Phone
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NORTH AMERICAN ENERGY STANDARDS BOARD Retail Gas Quadrant Board Members

DISTRIBUTORS SEGMENT		ATTENDANCE
Craig White	Acting Chief Operating Officer, Philadelphia Gas Works	In Person
Glen R. Schwalbach	Assistant Vice President Corporate Planning, Wisconsin Public Service Corporation	Absent
Mark T. Maassel	President, Northern Indiana Public Service Company (NiSource, Inc.)	In Person
Paul J. Szykman	Director – Rates and Gas Supply, UGI Utilities, Inc.	Phone
V A C A N C Y		
V A C A N C Y		
END USERS SEGMENT		
V A C A N C Y		
Tina Burnett	Chair, Northwest Industrial Gas Users Association	In Person
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
SERVICE PROVIDERS SEGMENT		
Leigh Spangler	President, Latitude Technologies Inc.	In Person
Dave Pfeifer	Vice President – Energy, SunGard EnForm Consulting, LP	In Person
Dave Darnell	President & CEO, Systrends Inc.	Absent
Greg Lander	Principal, Commerce Energy Group	Absent
Richard J. Rudden	President & CEO, R. J. Rudden Associates, Inc.	In Person
V A C A N C Y		
SUPPLIER SEGMENT		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		

12. Other Attendance

Name	Organization	Attendance
Mariam Arnaut	American Gas Association	Phone
Andrew Dotterweich	Consumers Energy	Phone
Ollie Frazier	Duke Energy	Phone
Kathryn Burch	Duke Energy Gas Transmission	In Person
Mark Gracey	El Paso Eastern Pipelines	In Person
Lawrence Paulson	Hoffman-Paulson Associates	In Person
Tom Gwilliam	Iroquois Gas Transmission	In Person
Jim Cargas	NAESB	In Person
Rae McQuade	NAESB	In Person
Laura Kennedy	NAESB	In Person
Denise Rager	NAESB	In Person



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Bill Lohrman	NERC	Phone
Kim Van Pelt	Panhandle Eastern Pipelines	In Person
Tony Reed	Southern Company	In Person
Valerie Crockett	TVA	In Person
Debbie McKeever	TXU Electric Delivery	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Dale Davis	Williams Gas Pipeline	In Person



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13. Votes

NORTH AMERICAN ENERGY STANDARDS BOARD

Wholesale Gas Quadrant Board Members

END USER SEGMENT	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5
VACANCY					
Joe Stepenovitch					
John Procario	In Favor	In Favor	In Favor	In Favor	In Favor
VACANCY	In Favor	In Favor	In Favor	In Favor	In Favor
Jim Templeton	In Favor	In Favor	In Favor	In Favor	In Favor

LDC SEGMENT

Clifton Olson	In Favor	In Favor	In Favor	In Favor	In Favor
Adrian Chapman	In Favor	In Favor	In Favor	In Favor	In Favor
Reed Horting	In Favor	In Favor	In Favor	In Favor	In Favor
Mike Novak	In Favor	In Favor	In Favor	In Favor	In Favor
Lee Stewart	In Favor	In Favor	In Favor	In Favor	In Favor

PIPELINE SEGMENT

Terry McGill	Absent	Absent	Absent	Absent	Absent
John Somerhalder	In Favor	In Favor	In Favor	In Favor	In Favor
Bill Gryger	In Favor	In Favor	In Favor	In Favor	In Favor
Ron Mucci	In Favor	In Favor	In Favor	In Favor	In Favor
Richard Kruse	In Favor	In Favor	In Favor	In Favor	In Favor

PRODUCER SEGMENT

Jay Elizy	In Favor	In Favor	In Favor	In Favor	In Favor
William T. Benham	Absent	Absent	Absent	Absent	Absent



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Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Bill Hebenstreit	Director of Contract Services - El Paso Production Company	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Absent	Absent	Absent	Absent	Absent	Absent

SERVICES SEGMENT

VACANCY	VACANCY						
VACANCY	VACANCY						
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Lyn Maddox	Oxadel Consulting, LLC	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Gregory White	Manager, President & CEO, Promet Energy Partners, LLC	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor

NORTH AMERICAN ENERGY STANDARDS BOARD

Retail Electric Quadrant Board Members

DISTRIBUTOR SEGMENT		VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5
David Koogler	Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region)	In Favor	In Favor	In Favor	In Favor	In Favor
Bill Bourbonnais	Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region)	In Favor	In Favor	In Favor	In Favor	In Favor
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company (MAAC NERC Region)	Absent	Absent	Absent	Absent	Absent
Leonard Haynes	Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region)	In Favor	In Favor	In Favor	In Favor	In Favor

END USER SEGMENT

Sonny Popowsky	Pennsylvania Office of Consumer Advocate				Absent	Absent
Bryan Anderson	Capital Partner, Foley & Lardner	Absent	Absent	Absent	In Favor	In Favor
VACANCY		In Favor	In Favor	In Favor	In Favor	In Favor
VACANCY						

SERVICES SEGMENT

VACANCY						
Stacey Wood	Director, The Structure Group	In Favor	In Favor	In Favor	In Favor	In Favor



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J Cade Burks V A C A N C Y	President, EC Power	In Favor	In Favor	In Favor	In Favor	In Favor
SUPPLIER SEGMENT						
Brian Landrum	President, Reliant Energy Retail Services	Absent	Absent	Absent	Absent	Absent
David Booty	Director of Operations, Direct Energy Business Services	In Favor	In Favor	In Favor	In Favor	In Favor
V A C A N C Y						
Richard Zelenko	General Manager, Dominion Retail Inc.	Absent	Absent	Absent	Absent	Absent

NORTH AMERICAN ENERGY STANDARDS BOARD Wholesale Electric Quadrant Board Members

END USER SEGMENT		VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	In Favor	In Favor	In Favor	In Favor	In Favor
Jeanne Zaiontz	Director, Regulatory Affairs, BP Energy Co.	Absent	Absent	Absent	Absent	Absent
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Absent	Absent	Absent	Absent	Absent
V A C A N C Y						
Ron Jackups	Vice President, Electric System Operations, Cinergy	Absent	Absent	Absent	Absent	Absent
John Reese	Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service	Absent	Absent	Absent	Absent	Absent

DISTRIBUTION/LSE SEGMENT

Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Absent	Absent	Absent	Absent	Absent
Mark Crosswhite	Senior Vice President & General Counsel – Generation and Energy Marketing, Southern Company	In Favor	In Favor	In Favor	In Favor	In Favor
Barry R. Lawson	Manager-Power Delivery, National Rural Electric Cooperative Association	In Favor	In Favor	In Favor	In Favor	In Favor
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Absent	Absent	Absent	Absent	Absent



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
 Home Page: www.naesb.org

Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Absent	Absent	Absent	Absent	Absent	Absent
Carrie Cullen Hitt	Vice President of Governmental and Regulatory Affairs, Constellation NewEnergy	Absent	Absent	Absent	Absent	Absent	Absent

GENERATION SEGMENT

V A C A N C Y

Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Absent	Absent	Absent	Absent	Absent	Absent
Dennis Sobieski	Managing Director – Business Development, PSEG Power	Absent	Absent	Absent	Absent	Absent	Absent
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Absent	Absent	Absent	Absent	Absent	Absent
Gloria Ogenyi	Director Energy and Market Policy, Connecticut Energy Supply, Inc.	Absent	Absent	Absent	Absent	Absent	Absent

TRANSMISSION SEGMENT

W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Paul McCoy	Executive Vice President of Transmission System Operations, Trans-Elect	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Carroll Waggoner	Sr. Manager Transmission Policy, Sunflower Electric Power Corporation	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Richard Smead	Director, Navigant Consulting, Inc.	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Michael Dessel	Director Public Policy, American Electric Power	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor

MARKETER/BROKER SEGMENT

Allen L. Burns	Allen L. Burns	Absent	Absent	Absent	Absent	Absent	Absent
R. Scott Brown	R. Scott Brown	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor
Roy True	Roy True	Absent	Absent	Absent	Absent	Absent	Absent
Jim Mayhew	Jim Mayhew	In Favor	In Favor	In Favor	In Favor	In Favor	In Favor



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Michael Grim	Michael Grim	In Favor	In Favor	In Favor	In Favor	In Favor
Joseph Hartsoe	Joseph Hartsoe	In Favor	In Favor	In Favor	In Favor	In Favor

NORTH AMERICAN ENERGY STANDARDS BOARD Retail Gas Quadrant Board Members

DISTRIBUTORS/SEGMENT	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5
Craig White	In Favor	In Favor	In Favor	In Favor	In Favor
Glen R. Schwalbach	Absent	Absent	Absent	Absent	Absent
Mark T. Maassel	In Favor	In Favor	In Favor	In Favor	In Favor
Paul J. Szykman	In Favor	In Favor	In Favor	In Favor	In Favor
V A C A N C Y					
V A C A N C Y					

END USERS SEGMENT

V A C A N C Y					
Tina Burnett	In Favor	In Favor	In Favor	In Favor	In Favor
V A C A N C Y					
V A C A N C Y					
V A C A N C Y					
V A C A N C Y					

SERVICE PROVIDERS SEGMENT

Leigh Spangler	In Favor	In Favor	In Favor	In Favor	In Favor
Dave Pfeifer	In Favor	In Favor	In Favor	In Favor	In Favor
Dave Darnell	Absent	Absent	Absent	Absent	Absent
Greg Lander	Absent	Absent	Absent	Absent	Absent
Richard J. Ruddden	In Favor	In Favor	In Favor	In Favor	In Favor



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V A C A N C Y

SUPPLIER SEGMENT

V A C A N C Y

V A C A N C Y

V A C A N C Y

V A C A N C Y

V A C A N C Y

V A C A N C Y

Vote Legend:

Vote 1 records the vote taken on Mr. Buccigross' motion to modify the WGQ Annual Plan to include Item 8.

Vote 2 records the vote taken on Mr. Brown's motion to adopt the WEQ Annual Plan to include the modifications explained by Mr. Oberski.

Vote 3 records the vote taken on Mr. Haynes' motion to adopt the REQ and RGQ Annual Plans as modified by the REQ and RGQ Executive Committees.

Vote 4 records the vote taken on the resolution to designate Ms. McQuade President of NAESB.

Vote 5 records the vote taken on the resolution that the June 2005 meeting of the NAESB Board be designated as the 2005 Annual Meeting of the corporation, pursuant to Section 6.2 of the Bylaws.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 4

MEETING OF THE MEMBERS

This section includes:

- A review of the state of the organization and provides an opportunity for members to question NAESB staff and NAESB officers and members of the board of Directors.

The material presented is background information for the discussion of agenda item 2. No action is asked of the Board of Directors.



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1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org

Home Page: www.naesb.org

TO: NAESB Board of Directors
FROM: Rae McQuade
RE: Organizational Update to the Members – State of the Union
DATE: June 10, 2005

The NAESB organization is clearly member-driven. The organization works on standards efforts that improve the marketplace, and are brought to NAESB by members and other interested industry participants, or by government agencies such as the Department of Energy or the Federal Energy Regulatory Commission. The standards development efforts are led by NAESB members, the standards text is drafted by members and other interested industry participants, commented on by members and other interested industry participants, and ultimately endorsed by members. The industry as a whole benefits from these standards, the development efforts of which are underwritten by NAESB members.

The four quadrants of the organization have achieved several milestones over the past twelve months. Below is a synopsis of each quadrant's activities:

WHOLESALE GAS: From a wholesale gas perspective, NAESB subcommittees and the Executive Committee prepared standards that were endorsed by membership and were filed with the Federal Energy Regulatory Commission, and included: (1) gas quality business practices for reporting gas quality specifications – both for the requirements listed pipeline tariffs and properties measured at key points, (2) business practices to support standards of conduct and reports on affiliates, and the (3) gas-electric coordination task force report that highlights issues between the gas industry and the gas-fired power generators. In addition, following our Board meeting which will be held on June 22, NAESB anticipates forwarding on the business practice standards for communications between pipelines and generation facilities, as well as the gas-electric interdependency analysis.

During the development efforts, the wholesale gas quadrant also maintained the existing body of more than 600 business practices and 50 transactions for the wholesale gas market -- covering practices from contracting and credit worthiness through to nominations and confirmations, measurement and allocations, invoicing and settlements, as well as capacity release. For these standards, more than 95% are reflected in the code of federal regulations governing the wholesale gas market. The body of standards also includes technical standards for data transactions between trading partners using standard telecommunication protocols. NAESB is in the eighth release of these standards – which were originally drafted in 1996.

From a wholesale electric perspective, our committees have been very active in preparing standards and working on industry issues that will lead to standards drafting efforts, many of which were filed with the Federal Energy Regulatory Commission (FERC), and included: 1) a report of the wholesale electric quadrant's first publication of standards; 2) a report containing the Seams Catalog; and 3) the gas-electric coordination task force report that highlights the issues between the gas industry and the gas-fired power generators. The wholesale electric quadrant is working cooperatively with the wholesale gas quadrant on the business practice standards for communications between pipelines and generation facilities, and it is expected that that those standards will be reported to the FERC shortly after the June 22 Board meeting.



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WHOLESALE ELECTRIC: The wholesale electric quadrant standards publication contains standards that were drafted by NAESB committees and endorsed by membership, including: 1) the “Version 0” business practice standards that transition non-reliability standards from the North American Electric Reliability Council (NERC) to NAESB’s stewardship; 2) standards implementing and enhancing Open Access Same-Time Information Systems (OASIS), and OASIS Standards & Communications Protocol (S&CP) and Data Dictionary; 3) standards implementing FERC Order No. 2003 (Large Generator Interconnection Order); and 4) standards implementing FERC Order No. 2004 standards of conduct (Affiliate Order) from which NAESB has been requested to develop further standards. The wholesale electric quadrant standards are the subject of a Notice of Proposed Rulemaking by FERC in Docket No. RM05-5-000.

Although the publication of the wholesale electric quadrant standards was certainly a milestone for NAESB, the wholesale electric quadrant committees are working diligently to maintain and enhance the standards for the next publication. Current standards initiatives include: 1) drafting standards to reflect today’s market conditions and services which would result in augmented OASIS standards; 2) drafting modifications to the “Version 0” standards to reflect today’s market conditions and support NERC’s reliability standards – thus transitioning the body of work to a “Version 1” status; and 3) continuing to develop a suite of “Energy Day” standards to allow better coordination and scheduling between the electric and gas industries, for the daily operational communications between natural gas pipelines and electric power plants, and to enhance electric transaction scheduling and timelines. The wholesale electric quadrant is also working with NERC in several areas, including the separation out of business practice standards and reliability standards for transmission load relief (TLR), and the business practice standards and reliability standards needed to support the Registry.

RETAIL GAS & ELECTRIC: The retail gas quadrant and retail electric quadrant have had great success working jointly and developing, with a few exceptions, commodity neutral model business practices. The retail quadrants’ committees have developed, and membership has endorsed, model business practices that address the following areas: creditworthiness; billing and payments; market participants interactions; and distribution company – supplier disputes. Additionally, the retail quadrants have adopted their first contract – the Trading Partner Agreement (TPA). The TPA was developed jointly with the wholesale gas quadrant, and the resulting agreement is identical for all of the quadrants. It is anticipated that the retail quadrants will publish their inaugural book of model business practices in the third quarter of 2005.

The retail quadrants also completed a survey of electronic data mechanism (EDM) usage that showed NAESB EDM standards, which use ASC X12 standards, are the preferred mechanism in both the electric and gas industries. The retail quadrants’ committees are working diligently to complete the technical implementation specifications for the already-developed model business practices and forge ahead on the remaining items on the 2005 Annual Plan. In fact, model business practices that address methods and procedures of gathering and transmitting pre-enrollment customer information are under development. Additionally, the business practices subcommittee has just completed the first round of maintenance on the billing and payments model business practices.

The work of the quadrants is done by members and other interested industry participants and is funded by member company dues. The work is guided by the annual plans of each



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quadrant. The annual plans set by the Board of Directors, monitored by them and all changes to the plans are approved by them. The implementation of the plans are carried out by the quadrant Executive Committees and their subcommittees.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 5

STRATEGIC SESSION

REVIEW OF 2004 STRATEGIC SESSION

This section includes:

- Notes from the previous strategic session. Michael Desselle will review the meeting and resulting actions taken.

The material presented is background information for the discussion of agenda item 3. No action is asked of the Board of Directors.



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1301 Fannin, Suite 2350, Houston, Texas 77002

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Home Page: www.naesb.org

TO: NAESB Board of Directors

FROM: Rae McQuade, NAESB Executive Director
James Cargas, NAESB Deputy Director

RE: NAESB Board of Directors Strategic Session – June 10, 2004

DATE: June 14, 2004

The Board of Directors and their distinguished guests held a Strategic Session to discuss the future of NAESB's mission and membership on Thursday, June 10, 2004. The Strategic Session was held in conjunction with the Board meeting on the same day, but was not transcribed. The following notes and direction resulted from the meeting.

Presentation on Being a Non-Profit Board Member

- Mr. Cargas gave the antitrust warning.
- Mr. Bill Boswell, NAESB General Counsel, gave a presentation on the responsibilities of a non-profit board member. A copy of his presentation can be downloaded from the NAESB web site at the following address: <http://www.naesb.org/pdf/bd061004w3.ppt>

Profile of the NAESB Organization

- Ms. McQuade reviewed the profile of NAESB's current membership and trends. NAESB currently has 353 members. There has been a net loss of 19 members in the past year. The companies that have recently joined or resigned are listed by quadrant in Tab 4 of the Board Book.
- The reasons for resignations include: financial trouble of company, a shifting of priorities and redirection of resources away from standardization activities. In the WEQ, 20% of subcommittee participation is by non-members. However, there is value in NAESB standards obtaining the broadest possible industry input and consensus. Non-members are still committing their resources to NAESB's success.
- The greatest recruiting tool is offering open Board and Executive Committee (EC) seats to companies already participating at the subcommittee level. They tend to join to be eligible for both governing groups. Another motivation for joining, especially for industry executives, is the desire to control the industry's future direction, rather than have regulators impose their vision on industry.
- The other advantages to joining have not changed in ten years: avoiding litigation, more efficient operations, cost savings, greater certainty in the marketplace, and increased access to new markets and new market participants.
- Acceptance of direct government funding can cause conflict of interest problems for NAESB. However, NAESB can pursue single-purpose grants from government agencies (e.g., Sandia review of Version 1.4). Those grants are not awarded in financial settlements, rather they are



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awarded by government agencies performing specific actions for NAESB.

- Consensus was that continued success will attract more members; not that more members are needed to produce continued results.

Strategic Direction of NAESB

- More attention can be given to standards that benefit non-retail choice states now that retail deregulation has stalled nationwide.
- Reliability was the reason that GISB, NAESB's precursor, was first formed from the Natural Gas Council. Industry still needs NAESB to play this role.
- Continued federal, state, and provincial government involvement is one of the keys to NAESB's success.
- Energy standards are becoming more internationalized, i.e., Canadian, Mexican and LNG supplies of natural gas, and Canadian and Mexican electricity.
- The NAESB process is now well known and well respected as producing true industry consensus.
- If the EC cannot implement a standard due to questions on policy, it needs to articulate why so regulators can provide the necessary policy guidance. Recommendations for EC: (1) participants need to be empowered to negotiate and compromise; (2) a failure to be flexible and compromise, will result in regulators interceding; and (3) if EC members make decisions that are not specifically aligned with their company's objectives, the company management should understand that the NAESB process reflects the entire industry and that their representatives acted in good faith and were responsible to NAESB's success and credibility as an organization.
- The WEQ is working to create seats on the Board and EC for ISO, RTO, RRO and service companies, although the IRC is not unanimous in its desire to hold NAESB seats.
- NAESB can benefit from bringing together retail end-users across jurisdictional boundaries.
- Development of a model retail gas and electric contract similar to WGQ gas contract could significantly reduce confusion among retail customers. This will allow parties to focus on negotiating commercial aspects, not contract terms.

Top Items for NAESB to Address in Coming Years

- In the Wholesale arena, NAESB should focus on:
 1. Business practice aspects of reliability.
 2. Integration of the gas and electric markets.
 3. Expansion of natural gas supply from non-conventional sources.



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4. Harmonization of standards.
 5. Responsive to regulators, including NARUC, FERC, DOE and DHS.
- In the Retail arena, NAESB should focus on:
 1. Developing a standard retail contract.
 2. Developing a standardized electric invoice.
 3. Supporting regulators by teeing up policy issues for them.
 - Board and EC members need to take a more active roll in educating their state and provincial regulators about the benefits of NAESB.

Attendance:

See Board Minutes from June 10, 2004, for a list of Board member, staff and guest attendees.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 6

STRATEGIC SESSION

ENERGY DAY EFFORTS

This section includes:

- Draft report on pipeline-power generation facility communication standards and results from the Gas-Electric Interdependency Report.
- Letter from the NAESB Advisory Council.

The material presented is background information for the discussion of agenda item 3. The Board will be asked to review the report and letter, discuss them, and approve the conclusions of the report or amend the conclusions and approve the amendments. The vote to approve is a simple majority vote.



NORTH AMERICAN ENERGY STANDARDS BOARD

1100 Louisiana, Suite 3625 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
 email: naesb@aol.com • Web Site Address: www.naesb.org

DRAFT – June 1, 2005

June 27, 2005
 Filed Electronically

The Honorable Magalie Salas
 Secretary
 Federal Energy Regulatory Commission
 888 First Street N.E.
 Washington, D.C. 20585

RE: NAESB Report on the Efforts of the NAESB Gas-Electric Interdependency Committee and the Business Practices on Pipeline – Gas-Fired Generation Facility Communications (Request No. R04021)

Dear Ms. Salas:

The North American Energy Standards Board ("NAESB") herewith submits this status report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding NAESB's activities undertaken by the Gas-Electric Interdependency Committee (GEIC) and the business practices ratified for the Wholesale Electric Quadrant and Wholesale Gas Quadrant related to request no. R04021. The report reflects the activities of the GEIC from November 2004 to June 2005, and the NAESB standards development efforts of the Business Practices Subcommittees from December 2004 to May 2005. The meetings were open to any interested party and announcements and agendas were posted along with all work papers, presentations and minutes on the NAESB web site.

This effort began with a NAESB task force, the Gas-Electric Coordination Task Force (GECTF), performing primarily scoping activities in 2004. Two reports were provided to the Commission from NAESB regarding GECTF activities – on April 16, 2004¹ and November 30, 2004². Its work products were a basis for our current activities and included issues identified, a level of categorization of the issues, and identification of some of those items to be further considered for possible development of NAESB standards through the submittal of requests for standards development. Three requests for standards development were received related to the GECTF efforts³:

- R04016, submitted by KeySpan Utility Services and Duke Energy Gas Transmission, to address standards development for Energy Day, which is assigned to both quadrants,

¹ The NAESB Interim GECTF report can be accessed on the NAESB web site at the following page address:
<http://www.naesb.org/protected/ferc041604.pdf>

² The NAESB Final GECTF report can be accessed on the NAESB web site at the following page address:
<http://www.naesb.org/protected/ferc113004.pdf>

³ The three standards requests can be accessed on the NAESB web site at the following page addresses³
<http://www.naesb.org/pdf/r04016.pdf>, <http://www.naesb.org/pdf/r04020.doc>, and
<http://www.naesb.org/pdf/r04021.doc>



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1100 Louisiana, Suite 3625 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@aol.com • **Web Site Address:** www.naesb.org

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D R A F T – June 1, 2005

- R04020, submitted by Tennessee Valley Authority, to develop business practice standards relating to electric transaction scheduling and timelines, which is assigned to the Wholesale Electric Quadrant, and
- R04021 submitted by Natural Gas Pipeline Company of America, CrossCountry Energy and Salt River Project, to address daily communications between pipelines and entities that control power generation facilities. The request is assigned to both quadrants. These communications standards would include anticipated power generation fuel requirements for the upcoming day as well as notification anytime plans change. Likewise standards for pipeline communications for any operating problems that might hinder power plants from receiving required contractual quantities when needed would be developed.

The standards developed to address Request No. R04021 are included in this report. Work is pending on requests R04016 and R04020, and may not begin until outstanding policy issues are resolved and further direction from both the industry and regulatory agencies are received.

To emphasize the importance of gas-electric coordination, at the September 2004 NAESB Board of Directors meeting, NAESB extended this work effort to our Board of Directors level through a Gas-Electric Interdependency Committee (GEIC). The committee reported to the Board of Directors through the Board Managing Committee. The committee's mission was to review issues requiring gas-electric interdependency at an executive level and identify actions that might result in additional NAESB standards development. It held meetings from November 2004 to June 2005, and its analysis is provided as part of this status report.

Please note that we are filing this report electronically in Adobe Acrobat® Print Document Format (.pdf), and each enclosure is bookmarked separately. All of the documents are also available on the NAESB web site (www.naesb.org). Please feel free to call me at (713) 356-0060 or refer to the NAESB website should you have any questions or need additional information regarding this interim status report.

Respectfully submitted,

Ms. Rae McQuade
 President & COO, North American Energy Standards Board

cc without enclosures:

Chairman Patrick H. Wood III, Federal Energy Regulatory Commission
 Commissioner Nora Mead Brownell, Federal Energy Regulatory Commission



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D R A F T – June 1, 2005

Commissioner Joseph Kelliher, Federal Energy Regulatory Commission
Commissioner SueDeen Kelly, Federal Energy Regulatory Commission

NAESB Managing Committee:

- Mark T. Maassel, NAESB Chairman and CEO
- Michael D. Desselle, NAESB Vice Chairman (WEQ)
- Leonard Haynes, NAESB Vice Chairman (REQ)
- Joe Stepenovitch, NAESB Vice Chairman (WGQ)
- Jim Templeton, NAESB Chairman Emeritus

- William P. Boswell, NAESB General Counsel
- James Buccigross, NAESB Executive Committee Chairman
- Lou Oberski, NAESB Executive Committee Vice Chairman (WEQ)

Enclosures (all available publicly on the NAESB web site – www.naesb.org):

- (1) Gas Electric Interdependency Report
- (2) Appendix 1: Related Minutes, Voting Records and Comments Regarding the Standards
- (3) Appendix 2: Ratification Ballot, Member Voting Record and Comments Regarding the Standards, Listing of Transcripts
- (4) Appendix 3: Request Nos. R04016, R04020 and R04021
- (5) Appendix 4: Related Board and Board Committee Minutes and Work Papers, Listing of Transcripts

North American Energy Standards Board
Wholesale Electric and Wholesale Gas Business Practice Standards
for Transmission Service Provider-Power Plant Operator Communications
and the
Gas and Electric Interdependency Report

This is the report of the NAESB Wholesale Electric and Wholesale Gas Quadrants for business practices and the report of the Gas and Electric Interdependency Committee (GEIC). The standards were approved by the NAESB Executive Committee on May 25, 2005 and ratified by its membership on June 25, 2005; and the report of the GEIC was approved by the Board of Directors on June 22, 2005.

BACKGROUND ON NAESB

NAESB is a non-profit, industry-driven organization that was established in January 2002 to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange (“EDI”) record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries. NAESB supports all four quadrants of the gas and electric industries—wholesale gas, wholesale electricity, retail gas, and retail electricity—and recognizes the ongoing convergence of the gas and electric businesses by ensuring that its standards receive the input of all industry quadrants when appropriate.

NAESB is the successor to the Gas Industry Standards Board (“GISB”). GISB, which was carefully structured to ensure that all segments of the wholesale gas industry have an equal voice, was incorporated in September 1994 to develop standards for the wholesale natural gas industry. In early 1995, GISB became an accredited member of the American National Standards Institute (“ANSI”), largely in part because of its balanced voting structure and focus on consensus. In October 1995, the GISB Board of Directors approved broadening GISB’s scope beyond electronic data interchange record formats and communications protocols to include related business practices that streamline the transactional processes of the gas industry. Immediately after the change in scope, GISB began working on standards that would be reported to the Commission in March 1996. GISB, and its successor the NAESB Wholesale Gas Quadrant (“WGQ”), have made successive filings of new and/or modified standards as the needs of the industry have changed.

NAESB was incorporated in January 2002. Shortly following, NAESB was reaccredited by ANSI as a standards development organization. Consistent with its role of supporting all four quadrants of the gas and electric industries, NAESB is organized into four quadrants—the Wholesale Gas Quadrant (WGQ), Wholesale Electric Quadrant (WEQ), Retail Gas Quadrant, and Retail Electric Quadrant -with industry segment membership in each of the quadrants being defined by each quadrant’s procedures. All participants in each of the four markets are able to join NAESB, belong to one or more of its quadrants and segments, and be afforded the full benefits of membership.

NAESB Report on WEQ and WGQ Business Practice Standards for Transmission Service Provider-Power Plant Operator Communications and the Gas and Electric Interdependency Report

EXECUTIVE SUMMARY

In a December 2004 letter from Chairman Wood to Michael Desselle¹, the chairman noted that the January 2004 cold snap in New England highlighted the need for better coordination between the natural gas pipelines and the electric grid, including RTOs/ISOs and gas-fired power generators. He noted that he was pleased to see the efforts underway by NAESB to develop business practices in both industries that would alleviate the coordination problem and be in place for the next winter season. This report provides business practices developed jointly by both industries, briefly describes the process used to develop those business practices; plus, it highlights several issues requiring focus if additional efforts to coordinate the two industries are to be successful.

NAESB COMMUNICATION BUSINESS PRACTICES

The NAESB business practices were developed jointly by both wholesale electric (WEQ) and wholesale gas (WGQ) quadrants of NAESB through the NAESB standards development process. This report represents the work products of the first joint standards development between the two quadrants.

The standards discussed in this section of the report represent 6,132 man-hours contributed by the NAESB members and other industry participants² in 14 NAESB multi-day Business Practices Subcommittee meetings over the span of five months (December 2004 to April 2005). They were developed in open meetings, where all interested parties were welcomed and encouraged to participate regardless of membership status within NAESB. The meetings where the business practices were drafted were facilitated by Mr. Miles of the Federal Energy Regulatory Commission.

The business practices ratified by membership will be included in the next published version of both the WEQ and WGQ standards (version 1 and version 1.8, respectively). Prior to publication, they are available as final actions from the NAESB web site³ related to the request from which they originated – R04021.⁴

¹ The Chairman's letter can be accessed from the NAESB web site at <http://www.naesb.org/protected/ferc121404.pdf>.

² A roster of participants is provided in Appendix 1 to this filing. Participation in NAESB subcommittees is not limited by NAESB membership status.

³ The final action for R04021 may be accessed from the NAESB web site at [PUT LINK HERE](#).

⁴ NAESB standards can be accessed in a number of ways. The standards are available for download in the protected area of the NAESB web site free of charge or can be purchased in electronic format from the NAESB Office. Access to the protected area of the NAESB web site is free to all current NAESB members as a benefit of NAESB membership, and non-members can register for home page access for \$3500 per year. The Commission has previously recognized that, "[I]t is common practice for standards organizations to charge for copies of their standards in order to defray the publishing costs as well as some of the administrative, legal, and other costs of developing the standards." In addition to the standards themselves, all agendas, working papers, and subcommittee meeting minutes are publicly accessible on the NAESB web site free of charge.

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The standards adopted by the two NAESB Executive Committees related to request R04021 are:

Proposed NAESB WEQ and WGQ Definition:

D1F Power Plant Operator (PPO) is the term used to describe the entity(ies) that has responsibility for gas requirements for a natural gas-fired electric generating facility(ies) and is responsible for coordinating natural gas deliveries with the appropriate Transportation Service Provider(s) (TSP) to meet those requirements. The PPO performs a number of coordinated activities, including, but not limited to, power plant operations, unit dispatch, natural gas procurement and/or gas transportation arrangements. Because each PPO is structured differently, specific responsibilities within each PPO should be determined by the PPO and the point of contact for the PPO should be communicated to the TSP(s). This definition applies to NAESB WEQ Standard Nos. [D2, S1B, S2X, S3X, S13, S15, and S16] and NAESB WGQ Standard Nos. [D2, S1B, S2X, S3X, S14, and S16].

Proposed NAESB WEQ and WGQ Definition:

D2F A Power Plant Operator's Facility is the term used to describe the natural gas-fired electric generating unit(s) under the direct control of the Power Plant Operator. This definition applies to NAESB WEQ Standard Nos. [S2X and S3X] and NAESB WGQ Standard Nos. [S2X and S3X].

Proposed NAESB WEQ and WGQ Definition:

D3F Balancing Authority (BA) is the term used by the Wholesale Electric Quadrant to describe the entity responsible for integrating electric resource plans ahead of time, for maintaining electric load-interchange-generation balance within its metered boundaries, and for supporting electric interconnection frequency in real time. In certain circumstances, a BA may be a Regional Transmission Organization or Independent System Operator. This definition applies to NAESB WEQ Standard Nos. [S15 and S16] and NAESB WGQ Standard No. [S16].

Proposed NAESB WEQ and WGQ Standard:

S1BF The Transportation Service Provider (TSP) / Power Plant Operator (PPO) communication standards set forth in NAESB WEQ Standard Nos. [D1, D2, D3, S1B, S2X, S3X, S13, S15, and S16] and NAESB WGQ Standard Nos. [D1, D2, D3, S1B, S2X, S3X, S14, and S16] do not convey any rights or services beyond or in addition to those contained in the TSP's tariff and/or general terms and conditions and/or do not impose any obligations that would otherwise be inconsistent with the requirements of applicable regulatory authorities, including affiliate code of conduct requirements. These communication standards should be used in addition to the NAESB WGQ standard nomination timeline and scheduling processes for the TSP's contract / tariff services. In the event of a conflict between any of these communication standards and the TSP's tariff or general terms and conditions, the latter will prevail.

Proposed NAESB WEQ and WGQ Standard:

S2XF The Power Plant Operator (PPO) and the Transportation Service Provider(s) (TSP) that is directly connected to the PPO's Facility(ies) should establish procedures to communicate material changes in circumstances that may impact hourly flow rates. The PPO should provide projected hourly flow rates as established in the TSP's and PPO's communication procedures.

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Proposed NAESB WEQ and WGQ Standard:

S3XF Subject to the conditions of NAESB WEQ Standard No. [S1B] and NAESB WGQ Standard No. [S1B], this standard applies to a Power Plant Operator (PPO) and the Transportation Service Provider (TSP) to whose system the PPO facility(ies) is directly connected or with whom the PPO is a Service Requester.

A PPO should not operate without an approved scheduled quantity pursuant to the NAESB WGQ standard nomination timeline and scheduling processes or as permitted by the TSP's tariff and/or general terms and conditions, and/or contract provisions. However, if the PPO reasonably determines that it has circumstances requiring the need to request gas scheduling changes outside of the above-referenced nomination and scheduling processes and the affected TSP(s) supports the processing of such changes, the PPO should provide its requested daily and hourly flow rates to the TSP(s) (1) as established in the TSP's and PPO's communication procedures pursuant to NAESB WEQ Standard No. [S2X] and NAESB WGQ Standard No. [S2X] and/or (2) as specified in the TSP's(s)' tariff or general terms and conditions.

Based upon whether or not the PPO's request can be accommodated in accordance with the appropriate application of the affected TSP's(s)' tariff requirements, contract provisions, business practices, or other similar provisions, and without adversely impacting other scheduled services, anticipated flows, no-notice services, firm contract requirements and/or general system operations, the PPO and all of the affected TSPs should work together to resolve the PPO's request.

Where the affected TSP determines that it is feasible to provide the PPO with changes in flow rates without additional communications, no additional communications are required. These procedures will govern such communications unless the applicable parties mutually agree to create alternative communication procedures.

Proposed NAESB WEQ Standard:

S13F The Regional Transmission Organizations, Independent System Operators, independent transmission operators, and/or Power Plant Operators should sign up to receive operational flow orders and other critical notices from the appropriate gas Transportation Service Provider(s), pursuant to NAESB WGQ Standard Nos. 5.2.2, 5.3.35, and 5.3.37, unless the party(ies) needing the information has arranged to receive it through an alternative communication process(es).

Proposed NAESB WGQ Standard:

S14F A Transportation Service Provider should provide Regional Transmission Organizations (RTO), Independent System Operators (ISO), any other appropriate independent transmission operators (ITO), and Power Plant Operators (PPO) with notification of operational flow orders and other critical notices through the RTO / ISO / ITO / PPO's choice of Electronic Notice Delivery mechanism(s) as set forth in NAESB WGQ Standard Nos. 5.2.1, 5.2.2, and 5.3.35 – 5.3.38.

Proposed NAESB WEQ Standard:

S15F Unless otherwise prohibited by agreement, tariff, or protocol rules, a Power Plant Operator should, upon request, provide pertinent information concerning the service level (i.e., firm or interruptible) of its procured gas transportation and the performance obligation (i.e., firm (fixed or variable quantity) or interruptible) of its procured gas supply to the appropriate independent Balancing Authority and/or Reliability Coordinator.

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Proposed NAESB WEQ and WGQ Standard:

S16F Regional Transmission Organizations, Independent System Operators, other independent transmission operators, independent Balancing Authorities and/or Regional Reliability Coordinators should establish written operational communication procedures with the appropriate gas Transportation Service Provider(s) and/or Power Plant Operator(s). These procedures should be implemented when an extreme condition could occur, as defined in such procedures.

These procedures will govern unless the applicable parties in the gas and electric industry mutually agree to create alternative written communication procedures that are more appropriate and meet the parties' collective regional operational needs.

Training on and testing of such communication procedures should occur periodically.

PROCESS USED TO DEVELOP THE NAESB COMMUNICATION BUSINESS PRACTICES

The NAESB standards development process⁵ is well-established and robust. The standards development process recognizes the principles of openness, transparency and balance of interests and provides the ability for NAESB to serve as a forum for the development of consensus-based standards. The same standards development process is used by all of the NAESB quadrants, except that all requests for standards that affect the WEQ must be submitted to the Joint Interface Committee (JIC), a group consisting of members from NAESB, the North American Electric Reliability Council and the ISO-RTO Council⁶. The NAESB standards development process is briefly discussed below.

Upon receipt of a request for standard, the NAESB Triage Subcommittee meeting is conducted to determine whether the request is within the scope of the organization; if so, which quadrant(s) should work on the request, and further which subcommittees within that quadrant should develop the standard(s). Then, for the WEQ-assigned requests, the JIC further evaluates whether the request should be developed by NAESB or NERC, with business practice related requests being assigned to NAESB and reliability related requests being assigned to NERC. Assuming the JIC assigns the request to NAESB for development, the WEQ EC will affirm the Triage Subcommittee recommendation and work will begin at the subcommittee level. All JIC meetings are open to any interested party and are transcribed.⁷

Full participation, including voting rights, is open to any interested party in all EC subcommittees, and participation is available for all meetings through teleconferencing and/or web-conferencing. Additionally, in-person subcommittee meetings are held at geographically diverse locations. EC subcommittees use balanced voting for non-administrative motions. Balanced voting procedures provide that each segment of a quadrant holds two votes to be apportioned equally to those participants of the segment present at the meeting either in person or by phone, with no individual having more than one vote⁸. The effect of balanced voting is that the interests of each industry segment participating at the meeting are represented without regard to number of segment participants in attendance. After the subcommittee completes its work on the standard, it prepares a recommendation for

⁵ NAESB's standards development process is patterned after the GISB procedures.

⁶ The Joint Interface Committee was established through a Memorandum of Understanding that may be accessed from the NAESB web site: http://www.naesb.org/pdf/memorandum_of_understanding.pdf.

⁷ To order the transcripts from JIC meetings, please contact the NAESB office.

⁸ Balanced voting procedures, including examples of how the procedures are applied, are discussed in the NAESB Operating Practices. All NAESB Governance Documents can be downloaded from the NAESB web site at <http://www.naesb.org/materials/gov.asp>.

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consideration by the EC. Prior to the EC's review of the recommendation, the recommendation is posted for industry comment⁹ for a minimum of thirty days. However, the drafting subcommittee may choose to hold multiple comment periods prior to completion of the recommendation.

During the EC's review of the recommendation, the EC processes the industry comments, makes any changes it deems necessary, and takes a vote. A recommendation must pass the EC of each applicable quadrant by a super-majority vote - an affirmative vote of at least 67 percent from each applicable quadrant EC and 40 percent from each of the segments of that quadrant. After passage by the EC, the recommendation is posted for ratification for thirty days and must receive an affirmative vote of 67 percent of the members of the applicable quadrant.

To refer to the meeting minutes, voting records and comments regarding the business practices adopted by NAESB for coordination of communications as related to request no. R04021, please access Appendix 1 of this report. Similarly, to refer to the ratification ballot, member voting record, comments and listing of relevant transcripts, please access Appendix 2 of this report. The originating standards development request, Request No. R04021 may be accessed in Appendix 3 of this report.

GAS-ELECTRIC INTERDEPENDENCY ISSUES

In addition to the organization developing business practices, the Board of Directors of NAESB determined that the issue of gas-electric coordination was of sufficient strategic interest that they formed a board committee. Over the past six months, the board committee – Gas-Electric Interdependency (GEIC) – met to identify issues that warranted additional industry attention, but that may not necessarily result in standards development activities by NAESB. Their findings are noted below, along with the basis for developing the issues list and the link to work that had been undertaken by NERC.

Basis for Issues Development

Fundamentally the differences between the natural gas and electric industries pose inherent challenges to the interaction of the industries. These differences include but are not limited to the following.

- The lead time necessary to prepare for load fluctuations is shorter for the electric industry than the natural gas industry due to the inherent physical limitations of natural gas.
- Due to the necessary response time of the electric industry, instrumentation is necessarily much more precise both as to placement and timing than is the instrumentation in the natural gas industry.
- The electric industry is required to maintain a reserve margin to manage peak loads which depends on location but is generally 20%. Natural gas pipelines build capacity to match firm contractual commitments which in many cases include peaking needs of their customers. Conversely, natural gas pipelines have no cost recovery mechanism for capacity not supported by contracts.

⁹ Comments on recommendations are welcomed from an interested industry participant, regardless of NAESB membership status.

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- In balancing the “utility model” and the “market-driven model”¹⁰, the interstate gas industry and FERC have fully adopted a market-driven model wherein capacity is built to fulfill request of contract customers. The power industry is still managing a balance between the two models, wherein utility reliability is maintained while accommodating and supporting market-driven transactions. This difference in models underlies the differences in capacity construction decisions.
- Load curtailment prioritization is not consistent between industries for peak day accommodation.

CONSIDERATIONS

As the issues are reviewed, several factors should be considered that contribute to the complexity of the interdependency for the gas and electric markets. Some of the factors are a simple recognition of industry practices in place today. Those considerations include:

- The regulatory framework for the wholesale gas market and the wholesale electric market are quite different. The electric market has a more complex regulatory framework. Consideration should be given that the gas framework not become overly complicated when addressing interdependency issues.
- The severity of the coordination issues and the relationship of the day-ahead electric market to the real-time electric market may vary significantly across regions, and this factor should be considered when reviewing the issues identified. As the issues are addressed, consideration should be given that costs not be imposed on regions where the issue is not present.
- When addressing the issues which incorporate regional differences, it should be considered that such incorporation may not be possible to entities, such as long-line pipelines, that do business across multiple regions.

Issues Identified

Following is a chart showing the issues identified along with a category as noted: (1) indicating policy direction and decisions from federal, state or provincial regulatory agencies or other groups, including issues between contractual parties, (2) appropriate for review for NAESB standards development, (3) appropriate to be forwarded to NERC for consideration for reliability standards development, (4) appropriate for review as regional issues, and (5) a national infrastructure concern. There can be more than one category assigned to a given issue.

In review of the chart, please note that the items are not grouped in any particular order to designate importance or the severity of the issue. These issues are of a long term nature and a considerable portion of the short-term concern on interdependency may be addressed through the communication standards noted earlier in this report.

¹⁰ For purposes of this discussion, “utility model” is one wherein capacity is built for anticipated requirements and all users are required to pay for all capacity. The “market-driven model” is one in such capacity is built only for discrete customers who have requested and contracted for that capacity, and in which customers pay only for the capacity for which they have contracted. By way of example, in the power industry, transmission and local distribution tend to follow the “utility model”, while generation and the sale of the electric commodity in wholesale markets tend to follow the “market-driven model”.

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#	Cat.	Description/Notes
1	2	<p><i>Issue:</i> Gas-fired generators are not communicating well with the pipelines, which may result in gas-fired power generation coming online and taking natural gas without the prior nomination of pipeline capacity or taking natural gas but not taken evenly across the 24 hour period for which the gas was nominated – which may cause operational issues for the natural gas pipelines.</p> <p><i>Note:</i> NAESB is addressing part of this issue through the communication standards contained within this report, and as related to Request No. R04021.</p>
2	1-3-4	<p><i>Issue:</i> Some gas fired generators will come online although they have been informed by the pipeline that the pipeline cannot support their burn rates.</p> <p><i>Note:</i> This is a contractual and regulatory issue and may indicate that a monitor and/or “hotline” for violations is warranted. Incentives and/or penalties for load management/balancing could be a potential remedy.</p>
3	1	<p><i>Issue:</i> Generally speaking, burning gas without authorization and/or replacing the gas back into the pipeline timely is an issue.</p> <p><i>Note:</i> Terms are typically addressed in the contracts between the parties, thus making this issue a commercial one. The note as addressed in item 2 above is also applicable.</p>
4	1-4-5	<p><i>Issue:</i> Many electric market designs allow generators to assume risk on the availability of interruptible transportation while relying on those same generators to provide power to the grid on a non-interruptible basis. Moreover, the economics are such that to maintain a competitive stance, independent power plants are disincented to purchase firm gas and/or pipeline capacity. In addition, many gas-fired plants were assumed to be available to serve in contra-seasonal peaks. This assumption may no longer be valid.</p> <p><i>Note:</i> The infrastructure was initially designed for gas to be delivered to a city gate and is now being used to support, in many cases on an interruptible basis the requirements of power generators but does not provide enough interruptible capacity in some parts of the country to support such interruptible generation in conditions of extreme demand. However, several factors may warrant the assumption of risk in purchasing interruptible gas service, including the availability of flexible pipeline capacity, long term planning of supply of gas for generation uses, and fuel use diversity.</p>
5	1-2-3-4	<p><i>Issue:</i> The relative timelines of electric markets and gas nominations creates a situation in which a generator can actually pay for firm gas transportation and yet only get lower-quality secondary service.</p> <p><i>Note:</i> Because of the mismatches in timelines, the benefits of firm gas transportation service may not be achieved by the power generator. NAESB has a request, R04020 assigned which addresses the electric timelines and a energy day request that addresses some of the mismatch between the two markets. Work has not begun on either request to date, although both requests have been processed and assigned, including processing through the Joint Interface Committee for assignment to NAESB.</p> <p>However, this is also a regulatory concern -- the gas timelines are embedded in FERC regulations and both a regional and reliability concern because the reliability of the power grid depends on the electric schedules and the regional</p>

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#	Cat.	Description/Notes
		groups such as the ISOs and RTOs oversee the implementation of their respective market designs.
6	1-2-3-4	<p><i>Issue:</i> The ISO/RTO Council (IRC) has expressed concern that NAESB should not alter their market timelines through standard development as this is a regional implementation – not a national concern.</p> <p><i>Note:</i> The issue raised by the IRC is addressed in part though NAESB Request No. R04020 on electric schedule timelines. It is also a regulatory concern because of the OASIS FERC regulations, and is both a NERC and RTO issue because reliability of the power grid depends on the electric schedules and the regional groups such as the ISOs and RTOs oversee the implementation of their market designs.</p>
7	1-5	<p><i>Issue:</i> On cold days (i.e. on peak gas consumption days) there is not enough interruptible transportation (unused firm capacity of the contract holder) to meet the gas demand served through that type of transportation. This situation results from the statutory design that the gas industry builds pipelines and capacity based on firm contracts only. In recognition of this design, gas LDCs purchase their own "reserve" capacity in the form of additional firm pipeline service. This recognition, however, is not widespread in the electric market community, where some electric regulators have not been willing to give electric utilities cost recovery for the same level of "reserve" transportation for a peaking generator.</p> <p><i>Note:</i> Power generators holding firm transportation agreements to meet peak demand would necessarily have unused capacity on pipelines when demand requirements are not at peak levels. LDCs have similar periods where capacity is not needed to meet their demand requirements.</p>
8	1-5	<p><i>Issue:</i> Gas LDCs purchase their own "reserve" capacity in the form of additional firm pipeline service, but electric regulators have not been willing to give electric utilities cost recovery for the same level of "reserve" transportation for a peaking generator.</p> <p><i>Note:</i> The infrastructure was initially designed for gas to be delivered to a city gate and is now being used to support, on an interruptible basis, the requirements of power generators. Purchasing firm service for peak day demand may lead to overbuilding¹¹ the infrastructure where it can be expanded – so other services may be required.</p>
9	1-5	<p><i>Issue:</i> Where voluntary arrangements between pipeline shippers could accommodate the real-time generation market (e.g. instantaneous diversion of gas from an LDC to an adjacent market) neither the pipeline nor releasers of capacity are allowed to charge short-term rates that would match the instantaneous market value of capacity to a peaking generator. Further, the ability of pipeline tariff terms (e.g., nomination cycles and release procedures) to accommodate such arrangements vary as to their flexibility. Modifications to policy would enable</p>

¹¹ Overbuilding can occur when the customer need for capacity is only intermittent or short-term (such as a peaking generator), thus creating significant amounts of empty space for the rest of the year. In that instance other services are needed to fill the gap in order to finance the cost of new capacity. In the case of electric generation typically the empty new capacity would be available at times when other firm capacity is also available meaning both would be discounted by the market. This would seriously undermine the financing of the new capacity.

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#	Cat.	Description/Notes
		<p>pipelines and releasers of capacity to charge peaking generators short-term rates.</p> <p><i>Note:</i> Historically, pipelines have used a combination of firm pipeline capacity, pipeline contracts, storage, balancing, parking services and curtailment priorities to mitigate fluctuating load requirements. Pipeline tariffs are designed to insure reliable service to all customers, so any accommodation of such voluntary arrangements would require a process to be certain there was no adverse impact on other customers. Should such arrangements be incorporated into tariffs, business practices can be developed for support. As for rate flexibility, in the past the Commission has experimented with market-based pricing for released capacity. Short-term monetizing of load price fluctuation (hourly, daily, weekly and seasonally) as well as daily and hourly volume accommodation may be appropriate for consideration.</p>
10	1-2-5	<p><i>Issue:</i> If voluntary arrangements between pipeline shippers are created that accommodate the real-time generation market ((e.g. instantaneous diversion of gas from an LDC to an adjacent market), business practices could be drafted that support the trade of gas from an LDC to an adjacent market.</p> <p><i>Note:</i> Pipeline tariffs are designed to insure reliable service to all customers, so any accommodation of such voluntary arrangements would require a process to be certain there was no adverse impact on other customers. Should such arrangements be incorporated into tariffs, business practices can be developed for support.</p>
11	1	<p><i>Issue:</i> If society is not willing to pay for firm transportation for peaking capacity, then regulators may want to consider, at the state and local level, an emergency response program that determines whether - at times of unanticipated extreme demand that requires emergency relief - it is better to interrupt electric demand being served on an interruptible basis or perhaps curtail other firm gas customers so that gas generators who have not contracted for firm services can be served for the "better social good." The curtailment activity would address emergency situations in which gas is being administratively redirected according to essential human needs criteria or other "social" factors. In the DOE Gas Disruption Analysis project, the ultimate end-game for state regulators is the valuation of essential human needs generation on a level playing field with other essential human needs users of gas. Redirecting gas from a customer with firm supply during a winter crisis, to a generator who ran out of interruptible supply should never happen.</p> <p><i>Note:</i> This action would require regulatory changes and is a key aspect of the coordination difficulties between the gas and electric markets. The notion of end-use-based redirection of gas to a generator who just ran out because he didn't pay for firm supply, by taking gas away from someone else who did pay for firm supply, is not something that should ever happen just because winter came when the Weather Channel said it would.</p>
12	1-2	<p><i>Issue:</i> Some pipelines or LDCs may not break down the volumes at meters where there is more than one contract volume due to the confidential nature and market sensitivity of the information. This information may be necessary for RTOs, ISOs and independent balancing authorities for grid operations where the gas is used for power generation.</p> <p><i>Note:</i> Business practices can be written to report volume breakdowns so that</p>

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#	Cat.	Description/Notes
		volumes destined for electric generation can be identified after the confidential nature of the market data has been addressed.
13	1-2-3	<p><i>Issue:</i> In California ISO's comments to NAESB regarding its development of business practices for Request No. R04021, they discussed a network of informed contacts available as coordination issues arise. This contact approach may be applicable on other than a regional basis, such that all operating areas should have "Dedicated Lines" between key offices within that operating area and possibly adjoining connected areas to support informed and timely decision making.</p> <p><i>Note:</i> Business practice standards can be written to implement a "hot line" that would respect any needed regional differences. Communication standards development was undertaken by NAESB and the results of that effort are presented in this report.</p>

To refer to the meeting minutes, voting records and comments regarding the issues list above, please access Appendix 4 of this report. Appendix 4 also lists the relevant transcripts and committee work papers.

Coordination with NERC

On June 15, 2004, the NERC Board of Trustees approved several recommendations related to gas-electric coordination¹² are shown below, and many of the actions taken by the NAESB Business Practices Subcommittees in drafting the coordination standards and the discussions held by the NAESB Gas-Electric Interdependency Committee are supportive of those NERC recommendations. In particular, the NAESB efforts address, in part, recommendations 2, 5, and 7:

- Recommendation 2 NERC reliability coordinators or their delegates, subject to appropriate treatment of commercially sensitive information, should develop regular, real-time communications with pipeline operators about disturbances that could adversely impact the reliability of either the electric systems or the gas pipeline.
- Recommendation 5 NERC should include analysis of fuel infrastructure contingencies that could adversely impact the reliability of the electric systems in the NERC planning standards.
- Recommendation 7 NERC should, in concert with other energy industry organizations, formalize communications between the electric industry and the gas transportation industry for the purposes of education, planning, and emergency response.

NAESB has a strong working relationship with NERC and will continue to coordinate its standards development efforts with NERC to meet the needs of the two markets.

CONCLUSIONS AND SUMMARY

NAESB appreciates the support of the FERC in providing Mr. Miles to facilitate the NAESB standards drafting sessions. Through very aggressive meeting schedules, and with Mr. Miles'

¹² The NERC recommendations may be accessed from
ftp://www.nerc.com/pub/sys/all_updl/docs/bot/Agenda-Items-0604/Item3-Attach1.pdf.

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facilitation, the WEQ and WGQ prepared joint business practices in a very short time frame. We hope these business practices will prove helpful to the two industries.

Similarly, the issues list provided with the categories indicates that action may be needed if further progress is to be made in improving the coordination of the gas and electric industries. While this issues list presents a wide range of possible actions, it must be noted that the electric industry has regional characteristics which many parties wish to preserve. In contrast, the gas industry employs a North American Energy Standards Board model. It is inherently difficult to address issues based on the difference in focus between the two industries. We hope that the issues list will spur the needed entities to consider actions they may take to improve coordination.

Adding emphasis to the need for better coordination is the Department of Energy's statistics that the use of natural gas to generate electricity ranges from 5,206 Bcf in 2000 to 5,352 Bcf in 2004. From 2003 to 2004, the use of natural gas to generate electricity saw an increase of 4.2%, while the overall consumption of natural gas stayed relatively flat – less than a 0.3% change.¹³

Extraordinary coordination among regulators, NERC, NAESB and industry participants of both the natural gas and electric wholesale markets is crucial if the issues identified are to be resolved. As the issues list demonstrates, many of the items require the attention of more than one of the groups. Also evidenced by the issues list, resolution of many of the items will be based on decisions neither made nor taken by NAESB.

Specific to NAESB, before NAESB can move further in developing business practice standards to address the coordination of the two industries, policy direction and industry willingness for change is required – otherwise, we may be in the position of developing business practices and striving to achieve industry consensus for standards that the industry is not convinced are needed. This collaboration will require that the parties put aside parochial interests and look to solutions that benefit the industries as a whole. Optimally, the contributors to developing business practices should be creative individuals with knowledge of the workings of both the gas and electric wholesale markets. Driving the development of business practices would be a qualitative cost-benefit analysis, with a focus on creation of standards that are less intrusive to already adopted wide-spread business practices and that recognize regional differences.

For the two outstanding requests R04016 (Energy Day assigned to both the wholesale gas and wholesale electric quadrants) and R04020 (Electric Market Timelines assigned to the wholesale electric quadrant); the requests have already been assigned to NAESB for action both by the NAESB Executive Committee and by the Joint Interface Committee. The requests have not been addressed at this time –through suggestions of the NAESB Executive Committee approved by the Board of Directors, as attention was focused on the communication and coordination standards reflected in request R04021.

NEXT STEPS

The Board recognizes that requests R04016 and R04020 are symptoms of many of the issues identified, and as such, charges the Board Committee with the development of a standards development request that reflects the intent of both of these requests and includes other aspects of gas-electric interdependency that are reflected in the issues lists (such as issues #5, #10 and #12) and targeted for business practices development. The request, once developed, would be reviewed by the Board for inclusion in the NAESB Annual Plan, and would be processed through NAESB's normal process for standards. In having the Board Committee

¹³ In 2003, 5,135 Bcf were used to generate electricity compared to 2004 figures of 5,352 Bcf. Figures provided by the Energy Information Administration, Natural Gas Month April 2005.

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develop this request, the organization would take full benefit of the work that contributed to the creation of this report, and will reflect the knowledge gained through this process. The Board would approve the draft request before submitting such request for processing and in this manner ensure that the industry support as presented by the Board of Directors, is indicated.

(Please note that this recommendation of the Board would be changed if the Board does not support the recommendation of the Board Committee that it develop a request addressing the intent of the two existing requests and the points made in this report.)

18 February 2005

Ms. Rae McQuade, Executive Director
NAESB
1301 Fannin, Suite 2350
Houston, Texas 77002

Re: Energy Day

Dear Ms. McQuade,

I would first like to take this opportunity to thank you for hosting the NAESB Advisory Council in Washington, DC on 12 February 2005. The meeting was extremely worthwhile in that it provided our members with an ongoing update on the activities of the four Quadrants, and it gave us an opportunity to comment and “advise” on a number of issues being pursued by the Board. As always you, the officers, and staff provided in-depth technical explanations of the various issues of interest to our members.

There was one issue which the Advisory Council members were particularly interested in, and which I would like you to share with the Board. We were apprised of NAESB’s efforts with regard to the establishment of an Energy Day, and were advised that efforts to pursue a coordinated gas/electric day was not being contemplated at the present time.

The Advisory Council has asked me to express its concern over such a decision. The dependency that each industry has on each other, particularly in this period of heavy reliance by the electric industry on natural gas as a feedstock, clearly calls for a commitment by all stakeholders to work toward a unified standard. While other issues such as uncertain heat content, interruptible gas rates, and inadequate pipeline capacities may continue to command the greatest focus, a continued emphasis to assure coordination between natural gas fuel supply and electric generating fuel requirements is essential.

We respectfully request that the Board continue to pursue the attributes of an Energy Day. We request that you advise the Federal Energy Regulatory Commission of our request.

Very truly yours,

Bruce B. Ellsworth
Chairman, Advisory Council

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 7

**STRATEGIC SESSION
QUADRANT DIRECTIONS FOR 2005-2006**

This section includes:

- Retail Directions – Wal-Mart/J.C. Penney Request, Green Power, Contracts
- Wholesale Electric Directions – OASIS letter to FERC
- Wholesale Gas Directions – Gas Quality
- 2005 Annual Plans (can be found in Tab 9)
- Funding Issues

The material presented is background information for the discussion of agenda item 4. The Board of Directors is asked to consider the quadrant directions and make suggestions for 2006, giving guidance to the preparation of the 2006 annual plans.



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

Home Page: www.naesb.org

TO: NAESB Board of Directors
FROM: Laura Kennedy
RE: Green Power Possible Request for Standards Development
DATE: June 10, 2005

At the last Executive committee meeting of the retail quadrants, the subject of green power and the possibility for development of model business practices was raised by Mr. Behr of Energy Services.

A brief background on green power with cites follow:

From "Green Power Marketing in U.S.: Status Report" (7th Edition) by Lori Bird and Blair Swezey of the National Renewable Energy Laboratory, (September 2004):

"Green Power" is the term used to describe electricity supplied by renewable energy sources. The report states that "today, more than 50% of all U.S. consumers have an option to purchase green power from a retail electricity provider," and "about 15% of utilities offer green power programs to customers in 34 states."

"Renewable Energy Certificates" (RECs) are purchased by consumers. RECs are purchased to represent the "green" attributes of electricity generated from renewable energy-based projects." If a consumer does not have access to green power product, they can purchase RECs from "their retail power provider without having to switch to an alternative supplier." "...more than 20 companies actively market RECs throughout the United States."

Competitive Green Power Markets:

The following states allow consumers to purchase "competitively marketed green power": Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Texas, Virginia, and the District of Columbia.

From U.S. DOE The Green Power Network pages: <http://www.eere.energy.gov/greenpower>

States have policies regarding Green Power that range from requiring suppliers to offer green power options to encouraging them to do so. States have also implemented net metering, and fuel mix and environmental disclosure policies. (from DOE Green Power Network Website).

Green Power Policies:

9 states (Connecticut, Iowa, Minnesota, Montana, New Jersey, New Mexico, Oregon, Vermont, Washington) have adopted policies to either "require or encourage electricity suppliers to offer green power options to customers."

Disclosure Policies:

Disclosure Policies "require electricity suppliers to provide information on fuel sources, and in some cases, emissions associated with electricity generation." "Although most of these policies have been adopted in states with retail competition, a handful of states with no plans to implement restructuring have required environmental disclosure."

Two types of Disclosure Policies were cited on the Green Power Network Page: Full Disclosure Requirements and Partial Disclosure Requirements. Partial Disclosure



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Requirements “refers to policies that are not mandatory, do not apply to all retail electricity suppliers, or do not result in direct disclosure to consumers.” 21 states have implemented Full Disclosure Requirements, while 4 states have adopted Partial Disclosure Requirements. 4 states are currently considering Disclosure Requirements.

Net Metering Policies:

Net metering allows customers to “use their own generation to offset their consumption over a billing period by allowing their electric meters to turn backwards when they generate electricity in excess of their demand.” Net metering is available in more than 35 states.

Green Pricing:

Green Pricing allows customers to “pay a premium on their electric bills to cover the incremental cost of the additional renewable energy.” In 34 states, “more than 500 utilities, including investor-owned, municipal utilities, and cooperatives, have either implemented or announced plans to offer a green pricing option.”

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
Page 3**

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, Executive Director
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@aol.com.

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.

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
Page 4**

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 1, 2004

1. Submitting Entity & Address:

See Attached

J.C. Penney Company, Inc.
M/S 4215
6501 Legacy Drive
Plano, TX 75024-4215

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

	<u>Contact Person</u>	<u>EDI Representative</u>
Name :	Keith Masten	Jason Clark
Title :	Sr. Procurement Agent	Project Manager
Phone :	972-431-2611	972-431-2977
Fax :	972-531-2611	972-531-2977
E-mail :	kmasten@jcpenny.com	

jclar14@jcpenny.com

I would also recommend Tom Moriarty, Manager of EDI Support, as an additional contact for EDI information as it relates to e-commerce for JCPenny. He can be reached at tmoriart@jcpenny.com. Any new transactions/technologies we would want to implement would need to be coordinated through Tom.

Description of Proposed Standard or Enhancement:

Standards or model business practices for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities.

Energy-consuming, National Accounts (NA) with multiple facilities that span several utility service territories are required to engage with numerous utilities to satisfy the reconciliation of billing and payments associated with their commodity consumption and distribution and transmission services. Therefore, customers with a nationwide footprint (e.g., Wal-Mart, Radio Shack) must support multiple methods of receiving, interpreting and paying bills monthly for each account.

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
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In service territories where EDI is not available the NA customer receives a large volume of paper-based transactions on a recurring monthly basis. Further complicating the problem is the complete lack of formatting consistency from one utility to another.

In service territories where the utility offers EDI billing, the NA customer experiences a wide variety of EDI standards and requirements. Although EDI has been in existence for more than 20 years and is a normal means of transacting business in most industries, it has not seen similar levels of success in billing transactions between energy utilities and their retail customers.

For utilities that serve these customers, it can also result in significant quantities of data, invoices, and payment transactions that are generally consistent in format from month-to-month. With the nature of these transactions, they are suitable for execution using electronic communications.

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):

Although efforts are underway to develop implementation standards for electronic transactions between suppliers and utilities, there are no efforts underway to establish standards for electronic transactions between customers, suppliers, and utilities. NA customers and utilities alike have expressed interest in establishing standards for electronic billing communications.

While adoption of NAESB standards is voluntary, any voluntary adoption of developed standards would help to reduce the cost of sending, receiving, interpreting, and paying monthly utility bills. Also, it is hoped that over time more and more billing participants would adopt these voluntary standards; thus reducing costly exception processing. Whether a NA customers uses a 3rd party vendor to process and pay utility and energy bills or handles that process in house, uniform EDI standards would reduce costs.

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

More efficient business processes for utilities, suppliers and customers alike. Reduced late payments. Reduced costs and improved customer service.

JC Penney's internal costs to process an EDI bill / payment is less the \$1.00 per invoice. While Penney's currently uses a 3rd party vendor to process and pay its utility and energy bills, it is anticipated that the cost of processing bill which are providing in an EDI format could easily save our company between \$100,000 and \$200,000 annually. We are extremely interested in seeing a uniform format established for EDI standards. Uniform standards would help reduce costs for 3rd party vendors, which would ultimately help reduce our costs as well. Input from this group should be given significant consideration along with feedback from other national account customers.

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

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
Page 6**

Specific implementation costs for NA customers and utilities are unknown at this time. The customer organizations on the attached list are willing to commit time, feedback, and expertise to help develop standards.

7. Description of Any Specific Legal or Other Considerations:

Regulations may exist that govern bill content and presentation. These regulations will need to be considered when establishing standards.

Also, billing complexity can increase with deregulation, as competitive charges are unbundled from the non-competitive charges. That said, however, unregulated energy providers are also likely to have newer, more flexible billing systems, or even outsource to application service providers (ASP) who are also more likely to have electronic billing capacity.

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

The above listed customer organizations (and more if necessary).

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

Consumers, utilities, retail energy providers, and third billing agents.

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

Should we decide in the future to bring this bill payment function in-house the following would be relevant to this objective:

In general, X12 standards are very broad and cover many different types of industries. To meet a consensus with our trading partners, JCPenney subscribes to the VICS (Voluntary Inter-industry Commerce Standard) which is used by the retail merchandise industry.

Support of a standard outside of our current VICS standard could easily be cost prohibitive to implement. For example, in Procurement, suppliers that we purchase paper from for catalog, pre-prints, and other media, use an entire different subset of ANSI standards (GCS) for the print industry. The cost to implement a whole new subset of standards for only a handful of suppliers (10-12) was too cost prohibitive. We found a way to implement EDI with those suppliers within our existing capabilities. For commodities such as energy, phone services, etc. I would recommend we look at implementing the EDI 811-Consolidated Service Invoice/Statement transaction. JCPenney does not currently support this transaction, but it doesn't mean that it couldn't be. We'd have to look at the impact and cost to support it.

We would recommend looking at the ANSI X12 811 transactions as a possible solution. If further details on this transaction are needed, Jason can request generic ANSI mapping specifications of this transaction.



Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Re: Request for Initiation of a NAESB Business Practice Standard: Standardization of Electronic Billing

Dear Ms. McQuade:

As large national, multi-site energy consumers, we urge NAESB to consider standardizing retail utility electronic billing (EB) transactions. The organizations represented below (and several others) conduct business transactions with numerous utilities from all over the U.S. to satisfy the reconciliation of billing and payments associated with our energy, transmission, and distribution consumption. Uniform standards would help reduce costs for customers and utilities by streamlining business processes.

This letter serves to support and complement the request for standards from the JC Penney Company (enclosed). The organizations below have similar concerns and needs and wholeheartedly support standards.

EB/EDI is certainly not new to our businesses. For years, retailers, grocers, restaurants, and other chains have utilized it for practically everything that we buy and sell. In most cases, vendors can not conduct business with our companies unless they utilize an EB/EDI platform.

It is encouraging to see that more utilities are offering EB/EDI to customers. Most national accounts customers or their third party billing agents participate in utility electronic billing transaction programs when feasible. And although we welcome utilities into the "fold," we have found some programs to be very inconsistent and onerous to the point that participating is not cost effective. In service territories where the utility offers EB/EDI, the lack of formatting consistency from one utility to another complicates matters. We experience a wide variety of differing formats which leads to critical data discrepancies. For instance, Utility A may have room for 6 characters and Field #1, but Utility B has only 3 characters.

While we realize that there is much work to be done concerning this issue, we are confident the effort will be worthwhile. Customers will benefit with less late fees and the reduced costs of sending, receiving, interpreting, and paying monthly utility bills. Utilities will certainly gain by way of timelier payments, reduced mailing/processing costs, and better customer service.

Please feel free to call us if you have any questions.

Thank you for your consideration.

Sincerely,

D. Keith Masten
Sr. Procurement Agent
JCPenney Company
(972) 431-2611

R05013

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:

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- 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, Executive Director
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.

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.

R05013

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

or

Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: May 6, 2005

1. Submitting Entity & Address:

EnergyWindow, Inc.
1900 Folsom Street Suite 207_____
Boulder, Colorado, 80302_____
www.energywindow.com_____

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

Name : Jack Mason
Title : President
Phone : 877-444-0087 or 303-263-8678
Fax : 303 443-4409_____
E-mail : jmason@energywindow.com

3. Description of Proposed Standard or Enhancement:

Develop a model electric retail contract modeled after the NAESB Base Contract for Sale and Purchase of Natural Gas, NAESB Standard 6.3.1 (NAESB Base Contract for Gas). The contract would be designed for use by large scale aggregators, large single- and multi-site commercial users of electric power, and large industrials in competitive electric power markets.

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

Through use of the NAESB Base Contract for Gas, the wholesale and retail gas industry has many years of experience using a standard contract to purchase natural gas on the wholesale and retail market. Benefits of using the NAESB Base Contract for Gas include:

- Lower transaction costs and effort associated with reviewing, negotiating contracts and executing electric service agreements;
- Reduced customer service and contract administration cost and effort following contract execution, during the term of the contract;
- Less lost savings for buyers, or revenue for suppliers associated with, a) delays in contract closure; and b) contracts that never close, due to inability to negotiate terms successfully and market changes during the negotiation period;
- Fewer opportunities for customer misunderstanding, dissatisfaction and loss;
- Less risk for buyers, and suppliers;
- Greater ability to judge the value of offerings on important product attributes without decisions being clouded by legal aspects and language;
- A framework within which more valuable aspects of electric service products can be emphasized, and suppliers can respond to customer business needs, innovate, and differentiate their offerings – all more effectively, and
- Increased competitive market participation.

Those benefits and experiences could be translated into retail electric markets through the development and use of an analogous model contract for retail electric purchases. Large scale aggregators, large commercial users of power and natural gas, and large industrials purchase electric power in the retail market, and a standard contract would help facilitate market liquidity and transaction efficiency.

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

See discussion above.

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

Not applicable.

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
Page 4**

7. Description of Any Specific Legal or Other Considerations:

Since this request proposes the development of a standard contract, there are obvious legal considerations, many of which have been addressed in the development of the NAESB Base Contract for Natural Gas.

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

Discussions with representatives of buyer and supplier organization suggest strong interest in a model retail electric contract and willingness to test the model. Names and contact information can be provided when appropriate.

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

Not Applicable

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

A suggested draft of a NAESB model contract for retail electric applications is attached. It is based on the concept, structure, and, where appropriate, language of the NAESB Base Contract for Gas. In addition, the draft was developed with consideration of more than a dozen buyer and supplier retail electric service contracts in use in the industry today. Where possible and appropriate, language from the NAESB Base contract was selected preferentially. The suggested draft is provided with language borrowed from the NAESB Base Contract for Gas in blue text and additional or revised language to reflect specific requirements for retail electric service in black type in order to facilitate review and understanding of the extent of possible parallels between the two contracts. Selected mark-ups are shown where informative. An outline of the draft suggested model contract with more extensive mark-ups and annotations to explain approach, rationale and basis for selecting approaches or language for retail electric transactions can be provided if it would be helpful.

R05013 - Attachment

Base Contract for Sale and Purchase of Natural Gas Electricity

This Base Contract is entered into as of the following date: _____. The parties to this Base Contract are the following:

_____ and _____

 Duns Number: _____ Duns Number: _____
 Contract Number: _____ Contract Number: _____
 U.S. Federal Tax ID Number: _____ U.S. Federal Tax ID Number: _____

Notices:

Attn: _____ Attn: _____
 Phone: _____ Fax: _____ Phone: _____ Fax: _____

Confirmations:

Attn: _____ Attn: _____
 Phone: _____ Fax: _____ Phone: _____ Fax: _____

Invoices and Payments:

Attn: _____ Attn: _____
 Phone: _____ Fax: _____ Phone: _____ Fax: _____

Wire Transfer or ACH Numbers (if applicable):

BANK: _____ BANK: _____
 ABA: _____ ABA: _____
 ACCT: _____ ACCT: _____
 Other Details: _____ Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Electricity Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

Section 1.2 Transaction Procedure	Oral (default) Written	Section 7 Billing	EDC Consolidated Billing (default) Seller Consolidated Billing Dual Billing
Section 2.5 Confirm Deadline	2 Business Days after receipt (default) _____ Business Days after receipt	Section 7.2 Payment Date	25 th Day of Month following Month of delivery (default) _____ Day of Month following Month of delivery
Section 2.6 Confirming Party	Seller (default) Buyer	Section 7.2 Method of Payment	Wire transfer (default) Automated Clearinghouse Credit (ACH) Check
Section 2.46 Operational Change	25% Actual Usage (default) _____ % Actual Usage and/or _____ MW	Section 7.7 Netting	Netting applies (default) Netting does not apply
Section 3.2 Performance Obligation Section 4.1 Contract Quantity and Obligation	Cover Standard (default) Spot Price Standard Full Service Requirements (default) Block Purchase Firm (default) Interruptible	Section 10.3.1 Early Termination Damages	Early Termination Damages Apply (default) Early Termination Damages Do Not Apply
		Section 10.3.2 Other Agreement Setoffs	Other Agreement Setoffs Apply (default) Other Agreement Setoffs Do Not Apply
Section 2.26 Spot Price Publication	Gas Daily Midpoint (default) _____	Section 14.5 Choice Of Law	_____
Section 14.10 Confidentiality		Section 14.10 Confidentiality	Confidentiality applies (default) Confidentiality does not apply

Special Provisions Number of sheets attached: _____
Addendum(s): _____

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Party Name
By _____

Party Name
By _____

Name:
Title:

Name:
Title:



MAERSK®

R05013 - Attachment

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas Electricity on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas Electricity and "Seller" refers to the party supplying Electricity delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas Electricity purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas Electricity purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

General Terms and Conditions

Base Contract for Sale and Purchase of Electricity

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

- 2.1. **"Account"** means, for each Facility, each account at such Facility to be included in a Transaction Confirmation and identified by a specific account designation number.
- 2.2. **"Actual Usage"** means the actual amount of energy (in kWh) used at each Account during any period of determination.
- 2.3. **"Addendum"** means each supplement to this Agreement that is mutually agreed upon in writing by the Buyer and Seller.
- 2.4. **"Affiliate"** means with respect to any Person, any other Person controlling, controlled by or under the common control with the first Person. The terms "control" (including the terms "controlling", "controlled by" and "under common control with") will mean the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a Person, whether through the ownership of voting securities, by contract or otherwise.
- 2.5. **"Alternative Damages"** shall mean such damages, if applicable, expressed in dollars or cents per kWh, as the parties may agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Electricity Gas in the case of Seller or to receive Electricity Gas in the case of Buyer.
- 2.6. **"Anticipated Energy Usage"** means the anticipated energy usage (in kWh) by each Account during each month, which shall be equal to the actual amount of energy (in kWh) used by each such Account during the same month during the 12 month period prior to the commencement of the applicable Transaction Confirmation; provided that Buyer and Seller will agree on estimates of data that are unavailable or anticipated to be subject to significant change.
- 2.7. **"Base Contract"** shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.8. **"Business Day"** shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.9. **"Claims"** shall mean all disputes arising in connection with this agreement including all losses, liabilities or claims including reasonable attorneys' fees and costs of court from any and all persons, arising from or out of claims of title, personal injury or property damage from said Electricity Gas or other charges thereon.
- 2.10. **"Confirm Deadline"** shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day. [Change not incorporated. Syntax preference; preserve consistency with NAESB.]
- 2.11. **"Confirming Party"** shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.12. **"Contract"** shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.13. **"Contract Price"** shall mean the amount expressed in U.S. Dollars per kWh to be paid by Buyer to Seller for the purchase of Electricity as agreed to by the parties in a transaction
- 2.14. **"Contract Quantity"** shall mean the quantity of Electricity estimated to be delivered and taken as agreed to by the parties in a transaction.
- 2.15. **"Coordination Services"** shall mean services that permit the interface and coordination between electricity generation suppliers and EDCs in connection with the delivery of electricity to serve customers

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located within the EDC's service or control area, including certain scheduling-related functions and reconciliation.

- 2.16. **"Cover Standard"**, as referred to in [Section 3.2], shall mean that if there is an unexcused failure to take or deliver any quantity of Electricity pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Electricity, ~~(or an alternate fuel if elected by Buyer and replacement Gas is not available)~~, or (ii) if Seller is the performing party, sell Electricity, in either case, at a price reasonable for the delivery ~~or production~~ area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Electricity consumption needs or Seller's Electricity sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.17. **"Credit Support Obligation(s)"** shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.18. **"Day"** shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the EDC ~~Receiving Transporter~~ in a particular transaction.
- 2.19. **"Deficiency Usage"** shall exist during any Transaction Term when the Actual Usage for such period is less than the Minimum Usage.
- 2.20. **"Deficiency Usage Charge"** means for each kWh of Deficiency Usage, an amount equal to the positive difference, if any, derived by subtracting (i) the Spot Energy Price from (ii) the Contract Price.
- 2.21. **"Delivery Period"** shall be the period from the service start month/year to the service end month/year during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.22. **"Delivery Point(s)"** shall mean the physical point(s) where the EDC takes possession of the Electricity from the Seller for delivery to the Buyer or such other point(s) as specified in a Transaction Confirmation.
- 2.23. **"Electric Distribution Company" (EDC)** shall mean a public utility, ISO, transmission provider, or any comparable entity, owning and/or controlling the electric distribution facilities required for delivery of Electricity to the Buyer.
- 2.24. **"EDC Charges"** shall mean all appropriate regulated EDC costs, charges, and fees for Coordination Services, as defined by the applicable Generation Supplier Coordination Tariff, billed by the EDC to the Account(s).
- 2.25. **"EDI"** shall mean an electronic data interchange of business documents in conformance with ANSI X12 standards pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.26. **"EFP"** shall mean the purchase, sale or exchange of Electricity as the "physical" side of an exchange for physical transaction involving Electricity futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Electricity will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.27. **"Electricity"** shall mean electric energy (expressed in kWh) and the related products and services that are identified in Transaction Confirmations. ~~"Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.~~

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- 2.28. **“Energy Imbalance”** shall mean any difference in actual Electricity usage and Anticipated Electricity Usage that results in increased delivery costs due to congestion or other scheduling fees.
- 2.29. **“Excess Usage Charge”** means for each kWh of aggregate Excess Usage an amount equal to the positive difference, if any, derived by subtracting (i) the Contract Price from (ii) the Spot Energy Price.
- 2.30. **“Excess Usage”** shall exist during any billing cycle when the Actual Usage for such period is greater than the Maximum Usage.
- 2.31. **“Facility(ies)”** shall mean Buyer’s physical properties or other business assets, including for example stores, restaurants, offices or other places of business, that will be the consumers of electric energy as specified in Transaction Confirmations under this contract.
- 2.32. **“Firm”** shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; ~~provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter or any type of curtailment as ordered by the ISO.~~
- 2.33. **“Full Requirements Service”** shall require that Seller be the sole source of electricity supply for 100% of Buyer’s purchased supply needs including all services specified in the EDC’s Generation Supplier Coordination Tariff then in effect, as required to supply Buyer’s demand at the Delivery Point(s), except for Coordination Services which are expressly excluded from Full Requirements Service.
- 2.34. **“Generation Supplier Coordination Tariff”** shall mean the applicable state retail electric tariff setting forth the basic requirements for interactions and coordination between EDCs and electric generation suppliers necessary for ensuring the delivery of competitive energy and power from electric generation suppliers to their retail customers.
- 2.35. **“Governmental Authority”** shall mean any federal, state, local, municipal or other government, any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise jurisdiction over the Parties or any Transaction contemplated herein.
- 2.36. **“Imbalance Charges”** shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a ~~Transporter~~ a transmission provider or ISO for failure to satisfy the ~~Transporter’s~~ transmission provider’s or ISO’s balance ~~and/or nomination~~ requirements at the Delivery Point.
- 2.37. **“Interruptible”** shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability. ~~except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.~~
- 2.38. **“ISO”** means any independent system operator, regional transmission operator, "transco," power pool or grid or control area operator established and providing services to the Accounts or other similar entity providing the same basic services as such entities and any successor thereto.
- 2.39. **“kWh” (kilowatt-hour)** shall mean 1000 watt-hours of Electricity. ~~“MMBtu” shall mean one million British thermal units, which is equivalent to one dekatherm.~~
- 2.40. **“Material Adverse Change In Creditworthiness”** shall mean as including, but not limited to, a drop in party’s S&P credit rating to below BBB-, a change in party’s Moody’s credit rating to below Baaa3, or a D&B Composite Credit Appraisal of “fair” or “limited”.
- 2.41. **“Maximum Usage”** means the percentage of allowable usage above the Anticipated Energy Usage, if applicable, as defined in the Transaction Confirmation.
- 2.42. **“Minimum Usage”** means the percentage of allowable usage below the Anticipated Energy Usage, if applicable, as defined in the Transaction Confirmation.
- 2.43. **“Month”** shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.44. **“Off-Peak Hours”** means hours not defined as On-Peak Hours.

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- 2.45. **"On-Peak Hours"** means hours determined to be "on peak" by Buyer's regional reliability council of the North American Electric Reliability Council, or any successor entity, governing the area in which Buyer's Facilities are located, or, as agreed to by the parties and specified in a Transaction Confirmation.
- 2.46. **"Operational Change"** shall mean any event reasonably known to Customer that may impact energy usage at any Account (e.g., equipment installations, outages, shutdowns, repairs, openings or closings, changes in operating hours) by an amount (without regard to weather-related effects) greater than either (i) 25% of the Actual Usage for such Account during the same Billing Cycle in the prior year or an amount as agreed to by the parties in the Base Contract.
- 2.47. ~~**"Receiving Transporter"** shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.~~
- 2.48. ~~**"Scheduled Gas"** shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.~~
- 2.49. **"Rules"** means as applicable, the interim or final requirements, tariffs, rules, orders, regulations and procedures authorized or established by the applicable Governmental Authority that affect the sale, transmission and distribution of energy and other services contemplated by this Agreement.
- 2.50. **"Spot Energy Price"** [as referred to in Section 3.2] shall mean the weighted average (weighted in accordance with the account's hourly consumption or utility rate class consumption profile) of hourly Real Time prices for the trading hub indicated in the Transaction Confirmation and verified through the source also identified therein, plus all other elements of Full Requirements Service at their otherwise applicable net costs.
- 2.51. **"System Losses"** shall mean, for purposes of the Seller's load calculations, the applicable system losses calculated by multiplying hourly kWh sales delivered to Buyer served at specified voltage levels by the applicable system loss percentage.
- 2.52. **"Transaction Confirmation"** shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to [Section 1] for a particular Delivery Period.
- 2.53. **"Termination Option"** shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Electricity in the case of Seller or to receive Electricity in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.54. ~~**"Transporter(s)"** shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.~~

SECTION 3. PERFORMANCE OBLIGATION

3.1. In each month Seller agrees to sell and deliver, or cause to be delivered, and Buyer agrees to take delivery of receive and purchase, the Contract Quantity of Electricity ~~for a particular transaction~~ for the Facility(ies) as specified in each Transaction Confirmation in accordance with the terms of this Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

If physical energy is not supplied by Seller or delivery not taken by Buyer, the nonperforming party shall satisfy the terms of this agreement financially in accordance with the following options. Buyer shall continue to receive and pay for EDC delivery service.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.
Cover Standard:
3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price

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paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.4. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.4. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. PARTICULARS OF ELECTRICITY SERVICE TRANSPORTATION, NOMINATIONS AND IMBALANCES

4.1. Each transaction shall be effectuated in accordance with the procedures specified in Section 1 of the Base Contract. The terms of a transaction shall be as agreed to by the parties in the Base Contract and include the type of Electricity services to be supplied, whether Full Requirements Service or Block Purchase, and the basis for those services, whether Firm or Interruptible. Furthermore, if Full Requirements Service is specified any applicable usage bands associated with that service shall be specified in the Base Contract. Each transaction shall also include (i) identification of Buyer Accounts, Facilities and meters, (ii) term, (iii) Contract Price and related provisions, and (iv) other special terms and conditions, if any. Each transaction shall be governed by the Transaction Confirmation, other contract documents and oral agreements as set forth in Section 1.3.

4.2. Seller shall begin delivery of Electricity to Buyer on the date the EDC switches the Buyer to Seller for electric supply and continue delivery of Electricity until the meter read date in the service end month/year. The earliest date that Buyer could be switched is upon its regularly scheduled meter read date that occurs during the service start month/year specified in a transaction.

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The parties agree that the EDC determines when the Buyer will be switched to Seller for its electricity supply, and that such switch will occur in accordance with the EDC's Rules and practices regarding the switching of customers to suppliers. The process may include, as necessary and without limitation, recognizing Seller as Buyer's electric supplier and/or limited agent; processing and acting on direct access service requests; installation of meters and the final meter read date. With respect to each transaction, Seller will use commercially reasonable efforts to cause each EDC to take whatever steps are necessary to allow Seller to begin providing service at the beginning of the transaction and cease providing service at the end of the transaction.

4.3. Pricing

4.3.1. The Contract Price shall be specified in a transaction and separately state any electric supply services or taxes not included in the Contract Price that are required to be provided by the applicable Generation Supplier Coordination Tariff. The Contract Price shall include all applicable taxes except for sales and/or use taxes.

4.3.2. Customer may terminate this Agreement by written notice no later than fifteen (15) days following the receipt of written notice from Seller of the effective date of any adjustment to the Contract Price based upon any change, implementation, or interpretation of any law, rule, regulation, directive, order, tariff or any other action by any Governmental Authority or taxing authority, including without limitation Federal Energy Regulatory Commission ("FERC"), Independent System Operator ("ISO"), EDC, or any court of competent jurisdiction that has the effect of imposing additional tariffs, taxes, charges, fees or assessments as to the licensing, supply, generation, transmission or delivery of electric power and energy. If Buyer does not terminate within fifteen (15) days after notice of the adjustment to the Contract Price occurs, Seller shall have the right in its sole discretion to implement the adjustment.

If, during the term of this Agreement, regulatory changes create additional charges that apply to the delivery of Full Requirements Service as defined herein, which charges are not currently included in the Price and which charges would be assessed to Buyer regardless of whether Buyer was receiving service from Seller, the Host Utility or any other provider of electric service (any such charge, an "Incremental Charge"), and Seller is unable to mitigate such Incremental Charge, then such Incremental Charge shall be the responsibility of Buyer, Seller shall, if necessary, invoice Buyer for, and Buyer shall pay to Seller, any such Incremental Charge, and Seller shall have no liability therefore.

4.3.3. At the request of Seller, Buyer shall provide or direct EDC to provide the following information, with respect to each Account for each transaction including but not limited to, (1) recent and past electric consumption of energy (kWh) and demand (kW) including for the comparable period in the preceding year, (2) type of meter, meter readings and dates, (3) types of service including rate schedule/tariff, (4) billing and EDC account number data and (5) Customer's name, address(es) and telephone number. Buyer shall also provide Seller with such other information and take such other actions during the Delivery Period for each transaction as Seller may reasonably request. The Anticipated Energy Usage for each Account shall be specified prior to the commencement of service under this Contract.

4.3.4. The parties acknowledge and agree that this Contract contemplates the purchase and sale of Electricity to meet Buyer's consumption attributable to Buyer's Accounts specified in the Transaction Confirmation. Buyer agrees to pay any Excess Usage Charge or Deficiency Usage Charge arising from any variance in Buyer's consumption of Electricity such that Actual Usage exceeds the Maximum Usage or Minimum Usage bands specified in a Transaction Confirmation.

4.3.5. Buyer will use its best efforts to promptly notify Seller of any event reasonably known to Buyer of any Operational Change that may impact Electricity usage at any Account. Following such notification the parties shall meet as soon as practicable to negotiate an appropriate Contract Price for the quantities of Electricity exceeding the Anticipated Energy Usage for the remainder of the Delivery Period. If Buyer fails to use its best efforts to notify Seller of an Operational Change, Buyer will reimburse Seller for any Energy Imbalance charges incurred by Buyer or Seller as a result of such Operational Change.

Buyer will use its best efforts to promptly notify Seller of, and fully comply with, all EDC curtailment or interruption orders or similar notices received by Buyer from a Utility requiring the interruption or curtailment of Buyer's Electricity usage at any Account and pay any and all Energy Imbalance charges imposed upon or incurred by Customer or Retail Electricity Provider as a result of Customer's failure to so comply.

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4.4. Delivery

4.4.1. Supplier will arrange and be responsible for all services necessary for the procurement and delivery of electricity supply to the Delivery Point; including, but not limited to, scheduling; transmission and ancillary services; imbalance services; and arrangement of billing services for all charges and notices related to Customer's usage of electric power and energy for the Facilities. Buyer acknowledges that Seller is not responsible for delivery of Electricity by the EDC from the Delivery Point to the Buyer's facilities. In addition, the Seller must satisfy all obligations that are imposed by the ISO and/or EDC on competitive generators and make all necessary arrangements for scheduling the delivery of energy through the local control area.

4.4.2. Prior to or during any month of delivery, the parties will each use reasonable efforts to avoid the occurrence of an imbalance between Buyer's Actual Usage and Buyer's Anticipated Energy Usage. Buyer shall notify Seller as soon as commercially reasonable prior to any revised monthly consumption forecast, including, without limitation, scheduled and anticipated outage dates. If Buyer fails to provide timely notice, Buyer may be obligated to pay all associated imbalance or penalty charges associated with the change in Buyer's Electricity usage. Seller assumes liability for any scheduling, imbalance or similar penalties, fees or charges imposed by the EDC provided Buyer notifies Seller or if the imbalance or similar penalties, fees, or charges are incurred as a result of Seller's failure to perform in a reasonable commercial manner.

SECTION 5. ~~QUALITY AND MEASUREMENT~~

SECTION 6. ~~TAXES~~

SECTION 7. BILLING, PAYMENT, AND AUDIT

The parties have selected either EDC Consolidated Billing, Seller Consolidated Billing or Dual Billing as indicated in the Base Contract:

EDC Consolidated Billing: Buyer will continue to receive a single bill from the EDC for all services, including Electricity supplied by Seller, in accordance with the EDC's schedule and process. Seller will arrange with the EDC for the the monthly charges for energy consumption and any other charges or fees imposed pursuant to the terms of the Contract, to be included in bills in a timely manner.

Seller Consolidated Billing: Customer will receive a single bill for all charges, including EDC Charges, from the Seller. Seller will arrange with the EDC to obtain and include all charges in bills in a timely manner.

Dual Billing: Customer will receive separate bills from Seller and EDC. Seller will bill Buyer for Electricity usage after receiving monthly billing determinants from the EDC, subject to any EDC estimates or corrected readings.

7.1. ~~Seller~~Buyer shall be invoiced ~~Buyer~~ in the manner specified in the Base Contract, for ~~Gas~~Electricity supplied ~~delivered and received~~ in the preceding Month and for any other applicable charges, ~~providing~~ with supporting documentation acceptable in industry practice to support the amount charged. If the Actual Usage data ~~quantity delivered~~ is not known by the billing date, billing will be prepared ~~based on~~ using estimated Electricity usage data (based upon the same period in the prior year and adjusted in good faith for the current period) ~~the quantity of Scheduled Gas~~. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual usage ~~delivery~~ information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

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7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas Electricity delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title and risk of loss to the Gas Electricity shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas Electricity sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas Electricity or other charges thereon which attach before title passes to Buyer, except to the extent of the negligence or willful misconduct of the Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas Electricity or other charges thereon which attach after title passes to Buyer, except to the extent of the negligence or willful misconduct of the Seller.

8.4. ~~Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.~~

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

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9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a Material Adverse Change In the Creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; ~~or~~ (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due, (ix) make any representation or warranty in this Contract that proves to have been false or misleading in any material respect when made or ceases to remain true during the term or (x) fail to perform any covenant set forth in this Contract; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

General Terms and Conditions

Base Contract for Sale and Purchase of Electricity

<p>The parties have selected either “Early Termination Damages Apply” or “Early Termination Damages Do Not Apply” as indicated on the Base Contract.</p>
<p>Early Termination Damages Apply:</p>
<p>10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).</p> <p>For purposes of this Section 10.3.1, “Contract Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and “Market Value” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas power futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transmission costs and volume transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to “evergreen provisions”) shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.</p>
<p>Early Termination Damages Do Not Apply:</p>
<p>10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.</p>
<p>The parties have selected either “Other Agreement Setoffs Apply” or “Other Agreement Setoffs Do Not Apply” as indicated on the Base Contract.</p>
<p>Other Agreement Setoffs Apply:</p>
<p>10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.</p>
<p>Other Agreement Setoffs Do Not Apply:</p>
<p>10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any</p>

General Terms and Conditions

Base Contract for Sale and Purchase of Electricity

Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, and which by the exercise of due diligence and reasonable effort, that party shall not have been able to foresee, avoid or overcome, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low high temperatures or hurricanes which cause freezing reductions in capacity or failure of wells or transmission lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; curtailment, disruption or interruption of supply by or as a result of the EDC; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Governmental Authority having jurisdiction and (vi) declaration of emergency by the ISO. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: ~~(i) the curtailment of interruptible or secondary Firm transportation unless primary, in path, Firm transportation is also curtailed;~~ (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas Electricity at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas Electricity at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Buyer's

General Terms and Conditions

Base Contract for Sale and Purchase of Electricity

market(s) or Buyer's decision to shut down, sell or relocate its facilities ~~inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2;~~ or (v) the loss or failure of Seller's gas Electricity supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas Electricity, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. BUYER IS NOT LIABLE OR RESPONSIBLE FOR ANY INJURY, LOSS, CLAIM, EXPENSE, LIABILITY OR DAMAGE RESULTING FROM ANY INTERRUPTION, SHORTAGE, INSUFFICIENCY OF OR FAILURE OF THE EDC OR ANY TRANSMISSION PROVIDER TO DELIVER ELECTRICITY SCHEDULED BY SELLER.

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by

General Terms and Conditions

Base Contract for Sale and Purchase of Electricity

assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, Rules, orders and regulations of any Governmental Authority having jurisdiction over the parties, their facilities, or Gas Electricity supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

EXHIBIT A
TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____
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This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:

 Attn: _____
 Phone: _____
 Fax: _____
 Base Contract No. _____
 Transporter: _____
 Transporter Contract Number: _____

BUYER:

 Attn: _____
 Phone: _____
 Fax: _____
 Base Contract No. _____
 Transporter: _____
 Transporter Contract Number: _____

Contract Price: \$_____/mWh or _____
 Electric supply services or taxes not included in the Contract Price that are required to be provided by the applicable Generation Supplier Coordination Tariff: _____

Delivery Period: Service Start: _____, ____ Service End: _____, ____ (Month/Year) Meter Read Day _____

Performance Obligation and Contract Quantity: (Enter All Applicable)

<p>Block Purchase: _____ mWh _____ On-Peak _____ Off-Peak</p>	<p>Full Requirements Service: _____ Minimum Usage (% Anticipated Usage) _____ Maximum Usage (% Anticipated Usage)</p>	<p>Obligation: _____ Firm _____ Interruptible up to ____ mW/day</p>
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Delivery Point: _____ EDC _____ Buyer Meter(s)

Facility/Account Information:

Special Conditions:

Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____
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R03035

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, Executive Director
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@aol.com.

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.

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: December 11, 2003

1. Submitting Entity & Address:

Florida Power & Light Company
700 University Boulevard, EMT/JB
Juno Beach, FL 33058

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

Name : Dona Gussow
Title : Contracts Coordinator
Phone : 561-691-7886
Cell: 561-301-8598
Fax : 561-625-7567
E-mail : dgussow@fpl.com

3. Description of Proposed Standard or Enhancement:

Establish standards relating to gas quality specifications and measurement, as follows:

- A. Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.
- B. Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.
- C. Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG). Draft such standards as appropriate.

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
Page 3**

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):

Development of the gas quality specification standards would assist end users by providing a means to determine fuel quality (needed for optimizing operation of gas powered electric power generation equipment), facilitate emissions reporting to regulatory agencies, and facilitate electric power generation planning.

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

The proposed standards would make standardized gas quality information, including the derivation of gas quality specifications, available to the industry.

A multi-quadrant task force (assuming multi-quadrant assignment by the quadrant Executive Committees) can be formed to review the issues resulting from participating gas and electric representatives having a full understanding of the costs vs. the benefits of standardizing gas quality specifications.

Given the realities in the marketplace and positive impact these standards would have on electricity generation, Florida Power & Light Company anticipates being actively involved on these issues.

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

Cannot be ascertained at this time.

7. Description of Any Specific Legal or Other Considerations:

Cannot be ascertained at this time. However, standards produced could result in the need to modify pipeline tariffs.

**Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions
Page 4**

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

Not determined at this time.

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

Not Applicable.

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

A comparison table of current gas quality specification calculations is attached.

R03035-Attachment

DRAFT COMPARISON OF PIPELINE NATURAL GAS QUALITY SPECIFICATIONS

[REVISED 12/15/03]

PIPELINE	HOW HV DETERMINED	HEAT VALUE (HV) [BTU/SCF]	WATER (H ₂ O) [lbs/million cf]	HYDROGEN SULFIDE (H ₂ S) [grains/100 cuft]	MERCAPTAN [grains/100 cuft]	TOTAL SULFUR (S) [grains/100 cuft]	OXYGEN (O) [% by volume]	NITROGEN (N) [% by volume]	CARBON DIOXIDE (CO ₂) [% by volume]
A	Industry Practice	≥960	≤7	<1	No Spec	≤20 NOTE 1.c	No Spec	No Spec	No Spec
B	Standard Instrument	967-1200	≤7	≤1/4 - Mainline ≤1 - SE & SW	No Spec	≤20 NOTE 1.b & 1.d	≤1	≤3	≤2
C	Not Defined	≥978	≤7	≤1	No Spec	≤20	≤1	4 less % by volume of CO ₂	≤3
D	AGA Rpt#5 -or- Other	967-1100	≤7	≤1/4	No Spec	≤20	≤.2 NOTE 2.a	≤4 + NOTE 2.a	≤3 + NOTE 2.a
E	Continuous Sampling AGA Rpts	≥967	≤7	≤0.25	≤0.75	≤5 Includes all forms of sulfur	≤.2 NOTE 2.b	NOTE 2.b	≤2 + NOTE 2.b
F	GPA Std 2172	≤1000	≤7	≤1/4	No Spec	≤10	≤1/4	NOTE 2.c	NOTE 2.c
G	Continuous Sampling -or- Other	No Spec	≤7	≤0.25	No Spec	≤20	≤.2	NOTE 2.c	2 + NOTE 2.c
H	Standard Methods	1000-1075	≤7	≤1/4	No Spec	≤10 NOTE 1.b & 1.d	≤.25	NOTE 2.c	NOTE 2.c
I	AGA Rpt#3	950-1175	≤7	16 PPM	No Spec	320 PPM	≤.2	≤3	≤3
J	Not Defined	≥950	≤4	≤1	No Spec	≤20	≤.2	4 less % by volume of CO ₂	≤3
K	Not Defined	≥950	≤7	≤1/4	≤1/4	≤1/2	10 PPM	≤3	≤2
L	Not Defined	≥950							

PIPELINE	HOW HV DETERMINED	HEAT VALUE (HV) [BTU/SCF]	WATER (H ₂ O) [lbs/million cf]	HYDROGEN SULFIDE (H ₂ S) [grains/100 cuft]	MERCAPTAN [grains/100 cuft]	TOTAL SULFUR (S) [grains/100 cuft]	OXYGEN (O) [% by volume]	NITROGEN (N) [% by volume]	CARBON DIOXIDE (CO ₂) [% by volume]
M	Standard Instrument	≥970	≤7	≤1/4	≤1/4	≤5	≤.2	NOTE 2.c	NOTE 2.c
N	Not Defined	≥950	≤7	≤10	No Spec	200 total	≤1	3 total (combined with CO ₂)	3 total (combined with N)
O	Not Defined	≥967	No Spec	≤0.25	No Spec	≤20	No Spec	No Spec	No Spec
P	Not Defined	≥967	≤7	≤.5 -or- 8PPM	No Spec	≤10	No Spec	4 less % by volume of CO ₂	≤3
Q	Not Defined	≥967	≤7	≤1/4	No Spec	≤20	No Spec	4 less % by volume of CO ₂	≤3
R	Not Defined	980-1100	≤7	≤.3	No Spec	≤20	No Spec	No Spec	No Spec
S	Not Defined	950-1100	≤7	≤1/4	1	≤5	≤.05	No Spec	≤2

NOTES:	
1	Total Sulfur Content Notes 1.a Total Sulfur content not specified. 1.b Total Sulfur includes mercaptan. 1.c Total Sulfur excludes mercaptan. 1.d Total Sulfur includes H ₂ S. 1.e Total Sulfur excludes H ₂ S.
2	Nonhydrocarbon Gases Notes 2.a Gas shall not contain more than 5% by volume of nonhydrocarbon gases including, but not limited to, carbon dioxide, nitrogen, oxygen. 2.b Gas shall not contain more than 3% by volume of nonhydrocarbon gases including, but not limited to, carbon dioxide, nitrogen, oxygen, helium. 2.c Gas shall not contain more than 3% by volume of carbon dioxide + nitrogen..
3	
4	
5	



NORTH AMERICAN
ELECTRIC RELIABILITY
COUNCIL



NORTH AMERICAN
ENERGY STANDARDS
BOARD

Via email and post
April 22, 2005

The Honorable Patrick H. Wood III
Chairman
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20585

RE: Results from the NERC-NAESB OASIS Conference held March 29, 2005

Dear Mr. Chairman:

NAESB and NERC held a very productive meeting on March 29 regarding the industry perspectives on the future of OASIS. The turnout was better than we expected, both for attendance in the room and on the phone, with representation from all industry segments. We had several presentations that set the stage for open and candid industry discussion. Your office played a large role in this meeting's success, by providing the meeting facilities at FERC and through the participation of Marvin Rosenberg of your staff.

We draw two key conclusions from the meeting:

- The industry has embraced electronic scheduling as an efficient market tool. Through the implementation of e-tags and the incorporation of e-tags into organizations' scheduling systems, the industry is in the midst of a migration towards electronic scheduling today without the need for a major redefinition of OASIS requirements.
- The changes to OASIS to better support the market are being done on an incremental basis as the industry determines those changes are needed and can prioritize and staff the standards development work. NAESB has several enhancements in front of you with the January 2005 NAESB filing (Docket No. RM05-5-000 included OASIS enhancements for redirects and multiple requests as well as minor changes to existing OASIS standards). More enhancements are being developed or planned (resales and transfers of transmission rights, capacity release rights needed to implement redirect business practices, enhancements to the registry, publish/subscribe functions, standardized process for NITS service, naming standardization). Several other suggestions for standards development were made during the meeting and will be pursued by NAESB through a development of a standards request. Working with NAESB, NERC will continue to maintain and improve the TSIN registry.

Because of the points noted above, the group determined that this was an effective and efficient way to move forward and adapt OASIS to market needs. There was no dissent by any of the participants in taking this incremental approach. As such, NAESB will continue in the direction of making changes in an evolutionary fashion, request by request, and packaging those changes into a work product to submit to the FERC as they are adopted. NERC will continue its support for OASIS matters related to reliability.

We truly appreciate Mr. Rosenberg's involvement and doubt that we could have had the attendance and interest in this topic without your willingness to host the meeting at FERC's offices. Many other points were made during the meeting and for more details on the discussion the minutes and the list of attendees are posted on the NAESB web site.¹ Also, transcripts are available from the meeting.²

¹ The presentations and minutes of the March 29 joint NERC-NAESB meeting may be found at the NAESB web site on the following page: http://www.naesb.org/weq/weq_ess_oasis_2.asp

² For the transcripts, please contact the NAESB office for information.



NORTH AMERICAN
ELECTRIC RELIABILITY
COUNCIL



NORTH AMERICAN
ENERGY STANDARDS
BOARD

April 22, 2005
Page 2 of 2

Both NERC and NAESB will continue to work together to develop standards for the betterment of the market and the reliability of the system. For OASIS, we will continue to work on requests for enhancements and modifications as submitted from the industry. This was a very productive meeting and we again thank you for helping us make it so.

With Best Regards,

Rae McQuade

Rae McQuade
President
North American Energy Standards Board

1301 Fannin Street, Suite 2350
Houston, Texas, 77002
(713) 356-0060

Mike Gent

Michehl R. Gent
President
North American Electric Reliability Council

116-390 Village Blvd.
Princeton, New Jersey 08540-5731
(609) 452-8060



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

Home Page: www.naesb.org

TO: NAESB Board of Directors

FROM: Rae McQuade

RE: Funding Issues

DATE: June 10, 2005

Over the past year, funding issues have been brought to our attention. Currently membership dues are \$5,000 per year, and our budget runs under \$2,000,000 per year. Non-dues revenue includes charging for conference calling, courses, charging for standards to non-members and certification.

Some Board members have raised the issue of investigating other models of membership dues tiering or funding from external sources that would not impact the budget negatively.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 8

BOARD BUSINESS

UPDATES AND REPORTS

This section includes:

- Standards Adopted since March 3, 2005
- FERC Filings made since March 3, 2005
- Updates from the Board Committees

The material presented is background information for the discussion of agenda item 4. No action is asked of the Board of Directors.



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

Home Page: www.naesb.org

TO: NAESB Board of Directors
FROM: Rae McQuade
RE: Standards Adopted Since Last Board Meeting
DATE: June 10, 2005

The Executive Committees have approved the following standards since the last Board meeting on March 3:

For the wholesale gas quadrant – new development efforts that have concluded are:

- Recommendation R04021 - Develop standards for daily operational communications between pipelines and power plants. (Energy Day Standards). This recommendation was held for ratification until the standards could be fully staffed.
- Recommendation WGQ 2005 Annual Plan Item 3 - This recommendation proposes, as a result of the creation of the NAESB Internet Electronic Transport (Internet ET) specification, the adoption of the WGQ Quadrant EDM Manual as a replacement for the NAESB WGQ Electronic Delivery Mechanism (EDM) Manual. (Note: The NAESB Internet ET was adopted by the Executive Committees of the WGQ, REQ and RGQ in May, 2004) [ratification is pending, ballot due July 1]
- Recommendation 2005 Annual Plan Item #8 FERC Order 2004 (Affiliate Order) - Modify NAESB WGQ Standard 4.3.23. This recommendation provides a specific location for posting voluntary consent to information disclosure by nonaffiliated customers as required by § 358 of the Commission's regulations in response to paragraph 10 of the Commission's Notice of Proposed Rulemaking and Termination Order in Docket Nos. RM96-1-026 and RM96-1-015. This recommendation was reported to the FERC on April 22, 2005. [ratification completed on May 3]
- Recommendation R04017 - Trading Partner Agreement for Retail Use [joint effort between REQ/RGQ/WGQ] - Request R04017 sought modifications to NAESB WGQ Standard 6.3.3, Trading Partner Agreement (TPA), to make it suitable for use in Retail applications and to adopt it as a Model Business Practice in the Retail Electric Quadrant (REQ) and the Retail Gas Quadrant (RGQ). In addition to the Trading Partner Agreement itself, for the REQ and RGQ there is a supporting user's guide, "NAESB Trading Partner Agreement User's Guide, for Use in Retail Applications". This user's guide is not applicable to the WGQ. [ratification completed on May 13]

and for maintenance issues for the wholesale gas quadrant:

- Recommendation R02006 – Add a validation code warning value "Higher rate may result" for the Nomination Quick Response (1.4.2). [ratification is pending, ballot due July 1]
- Recommendation R03004 / R01013 – Add code value "Exceeded Family of Contracts MDQ" for the data element Reduction Reason in NAESB WGQ Std. No. 1.4.5 – Scheduled Quantity [ratification is pending, ballot due July 1]
- Recommendation R97110 – Modify several data sets to modify the definition of the data elements 'Posting Date' and 'Posting Time'. Modify the data elements associated with NAESB WGQ Standard 5.4.5 – Withdrawal Download. Modify the Technical



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

Home Page: www.naesb.org

Implementation of Business Process for NAESB WGQ Standard 5.4.5 – Withdrawal Download. [ratification is pending, ballot due July 1]

- Recommendation R00004 – Add a new data element “Limit Type” (“Limit Type”) to the Predetermined Allocation (2.4.1). [ratification is pending, ballot due July 1]
- Recommendation R00005 – Add a new data element “Swing Fuel Option Ind” (“SG Fuel Opt”) to the Pre-determined Allocation (2.4.1). This recommendation is dependent on the successful processing of Recommendation R00004. [ratification is pending, ballot due July 1]
- Recommendation R01001 – Add a warning message for the data element Validation Code in the Pre-determined Allocation Quick Response (2.4.2) data set. [ratification is pending, ballot due July 1]
- Recommendation R00010 – Add Rate Identification Codes to the Offer Download, Bid Download, Award Download, Offer Upload, Offer Upload Quick Response, Offer Upload Notification, Bid Upload and Bid Upload Quick Response. [ratification is pending, ballot due July 1]
- There are also WGQ Minor Corrections out for EC ballot, with ballots due on June 22. While processing the Minor Corrections that were adopted by the WGQ Executive Committee during the February 3, 2005 meeting, the WGQ Information Requirements (IR) and Technical Subcommittees identified the need for possible additional minor corrections. After further review, the IR and Technical Subcommittees have proposed additional minor corrections for NAESB Version 1.7. While normally the minor corrections and their text would be discussed at an Executive Committee meeting prior to the vote, it was determined by leadership that a notational vote would be appropriate without prior discussion on the minor corrections.

The following recommendations have been approved by the WEQ EC since the last Board meeting:

- Recommendation R04021 - Develop standards for daily operational communications between pipelines and power plants. (Energy Day Standards). [ratification is pending, ballot due July 8]

The following recommendations have been approved by the RGQ EC since the last Board meeting:

- Recommendation R04017 - Trading Partner Agreement for Retail Use [joint effort between REQ/RGQ/WGQ] - Request R04017 sought modifications to NAESB WGQ Standard 6.3.3, Trading Partner Agreement (TPA), to make it suitable for use in Retail applications and to adopt it as a Model Business Practice in the Retail Electric Quadrant (REQ) and the Retail Gas Quadrant (RGQ). In addition to the Trading Partner Agreement itself, for the REQ and RGQ there is a supporting user’s guide, “NAESB Trading Partner Agreement User’s Guide, for Use in Retail Applications”. This user’s guide is not applicable to the WGQ. [ratification completed on May 13]

The following recommendations have been approved by the REQ EC since the last Board meeting:

- Recommendation R04017 - Trading Partner Agreement for Retail Use [joint effort between REQ/RGQ/WGQ] - Request R04017 sought modifications to NAESB WGQ



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

Home Page: www.naesb.org

Standard 6.3.3, Trading Partner Agreement (TPA), to make it suitable for use in Retail applications and to adopt it as a Model Business Practice in the Retail Electric Quadrant (REQ) and the Retail Gas Quadrant (RGQ). In addition to the Trading Partner Agreement itself, for the REQ and RGQ there is a supporting user's guide, "NAESB Trading Partner Agreement User's Guide, for Use in Retail Applications". This user's guide is not applicable to the WGQ. [ratification completed on May 13]

For new requests for standards development since the last Board meeting, the following have been received:

- R05003 - Amend WGQ standard 3.4.1 to add new code value for special fuel surcharges. It has been assigned to the WEQ, and was submitted by Florida Gas Transmission Company. It can be found at: <http://www.naesb.org/pdf2/r05003.doc>.
- R05004 - Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM. It has been assigned to WEQ, and was submitted by NERC Long Term ATC/AFC Task Force (LTATF). It can be found at: <http://www.naesb.org/pdf2/r05004.doc> and attachment: <http://www.naesb.org/pdf2/r05004a1.pdf>.
- R05005 - Add new transaction type codes to the Nomination 1.4.1, Shipper Scheduled Quantity 1.4.5, and Transportation Sales Invoice 3.4.1 data sets. It has been assigned to WGQ, and was submitted by Northern Natural Gas. It can be found at: <http://www.naesb.org/pdf2/r05005.doc>.
- R05006 - Add code value to Validation Code and Message elements in Nomination Quick Response dataset. It has been assigned to WGQ, and was submitted by Northern Natural Gas. It can be found at: <http://www.naesb.org/pdf2/r05006.doc>.
- R05007 - Review the NAESB WEQ "Version 0" business practice standards and remove any references to ERCOT. It has been assigned to WEQ, and was submitted by Electric Reliability Council of Texas (ERCOT). It can be found at: <http://www.naesb.org/pdf2/r05007.doc>.
- R05008 - Enhancements and/or additions to the RXQ Billing and Payments MBPs. It has been assigned to RGQ/REQ, and was submitted by Dominion Virginia Power. It can be found at: <http://www.naesb.org/pdf2/r05008.doc>.
- R05009 - Modify the NAESB Version 0 TLR business practices to remain consistent with the NERC Version 0 TLR reliability standards. This request has been fast-tracked to ensure that NAESB remains consistent with NERC efforts on TLR. The recommendation on this request has already been drafted and the comments are due by June 24. It has been assigned to WEQ, and was submitted by NAESB Office. It can be found at: <http://www.naesb.org/pdf2/r05009.doc>.
- R05010 - Add code values to Validation Code and Message elements in Nomination Quick Response dataset. It has been not been assigned yet (a Triage call has been set for July 8), and was submitted by Northern Natural Gas. It can be found at: <http://www.naesb.org/pdf2/r05010.doc>



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

Home Page: www.naesb.org

- R05011 - Add new Adjustment Type Code Value to 2.4.3 Allocation and 2.4.4 Shipper Imbalance datasets. It has been not been assigned yet (a Triage call has been set for July 8), and was submitted by Northern Natural Gas. It can be found at: <http://www.naesb.org/pdf2/r05011.doc>.
- R05012 - Add Reduction Reason code to Scheduled Quantity, Operator Scheduled Quantity and Confirmation Response. It has been not been assigned yet (a Triage call has been set for July 8), and was submitted by Northern Natural Gas. It can be found at: <http://www.naesb.org/pdf2/r05012.doc>.
- R05013 - Develop a model electric retail contract,. It has been not been assigned yet (a Triage call has been set for July 8), , and was submitted by Energy Window, Inc. It can be found at: <http://www.naesb.org/pdf2/r05013.doc>, with the attachment found at <http://www.naesb.org/pdf2/r05013a.doc>.
- R05014 - Review the current NAESB WGQ's "Base Contract for Purchase and Sale of Natural Gas" for possible update and revisions to reflect current industry practices and applicable general terms and conditions. It has been not been assigned yet (a Triage call has been set for July 8). It was submitted by EnCana Gas Marketing and NAESB WGQ Contracts Subcommittee. It can be found at: <http://www.naesb.org/pdf2/r05014.doc>.
- R05015 - Add an explanatory section to the NAESB WGQ Implementation Guide(s) discussing the use of discretionary verbs (e.g. should, shall) within NAESB Standards. It has been not been assigned yet (a Triage call has been set for July 8). It was submitted by National Fuel Gas Distribution Corporation. It can be found at: <http://www.naesb.org/pdf2/r05015.doc>.



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

Home Page: www.naesb.org

TO: NAESB Board of Directors
FROM: Rae McQuade
RE: FERC Filings Since Last Board Meeting
DATE: June 10, 2005

NAESB has had six FERC submittals since the last Board meeting:

March 18, 2005: NAESB Report to the FERC Regarding the Permanent Numbers Assigned to the NAESB WGQ Standards to Implement Gas Quality Reporting Requirements

At the time the NAESB WGQ standards to implement gas quality reporting requirements were reported to the Commission for its information, the permanent numbers had not yet been assigned. Permanent numbers were assigned to the NAESB WGQ standards to implement gas quality reporting requirements and were provided to the Commission for reference on March 18, 2005.

(<http://www.naesb.org/protected/ferc031805.pdf>)

April 12, 2005: NAESB WGQ Version 1.7 Errata Submission to FERC

NAESB WGQ Version 1.7 standards were ratified by NAESB membership and published on December 31, 2003. The minor corrections, which correct the definition of Monthly Allocation and correct certain errors in the validation codes in the Code Values Dictionary of NAESB WGQ Standard 1.4.2 and 1.4.7, were brought to NAESB's attention prior to the February 3, 2005 Executive Committee meeting, where the Executive Committee voted unanimously to adopt the errata. No adverse comments to adopting the errata were received during the member comment period. The errata will be applied to the NAESB WGQ Version 1.7 standards on April 1, 2005. This report was submitted to the Commission on April 12, 2005.

(<http://www.naesb.org/protected/ferc041205.pdf>).

April 18, 2005: NAESB Supplemental Report to the January 18, 2005 WEQ Standards to FERC Under Docket No. RM05-5-000

On April 18, 2005, NAESB submitted a supplemental report to the January 18, 2005 report to the Commission on activities undertaken by the NAESB Wholesale Electric Quadrant ("WEQ") Executive Committee ("EC") since its inception on January 2002 to December 2004. The supplemental filing corrects a typographical error in the original report and provides additional detail on the modifications made to the business practices that address Open Access Same-Time Information Systems ("OASIS") and OASIS Standards & Communications Protocol ("S&CP") and Data Dictionary.

(<http://www.naesb.org/protected/ferc041805.pdf>).

April 22, 2005: Letter to Chairman Wood reporting on the results of the NERC/NAESB Future of OASIS Conference held on March 29, 2005.

Rae McQuade, NAESB President, and Michehl Gent, NERC President, authored a letter to Chairman Wood reporting on the results of the NERC/NAESB Future of OASIS Conference. The two key conclusions from the Conference were included in the letter: (i) through the implementation of e-tags and the incorporation of e-tags into organizations' scheduling systems, the industry is in the midst of a migration towards



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

Home Page: www.naesb.org

electronic scheduling today without the need for a major redefinition of OASIS requirements; and (ii) the changes to OASIS to better support the market are being done on an incremental basis as the industry determines those changes are needed and can prioritize and staff the standards development work.

(http://www.naesb.org/pdf2/weq_ess_oasis2_051105w2.pdf)

April 22, 2005: NAESB Report to the FERC Regarding NAESB WGQ Standards in Response to Paragraph 10 of the Commission's Notice of Proposed Rulemaking and Termination Order in Docket Nos. RM96-1-026 and RM96-1-015

NAESB submitted a report to the Commission on April 22, 2005 regarding NAESB Wholesale Gas Quadrant ("WGQ") standards in response to paragraph 10 of the Commission's Notice of Proposed Rulemaking and Termination Order in Docket Nos. RM96-1-026 and RM96-1-015. NAESB's WGQ Executive Committee (EC) approved a modification to an existing standard to provide a specific location for posting voluntary consent to information disclosure by nonaffiliated customers as required by § 358 of the Commission's regulations. At the time the report was submitted, the modified standard had been distributed for member ratification, but had not been ratified.

(<http://www.naesb.org/protected/ferc042205.pdf>)

May 4, 2005: NAESB Notification to the FERC of Ratification Results for the WGQ Standards in Response to Paragraph 10 of the Commission's Notice of Proposed Rulemaking and Termination Order in Docket Nos. RM96-1-026 and RM96-1-015

NAESB notified the Commission of the ratification results regarding NAESB Wholesale Gas Quadrant ("WGQ") standards in response to paragraph 10 of the Commission's Notice of Proposed Rulemaking and Termination Order in Docket Nos. RM96-1-026 and RM96-1-015 that were posted for member ratification at the time the original report was submitted on April 22, 2005. The NAESB WGQ modified standard, discussed above, received the unanimous support of the NAESB WGQ membership.

(<http://www.naesb.org/protected/ferc050405.pdf>)



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

Home Page: www.naesb.org

TO: NAESB Board of Directors
FROM: Rae McQuade
RE: Board Committee Updates
DATE: June 10, 2005

The Board of Directors has several committees reporting to it. Below is a brief synopsis of each committee's activities:

- Certification Program (Leigh Spangler)

The certification committee is reviewing the existing program in order to make it more effective in today's environment. With the advent of Sarbanes-Oxley, self-certification with the appropriate attestations may be the approach chosen.
- Gas Electric Interdependency (Jim Templeton)

The gas-electric interdependency committee has prepared a draft report of issues identified and has a recommendation for the committee to prepare a request for standards development for efforts that have not yet been addressed.
- Resources (Gloria Ogenyi and Scott Brown)

The resources committee continues to meet by conference call and approach non-members for membership within NAESB. Since its inception, they have gained 25 new members for the organization.
- Retail Awareness (Cade Burks)

The retail awareness committee has approached several states and is reviewing how to best present retail information by state on the NAESB web site.
- Retail Structure Review (Bill Bourbonnais)

The retail structure review committee has met and identified a specific course of action for its members to work with the resources committee to determine if they can attract more members to the retail quadrants.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 9

BOARD BUSINESS

EXECUTIVE COMMITTEE REPORTS

This section includes:

- The 2005 Annual Plans for each of the quadrants

The material presented is background information for the discussion of agenda items 3 and 4.

For agenda item 3, the plans serve as background material for the discussions and no specific action of the Board is requested.

For agenda item 4, the Executive Committee leadership of each quadrant will discuss its progress towards completion of its annual plan and respond to questions from the Board. No action is required of the Board, unless changes are proposed by the Executive Committee leadership or by the Board. If changes are proposed, the Board will be asked to vote to endorse those changes via a simple majority vote.

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
 Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

2005 WGQ Annual Plan Approved by the Board of Directors on March 3, 2005

Revised by the WGQ Executive Committee on May 12, 2005

Item Description	Completion ¹	Assignment
Gas-Electric Activities		
1 Development of standards regarding an Energy Day (R04016) Status: Pending EC and Board Decisions.	4 th Qtr. 2005	BPS (joint with WEQ BPS)
2 Development of standards regarding daily operational communications between natural gas pipelines and gas fired electrical generators (R04021) Status: In progress.	2 nd Qtr. 2005	BPS (joint with WEQ BPS)
Electronic Delivery Mechanisms and Related Activities		
3 Prepare a common NAESB Electronic Transport (ET) and WGQ Quadrant Electronic Delivery Mechanism (WGQ QEDM) manuals using the version 1.6 NAESB WGQ EDM tab 6 and applicable 4.x.x standards as a base. Status: Completed except Ratification.	2 nd Qtr. 2005	EDM Subcommittee
4 Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual. Status: In Progress	2 nd Qtr. 2005	EDM Subcommittee
5 Review and enhance security standards as required by technological changes. Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI). Status: Pending WEQ ITS/ESS outcome	4 th Qtr. 2005	EDM Subcommittee
6 Explore additional possibilities for partnership with the Department of Energy. Sandia Review of security and reliability of NAESB EDM Standards. Status: Pending	4 th Qtr. 2005	EC Officers

¹ 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.

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

Home Page: www.naesb.org

Item Description	Completion ¹	Assignment
<p>7 Preparation of documents and submission of EDM standards to ANSI for approval as ANSI standards.</p> <p>Status: Postponed</p>	To be reviewed for 2006 consideration	EDM Subcommittee
<p>Standards of Conduct</p>		
<p>8 Review and develop necessary standards for the posting requirements contained in Paragraph 10 of FERC Notice of Proposed Rulemaking and Termination Order, Docket Nos. RM96-1-026 and RM96-1-015, 109 FERC ¶ 61,326 (Dec 21, 2004)</p> <p>Status: Complete</p>	1st Qtr 2005	Business Practices Subcommittee
<p>Contracts Activities</p>		
<p>9 Review and develop a Canadian Supplement to the ISDA Gas Annex. (R#_____)</p> <p>Status: Pending. No Request filed at this time.</p>	4th Qtr. 2005	Contracts Subcommittee
<p>10 Review and develop modifications to the NAESB Base Contract for Sale and Purchase of Natural Gas to allow alternative cover page. (R04028)</p> <p>Status: Complete. Waiting on EC action.</p>	3rd Qtr.	Contracts Subcommittee
<p>11 Review and update NAESB Base Contract for Sale and Purchase of Natural Gas to reflect current industry practices and applicable terms and conditions. (R05014)</p>	1st Qtr. 2006	Contracts Subcommittee

Provisional Activities²

FERC rulemaking orders – Docket No. AD 04-10 (Storage Reporting)

² 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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1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org

Home Page: www.naesb.org

Item Description	Completion ¹	Assignment
Program of Standards Maintenance & Fully Staffed Standards Work³		
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
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 on a request by request basis
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis

- Notes: (a) Priority is given to action items that are carry-overs from the 2004 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.

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



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

Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

2005 WEQ Annual Plan Approved by the NAESB Board of Directors on March 3, 2005

Revised by the WEQ EC May 10, 2005

Item Description	Completion ¹	Assignment
1 Develop business practices standards as needed to complement reliability standards		
Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs). Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		Business Practices Subcommittee (BPS)
a) Determine enhancements to "Version 0" business practices and/or new business practices as identified in the Version 0 development process.	High Priority	
i) Catalogue and prioritize enhancements to "Version 0" business practices as identified in the Version 0 development process (i.e. meeting minutes) and comment periods.	High Priority 1 st Q 2005	BPS
<i>Completed.</i>		
ii) Develop enhancements to "Version 0" business practices and/or develop new business practices as identified in the Version 0 development process (i.e. meeting minutes) and comment periods.	As Requested High Priority	Various
b) Make version 1 changes to business practices related to functional model entities as NERC undertakes the same efforts, (Interchange Authority, Reliability Authority, Transmission Service Provider and Purchasing-Selling Entity for Interchange Market Operator for Interchange).	Ongoing	BPS
c) Develop Inadvertent Interchange Payback Business Practices (2003 WEQ Annual Plan Item 6)	4 th Q, 2005	BPS
d) Develop business practices to support Coordinate Interchange – update already adopted version 1 to reflect version 1 NERC CI (R03013, R05001)	4 th Q, 2005 Low Priority	BPS
<i>Dependent on NERC activities.</i>		
e) Develop business practice standards to support Operate Within Limits (R03017)	2006	BPS
<i>Underway. Dependent on Action item 1(f).</i>		
f) Develop business practices to support the reliability components of TLR	4 th Q, 2005	BPS
<i>Underway.</i>		
g) Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC).	2006	BPS
<i>Underway. Dependent on Action item 1(f).</i>		
h) Develop jointly with NERC a Joint NERC/NAESB Operating training manual.	2005	TBD
<i>Completed.</i>	High Priority	

¹ 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.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

2005 WEQ Annual Plan Approved by the NAESB Board of Directors on March 3, 2005

Revised by the WEQ EC May 10, 2005

Item Description	Completion ¹	Assignment
2 Develop business practice standards for Version 1 to support ATC calculations		
a) Review Version 0 NERC reliability standards and comments regarding ATC calculations to determine if business practice standards are needed for NAESB Version 1. <i>Completed.</i>	1 st Q, 2005	BPS
b) Develop version 1 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards may be based on recommendations from NERC's Long Term ATC/AFC Task Force and could involve revised procedures for the ATC calculation and/or revised protocols for coordination between neighboring transmission providers and/or amendments to existing TLR procedures.	Ongoing	BPS
3 Develop and maintain business practice and communication standards for OASIS and Electronic Scheduling		
a) Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry groups' business practices and standards should be adopted as NAESB standards. Specific items to address include:	2005	Electronic Scheduling Subcommittee (ESS) and Information Technology Subcommittee (ITS)
i. Ongoing maintenance and enhancement of OASIS Phase IA Business Practices and S&CP, including but not limited to:		
1) Clarification of definitions and terminology in OASIS Business Practices	3 rd Q, 2005	ESS/ITS
2) Business Practices for the resale or reassignment of transmission service (R04006D)	3 rd Q, 2005	ESS/ITS
3) Implementation of "release" mechanism in the OASIS S&CP to complement non-firm redirects	3 rd Q, 2005	ESS/ITS
4) Network Services: determine if business practice standards or other support is needed to support use of OASIS for Network Service transactions.	2006	ESS/ITS
5) Registry: determine if business practice standards are needed to support the registry functions currently supported by NERC.	2006	ESS/ITS
ii. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders:	2006	ESS/ITS
1) Adoption/maintenance of ESC use cases (R04007)		
2) Adoption/maintenance of Functional Requirements Document (R04007)		
3) Develop and maintain business practices to support and implement the ESC use cases (R04007)		
4) PKI Initiative (e-MARC) (R03007)		



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NORTH AMERICAN ENERGY STANDARDS BOARD

2005 WEQ Annual Plan Approved by the NAESB Board of Directors on March 3, 2005

Revised by the WEQ EC May 10, 2005

Item Description	Completion ¹	Assignment
b) Develop and/or maintain standard communication protocols and cyber-security requirements as needed, including related industry standard communication protocols and cyber-security requirements	2006	ITS
i. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders (R04007)		
ii. Develop companion business practices to NERC's Cyber Standard (1300), and specifically review section 1303-Personnel & Training to determine if business practices are needed.		
c) Develop business practices as needed for clarification of definitions and terminology in the Standards of Conduct.	2 nd Q, 2005	ESS/ITS
d) Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers.	4 th Q, 2005	DUNs Task Force
<i>Underway.</i>		

4 Develop business practices standards to Improve the Current Operation of the wholesale electric market

a) Evaluate the entries on the seams catalog, determine the need for business practice standards and draft the standards requests to develop business practice standards to complement or assist specific seams mitigation efforts as noted in the seams catalog.	Ongoing	Various
b) Develop business practice standards according to approved and assigned standards requests that complement or assist specific seams mitigation efforts as noted in the seams catalog.	As Requested	Various
c) Develop business practices to support Western Interconnection Tag Definitions (R04032)	Low priority 4 th Q, 2005	BPS

5 Determine the need for and develop, if necessary, business practice standards supportive of the Gas-Electric Coordination Report

a) Evaluate and develop business practice standards for Energy Day (R04016)	4 th Q, 2005	BPS
b) Evaluate and develop business practice standards for electric scheduling timelines (R04020).	4 th Q, 2005	ESS
c) Evaluate and develop business practice standards for communications between entities representing gas-fired power generators and the pipelines serving them (R04021)	2 nd Q, 2005 High Priority	BPS

PROVISIONAL ITEMS

- 1 Develop business practice standards as requested by the regional and state advisory groups.
- 2 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.



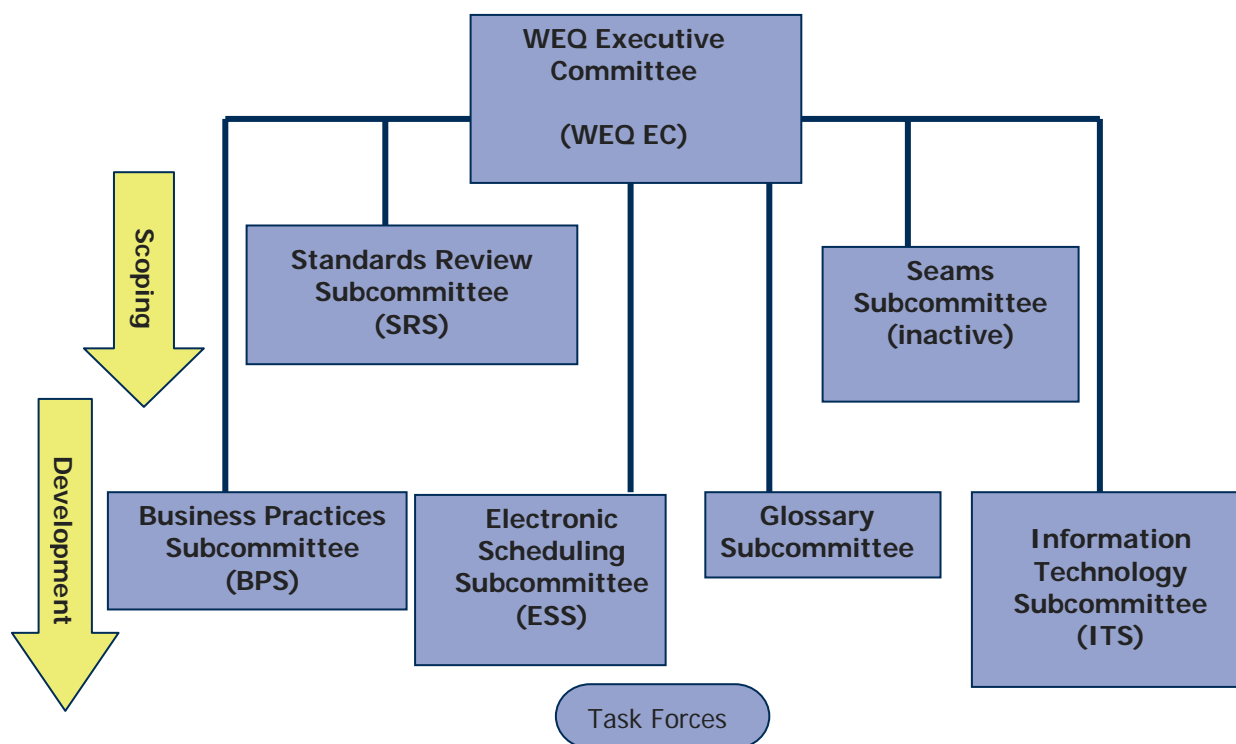
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NAESB Wholesale Electric Quadrant Committee Structure



NAESB WEQ EC and Leadership is:

Executive Committee: Lou Oberski (WEQ EC Chair) and Tony Reed (WEQ EC Vice Chair)

Standards Review Subcommittee: Raj Rana, Narinder Saini, Ollie Frazier

Business Practices Subcommittee: Phil Cox, Kathy York and Joel Dison

- Inadvertent Interchange Task Force: Phil Cox
- Energy Day Task Force: Lou Oberski, Phil Cox and Kathy York
- TLR Task Force: Michael Desselle

Electronic Scheduling Subcommittee/Information Technology Subcommittee:

Paul Sorenson, J.T. Wood and Sheri Monteith

- Coordinate Interchange Task Force: Roman Carter
- Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger

Glossary Subcommittee: Sherri Monteith

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NORTH AMERICAN ENERGY STANDARDS BOARD
2005 ANNUAL PLAN – RETAIL GAS QUADRANT¹
Approved by the Board of Directors March 3, 2005
As Modified by the RGQ EC on May 11, 2005

Item Number & Description	Completion ²	Subcommittee ³ Assignment
1 Billing & Payment Datasets and Models		
a. Develop the Data Dictionaries for the Billing & Payments MBPs Status: Underway	3 rd Qtr 2005	IR
b. Modify Billing & Payments MBPs pursuant to Request R04034. Status: Completed.	3 rd Qtr 2005	CPS/BPS
c. Technical Electronic Implementation Standards – Billing & Payments Status: Pending, Discussion Underway	3 rd Qtr 2005	TEIS
2 Market Participant Interactions	1 st Qtr. 2005	SUIS/BPS
Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders). Status: Completed		
3 Customer Information	4 th Qtr. 2005	BPS
Develop practices 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. Status: Underway.		
4 Customer Enrollment, Switching & Dropping	4 th Qtr. 2005	BPS
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.		
5 Examine Wholesale Gas Quadrant Non-EDM Standards	Ongoing	BPS
Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.		

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

² 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.

³ Assignments are subject to approval of the proposal to restructure the subcommittees.

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NORTH AMERICAN ENERGY STANDARDS BOARD
2005 ANNUAL PLAN – RETAIL GAS QUADRANT¹
Approved by the Board of Directors March 3, 2005
As Modified by the RGQ EC on May 11, 2005

Item Number & Description	Completion ²	Subcommittee ³ Assignment
Technical Electronic Implementation Subcommittee⁴		
6 Quadrant EDM Establish the Quadrant specific EDM (QEDM) standards for REQ and RGQ. Status: Underway	2 nd Qtr. 2005	Technical Electronic Implementation
Provisional Activities		
Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).		
"Energy Day" Standard - including assessment of changes to existing NAESB standards.		
Electronic Customer Billing - Develop practices for the provision electronically of billing information.		
Future Activities		
Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	TBD	
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.	TBD	
Program of Standards Maintenance & Fully Staffed Standards Work⁵		
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis

⁴ The TEIS is assigned the completion of any technical work forwarded to them by the business development subcommittees ideally one quarter after receipt of forwarded work.

⁵ This work is considered routine maintenance and thus the items are not separately numbered.

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Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary Subcommittee

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NORTH AMERICAN ENERGY STANDARDS BOARD 2005 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

Approved by the Board of Directors March 3, 2005

As Modified by the REQ EC on May 11, 2005

Item Number & Description	Completion ²	Assignment ³
1 Billing & Payment Data Dictionaries and Models		
a. Develop the Data Sets for the Billing & Payments MBPs Status: Underway	3 rd Qtr 2005	IR
b. Modify Billing & Payments MBPs pursuant to Request R04034. Status: Completed.	3 rd Qtr 2005	CPS/BPS
c. Technical Electronic Implementation Standards – Billing & Payments Status: Pending, Discussion Underway	3 rd Qtr 2005	TEIS
2 Market Participant Interactions	1 st Qtr. 2005	SUIS/BPS
Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders). Status: Completed		
3 Customer Information	4 th Qtr. 2005	BPS
Develop practices 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. Status: Underway.		
4 Customer Enrollment, Switching & Dropping	4 th Qtr. 2005	BPS
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.		

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

² 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.

³ Assignments are subject to approval of the proposal to restructure the subcommittees.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2005 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

Approved by the Board of Directors March 3, 2005

As Modified by the REQ EC on May 11, 2005

Item Number & Description	Completion ²	Assignment ³
5 Examine Wholesale Gas Quadrant Non-EDM Standards Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.	Ongoing	BPS
Technical Electronic Implementation Subcommittee⁴		
6 Quadrant EDM Establish the Quadrant specific EDM (QEDM) standards for REQ and RGQ. Status: Underway.	2 nd Qtr. 2005	Technical Electronic Implementation
Provisional Activities		
Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).		
“Energy Day” Standard - including assessment of changes to existing NAESB standards.		
Electronic Customer Billing - Develop practices for the provision electronically of billing information.		
Future Activities		
Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	TBD	
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.	TBD	
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, load profiling, settlement, etc. Issues related to unbundled or competitive metering are not to be considered.	TBD	
Load Profiling Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.	TBD	
Settlement Process Reconcile energy schedules and energy delivered by suppliers within a given market. Note:	TBD	

⁴ The TEIS is assigned the completion of any technical work forwarded to them by the business development subcommittees ideally one quarter after receipt of forwarded work.

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NORTH AMERICAN ENERGY STANDARDS BOARD 2005 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT¹

Approved by the Board of Directors March 3, 2005

As Modified by the REQ EC on May 11, 2005

Item Number & Description	Completion ²	Assignment ³
will need to be coordinated with the WEQ.		
Program of Standards Maintenance & Fully Staffed Standards Work⁵		
Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary Subcommittee

⁵ This work is considered routine maintenance and thus the items are not separately numbered.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 10

BOARD BUSINESS

EXECUTIVE DIRECTOR'S REPORT

This section includes:

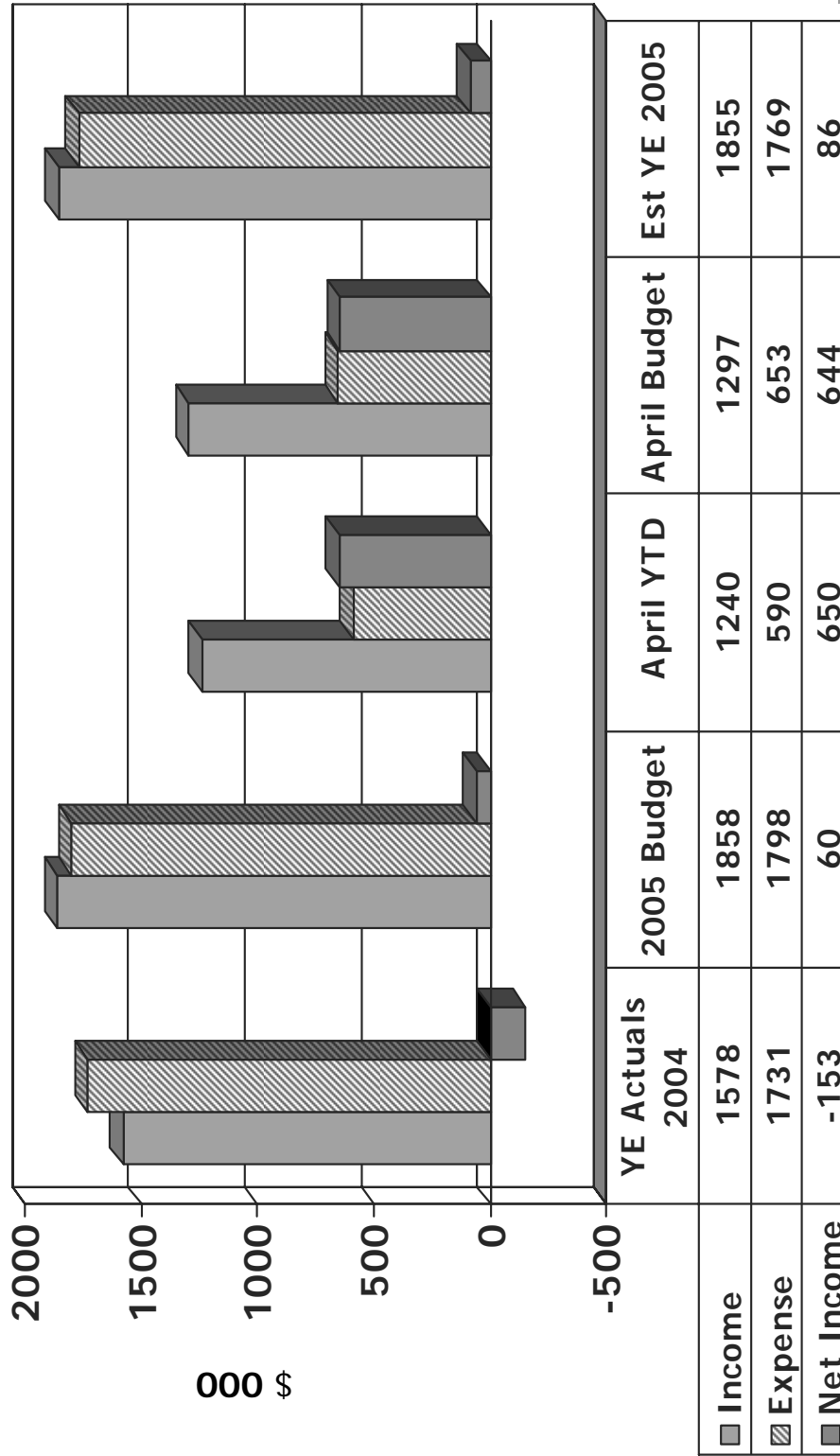
- April Financial Statements
- Membership Report and Statistics
- Update on Partnerships and Liaisons with other groups

The material presented is background information for the discussion of agenda item 4. This is for informational and discussion purposes. No action is requested from the Board.

North American Energy Standards Board

Board of Directors Meeting – 6-22-05

2005 YTD Analysis as of April 30, 2005 – Accrual Based



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FINANCIAL REPORT APRIL 2005 – ACCRUAL BASED

BALANCE SHEET

Assets

Current Assets	\$201,540.33
Accounts Receivable	\$198,500.00
Fixed Assets	\$29,892.89
Other Assets	\$10,277.94
Total Assets	\$440,211.16

Liability & Equity

Deferred Revenue	\$76,791.67
Accounts Payable	\$45,187.59
Retained Earnings	(\$331,458.30)
Net Income	\$649,690.20
Total Liability and Equity	\$440,211.16

INCOME AND EXPENSE

Income	\$1,239,214.26
Expense	\$589,524.06
Net Income	\$649,690.20

INCOME AND EXPENSES TO BUDGET - YTD

2005 YTD Budget for Income	\$1,296,619.67
Income Variance	\$57,405.41
2005 YTD Budget for Expenses	\$653,048.36
Expenses Variance	(\$63,524.30)
Net Income Variance	(\$6,118.89)

YEAR END ANALYSIS

2005 Budget	\$1,858,120.00
Revenue YTD	\$1,239,214.26
Expected Revenue May - Dec	\$615,905.74
Estimated Year End Revenue	\$1,855,120.00
Expenses YTD	\$589,524.06
Expected Expenses May - Dec	\$1,176,000.00
Estimated Year End Expenses	\$1,768,963.58
Difference - Revenue - Expenses	\$86,150.42

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CASH BASIS ANALYSIS

Beginning Balance 1-1-05	\$383,113
Total Cash Income	\$451,214
Total Costs	\$653,966
Ending Balance	\$180,361

ACCOUNTS RECEIVABLE ANALYSIS

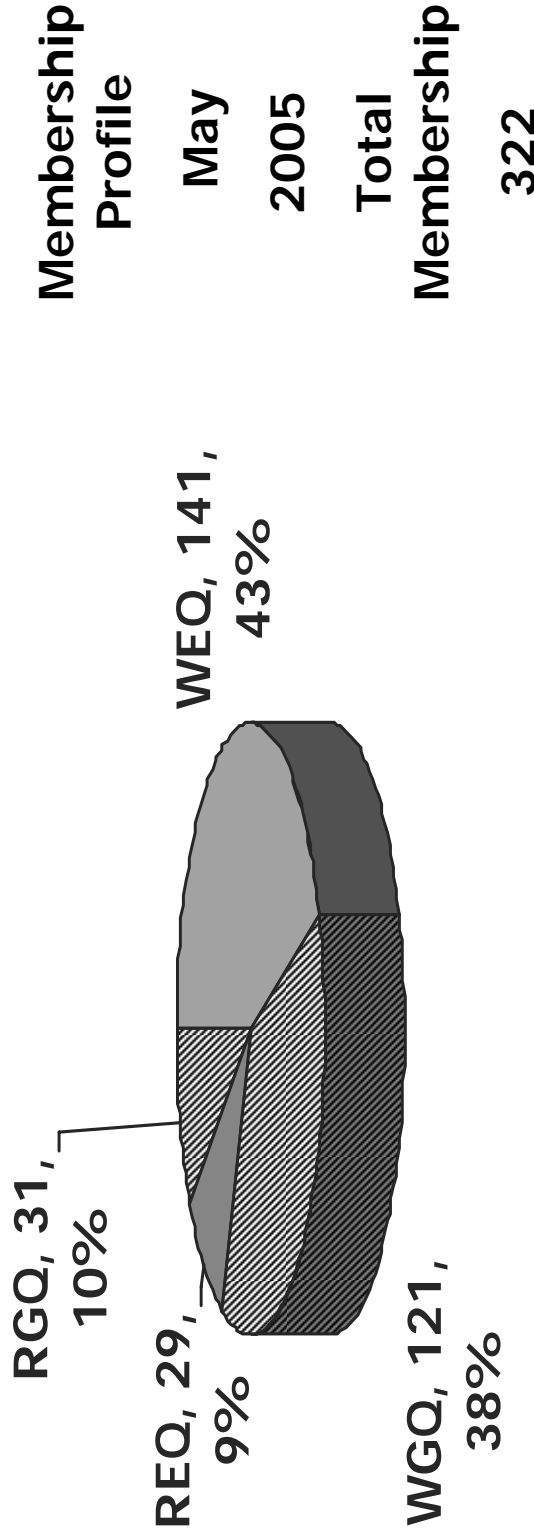
Accounts Receivable as of 4-30-05	\$198,500
Items more than 90 days outstanding	\$65,000
Items 90 Days Outstanding	\$0
Items 0-60 Days Outstanding	\$133,500
Items Since Collected	\$107,500
Items for which credit memos have been issued	\$25,000
Items Resolved as of 6/3/05 of the 90 day outstanding	\$50,000

CONFERENCE CALLING FEES

Conference Calling Fees Collected YTD April	\$65,800
Portion to be Accrued Across 2005 (\$1000 Fee)	\$63,000
Expected Conference Calling Fees – May - Dec	\$5,600

North American Energy Standards Board

6/22/05



Quadrant Statistics	WEO	WGO	REQ	RGO	Total
Membership YE 2004	133	119	32	32	316
Net Change	+8	+2	-3	-1	+6
Membership YTD	141	121	29	31	322

North American Energy Standards Board Membership List
As of June 10, 2005

NAESB Membership Report - Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	Total	121
	End Users	18
	Distributors	24
	Pipelines	39
	Producers	13
	Services	27
REQ Segments	TOTAL	29
	End Users	4
	Distributors	15
	Services	6
	Suppliers	4
RGQ Segments	TOTAL	31
	End Users	4
	Distributors	13
	Services	7
	Suppliers	7
WEQ Segments	TOTAL	141
	End Users	13
	Distributors	25
	Transmission	43
	Generation	30
	Marketers	26
	None Specified	4

North American Energy Standards Board Membership List
As of June 10, 2005

NAESB Membership Statistics – Changes by Quadrant for 2005 as of May 31, 2005

WEQ	New Members:	13
	<i>DTE Energy, Southern California Edison Company, American Public Power Association, Idaho Power Company, Progress Energy (Regulated), Maryland Peoples Counsel, Minneapolis Consulting Group, NERC, Open Access Technology International, Inc., Constellation Generation Group, New York State Reliability Council, Otter Tail Power Company, WECC</i>	
	Member Resignations:	5
	<i>CapGemini Ernest and Young, PSEG Power, Avista Corp, Duke Energy North America, Buckeye Power, Inc.</i>	
WGQ	New Members:	6
	<i>Chandeleur Pipe Line Co., Florida Reliability Coordinating Council, New Jersey Natural Gas Company, NJR Energy Services Company, Alliance Pipeline LP, Northern Plains Natural Gas Co.,</i>	
	Member Resignations:	4
	<i>Transwestern Pipeline Co., TXU Energy Trading, SUEZ Energy Resources, Columbia Gulf Transmission</i>	
REQ	New Members:	0
	Member Resignations:	3
	<i>Southern California Edison, Reliant Energy Retail Services, Electric America</i>	
RGQ	New Members:	1
	<i>Sprague Energy Corp.</i>	
	Member Resignations:	2
	<i>Consolidated Edison Company of New York, Inc., Amerada Hess Corporation</i>	
TOTAL	New Members	20
	Member Resignations:	14

North American Energy Standards Board Membership List
As of June 10, 2005

Quadrant		Organization	Segment	Contact	Sub-Segment
Retail Electric Quadrant:	1	Alabama Power	d	Judy W. Ray, Yvette Camp	
	2	Ameren Services Company	d	Patrick Eynon	
	3	Baltimore Gas & Electric Co.	d	Ruth Kiselewich, John Magwood	
	4	Calpine Energy Services, LP	su	Janet Dixon	
	5	Cinergy Services, Inc.	d	Paul K. Jett	
	6	Consolidated Edison Company of NY	d	Hollis Krieger	
	7	Defense Energy Support Center	e	Lisa Robert	
	8	Detroit Edison Company	d	William J. Newbold, Jr.	
	9	Direct Energy Business Services	su	David Booty	
	10	Dominion Retail	su	William Barkas, Richard Zelenko	
	11	Dominion Virginia Power	d	David F. Koogler, Mary Edwards	
	12	EC Power International	s	Judy Bailey, J. Cade Burks	
	13	Electric Reliability Council of Texas (ERCOT)	s	Sam R. Jones, Rob Connell, Ray Giuliani	
	14	Exelon Energy Delivery	d	Toni Garza	
	15	Foley & Lardner	s	TBA	
	16	Georgia Power Company	d	Ernestine McNair, Yvette Camp	
	17	Gulf Power Company	d	Joel Thomas Kilgore	
	18	MidAmerican Energy	d	James E. Wilson	
	19	Mississippi Power Company	d	Dorman Davis	
	20	Office of Public Advocate, State of Maine	e	Barbara Alexander	
	21	Ohio Consumers Council	e	Randy Corbin	
	22	Pennsylvania Office Of Consumer Advocate	e	Tanya J. McCloskey, Sonny A. Popowsky	
	23	PPLSolutions, LLC	s	James M. Minneman	
	24	Public Service Electric & Gas	d	Terrence Moran	
	25	Savannah Electric and Power Company	d	Osman Bholat	
	26	Southern Company Services	s	Mark S. Jarrett, Yvette Camp	
	27	Structure Group	s	Stacey Wood	
	28	TXU Energy Retail	su	Felecia Lokey	
	29	Wisconsin Public Service Corporation	d	William L. Bourbonnais, Les Nishida, Ken Thiry	

North American Energy Standards Board Membership List
As of June 10, 2005

Quadrant		Organization	Segment	Contact	Sub-Segment
Wholesale Gas Quadrant:	1	8760	s	John Williams, Jim Buccigross	
	2	AEP Energy Services, Inc.	s	Cathy Szasz	
	3	Alliance Pipeline LP	pl	Neil Coghlan	
	4	Ameren Corporation	l	Scott Glaeser	
	5	Apache Corporation	pr	Michele Markey	
	6	Arizona Public Service Company	e	Gary Duede, Kelly Daly, Curt Brechtel	
	7	Atmos Energy	pl	Steve Easley	
	8	Ballard Natural Gas, LLC	s	Susan Thibodeaux	
	9	Baltimore Gas & Electric Co.	l	Phil Precht	
	10	Barclays Bank PLC	s	Guy Kern-Martin	
	11	BG LNG Services, LLC	s	Martha Braddy	
	12	Boeing Co., The	e	Tina Burnett	
	13	BP Energy	pr	Bill Benham, Lauren Kaestner	
	14	Bridgeline Gas Marketing	pl	Georgia Blanchard	
	15	Burlington Resources	pr	Paul Keeler	
	16	Calpine Energy Services, LP	e	Janet Dixon, Craig Chancellor	
	17	Cargill Incorporated	s	Kathy Gerken	
	18	Cascade Natural Gas Corporation	l	Mark Sellers-Vaughn	
	19	CenterPoint Energy Gas Resources Corp.	s	James G. Beste	
	20	CenterPoint Energy Gas Transmission Company	pl	Larry Thomas	
	21	CenterPoint Energy Mississippi River Transmission Corporation	pl	Robert Trost	
	22	Chandeleur Pipe Line Company	pl	Janice E. Rogers	
	23	Chevron/Texaco	pr	Randy Mills	
	24	Cinergy - regulated	e	John Procaro	
	25	Cinergy Marketing and Trading	s	Maribeth Bedevian	
	26	Columbia Gas Transmission	pl	Carl Levander	
	27	Comprehensive Energy Services	e	Jim Templeton	
	28	ConocoPhillips Gas and Power	pr	Peter Frost	
	29	Consolidated Edison Company of NY	l	Mary Jane McCartney, James Stanzione	
	30	Constellation Commodities Group, Inc.	s	Robert McKay	

North American Energy Standards Board Membership List
As of June 10, 2005

Quadrant	Organization	Segment	Contact	Sub-Segment
31	Dauphin Island Gathering Partners	pl	Katie Rice	
32	Defense Energy Support Center	e	Veronica Jones, Kevin Ahern	
33	Department of Energy	e	Christopher Freitas	
34	Dominion Exploration and Production, Inc.	pr	David Ogden, Gary Weaver, Sheri Heslington	
35	Dominion Resources	l	Craig Columbo	
36	Dominion Transmission, Inc.	pl	Gary Sypolt, Iris King	
37	Duke Energy Gas Transmission - Texas Eastern	pl	Richard Kruse	
38	Edison Mission Marketing and Trade	e	Christian Hnat, William Roberts	
39	El Paso East Pipeline	pl	Larry Smith, Mark Gracey	
40	El Paso Natural Gas	pl	William Griffith	
41	El Paso Production Company	pr	Bill Hebenstreit	
42	Enbridge Energy Company, Inc.	pl	Terry McGill	
43	EnCana Marketing (USA) Inc.	s	Keith Sappenfield	
44	EnCana Corporation	pr	Keith Sappenfield	
45	Energy East Management Corporation	l	Marjorie Perlman	
46	Energy Velocity	s	Konni Keuter	
47	Entergy Services, Inc.	e	Arlynn Kelleher, Terry Shields	
48	Equitable Gas Company	l	Steve Rafferty	
49	Equitrans, L.P.	pl	Mina Speicher	
50	ExxonMobil Gas Marketing	pr	Richard Smith	
51	Florida Power & Light Company	e	Dona Gussow	
52	Florida Reliability coordinating Council	e	Joe Stepenovitch	
53	Gas Transmission Northwest Corp.	pl	Jay Story	
54	Great Lakes Gas Transmission	pl	Gene Fava	
55	Group 8760	S	Jim Buccigross	
56	Gulf South Pipeline	pl	Claire Burum, Randy Young	
57	H S Resources Inc.	pl	Carol Hall	
58	Imperial Irrigation District	e	William Rapp	
59	Iroquois Gas Transmission System	pl	Tom Gwilliam	
60	Kern River Gas Transmission Company	pl	Janie Nielsen	
61	Kerr-McGee Oil and Gas Corporation	pr	Charles (Chuck) Johnson	
62	Key Span Energy	l	Dolores Chezar	
63	Laclede Gas Co.	l	Kenneth Neises	

North American Energy Standards Board Membership List
As of June 10, 2005

Quadrant	Organization	Segment	Contact	Sub-Segment
64	Latitude Technologies	s	Leigh Spangler	
65	Louis Dreyfus Energy Services	e	Mary Ellen Bell, Ruby H. Melton	
66	Lower Colorado River Authority	e	Mickey Bell	
67	Marathon Oil Company	pr	Robin Perrine	
68	Mewbourne Oil Company	pr	Michael F. Shepard	
69	National Fuel Gas Distribution	l	Michael Novak	
70	National Fuel Gas Supply Corp.	pl	Joseph Kardas	
71	Natural Gas Pipeline Co of America	pl	Paul Love	
72	New Jersey Natural Gas Company	l	Douglas C. Rudd	
73	Niagara Mohawk Power Corporation	l	Bruce Garcy	
74	Nicor Gas	l	Nancy Brucher	
75	NiSource Inc.	l	M. Christopher Maturo	
76	NJR Energy Services Company	s	Ginger Richman	
77	Northern Natural Gas	pl	Mary Darveaux	
78	Northern Plains Natural Gas Co., LLC	pl	Scott Coburn	
79	Northwest Natural Gas Company	l	Randolph Friedman	
80	NOVA Gas Transmission Ltd.	pl	Doug Miller	
81	Occidental Energy Marketing Inc. (OEMI)	pr	Melinda Duncan	
82	Oxadel Consulting, LLC	s	Lyn Maddox	
83	Pacific Gas & Electric	l	John Breen	
84	Panhandle Eastern Pipe Line	pl	William Grygar, Kim Van Pelt	
85	PECO Energy Co.	l	Reed R. Horting	
86	Pemex Gas Y Petroquimica Basica	s	Juan Enrique Gonzalez Azuara	
87	Peoples Gas Light & Coke Co.	l	Tom Zack	
88	Platts	s	Bill Murphy	
89	Portland General Electric	pl	Kathy Davies	
90	Portland Natural Gas Transmission System	pl	David Haag	
91	PPL EnergyPlus, LLC	e	Anne Lovett	
92	Promet Energy Partners, LLC	s	Gregory R. White	
93	Public Service Electric & Gas	l	David Wohlfarth	
94	Questar Pipeline Co.	pl	Scott Hansen	
95	Quorum Business Solutions Inc.	s	Douglas Allen	
96	Sabine Pipe Line LLC	pl	Jan Rogers	
97	Salt River Project Agricultural Improvement & Power District	e	Diane McVicker	

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Quadrant	Organization	Segment	Contact	Sub-Segment	
	98	SCANA Corporation	pl	Jacquelyn Gettle	
	99	Sempra Energy - Southern California Gas Co.	l	Lee Stewart, Rodger Schwecke	
	100	Sequent Energy Management, L.P.	s	Pat Metteauer	
	101	Shell Gas Transmission, LLC	pl	Chuck Cook	
	102	SolArc Inc.	s	Tim Curtis	
	103	Southern California Edison Company	e	Roman Bakke	
	104	Southern Company Services, Inc.	e	Carl Haga	
	105	Southern Natural Gas Co.	pl	Renee Hyde, Ronnie L. Martin	
	106	Southern Star Central Gas Pipeline	pl	James L. Harder	
	107	Southwest Gas Corporation	l	Larry Black	
	108	SunGard Energy Systems	s	Chuck McClure, Jennifer Chen	
	109	Telvent	s	William (Bill) Morrow	
	110	Tennessee Valley Authority	e	Valerie Crockett	
	111	Texas Gas Transmission, LLC	pl	Jeff Bittel	
	112	Tiger Natural Gas	s	Tracy Phillips	
	113	TransCanada Pipelines	pl	Doug Miller	
	114	Trinity Apex Systems	s	Richard (Dick) Couron	
	115	UBS Energy LLC	s	Suzanne Calcagno	
	116	Vector Pipeline L.P.	pl	Amy Bruhn	
	117	Washington Gas Light Co.	l	Tim Sherwood, Adrian Chapman	
	118	Westfield Gas & Electric Light Dept.	l	Joyce Bodak	
	119	Williams Gas Pipeline	pl	Dale Davis, Ron Mucci	
	120	Williston Basin Interstate Pipeline	pl	Keith Tiggelaar	
	121	Wisconsin Public Service Corporation	l	Patrick Fox	
Wholesale Electric Quadrant:	1	ACES Power Marketing LLC	m	Roy J. True	muni
	2	Alabama Electric Cooperative, Inc.	d	Kenneth J. Skroback	muni
	3	American Electric Power Service Corp.	m	Barbara Radous, Joseph Hartsoe	iou
	4	American Electric Power Service Corp.	d	Thomas Ringenbach	iou
	5	American Electric Power Service Corp.	t	John Stough, Michael Desselle	iou
	6	American Municipal Power - Ohio, Inc.	d	Pat Frazier, Chris Norton	muni

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Quadrant	Organization	Segment	Contact	Sub-Segment
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	Arkansas Electric Cooperative Corporation	g	Ricky Bittle	muni
11	Basin Electric Power Cooperative	t	Dan Klempel	muni
12	Basin Electric Power Cooperative	m	David Raatz	nd
13	Basin Electric Power Cooperative	g	Jason Doerr	muni
14	Boeing Company	e	Steve LaFond	lind
15	Bonneville Power Administration	d	Sydney D. Berwager	other
16	Bonneville Power Administration	g	Francis Halpin	fed
17	Bonneville Power Administration	m	Brenda Anderson	fed
18	Bonneville Power Administration	t	Barbara Rehman	fed
19	BP America Inc.	e	Jeanne Zaiontz	lind
20	Calpine Corporation	g	William Taylor, Jim Stanton	merc
21	Central Electric Power Cooperative	d	Arthur Fusco	muni
22	ChevronTexaco Energy Research and Technology	e	Carol Guthrie	sgen
23	Cinergy	e	John Procario	endues
24	Cinergy	g	Walt Yeager	iou
25	Cinergy	m	Walt Yeager	iou
26	Cleco Power, LLC	t	Keith Comeaux	iou
27	Columbus Southern Power Company	g	Phil Cox	merc
28	Comprehensive Energy Services	e	Jim Templeton	enduse
29	Conectiv Energy Supply, Inc.	g	Gloria Ogenyi	merc
30	Conectiv Energy Supply, Inc.	m	Gloria Ogenyi	iou
31	Consolidated Edison Company of New York, Inc.	t	Scott Butler	iou
32	Constellation Generation Group	g	Michael Gildea	merc
33	Constellation NewEnergy, Inc.	d	Sara O'Neill Carrie Cullen Hitt	comp ret
34	Consumers Energy Company	d	Andrew C. Dotterweich, Frank Johnson	iou
35	Consumers Energy Company	g	Steven L. Gaarde, Andrew C. Dotterweich, John J. Dellas	iou
36	Dairyland Power Cooperative	t	Chuck Callies	muni
37	Department of the Interior, Bureau of Reclamation	g	Deborah M. Linke	fed
38	Dominion Energy Marketing, Inc.	g	Lou Oberski	iou

North American Energy Standards Board Membership List
As of June 10, 2005

Quadrant	Organization	Segment	Contact	Sub-Segment
39	DTE Energy	m	David G. Nick	iou
40	Duke Energy Corp.	d	Ollie Frazier	iou
41	Dynegy Power Marketing, Inc.	g	Barry Huddleston	merc
42	Edison Electric Institute	n	David Owens, Dave Dworzak	N
43	Electric Reliability Council of Texas (ERCOT)	n	Sam R. Jones, Ray Giuliani	n
44	ElectriCities of North Carolina (North Carolina Eastern Municipal Power Agency)	g	Gregory Locke	muni
45	Electricity Consumers Resource Council (ELCON)	e	John Anderson, John Hughes	lind
46	Empire District Electric Company, The	t	Bary K. Warren	iou
47	Energy East Management Corporation	t	Marjorie Perlman	iou
48	Entergy Services, Inc.	t	Edward J. Davis	iou
49	Entergy Services, Inc.	m	James M. (Jimmy) Smith	iou
50	Exelon Corporation - PECO Energy	d	John F. Leonard, Jr.	iou
51	Exelon Generation - Power Team	m	Jack Crowley	iou
52	ExxonMobil Gas Marketing	e	Steve Sayuk, Mark Scheel, Mark Ulrich	sgen
53	FirstEnergy Solutions Corp.	M	Edward C. Stein	iou
54	Florida Municipal Power Agency	g	Rick Casey	muni
55	Florida Municipal Power Agency	d	Steven H. McElhaney	muni
56	Florida Power & Light Company	m	Gerry Yupp, Raleigh Nobles	iou
57	Florida Power & Light Company	t	Marty Mennes	iou
58	Florida Reliability Coordinating Council	t	Linda D. Campbell	at large
59	Georgia Transmission Corporation	t	Patrick McGovern, Mark Temple	muni
60	Hydro One Networks	t	Dave Barrie	itc
61	Hydro – Quebec Transenergie	t	Victor Bissonnette	fed
62	Idaho Power Company	t	Robert Gumm	iou
63	Indiana Muncipal Power Agency	g	Dick Foltz	muni
64	International Transmission Company	t	Jim D. Cyrulewski	itc
65	Maryland Peoples Counsel	e	Mike Tomczak	
66	Michigan Electric Transmission Company LLC	t	Charles V. Waits	itc
67	Michigan Public Power Agency	d	James R. Nickel, Daniel E. Cooper	muni
68	Midwest Independent TransmissionSystem Operator+J96	n	William (Bill) Phillips	n

North American Energy Standards Board Membership List
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Quadrant	Organization	Segment	Contact	Sub-Segment
69	Minneapolis Consulting Group		Mike Prickett	endues
70	Mirant Corp.	m	Susann D. Felton, Alan Johnson	niou
71	Missouri River Energy Services	d	Brian Zavesky	muni
72	Modesto Irrigation District	t	Roge Van Hoy	muni
73	National Association of Regulatory Utility Commissioners	E	Lou Ann Westerfield	reg
74	National Grid USA	t	Masheed Rosenqvist, Peter Flynn, Mary Ellen Paravalos	itc
75	National Rural Electric Cooperative Assoc.		Barry Lawson	muni/coop
76	Navigant Consulting, Inc.	m	Richard G. Smead	at large
77	New York State Dept. of Public Service	e	William Heinrich	reg
78	New York State Reliability Council	d	P. Donald Raymond	at large
79	North American Electric Reliability Council	d	Donald M. Benjamin	at large
80	North Carolina Electric Membership Corporation	d	David Beam	muni
81	North Carolina Electric Municipal Power Agency #1	m	Clay A. Norris	muni
82	North Carolina Electric Municipal Power Agency #1	d	Andrew Fusco	muni
83	Northeast Utilities Service Company	t	David Boguslawski, Bill P. McKinnon	iou
84	Oglethorpe Power Corporation	g	Billy Ussery	muni
85	Ohio Consumers' Counsel	e	Randy Corbin	comres
86	Old Dominion Electric Cooperative	g	James N. Kimball	muni
87	Ontario Power Generation	g	Barry Green	merc
88	Ontario Power Generation	m	Rob Robinson	niou
89	Open Access Technology International, Inc.	e	Kevin Burns	at large
90	Open Access Technology International, Inc.	t	Paul R. Sorenson	at large
91	Otter Tail Power Company	t	Daryl Hanson, Larry Larson	iou
92	PacifiCorp	m	Edison G. Elizeh	iou
93	PacifiCorp	g	Greg Maxfield	iou
94	PacifiCorp	t	Jim Hicks, Darrell Gerrard	iou
95	PHI Power Delivery	t	Ken Gates	iou
96	Platte River Power Authority	t	Terry L. Baker	muni
97	Portland General Electric	m	Terri Peschka	iou
98	PPL Electric Utilities Corporation	t	Ray Mammarella	iou

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Quadrant	Organization	Segment	Contact	Sub-Segment
99	Progress Energy (Unregulated)	m	Micheal Settlage	iou
100	Progress Energy (Regulated)	m	James Eckelkamp	iou
101	Progress Energy	t	Verne Ingersoll, Phillip W. Lewis	iou
102	PSEG Energy Resources and Trade LLC	m	James D. Hebson	io
103	Public Service Electric and Gas Company	d	Colin J. Loxley	iou
104	Public Service Electric and Gas Company	t	Jeffrey C. Mueller	iou
105	Puget Sound Energy, Inc.	t	George Marshall, Bob Harshbarger	niou
106	Sacramento Municipal Utility District	d	Robert D. Schwermann	muni
107	Sacramento Municipal Utility District	g	Thomas Ingwers	muni
108	Salt River Project Agricultural Improvement and Power District	d	Wendy Weathers, Mark B. Bonsall	other
109	Salt River Project Agricultural Improvement and Power District	t	Steve Cobb	fed
110	Seminole Electric Cooperative, Inc.	g	Lane Mahaffey	muni
111	Southeastern Power Administration	g	Bob Goss	fed
112	Southern California Edison	t	Ronald D. Nunnally	iou
113	Southern California Edison Co.	g	Thomas Watson	iou
114	Southern Company Services, Inc.	d	Garey Rozier, Jim Miller, Greg Butrus	iou
115	Southern Company Services, Inc.	g	Tony A. Reed	iou
116	Southern Company Services, Inc.	m	Joel Dison	iou
117	Southern Company Services, Inc.	t	R.D. (Dean) Ulch, John Lucas	iou
118	Southwest Transmission Cooperative, Inc.	t	Larry D. Huff	muni
119	Southwest Power Pool	n	Carl Monroe	n
120	Southwestern Power Administration	g	Forrest E. Reeves	fed
121	Southwestern Power Administration	t	Stanley L. Mason	fed
122	Sunflower Electric Power Corporation	t	L. Earl Watkins, Carroll Waggoner	muni
123	Tenaska, Inc.	g	Scott Helyer	merc
124	Tennessee Valley Authority	d	Ron L. Owens	other
125	Tennessee Valley Authority	g	William F. Irish	fed
126	Tennessee Valley Authority	m	Clyde Harmon	fed
127	Tennessee Valley Authority	t	Mitchell Needham, W. Terry Boston	fed

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Quadrant	Organization	Segment	Contact	Sub-Segment	
	128	TRANS-ELECT, INC.	t	Paul D. McCoy	itc
	129	Tri-State Generation and Transmission Association, Inc.	t	Bruce Sembrick	muni
	130	TXU Energy	m	Elizabeth HowlandMike Grim	nio
	131	TXU Electric Delivery	t	Ellis Rankin, Deborah McKeever	iou
	132	UBS Energy LLC	m	Suzanne Calcagno	niou
	133	Vermont Public Power Supply Authority	g	William J. Gallagher	muni
	134	Western Area Power Administration	t	Mark Fidrych	fed
	135	Western Area Power Administration	m	Jeffrey Ackerman	fed
	136	Western Electricity Coordinating Council	t	Michael Wells, Louise McCarren	at large
	137	We Energies (Wisconsin Electric)	d	Linda Horn	iou
	138	We Energies (Wisconsin Electric)	g	James R. Keller	iou
	139	Wisconsin Public Power Inc.	d	Mike Stuart	muni
	140	Wisconsin Public Service Corporation	g	William Bourbonnais, Charles W. Severance, Neal Balu	iou
	141	Xcel Energy Inc.	m	Steven J. Beuning	iou
Retail Gas Quadrant:	1	AGL Resources Inc.	d	Katrina Bond	
	2	Baltimore Gas & Electric Company	d	Phil Precht	
	3	Center Point Energy Minnegasco	su	Andrea Newman	
	4	Commerce Energy Group	s	Greg Lander	
	5	Dominion Retail, Inc.	su	Richard A. Zollars	
	6	Duke Energy Gas Transmission, LLP	su	Richard Kruse, Marcy L. McCain	
	7	Energy Services Group, Inc.	s	George Behr	
	8	Exelon Energy	su	Barb Fatina	
	9	Indiana Office of Utility Consumer Counselor	e	Matthew Parsell	
	10	International LNG Alliance	s	David Sweet	
	11	KeySpan Energy Delivery	d	Nancy Cianflone	
	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	

North American Energy Standards Board Membership List
As of June 10, 2005

Quadrant	Organization	Segment	Contact	Sub-Segment
16	Northwest Industrial Gas Users	e	Paula E. Pyron	
17	Ohio Consumers' Counsel	e	Bruce M. Hayes	
18	Pennsylvania Office of Consumer Advocate	e	Tanya J. McCloskey, Stephen Keene	
19	Peoples Gas System	d	Rachel Gebhardt	
20	Philadelphia Gas Works	d	Joe Stengel, Craig White	
21	Public Service Electric & Gas Company	d	Terrence Moran	
22	R. J. Rudden Associates	s	Richard J. Rudden, John D. Charboneau, Don Sytsma	
23	Shell Energy Services	su	Harry Kingerski	
24	Sprague Energy Corp.	su	Kathy Fudali	
25	SunGard EnForm Consulting	s	David F. Pfeifer	
26	Systrends	s	Dave Darnell	
27	UBS Energy LLC	su	Suzanne Calcagno	
28	UGI Utilities, Inc.	d	Paul Szykman	
29	Union Gas	d	Greg Tetreault	
30	Wisconsin Public Service Corporation	d	William Bourbonnais, Glen R. Schwalbach, Les Nishida	
31	Xcel Energy	d	Don Basler	



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

Home Page: www.naesb.org

June 10, 2005

TO: Managing Committee and Board Members

FROM: Rae McQuade

RE: Notes from Meeting with FERC Commissioners – May 19-20, 2005

Notes from Meeting with FERC Commissioners

May 19-20, 2005

Schedule

On May 19, 2005, Rae McQuade, Michael Desselle and Joe Stepenovitch attended two meetings at the Department of Energy (Kevin Kolevar also attended by David Meyer and Larry Mansueti; and Mark Maddox also attended by Christopher Freitas, Jim Schultz and Catlen Moore) and three meetings at the FERC (Chairman Pat Wood III also attended by Marv Rosenberg, Commissioner Kelliher also attended by Jim Peterson, and Commissioner Kelly). On May 20, the meetings were held with industry association leadership (Ken Malloy (CAEM), Don Santa (INGAA), Skip Horvath (NGSA), Chuck Gray (NARUC), Roger Cooper (AGA)).

The meetings were requested by Chairman Wood and Commissioner Brownell in the FERC Open Meeting on December 15, 2004 during which Chairman Wood summarized NAESB's initiation of efforts to develop energy day standards by June 1, 2005. Commissioner Brownell requested regular updates on these efforts prior to the deadline. The first set of updates were held on February 14 and provided the commissioners with the requested update and touched on other activities underway at NAESB. The following notes are from the meetings. Below are the notes of the second set of updates.

Discussion Notes

- We noted that the standards and the Board report from the Gas-Electric Interdependency Committee (GEIC) would be forwarded following the NAESB Board meeting on June 22.
- We further noted that later in May, the Executive Committees (WEQ and WGQ) would vote out the communication standards. They would then go through the normal process of member ratification.
- The commissioners and DoE representatives were supportive of producing the GEIC report, which would include the standards and looked forward to seeing the report in late June.
- The DoE representatives stressed the need for technology to help bridge the differences between the gas and electric industries that can pose barriers to natural gas serving power generation.
- In discussions on the outstanding ANOPR on OASIS 2 with Commissioner Kelliher, NAESB agreed to develop a list of business practices that it is working on or plans to work on that may address the intent of the ANOPR. That list is now under development.



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- In discussions with e DoE, it was raised that they had heard of difficulties in OASIS related to use of non-standard formats and the resulting problems with downloading information.
- The industry association leadership appreciated the notice that the report was to be released in late June and also were interested in reading the draft of he report, which was sent to them on June 1, when it was forwarded to all Board members.
- Industry association leadership was supportive of NAESB's direction that the report does not offer specific solutions.
- In discussions on gas quality and the remaining parts of the gas quality request, it was noted by several that part c (the request to investigate the need to standard values or ranges for the individual gas qualities) as probably not needed at this time, but that the reporting of assumptions used in either calculating the gas qualities or measuring them (part b of the request) as NAESB business practices would be helpful.
- In discussions with Chuck Gray of NARUC, he offered that it might be appropriate to inform the state commissioners and staff at the upcoming Austin meeting (late July). Since the meeting with Mr. Gray, NAESB will present the materials at a joint gas/electric subcommittee.

**NORTH AMERICAN ENERGY STANDARDS BOARD
BOARD OF DIRECTORS MEETING MATERIALS
JUNE 22, 2005**

TAB 11

BOARD BUSINESS

PLAN FOR THE SEPTEMBER 22 MEETING

This section includes:

- Meeting schedule for the remainder of 2005.

The material presented is background information for the discussion of agenda item 5. Board members are asked to raise issues they would like addressed in the September 22 meeting.



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

Home Page: www.naesb.org

TO: NAESB Board Members
FROM: Rae McQuade, NAESB Executive Director
RE: **2005 Calendar of Board Meetings - Revised**
DATE: June 1, 2005

Dear NAESB Board Members -

Below is the 2005 meeting schedule for Board of Director meetings. All meetings will be accessible by phone, and meeting materials for each meeting will include a ballot for notational voting on any items that are not decided by simple majority.

Thursday, March 3	9am – 1:00 pm Central time Houston, TX at IAH Airport Marriott Hotel
Thursday, June 22	9am – 1:00 pm Central time San Antonio, Texas at the Menger Hotel
Thursday, September 22	9am – 1:00 pm Central time Houston, TX at IAH Airport Marriott Hotel
Tuesday December 13	9am – 1:00 pm Central time Houston, TX at IAH Airport Marriott Hotel