

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

North American Energy Standards Board

**Meeting of the Members,
Strategic Session, and
Board of Directors Meeting**

June 22, 2006

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

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TAB 1

WELCOME AND OPENING REMARKS

This section includes:

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

This section tracks with agenda item 1.

NORTH AMERICAN ENERGY STANDARDS BOARD
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JUNE 22, 2006

WELCOME AND OPENING REMARKS

- The meeting specifics are:

Where: Marriott San Antonio River Walk Hotel
889 East Market, San Antonio, TX 78205
Hotel Phone: 210-224-4555 or 800-228-9290

Room: Ballroom C

When: June 22 Meeting of the Members, Strategic Session and Board meeting
9:00 am to 1:00 pm

A working lunch will be provided.

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

- For further assistance please reach:

Veronica Thomason at (713) 356 - 0060

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

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

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ANTITRUST GUIDELINES

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

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

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

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

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
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NORTH AMERICAN ENERGY STANDARDS BOARD 2006 BOARD TERMS – Wholesale Gas Quadrant

PRODUCERS SEGMENT		TERM END:
Jay Ellzey	Manager – Regulatory and Opco Support, ChevronTexaco Natural Gas	12-31-2006
William T. Benham	Vice President – Regulatory Affairs, BP Energy Company	12-31-2007
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	12-31-2007
Bill Hebenstreit	Director of Contract Services - El Paso Exploration & Production Company	12-31-2006
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	12-31-2007
PIPELINE SEGMENT		
Terry McGill	Executive Vice President, Enbridge Energy	12-31-2006
Larry Smith	Vice President Commercial Operations, Tennessee Gas Pipeline Company	12-31-2006
Bill Grygar	Vice President, Panhandle Eastern Pipe Line	12-31-2006
Anne Bomar	Vice President, Dominion	12-31-2007
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	12-31-2005
LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT		
Clifton Olson	Vice President of Supply and Transmission, Energy East Corporation	12-31-2006
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	12-31-2006
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	12-31-2006
Mike Novak	Asst. General Manager, National Fuel Gas Distribution Corporation	12-31-2007
Lee Stewart	Senior Vice President, Gas Transmission, Southern California Gas Company	12-31-2007
END USERS SEGMENT		
Valerie Crockett	Tennessee Valley Authority	12-31-2006
Joe Stepenovitch		12-31-2006
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2007
Jim Templeton	Principal, Comprehensive Energy Services	12-31-2007
SERVICES SEGMENT		
John Bretz	Vice President - Gas Marketing, Anadarko Energy Services Company	12-31-2006
Michael Smith	Vice President—Regulatory and Legislative Affairs, Constellation Energy Commodities Group	12-31-2006
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	12-31-2007
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2006

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

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NORTH AMERICAN ENERGY STANDARDS BOARD 2006 BOARD TERMS – Retail Electric Quadrant

SUPPLIERS SEGMENT		TERM END:
Peter Kelly-Detwiler	Director of Operations, Constellation NewEnergy	12-31-2007
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2006
Richard Zelenko	General Manager, Dominion Retail Inc.	12-31-2006
DISTRIBUTORS SEGMENT		
David Koogler	Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region)	12-31-2007
Bill Bourbonnais	Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region)	12-31-2007
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company (MAAC NERC Region)	12-31-2006
Leonard Haynes	Executive Vice President, Supply Technologies, Renewables, and Demand, Southern Company Services (SERC NERC Region)	12-31-2006
END USERS SEGMENT		
Sonny Popowsky	Consumer Advocate, Pennsylvania Office of Consumer Advocate	12-31-2007
V A C A N C Y		12-31-2005
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2006
SERVICE PROVIDERS SEGMENT		
Jim Minneman	Director of Business Services, PPL Solutions LLC	12-31-2007
V A C A N C Y		12-31-2007
J Cade Burks	President, EC Power	12-31-2006
V A C A N C Y		12-31-2006

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NORTH AMERICAN ENERGY STANDARDS BOARD 2006 BOARD TERMS – Wholesale Electric Quadrant

TRANSMISSION SEGMENT		TERM END:	SUBSEGMENT:
Dan Klempel	Director Transmission Regulatory Compliance, Basin Electric Power Cooperative	12-31-2007	Muni/Coop
W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	12-31-2006	Fed/State/Prov.
John E. Lucas	Manager, Transmission Services, Southern Company	12-31-2006	IOU
Michael Desselle	Director Public Policy, American Electric Power	12-31-2007	IOU
Paul McCoy	Managing Director & Chief Operating Officer, Trans-Elect	12-31-2006	ITC
V A C A N C Y		12-31-2007	ITC
Ken Wiley	President and Chief Executive Officer, Florida Reliability Coordinating Council	12-31-2007	At-Large
GENERATION SEGMENT			
V A C A N C Y		12-31-2007	Muni/Coop
Belinda Thornton	Senior Manager – Real Time Trading, Tennessee Valley Authority	12-31-2006	Fed/State/Prov.
John J. Dellas	Executive Manager, Electric Supply, Consumers Energy	12-31-2006	IOU
Charles W. Severance	Manager – Supply & Wholesale Services, Wisconsin Public Service Corporation	12-31-2007	IOU
Michael Gildea	Executive Director, Regulatory Affairs, Constellation Generation Group	12-31-2007	Merchant
Gloria Ogenyi	Vice President Energy Policy, Conectiv Energy Supply, Inc.	12-31-2006	Merchant
Ron Mucci	Senior Vice President Shared Services, Williams Power Company	12-31-2007	At-Large
MARKETERS/BROKERS SEGMENT			
Roy True	Manager of RTO Market Development, ACES Power Marketing	12-31-2006	Muni/Coop
Jeff Ackerman	Manager, Colorado River Storage Project Energy Management and Marketing Office, Western Area Power Administration	12-31-2007	Fed/State/Prov.
Michael Grim	Director of Markets and Regulation, TXU Business Services	12-31-2006	Not IOU Affiliated
V A C A N C Y		12-31-2007	Not IOU Affiliated
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Service Corp.	12-31-2006	IOU
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	12-31-2007	IOU
Rick Smead	Director, Navigant Consulting, Inc.	12-31-2007	At-Large

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DISTRIBUTION/LOAD SERVING ENTITIES (LSE) SEGMENT		TERM END:	SUBSEGMENT:
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	12-31-2006	Muni/Coop
Barry R. Lawson	Manager-Power Delivery, National Rural Electric Cooperative Association	12-31-2007	Muni/Coop
Mark Crosswhite	Senior Vice President & General Counsel – Generation and Energy Marketing, Southern Company	12-31-2006	IOU
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	12-31-2007	IOU
V A C A N C Y		12-31-2006	Competitive Retailer
V A C A N C Y		12-31-2007	Other
Bruce Ellsworth	New York State Reliability Council	12-31-2007	At-Large
END USERS SEGMENT			
V A C A N C Y		12-31-2007	End Use (Also in another segment)
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	12-31-2006	End Use (Self Generator)
John Reese	Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service	12-31-2006	Regulator
V A C A N C Y		12-31-2007	Residential/Commercial
Jeanne Zaiontz	Director, Regulatory Affairs, BP Energy Co.	12-31-2006	Large Industrial
John A. Anderson	President and CEO, Electricity Consumers Resource Council (ELCON)	12-31-2007	Large Industrial
Kevin Burns	Vice President Sales and Marketing, Open Access Technology International, Inc.	12-31-2007	At-Large

The subsegments noted in the above roster are:

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

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

End Use (also in another segment)

Federal/State/Provincial

IOU – Investor Owned Utility or IOU Affiliated

ITC – Independent Transmission Company

Large Industrials (not in other segments)

Merchant

Muni/Coop – Municipals, Cooperatives

Not IOU Affiliated

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

Regulator

Residential/Commercial

End Use (Self Generation)

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

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NORTH AMERICAN ENERGY STANDARDS BOARD 2006 BOARD TERMS – Retail Gas Quadrant

SUPPLIERS SEGMENT		TERM END:
Kathy Fudali	Manager, Contract Administration, Sprague Energy Corp.	12-31-2006
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2007
DISTRIBUTORS SEGMENT		
Craig White	Chief Operating Officer, Philadelphia Gas Works	12-31-2006
Glen R. Schwalbach	Assistant Vice President Corporate Planning, Wisconsin Public Service Corporation	12-31-2007
Mark T. Maassel	President, Northern Indiana Public Service Company (NiSource, Inc.)	12-31-2006
Ralph Cleveland	Senior Vice President – Engineering and Operations, AGL Resources, Inc.	12-31-2007
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2006
END USERS SEGMENT		
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2006
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2007
SERVICE PROVIDERS SEGMENT		
Leigh Spangler	President, Latitude Technologies Inc.	12-31-2006
V A C A N C Y		12-31-2006
Dave Darnell	President & CEO, Systrends USA	12-31-2007
Greg Lander	Principal, Commerce Energy Group	12-31-2007
V A C A N C Y		12-31-2007
V A C A N C Y		12-31-2006

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

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, 2006

TO: NAESB Members
FROM: Rae McQuade, NAESB President and COO
RE: Board Meeting, Strategic Session and Meeting of the Members – June 22, 2006

via email

Dear NAESB Members:

At our March Board of Directors meeting, the Board unanimously agreed to hold the meeting of the members as part of the strategic session to be held on June 22. We hope you will be able to join us. As noted earlier this month, the June 22nd Board meeting and strategic session will be held in San Antonio at the Marriott Riverwalk Hotel, which is located in downtown San Antonio. The specifics of the meeting are:

Where: Marriott San Antonio Riverwalk Hotel
 711 East Riverwalk
 San Antonio, TX 78205
 Phone - 210-224-4555 or 800-228-9290

When: June 22nd Board meeting 9:00 am to 3:00 pm
 A buffet lunch will be served during the meeting

Conference calling will be available should you be unable to attend in person. Please contact Veronica Thomason (vthomason@naesb.org, 713-356-0060) for additional information on the meeting and conference calling information. Please RSVP by June 15 if you plan to attend in person or call into the meeting. Board materials should be posted shortly.

The day before, June 21, both the retail quadrants and the wholesale electric quadrant will be holding their leadership meetings from 2:00 pm to 5:00 pm. An agenda and materials for these meeting will be posted shortly. Please let us know if you are interested in attending either of these meetings when you respond and RSVP for the Board meeting on June 15.

Best Regards,

Rae McQuade

Rae McQuade
 NAESB President and COO



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NAESB BOARD OF DIRECTORS MEETING Marriott Riverwalk Hotel, San Antonio, Texas

**Thursday, June 22 – 9:00 a.m. to 3:00 pm Central
 DRAFT AGENDA**

- 8:30 a.m. Continental Breakfast
- 9:00 a.m.
1. Administration and Welcome
 - a) Antitrust Guidelines
 - b) Introduction of Board Members and Guests
 - c) Agenda Adoption
 - d) Adoption of Draft Minutes from 3-23-06
 2. Meeting of the Members
 - a) Review of key accomplishments
 - b) Review of standards adopted
 - c) Review of partnerships with agencies and trade associations
 3. Review of Board Responsibilities
 4. Strategic Session
 - a) Review of the last strategic session
 - b) Gas-Electric Interdependency
 - c) Retail Directions – customer choice programs, best practices, retail market support
 - d) Wholesale Gas Directions – gas quality status, e-Tariff efforts, other issues
 - e) Wholesale Electric Directions – OASIS, OATT changes, Joint Development with NERC, business practices complementary to reliability standards, other issues
 - f) Funding and Membership Issues
 5. Copyright Policy Review
 6. Board Business
 - a) Standards Adopted Since the March Board Meeting
 - b) Filings with the FERC made since last report
 - c) Reports from the Board Committees
 - Resources
 - Retail Awareness
 - Retail Structure Review
 - Coordination
 - d) Executive Committee Report from each Quadrant with vote on changes proposed
 - e) Financial Report and Membership Report
 - f) Update on partnerships and coordination with other groups
 7. Plan for upcoming September 21 Board Meeting in Houston
 8. Old and New Business
 - Meeting Schedule for 2006
- 3:00 p.m.
9. Adjourn

*Attire – Business Casual
 Buffet Lunch served during the Board meeting*

NORTH AMERICAN ENERGY STANDARDS BOARD
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JUNE 22, 2006

TAB 3

DRAFT MINUTES – MARCH 23, 2006

This section includes:

- The draft minutes for the Board meeting on March 23, 2006.

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

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



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April 17, 2006

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 23, 2006

**NORTH AMERICAN ENERGY STANDARDS BOARD
 NAESB BOARD OF DIRECTORS MEETING
 March 23, 2006 in Houston, TX
 Draft Minutes**

1. Administration and Welcome

Mr. Maassel 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 and announced that quorum was established. Mr. Templeton made a motion, seconded by Mr. Lucas, to adopt the agenda. The agenda was adopted unanimously. Mr. Templeton made a motion to adopt the December 13, 2005 revised draft minutes. The minutes were revised to correct Mr. Smith's attendance as In Person and to record Mr. Smith's votes. Mr. Desselle seconded the motion. The minutes were adopted unanimously. The final minutes of the December 13, 2005 Board Meeting are posted on the NAESB website at <http://www.naesb.org/pdf2/bd121305fm.doc>.

Review of Notational Ballot Results for the GEIC, February 17, 2006: Mr. Maassel stated that the results of the Board vote on the Gas-Electric Interdependency Report that were due on February 17, 2006 are located on pages 39-43 of the Board Book. The report was unanimously approved with 43 votes in support, no votes in opposition, and no abstentions.

Advisory Council: Mr. Ellsworth stated that the Advisory Council met on February 11, 2006 in Washington, DC. The minutes from the Advisory Council meeting are on pages 44-50 of the Board Book. During the Advisory Council meeting, Mr. Cargas and Mr. Boswell briefed the Advisory Council on the article on NAESB to be published in the Energy Law Journal. The Advisory Council recommended that NAESB reach out to the NRRI to relate the issues contained in the GEIC report.

2. Reports from Board Committees

ERO Coordination Committee: Mr. Desselle stated that the ERO Coordination Committee worked with NERC to develop a Joint Standards Development Procedure. The Procedure is outlined on pages 54-57 of the Board Book. He stated that the procedure comports with the existing standards development processes for both NERC and NAESB.

After a NAESB Request for Standards Development (Request) is submitted to NAESB or a Standards Authorization Request (SAR) is submitted to NERC, the Executive Management of each organization will determine if joint development is needed for that particular standard. For NAESB, Executive Management includes Ms. McQuade, the vice-chair of the Board for the WEQ, the Managing Committee, and NAESB General Counsel. Mr. Desselle stated that the NAESB Executive Management would not make the joint development determination without consulting with the appropriate board committees and Executive Committee leadership. For NERC, the Executive Management will likely include Mr. Cauley, NERC General Counsel, and the President of NERC, also with consultation from other NERC groups.



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If the Executive Management of the respective organizations determines that joint development is proper, the Request and/or SAR would be assigned to the appropriate NAESB standards development subcommittee and the appropriate NERC standards drafting team will meet jointly and determine how the standards will be split into business practice standards and reliability standards and will meet jointly to develop the standards. Once the joint team determines that the draft standards are complete, the business practices recommendation will be processed through the NAESB process and the reliability standards will be processed through the NERC process. It is the expectation that each recommendation would include the complementary standards, *e.g.*, a recommendation for NAESB business practices will include the applicable reliability standards as an attachment for reference only. The reliability standards would not be voted on or adopted by NAESB.

After the standards are adopted by NERC and NAESB, the Executive Management of each organization will determine whether joint publication of the standards is needed. If it is determined that there will be joint publication of the standards, the organizations will negotiate a revenue neutral solution for that publication. NAESB will file the business practice standards that are adopted as a result of this process with the FERC and NERC will follow the procedures outlined in the ERO process, assuming NERC becomes the ERO.

Mr. Desselle noted that Recommendation R04013A (Recommendation: R04013A - WEQ Annual Plan Item 1 - Develop Version 0 business practice standards that complement NERC's Version 0 reliability standards) was posted for member ratification on March 10, 2006, with ballots due on April 10. If the standards recommended in Recommendation R04013A are ratified, they will not be submitted to the FERC. NAESB will work with NERC via the Joint Standards Development Procedure to revise the ratified business practice standards.

NERC and NAESB have scheduled a meeting of the WEQ BPS, WEQ ESS/ITS and the NERC ATC Standards Drafting Team to begin the joint development of the business practice standards for Request No. R05004 (Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM) and the related NERC SARs (ATC/TTC/AFC SAR and CBM/TRM SAR). This effort will mark the first time NERC and NAESB have developed standards via the Joint Standards Development Procedure.

Mr. Brown highlighted the first two bullets under the Section on Key Differences between reliability standards and business practices on page 53 of the Board Book. He stated that those two items would be helpful for the WEQ Executive Committee and the NERC standards drafting teams to consider as they draft the business practice standards and reliability standards.

Mr. Anderson asked whether NAESB should formally document Mr. Desselle's definition of the individuals that will comprise NAESB's Executive Management for purposes of the Joint Standards Development Procedure. Mr. Maassel stated that Mr. Desselle's comments would be captured in both the minutes and the transcript for this Board meeting.

Resources Committee: Ms. Ogenyi, chair of the Resources Committee, stated that the January 2006 membership numbers are greater than the membership numbers at the same time last year. She stated that as a result of the efforts of the Resources Committee, NAESB has a net of 11 new members. Ms. Ogenyi thanked the Board members who answered the Resources Committee's request to contact two potential members.

Ms. McQuade stated that new members in 2006 include: South Carolina Electric & Gas Company, SUEZ Energy Marketing NA, Inc., Cheniere Energy, Inc., and TXU Electric Delivery. Ms. McQuade noted the efforts of Mr. Hebenstreit, Mr. Koogler, Mr. Chapman, Mr. Maddox, Mr.



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Desselle, and Mr. Burks to reach out to potential members.

Ms. Ogenyi noted two ways for Board members to help the Resources Committee in its mission: pursue leads for potential new members and participate in the Resources Committee meetings and conference calls. Ms. Ogenyi noted that vacancies on the Board or Executive Committees could be used as a recruiting tool for prospective members.

Retail Awareness Committee: Mr. Cade Burks, chair of the Retail Awareness Committee, stated that the mission of the Retail Awareness Committee is to bring attention to the work of the NAESB Retail Quadrants. The Retail Awareness Committee has developed a Retail Awareness page that shows, state by state, the communication methods and billing models used in that state. He stated that the Retail Awareness Committee has received feedback from New York, Massachusetts, and Texas regarding additional meetings with commission staff to provide a report on the work of the NAESB Retail Quadrants. He stated that the Retail Awareness Committee would not take action to advocate on behalf of NAESB, but will try to get state public utility commission commissioners and staff to become aware of the efforts of the Retail Quadrants and provide feedback on what other areas NAESB can pursue in standards development.

Mr. Maassel stated that the response from some of the state commissions and RTOs on the work of the Retail Awareness Committee has been responsive. He thanked Mr. Burks and EC Power for sponsoring the development of the Retail Awareness webpage.

Retail Structure Review Committee: Mr. Koogler provided the update on the Retail Structure Review Committee (RSRC). He stated that the RSRC has been working to determine how the efforts of the NAESB Retail Quadrants should be tailored in order to be relevant in the future. The RSRC and Retail Quadrant leadership have had discussion and debate of the idea of the development of “best practices”. Mr. Koogler noted that a summary of the presentation Mr. Bourbonnais, chair of the RSRC, presented to the Advisory Council is included on pages 64-65 of the Board Book.

Mr. Koogler noted that pages 62-63 of the Board Book contain a list of candidates for possible standards development provided by EEI. The list includes a number of issues that could result in relevant topics for the Retail Quadrants to pursue including: net metering, distributed generation, and demand response. He stated that the Retail Gas Quadrant and Retail Electric Quadrant Executive Committees reviewed the EEI list and discussed the items in detail during the February 22, 2006 Executive Committee meeting. The topics were also discussed at the Retail Leadership meeting on March 22, 2006.

Mr. Koogler stated that based on the discussion within the Retail Quadrants; there is no consensus on how to approach “best practices”. He stated that the Retail Leadership identified nine states that have considerable retail choice in the electric market and nine states that have considerable retail choice in the gas market, with six of the states included in both categories.

The RSRC will continue to pursue potential new avenues for standards development for the Retail Quadrants and will also continue to reach out to trade associations and other organizations for ideas on ways in which the Retail Quadrants can work to help the industry.

Review of the FERC Filing for Gas-Electric Interdependency Report: Mr. Templeton, chair of the Gas-Electric Interdependency Committee (GEIC), stated that NAESB filed the Gas-Electric Interdependency Report with the FERC on February 24, 2006 in Docket No. RM05-28. The report without the appendices is included on pages 66-73 of the Board Book.

Ms. McQuade stated that NAESB has facilitated two conference calls regarding the GEIC



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Report since the filing was made on February 24. NRRI is considering the development of a primer on the GEIC report for the NARUC audience. On March 8, NAESB held a conference all with Commissioner Keeting and staff of the NRRI. Several drafters of the report provided a review of the six issues identified in the report. In addition, the agenda for the NAESB Monthly Update Call on March 20 was dedicated to the GEIC report. During this call, the drafters of the report reviewed the six issues identified in the report and there was time allotted for questions from participants on the call.

Ms. McQuade added that the Department of Energy has also indicated that they would be developing a primer on the report for use by federal agencies. She added that during her most recent visit with FERC Commissioner Brownell, Commissioner Brownell supported the GEIC report and is now working to determine how to move forward based on the information provided in the report.

Status of the D-U-N-S® Report Directions: Ms. McQuade stated that NAESB has had communication with Mr. Paul of Dun & Bradstreet's Washington, DC office. She stated that Mr. Paul did not provide assurances that D-U-N-S® numbers will be able to accommodate the Wholesale Electric Quadrant in the ways described in the D-U-N-S® Report. She stated if Dun & Bradstreet will not be able to provide a way for the Wholesale Electric Quadrant to use D-U-N-S® numbers in such a way to be helpful to the wholesale electric industry, then the Wholesale Electric Quadrant would investigate the possible use of GLN Coding.

Status of the Revised Certification Program: Ms. McQuade stated that four new products have been certified since the Board approved the new self-certification program in December. Mr. Maassel thanked Mr. Spangler and the Certification Program Committee for the work done on revising the Certification Program for NAESB.

3. Updates and Discussion on Specific Standards Development Efforts

Gas Quality: Mr. Novak reported that the Wholesale Gas Quadrant Business Practices Subcommittee completed its work on Request No R03035B (standardize methodologies for calculating gas quality parameters) in January. The recommendation proposed to add Standard 4.3.z1 to the WGQ Quadrant Electronic Delivery Mechanism Manual. The recommendation passed the Business Practices Subcommittee with a unanimous vote and was forwarded to the WGQ Information Requirements Subcommittee. The WGQ Information Requirements Subcommittee and Electronic Delivery Mechanisms Subcommittee have since completed their work on the request. It is the expectation that this recommendation will be voted on at the May 11, 2006 WGQ Executive Committee meeting. Pages 75-83 of the Board Book include the relevant minutes, the Request, and the recommendation for Request No. R03035B.

Retail Invoicing: Ms. Kiselewich stated that the Retail Quadrants Business Practices Subcommittee completed its work on Request No. R05016 (Standards or model business practices for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities) on January 18, 2006. The recommendation has been taken up by the Retail Information Requirements Subcommittee and the Technical Electronic Implementation Subcommittee. These committees will draft the technical implementation standards to support the business practices developed by the Retail Business Practices Subcommittee.

Retail Contracts: Ms. Kiselewich stated that the Retail Contracts Subcommittee has made great progress on Request No. R05013 (Develop a model electric retail contract). On March 13, the subcommittee posted a draft of the Retail Contract for informal comments. Mr. Overtree,



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co-chair of the Retail Contracts Subcommittee noted that the Retail Contract has been drafted to be commodity neutral for use in both the gas and electric markets.

OASIS Enhancements: Ms. York stated that the Wholesale Electric Quadrant is working on a number of requests that should be completed in time for vote at the May 9, 2006 Executive Committee meeting including business practices to address Request No. R06002 (Modify NAESB pre-split Version 0 TLR business practices to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (inclusion of market flows)) and Request No. R05001 (Amend WEQ R03013 to align coordinate interchange transactions with Version 0). The ESS/ITS is working on business practices to address Request No. R04006D (Sale or Assignment of Transmission Service); R04006C1 (Develop OASIS capacity release request standards). The JISWG is working with NERC on the Registry and PKI Security business practices. The Progress Report on NAESB WEQ Standards Activities as related to OASIS and NERC is included on pages 93-95 of the Board Book.

4. Executive Committee Reports

Executive Committee Report from each Quadrant:

Wholesale Gas Quadrant: Mr. Buccigross reviewed the 2006 WGQ Annual Plan revised by the WGQ Executive Committee on February 23, 2006 (Pages 97-100 of the Board Book). He stated that Item 1 – Development of standards regarding an Energy Day was modified to note that the request that corresponds with this item, Request No. R04016, has been withdrawn by the requestors. Items 2-5 are the Electronic Delivery Mechanism and Related Activities. Mr. Buccigross noted that Item 2 – Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI) is pending the activities of the WEQ to develop PKI standards. Item 3 – Partner with the Department of Energy’s Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations would be addressed by the WGQ EDM once the Sandia Report is released.

Item 6 – Review and update NAESB Base Contract for Sale and Purchase of Natural Gas to reflect current industry practices and applicable terms and conditions is scheduled for completion by the 2nd Quarter. Item 7 – Gas Quality is scheduled for adoption at the May 11, 2006 WGQ Executive Committee meeting.

Mr. Buccigross moved, seconded by Mr. Chapman, to adopt the 2006 WGQ Annual Plan as revised. The motion passed unanimously. [Vote 1].

Wholesale Electric Quadrant: Ms. York reviewed the 2006 WEQ Annual Plan revised by the WEQ Executive Committee on February 21, 2006 (Pages 101-106 of the Board Book). She noted that notes were added to the items related to Energy Day and electric scheduling timelines in the Provisional Items section of the plan to show that the requests have been withdrawn by the requestors.

Mr. Desselle moved, seconded by Mr. Brown, to adopt the 2006 WEQ Annual Plan as revised. The motion passed unanimously. [Vote 2].

Retail Gas Quadrant and Retail Electric Quadrant: Ms. Kiselewich reported that the Retail Quadrants agreed to combine their Annual Plans for 2006 for administrative ease. The 2006 Annual Plan for the Retail Gas and Retail Electric Quadrants revised by the Retail Quadrant Executive Committees is included on pages 107-111 of the Board Book. The Executive Committees renamed Item 4 to “Customer Enrollment, Drop, and Account Maintenance” in place of “Customer Enrollment, Switching, and Dropping”.

Ms. Kiselewich moved, seconded by Mr. Novak, to adopt the 2006 Annual Plan for the Retail



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Gas and Electric Quadrants as revised. The motion passed unanimously. [Vote 3].

Standards Adopted Since the December 13, 2005 meeting:

Ms. McQuade stated that NAESB has adopted two standards since the December 13, 2005 meeting. Clarification C05002 (Clarification to NAESB WGQ Standard 4.3.88 – add proposed WGQ Interpretation 7.3x regarding a clarification for usage of 128-bit Secure Socket layer encryption under NAESB WGQ Standard 4.3.88) was ratified by the WGQ on January 9, 2006. The recommendation for Request Nos. R04035/R05002 (Clarify OASIS nomenclatures and amend WEQ standard 4.19/Amend sections 9.5 and 10.5 of OASIS redirect standards) was ratified by the WEQ on January 9, 2006.

Filings with the FERC:

Ms. McQuade noted that NAESB has submitted two filings to the FERC to date in 2006. Information on the filings and the proposed scheduled for FERC filings for the remainder of 2006 is included on page 114 of the Board Book.

On February 17, 2006, NAESB submitted a report to the FERC under Docket No. RM05-5-000 that addressed four issues: (1) the comments filed by NERC that asked that three sets of business practices in Version 0 be remanded back to NERC; (2) the TLR process and the plans for ensuring that the business practices and the reliability standards stay closely coordinated; (e) the Inadvertent Interchange Payback report which noted that the Inadvertent Interchange business practices standards for Version 0 are to remain unchanged; and (4) a joint standards development process for NERC and NAESB.

On February 24, 2006, NAESB submitted the GEIC Report under Docket No. RM05-28-000.

5. Financial Report

Ms. Wishart provided the financial report. The budget and financial information is included on pages 118-121 of the Board Book. The 2006 Budget reflects 1,639,000 in revenues, 1,591,000 in expenses, with 48,000 as net income. The estimated net income for 2006 is 62,000. As of December 31, 2005, the financials reflect negative retained earnings for 2005 of -40,368. The financials have been completed for January 2006 and the financial for February 2006 should be completed soon.

As of February 28, 2006, NAESB has 319 members: 140 in the WEQ, 123 in the WGQ, 29 in the REQ, and 27 in the RGQ.

6. Plan for June 2006 Board Meeting

Mr. Maassel asked the Board members to submit agenda items for the June 22, 2006 Board Meeting to the NAESB office. Mr. Brown stated that the Board should discuss how NAESB is working to coordinate with trade associations, such as AGA and EEI. Ms. Ogenyi requested to add an update on coordination with NERC to the June meeting agenda.

Mr. Boswell suggested that the Board should invite the trade associations to make a presentation to the Board at the June meeting. Mr. Desselle noted that the June 2006 meeting would also be the annual meeting of the members as required in the NAESB Bylaws. Mr. Desselle suggested that the Board meeting time be extended so that the annual meeting/strategic session can include presentations and discussions with the trade associations.



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7. Old and New Business

Meeting Schedule for 2006: The Board meeting and Executive Committee meeting schedule is included on Page 137 of the Board Book. The next Board meeting is scheduled on June 22, 2006 in San Antonio, Texas. The next Executive Committee meetings are scheduled on May 9, 10, and 11 in Washington, DC hosted by AGA.

Induction of officers for 2006: At this time, Mr. Boswell stated that based on the established rotation, Mr. Stepenovitch would become the Chairman of the Board of Directors for 2006.

8. Adjournment

Mr. Desselle moved, seconded by Mr. Brown, to adjourn. The meeting adjourned at 11:49 AM Central.

9. Board Attendance

Wholesale Gas Quadrant

END USER SEGMENT		ATTENDANCE
Valerie Crockett	Tennessee Valley Authority	In Person
Joe Stepenovitch		Phone
John Procaro	Vice President & COO, Cinergy - regulated	Absent
Marty Patterson	Director, Cinergy - unregulated	In Person
Jim Templeton	Principal, Comprehensive Energy Services	In Person
LDC SEGMENT		
Clifton Olson	Vice President of Supply and Transmission, Energy East Corporation	Absent
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	In Person
Reed Horning	Vice President, Gas Supply & Transportation, PECO Energy Co.	Phone
Mike Novak	Asst. General Manager, National Fuel Gas Distribution Corporation	Phone
Lee Stewart	Senior Vice President, Gas Transmission, Southern California Gas Company	Phone
PIPELINE SEGMENT		
Terry McGill	Executive Vice President, Enbridge Energy	In Person
Larry Smith	Vice President Commercial Operations, Tennessee Gas Pipeline Company	Absent
Bill Grygar	Vice President, Panhandle Eastern Pipe Line	In Person
Anne Bomar	Vice President, Dominion	Phone
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	In Person
PRODUCER SEGMENT		
Jay Ellzey	Manager – Regulatory and Opco Support, ChevronTexaco Natural Gas	Absent
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 Exploration & Production Company	In Person
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Absent
SERVICES SEGMENT		
John Bretz	Vice President - Gas Marketing, Anadarko Energy Services Company	In Person
Michael Smith	Vice President—Regulatory and Legislative Affairs, Constellation Energy Commodities Group	Phone
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	Phone
Lyn Maddox	Consultant, Oxadel Consulting, LLC	Absent
V A C A N C Y		

Retail Electric Quadrant

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)	Absent
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric	In Person



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Leonard Haynes	Company (MAAC NERC Region) Executive Vice President, Supply Technologies, Renewables, and Demand, Southern Company Services (SERC NERC Region)	Absent
END USER SEGMENT		
Sonny Popowsky	Consumer Advocate, Pennsylvania Office of Consumer Advocate	Absent
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
SERVICES SEGMENT		
Jim Minneman	Director of Business Services, PPL Solutions LLC	In Person
V A C A N C Y		
J Cade Burks	President, EC Power	In Person
V A C A N C Y		
SUPPLIER SEGMENT		
Peter Kelly-Detwiler	Director of Operations, Constellation NewEnergy	Absent
V A C A N C Y		
V A C A N C Y		
Richard Zelenko	General Manager, Dominion Retail Inc.	In Person

Wholesale Electric Quadrant

END USER SEGMENT		SUB SEG	ATTENDANCE
John A. Anderson	President and CEO, Electricity Consumers Resource Council (ELCON)	LIND	Phone
Jeanne Zaiontz	Director, Regulatory Affairs, BP Energy Co.	LIND	Absent
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	SGEN	Absent
V A C A N C Y		COMPR	
V A C A N C Y		ET	
John Reese	Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service	IOU	
Kevin Burns	Vice President Sales and Marketing, Open Access Technology International, Inc.	REG	Absent
		AT	Absent
		LARGE	
DISTRIBUTION/LSE SEGMENT		SUB SEG	
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	IOU	Absent
Mark Crosswhite	Senior Vice President & General Counsel – Generation and Energy Marketing, Southern Company	IOU	Absent
Barry R. Lawson	Manager-Power Delivery, National Rural Electric Cooperative Association	MUNI-COOP	Phone
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	MUNI-COOP	In Person
V A C A N C Y		OTHER	
V A C A N C Y		COMPR	
		ET	
Bruce Ellsworth	New York State Reliability Council	AT	In Person
		LARGE	
GENERATION SEGMENT		SUB SEG	
Belinda Thornton	Senior Manager – Real Time Trading, Tennessee Valley Authority	FED	Phone
Charles W. Severance	Manager – Supply & Wholesale Services, Wisconsin Public Service Corporation	IOU	In Person
John J. Dellas	Executive Manager, Electric Supply, Consumers Energy	IOU	Phone
Michael Gildea	Executive Director, Regulatory Affairs, Constellation Generation Group	MERC	In Person
V A C A N C Y		MUNI-COOP	
		COOP	
Gloria Ogenyi	Vice President Energy Policy, Conectiv Energy Supply, Inc.	MERC	In Person
Ron Mucci	Senior Vice President Shared Services, Williams Power Company	AT	In Person
		LARGE	



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TRANSMISSION SEGMENT		SUB SEG	
W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	FED	In Person
V A C A N C Y		ITC	
Paul McCoy	Managing Director & Chief Operating Officer, Trans-Elect	ITC	Phone
Dan Klempel	Director Transmission Regulatory Compliance, Basin Electric Power Cooperative	MUNI-COOP	Absent
John E. Lucas	Manager, Transmission Services, Southern Company	IOU	In Person
Michael Desselle	Director Public Policy, American Electric Power	IOU	In Person
Ken Wiley	President and Chief Executive Officer, Florida Reliability Coordinating Council	AT	Absent
		LARGE	
MARKETER/BROKER SEGMENT		SUB SEG	
Jeff Ackerman	Manager, Colorado River Storage Project Energy Management and Marketing Office, Western Area Power Administration	FED	Phone
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	IOU	In Person
Roy True	Manager of RTO Market Development, ACES Power Marketing	MUNI-COOP	Phone
V A C A N C Y		N IOU	
Michael Grim	Director of Markets and Regulation, TXU Business Services	N IOU	Phone
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Service Corp.	IOU	Phone
Rick Smead	Director, Navigant Consulting, Inc.	AT	In Person
		LARGE	

Retail Gas Quadrant

DISTRIBUTORS SEGMENT		ATTENDANCE
Craig White	Chief Operating Officer, Philadelphia Gas Works	Absent
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
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
END USERS 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		
SERVICE PROVIDERS SEGMENT		
Leigh Spangler	President, Latitude Technologies Inc.	In Person
V A C A N C Y		
Dave Darnell	President & CEO, Systrends Inc.	In Person
Greg Lander	Principal, Commerce Energy Group	Absent
V A C A N C Y		
V A C A N C Y		
SUPPLIER SEGMENT		
Kathy Fudali	Manager, Contract Administration, Sprague Energy Corp.	Phone
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		

10. Other Attendance

Name	Organization	Attendance
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Name	Organization	Attendance
Bill Boswell	NAESB	In Person
Kathryn Burch	Duke Energy Gas Transmission	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Dolores Chezar	KeySpan	Phone
Robert Connell	ERCOT	In Person
Pete Connor	NiSource	Phone
LaRita Cormier	Riverside Reporting	In Person
Dale Davis	Williams Gas Pipeline	In Person
Ed Davis	Entergy	Phone
Mark Fidrych	WAPA	In Person
Mark Gracey	Tennessee Gas Pipeline	In Person
Bill Griffith	El Paso Natural Gas	Phone
Carrie Cullen Hitt	Constellation NewEnergy	In Person
Laura Kennedy	NAESB	In Person
Iris King	Dominion Transmission	Phone
Rae McQuade	NAESB	In Person
Ed Overtree	Calpine Corp.	In Person
Marjorie Perlman	Energy East	Phone
Phil Precht	Baltimore Gas and Electric	Phone
Denise Rager	NAESB	In Person
Bob Schwermann	SMUD	Phone
Lisa Simpkins	Constellation Energy Commodities	In Person
Veronica Thomason	NAESB	In Person
Kim Van Pelt	Panhandle Eastern Pipe Line	In Person
Darla Wishart	NAESB	In Person
Kathy York	Tennessee Valley Authority	In Person
Randy Young	Gulf South Pipeline	In Person



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Wholesale Gas Quadrant

END USER SEGMENT	VOTE 1	VOTE 2	VOTE 3
Valerie Crockett Tennessee Valley Authority	S	S	S
Joe Stepenovitch Vice President & COO, Cinergy - regulated	S	S	S
Marty Patterson Director, Cinergy - unregulated	S	S	S
Jim Templeton Principal, Comprehensive Energy Services	S	S	S
LDC SEGMENT			
Clifton Olson Vice President of Supply and Transmission, Energy East Corporation	S	S	S
Adrian Chapman Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	S	S	S
Reed Horting Vice President, Gas Supply & Transportation, PECO Energy Co.	S	S	S
Mike Novak Asst. General Manager, National Fuel Gas Distribution Corporation	S	S	S
Lee Stewart Senior Vice President, Gas Transmission, Southern California Gas Company	S	S	S

PIPELINE SEGMENT

Terry McGill Executive Vice President, Enbridge Energy	S	S	S
Larry Smith Vice President Commercial Operations, Tennessee Gas Pipeline Company	S	S	S
Bill Grygar Vice President, Panhandle Eastern Pipe Line	S	S	S
Anne Bomar Vice President, Dominion	S	S	S
Richard Kruse Senior Vice President, Duke Energy Gas Transmission	S	S	S

PRODUCER SEGMENT

Jay Ellzey Manager - Regulatory and Opco Support, ChevronTexaco Natural Gas	S	S	S
William T. Benham Vice President - Regulatory Affairs, BP Energy Company	S	S	S
Keith Sappenfield Regional Director - US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	S	S	S
Bill Hebenstreit Director of Contract Services - El Paso Exploration & Production Company	S	S	S
Pete Frost Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	S	S	S

SERVICES SEGMENT

John Bretz Vice President - Gas Marketing, Anadarko Energy Services Company	S	S	S
Michael Smith Vice President—Regulatory and Legislative Affairs, Constellation Energy Commodities Group	S	S	S
Jim Buccigross Vice President Energy Industry Practice, Group 8760 LLC	S	S	S
Lyn Maddox Consultant, Oxadel Consulting, LLC	S	S	S
V A C A N C Y			

Retail Electric Quadrant

DISTRIBUTOR SEGMENT	VOTE 1	VOTE 2	VOTE 3
David Koogler Director - Regulation & Competition, Dominion Virginia Power (SERC NERC Region)	S	S	S



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Bill Bourbonnais	Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region)				
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company (MAAC NERC Region)	S	S	S	S
Leonard Haynes	Executive Vice President, Supply Technologies, Renewables, and Demand, Southern Company Services (SERC NERC Region)				
END USER SEGMENT					
Sonny Popowsky	Consumer Advocate, Pennsylvania Office of Consumer Advocate				
V A C A N C Y					
V A C A N C Y					
V A C A N C Y					
SERVICES SEGMENT					
Jim Minneman	Director of Business Services, PPL Solutions LLC	S	S	S	S
V A C A N C Y					
J Cade Burks	President, EC Power	S	S	S	S
V A C A N C Y					
SUPPLIER SEGMENT					
Peter Kelly-Detwiler	Director of Operations, Constellation NewEnergy				
V A C A N C Y					
V A C A N C Y					
Richard Zelenko	General Manager, Dominion Retail Inc.	S	S	S	S

Wholesale Electric Quadrant

END USER SEGMENT	SUB SEG	VOTE 1	VOTE 2	VOTE 3
John A. Anderson	President and CEO, Electricity Consumers Resource Council (ELCON)	S	S	S
Jeanne Zaiontz	Director, Regulatory Affairs, BP Energy Co.			
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company			
V A C A N C Y	COMPR			
	ET			
V A C A N C Y	IOU			
John Reese	Senior Policy Advisor & Director of the Office of Economic Development and Policy, New York State Department of Public Service			
Kevin Burns	Vice President Sales and Marketing, Open Access Technology International, Inc.	AT	LARGE	
DISTRIBUTION/LSE SEGMENT				
Frank Johnson	Senior Vice President Electric Transmission and Distribution,	IOU		



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Mark Crosswhite	Consumers Energy	IOU		
Barry R. Lawson	Senior Vice President & General Counsel - Generation and Energy Marketing, Southern Company			
Arthur G. Fusco	Manager-Power Delivery, National Rural Electric Cooperative Association	MUNI-COOP	S	S
V A C A N C Y	Vice President and General Counsel, Central Electric Power Cooperative Inc.	MUNI-COOP	S	S
V A C A N C Y		OTHER		
		COMPR		
		ET		
Bruce Ellsworth	New York State Reliability Council	AT	S	S
		LARGE		

GENERATION SEGMENT		SUB SEG		
Belinda Thornton	Senior Manager - Real Time Trading, Tennessee Valley Authority	FED	S	S
Charles W. Severance	Manager - Supply & Wholesale Services, Wisconsin Public Service Corporation	IOU	S	S
John J. Dellas	Executive Manager, Electric Supply, Consumers Energy	IOU	S	S
Michael Gildea	Executive Director, Regulatory Affairs, Constellation Generation Group	MERC	S	S
V A C A N C Y		MUNI-COOP		
		MERC		
Gloria Ogenyi	Vice President Energy Policy, Connectiv Energy Supply, Inc.	AT	S	S
Ron Mucci	Senior Vice President Shared Services, Williams Power Company	LARGE		

TRANSMISSION SEGMENT		SUB SEG		
W Terry Boston	Executive Vice President - Transmission/Power Supply Group, Tennessee Valley Authority	FED	S	S
V A C A N C Y		ITC		
Paul McCoy	Managing Director & Chief Operating Officer, Trans-Elect	ITC	S	S
Dan Klempel	Director Transmission Regulatory Compliance, Basin Electric Power Cooperative	MUNI-COOP		
John E. Lucas	Manager, Transmission Services, Southern Company	IOU	S	S
Michael Desselie	Director Public Policy, American Electric Power	IOU	S	S
Ken Wiley	President and Chief Executive Officer, Florida Reliability Coordinating Council	AT		
		LARGE		

MARKETER/BROKER SEGMENT		SUB SEG		
Jeff Ackerman	Manager, Colorado River Storage Project Energy Management and Marketing Office, Western Area Power Administration	FED	S	S
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	IOU	S	S
Roy True	Manager of RTO Market Development, ACES Power Marketing	MUNI-COOP	S	S
V A C A N C Y		N IOU		



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

Michael Grim Director of Markets and Regulation, TXU Business Services N IOU S S S
 Joseph Hartsoe Vice President and Associate General Counsel, American Electric IOU S S S
 Rick Smead Director, Navigant Consulting, Inc. AT S S S
 LARGE

Retail Gas Quadrant

DISTRIBUTORS SEGMENT	VOTE 1	VOTE 2	VOTE 3
Craig White			
Glen R. Schwalbach			
Mark T. Maassel	S	S	S
VACAN CY			
VACAN CY			
VACAN CY			
END USERS SEGMENT			
VACAN CY			
VACAN CY			
VACAN CY			
VACAN CY			
VACAN CY			
SERVICE PROVIDERS SEGMENT			
Leigh Spangler	S	S	S
VACAN CY			
Dave Darnell	S	S	S
Greg Lander			
VACAN CY			
VACAN CY			
SUPPLIER SEGMENT			
Kathy Fudali	S	S	S
VACAN CY			
VACAN CY			
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VACAN CY			

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 4

MEETING OF THE MEMBERS

This section includes:

- Key Accomplishments in 2005
- Standards Adopted in 2005
- FERC Filings, Partnership and Liaison Update for 2005.

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

No action is expected of the Board. The Board and members will have the opportunity to ask questions of the progress made by NAESB since the last annual meeting of the members.

The meeting of the members is convened to comply with Article VI, Section 3 of the NAESB Certificate:

Section 3. Written notice of the annual meeting of NAESB shall be given in such manner as is prescribed by Statute, but not less than ten (10) nor more than sixty (60) days prior to the date of the annual meeting. Notice of other meetings shall be given in a manner as may reasonably permit attendance at such meeting, but in any event in a time and manner sufficient to satisfy any statutory requirements.



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NAESB BOARD OF DIRECTORS MEETING MATERIALS KEY ACCOMPLISHMENTS IN 2005 JUNE 22, 2006

KEY COMPLETIONS IN 2005:

- **January 18, 2005:** RM05-5-000, WEQ standards including version 0 complementary business practices to NERC reliability standards, standard of conduct, and OASIS business practices completed and forwarded to the FERC. The FERC issued a NOPR on May 9, with comments due by July 1, 2005. No final order has been issued yet.
- **May 9, 2005:** FERC issued a final order in RM96-12-026, adopting version 1.7 of the NAESB WGQ standards including the gas quality standards, for implementation in September 2005.
- **June 27, 2005:** RM05-28-000, Gas-electric interdependency report and business practice standards for pipeline-power plant communications. The FERC has not issued a NOPR at this time.
- **July 1, 2005:** NAESB Comments on RM05-5-000 – changes requested by the FERC in the NOPR.
- **July 15, 2005:** NAESB Report on the ANOPR RM00-10-000 against NAESB OASIS Activities and Planned Activities.
- **September 27, 2005:** Retail standards published, posted on the NAESB web site, and announcements of availability were sent to NAESB members, NAESB Advisory Council, NARUC, industry trade associations, and government agencies.
- **November 29, 2005:** The WEQ EC adopted the Inadvertent Interchange Payback Report, which will be presented to the FERC in 1st Q 2006.
- **December 9, 2005:** Comments of NAESB on the second technical conference of the formation of the ERO, Docket No. RM05-30-000.
- **December 13, 2005:** Redesign of the NAESB Certification Program was prepared and approved by the Board of Directors. It will go into effect in January 2006.
- **December 13, 2005:** D-U-N-S® Analysis Report and Recommended Actions prepared and approved by the Board of Directors. The WEQ will pursue alternatives to the D&B solutions.
- **December 13, 2005:** Retail Structure Review Report and Recommended Actions prepared and approved by the Board of Directors. No actions were taken to alter the structure at this time.
- **December 19, 2005:** The WEQ EC adopted the TLR split of standards for version 0. The ratification will be postponed until first quarter 2006 to permit the WEQ Board members to ensure that adequate coordination for TLR exists between NERC and NAESB.
- **December 22, 2005:** NAESB comments on RM05-30-000 – formation of the Electric Reliability Organization.

KEY COMPLETIONS PLANNED IN 2005 AND CARRIED OVER TO 2006:

- **First Quarter 2006:** Final Report of the GEIC presented to the Board of Directors for approval to be sent to the FERC
- **First Quarter 2006:** Separation on TLR standards into version 0 business practices and reliability standards and associated FERC filings.



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NAESB BOARD OF DIRECTORS MEETING MATERIALS STANDARDS ADOPTED IN 2005 JUNE 22, 2006

FOR THE WHOLESALE GAS QUADRANT

- **Recommendation R98018:** Reduction Reason Codes to Scheduled Quantity by Contract & Scheduled Quantity for Operator. *(Ratified 3/17/05).*
- **Recommendation R98040/R98050/01018:** Modify Flowing Gas Implementation Guide to include Storage Balance Reporting Dataset, Add Datasets Storage & Park/Loan Balance to Upload of Requirements for Download (And Response Datasets), and Add Transaction Type Data Element Code Values. *(Ratified 3/17/05).*
- **Recommendation R99037:** Confirmation Level Data Element to Request for Confirmation, Confirmation Response, and Scheduled Quantity for Operators. *(Ratified 3/17/05).*
- **WGQ Annual Plan Item 8:** FERC Order 2004 (affiliate Order). *(Ratified 5/3/05).*
- **Recommendation R04017:** Trading Partner Agreement for Retail Use as Modified by the REQ EC, RGQ EC, and WGQ EC on March 4, 2005. *(Ratified 5/13/05 in WGQ).*
- **WGQ Annual Plan Item 7, RGQ Annual Plan Item 12, REQ Annual Plan Item 14:** Adoption of the common NAESB Electronic Transport (ET). *(Ratified 7/1/05 in WGQ).*
- **WGQ 2005 Annual Plan Item 3:** Adoption of the WGQ Quadrant EDM Manual as a replacement for the NAESB WGQ Electronic Delivery Mechanism (EDM) Manual. *(Ratified 7/1/05).*
- **Recommendation R02006:** Add validation code warning value “Higher rate may result” to NAESB WGQ Std. No. 1.4.2 – Nomination Quick Response *(Ratified 7/1/05).*
- **Recommendations 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. *(Ratified 7/1/05).*
- **Recommendation R97110:** Modify the definition of data elements ‘Posting Date’ and ‘Posting Time’ in Offer Download, Bid Download, and Award Download. Delete data elements ‘Withdrawal Posting Date’ and ‘Withdrawal Posting Time’ from Withdrawal Download. Add data elements ‘Posting Date’ and ‘Posting Time’ to Withdrawal Download. Modify Withdrawal Download TIBP. *(Ratified 7/1/05).*
- **Recommendation R00004:** Add a new data element ‘Limit Type’ to Pre-Determined Allocation. Add code values for new data element ‘Limit Type’ in Pre-Determined Allocation Code Values Dictionary. Add validation codes to Pre-Determined Allocation Quick Response. Add ‘Limit Type’ to the Flowing Gas Data Group. *(Ratified 7/1/05).*
- **Recommendation R00005:** Add a new data element “Swing Fuel Option Indicator” to Pre-Determined Allocation. Add code values for new data element ‘Swing Fuel Option Indicator’ to Pre-Determined Allocation Code Values Dictionary. Add validation codes to Pre-Determined Allocation Quick Response. Add ‘Swing Fuel Option Indicator’ to the Flowing Gas Data Group. *(Ratified 7/1/05).*
- **Recommendation R01011:** Add validation code to Pre-Determined Allocation Quick Response. *(Ratified 7/1/05).*
- **Recommendation R00010:** Add code value for the data element ‘Rate Identification Code to data sets: Offer Download, Bid Download, Award Download, Offer Upload, Offer Upload Quick Response, Offer Upload Notification, Bid Upload, Bid Upload Quick Response. *(Ratified 7/1/05).*
- **Recommendation R04021 and R04021-A:** Definitions and standards for daily operational communications between pipelines and power plants and the technical implementation for the standards in R04021. *(Ratified 8/15/05).*



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NAESB BOARD OF DIRECTORS MEETING MATERIALS STANDARDS ADOPTED IN 2005 JUNE 22, 2006

- **Recommendations R99031 and R03008:** Add data element “Cycle Indicator” to the Nomination, Request for Confirmation, Confirmation Response, Scheduled Quantity, and Scheduled Quantity for Operator data sets. Add five validation codes to Nomination Quick Response and Confirmation Response Quick Response. Add code value “Reduction Reason” to Confirmation Response. Add data element “Cycle Indicator” in Dates Data Group of NAESB WGQ Standards 1.3.54, 1.3.60, 1.3.61, and 1.3.63. (*Ratified 10/10/05*).
- **Recommendation R01008:** Add new code value “Meter Bounce – Overrun” for the data element “Transaction Type” in the Nomination, Scheduled Quantity, Pre-determined Allocation, Allocation, Shipper Imbalance, and Transportation/Sales Invoice data sets. (*Ratified 10/10/05*).
- **Recommendation R03030:** Add two new code values: “Imbalance Resolution – Firm” and “Imbalance Resolution – Interruptible” for the data element “Transaction Type” in the Nomination, Scheduled Quantity, and Transportation/Sales data sets. (*Ratified 10/10/05*).
- **Recommendation R03022:** Reinstate two code values: “Imbalance Transfer” and “Storage Inventory Transfer” for the data element “Transaction Type” in the Nomination, Scheduled Quantity, Pre-determined Allocation, and Allocation data sets. (*Ratified 10/10/05*).
- **Recommendation R00024:** Add four code values: “Storage Account Balance Overrun”, “Storage Account Balance Underrun”, “Storage Capacity Charge” and “Storage Unmet Monthly Minimum” for the data element “Charge Type” in NAESB WGQ Standard No. 3.4.1 – Transportation Sales/Invoice. (*Ratified 10/10/05*).
- **Recommendation R01010:** Add ten code values for the “Reduction Reason” data element in the “Scheduled Quantity” and “Scheduled Quantity for Operator” data sets. (*Ratified 10/10/05*).
- **Recommendation R02010:** Add one new code value: “Reduction due to balancing of path” for the data element “Reduction Reason” in the Confirmation Response, Scheduled Quantity, and Scheduled Quantity for Operator data sets. (*Ratified 10/10/05*).
- **Recommendation R03019:** Add one new code value: “Underperformance of Confirming Party at Receipt Location” for the “Reduction Reason” data element in the Confirmation Response, Scheduled Quantity, and Scheduled Quantity for Operator data sets. (*Ratified 10/10/05*).
- **Recommendation R04030:** Add a new data element to the Internet Electronic Transport (Internet ET) “refnum-orig”. (*Ratified 10/10/05*).
- **Clarification C03006:** Add a clarification for certain disclosure under Section 14.10 under the NAESB WGQ “Base Contract for Purchase and Sale Natural Gas” (NAESB WGQ Standard 6.3.1). (*Ratified 10/10/05*).
- **WGQ Annual Plan Item #4:** Update the minimum technical characteristics in Appendix B “Minimum Technical Characteristics for the Developer and User of the Customer Activities Web Sites”, Appendix C “Minimum Technical Characteristics and Guidelines for the Developer and User of Informational Postings Web Sites, and Appendix D “Minimum Technical Characteristics for EDM Communications”. (*Ratified 10/10/05*).
- **Clarification C05002:** Clarification to NAESB WGQ Standard 4.3.88 – add proposed WGQ Interpretation 7.3x regarding a clarification for usage of 128-bit Secure Socket layer encryption under NAESB WGQ Standard 4.3.88. (*Adopted by the WGQ Executive Committee on 12/1/05 with ratification ballots due on 1/9/06.*)

FOR THE RETAIL QUADRANTS

- **Recommendation R04017:** Trading Partner Agreement for Retail Use as Modified by the REQ EC, RGQ EC, and WGQ EC on March 4, 2005. (*Ratified 5/13/05 in REQ and RGQ*).



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 Home Page: www.naesb.org

NAESB BOARD OF DIRECTORS MEETING MATERIALS STANDARDS ADOPTED IN 2005 JUNE 22, 2006

- **RGQ Annual Plan Item 12, REQ Annual Plan Item 14, WGQ Annual Plan Item 7:** Adoption of the common NAESB Electronic Transport (ET). (*Ratified 8/30/05 in REQ and RGQ*).
- **Recommendation R04030:** Add a new data element to the Internet Electronic Transport (Internet ET) “refnum-orig”. (*Ratified 9/26/05*).
- **Retail Gas Quadrant Annual Plan Item 6 and Retail Electric Quadrant Annual Plan Item 6:** Establish the Quadrant specific EDM (QEDM) standards for REQ and RGQ. (*Ratified 9/26/05*).

FOR THE WHOLESALE ELECTRIC QUADRANT

- **Recommendation R04021:** Definitions and standards for daily operational communications between pipelines and power plants. (*Ratified 7/8/05*).
- **Recommendation R05009:** Modify the NAESB Version 0 TLR business practices to remain consistent with the NERC Version 0 TLR reliability standards. (*Ratified 10/10/05*).
- **2003 WEQ Annual Plan Item 6-IIP:** (IIPTF Final Report) Develop business practices standards for Inadvertent Interchange Payback. (*Adopted by the WEQ EC on 11/29/05 – no ratification required.*)
- **Recommendation R04013A:** Version 0 Business Practices Standards – Development of post-split “Version 0” Transmission Loading Relief Business Practice Standard. (*Adoption pending notational ballot. Ratification held in abeyance until TLR implementation issues between NERC and NAESB, including ongoing development of both the commercial and reliability aspects of TLR have been clearly defined. This determination to be made by the NAESB WEQ Members of the Board of Directors.*)
- **Recommendation R04035/R05002:** Clarify OASIS 1A nomenclature and amend WEQ standard 4.19/Amend sections 9.5 and 10.5 of OASIS 1A Redirect Standards. (*Ratified 01/05/06.*)
- **Recommendation R04006D:** OASIS 1A Enhancements – Sale or Assignment of Transmission Service. (*WEQ EC voted back to Electronic Scheduling Subcommittee and Information Technology Subcommittee on 11/29/05 issues surrounding Redirect Standard 9.8.1.*)
- **Recommendation R04035:** Version 0 Transmission Loading Relief. (WEQ EC voted on December 19 to approve the standards and hold ratification until the WEQ Board members are assured that appropriate levels of coordination for TLR standards development exist between NERC and NAESB).



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1301 Fannin, Suite 2350, Houston, Texas 77002
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NAESB BOARD OF DIRECTORS MEETING MATERIALS PARTNERSHIPS, LIAISONS AND FILINGS WITH FERC IN 2005 JUNE 22, 2006

FERC FILINGS

- **January 18, 2005:** NAESB Submission of WEQ Standards to FERC under Docket No. RM05-5-000. On January 18, 2005 NAESB provided a Report regarding NAESB's activities undertaken by the NAESB Wholesale Electric Quadrant ("WEQ") Executive Committee. (http://www.naesb.org/doc_view2.asp?doc=ferc011805_report.pdf).
- **March 18, 2005:** NAESB Report to the FERC Regarding the Permanent Numbers Assigned to the NAESB WGQ Standards to Implement Gas Quality Reporting Requirements Under Docket Nos. RM96-1 et al and RM98-10 et al. On March 18, 2005, NAESB provided a Report regarding the permanent numbers assigned to the NAESB Wholesale Gas Quadrant ("WGQ") standards to implement gas quality reporting requirements, previously provided to the Commission on November 1, 2004. (http://www.naesb.org/doc_view2.asp?doc=ferc031805.pdf).
- **April 12, 2005:** NAESB WGQ Version 1.7 Errata Submission to FERC Under Docket Nos. RM96-1 et al and RM98-10 et al. On April 12, 2005, NAESB provided a Report regarding errata to Version 1.7 of the NAESB Wholesale Gas Quadrant ("WGQ") Standards, previously provided to the Commission on April 13, 2004. (http://www.naesb.org/doc_view2.asp?doc=ferc041205.pdf).
- **April 18, 2005:** NAESB Supplemental Report to the January 18, 2005 WEQ Standards to FERC Under Docket No. RM05-5-000 correcting corrects a typographical error in the original report and providing 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/doc_view2.asp?doc=ferc041805.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. On April 22, 2005, NAESB provided a Report 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. (http://www.naesb.org/doc_view2.asp?doc=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. On May 4, 2005, NAESB provided FERC with notification of the ratification results for the Wholesale Gas Quadrant ("WGQ") modified standard that responds 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 was filed on April 22, 2005. (http://www.naesb.org/doc_view2.asp?doc=ferc050405.pdf).
- **June 27, 2005:** NAESB Report on the Efforts of the NAESB Gas-Electric Interdependency Committee and the Business Practices on Pipeline-Gas-Fired Generation Facility under Docket No. RM05-28-000. On June 27, 2005 NAESB provided a Report regarding NAESB's activities undertaken by the Gas-Electric Interdependency Committee (GEIC) and the business practices drafted by the Wholesale Electric Quadrant and Wholesale Gas Quadrant related to Request No. R04021. (http://www.naesb.org/doc_view2.asp?doc=ferc062705_cover_report.pdf).
- **July 1, 2005:** NAESB Comments on Docket No. RM05-5-000 "Standards for Business Practices and Communication Protocols for Public Utilities." On July 1, 2005, NAESB submitted comments for the Notice of Proposed Rulemaking Docket No. RM05-5-000 "Standards for Business Practices and Communication Protocols for Public Utilities." The comments were specific to questions asked of NAESB in the NOPR. The NOPR directed three comments to NAESB: "...it would be useful if the WEQ would adopt standards comparable to those NAESB adopted regarding standards of conduct on the gas side" (§47); "OASIS Business Practice Standard 9.7 (addressing redirects) – appears to conflict with Commission policy and NAESB has not explained the benefits of such a change" (§31); "We are also concerned about some vague language in Standard 10.6, which states that "for the purposes of



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curtailment and other capacity reductions, confirmed Redirects on a Non-Firm basis shall be treated comparably to all other types of Non-Firm Secondary Point-to-Point Service. The phrase "all other types" is not defined. We interpret this phrase to apply only to services that are comparable to non-firm point-to-point service, and propose to accept the standard based on this interpretation" (§32). (http://www.naesb.org/doc_view2.asp?doc=ferc070105.pdf)

- **July 15, 2005:** NAESB Report to FERC Regarding Errata to Version 1.7 NAESB WGQ Standards, RM96-1 et al and RM98-10 et al. NAESB WGQ Version 1.7 standards were ratified by NAESB membership and published on December 31, 2003. NAESB submitted errata for NAESB WGQ Version 1.7 to the Commission on April 12, 2005. While processing the errata, the WGQ Information Requirements (IR) and Technical Subcommittees identified the need for possible additional minor corrections. After further review, the WGQ IR and Technical Subcommittees proposed additional errata for NAESB WGQ Version 1.7. The additional errata correct the Code Values Dictionaries in NAESB WGQ Version 1.7 Standard 1.4.2 – Nomination Quick Response and NAESB WGQ Version 1.7 Standard 1.4.7 – Confirmation Response Quick Response. The additional errata were first brought to NAESB's attention at the May 12, 2005 Executive Committee meeting. The Executive Committee voted unanimously to adopt the errata via notational ballot on June 22, 2005. The member comment period ended on July 12, 2005 and no adverse comments were received. The errata were applied to the NAESB WGQ Version 1.7 standards on August 12, 2005. This report was submitted to the Commission on July 15, 2005. (http://www.naesb.org/doc_view2.asp?doc=ferc071505.pdf)
- **July 20, 2005:** Analysis of ANOPR RM00-10-000 Against NAESB OASIS Activities and Planned Activities. On July 20, 2005, NAESB authored a letter to Chairman Kelliher to report how NAESB is addressing items specific to the ANOPR including incremental changes noted by the industry at the March 2005 Future of OASIS Conference. It includes a discussion of the NAESB WEQ 2005 RM05-5-000 filing and current requests for standards development that address improvements to OASIS. The discussion is followed by a summary of the Future of OASIS Conference and the state of the industry, as well as a description of draft requests for NAESB standards that are under development to implement the incremental changes. (http://www.naesb.org/doc_view2.asp?doc=ferc072005.pdf)
- **November 16, 2005:** Report for NAESB Wholesale Electric Business Practices, Docket No. RM05-5-000, Renumbering of Standards. On November 16, 2005, NAESB submitted a report to the FERC regarding NAESB's activities undertaken to renumber wholesale electric quadrant business practice standards for ease of reference and to ensure the uniqueness of the number. The text of the standards and the order in which they are presented has not changed. This effort was undertaken at the request of FERC staff, and applies to all wholesale electric business practices standards: namely, the standards submitted in the January 18, 2005 "Report for NAESB Wholesale Electric Business Practices", Docket No. RM05-5-0001; and further noted in the April 18, 2005 "Supplemental Report for NAESB Wholesale Electric Business Practices", Docket No. RM05-5-000; and the July 1, 2005 "NAESB Comments on Docket No. RM05-5-000 'Standards for Business Practices and Communication Protocols for Public Utilities.'" The FERC also proposed to amend its regulations to incorporate by reference certain of these standards in the May 9, 2005 FERC Notice of Proposed Rulemaking Docket No. RM05-5-000. (http://www.naesb.org/doc_view2.asp?doc=ferc111605.pdf)
- **December 12, 2005:** Ms. McQuade was asked by FERC to participate on a panel for the second technical conference on the formation of the Electric Reliability Organization. Ms. McQuade asked Mr. Desselle to provide the NAESB comments, (http://www.naesb.org/member_login_form.asp?doc=ferc_comments120905_desselle.doc).
- **December 22, 2005:** Comments of the North American Energy Standards Board on the Second Technical Conference for Docket No. RM05-30-000, "Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval and Enforcement of Electric Reliability Standards". On December 22, 2005, NAESB submitted comments to the FERC on the Second Technical Conference for Docket No. RM05-30-000 regarding the coordination process between NERC and NAESB, and the transition plan as an ERO is created. (http://www.naesb.org/doc_view2.asp?doc=ferc122205.pdf)



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NAESB BOARD OF DIRECTORS MEETING MATERIALS PARTNERSHIPS, LIAISONS AND FILINGS WITH FERC IN 2005 JUNE 22, 2006

FERC FILING PROPOSED SCHEDULE

- If the items are related (same docket no.) they may be combined into one filing. For the changes to the standards of conduct (WEQ) reflected in NAESB comments prepared on July 1 (RM05-5-000), NAESB is in the process of determining how best to approach the needed changes to support the request by FERC on standards of conduct. Once the approach is determined, NAESB will make the needed changes or inclusions to this schedule. As NAESB continues to develop standards that support the status report to Chairman Kelliher (dated July 20, 2005), those updates will be provided to the FERC.

Planned by 1st Quarter 2006

- (1) WEQ: Version 0 split of transmission loading relief (RM05-5-000)
- (2) WEQ: Inadvertent Interchange Payback report and comments (RM05-5-000)
- (3) WGQ: Gas Quality Part 2 – Part B of the request R03035, reporting of assumptions and calculations used in measurement of gas quality specifications (RM96 et al)
- (4) WEQ and WGQ: Follow up report from the Gas-Electric Interdependency Committee (RM05-28-000)

Planned by 2nd Quarter 2006

- (5) WEQ: Several enhancements to OASIS including redirect modifications, resales and transfers, and changes to 10.6 (clarification of “all other types” – see our July 1 comments on RM05-5-000)
- (6) WEQ: Release mechanisms on the S&CP (RM05-5-000)
- (7) WGQ: Version 1.8 WGQ standards (publish date in July 31, 2006) (RM96 et al)
- (8) WEQ: Possible Version 1 changes to the standards including Coordinate Interchange Business Practices, TLR and LTATF efforts (RM05-5-000). Item 8 may be done earlier or later than 2nd quarter 2006, depending on the progress of the WEQ EC.

DEPARTMENT OF ENERGY – SANDIA NATIONAL LABORATORIES

- **October 11, 2005:** Began working with SNL to review and prepare a surety assessment of the NAESB technical standards, specific to the TEIS, EDM and PKI efforts. SNL expects to conclude its assessment by second quarter 2006. A previous review by SNL began in 1999 and concluded in March 27, 2000 with a report from SNL to NAESB, at that time GISB. A GISB/NAESB response was prepared along with standards modifications to implement the recommendations on February 22, 2002.
- **October 24, 2005:** Installed Centurion software to encrypt email communications and documents exchanged with SNL and DoE for preparation of the SNL “Official Use Only” surety assessment report.
- **October 26, 2005:** Update schedules set for SNL with NAESB to report progress of surety assessment.
- **November 15, 2005:** Leaders of NAESB WGQ, WEQ, and Retail Quadrants met via conference call with members of the Sandia National Laboratories team that are reviewing the NAESB technical standards. The NAESB members clarified questions asked by the SNL team members.
- **December 14, 2005:** Leaders of NAESB WGQ, WEQ, and Retail Quadrants met via conference call with members of the Sandia National Laboratories team that are reviewing the NAESB technical standards. The group reviewed a flowchart created by SNL for natural gas transactions. Team members were asked to submit any comments on the flowchart they might have during the first week of 2006.



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- **Planned, January 11, 2006:** Conference call between EC leaders of the NAESB WGQ, WEQ, and Retail Quadrants and the Sandia National Laboratories team members.

NATIONAL ASSOCIATIONS OF REGULATORY UTILITY COMMISSIONERS

- Update calls of one hour each month are held to brief commissioners and staff on NAESB activities. The monthly update schedule, agenda, work papers and notes can be accessed from the NAESB web site (http://www.naesb.org/monthly_update.asp). These conference calls are open to all interested parties and the materials for the calls can be accessed from the NAESB web site at the above address.
- **September 30, 2005:** NARUC newsletter ran a story on NAESB retail standards release.
- **December 21, 2005:** The next conference call will focus on the 2006 annual plans and the retail structure review report results.
- **Planned, February 11, 2006:** NAESB Advisory Council will hold its meeting in conjunction with the NARUC winter session. Planning is underway now with Michelle Malloy.

ENERGY BAR ASSOCIATION

- **First Quarter 2006:** Bill Boswell and Jim Cargas are drafting an article to be published in the Energy Bar Journal's spring 2006 issue. It is entitled, "North American Energy Standards Board: Legal and Administrative Underpinnings of a Consensus Based Organization."

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 5

BOARD RESPONSIBILITY REVIEW

This section includes:

- Excerpts from the Certificate and Bylaws specific to Board Members,

The material presented is background information for the discussion of agenda item 3 and will provide context for the presentation to be given by Mr. Boswell.

No action is expected of the Board. The Board and members will have the opportunity to ask questions of General Counsel William Boswell during the presentation.



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

NAESB BOARD OF DIRECTORS MEETING MATERIALS
THE WORKINGS OF NONPROFIT BOARDS – EXCERPTS FROM NAESB CERTIFICATE AND BYLAWS
JUNE 22, 2006

Bill Boswell will review the workings of non-profit board and the responsibilities of the NAESB Board members. As such, excerpts from our certificate and bylaws are included for background material.

CERTIFICATE

Article II Purposes and Scope

Section 1. The objects and purposes of NAESB are 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.

Section 2. NAESB shall engage in any lawful activities necessary or desirable to achieve the objectives and purposes of NAESB set forth in Section 1 of this Article II to the extent consistent with the provisions of Section 501(c)(6) of the Internal Revenue Code of 1986 (or any corresponding provision of any future revenue law) and the regulations promulgated thereunder (as they now exist or as they may be amended in the future, the “Code”).

Section 3. NAESB shall be a non-profit organization qualifying under Section 501 (c) (6) of the Code and shall not have the authority to issue capital stock.

Section 4. NAESB shall not have any formal relationship with any regulatory agency. NAESB shall not have an advocacy role regarding its standards before the FERC or any other regulatory agency.

Article III: Organization and Management

Section 1. The business and affairs of NAESB shall be managed by the Board of Directors except to the extent that specific powers and duties are conferred upon the Executive Committee by this Certificate. The Board of Directors may delegate additional powers to the Executive Committee, provided that the Board of Directors may not delegate its power to approve an amendment of the Certificate of Incorporation, a merger or consolidation, a sale of substantially all the assets or dissolution of NAESB, or amendment of the By-Laws.

Section 2. The Board of Directors and Executive Committee members shall be elected for such terms as provided in the By-Laws. The number of members of the Board of Directors and Executive Committee shall as provided in the By-Laws. There may be as many as four Quadrants and each Quadrant shall be composed of industry Segments.. The members of each Segment shall vote separately for the election of Directors and Executive Committee members for such Segment pursuant to procedures set forth in the By-Laws.

Section 3. Each representative of the Board of Directors and the Executive Committee shall have one vote. Neither the Board of Directors nor the Executive Committee shall allow substitutes for any member thereof at their respective meetings; provided, however, that, as provided in the By-Laws, the Executive Committee may have designated alternates as selected by their segment. The Board of Directors and Executive Committee shall further establish procedures for notational voting, attendance by telephone or video conferencing, and determination of quorums. These procedures shall be included in, or attached to, the By-Laws. The Board of Directors and the Executive Committee shall each elect a chairman from among their own members. The Chairman of the Board of Directors may request that any vote or action be taken by the Board of Directors without a meeting and without unanimous consent, and such action may be taken if approved by the appropriate voting levels specified in Article V. The Chairman of the Executive Committee may request that any vote or action be taken by the Executive Committee without a meeting and without unanimous consent, and such action may be taken if approved by the appropriate voting levels specified in Article V.



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NAESB BOARD OF DIRECTORS MEETING MATERIALS THE WORKINGS OF NONPROFIT BOARDS – EXCERPTS FROM NAESB CERTIFICATE AND BYLAWS JUNE 22, 2006

Section 4. Among its other duties of governance, the Board of Directors shall be responsible for approving the budget and Annual Plan(s), initiating and recommending charter changes, maintaining contacts within the natural gas and electric industries and with government agencies, and selecting counsel and the external auditor for NAESB. The Board of Directors shall also have the authority to adopt and amend the By-Laws pursuant to Section 5 of Article V.

Section 6. The personal liability of the members of the Board of Directors and the Executive Committee, and such other persons acting for NAESB, to the extent applicable under the Statute, is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the Statute, as the same may be amended and supplemented.

Any person who is or was a director, officer, agent, or employee of NAESB, or is or was serving, at the request of NAESB, as a director, officer, agent, or employee of another corporation, trust, or enterprise, shall be entitled to be indemnified by NAESB to the fullest extent now or hereafter permitted by the Statute in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to such entity. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which an indemnified person may be entitled under any by-law, agreement, insurance policy, or otherwise.

Article V: Voting

Section 3. An affirmative vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from Directors representing each Segment within each Quadrant, which vote must be ratified by a ninety percent (90%) affirmative vote of the general membership, shall be required to approve an amendment of this Certificate, including NAESB's scope and purposes described in Article II, to continue NAESB pursuant to Section 2 of Article I, to expand or contract the activities of NAESB pursuant to Section 3 of Article I and to consolidate the functions of the Board of Directors and the Executive Committee pursuant to Section 4 of Article I. No quorum of the members shall be required for such votes.

Section 6. A vote of at least seventy-five percent (75%) from the Board, including an affirmative vote of at least forty percent (40%) from the Directors representing each Segment within each Quadrant, shall be required to determine how to fund a budget deficit or to establish or modify a promotional dues program.

BYLAWS

Article 7: Board

Section 7.1 Board: The business and affairs of NAESB shall be managed by the Board. The powers of NAESB shall be exercised by, or under the authority of, the Board except as otherwise provided by statute, the Certificate or these Bylaws. Specific powers and duties are delegated to the EC by Article III, Section 5 of the Certificate. The Board may delegate such other powers to the EC, as it deems appropriate if such delegation is consistent with the Certificate.

Section 7.2 Qualifications of Directors: Each Director shall be a natural person at least eighteen (18) years of age who need not be a resident of Delaware and who shall be a Voting Member, or a partner in, or an officer, employee or agent of, a Voting Member.

Section 7.3 Number and Election of Directors: The Board shall consist of representatives of the Quadrants, each Quadrant determining the number of Directors who shall occupy seats on the Board, except that every Segment of a Quadrant shall be represented by at least one Director. Regardless of the number of Directors elected from each Quadrant, no Quadrant shall be entitled to cast a vote greater than the percentage that its Quadrant represents in relation to the total number of Quadrants represented on the Board at a given time. Each Segment within a Quadrant shall be



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NAESB BOARD OF DIRECTORS MEETING MATERIALS
THE WORKINGS OF NONPROFIT BOARDS – EXCERPTS FROM NAESB CERTIFICATE AND BYLAWS
JUNE 22, 2006

represented by an equal number of Directors, to be determined by that Quadrant. The procedures for electing the Directors shall be as specified in each Quadrant's Exhibit. Each Quadrant shall communicate the timing of its election of Directors.

Section 7.4 Term of Office: (a) The term of office of a Director shall be for a period set by the Quadrant, not less than 1 year, not to exceed three years. Quadrants may elect Directors for varying terms. Directors may be reelected to subsequent terms. (b) Each Director shall hold office during his or her term until the earliest of: (i) the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, (ii) the Director's resignation of his or her Voting Membership (if the Director is the Voting Member as an individual) or the lapse of the Director's Voting Membership for delinquency in membership fee payment, (iii) the resignation or lapse (through delinquency in membership fee payment) of Voting Membership of the entity of which the Director is a partner, officer, employee or agent, or (iv) the Director's death, resignation, or removal.

Section 7.5 Vacancies: Vacancies in the Board resulting from the circumstances described in Subsections 7.4(b)(ii), (iii) or (iv) above shall be filled by the Quadrant and Segment in which the vacancy occurs, in accordance with the procedures specified in that Quadrant's Exhibit.

Section 7.6 Removal of Directors: Procedures for removal of Directors representing a Quadrant and Segment are contained in the pertinent Exhibit.

Section 7.7 Resignations: Any Director may resign at any time by giving written notice to the Secretary. The resignation shall be effective upon receipt by NAESB or at such subsequent time as may be specified in the notice of resignation.

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 6

STRATEGIC SESSION
REVIEW OF LAST SESSION

This section includes:

- June 22, 2005 minutes of last strategic session

The material presented is background information for the discussion of agenda item 4(a).

No action is expected of the Board, guests and members.



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June 27, 2005

TO: NAESB Board Members, Posting for Interested Industry Participants
FROM: Laura Kennedy, NAESB Meeting/Project Manager
RE: Final Minutes from the NAESB Board of Directors Meeting and Strategic Session, and NAESB Meeting of the Members – June 22, 2005

**NORTH AMERICAN ENERGY STANDARDS BOARD
 NAESB BOARD OF DIRECTORS MEETING & STRATEGIC SESSION
 NAESB MEETING OF THE MEMBERS
 June 22, 2005 in San Antonio, TX
 Final Minutes**

1. Administration and Welcome

Mr. Maassel 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 and announced that quorum was established. Mr. Templeton made a motion, seconded by Mr. Desselle to adopt the agenda. The agenda was adopted unanimously. Mr. Haynes made a motion to adopt the March 3, 2005 draft minutes, and Mr. Desselle seconded the motion. The minutes were adopted unanimously. The final minutes of the March 3, 2005 Board Meeting are posted on the NAESB website at <http://www.naesb.org/pdf2/bd030305fm.doc>.

2. Meeting of the Members

The Board of Directors took a brief recess, while the NAESB Annual Meeting of the Members was conducted in accordance with Article VI of the Certificate.

Ms. McQuade provided a review of the accomplishments of all four quadrants over the past twelve months. This information can be found on pages 34-36 of the Board Meeting book. Ms. McQuade noted that NAESB adopts voluntary business practice standards which may be provided to regulatory agencies as status reports. However, the organization will not advocate before any regulatory body. The NAESB standards development process is ANSI accredited and begins with a request for standards development submitted by a member, an interested industry participant, a government agency or commission, an ISO, RTO, or a NAESB subcommittee, or with an Annual Plan item approved by the Board of Directors.

Over the past year, the Wholesale Electric Quadrant (WEQ) worked closely with NERC to adopt Version 0—the business practice components of the NERC operating policies. The WEQ is currently developing Version 1. The WEQ also adopted OASIS business practices and Standards and Communication Protocols (S&CP) that represent FERC Order Nos. 889, 605, and 638. The OASIS business practices included enhancements for multiple identical transmission service requests, and requirements for redirects. The WEQ subcommittees will continue to develop enhancements to OASIS on an incremental basis. The WEQ also developed business practices to support the Large Generation Interconnection Order, the Standards of Conduct (affiliate) Order, and there are plans to expand the business practices for the Standards of Conduct to be more consistent with the Standards of Conduct adopted by the Wholesale Gas Quadrant (WGQ). In January 2005, NAESB filed a status report under FERC



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Docket Number RM05-5-000. FERC issued Notice of Proposed Rulemaking RM05-5-000 on May 9, 2005 proposing to incorporate most of the business practices submitted in the status report by reference.

In September 2004, the WGQ adopted business practices to support gas quality reporting properties as reflected in pipelines' tariffs. This effort began with a three part request submitted by Florida Power and Light (Request No. R03035) to establish standards relating to gas quality specifications and measurement. To date, the WGQ has only addressed one portion of this request. Request R03035 also includes two other proposals: 1) reporting the assumptions used in making the gas quality measurements; and 2) investigation to determine if standards are needed for the gas quality standards. The WGQ also developed business practices to support reporting requirements for Standards of Conduct. The modifications were made to the Informational Postings section of pipeline web sites. The WGQ continues to work on requests to modify the existing base of WGQ standards. To ensure the standards are reflective of the current marketplace, over 35 requests have been addressed over the past twelve months that address the maintenance of the more than fifty business transactions and approximately six hundred business practices adopted by the WGQ.

The Retail Gas Quadrant (RGQ) and Retail Electric Quadrant (REQ) have worked together to develop commodity neutral business practices to address creditworthiness, billing and payments, market participant interactions, distribution company – supplier disputes, and trading partner agreement. The technical standards development for the Internet Electronic Transport Mechanism and Quadrant Electronic Delivery Mechanism is near completion. The retail quadrants expect to publish their first model business practices books during the 3rd quarter 2005.

The Energy Day effort is an outgrowth of the work of the Gas Electric Coordination Task Force. The WEQ and WGQ have worked together to address Request No. R04021 to develop business practices for communications between gas-fired generators and pipelines. These standards are in the process of being fully staffed in the WGQ and in the process of being ratified in the WEQ.

Several Board Committees were created during the last strategic session to develop programs or identify issues to make the organization more effective. The current Board Committees are: Gas-Electric Interdependency, which is chaired by Mr. Templeton; the Resources Committee which is chaired by Ms. Ogenyi and Mr. Brown, the Retail Awareness Committee, chaired by Mr. Burks, the Retail Structure Review Committee chaired by Mr. Bourbonnais; and the Certification Program chaired by Mr. Spangler. The WEQ voted through its procedures to add an additional At Large sub-segment within each segment to ensure that all members of the wholesale electric market can join and fully participate on the Executive Committee and Board of Directors.

Ms. McQuade stated that the Board and its committees are committed to the effectiveness and organization of NAESB. She added that the strategic session should provide input on the directions of standards development for 2006. Upon conclusion of the Meeting of the Members, the Board of Directors resumed their meeting.

3. Strategic Session

Review of the last strategic session:

Mr. Desselle reviewed the Strategic Session of the Board held on June 10, 2004. The notes from that meeting are included in the Board Meeting book on pages 38-40. Mr. Desselle stated



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that the Board discussed ways to address the waning membership and ways to address gas-electric coordination issues. For the wholesale arena, the Board listed: 1) business practice aspects of reliability; 2) integration of the gas and electric markets; 3) expansion of natural gas supply from non-conventional sources; 4) harmonization of standards; and 5) responsiveness to regulators as items for NAESB to address in coming years. For the retail arena, the Board listed: 1) development of a standard retail contract; 2) development of a standardized electric invoice; and 3) supporting regulators by teeing up policy issues as key topics for NAESB to address in the future.

Energy Day Efforts Review of 6-27-05 report and vote on Board Committee effort represented in the report:

The draft report on pipeline-power generation facility communications and the Gas-Electric Interdependency Report can be found on pages 42-57 of the Board Meeting book. Mr. Maddox reviewed the work of the Gas-Electric Interdependency Committee (GEIC) and the report. In the report, the GEIC identified issues that warrant additional industry attention, but may not result in NAESB standards development. Mr. Maddox stated that the report has become highly anticipated by several organizations include the FERC and NARUC.

Mr. Brown asked what action from the FERC and other organizations the GEIC expected as a result of the submission and publication of the report. Mr. Maddox stated that the goal of the report was not to request action, but to identify outstanding issues NAESB is not prepared to address. Mr. Sobieski asked the steps NAESB would take to manage the expectation of the regulatory agencies of what NAESB is planning to do and the state of the industry regarding progress on these issues. Mr. Maassel added that one of the reasons the report is so widely anticipated is because it not only describes NAESB's role in these issues, but also identifies areas where action is required by other organizations, agencies, etc. to advance the marketplace. Mr. Rosenberg stated that he welcomed the industry defined issues that are standing in the way of the FERC policies being implemented.

Mr. Hebenstreit made the following resolution that was seconded by Mr. Wiley:

WHEREAS the Board of Directors supports the conclusion and next steps of the Gas-Electric Interdependency report, and

WHEREAS the Board of Directors recognizes that requests R04016 and R04020, assigned to NAESB for standards development, are symptoms on several of the issues identified in the report, and

WHEREAS the Board of Directors previously approved the postponement of requests R04016 and R04020 to direct standards development attention to request R04021,

THEREFORE BE IT RESOLVED THAT the Board of Directors charges the Gas-Electric Interdependency Committee with drafting a Standards Development Request to address standards development for items with a high probability for achieving consensus, and

FURTHER BE IT RESOLVED THAT action should not be taken on requests R04016 and R04020 unless further action is taken by the Board, and

FURTHER BE IT RESOLVED THAT the draft request should be presented to the Board at its September 22 meeting.



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Mr. Maassel stated that the report would be submitted to the FERC and published on the NAESB website. The issues identified in the report that are ripe for NAESB standards development will be included in a request drafted by the GEIC and will be submitted to the Board at the September 2005 meeting. Mr. Wiley asked if NAESB would continue to highlight the issues identified in the report to the industry and the FERC. Mr. Stepenovitch stated that the Managing Committee meets with the FERC Commissioners and staff on a quarterly basis and will continue to highlight these issues. Mr. Haynes added that as the issues are resolved to allow NAESB to develop standards, industry participants, including the GEIC, can submit requests for standards development.

Mr. Wiley stated that he was the chair of the NERC Gas-Electric Interdependency Study and encouraged the NAESB Board to collaborate with NERC on the gas-electric coordination issues because many of the issues identified are truly reliability issues. Mr. Desselle stated that he would raise this issue at the next NERC Trustee meeting.

Mr. Novak noted that the WEQ and WGQ should to modify their Annual Plans to include general gas-electric interdependency items and that any request drafted by the GEIC would go through the normal triage process.

Mr. Kruse observed that, with the exception of the issue of communication, all of the other issues identified by the GEIC appeared to involve some additional guidance being provided to NAESB.

Mr. Maassel called the question on the motion. The motion passed unanimously.

Retail Directions:

Ms. Kiselewich reviewed the direction of the Retail Quadrants. Ms. Kiselewich stated that the Retail Quadrants are pursuing ways to get industry participants in states that are not actively moving forward with retail choice programs involved in NAESB business practice standards development. Two requests have been submitted that will likely help increase participation by all segments of the retail gas and retail electric industries.

Request R05016 was submitted by Wal-Mart Stores, Inc. proposing “development of standards or model business practices for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities.” This request was posted as supplemental material to the Board Meeting book on the NAESB website at: <http://www.naesb.org/pdf2/r05016.doc> (request) and <http://www.naesb.org/pdf2/r05016a1.pdf> (attachment to the request). Ms. Kiselewich stated that national accounts retailers like Wal-Mart, JC Penney, Radio Shack, and Home Depot have a large number of transactions with utilities dealing with billing and payments on a regular basis. Standards or business practices to address Request No. R05016 would provide these national accounts retailers with significant benefits. The request states that an electronic invoice would provide a potential savings of \$500,000 a year. Ms. Krieger asked why Wal-Mart or any customer would submit a request to NAESB to develop electronic billing transactions when the Utility Industry Group (UIG) develops these issues and if NAESB would follow UIG conventions when the model business practices are developed. Ms. Kiselewich stated that NAESB would build on the work of other groups like UIG to further develop these types of transactions and urged any interested industry party to participate.

Mr. Novak noted that during joint Retail Quadrant Executive Committee meetings, some retail quadrant participants have stated that to pursue development of model business practices for non-competitive markets would result in a deviation from the Retail Quadrants’ mission. Mr.



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Haynes stated that he supported the move toward retail standards applicable to non-competitive markets and that the retail quadrants should develop work products relevant to the entire retail community. There was no objection from the members of the Board that it is proper for the retail quadrants to move into these areas.

Request R05013 was submitted by Energy Window, Inc. to develop a model electric retail contract based on the NAESB WGQ Base Contract. Ms. Kiselewich stated that it is the expectation that this request would be processed in a commodity neutral fashion for use in both the retail electric and retail gas industries. Request R05013 and the attachment are included in the Board Meeting book on pages 68-87.

Ms. Kiselewich noted that the Triage Committee is scheduled to consider the above referenced requests during its next conference call scheduled on July 8.

Ms. Kiselewich stated that the retail quadrants should also examine the increased activity throughout North America related to green power. Mr. Behr stated that the retail quadrants should develop standards that are applicable in both pure retail choice environments as well as any retail green environment being contemplated across the nation.

Mr. Brown stated that the new direction of the retail quadrants would provide a good opportunity to enlist new members. He encouraged the Board members to conduct an outreach to organizations, such as state consumer groups, that will be interested in participating in developing these model business practices. Ms. Kiselewich stated that this new direction will likely result in increased participation by members of the end user and services segments in the Retail Quadrants.

Mr. Maassel noted that it was the broad consensus of the Board for the Retail Quadrants to move forward with the requests noted above and in the area of non-competitive markets and that the Annual Plans should be modified to reflect this direction.

Wholesale Gas Directions:

Mr. Stepenovitch stated that Florida Power and Light submitted Request No. R03035 to establish standards relating to gas quality specifications and measurement. Ms. Gussow stated that this request was divided into three parts. Part A requested the establishment of “web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.” Standards to address this section of the request were adopted by the WGQ in 2004. Part B requested development of “a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.” Part C seeks to “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).” Ms. Gussow requested that the WGQ begin development of standards to address Part B. She stated that NAESB is the proper forum for development of these standards.

Mr. Mills stated that Parts B and C imply policy issues that NAESB cannot address until the Natural Gas Council finishes its work on this issue. Mr. Stepenovitch stated that Part B does not seek development of a standardized methodology, but to establish reporting procedures on what methodology that an entity uses to measure the data. Mr. Sappenfield and Mr. Buccigross agreed with Mr. Stepenovitch’s explanation of Part B. Mr. Sappenfield added that while to require everyone to use the same methodology is a policy decision, reporting on the methodology used to determine the gas quality specifications does not imply policy issues. He



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noted that even if an instrument is used to obtain the data, the manufacturer of the instrument had to use some methodology in the logic or software to generate the data.

Mr. Novak suggested that a separate request be submitted to narrow the information requested in Part B. Mr. Maassel stated that the Board has the ability to interpret the request and to charge the Executive Committee with developing standards to fit that interpretation. Mr. Boswell added that the Board is not bound by the form of the request itself and can narrowly construe the language of the request. Mr. Buccigross agreed and stated that the minutes should reflect that the intent of Part B is to report the methodology used to determine gas quality specifications, and not to standardize the methodology. Mr. Novak stated that the WGQ Executive Committee should add an item to the WGQ Annual Plan to reflect the direction by the Board.

Mr. Haynes moved that the Board keep Part C of Request R03035 in abeyance, and to instruct the WGQ Executive Committee to add Part B to the Annual Plan for 2006 with the understanding that work related to the reporting of gas quality specifications is associated with the development of reporting procedures and not the standardization of the measurement itself. Mr. Buccigross seconded the motion. The motion passed unanimously.

Wholesale Electric Directions:

Mr. Desselle reviewed the direction of the WEQ. The FERC issued ANOPR RM00-10-000 in 2000 regarding the implementation of OASIS Phase II. Since that time, the industry has embraced electronic scheduling, e-tags and other OASIS enhancements. Mr. Desselle stated that Ms. McQuade and Mr. Gent sent a letter to FERC Chairman Wood on April 22, 2005 to report on the results of the NERC-NAESB OASIS Conference held on March 29, 2005. The letter described the efforts currently underway in the WEQ to develop OASIS and stated that the industry is working towards electronic scheduling on an incremental basis without the need for a major redefinition of OASIS requirements. As noted above, several OASIS enhancements were included in the January 2005 FERC filing. (*See Section 2*). In addition, the WEQ is working on recommendations for several requests that will result in OASIS enhancements. Dynegy and Calpine have been working with the NAESB office to develop a request to address the issues contemplated in the ANOPR. Ms. McQuade stated that the NAESB office is working at the request of FERC Commissioner Kelliher to identify activities currently underway in the WEQ that may satisfy the ANOPR and to identify other areas that require attention to satisfy the ANOPR. The WEQ also continues to develop Version 1 standards.

Mr. Brown asked if NAESB is interpreting communication from the FERC in a timely manner. He stated that he wanted to ensure that the FERC is aware that the Board members treat any communication from the FERC seriously. Mr. Maassel stated that in addition to the quarterly meetings with FERC staff, FERC staff will continue to have presence at the Board meetings. Ms. McQuade noted that FERC Facilitator, Mr. Rick Miles, facilitated all of the Energy Day meetings. She added that it is more difficult to communicate with state commissioners because of their number. She stated that the program for the NARUC summer meeting was modified to include a NAESB presentation. She urged Board members who are active with state commissions to identify areas where NAESB needs to be more involved.

Funding Issues:

Mr. Desselle stated that Mr. Anderson requested that the Board investigate alternative ways of funding the organization either through dues tiering or funding from external sources. Mr.



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Maassel stated that Board members should submit any ideas for consideration. Mr. Sappenfield stated that funding has been an issue throughout NAESB and GISB's history and that the work of the Board Committees' is sufficient at this time. **4. Board Business**

Standards Adopted Since the March Board Meeting:

Ms. McQuade reviewed the standards adopted since the March 3 Board Meeting. A list of these standards is included on pages 98-100 of the Board Meeting book. The WGQ adopted a Trading Partner Agreement in a joint effort with the Retail Quadrants and adopted standards in response to FERC Order 2004 (Affiliate Order). Ratification is pending for the WGQ Quadrant Electronic Delivery Mechanism Manual and the Internet Electronic Transport specification, with ballots due on July 1. The WGQ is also in the process of fully staffing the standards for daily operational communications between pipelines and power plants (Energy Day Standards). In addition, ratification is pending in the WGQ for a number of maintenance requests with ballots due on July 1. Notational ballots are due on June 22 for the Executive Committee to approve additional Minor Corrections for NAESB Version 1.7.

The WEQ Executive Committee has approved the recommendation for standards for daily operational communications between pipelines and power plants (Energy Day Standards). Ratification of these standards is pending with ballots due on July 8.

The Retail Quadrants have adopted the Trading Partner Agreement for Retail Use in a joint effort with the WGQ.

Fourteen requests have been submitted since the March 3 Board meeting. Most of the requests are technical in nature, however, Request No. R05007 was submitted by ERCOT to modify the NAESB WEQ Version 0 business practice standards by removing any references to ERCOT. Ms. McQuade stated that this request was a good sign that the wholesale electric industry is beginning to accept the NAESB standards development process. As Ms. Kiselewich discussed above, two other requests of note are Request No. R05013 to develop a model electric retail contract and Request No. R05016 from Wal-Mart to standardize "electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities."



North American Energy Standards Board

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

Home Page: www.naesb.org

Filings with the FERC made since last report:

Ms. McQuade reviewed the six FERC submittals since the last Board meeting. A list of the filings is included in the Board Meeting book on pages 102-103. On March 18, NAESB submitted a report regarding assignment of permanent numbers to the NAESB WGQ standards to implement gas quality reporting requirements. On April 12, NAESB submitted errata to NAESB WGQ Version 1.7. On April 18, NAESB provided a supplemental report to the January 18, 2005 WEQ standards. On April 22, Ms. McQuade and Mr. Gent authored a letter to Chairman Wood to report the results of the NERC/NAESB Future of OASIS Conference. Also on April 22, NAESB responded to Paragraph 10 of the FERC's NOPR and Termination Order in Docket Nos. RM96-1-026 and RM96-1-015. The WGQ adopted modifications to existing standards in order to provide a specific location for posting voluntary consent to information disclosure by nonaffiliated customers. At the time the report was submitted, the modified standard had been distributed for member ratification, but had not been ratified. On May 4, 2005, NAESB submitted the ratification results for the standards submitted in the April 22 report.

Reports from the Board Committees:

Resources Committee

Mr. Brown, co-chair of the Resources Committee, stated that the Resources Committee is responsible for twenty-five new members since its inception. When the thirteen resignations are taken into account, there has been a net of twelve new members. Mr. Brown stated that the Resources Committee will continue to work with the members of the Retail Quadrants to conduct an outreach for potential new members in light of the new direction of the Retail Quadrants. Mr. Brown requested that the Board members each contact two potential members to help the Resources Committee reach its goal.

Retail Awareness Committee

Mr. Burks, chair of the Retail Awareness Committee, stated that members of the Retail Awareness Committee have approached several states and are currently developing a way to categorize activities in the Retail Quadrants by state on the NAESB web site. Mr. Burks' company, EC Power, has volunteered to develop this feature at no cost to NAESB.

Retail Structure Review Committee

Mr. Bourbannais is the chair of the Retail Structure Review Committee. He stated that the Committee met on June 1 to discuss reasons why the membership numbers in the Retail Quadrants has declined. The Committee determined that it would work closely with the Resources Committee to increase the membership of the Retail Quadrants.

Certification Committee

Mr. Spangler, chair of the Certification Committee, stated that the Certification Program provides a way for providers of services and software to certify they are offering products that comply with NAESB technical standards. The goal is to update and increase the relevance of the program and to make it effective in the Wholesale Electric, Retail Electric, and Retail Gas Quadrants. The Certification Committee expects to have a work product for the Board's consideration at the September meeting.



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Executive Committee Report from Each Quadrant:

Wholesale Gas Quadrant

Mr. Buccigross reported on the modifications the WGQ Executive Committee made to the WGQ Annual Plan. The WGQ Annual Plan is located on pages 106-108 of the Board Meeting materials. Mr. Buccigross stated that Item 11 was added in response to Request No. R05014 to review and update NAESB Base Contract for Sale and Purchase of Natural Gas to reflect current industry practices. Based on the Board's decision regarding Request No. R03035, the Executive Committee will add Item 12 to develop procedures for the reporting of gas quality. Item 2 - development of standards regarding daily operational communications between natural gas pipelines and gas fired electrical generators is almost complete. The Technical and Information Requirements Subcommittees reviewed this recommendation and determined that the only changes necessary to implement these standards will be to the implementation manuals. The Executive Committee is scheduled to vote on the technical recommendation on July 11. Mr. Buccigross stated that completion dates were changed for Items 3, 5, 6, and 7.

Mr. Chapman moved, seconded by Mr. Desselle, to adopt the WGQ Annual Plan to include the modifications explained by Mr. Buccigross. The motion passed unanimously.

Wholesale Electric Quadrant

Mr. Desselle reported on the modifications the WEQ Executive Committee made to the WEQ Annual Plan, located on pages 109-112 of the Board Meeting materials. He stated that the majority of modifications were made to the status of the items and completion dates. Item 1(a)(i) and 1(h) were marked as Completed. The status of Items 1(e),(f), and (g) were changed to state that efforts are Underway. The subcommittee assignment of Item 4 was changed from Seams to Various because the Seams Subcommittee has been dissolved.

Mr. Desselle moved, seconded by Mr. Haynes, to adopt the WEQ Annual Plan to include modifications explained by Mr. Desselle. The motion passed unanimously.

Retail Quadrants

Mr. Novak reviewed the modifications to the Retail Gas Quadrant and Retail Electric Quadrant Annual Plans located on pages 113-118 of the Board Meeting book. The completion dates for Items 1 (a), (b), and (c) were changed to 3rd Quarter 2005. Mr. Novak noted that CPS should be deleted from the Subcommittee Assignment on Item 1(b). Item 2 was marked as Completed. The status of Item 3 was changed to Underway, and the completion date was changed to 4th Quarter 2004. Mr. Novak stated that Item 6 is very close to completion. He stated that the Executive Committee voted to create a Contracts Subcommittee.

Mr. Novak moved, seconded by Mr. Desselle to adopt the Retail Gas Quadrant and Retail Electric Quadrant Annual Plans to include modifications explained by Mr. Novak. The motion passed unanimously.

Financial Report:

Next, Ms. Wishart reviewed the Financial Report located on pages 120-122 of the Board Meeting book. The report included the Accrual Based Financial Report as of April 2005 and the Year to Date Income and Expenses to Budget.

Ms. McQuade reviewed the status of the membership. The WEQ currently has 141 members, the WGQ currently has 121 members, the REQ currently has 29 members, and the RGQ currently has 31 members. Most of the volatility can be seen in the WEQ as a result of adding



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the new At Large sub-segment. The membership information can be found on pages 123-136 of the Board Meeting book.

Partnerships and Coordination with Other Groups:

Ms. McQuade reported that she, Mr. Desselle, and Mr. Stepenovitch met with FERC Commissioners on May 19 to provide an update on the Energy Day efforts requested by Commissioner Brownell. The notes from these meetings are included in the Board Meeting book on pages 137-138. The NAESB delegation also met with the Department of Energy, NARUC, and several trade associations to make them aware of the developments of the Energy Day Subcommittee and the GEIC. These groups were provided with a draft copy of the GEIC report. As a result, NARUC modified the agenda of its summer meetings in Austin to provide an opportunity for NAESB to make a presentation based on the GEIC report.

5. Plan for upcoming September 22 Board Meeting in Houston

The next Board of Directors meeting is scheduled on Thursday, September 22, 2005 from 9 a.m. to 1 p.m. Central time. The meeting location is the IAH Airport Marriott Hotel in Houston, Texas. The agenda and meeting materials will be distributed to the Board members prior to the meeting.

6. Old and New Business

No other business was discussed.

7. Adjourn

Mr. Stepenovitch moved, seconded by Mr. Steward to adjourn. The meeting adjourned at 1:00 p.m. central.

8. Action Items From this Meeting

- Mr. Desselle will discuss NAESB's coordination with NERC on gas-electric coordination issues at the next NERC Trustee meeting.
- The WEQ and WGQ Executive Committees should modify their Annual Plans to include general gas-electric interdependency items.
- The Retail Quadrant Annual Plans should be modified to include development of model business practices for non-competitive markets.
- The WGQ Executive Committee should add an Annual Plan item for Part B of Request R03035.

9. Board Attendance

Wholesale Gas Quadrant Board Members

END USER SEGMENT		ATTENDANCE
Valerie Crockett	Tennessee Valley Authority	In Person
Joe Stepenovitch	Florida Reliability Coordinating Council	In Person
John Procario	Vice President & COO, Cinergy - regulated	In Person
Marty Patterson	Director, Cinergy - unregulated	Phone
Jim Templeton	Principal, Comprehensive Energy Services	In Person



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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.	Phone
Mike Novak	Asst. General Manager, National Fuel Gas Distribution Corporation	In Person
Lee Stewart	Senior Vice President, Gas Transmission, Southern California Gas Company	In Person
PIPELINE SEGMENT		
Terry McGill	Executive Vice President, Enbridge Energy	Phone
Larry Smith	Vice President Commercial Operations, El Paso Eastern Pipelines	In Person
Bill Grygar	Vice President, Panhandle Eastern Pipe Line	In Person
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	In Person
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	In Person
PRODUCER SEGMENT		
Jay Ellzey	Manager – Regulatory and Opco Support, ChevronTexaco Natural Gas	Absent
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	Phone
SERVICES SEGMENT		
VACANCY	VACANCY	
VACANCY	VACANCY	
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	In Person
Lyn Maddox	Consultant, Oxadel Consulting, LLC	In Person
Gregory White	Manager, President & CEO, Promet Energy Partners, LLC	Absent

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
VACANCY		
VACANCY		
VACANCY		
SERVICES SEGMENT		
VACANCY		
Stacey Wood	Director, The Structure Group	Absent
J Cade Burks	President, EC Power	In Person
VACANCY		
SUPPLIER SEGMENT		



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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

Wholesale Electric Quadrant Board Members

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



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John E. Lucas	Manager, Transmission Services, Southern Company	COOP	
Michael Desselle	Director Public Policy, American Electric Power	IOU	Absent
Ken Wiley	President and Chief Executive Officer, Florida Reliability Coordinating Council	IOU	In Person
		AT LARGE	In Person

MARKETER/BROKER SEGMENT

V A C A N C Y		FED	
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	IOU	In Person
Roy True	Manager of Regulatory Affairs – ERCOT, ACES Power Marketing	MUNI-COOP	In Person
Jim Mayhew	Director, RTO Coordination and Commercial Liaison , Mirant Corp.	N IOU	Absent
Michael Grim	Director of Markets and Regulation, TXU Business Services	N IOU	In Person
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Service Corp.	IOU	Phone
Rick Smead	Director, Navigant Consulting, Inc.	AT LARGE	In Person

Retail Gas Quadrant Board Members

DISTRIBUTORS SEGMENT

		ATTENDANCE:
Craig White	Acting Chief Operating Officer, Philadelphia Gas Works	Absent
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.	Absent
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	Absent
Dave Darnell	President & CEO, Systrends Inc.	Phone
Greg Lander	Principal, Commerce Energy Group	Absent
Richard J. Rudden	President & CEO, R. J. Rudden Associates, Inc.	Absent
V A C A N C Y		

SUPPLIER SEGMENT

Kathy Fudali	Manager, Contract Administration, Sprague Energy Corp.	Absent
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		



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12. Other Attendance

Name	Organization	Attendance
George Behr	ESG	Phone
Bill Boswell	NAESB	In Person
Mike Bray	Enbridge Offshore	In Person
Chris Briggs	Anadarko Petroleum	In Person
Gordon Brown	California ISO	Phone
Kathryn Burch	Duke Energy	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Dolores Chezar	KeySpan	In Person
Dale Davis	Williams Gas Pipeline	In Person
Elizabeth Evans	Anadarko Petroleum	In Person
Chuck Feagans	Tennessee Valley Authority	Phone
Christina Frescki	NJR Energy Services	Phone
Michael Gildea	Constellation Generation	In Person
Mark Gracey	El Paso Eastern Pipelines	In Person
Dona Gussow	Florida Power and Light	In Person
Tom Gwilliam	Iroquois Gas Transmission	In Person
Cheryl Hoffman	Hoffman-Paulson Associates	In Person
Laura Kennedy	NAESB	In Person
Iris King	Dominion Transmission	In Person
Ruth Kiselewich	Baltimore Gas & Electric	In Person
Rebecca Klein	Loeffler Tuggey Pauerstein Rosenthal, LLP	In Person
Hollis Krieger	Con Edison	Phone
Michelle Manson	Conectiv	Phone
Marcy McCain	Duke Energy Gas Transmission	In Person
Debbie McKeever	TXU Electric Delivery	In Person
Rae McQuade	NAESB	In Person
Randy Mills	Chevron	Phone
Todd Oncken	NAESB	In Person
Marjorie Perlman	Energy East	Phone
Judy Ray	Alabama Power Company	Phone
Barbara Rehman	BPA	Phone
Marv Rosenberg	FERC	In Person
Micki Schmitz	Northern Natural Gas	Phone
Bob Schwermann	Sacramento Municipal Utility District	In Person
Lisa Simpkins	Constellation Commodities	In Person
Veronica Thomason	NAESB	In Person
Kim Van Pelt	Panhandle Eastern Pipe Line	In Person
Tommy Weathersbee	TXU Electric Delivery	In Person
Darla Wishart	NAESB	Phone
Kathy York	Tennessee Valley Authority	In Person

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 7

STRATEGIC SESSION
JOINT PROJECTS

This section includes:

- Gas-Electric Interdependency Report Excerpts

The material presented is background information for the discussion of agenda item 4(b).

No action is expected of the Board, guests and members. Discussion may lead to additional items to be placed on the NAESB annual plans for 2007 or related NAESB efforts.

**NAESB Gas and Electric Interdependency Report
February 24, 2006**



**North American Energy Standards Board
Gas and Electric Interdependency Final Report
February 24, 2006**

Below is the final status report of the NAESB Gas-Electric Interdependency Committee (GEIC) and is supplemental to the June 27, 2005 report submitted to the Federal Energy Regulatory Commission (“Commission” or “FERC”) in Docket No. RM05-28-000.

BACKGROUND¹

In a December 2004 letter from Chairman Wood to Michael Desselle², 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 Regional Transmission Organizations (RTOs)/Independent System Operators (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.

On June 27, 2005 a report was submitted to the Commission which included communication standards between natural gas transmission service providers and power generators and will be included in the next published version of both the Wholesale Electric Quadrant (WEQ) and Wholesale Gas Quadrant (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 Also in the report, the NAESB Gas-Electric Interdependency

¹ While the GEIC effort began in late 2004, a related and precursor NAESB effort began in 2003 with the creation of the NAESB Gas-Electric Coordination Task Force. This group prepared both an interim and final reports which were filed with the Commission on April 16, 2004 and November 30, 2004, respectively. Both reports included a discussion point list as their key deliverable, but also included several presentations. The point list and presentation materials were used as reference materials by the GEIC in its work. The two reports can be accessed from the NAESB web site at: http://www.naesb.org/doc_view2.asp?doc=ferc041604.pdf and http://www.naesb.org/doc_view2.asp?doc=ferc113004.pdf.

² The Chairman’s letter can be accessed from the NAESB web site at <http://www.naesb.org/protected/ferc121404.pdf>.

³ The final actions after ratification for request no. R04021 may be accessed from the NAESB web site at http://www.naesb.org/weq/weq_Final.asp and http://www.naesb.org/WGQ/wgq_Final.asp.

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

**NAESB Gas and Electric Interdependency Report
February 24, 2006**

Committee of the Board of Directors (“GEIC”) identified thirteen issues and categorized them as (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 (Attachment A of this report). For the majority of the issues identified there was more than one category assigned.

The conclusions reached on the issues identified pointed to the crucial need for extraordinary coordination among regulators, NERC, NAESB and industry participants of both the natural gas and electric wholesale markets. As the issues list demonstrated, many of the items required the attention of more than one of the groups, and that 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, NAESB 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. 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 actions taken by the Board of Directors on June 22.

On June 22, 2005, the Board recognized that requests R04016 and R04020 were symptoms of many of the issues identified, and as such, charged the GEIC with the preparation of a standards development request that reflected the intent of both of these requests and included other aspects of gas-electric interdependency that were evident 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. An important direction from the Board in its instructions to the GEIC was that the members of the GEIC should ascertain a level of industry support for such actions anticipated by the request before standards development request is submitted. In summary, the committee members should not recommend actions in a standards request that they did not anticipate would garner sufficient industry support.

PROCESS USED BY THE NAESB GAS-ELECTRIC INTERDEPENDENCY COMMITTEE

The GEIC met seven times (August 16, September 8, October 6, October 24 and December 5, 2005 and January 11 and February 3, 2006) following the June 22 Board of Directors meeting. The meetings were open and posted on the NAESB web site for all interested parties. Observers were welcomed, and did attend the meetings. Notes were taken for all meetings and posted on the web site along with agendas and work papers⁵. The board committee is considered a named committee of NAESB – the members are named by the Chairman of the Board of Directors and are either board members, members of the NAESB Advisory Council, or specifically requested to join because of their knowledge of the markets. The work products of the committee were prepared by the committee members with staff administrative support and forwarded to the Board of Directors for review and approval. The GEIC is chaired by Jim Templeton, a NAESB Board member and former chairman of the organization.

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.

⁵ The notes of the GEIC meetings can be found in Appendix A and are located on the NAESB web site at the following page: http://www.naesb.org/gas_electric_interdependency.asp.

**NAESB Gas and Electric Interdependency Report
February 24, 2006**

CONCLUSIONS REACHED BY THE NAESB GAS-ELECTRIC INTERDEPENDENCY COMMITTEE

In discussions of possible standards development efforts, six potential activities were identified where existing standards should be reexamined to determine whether updates or new business practices could be written to further improve the interaction between the gas and electric industries. The six activities are an outgrowth of the analysis of 13 issues described in the June 27 report to the FERC on gas-electric interdependency⁶, most of which require policy direction if they are to be undertaken. As a link to the issues identified on June 27 (Attachment A), the six activities identified in this report are the items where the GEIC has determined that standards development by NAESB might be explored. Similarly, these six activities identified have policy implications. During the identification of the potential development activities, general concerns were voiced by committee members on the interaction of the wholesale gas and electric quadrants and the commitment of both groups to come equally to the table with solutions. The status of the two outstanding requests (R04016 and R04020) was also discussed.

Additionally, during discussions of these possible efforts, concerns were identified that may pose roadblocks in garnering sufficient industry support to proceed. Modification by the gas industry of established processes and practices to address problems that affect both industries will not necessarily improve the gas/electric interface unless the electric industry also works to address the electric problems. If modifications are made, they should be made in both the gas and electric industries to ensure both are working to improve gas/electric coordination.

The six efforts identified that could be included in a standards development request were:

1. Consistent with the 2/27/04 Order in Docket No. RP04-151-000⁷ and the Policy Statement in Docket No. PL02-6 issued on 1/19/06, consider the development of standards to support Capacity Release pricing on an index⁸ for those pipelines that have the FERC authority to enter into negotiated rates and discount capacity on an index basis. The concerns raised included:
 - Removal of the pricing cap to make it more attractive for firm gas transportation holders to release the capacity to others was raised during the discussion, but it would require regulatory policy changes and is specifically not anticipated as part of this item.
2. Review the possibility of adding an additional intraday nomination cycle with bumping rights to provide more flexibility to shippers, including power generators, with firm transportation rights such that they can nominate for natural gas supporting their market clearing times.⁹ Current problems exist within the day-ahead and real-time power markets for nominations (See the graphical depiction of the electric timelines to the gas nomination timelines as Attachment B). Tennessee Valley Authority and others have noted that this problem may have been exacerbated by some pipelines' decisions to move to hourly and daily balancing; but others have remarked that the GEIC has not reached this conclusion. Technological advances make additional nomination cycles and

⁶ NAESB prepared and submitted a report on June 27, 2005, in Docket No. RM05-28-000, "Standards for the Coordination of Business Practices Between Public Utilities and Interstate Natural Gas Pipelines," which included 10 communication standards between transporters of natural gas and power generation facilities as well as 13 coordination issues identified, most of which had policy implications.

⁷ The referenced order can be accessed from the FERC web site (elibrary function from <http://www.ferc.gov>, or <http://elibrary.ferc.gov/idmws/nvcommon/NVViewer.asp?Doc=10074967:0>)

⁸ A work paper was independently provided by National Fuel Gas Distribution, and is attached (Attachment C).

⁹ "Firm shippers are paying reservation charges for priority rights and those rights should include the right to have a nomination become effective as early as possible on the gas day following the nomination. Interruptible shippers...should not be able to prevent firm shippers from having their nominations take effect at the earliest possible time." FERC Docket No. RM96-1-007, Order No. 587-G, (April 16, 1998). See also FERC Docket No. RM96-1 and FERC Docket No. RM96-1 Order Nos. 587-F, 636, and 637.

**NAESB Gas and Electric Interdependency Report
February 24, 2006**

changing the last "no bump" cycle to later in the day potential feasible solutions. As with #4 below, consensus has not been reachable when determining the need and amount of change required by each of the two industries to develop workable solutions. The concerns raised were:

- Adding an additional cycle may have impacts on the timing of the existing nomination cycles.
 - The timing of the various nomination cycles may have different impacts on different parties and/or other NAESB standards, which must be considered before any changes are made.
 - Additional Wholesale Electric Quadrant standards may be needed to take advantage of a revised gas nomination cycle.
 - The proposed business practices may be more acceptable to the gas industry if developed in conjunction with Item 4 below.
3. Consistent with the 11/22/05 Order in Docket Nos. RP06-69-000 and RP06-70-000¹⁰, review the ability of pipelines to shift gas for primary firm transportation within a pipeline path without having to re-offer as secondary firm transportation service. The concerns raised were:
- Current no bump rules limit firm customers' ability to divert gas to another market mid-day without reallocation. If pipelines could be operationally indifferent, then they could switch deliveries without facing the equity issues that arise for those customers who were not originally scheduled because they did not contract for firm transportation, but delivery is switched from firm transportation customers to customers who also did not contract for firm transportation. However, this may conflict with current tariff and policy equity issues. Any business practices created must be non-discriminatory.
 - If it is determined that this function is appropriate, policy changes may be required.

Explanation of a possible implementation:

Customers who have scheduled their primary firm capacity through a point of restriction may not divert their nomination after the timely nomination deadline to a new delivery point, even if the path of the gas through the restriction does not change, just the delivery or receipt point. A customer, who wishes to change a delivery from his storage point to his city gate, risks losing his transportation priority because the pipeline is obligated to treat any change in a nomination as a new nomination requiring rescheduling with other new intra-day nominations. Revised nominations could be allowed on the same contract when (1) the intra-day nomination has the same scheduling priority that is being scheduled and could be allowed to flow on the same Gas Day as the intra-day nomination through a posted point of restriction, even if subject to a partial restriction, and (2) the nomination does not result in a net increase in the total volume scheduled under the contract though the posted point of restriction. These conditions would ensure that scheduled service for other customers through a restriction is not affected by the intra-day nomination.

Example 1: The customer has 100 dekatherms scheduled to flow from a primary receipt point through the posted point of restriction to a primary delivery point. Under the same contract, the customer then requests a nomination change to move 50 of the 100 dekatherms to a secondary delivery point that is outside its Transportation Path but still through the posted point of restriction. Under the enhanced nomination procedures proposed herein, this nomination change would be allowed because the intra-day nomination (i) has a scheduling sequence priority that is being scheduled and allowed to flow, and (ii) would not change the total quantity of gas scheduled to flow through the posted point of restriction under the same contract.

¹⁰ The referenced orders can be accessed from the FERC web site (elibrary function from <http://www.ferc.gov>, or <http://elibrary.ferc.gov/idmws/nvcommon/NVViewer.asp?Doc=10887607:0> (RP06-69) and <http://elibrary.ferc.gov/idmws/nvcommon/NVViewer.asp?Doc=10887606:0> (RP06-70)).

**NAESB Gas and Electric Interdependency Report
February 24, 2006**

Example 2: The customer has 100 dekatherms scheduled to flow from a primary receipt point to a primary delivery point. Unlike Example 1, however, the customer's scheduled nomination of 100 dekatherms does not flow through the posted point of restriction. Instead, the customer's existing scheduled nomination has a path that is entirely upstream of the posted point of restriction. Under the same contract, the customer then requests a nomination change to move 50 of the 100 dekatherms to a secondary delivery point that is further downstream and outside its Transportation Path, resulting in a path through the posted point of restriction. Under the enhanced nomination procedures proposed herein, this nomination would not be allowed because it would result in an increase in the total quantity scheduled to flow through the posted point of restriction under that contract.

4. Review and modify the requirements for organized electric markets so that the markets clear in sufficient time to nominate within the existing gas nomination timelines (Attachment B provides a graphical representation of the differences in the gas and electric market timelines). Current timely gas nomination cycles occur long before the time when most organized electric markets clear their timelines and commit for the day ahead market. This disconnect leaves some generators two main options of either a) purchase and nominate gas transportation on a timely basis and risk not having their bid subsequently clear the power market or, b) wait to see if their bid clears the power market and risk relying upon the intraday gas transportation nominations without the level of assurances offered in the timely cycle for firm gas transportation services. Non-organized electric markets add another layer of timelines. As with #2 above, another debated point was the need and amount of change required by each of the two industries in coming to workable solutions. The concerns raised were:
 - It may be difficult for organized markets to be in compliance with this proposed business practice given the existing nomination timelines; the proposed business practices may be more acceptable to the electric industry if developed in conjunction with Item 2 above.
 - It will be necessary to gain consensus in the electric industry to standardize the electric timelines, each of which have been developed regionally. In the alternative, the electric industry can create business practices that support market clearing within the gas nomination cycles.
 - The ISOs and RTOs will need to make modifications to each of their separate processes to support NAESB business practices that require the electric markets to clear prior to the timely gas nomination timelines.
5. Require generators that offer into the day ahead market to have the appropriate commercial arrangements to fulfill the needed obligations. The concerns raised were:
 - Being too prescriptive as to how the obligations are met interferes with the risk management strategies of market participants.
 - To the extent this proposal needs to address reliability aspects of this issue, those concerns will be directed to NERC.
 - The issue of firm transportation as it relates to resource adequacy is being addressed as part of the proposed NERC Resource Adequacy Standard currently under development.
6. Develop the appropriate supporting definitions for new business practices for the Wholesale Electric Quadrant, including but not limited to definitions for: alternate fuel capability, usable alternate fuel capability, firm transportation service, firm sales service, firm supply, and "must run" generator. The concerns raised were:
 - In previous attempts, the Wholesale Electric Quadrant was unable to reach consensus on definitions of similar terms.
 - Although these definitions will apply to Wholesale Electric Quadrant, the definitions should be developed with the appropriate input from the Wholesale Gas Quadrant to ensure consistency with gas products.

**NAESB Gas and Electric Interdependency Report
February 24, 2006**

As noted in the prior report of June 27, to accomplish the above standards development efforts will demand extraordinary coordination of the industry participants of both the natural gas and electric wholesale markets. Items 1-3 (all gas related) have previously cited policies or statements in individual pipeline tariffs that may support the standards development but may benefit from direction provided by the FERC to support the much needed consensus building. Items 4-6 do not have specific policies in place today, and would require direction from FERC if consensus within the two industries would be achievable.

As general comments to the above six efforts, for all efforts that were focused on wholesale gas efforts (items 1, 2 and 3), a general comment was made that the wholesale electric quadrant should come to the table with a willingness to also make changes to their process. It is the opinion of the committee members that the organized electric markets, such as the ISOs and RTOs and their stakeholder groups, may not be interested in working within NAESB to create the needed business practices. It is anticipated that their approach would be regional solutions developed individually. Along these lines, the electric market participants of the GEIC have not identified any sponsors for the efforts directed at the wholesale electric market (items 4, 5 and 6), and a broader outreach to Edison Electric Institute and other WEQ NAESB members is in order.

As noted, items 4- 6 require more effort from within the electric industry, including RTOs/ISOs. It is NAESB's role to develop commercial business practice standards, it is NERC's role, or the soon to be created Electric Reliability Organization (ERO), to develop reliability standards, and it is the ISO/RTO Council's role to operate electric transmission systems and administer markets consistent with the standards developed by NERC and NAESB. There is a sufficiently high degree of commercial, markets and reliability interdependence associated with items 4-6 such that the electric industry participants should work together to ensure as seamless a market structure as possible.

References in items 4-6 to NERC and the ISOs/RTOs is not intended to signal any abdication of NAESB's role or responsibility in these areas. Conversely, to ignore the need for the electric industry to address needed change will leave a "one-sided" GEIC report that offers only gas-related solutions. Therefore, it is important to ensure that this report is not perceived as "one-sided" offering gas related solutions without charging NAESB to find compatible solutions on both sides. As such, this report acknowledges the need for change on both the gas and the electric side, the respective role of each organization and the need to find a joint/collaborative solution where one impacts the other. These issues have been before the electric industry for quite some time. NERC identified interdependency issues years ago but no standards have yet resulted from their efforts. While participants in the electric industry (NERC, NAESB and the ISOs and RTOs) have collaboratively developed gas-electric communications standards as a first step, further collaboration on the more difficult issues has not occurred, despite NAESB's efforts to facilitate such a process, and it will require the Commission to provide guidance to the industry in the form of Commission rulemakings or orders benefiting the industry by streamlining the joint interface process¹¹ for assigning work.

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 Committees and by the Joint Interface Committee. At the Board meeting on June 22, the Board instructed the Executive Committees to not proceed with these requests even though they had been submitted, approved as within NAESB's scope, assigned to the appropriate quadrants and had also been approved by the Joint Interface Committee. The Board recognized that requests R04016 and R04020 were symptoms of many of the issues identified, and as such, delayed action on the requests. The two outstanding requests would be reconsidered by the Board for development after the GEIC had completed its analysis and prepared new standards development requests. It was anticipated that the new standards

¹¹ The joint interface process for assigning work to NERC or NAESB based on whether the development activity is predominantly of a commercial nature (NAESB) or reliability nature (NERC) is outlined in the Memorandum of Understanding between NERC, NAESB and the ISO-RTO Council, signed May 15, 2003, and can be accessed from the NAESB web site: http://www.naesb.org/pdf/memorandum_of_understanding.pdf.

**NAESB Gas and Electric Interdependency Report
February 24, 2006**

requests would supersede and replace them. The submitters of the requests have agreed to withdraw them once the final report and/or request(s) for standards development is completed¹².

NEXT STEPS

In considering the development of new requests that would address one or more of the six development efforts identified by the GEIC, the concerns identified the potential need for regulatory policies, as these efforts are controversial and the ability to achieve substantial industry consensus is not certain. Because of this concern, the committee did not prepare requests for standards development as directed by the Board of Directors in June. Instead, the committee highlighted the six areas that may be beneficial for standards development, if the industry supports such development. It is the committee's opinion that the lack of industry support poses sufficient roadblocks to development and regulatory policy guidance is needed before further efforts can be undertaken. Instead of requests, the committee prepared this report, which was endorsed by the Board of Directors notationally on February 17, 2006¹³, and is being forwarded to the FERC as a final update report on gas-electric interdependency issues. With the Board approval of this report as a final update, the submitters are in the process of withdrawing their requests R04016 and R04020¹⁴, as the roadblocks noted above apply equally well to the requests. The GEIC efforts are considered complete with the submittal of this final report as endorsed by the Board of Directors to the FERC.

¹² On February 23, 2006, the NAESB office received confirmation that the requests would be withdrawn.

¹³ The Board of Directors tally of votes to endorse the GEIC report can be found in Appendix B. The vote was unanimous in support.

¹⁴ Request No. R04016 to develop a standard definition for Energy Day was submitted to NAESB on May 25, 2004 by KeySpan Utility Services and Duke Energy Gas Transmission and assigned jointly to the Wholesale Gas Quadrant and Wholesale Electric Quadrant for standards development. The Joint Interface Committee voted to support its assignment to NAESB on September 21, 2004.

Request No. R04020 to establish business standards relating to electric transaction scheduling and timelines was submitted to NAESB on June 29, 2004 by Tennessee Valley Authority and assigned to the Wholesale Electric Quadrant for standards development. The NERC/NAESB Joint Interface Committee voted to support its assignment to NAESB on January 18, 2005.

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 8

STRATEGIC SESSION
RETAIL QUADRANT

This section includes:

- Recent minutes from the Retail Structure Review Committee
- List of Possible Efforts for the Retail Quadrants

The material presented is background information for the discussion of agenda item 4(c).

No action is expected of the Board, guests and members. Discussion may lead to additional items to be placed on the NAESB annual plans for 2007 or related NAESB efforts.



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

March 28, 2006

TO: NAESB Retail Quadrants Board Members, Retail Quadrants EC Members, Retail Quadrants Members and Interested Parties

FROM: DeDe Kirby, NAESB Meeting/Project Manager

RE: Draft Minutes from the NAESB Board of Directors Retail Quadrant Leadership Meeting – March 22, 2006

**NORTH AMERICAN ENERGY STANDARDS BOARD
NAESB BOARD OF DIRECTORS RETAIL QUADRANTS LEADERSHIP MEETING
March 22, 2006 in Houston, TX
Draft Minutes**

1. Administration and Welcome

Ms. Kiselewich called the meeting to order and welcomed the Board members, Executive Committee (EC) members, participants, and guests. Ms. Kirby advised the participants of the anti-trust guidelines. The Board members, EC members, participants, and guests in the room and the phone introduced themselves. Ms. Kiselewich stated that a good part of today's meeting should focus on the development of standards in the Retail Quadrants and what affect it has on NAESB membership. Mr. Koogler asked that the review of the efforts of the Retail Structure Review Committee (RSRC) be moved to item two of the agenda. He added that he would give an update from the NAESB Advisory Council meeting during this agenda item. The discussion on best practices was moved on the agenda to directly follow this update. "Overall Strategy for Standards Development Focus for the Retail Quadrants" was moved to agenda item number four. Mr. Connell moved to adopt the agenda as modified, and Mr. Minneman seconded the motion. The modified agenda was adopted by consensus.

2. Review of Retail Structure Review Committee Efforts

Mr. Koogler stated that prior to the February 11, 2006 NAESB Advisory Council meeting, the RSRC held two conference calls to discuss retail choice and related Model Business Practices (MBPs). Seventeen jurisdictions in the United States have retail choice. Mr. Koogler stated that many of the jurisdictions that do not have retail choice do not find the option valuable for their areas. He added that the differences in jurisdictional practices make defining a best practice difficult. Mr. Koogler stated that the RSRC reported to the NAESB Advisory Council these reasons for a decline in membership in the Retail Quadrants.

There was discussion at the Advisory Council that proactive strategies should be stressed in making state Commission staffs aware of NAESB and the role it plays in standards for the market. *Please see Final Minutes from the February 11, 2006 NAESB Advisory Council meeting.*

Mr. Bourbonnais reviewed the results of a meeting between members of the RSRC and Edison Electric Institute (EEI). He said a list of possible ideas for standards development were developed by EEI and were found on pages 62-63 of the current Board Book. Mr. Bourbonnais stated that EEI was unaware that NAESB had already begun development on several of the standards listed. Mr. Koogler stated that after discussions with EEI's Rates and Regulations Committee, the following idea for standards development was stressed most: transactions that occur between load serving, distribution, and RTOs. Mr. Koogler stated that value was identified in making these transactions more efficient and uniform.



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Ms. Kiselewich stated that this topic was discussed at the February REQ/RGQ EC meeting as well. She stated that it was identified by EC members that this topic would involve active participation from the Wholesale Electric Quadrant (WEQ) and that because the WEQ is so active in other areas of their standards development process, this topic may be delayed in discussions.

Mr. Bourbonnais stated that he and Mr. Koogler planned to attend conferences with National Accounts and the AGA. Mr. Novak will give a presentation to Baltimore Gas and Electric (BG&E) in April on NAESB and future MBP activity. Mr. Precht stated that he would forward this presentation to NAESB for review. Mr. Bourbonnais concluded this discussion by stating that the RSRC was actively pursuing input from various other industry organizations on the development of MBPs, BPs, and NAESB Retail Quadrant Membership.

3. Discussion on Best Practices Direction

Ms. Kiselewich stated that the EC had discussed this topic in February, and because of regional differences, the idea was controversial. Ms. Kiselewich stated that the EC has also discussed if NAESB would be setting policy with such a change in direction of standards development. She added that the EC did not reach agreement and that it was proposed that the Board give some direction to this discussion.

Mr. Connell stated that if NAESB decided to pursue Best Practices (BPs), it was essential to define the criteria for deciding on what was “best practice.” He added that practices that allow for the best way can facilitate more efficient markets. Ms. Kiselewich stated that the actual development of a BP would proceed through the NAESB process. Mr. Connell stated that the EC should provide direction and establish criteria for BPs. Mr. Zelenko questioned the difference between BPs, MBPs, and policy. Ms. Kiselewich stated that this was part of the overall discussion and worth of the leadership present at this meeting.

Mr. Overtree stated that in developing the retail base contract, it was often identified that there was a best way to draft a contract clause. He added that although the Retail Contracts Subcommittee did not propose they were developing the only method, participants of the subcommittee did propose they were developing methods used most frequently as identified by the industry. Mr. Overtree explained that currently NAESB writes practices for regions and identifies them as MBPs. Mr. Connell stated that perhaps NAESB could identify, where appropriate, BPs and not develop policy.

Mr. Precht stated that in the Business Practices Subcommittee (BPS), they had developed three different types of models for billing and payment. He added that sometimes regional practices can be narrowed down to a few examples that can be developed for model practices. Mr. Spangler stated that the issue was one of granularity and that defining one practice may make it impossible for some regions to comply. He emphasized that NAESB should concentrate on finding the correct balance in developing standards.

Ms. Rehman stated that the underlying problem was the initiative behind the standards development. Because it is not the Federal Energy Regulatory Commission (FERC), but state regulators, the directives are less clear. She explained that the REQ/RGQ needs to identify standards that the states desire developed, along with industry. Mr. Minneman commented that NAESB Retail Quadrants had developed valuable MBPs for the industry and that the quadrants had almost completed their initial assignments in the MBPs produced. The group discussed the difficulty in developing relationships with state Commissioners. Ms. McCain added that the states are not requesting action from NAESB and that the states are not



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mandating the use of NAESB standards. Therefore, she stated there was no sense of urgency in completing MBPs. She added that the group that benefits the most from BPs are suppliers because every utility is a separate and different relationship for them. From a supplier's perspective, uniformity assists them in efficiently completing transactions.

Ms. Kiselewich commented that from a regional basis there is fairly consistent use in some areas. She commented on the strength in some standards being developed as BPs and some as MBPs. Ms. Cullen Hitt commented that some suppliers note regional differences as a strength and have acclimated and often times excelled in creating different arrangements. She stated that it could be difficult for those suppliers to support uniformity if they already have arrangements with states and jurisdictions that are effective.

Mr. Bourbonnais questioned how to address state Commissions that were not retail choice. Ms. Cullen Hitt stated that retail choice states versus non-retail choice states standards could be developed separately and that coordinating with the seventeen state commissions that were retail choice was not a small task. Mr. Haynes commented that even in retail choice states, systems and policies had already been developed and with no push for other states to move to choice, there was no real incentive to have a rewrite of many of these policies. Mr. Spangler added that retail choice states had most likely developed a system for policy development and if they submitted these standards ideas to NAESB, additional unnecessary entities might be present in the development process.

Mr. Overtree stated that in identifying clauses used universally and including them in the retail base contract, support was stated by smaller scale end-users and suppliers. He added that these companies sometimes faced barriers to entry in the market and could not compete as effectively because they had no developed contract language.

Ms. Kiselewich stated that while there was no consensus on the development of BPs, the discussion points identified were beneficial to the discussion of increasing overall participation in the retail quadrants.

4. Overall Strategy for Standards Development Focus for the Retail Quadrants

Ms. Cullen Hitt stated that uniform standards on environmental and portfolio disclosure should also be added to the list found in the agenda. Ms. Alexander stated that a massive funded project early in adoption of retail competition, was done to develop model practices for price and environmental disclosure. NARUC participated in the multi-year project. Ms. Alexander stated that this project resulted in the states adopting their own policies. However, Ms. Alexander noted that the effort was worth revisiting.

Mr. Minneman requested that levelized billing be added as well. Ms. Kiselewich stated that the scope of such a standard would have to be considered if it involved fixed billing. Budget billing was also discussed. Ms. Alexander stated that the process of identifying a MBP related to budget billing was a research topic she could help with.

Distributed Generation

Ms. Kiselewich stated that EEI emphasized interconnection in reference to standards associated with distributed generation. The group discussed whether this topic was more wholesale than retail. Mr. Koogler stated that this referred to small companies that serve residential and that were not involved in transmission. Mr. Spangler stated that several small independent companies spearheaded efforts to draft distributed generation standards in the past. Ms. Cullen Hitt stated that even transactions off the grid could affect the wholesale market.



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Ms. Kiselewich stated that a long term strategy for the retail quadrants was to identify which standards were of interest and beneficial to the industry. In discussing the items, Mr. Zelenko questioned whether NAESB had identified the customer of the product. He added that a poll to determine interest might be beneficial. Ms. Kiselewich stated that the Advisory Council did discuss conducting a survey of the retail market and state commissions to determine which topics were of interest for future standards development. Mr. Minneman stated that market customers may provide more of a base in the future for interest in standards development, in addition to state commissions. He added that he would encourage a decision on whether NAESB continue developing standards to the known customers (state Commissions) or expand its scope to take on more industry related standards.

Interruption and Curtailment Processes

Mr. Connell stated that Texas had developed its own methods of dealing with interruption and curtailment processes. Ms. Alexander stated this topic was viewed as a wholesale matter in the New England ISO and PJM. Ms. Cullen Hitt stated that the RTOs and ISOs often paid for service through intermediaries.

Supply Chain

Mr. Darnell stated that in addressing the needs of the industry, NAESB should consider developing standards on supply chain transactions. He stated that technology had allowed for more efficient electronic tagging systems and that ANSI X12 systems were allowing for more efficient means of communication related to tagging. He added that various methods of electronic tagging were more current than NAESB's Electronic Delivery Mechanism (EDM) systems. He stated that ANSI was on track to complete newer and more progressive systems.

Ms. Kiselewich asked if NAESB had the correct participants to write supply chain standards. Mr. Connell stated that electricity and gas are commodities to utilities and electronic methods of purchase could be similar to those of other commodities. Ms. Cullen Hitt stated that such a system might not fit in the energy chain and should not be the focus of NAESB. Mr. Connell stated that EDI was changing and did concern the members of NAESB. Mr. Darnell added that all electronic purchases were moving to encrypted methods.

The group discussed the scope of NAESB and there was some agreement in the room that such standards could be developed under NAESB's current scope. Mr. Maassel stated that although NAESB may have some interest in developing such standards, currently the retail quadrants do not have the correct participants to discuss electronic purchasing processes and that these types of standards might be better addressed by the wholesale quadrants. He added that the shift to focus on such standards should be completed through the annual plan process. Mr. Connell stated that if NAESB wanted to consider future directions for standards development in the retail quadrants, it should keep supply chain on its list. Mr. Behr stated that he supported Mr. Connell's and Mr. Darnell's ideas and suggestions.

Green Energy

Ms. Cullen Hitt questioned what the disclosure policies would be for those companies that buy and sell green energy. She added that NAESB should look at how green energy is regulated and treated, because the states have different rules on what can be labeled green energy. Mr. Behr stated that standards could concentrate on transactions between clean power marketers and utilities.

Seamless Move

Mr. Behr stated that a seamless move referred to a customer moving in an utilities territory



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and the relationship between a customer and supplier would continue, in spite of the move. He added that a continuous service agreement existed in ERCOT and that this might be a good example to review for development.

Conclusion on Strategy Discussion

Mr. Connell stressed that to make NAESB standards applicable to areas like Texas, they must focus on software needs and updates. Mr. Novak stated that after the development of the current MBPs, NAESB could focus on technical standards for the retail quadrants and updates to current MBPs. Mr. Spangler stated that if the business processes were not emphasized and developed, the process for development of technical standards was often inefficient. He added that if NAESB only concentrated on technical communication standards then the expertise of the business side could be overlooked. Mr. Connell agreed.

Ms. Kiselewich stated that the group felt there was value in maintaining the quadrants and that minimal participation might always be present in areas that did not generate much interest. However, she added that items such R05016 (Standards or model business practices for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities) would also bring high levels of participation in the quadrants.

Mr. Spangler stated that he supported the idea of focusing on the seventeen retail choice states and identifying what the next best thing was for development and items that would provide value to their systems. Mr. Minneman stated that this list of retail choice states and jurisdictions on the electric side included Texas, New York, Maryland, New Jersey, Connecticut, Pennsylvania, Illinois, and Ontario, Canada. States on the gas side include Ohio, Georgia, Illinois, Maryland, New York, Massachusetts, Pennsylvania, California, and New Jersey. Mr. Darnell stated that Ontario, Canada was one of the first regions to use XML. Currently, on an international level, Australia, New Zealand, and Ireland also employ such standards. Mr. Darnell stated that he would talk to companies in Ontario, Canada about standards that would add value to their systems.

Mr. Spangler stated that NAESB's efficiency in developing standards should be emphasized to the state Commissions.

5. Discussion on efforts with other groups such as FREDI

Ms. Kiselewich stated that there was some interest in moving the efforts of the First Regional EDI (FREDI) into NAESB and the RxQ Technical Electronic Information Subcommittee (TEIS). Mr. Minneman stated that the state commissions did have this topic of interest on their websites. Mr. Minneman emphasized that the participants of FREDI were virtually the same as those of NAESB.

6. Update on remaining Board Committees and Related Efforts Specific to Retail Quadrants

No discussion at this time.

7. Board Agenda Review

Mr. Kiselewich stated that the participants of this meeting would be ready to discuss their findings with the Board on the following day. She emphasized that there were no changes to the annual plan at this time.



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8. Highlight of Retail Quadrants Executive Committee Activities

Please see above. No additional discussion at this time.

9. New Business

Ms. Kiselewich questioned if there was value in another leadership meeting. The group also discussed a joint meeting between the Retail Awareness Committee and the Retail Structure Review Committee.

10. Adjourn

Mr. Spangler moved to adjourn and Mr. Overtree seconded the motion. The meeting was adjourned at 5:05 p.m. Central time.

11. Attendance

Attendee Name:	Organization:	Quadrant:
Ruth Kiselewich	Baltimore Gas and Electric	REQ Board and EC Member
Phil Precht	Baltimore Gas and Electric	RGQ EC Member
Ed Overtree	Calpine	REQ EC Member
Carrie Cullen Hitt	Constellation New Energy	
David Koogler	Dominion Virginia Power	REQ Board Member
Rick Zelenko	Dominion Retail	REQ Board Member
Marcy McCain	Duke Energy Gas Transmission	RGQ EC Member
Jennifer Teel	EC Power	RGQ EC Member
Robert Connell	ERCOT	REQ Board Member
George Behr	Energy Services Group	RGQ EC Member
Leigh Spangler	Latitude Technologies	RGQ Board Member
Mike Novak	National Fuel	RGQ EC Member
DeDe Kirby	NAESB	
Mark Maassel	NiSource	RGQ Board Member
Jim Minneman	PPL Solutions	REQ Board and EC Member
Barbara Alexander	Public Advocate for the State of Maine	REQ EC Member
Leonard Haynes	Southern Company	REQ Board Member
Judy Ray	Alabama Power	REQ EC Member
Dave Darnell	Systrends USA	RGQ Board Member
Bill Bourbonnais	WPS Resources Corporation	REQ Board Member
Leslie Nishida	WPS Corporation	RGQ EC Member



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**NAESB BOARD OF DIRECTORS MEETING MATERIALS
 RETAIL POSSIBLE DIRECTIONS
 JUNE 22, 2006**

POSSIBLE AREAS FOR STANDARDS DEVELOPMENT:

- Customer Choice Activities
- Load Profiling
- Distributed Generation
- Energy Renewal and Green Energy Programs
 - Renewables/Renewable Portfolio Standards – work with the wholesale quadrant on nationally traded renewable energy credit
- Contracts
- Interruption and Curtailment Procedures
- Low Income Strategies
- Net Metering
- Model Business Practices between utilities and suppliers in day to day transactions with RTOs (joint initiative with the WEQ)
- Renewables/Renewable Portfolio Standards – work with the wholesale quadrant on nationally traded renewable energy credit
- XML Development – (reference to Request No. R03023 (assigned to the WGQ) submitted by PGAS Systems to Adopt XML File Format as a new industry standard for exchange of natural gas custody transfer measurement data)

OTHER STRATEGIES:

- Best practices
- Liaisons with groups such as FREDI
- Liaisons and Discussions with State Commissioners
- Promotional Dues Memberships for Regulators and Consumer Advocates

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 9

STRATEGIC SESSION
WHOLESALE GAS QUADRANT

This section includes:

- Gas Quality Policy Statement
- Gas Quality Requests
- E-Tariff Program Description

The material presented is background information for the discussion of agenda item 4(d).

No action is expected of the Board, guests and members. Discussion may lead to additional items to be placed on the NAESB annual plans for 2007 or related NAESB efforts.

FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

NEWS MEDIA CONTACT:

Bryan Lee
(202) 502-8680

FOR IMMEDIATE RELEASE

June 15, 2006
Docket Nos. PL04-3 & RM06-17

COMMISSION ADOPTS POLICY STATEMENT ON NATURAL GAS QUALITY AND INTERCHANGEABILITY

The Federal Energy Regulatory Commission today adopted a generic policy statement on natural gas quality and interchangeability that delineates five principles the Commission will use as it continues to address disputes over gas quality and interchangeability on a case-by-case basis. At the same, the Commission denied a petition for a rulemaking on the issue.

“This policy statement should limit disputes over gas quality and interchangeability, which have been on the increase due to economic decisions about processing gas and the nation’s increasing need to develop liquefied natural gas import capacity,” said Commission Chairman Joseph T. Kelliher. “The good level of consensus reached by industry on these issues helped put the Commission in the position where it could act today.”

Natural gas is principally methane, but its exact composition will differ depending on its geological point of origin. In addition to methane, natural gas can contain liquid hydrocarbons and non-hydrocarbon compounds affecting the quality of the gas, which can have an impact on pipeline operations and the gas-burning equipment of end-use customers. Given these variations in gas quality, interchangeability becomes an issue when a substitute gas replaces the gas normally burned by an end-use customer.

“The Commission has seen interest in natural gas quality and interchangeability issues escalate for several years, and these issues have come before the Commission in complaints, proposed tariff provisions and certificate proceedings,” the Commission noted in the policy statement.

“Although each case involves unique circumstances, collectively these cases reveal a growing tension between the desire of natural gas pipelines and distributors to ensure the quality of gas entering their facilities, and the desire of producers and shippers to have their product transported without onerous or unduly discriminatory processing requirements,” the Commission said in the policy statement.

“Another recurring theme is the desire of end-use customers to receive gas that will not harm their gas-fueled equipment nor cause inefficient operations,” the Commission noted in the policy statement.

Chairman Kelliher observed: “Our policy statement reflects two clear goals. First, we must meet the essential needs of consumers by accommodating the greatest economic mix of gas supply with minimum barriers to new supply sources. Second, we must assure the safe and reliable operation of interstate natural gas pipelines. Our approach must be consistent with both of these policy goals.”

The policy statement relies on extensive input from the Natural Gas Council, representatives of end-users, appliance manufacturers, turbine manufacturers, local distribution companies, process gas users, gas processors, natural gas producers and pipelines, Commission technical conferences, various industry reports and comments filed for Commission consideration.

The following five principles are delineated in the policy statement:

- (1) Only natural gas quality and interchangeability specifications contained in a Commission-approved gas tariff can be enforced;
- (2) Pipeline tariff provisions on gas quality and interchangeability need to be flexible to allow pipelines to balance safety and reliability concerns with the importance of maximizing supply, as well as recognizing the evolving nature of the science of underlying gas quality and interchangeability specifications;
- (3) Pipelines and their customers should develop gas quality and interchangeability specifications based on technical requirements;
- (4) In negotiating technically based solutions, pipelines and their customers are strongly encouraged to use the Natural Gas Council Plus (NGC+) interim guidelines filed with the Commission February 28, 2005, as a common reference point for resolving gas quality and interchangeability issues; and
- (5) To the extent pipelines and their customers cannot resolve disputes over gas quality and interchangeability, those disputes can be brought before the Commission on a case-by-case basis to be resolved based on a record of fact and technical review.

The Commission noted that several different indices have been developed to characterize the quality and interchangeability of different natural gases, with each having limits to the predictive value of its application. “The importance of measuring interchangeability, regardless of the index used, is that it provides a predictive correlation between the specific measurable physical characteristics of natural gas and burner tip performance,” the Commission said.

In a separate order today, the Commission denied a petition for a rulemaking addressing natural gas quality and interchangeability, filed by the Natural Gas Supply Association (NGSA) on May 16, 2005. Comments received in response to NGSA's filing "provided little support" for the rulemaking petition, the Commission noted.

"The Commission has evaluated the substantial comments received in this docket, including comments on the technical conferences, the reports and the NGSA Petition," the Commission said. "On balance, the Commission finds that adoption of a prescriptive rule is not appropriate at this time. Rather, the Commission has decided that the best approach at the present time is to proceed case-by-case, with the Commission's action in dealing with gas quality and interchangeability issues informed by a statement of policy on these issues."

R-06-41

(30)

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
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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.

R06008

North American Energy Standards Board

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

Date of Request: May 12, 2006

1. Submitting Entity & Address:

**National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, NY 14221**

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

Name : **Michael Novak**
Title : **Asst. General Manager**
Phone : **(716) 857-7884**
Fax : **(716) 857-7254**
E-mail : **novakm@natfuel.com**

3. Description of Proposed Standard or Enhancement:

While the implementation of NAESB WGQ Standard 4.3.90 (and other related standards) by most Transportation Service Providers (TSPs) has been commendable, some TSPs interpreted the standards language to limit the data to be provided to just those items specified within their tariffs. This was counter to the intention of the Executive Committee (EC) - that all available data at representative points be made available. For example, some TSPs post BTU values but none of the hydrocarbon components. The language of 4.3.90 can be read (but misinterpreted) to provide for such a result, therefore, modifications are proposed to reduce that ambiguous nature of the existing standards language. These proposed changes will still preserve another intention of the EC - that implementation of 4.3.90 would not require procurement of incremental gas quality equipment by the TSP.

Additionally, the addition of Wobbe Number to the list of gas quality attributes reflects growing industry acceptance of Wobbe as a key measure of interchangeability [e.g. 1) NGC+ White Paper on Natural Gas Interchangeability and Non-Combustion End Use, 2) Initial Decision Docket Nos. RP04-249-001, April 11, 2006]

Standard:

4.3.90 The Transportation Service Provider (TSP) should provide on its Informational Postings Web Site daily average gas quality information for prior gas day(s), ~~to the extent available~~, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) should be provided in a downloadable format. Information should be reported in units as specified in the tariff or

R06008

general terms and conditions. ~~In any event, compliance with gas quality requirements is in accordance with the TSP's tariff or general terms and conditions.~~

The following ~~are examples of~~ gas quality attributes ~~that could~~ should be included, to the extent measured, collected, readily calculated or otherwise available, in the posting for the applicable Gas Day(s) and location(s):

- Heating Value
- Wobbe Number
- Hydrocarbon Components, % of C1 – Cnn, as used in determining Heating Value
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans
- Mercury and/or any other contaminants being measured
- Other pertinent gas quality information that is specified in the TSP's tariff or the general terms and conditions.

For NAESB WGQ Standard 4.3.91, some Transportation Service Providers (TSPs) meet the letter of the standard by providing data but make access to the data unnecessarily difficult. For example, data from the required three month-period is available through download one day at a time (instead of the user requested period) or for a given day, for one point rather than for user selected points. The intent of the proposed modification to 4.3.91 is to put a minimum performance standard on the availability of data.

Standard:

4.3.91 Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be made available on the Transportation Service Provider's Web Site for the most recent three-month period. At minimum, data for the most recent three-month period should be made available through a single user operation for:

- For a single location representative of mainline gas flow, all Gas Day(s)
- For a single Gas Day, all location(s) representative of mainline gas flow.

Beyond the initial three-month period, the historical data should be made available offline in accordance with regulatory requirements.

**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):

The proposed changes are consistent with the current usage.

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

Gas Quality and particularly Interchangeability are, in part, safety issues. Industry participants need access to all available data so that more informed business and regulatory decisions can be made.

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

There are some TSPs that already calculate and provide a Wobbe Number – these pipelines should see no incremental cost. For most TSPs, there will be nothing more than the incremental cost of computing and proving the Wobbe number (a function of available data: BTU (LHV) and Specific Gravity). For those TSPs that did not implement consistent with the intention of the EC, costs could be higher. In either case, because the data is available and will not require procurement of incremental gas quality equipment by the TSP, costs should be limited to software development and otherwise be negligible.

7. Description of Any Specific Legal or Other Considerations:

None known at this time.

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

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

TSPs and Service Requestors utilizing the Standards as currently implemented.

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

Minor modifications may be necessary as described above.

FEF Sec Federal Energy Regulatory Commission
 Text Size:
 Search

Careers Students Corner For Citizens

- Decisions & Notices
- Notice Formats
- FERC Online
- eForms
- eTariff
- Commission Orders & Notices
- Filina Software & Help
- Tariff Public Viewer
- Corporate Officials
- Electric Quarterly Reports (EQR)
- Hardcopy Filing

eTariff - Commission Orders & Notices

March 28, 2006

Technical Conference to discuss computer software to be used in compliance with the NOPR [View Details](#)

- » [March 1, 2006: Notice of Technical Conference and Comments \[PDF\]](#)
- » [Agenda \[PDF\]](#)
- » [eFile your Comments by May 30, 2006](#)

August 3, 2005

Industry	Date	
Natural Gas Act Pipelines (Parts 154 and 385)	August 9, 2005	View Details
Natural Gas Policy Act Pipelines (Section 284.123 and Part 385)	August 9, 2005	View Details
Federal Power Act Public Utilities (Parts 35 and 385)	August 10, 2005	View Details
Interstate Commerce Act Pipelines (Parts 341, 342, 344, 346, 347, 348 and 385)	August 18, 2005	View Details

July 6, 2005

Contact Information

Technical Information

Keith Pierce
Telephone: 202-502-8525
Email: keith.pierce@ferc.gov

Software Information

Casey Nutsch
Telephone: 202-502-8426
Email: casey.nutsch@ferc.gov

Legal Information

Jamie Chabinsky
Telephone: 202-502-6040
Email: jamie.chabinsky@ferc.gov

Notice of Additional Proposals
and Procedures [PDF]

June 1, 2005

Technical Conference to discuss computer software to be used in compliance with the NOPR View Details

- » Notice of Technical Conference and Comments [PDF]
- » Technical conference date changed to June 1, 2005 [PDF]
- » Agenda [PDF]
- » Presentation: Conference Introduction Notes [PPT]
- » Presentation: eTariff Public Viewer [PPT]
- » eTariff Meta Data [PDF]

April 25, 2005

Comments on these proposed changes to the regulation text are due August 1, 2005 [PDF]

- » eFile your Comments
- » NOPR Comments received

August 10, 2004

Notice of Availability of Prototype Software [PDF]

July 8, 2004

Notice of Proposed Rulemaking [PDF]

- » Would require regulated companies to electronically file new tariffs;
- » Will change new tariffs from the tariff-sheet format to a section-based format; and
- » Will standardize the process for withdrawals of tariff filings and amendments to tariff filings.

Updated: May 2, 2006



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NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 10

STRATEGIC SESSION
WHOLESALE ELECTRIC QUADRANT

This section includes:

- OATT Reform Analysis on NOPR RM05-25-000 (OATT Reform Fact Sheet, Review of possible NAESB efforts)
- ISO/RTO Communications (NAESB letter of 4-28-06, IRC response letter)
- Joint Standards Development Program

The material presented is background information for the discussion of agenda item 4(e).

No action is expected of the Board, guests and members. Discussion may lead to additional items to be placed on the NAESB annual plans for 2007 or related NAESB efforts.

Preventing Undue Discrimination and Preference in Transmission Service

Notice of Proposed Rulemaking (NOPR)

FERC Docket Nos. RM05-25-000 and RM05-17-000

May 18, 2006

The Commission proposes amendments to its regulations and to the pro forma open access transmission tariff (pro forma OATT), adopted in Order Nos. 888 and 889, to address deficiencies in the pro forma OATT that have become apparent since the issuance of Order Nos. 888 and 889.

The Purpose of the Proposed Rule

- To strengthen the pro forma OATT to ensure that it achieves its original purpose of remedying undue discrimination.
- To provide greater specificity in the pro forma OATT to reduce opportunities for the exercise of undue discrimination, make undue discrimination easier to detect, and facilitate the Commission's enforcement.
- To increase transparency in the rules applicable to planning and use of the transmission system.

Brief Overview

- Major proposed reforms:
 - Greater consistency and transparency in ATC calculation
 - Open, coordinated and transparent planning
 - Reform of energy imbalance penalties
 - Reform of rollover rights policy
 - Clarify tariff ambiguities
 - Increase transparency and customer access to information
- Core elements of Order No. 888 being retained:
 - Comparability requirement
 - Protection of native load
 - States jurisdiction over bundled retail load
 - Functional unbundling to address undue discrimination
 - Reciprocity

The Applicability of the Proposed Rule

- The proposed rule applies to all public utility transmission providers, including RTOs and ISOs.
- As with Order No. 888, a public utility may propose terms and conditions of open access service that are consistent with or superior to the pro forma OATT.
- The purpose of the proposed rule is not to redesign approved, fully-functional RTO or ISO markets. The Commission does not expect that substantial changes to

those markets would be required as a result of this NOPR.

Significant Proposed Reforms

Available Transfer Capability (ATC)

ATC is the transfer capability remaining on a transmission provider's transmission system that is available for further commercial activity over and above already committed uses. Transmission providers currently calculate the ATC for their systems using different assumptions and methodologies. After concluding that the absence of a consistent ATC methodology increases the discretion of transmission providers and the opportunities for undue discrimination in application of the pro forma OATT, the Commission proposes:

- To ensure consistency in the ATC calculation components, data inputs and modeling assumptions as well as consistency in the exchange of data between transmission providers
- To order public utilities, working through the North American Electric Reliability Council (NERC) and the North American Energy Standards Board (NAESB), to develop appropriate standards within 6 months of the final rule
- To increase the transparency of ATC calculations through the inclusion in each transmission provider's OATT of its specific ATC calculation methodology, and through posting of relevant data and models on each transmission provider's open access same-time information system (OASIS)
- To order transmission providers to post on OASIS metrics relating to transmission requests that are approved and rejected

Coordinated, Open and Transparent Transmission Planning

The Nation has experienced a decline in transmission investment relevant to load growth since Order No. 888 was issued, which has increased congestion and reduced access by customers to alternative sources of energy. The Commission concludes that transmission providers have a disincentive to remedy transmission congestion on a nondiscriminatory basis and that the current pro forma OATT does not adequately address these problems. Therefore, the NOPR proposes to require that:

- Transmission providers participate in a coordinated, open and transparent planning process
- Each transmission provider's planning process meet the Commission's eight planning principles, which are set forth in the NOPR and include coordination (regular meetings), openness, transparency, information exchange (including review of draft plans), comparability (plan must meet service requests and treat customers comparably), dispute resolution, regional coordination, and congestion studies (each transmission provider must prepare studies annually)
- Each transmission provider must describe its planning process in its tariff.

- The Commission will allow regional differences in planning processes

Transmission Pricing

- **Pricing of Imbalances** – The Commission proposes to reform the pricing of imbalances (i.e., energy and generator imbalances) to ensure that it is related to the cost of correcting the imbalance, to encourage efficient scheduling behavior, and to account for the special circumstances presented by intermittent generators, such as by waiving the higher ends of the imbalance penalties.
- **Credits for customer-owned transmission facilities** – With respect to credits available to customers that own network transmission facilities that are integrated with the transmission provider’s facilities, the NOPR proposes to clarify that the transmission provider, in designing its rates for OATT service, must treat its own facilities on a comparable basis, and proposes to eliminate the requirement that new facilities can receive credits only if they are "jointly planned" because this requirement may provide a disincentive to coordinated planning.
- **Capacity reassignment** – For capacity reassignments by transmission customers, the NOPR proposes to eliminate the price cap (which currently is the higher of the original rate, the maximum tariff rate or the customer’s opportunity cost capped at the cost of expansion) and allow negotiated rates between the customer and its assignee, but not for capacity reassigned by the transmission provider or its affiliates.

Non-Rate Terms and Conditions

- **Redispatch obligation** – The Commission proposes to clarify that when a transmission provider determines that its system lacks capacity to fulfill a request for point-to-point service, a transmission provider must use all of its available redispatch options to satisfy a request for firm point-to-point service and, at the transmission customer's option, these redispatch options must be studied before the customer is obligated to incur the costs and time delays associated with a study of system-expansion options. The Commission also seeks comment on whether, alternatively, it should modify the nature of point-to-point service to require that transmission providers offer a "conditional firm" service that would be subject to curtailment prior to firm service only a limited number of hours of the year.
- **Rollover rights (right of first refusal)** – The Commission proposes to revise the rollover provision in the pro forma OATT, which grants an ongoing right to transmission customers to renew or “rollover” their contracts, to apply to contracts that have a minimum term of five years, rather than the current minimum term of one year. The NOPR proposes that a customer must exercise its right of first refusal to renew the contract no less than one year prior to the expiration date of the transmission service agreement, rather than within the current 60-day period.
- **Hourly firm point-to-point service** – The Commission proposes to require transmission providers to offer hourly firm point-to-point service under the pro forma OATT.

- **Designated network resources** – The NOPR makes a number of clarifications related to the types of agreements that may be designated as network resources, the process for verifying whether agreements meet the requirements in the pro forma OATT, and the requirement for transmission providers to designate and undesignate network resources on OASIS.
- **Reservation priority** – The Commission proposes to change the reservation priority rules to give priority to pre-confirmed transmission service requests submitted in the same time period as non-confirmed requests.

Examples of Proposed Increases in Transparency

- In addition to the increased transparency included in the ATC and planning reforms described above, the Commission proposes to require transmission providers to post on OASIS all business rules, practices and standards that relate to transmission services provided under the pro forma OATT, and to include credit review procedures in their OATTs.
- The Commission proposes to require transmission providers and their network customers to use the transmission provider's OASIS to request designation of a new network resource and to terminate the designation of an existing network resource.

Proposed Reforms to Facilitate Enforcement of the Pro Forma OATT:

- The Commission proposes a number of posting and reporting requirements that will provide the Commission and market participants with information about each transmission provider's performance of pro forma OATT obligations. For example, the Commission proposes to require transmission providers to post specific performance metrics related to their completion of studies required to evaluate certain transmission requests under the pro forma OATT.



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 9, 2006

ANALYSIS OF RM05-25-000 Draft as of June 9, 2006

Cite	Pages	Area	Description/Text of Cite	NAESB Effort?	Yes	Assigned to a joint effort with NAESB and NERC, corresponds to:	Questions/Notes/Actions
1	NOPR 40-41	51	1	<u>Consistency and transparency of ATC calculations.</u> The Commission finds that the lack of a consistent, industry-wide methodology for calculating ATC, and the lack of adequate transparency in ATC calculations, increases the potential for undue discrimination and also makes undue discrimination more difficult to detect. The lack of consistent standards can facilitate undue discrimination by giving a transmission provider the discretion, and hence the ability and opportunity, to favor itself and its affiliates over third parties in how it calculates and allocates ATC and, therefore, may be unjust, unreasonable, unduly discriminatory and preferential. As a result, we propose to give the industry specific guidance and a firm deadline to develop certain requirements to make the process of calculating ATC and the process of exchanging data between transmission providers about ATC more consistent. In addition, we propose to amend pro forma OATT requirements as well as our OASIS regulations to increase the transparency in how ATC is calculated.	Yes	Assigned to a joint effort with NAESB and NERC, corresponds to:	NAESB request R05004 (revised) "Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM" and two SARs: <u>Standard Revision to Existing Standard MOD-001-0</u> , and <u>Standard Revision to Standards MOD 004, MOD005, MOD006, MOD008, and MOD 009</u>
2	NOPR 41-42	52	2	<u>Requirement for coordinated, open and transparent transmission planning.</u> The Commission finds that Order No. 888 does not contain sufficient protections to guard against undue discrimination in transmission system planning. This, in turn, can affect a customer's ability to obtain transmission service and the price it pays for transmission. Specifically, Order No. 888 does not require sufficient coordination, openness, and transparency in transmission planning to ensure that new infrastructure is constructed to meet the needs of all eligible customers on a not unduly discriminatory basis. Without adequate coordination and open participation, market participants have minimal input or insight into whether a particular transmission plan treats all loads and generators comparably. To ensure that truly comparable transmission service is provided by all public utility transmission providers, including RTOs and ISOs, we propose to amend the pro forma OATT to require coordinated, open, and transparent transmission planning on both a sub-regional and regional level. To implement this remedy, we propose eight planning principles that each public utility transmission provider will be required to follow. We recognize that many regions have made significant progress in recent years in creating greater openness and transparency in transmission planning and believe our proposed reforms will build upon, strengthen, and improve this progress to reform transmission planning.	???	Will any of these changes correspond to creation of NAESB business practices?	



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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

ANALYSIS OF RM05-25-000

Draft as of June 9, 2006

Cite	Pages	Area	Description/Text of Cite	NAESB Effort?	Questions/Notes/Actions
3	NOPR 42-53	3	<u>Energy and Generator Imbalance Charges.</u> We find that existing energy and generator imbalance charges may be excessive and otherwise unrelated to the cost of providing the service and, therefore, propose to reform energy and generator imbalance pricing. We propose to require that all such imbalance charges meet the following criteria: the charges must (1) be related to the cost of correcting the imbalance, (2) be tailored to encourage accurate scheduling behavior, such as by increasing the percentage of the adder as the deviations become larger, and (3) account for the special circumstances presented by intermittent generators, such as by waiving the higher ends of the deviation penalties.	???	Will any of these changes correspond to creation of NAESB business practices?
4	NOPR 42-43-53	3	<u>Capacity Reassignment Pricing.</u> We find that the existing cap on the reassignment of point-to-point service may no longer be just and reasonable and, therefore, propose to eliminate the cap. We believe that removing the cap will eliminate an unnecessary impediment to the resale of capacity, which in turn should increase utilization of the grid and otherwise ensure that point-to-point service is just, reasonable and not unduly discriminatory. We seek comment on this proposal and, in particular, the nature of the reporting obligations that should be imposed as part of lifting the cap on reassignment.	???	Will any of these changes correspond to creation of NAESB business practices, modification to OASIS S&CP?
5	NOPR 43-53	3	<u>Crediting of Customer-Owned Facilities.</u> ... However, we propose to eliminate the requirement that new facilities can receive credits only if they are "jointly planned" because this requirement may provide a disincentive to coordinated planning. Rather, we propose that such new facilities be eligible for credits if: (1) such facilities are integrated into the operations of the transmission provider's facilities, and (2) such facilities would be eligible for inclusion in the transmission provider's annual transmission revenue requirement if owned by the transmission provider.	???	Will any of these changes correspond to creation of NAESB business practices?
6	NOPR 43-44-54	4	<u>Improvements to Point-to-Point Service.</u> The Commission concludes that the existing methods for evaluating requests for long-term firm point-to-point service may no longer be just, reasonable and not unduly discriminatory. When a transmission provider considers a new resource to serve native load, the transmission provider does not eliminate an otherwise economic option because the resource may not be deliverable in a few hours of the year. For transmission customers, however, the transmission provider evaluates whether service can be granted in every hour of the year that is modeled and, if not, it informs the customer that service cannot be provided out of existing transfer capability. Only if the transmission customer agrees to pay for time-consuming and costly facilities studies does the transmission provider evaluate redispatch options, including whether they are less expensive than the	???	Will any of these changes correspond to creation of NAESB business practices?



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7	NOPR 44-45 55	5	<p>upgrade options. The Commission proposes to address this problem by clarifying that a transmission provider must use all of its available redispach options to satisfy a request for firm point-to-point service and, at the transmission customer's option, these redispach options must be studied before the customer is obligated to incur the costs and time delays associated with a facilities study. The Commission also seeks comment on whether this remedy is adequate or, alternatively, whether the Commission should modify the nature of point-to-point service to require that transmission providers offer a "conditional firm" service that would be subject to curtailment prior to firm service only a limited number of hours of the year.</p> <p><u>Reform of rollover rights.</u> The Commission concludes that section 2.2 of the pro forma OATT, which grants an ongoing right to transmission customers to renew or "rollover" their contracts, is in need of reform. The Commission proposes to revise that provision to apply to contracts that have a minimum term of five years, rather than the current minimum term of one year. We conclude that this reform will ensure that the rollover right is enjoyed by transmission customers that have made a significant commitment to (and investment in) the transmission grid. In addition, the Commission proposes that a transmission customer eligible for rollover rights must provide notice of whether or not it will exercise its right of first refusal to renew the contract no less than one year prior to the expiration date of the transmission service agreement, rather than within the current 60-day period.</p>	???	Will any of these changes correspond to creation of NAESB business practices related to rollover standards? See item 22
8	NOPR 45 56	1	<p><u>Increases in transparency to lessen the opportunities to discriminate and reduce transaction costs.</u> In addition to the increased transparency we propose to require regarding the calculation of ATC and transmission planning, we propose to increase the transparency of transmission service provided under the pro forma OATT in several other respects. For example, we propose to require transmission providers and their network customers to use the transmission provider's OASIS to request designation of a new network resource and to terminate the designation of an existing network resource. In addition, we propose to require the transmission provider to modify its OASIS so that requests to designate and terminate a network resource can be queried. We also propose to require the transmission provider to post on its OASIS a list of its current designated network resources and all network customers' current designated network resources. Finally, we propose to require transmission providers to post on OASIS all their business rules, practices and standards that relate to transmission services provided under the pro forma OATT.</p>	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices? See item 22



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1301 Fannin, Suite 2350, Houston, Texas 77002
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9	NOPR 45-46	57 2	<p><u>Strengthening enforcement of the pro forma OATT.</u> Our proposed reforms include several clarifications of the terms and conditions of the pro forma OATT that have made undue discrimination difficult to detect and otherwise frustrated enforcement of the obligation to provide open access, non-discriminatory transmission service. Our new civil penalty authority under EPAAct 2005 gives us ample power to remedy tariff violations, but it also places upon us an increased responsibility to make the rules as clear as possible. In addition, we propose a number of posting and reporting requirements that will provide the Commission and market participants with information about each transmission provider's performance of pro forma OATT obligations. For example, we propose to require transmission providers to post specific performance metrics related to their completion of studies required under the pro forma OATT. We note that the Commission will continue to audit compliance with the pro forma OATT, and toward that end propose to require transmission information kept on OASIS to be retained for audit purposes for five years. Finally, we make a number of proposals relating to operational penalties assessed under the pro forma OATT, including so-called "over-use" penalties, and the treatment of operational penalty revenues collected from transmission providers and their affiliates.</p>	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices for reporting? See item 22
10	NOPR 46-47	58 2	<p><u>Miscellaneous OATT improvements.</u> We propose a number of improvements to the terms and conditions of the pro forma OATT to incorporate the lessons learned over the past ten years. We briefly note these below:</p> <p><u>Hourly Firm.</u> We propose to require transmission providers to offer hourly firm service under the pro forma OATT.</p> <p><u>Designation of network resources.</u> We propose to make a number of clarifications related to the types of agreements that may be designated as network resources, the process for verifying whether agreements meet the requirements in the pro forma OATT, and the requirement for transmission providers to designate and undesignate network resources. We also propose to require customers to submit an attestation with each application to designate a new network resource.</p> <p><u>Reservation priorities.</u> We propose to change the priority rules to give priority to pre-confirmed transmission service requests submitted in the same time period. We also propose to add price as a tie-breaker in determining reservation queue priority when the transmission provider is willing to discount transmission service.</p>	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices?



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11	NOPR 53-70	5	<p><u>Clarifications related to network service.</u> We propose to clarify that a network customer may not use secondary network service to bring energy onto its system to support an off-system sale if the purchased power does not displace the customer's own higher cost generation. We also propose clarifications related to use of network service on an "as available basis" and to "redirects" of network service.</p> <p><u>Definitions.</u> In addition to some minor revisions, we propose to add a definition of "non-firm sales" to the pro forma OATT and propose to amend the definition of Good Utility Practice to reference the definition of "reliable operation" adopted in EPAAct 2005.</p> <p>However, to the extent commenters argue that the terms of service and notice periods associated with the OATT rollover rights are too short to protect native load adequately, we note that we are proposing to extend them in this NOPR.</p>	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices currently under development for rollovers?
12	NOPR 54-71	2	<p>We further note, in response to the comments of Nevada Companies and TAPS, that we are proposing a coordinated and regional planning process to facilitate the planning and expansion of transmission facilities pursuant to FPA section 217.</p>	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices or require any posting on OASIS systems?
13	NOPR 89-127	1	<p>Based on the recommendations in the NERC Report, NERC has two Standards Authorization Request (SAR) proceedings underway to revise the standards on ATC. The first SAR proceeding proposes changes to the existing standards on ATC to, among other things, further establish consistency (on a regional basis) in the calculation of ATC and to increase the clarity of each transmission provider's ATC calculation methodology. The second SAR proceeding proposes certain changes to NERC's existing standards on the ATC components of CBM and TRM. This proceeding also calls for greater regional consistency and transparency in how CBM and TRM are treated in transmission providers' ATC calculations. Also, based on the recommendations in the NERC Report, the North American Energy Standards Board (NAESB) has a proceeding underway to develop business practice standards to enhance the processing of transmission service requests, which use TTC, ATC and/or AFC.</p>	YES	ATC business practices are currently under development. See item 1.
14	NOPR 102-148	1	<p>We propose to address the potential for remaining undue discrimination in the determination of ATC by requiring industry-wide consistency and transparency of certain definitions, data, modeling assumptions and components of ATC. We propose to provide general guidance regarding the aspects of ATC calculation that we believe should be more consistent and direct</p>	YES	ATC business practices are currently under development. See item 1.



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15	NOPR 107-108	155 1	public utilities, working through NERC and NAESB, to use our guidance to revise the relevant standards and business practices. In addition, we propose to require increased detail in the pro forma OATT regarding the method of calculating ATC and to amend our OASIS regulations to require increased transparency.		
			The Commission proposes to require public utilities, working through NERC, to develop the standards we set forth below within 6 months of the final rule in this proceeding. Consistent with NERC's existing efforts, we propose to require the development of standards for: (1) ATC/AFC, TTC/Total Flowgate Capacity (TFC), ETC, CBM, and TRM calculation methodologies, (2) data inputs, (3) modeling assumptions, (4) ATC calculation frequency, and (5) data exchange and coordination processes. We further propose to require public utilities, working through NAESB, to work with NERC to identify the appropriate business practices to complement the standards developed by NERC. We discuss below each of the elements for which we propose to require more consistency. We seek comment on these elements of the ATC calculation and, in particular, whether certain elements are more susceptible to further consistency than others and whether certain elements should be prioritized over others because they represent the source of most disputes between transmission providers and customers. We recognize the need to focus on those elements of the ATC calculation that are most susceptible to further consistency and most important in terms of eliminating opportunities for undue discrimination.	YES	ATC business practices are currently under development. See item 1.
16	NOPR 108	156 1	Accordingly, we propose to achieve greater consistency in ATC calculations by directing the development of consistent definitions of the components of ATC, as well as consistent data inputs, data exchange and coordination protocols, and modeling assumptions, as discussed further below.	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices currently under development for ATC or will they require the standard postings as noted in item 22?
17	NOPR 111-112	161 1	One option is to require that clear standards be developed for how the CBM value should be determined and allocated across transmission paths, and for which customers CBM should be used. Consistent with the standards development process that is already in progress, we propose that these standards specify how CBM should be reserved to allow any load-serving entity to meet generation reliability criteria on a nondiscriminatory basis. In addition, we propose that NERC specify emergency generation deficiency conditions during which a load-serving entity will be allowed to use the transfer capability reserved as CBM.	???	Will any of these changes correspond to creation or modification of NAESB OASIS business practices currently under development for ATC or will they require the standard postings as noted in item 22?
18	NOPR 117	168 1	The Commission also supports the development of clear standards on how often ATC/AFC	???	Will any of these changes correspond to creation or



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19	NOPR 125-126	186 1	and its individual components are calculated and updated. The Commission proposes that public utilities, working through NERC and NAESB, develop standards requiring that the calculation be performed on a consistent time interval among transmission providers and in a manner that closely reflects the actual topology of the system concerning generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data. The Commission also supports uniform updating of ATC values and components by adjacent control areas.	???	modification of NAESB OASIS business practices currently under development for ATC or will they require the standard postings as noted in item 22?
20	NOPR 127-128	189 1	Our existing regulations require ATC and TTC on constrained paths to be updated when: (1) transactions are reserved, (2) service ends, or (3) whenever the TTC estimate for the path changes by more than 10 percent. We do not believe that this regulation has resulted in sufficient information to determine why ATC values changed. To provide a transmission customer with useful information to assist with its evaluation of monthly and yearly firm transmission service options, we propose to supplement the existing regulations by requiring the transmission provider to post a brief, but specific, narrative explanation of the reason for the posted change in the monthly and yearly ATC values on a constrained path.	???	Will this need to be posted on OASIS and will it require development of or changes to existing NAESB OASIS BPs? See item 22
21	NOPR 130-131	193 4	We also propose to require the transmission provider and network customers to use the transmission provider's OASIS to request designation of a new network resource and to terminate the designation of a network resource. As with other transmission request information posted on OASIS, the transmission provider should keep designation and termination information posted on OASIS for 90 days and should make designation and termination information available upon request for five years, consistent with 18 CFR 37.7(b) (2005). Transmission customers will be able to query requests to designate and terminate a network resource under 18 CFR 37.6(a)(6)(2005). We propose to require the transmission provider to post on its OASIS a list of its current designated network resources and all network customers' current designated network resources. The list of network resources should include the name of the resource, its geographic and electrical location, and the amount of capacity from the unit to be designated as a network resource.	???	As this is to be posted on OASIS, will it require development of or changes to existing NAESB OASIS BPs? See item 22
22	NOPR 130-131	193 4	Accordingly, we propose to add a requirement in our regulations for transmission providers to post on OASIS certain metrics related to the provision of transmission service under the pro forma OATT. Specifically, we propose to require transmission providers to post data each month concerning transmission service requests associated with particular paths or flowgates that would clearly identify the number of requests that have been accepted and the number of	???	As this is to be posted on OASIS, will it require development of or changes to existing NAESB OASIS BPs? See item 22



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22	NOPR 132	195	4	<p>requests that have been denied during the prior month. The posted data would show: (1) the number of non-affiliate requests for transmission service that have been rejected and (2) the total number of non-affiliate requests for transmission service that have been made. This posting would distinguish between the length of the service request (e.g., short-term or long-term requests) and between the type of service requested (e.g., firm point-to-point, non-firm point-to-point or network service). We also propose that the transmission provider post similar information for affiliate transactions. In other words, the transmission provider would also post: (1) the number of affiliate requests for transmission service that have been rejected, and (2) the total number of affiliate requests for transmission service that have been made. Similarly, this posting would distinguish between the length of the service request (e.g., short-term or long-term requests) and between the type of service requested (e.g., firm point-to-point, non-firm point-to-point or network service).</p>	YES	
23	NOPR 152	214	4	<p>For all of our proposed OASIS reforms, we propose to require public utilities, working through NAESB, to develop standards for consistent methods of posting the new requirements on OASIS so that a common format is used.</p> <p>8. Congestion Studies – The transmission provider is required annually to prepare studies identifying “significant and recurring” congestion and post such studies on its OASIS. The studies should analyze and report on the location and magnitude of the congestion; possible remedies for the elimination of the congestion, in whole or in part; the associated costs of congestion; and the cost associated with relieving congestion through system enhancements (or other means). The Commission seeks comment on how to define “significant and recurring” congestion, such as by reference to generation redispatch, repeated denials of service requests, zero ATC, frequent curtailments or a combination of these factors. The required congestion studies would address both “local” congestion (i.e., within the transmission provider’s system) and congestion between control areas and subregions. The purpose of this requirement is to ensure that affected market participants, state commissions, and this Commission understand both the costs of recurring transmission congestion and the remedies. The Commission seeks comment on how this information should be used by the transmission provider and market participants to address significant and recurring congestion.</p>	???	As congestion studies are posted on OASIS, will it require development of or changes to existing NAESB OASIS BPs? See item 22



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24	NOPR 158	219	2	Finally, the Commission seeks comment on the level of detail to be required in transmission providers' OATTS.	???	Will business practices need to be developed to describe the level of detail for transmission planning? Will posting on OASIS and the standardization referred to item 22 be part of this effort?
25	NOPR 170	238	3	The Commission proposes to modify the current pro forma OATT Schedule 4 treatment of energy imbalances and to adopt a separate pro forma OATT schedule for the treatment of generator imbalances. More specifically, the Commission seeks to balance the needs of transmission providers to operate their transmission systems in a reliable manner with the needs of transmission customers to have reasonable access to those systems at just and reasonable rates, as well as the needs of a variety of transmission customers with different generator sources.	???	Will business practices need to be developed to support practices outlined for determining and compensating for energy imbalances? Will posting on OASIS and the standardization referred to item 22 be part of this effort?
26	NOPR 174-175	245	3	However, we seek comment on whether the current return-in-kind approach to inadvertent energy encourages leaning on the grid in times of shortage, and therefore whether any reforms in this area are appropriate. Would pricing inadvertent energy at incremental cost (or some variant thereof) be an appropriate disincentive? If any reforms in this area are appropriate, should they be pursued under FPA section 215 as part of the review of reliability standards?	???	Depending on the Commission decision in the final rule, this may affect NAESB business practices for inadvertent interchange.
27	NOPR 190	270	4	Because capacity reassignment does not appear to have developed into a competitive alternative to primary capacity, the Commission is proposing modifications to its existing pricing policy. We propose removing the price cap on capacity reassignment and allowing negotiated rates for transmission capacity reassigned by transmission customers. We do not propose to lift the price cap for capacity resold by transmission providers or their affiliates due to market power concerns.	???	Will business practices need to be developed to reflect the removal of the price cap on capacity reassignment and does this affect the NAESB standards for OASIS S&CP?
28	NOPR 194	276	4	The Commission seeks comment on the quarterly reports and OASIS postings we propose to require from transmission providers under this proposal. They will be based on information that we will require assignors to give to transmission providers. What information should we require in the quarterly reports and OASIS postings, i.e., information about the capacity released, the original rate paid for that capacity, the price charged to the assignee for the capacity, and the term of the assignment? Is other information necessary for operational and	???	Depending on the Commission decision in the final rule, this may affect NAESB business practices for OASIS postings -- see item 22.



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29	NOPR 213	305	5	reliability purposes? Are additional reports by assignors to the transmission provider necessary, and if so, what information should be reported by assignors? Should the Commission establish a new quarterly reporting process, e.g., a new form, or utilize the existing electronic electric quarterly report procedures? How frequently should the OASIS postings be made?		
				The Commission believes there are two basic options for addressing this problem. The first option focuses on generation redispatch to accommodate long-term firm point-to-point service, while the second option creates a modified form of firm point-to-point service that includes non-firm service in a defined number of hours of the year when firm point-to-point service is not available. The Commission's preliminary view is that the redispatch option is superior because it: (1) mirrors the way that transmission providers plan for bundled retail native load, (2) would provide firm service to new entrants, rather than service that is subject to more frequent curtailment in certain hours of the year, and (3) may avoid certain implementation issues associated with designing a modified long-term point-to-point service. However, we seek comment on this preliminary view and on both of the options outlined below	???	Depending on the Commission decision in the final rule, will business practices need to be developed to support the redispatch option or the modified form of long-term point-to-point service? NAESB made a filing with the FERC in support of NERC filing on market redispatch that may have an impact on this item.
30	NOPR 216	309	5	However, we propose to require the transmission provider, when it cannot accommodate a long-term firm point-to-point transmission request through redispatch of its own resources, to identify the generators in other control areas that could relieve the constraint on the affected flowgates to allow the transmission customer to seek redispatch with transmission providers in adjacent control areas to remove such constraints. We also seek comment on whether to expand the existing OATT obligation to require the transmission provider to redispatch not just its own resources, but those of its network customers also, subject to the network customers receiving appropriate compensation when their resources are redispatched.	???	Depending on the Commission decision in the final rule, will business practices need to be developed to support the changes to the redispatch program and OATT obligations?
31	NOPR 221	317	5	We ask for comment on whether all or a portion of SPP's, Deseret's, or PacifiCorp's proposals should form the basis for a generic redispatch provision that could be included in the pro forma OATT, as a means of ensuring that redispatch service is available and priced on a just and reasonable basis.	???	Depending on the Commission decision in the final rule, will business practices need to be developed to support the generic redispatch provision?
32	NOPR 221	318	5	Finally, we recognize that a transmission provider may need to coordinate with marketing affiliate or energy affiliate employees to arrange generation redispatch. However, such communication and coordination raise potential problems for the transmission provider	???	Depending on the Commission decision in the final rule, will business practices need to be developed for communication and coordination protocols to



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33	NOPR 227	324	5	regarding compliance with the Commission's Standards of Conduct, which require separating transmission function employees from wholesale marketing and energy affiliate employees. We seek comment on what communication and coordination protocols can be established to permit the provision of generation redispatch in a manner that is not unduly discriminatory or preferential, and consistent with the Standards of Conduct.	permit the provision of generation redispatch?
				Further, we propose that customers with conditional firm service would qualify for rollover rights provided that they meet the other rollover right conditions proposed herein. The service agreement for conditional firm service would specify the number of conditional curtailment hours. The transmission provider would not be required to plan for service to the conditional firm customer during the conditional curtailment hours. We seek comment on the application of rollover rights to the conditional firm service.	Depending on the Commission decision in the final rule, will this provision affect the NAESB BPs currently under development for rollover rights?
				???	???
				We seek comment on the most appropriate method of modeling the transmission system to determine the number of conditional curtailment hours. We also recognize that additional studies may cause additional costs. We seek comment on methods of ensuring recovery of these additional costs.	Depending on the Commission decision in the final rule, will business practices be needed to determine conditional curtailment hours?
				???	???
34	NOPR 231-232	332	4	If the service is treated as firm during a certain period, the transaction would not be cut before other firm uses. The transmission provider would have to perform a calculus, taking into account forecast load and transmission and generation availability, to determine the need to cut the conditional firm transaction in the next period prior to scheduling the transaction as conditional firm. While we do not view this as an insurmountable problem, we note that the decision to curtail a conditional firm transaction prior to other firm uses simply cannot be made in real time. We also note that the transmission provider would need to develop a mechanism to track the number of annual conditional curtailment hours in each service agreement and its annual or monthly use of those hours. Such a tracking mechanism would ensure that the transmission provider did not exceed the annual or monthly cap on conditional curtailment hours in any particular service agreement.	Depending on the Commission decision in the final rule, will business practices be needed to provide for a tracking mechanism?
				Therefore, we conclude that the concerns expressed in Order No. 888 regarding unduly discriminatory effects of hourly firm service have proven unfounded, and we propose that hourly firm service be a required offering in the pro forma OATT.	Will business practices be needed to provide for an hourly firm service?
35	NOPR 239	343	4	As for allowing transmission customers to batch requests for service, we conclude that allowing such batching creates administrative efficiencies for the transmission customer and	Will business practices be needed to provide for
36	NOPR 241-	345	4		



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	242			transmission provider alike. Therefore, we propose allowing transmission customers to batch requests and schedules for hourly firm service that will be provided within the same day.		batching requests for service?	
37	NOPR	242	347	4	Finally, we propose that, consistent with other durations of service, the confirmation period for hourly firm service specified in section 13.2 of the pro forma OATT will allow longer-term requests for service to preempt shorter hourly firm requests for service until one hour before the commencement of hourly firm service.	???	Will business practices be needed to provide for the longer-term requests for service to preempt shorter hourly firm requests for service until one hour before the commencement of hourly firm service?
38	NOPR	250	356	2	The Commission's proposal is consistent with the transmission customers' comments that the right of first refusal should be designed to ensure long-term service. Extending the minimum term of the right of first refusal agreements to five years will encourage long-term use of the grid. In addition, the one-year prior notice requirement should allow adequate time for transmission providers to re-market unused capacity that may result from a transmission customer choosing not to roll over a service agreement. The one-year notice provision also should limit the instances when the transmission provider must turn away a transmission request only to find out that it could accommodate the request after the transmission customer elected not to roll over. These changes should result in a more efficient use of the transmission grid.	???	Should the business practices currently under development for rollover rights be modified to reflect this proposal?
39	NOPR	251	358	2	We believe that our proposal to extend the term of the right of first refusal from one to five years should address, in many respects, the concern of transmission providers that the existing right of first refusal is unfair to native load customers. Under this proposal, a right of first refusal will no longer be granted to users of the grid on an annual basis, but rather only to those making longer-term commitments to the grid, as do native load customers. In addition, while we expect a transmission provider to be continually updating its forecast for native load growth and applying this updated projection to new requests for service, applying this to contracts at rollover may require an additional change to the right of first refusal process. Specifically, the transmission provider would have to compete for the capacity rather than reclaim it through its rights to reserve capacity for native load growth. We seek comment on whether this change would be appropriate.	???	Depending on the Commission decision in the final rule, will the OASIS BPs require changes to support the modified right of first refusal process?
40	NOPR	257	367	5	In Order No. 676, the Commission adopted the "Standards for Business Practices and Communication Protocols for Public Utilities" developed by the NAESB's Wholesale Electric Quadrant (WEQ). Order No. 676 incorporates the aforementioned standards by reference into the Commission's regulations; requires public utilities to implement the	YES	NAESB is currently modifying the WEQ Standard 001-9.7 which addresses the impact of a firm redirect on a long-term firm transmission customer's rollover rights under section 2.2 of the



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41	NOPR 259-260	369 5	standards by July 1, 2006; and requires public utilities to file revisions to their OATTs to include these standards. The WEQ Standards recently adopted by the Commission include a number of standards addressing requirements for dealing with redirects on both a firm and non-firm basis. In fact, all of the WEQ Standards dealing with redirects were adopted by the Commission in Order No. 676, except for WEQ Standard 001-9.7, which addresses the impact of a firm redirect on a long-term firm transmission customer's rollover rights under section 2.2 of the pro forma OATT. The Commission directed the WEQ to reconsider WEQ Standard 001-9.7 and to adopt a revised standard consistent with the Commission's policies. The Commission also offered guidance to assist the WEQ in developing a standard that is consistent with Commission policy.	???	pro forma OATT. Depending on the Commission decision in the final rule, additional changes may be needed to WEQ Standard 001-9.7 and other related standards.
42	NOPR 269-270	382 4	The Commission anticipates that a number of other concerns, while perhaps not yet addressed (or addressed fully) by a WEQ Standard, are nevertheless the types of issues appropriate for the WEQ process. The Commission therefore proposes that each commenter that continues to believe additional reform is necessary in this area also evaluate whether its concerns would more appropriately be addressed by the WEQ as it considers its next version of its standards. Specifically, as noted above, the WEQ is in the process of reevaluating WEQ Standard 001-9.7, dealing with redirects and rollovers, so that it is consistent with the Commission's guidance given in Order No. 676. The Commission requests comment on whether the WEQ process, along with the guidance provided by the Commission in Order No. 676, is sufficient to address the concerns of commenters that seek clarification on the interplay between redirects and rollovers.	YES	See item 22. For information posted on OASIS sites, NAESB has been asked to work on consistent methods of posting and common formats. Paragraph 383, p 270, of the NOPR provides the details for posting.
			Therefore, we propose to require transmission providers to post on their OASIS sites metrics that track their performance in processing system impact studies and facilities studies associated with requests for transmission service. Transmission providers will be required to post the performance metrics, outlined below, for each calendar quarter. Transmission providers should begin tracking their performance upon the effective date of the final rule in this proceeding and keep the quarterly performance metrics posted on their OASIS sites for three calendar years. The transmission provider will be required to post the quarterly performance metrics within 15 days of the end of the quarter. The performance metrics outlined below should be calculated separately for affiliates' and non-affiliates' requests for short-term and long-term transmission service. A transmission provider also will be required to post performance metrics for studies that it conducts for RTOs.		



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
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ANALYSIS OF RM05-25-000 Draft as of June 9, 2006

Cite	Pages	¶	Area	Description/Text of Cite	NAESB Effort?	Questions/Notes/Actions
43	NOPR 273	385	4	In addition to the operational penalty described above, we propose to require transmission providers to post on their OASIS sites additional performance metrics after making a notification filing. Transmission providers will have to post these performance metrics until they process at least 90 percent of all system impact and facilities studies within 60 days after the study agreement has been executed. Starting the quarter following a notification filing, the transmission provider will be required to post: (1) the average, across completed system impact studies, of the employee-hours expended per completed system impact study; (2) the average, across completed facilities studies, of employee-hours expended per completed facilities study, (3) the number of employees devoted to processing system impact studies, and (4) the number of employees devoted to processing facilities studies. These additional performance metrics should be calculated separately for affiliates' and non-affiliates' requests for transmission service and for short-term and long-term transmission service.	YES	See item 22. For information posted on OASIS sites, NAESB has been asked to work on consistent methods of posting and common formats. Paragraph 383, p 270, of the NOPR provides the details for posting.
44	NOPR 279-280	393	4	We also provide general guidance regarding which business practices should be filed as part of a transmission provider's OATT and which should be posted on OASIS. Given this additional clarity and the business practices already mandated by Order No. 676, we seek comment on whether commenters believe additional standardization of request queue processing is necessary. If so, we seek comment on the specific issues commenters believe are not clearly prescribed in Order No. 676 or this NOPR and which require additional mandatory queue processing business practices.	???	Depending on the Commission decision in the final rule, additional business practices may be needed for queue processing.
45	NOPR 282	399	4	In response to comments that transmission customers that have the financial resources to purchase software and employ staff to continually monitor OASIS sites have an unfair advantage under a first-come, first-served approach, we seek comment regarding whether any such advantage would be mitigated if all requests submitted within a 5-minute window, with duration as a tie breaker, were deemed to have been submitted simultaneously. We also seek comment on whether transmission customers could game a 5 minute equivalent priority standard to request transmission service only after another transmission customer has made a request. To the extent we adopt a 5 minute equivalent priority standard, we propose to allocate capacity on a pro rata basis, though we seek comment on other methods for allocating limited transmission capacity among equivalent priority requests of equal duration.	???	Depending on the Commission decision in the final rule, will business practices be needed for a 5 minute priority standard and allocation of capacity? See paragraphs 400 and 401 on page 283 for additional possible changes in policy for priority rules that may require development of business practices.
46	NOPR 291-292	413	4	We propose to require the transmission provider's merchant function as well as network customers to include a statement with each application to designate a new network resource that attests that: (1) the transmission customer owns or has committed to purchase the new	???	Will the attestation provided by the transmission provider's merchant function or the network customers require changes to the OASIS systems



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47	NOPR 292	414 4	designated network resource, and (2) the new designated network resource comports with the requirements for designated network resources. The network customer should include this attestation in the customer's comment section of the request when it confirms the request. Similarly, we propose that all entities that submit an application for network service be required to include a statement with the application for service that attests that, for each network resource identified in the application for service: (1) the transmission customer owns or has committed to purchase the designated network resource, and (2) the designated network resource comports with the requirements for designated network resources.	???	including postings of information that are referenced in item 22?
48	NOPR 296	423 1	We propose that if the network customer does not include an attestation when it confirms its request, the transmission provider will notify the network customer within 15 days of confirmation that its request is deficient. Wherever possible, the transmission provider will attempt to remedy deficiencies in the request through informal communications with the network customer. If such efforts are unsuccessful, the transmission provider will terminate the network customer's request and change the status of the request on OASIS to "retracted." This termination will be without prejudice to the network customer submitting a new request that includes the required attestation. The network customer will be assigned a new priority consistent with the date of the new request.	???	Will the confirmation process including the status of the request for service from the network customer require changes to the OASIS systems including postings of information that are referenced in item 22?
49	NOPR 298	427 4	We seek comment on the amount of time prior to operation that the transmission provider and other network customers should be required to terminate a network resource to ensure that the appropriate set of network resources are included in the ATC calculation.	???	Depending on the Commission decision in the final rule, will business practices be needed for the amount of time allowed to terminate network resources?
50	NOPR 300-301	427 4	We propose to define "economy energy" as energy purchased by a network customer that displaces the customer's own higher cost generation for the purpose of serving the customer's designated network loads.	???	Will this definition need to be added to the NAESB business practices?
50	NOPR 300-301	434 4	We propose to clarify that network customers may not redirect network service in a manner comparable to the way customers redirect point-to-point service. Unlike point-to-point service that is based upon a contract-path model consisting of a designated point of receipt and point of delivery, network service involves no identified contract path and is therefore not a directable service. Rather, network service provides for the integration of designated network resources and loads using the entire transmission grid in a manner comparable to the transmission provider's use of the transmission grid to serve its native load customers. When	???	Does this specification that network customers may not redirect network service, but should terminate the designation of the existing network resource and designate a new network resource affect the redirect standards under development?



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51	NOPR 305-306	441 4	<p>a network customer wants to substitute one designated network resource for another, it should terminate the designation of the existing network resource and designate a new network resource. The network customer can then request to redesignate its original network resource by making a request to designate a new network resource. Alternatively, a network customer could use secondary network service when it wants to substitute a non-designated network resource for a designated network resource on an as-available basis.</p> <p>The Commission reminds both transmission providers and customers that our regulations require posting of transmission curtailment information on OASIS. The OASIS regulations state:</p> <p>(i) When any transaction is curtailed or interrupted, the Transmission Provider must post notice of the curtailment or interruption on the OASIS, and the Transmission Provider must state on the OASIS the reason why the transaction could not be continued or completed.</p> <p>(ii) Information to support any such curtailment or interruption, including the operating status of the facilities involved in the constraint or interruption, must be maintained and made available upon request, to the curtailed or interrupted customer, the Commission's Staff, and any other person who requests it, for three years.</p> <p>(iii) Any offer to adjust the operation of the Transmission Provider's system to restore a curtailed or interrupted transaction must be posted and made available to all curtailed and interrupted Transmission Customers at the same time.</p> <p>...</p> <p>We seek comment on whether additional requirements would improve the transparency of transmission curtailment information and the ability of customers to make use of that information. (¶442)</p>	???	Depending on the Commission decision in the final rule, will additional OASIS business practices be needed to support posting of information on curtailments as referenced in item 22?
52	NOPR 311 451	4	<p>There appears to be broad consensus among the commenters that rules, standards and practices not required to be included in a transmission provider's pro forma OATT should be posted on the transmission provider's OASIS. We agree and propose to require transmission providers to post on OASIS all of their rules, standards and practices that relate to transmission services. We believe this proposal will provide greater transparency and mitigate the potential for undue discrimination against customers taking transmission service under the transmission provider's OATT. However, we seek comment on how to determine</p>	YES	The proposal to post on OASIS falls under item 22. The final order should specify which rules, practices and standards should be posted on OASIS.



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53	NOPR	314	455	4	<p>what "relates" to transmission service to facilitate a consistent interpretation and to minimize discretion on what rules, practices and standards should be posted on OASIS.</p> <p>In the Creditworthiness Policy Statement, the Commission explained that, to assess an applicant's credit risk, transmission providers should use both qualitative factors, such as the local regulatory environment or the applicant's history and financial policies, and quantitative factors, such as information included on the applicant's financial statements. We propose to require the new Attachment L to include such quantitative and qualitative criteria to determine the level of secured and unsecured credit. We also propose to require the new Attachment L to include the following elements: (1) a summary of the procedure for determining the level of secured and unsecured credit; (2) a list of the acceptable types of collateral/security; (3) a procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements; (4) a procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements; (5) a reasonable opportunity to contest determinations of credit levels or collateral requirements; and (6) a reasonable opportunity to post additional collateral, including curing any noncreditworthy determination. We propose to allow these basic elements to be supplemented with a credit guide or manual to be posted on OASIS.</p>	YES	The proposal to post on OASIS a supplemental credit guide or manual falls under item 22.
54	NOPR	321	462	4	<p>In addition to amending the definition of Good Utility Practice, we propose to add a definition for "non-firm sales" to clarify section 30.4 of the pro forma OATT.</p>	???	Will the definition for non-firm sales be considered as part o the business practices for OASIS?
55	NOPR	321	463	4	<p>We also propose to add two new definitions that are required to implement our proposed reforms. For example, we propose a definition of "affiliate" in section 1.1 of the revised pro forma OATT incident to our proposed change to the pricing of reassigned capacity. We also propose a new definition of "pre-confirmed application" in section 1.40 of the revised pro forma OATT incident to our proposal to give priority to requests that are pre-confirmed.</p>	???	Will the definition for affiliate and for pre-confirmed application be considered as part o the business practices for OASIS?



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April 28, 2006
 Via post and email

TO: (ISO Presidents, individually addressed)
 FROM: Rae McQuade, President and COO, NAESB
 William P. Boswell, General Counsel, NAESB
 RE: NAESB Membership Consideration

Dear ...,

NAESB has now been operational for the wholesale electric market interests for several years, incorporating in 2002, completing our organizational changes in 2003, and completing our first set of wholesale electric business practices in late 2004. Those standard business practices were filed with the Federal Energy Regulatory Commission in January 2005, and most recently adopted by the FERC on April 20, 2006.¹ The standards directly impact ISOs and RTOs. Since this effort, several other filings have been made with the FERC. While we still may be experiencing some growing pains, the organization has matured and is producing standards that should support our market, complement the reliability standards being developed by NERC, enhance and further develop the OASIS systems and recognize the interdependency of the gas and electric markets. We have appreciated the contributions of the staff of several ISOs and RTOs as these standards were under development, which brings us to the focus of this letter.

We are writing this letter to ask you to consider not only membership in NAESB, but to also consider positions on our Board of Directors, Executive Committee (EC) and various subcommittee leaderships. To ensure that ISOs and RTOs have a direct voice in the direction of NAESB and the creation of its work products, it is crucial that the ISOs and RTOs are represented within our leadership ranks. While we can count SPP, ERCOT and MISO as NAESB members, and we are fortunate to also have had participation of Cal ISO, PJM, ISO-NE, NYISO and AESO in our standards development subcommittees, we have not had any ISO or RTO representative hold leadership positions within NAESB, nor have we had any representatives vote within our various groups.

In joining NAESB and holding leadership positions, you would have a direct influence on NAESB decisions that impact your constituency. The costs to participate are minimal -- our membership dues are annual -- \$5000 per entity, with the membership extending to all employees of that entity. The Board meets quarterly as does the EC - with participation by phone available for those unable to travel. Several ISO and RTO staff already monitors the EC and board meetings.

With ISOs and RTOs joining NAESB and holding seats on the Board or EC, direct communications would be facilitated and you would be part of the key decision making bodies. In representing your constituency as a group, you could canvas them for their direction and then present such as a direct influence on NAESB decision making, much like several trade and industry organizations already do in their roles on our Board and EC (such as NRECA, ELCON and NERC). As a member of the Board or EC, you would be able to influence the direction of the organization, how it relates to regulatory agencies -- both at the state and federal level, how the quadrants cooperate in joint efforts, and whether draft standards are to be supported by the NAESB membership. Your staff, participating in subcommittees could take leadership roles should they determine it would be the best approach to

¹ The FERC took action in Docket No. RM05-5-000 on April 20, 2006, in issuance of a final order to be mandated for implementation by jurisdictional entities on July 1, 2006.



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further their positions. Our subcommittee chairs must be NAESB members and sit on the Board or EC or function as EC alternates.

A recent activity that was Board member driven, Board member populated, and ultimately Board endorsed, the development of the gas-electric interdependency report, would have clearly benefited from participation and leadership from ISOs and RTOs. Similarly, the efforts on gas quality standards development and the work with NERC to efficiently identify and split out reliability standards from business practices would be of interest to you. The FERC may be considering changes to OASIS and Order 888, as noted in recent speeches by Chm. Kelliher - the business practices supporting OASIS are NAESB standards. Similarly the FERC has noted that NAESB would develop the complementary business practices to the reliability standards developed by the ERO -- again I would expect that this topic would be of interest to you.

While you have a defined role in the memorandum of understanding of NERC, NAESB and the ISO-RTO Council -- that role is for assignment of development efforts to one organization or the other, it is not the same as participating and voting on standards, nor does it envision a voice within the leadership of NAESB on governance and strategic direction. Clearly NERC came to that realization as it joined NAESB and sits on the EC. NERC is also now considering a Board seat as well.

Should you need any other information in determining whether you should reconsider taking leadership positions in NAESB, please do not hesitate to call me or Bill. We very much appreciate your willingness to listen.

Best Regards,

Rae McQuade,
 President, NAESB

William P. Boswell
 General Counsel, NAESB

Attachment: NAESB Membership White Paper

cc: NAESB Managing Committee
 Gloria Ogenyi, Chair, NAESB Resources Committee
 Scott Brown, Vice Chair, NAESB Resources Committee
 Kathy York, Chair, NAESB Wholesale Electric Quadrant Executive Committee



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1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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NAESB DISCUSSION PAPER ON MEMBERSHIP FOR CONSIDERATION BY ISOs AND RTOS

BACKGROUND:

NAESB has now been operational for the wholesale electric market interests for several years, incorporating in 2002, completing our organizational changes in 2003, and completing our first set of wholesale electric business practices in late 2004. Those practices were filed with the Federal Energy Regulatory Commission in January 2005 and adopted by the FERC on April 20, 2006. Since then, several other sets of business practices have been filed with the FERC. These standards directly impact ISOs and RTOs and their constituencies. While we still may be experiencing some growing pains, the organization has matured and is producing standards that should support our market, complement the reliability standards being developed by NERC, enhance and further develop the OASIS systems and recognize the interdependency of the gas and electric markets. We have appreciated the contributions of the staff of several ISOs and RTOs as these standards were under development, which brings us to the focus of this white paper.

REQUEST:

We ask you to consider not only membership in NAESB, but to also consider positions on our Board of Directors, Executive Committee (EC) and various subcommittee leaderships. To ensure that ISOs and RTOs have a direct voice in the direction of NAESB and the creation of its work products, it is crucial that the ISOs and RTOs are represented within our leadership ranks. While we can count SPP, ERCOT and MISO as NAESB members, and we are fortunate to also have had participation of Cal ISO, PJM, ISO-NE, NYISO, IESO and AESO in our standards development subcommittees, we have not had any ISO or RTO representative hold leadership positions within NAESB for the wholesale electric interests, nor have we had any representatives vote within our various wholesale electric groups.

BENEFITS OF JOINING NAESB:

In joining NAESB and holding leadership positions, you would have a direct influence on NAESB decisions that impact your constituency. The costs to participate are minimal -- our membership dues are annual -- \$5000 per entity, with the membership extending to all employees of that entity. The Board meets quarterly as does the EC - with participation by phone available for those unable to travel. Several ISO and RTO staff already monitors the EC and board meetings.

With ISOs and RTOs joining NAESB and holding seats on the Board or EC, direct communications would be facilitated and you would be part of the key decision making bodies. In representing your constituency as a group, you could canvas them for their direction and then present such as a direct influence on NAESB decision making, much like several trade and industry organizations already do in their roles on our Board and EC (such as NRECA, ELCON and NERC). As a member of the Board or EC, you would be able to influence the direction of the organization, how it relates to regulatory agencies -- both at the state and federal level, how the quadrants cooperate in joint efforts, and whether draft standards are to be supported by the NAESB membership. Your staff, participating in subcommittees could take leadership roles should they determine it would be the best approach to further their positions. Our subcommittee chairs must be NAESB members and sit on the Board or EC or function as EC alternates.



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Overall, NAESB does function as a resource for its members, developing the needed business practices and telecommunication standards that provide for more efficient operation of markets. As members realize and take advantage of this benefit, they have the entire membership as a sounding board and stakeholder group for considering practices that would be useful not only regionally but also from a North American perspective. Several of our standards incorporate regional and operational differences to ensure that markets can operate effectively – our standards do not imply that “one size fits all.”

MEMBERSHIP REQUIREMENTS

ISOs and RTOs have a defined role in the Wholesale Electric Quadrant of NAESB. They can join any one or more of the five segments for which they have an interest – transmission, end user, distribution, marketing and generation. The subsegment for joining for ISOs and RTOs is “At Large.” The cost of joining each segment is \$5,000 per year and the membership extends to all employees of the ISO or RTO. As a member, you will have the opportunity to be seated at the Board or Executive Committee or assume leadership roles within the various committees and subcommittees. Leadership roles are elected positions and for the Board and EC, you are elected from your peers within the segment and subsegment that you have joined. The Board and EC each have one seat within each segment for the “At Large” position.

INFLUENCE IN STANDARDS DEVELOPMENT AND NAESB DIRECTION

Voting influence on the Board or EC in either adopting governance rules (a Board function) or adopting standards (an EC function) is a benefit of membership. High thresholds exist for standards acceptance and for the governing of the organization. The EC requirement for adopting standards is 67% of the membership of the EC with 40% of each segment voting in the affirmative. The Board requirement for changing governance is 75% of the membership of the Board and 40% of each segment voting in the affirmative. Of course both actions require the ratification of the full membership – 67% of the WEQ members in the case of standards and 90% of all NAESB members in the case of governance.

In addition to holding leadership positions on either the Board or the EC, as a member you can be considered for leadership of committees. These leadership positions are elected from the participants of the group and for EC committees - you must be an EC member or a Board member. For Board committees, you must be a Board member. In holding these leadership positions, the individuals represent NAESB to regulators and related industry organizations.

RECENT STANDARDS DEVELOPMENT EFFORTS THAT MAY BE VALUABLE TO ISOS AND RTOs:

A recent activity that was Board member driven, Board member populated, and ultimately Board endorsed, the development of the gas-electric interdependency report, would have clearly benefited from direct participation and leadership from ISOs and RTOs. Similarly, the efforts on gas quality standards development and the work with NERC to efficiently identify and split out reliability standards from business practices would be of interest to you. The FERC may be considering changes to OASIS and Order 888, as noted in recent speeches by Chm. Kelliher - the business practices supporting OASIS are NAESB standards. Similarly the FERC has noted that NAESB would develop the complementary business practices to the reliability standards developed by the ERO -- again I would expect that this topic would be of interest to you. As you also participate in the retail market, the development of model business practice standards to support states that have adopted customer choice programs would be beneficial. ERCOT already participates in these efforts.



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NAESB MEMBERSHIP DISTINCT FROM PARTICIPATION IN THE JOINT INTERFACE COMMITTEE:

While you have a defined role in the memorandum of understanding of NERC, NAESB and the ISO-RTO Council – that role is for assignment of development efforts to one organization or the other, it is not the same as participating and voting on standards, nor does it envision a voice within the leadership of NAESB on governance and strategic direction. Clearly NERC came to that realization as it joined NAESB and sits on the EC. NERC is also now considering a Board seat as well.

CONCLUSION:

We hope that this short document will encourage you to consider membership in NAESB. We would appreciate your leadership within our organization and believe that you would receive benefits as well. With our proven track record, over three hundred organizations have recognized the benefits of NAESB through joining as members, and determined that their membership affords direct input into the standards development process.

Please feel free to contact our office if you are interested in assuming leadership positions within NAESB or if you need further information on membership, the organization itself and its work products by contacting Denise Rager (drager@naesb.org) or reviewing our web site (<http://www.naesb.org>).



955 Jefferson Avenue
Valley Forge Corporate Center
Valley Forge, PA 19403-2497

Phillip G. Harris
President and Chief Executive Officer

June 7, 2006

Ms. Rae McQuade
President and COO
North American Energy Standards Board
1301 Fannin
Suite 2350
Houston, Texas 77002

Dear Rae:

NAESB Membership Consideration

Thank you for your letter requesting the ISO/RTOs to consider NAESB membership and positions on the NAESB Board of Directors, Executive Committee (EC) and various subcommittee leaderships. In speaking on behalf of the ISO RTO Council (IRC) as the current Chairman for the Council (comprised of the North American ISO/RTOs AESO, CALISO, ERCOT, IESO, ISONE, Midwest ISO, NYISO, PJM, SPP), the IRC supports the need to ensure that ISOs and RTOs have a voice in the direction of NAESB and the creation of its work products.

IRC CEOs agree that the ISOs and RTOs should be represented within NAESB. Like NAESB, ISO/RTOs have been operational for the wholesale electric market interests for several years. ISO/RTOs represent fifteen percent (15%) of the world's generating capacity and fifty-four percent (54%) of the North American generation capacity. \$6.85 trillion dollars are managed within the ISO/RTO markets; this is over sixty-two percent (62%) of the North American Gross Domestic Product (GDP) and over seventeen percent (17%) of the worldwide GDP.

Because the NAESB standards directly impact ISOs and RTOs, the ISO/RTO Council CEOs request consideration of a specific ISO/RTO sector to be established within NAESB. With explicit sector designation, the ISO/RTOs can be assured to have a direct voice in the direction of NAESB and the creation of its work products and a direct influence on NAESB decisions that impact ISO/RTO constituency. With sector designation, ISO/RTOs communications and interests would be facilitated and would allow participation in key decision making within NAESB. As FERC may be considering changes to OASIS and Order 888, there is opportunity and interest to participate in NAESB standard setting. The IRC agrees that the reliability standards developed by the ERO are an area of interest as well.

The IRC appreciates your willingness to consider this request and looks forward to your response.

Sincerely,

Phillip G. Harris
373688

Attachment: IRC Conference presentation

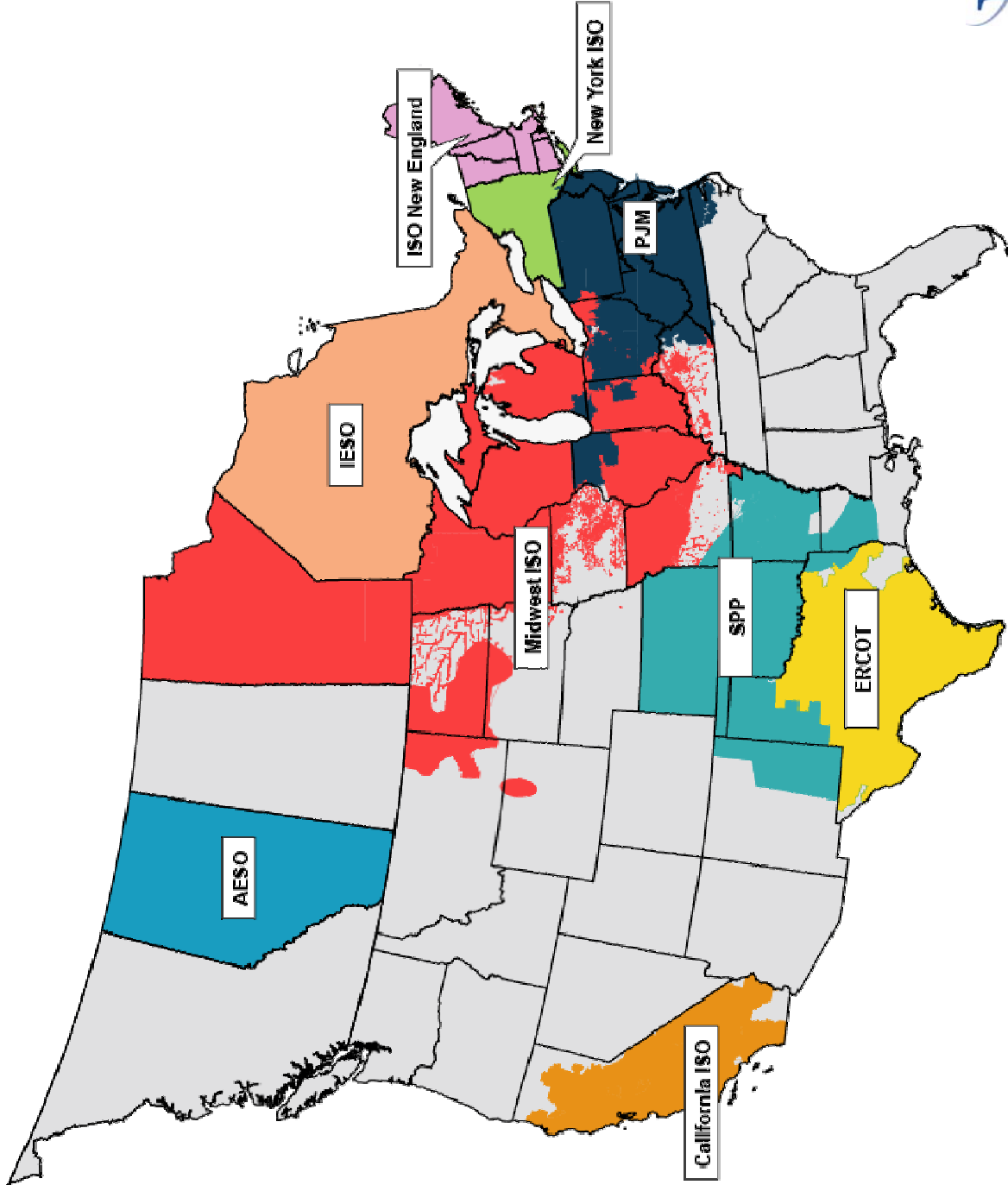
cc: ISO/RTO Council members

ISO/RTO and the World

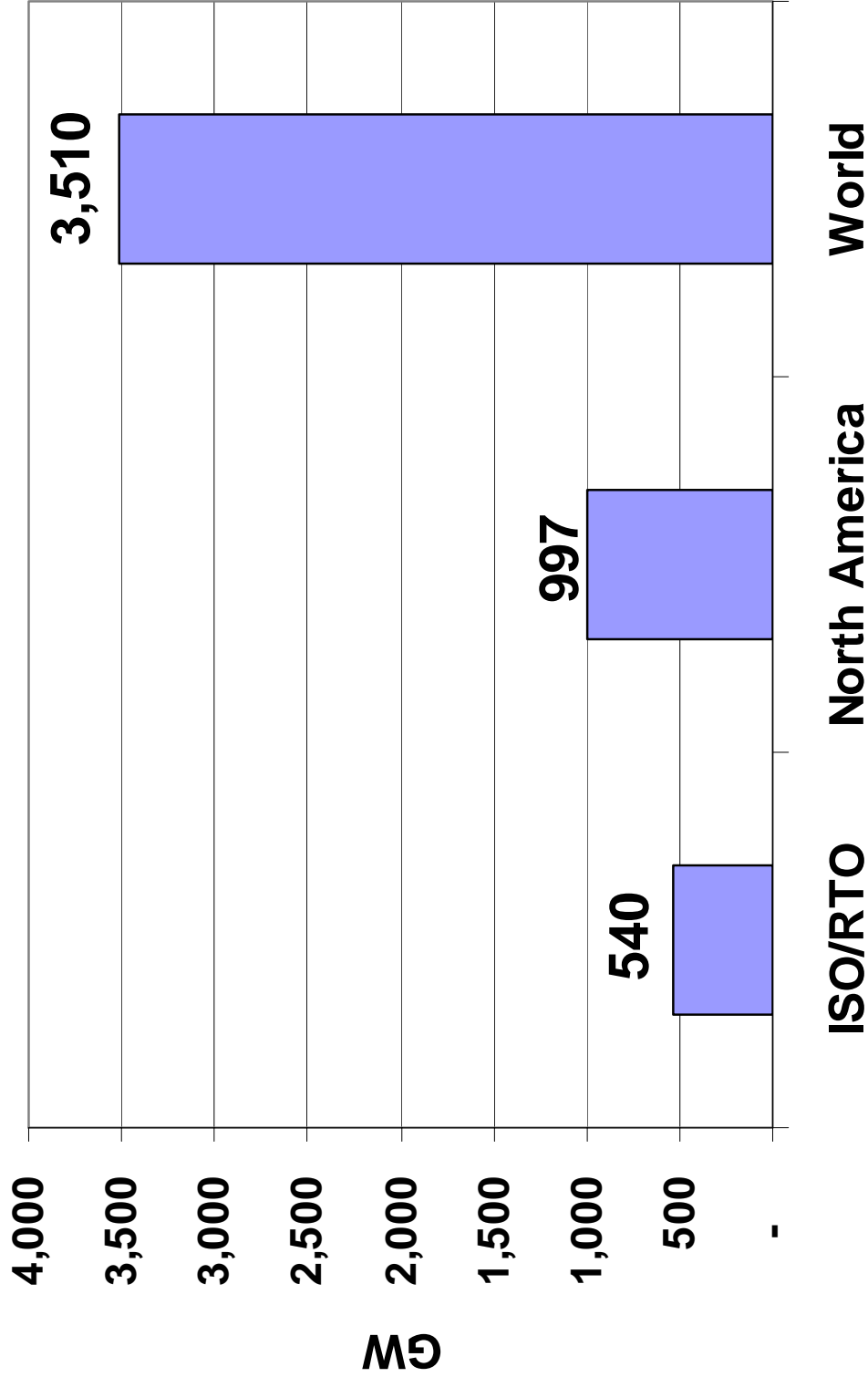
Phillip G. Harris
President and CEO
PJM Interconnection
Chairman of the IRC Council
ISO/RTO Board Meeting
May 23, 2006



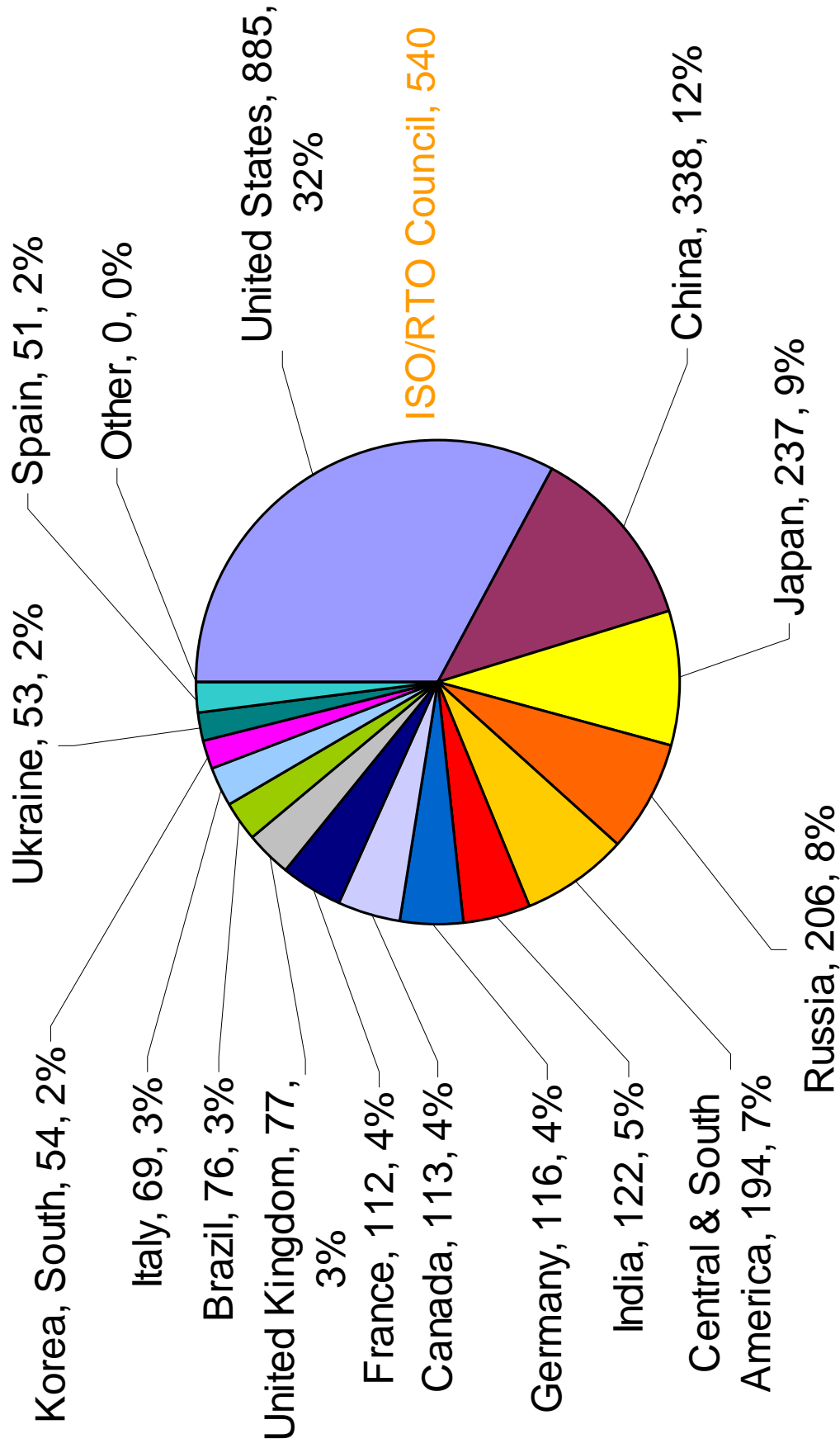
Existing RTOs and ISOs



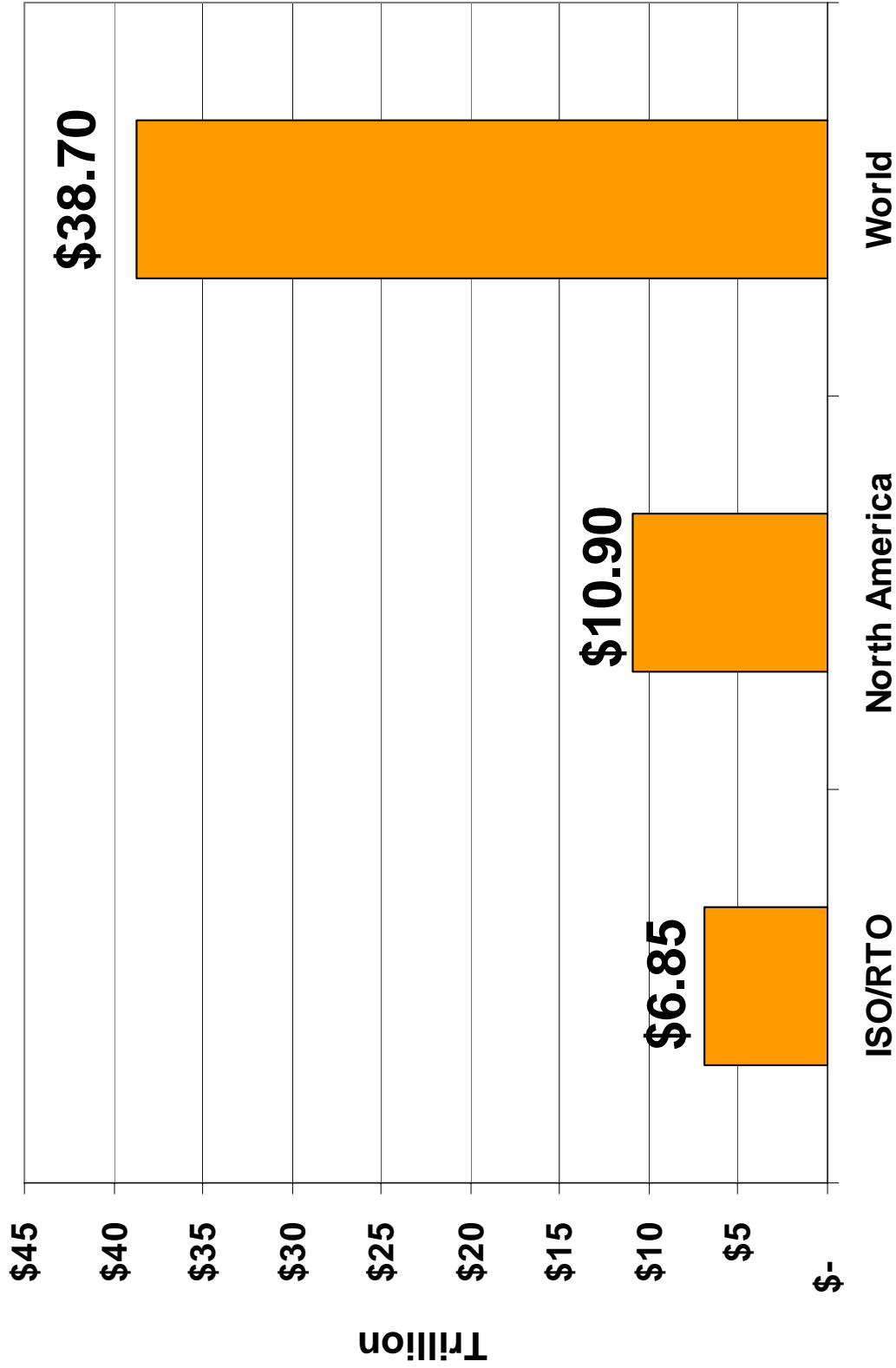
ISO/RTO Generation Capacity



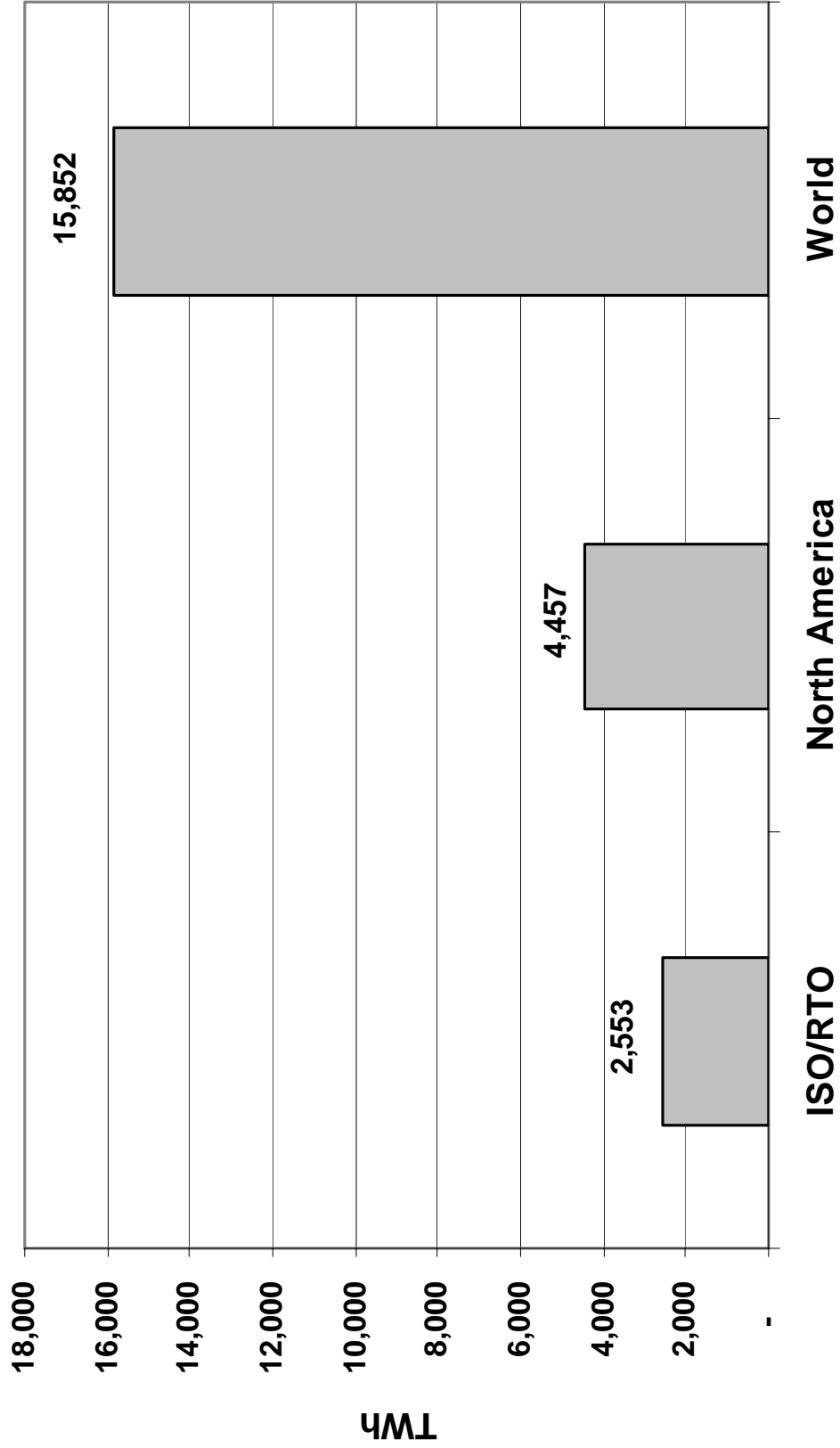
World Generating Capacity - Total 3,500 GW



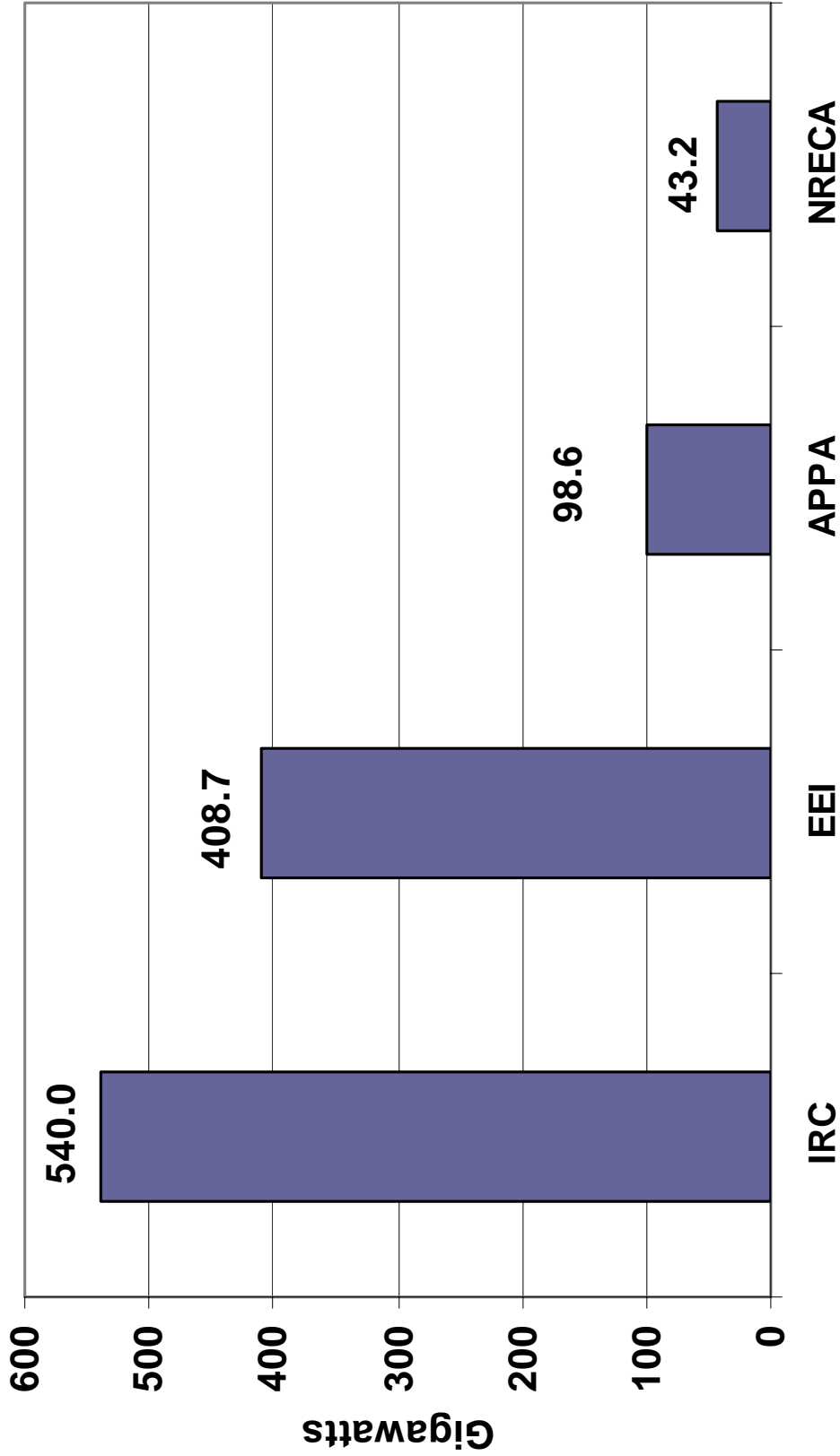
ISO/RTO GDP



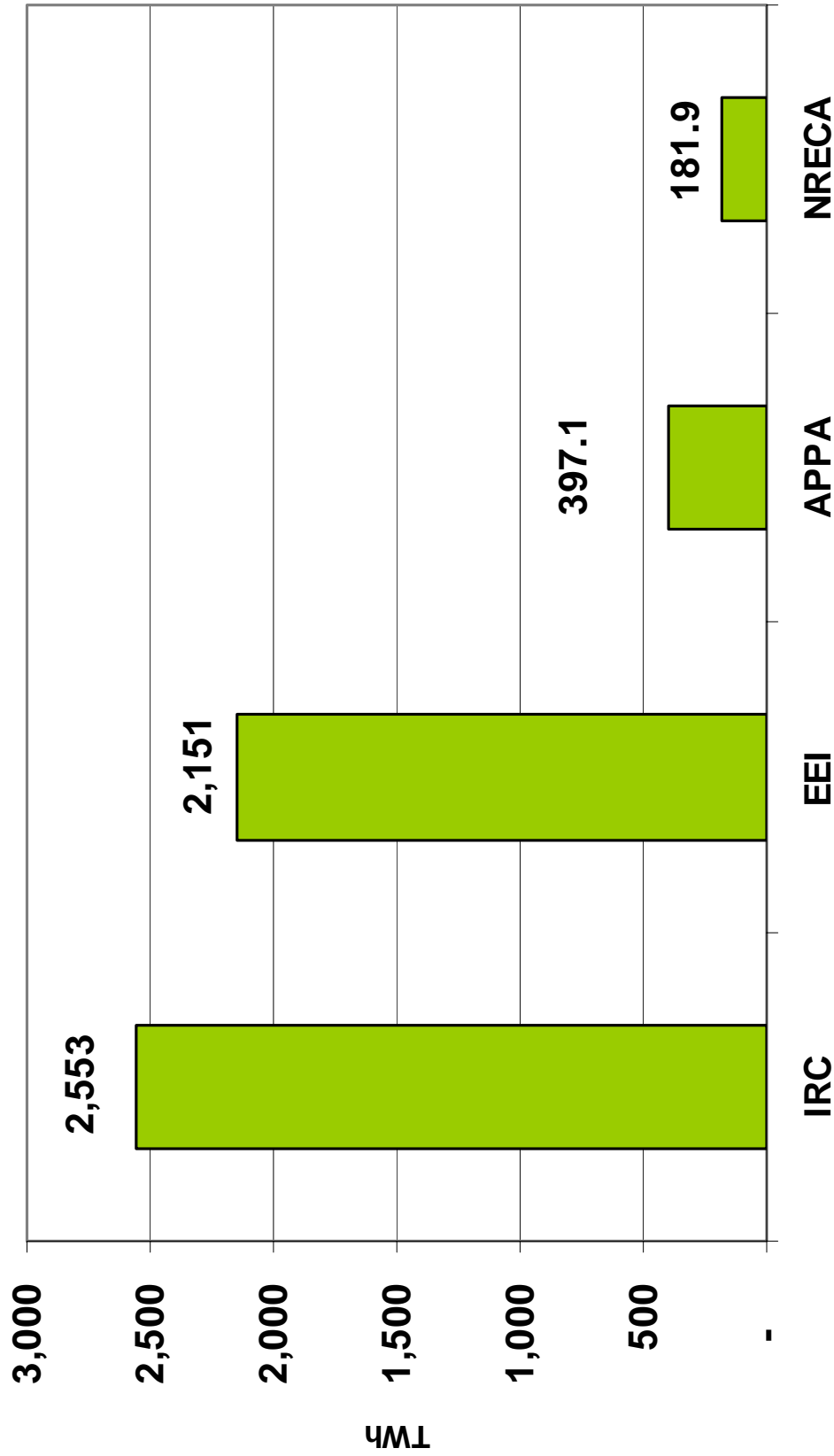
ISO/RTO Energy



Generation Capacity in Selected Organizations



Annual Energy in Selected Organizations





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

NERC NAESB Template Procedure for Joint Standards Development and Coordination Prepared as of 2-22-06

Principles & Assumptions:	<ul style="list-style-type: none"> • The joint standards should be readily and easily available to all industry participants required to follow them. • The jointly developed standard(s) should clearly distinguish components within it as either being reliability-related or business practices-related. A jointly developed standard can be a "two-part" standard clearly identifying that it contains (a) separate reliability requirements and (b) separate business practices, but such requirements cannot be both reliability <u>and</u> business practice requirements. • The procedures followed for joint development will comport with the existing standards development procedures certified by ANSI for both organizations.
Goals & Objectives:	<ul style="list-style-type: none"> • The joint development efforts are closely coordinated within the procedures defined and approved for NERC and NAESB. • The participation within the joint development is balanced between NERC and NAESB to ensure an equitable outcome. • The procedures should not be overly bureaucratic to discourage the NERC and NAESB volunteers from participation. They should be written to allow the volunteers to focus on the development of standards, rather than interpretations of the procedures. • The participants should be committed to the process, demonstrating a willingness to reach consensus and provided with the ability to make decisions from the organizations they represent. • The executive management of NERC and NAESB should be actively involved in resolution of disputes and in providing guidance to support consensus building between the two organizations.
Key Differences between reliability standards and business practices:	<ul style="list-style-type: none"> • Reliability standards are directed to the continuous operation of the power grid, and address the performance, adequacy and security of the bulk electric system. • Business practices are focused on the transparency of the power market and support a strong and diverse market. Much of the business practices are directed toward streamlining commercial transactions and the information exchanged to effect those commercial transactions between trading partners. • As noted in Appendix A of the MOU, except as required to achieve specific reliability objectives, the functions identified in the functional model diagrams as "generator" whether merchant or load-affiliated), "purchasing-selling entity," "load-serving entity," "market operator," "customer aggregator," and certain of the relationships and information flows of transmission service provider," "transmission owner," and "transmission operator" are associated with how wholesale electric business practices and electronic communication protocols are developed for use by market participants.



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

NERC NAESB Template

Procedure for Joint Standards Development and Coordination

Prepared as of 2-22-06

	<p>Additionally, market criteria such as product or service definitions, specifications, and compensation; prerequisites for participation in market and identification of costs and funding obligations; arrangements for product and service delivery to customers; creditworthiness requirements; market-related business practices; market settlement practices; and communication protocols in support of market criteria should be considered. Standards development proposals applicable to those functions and to the relationships and information flows among those functions normally would be assigned to NAESB, unless there is a specific reliability objective to be addressed to one of these functions.</p> <ul style="list-style-type: none"> • As noted in Appendix A of the MOU, in general, the functions identified in the functional model diagrams as “reliability authority,” “balancing authority,” “interchange authority,” “compliance monitor,” “NERC,” and certain of the relationships and information flows of “transmission service provider,” “transmission owner,” and “transmission operator” are associated with the reliable operation of the bulk power system. Standards development proposals applicable to those functions and to the relationships and information flows among those functions normally would be assigned to NERC, unless there is a specific business practice objective to be addressed to one of these functions. • Business practices are forwarded to the FERC, and the process for making the standards mandatory to the utilities falls under the Federal Power Act. If the FERC chooses, the standards may be included in a notice of proposed rule-making, followed by a comment period, possibly followed by a final order, additional comments and an order on rehearing. The Commission ensures that the standards are followed by the jurisdictional entities and sets the compliance terms. • Reliability standards will follow the rules of the Electric Reliability Organization (ERO) and fall under the Energy Policy Act of 2005. The ERO sets the performance measures, terms for compliance and penalties for non-compliance and as such the reliability standards should be clearly measurable. FERC must approve the reliability standards before they take effect. The reliability standards apply to a broader audience than that of business practices mandated by the FERC.
<p>Constraints and Other Considerations:</p>	<ul style="list-style-type: none"> • NERC and NAESB executive management have agreed that a revenue neutral solution to provide for joint publication of standards is needed and should be achievable. The NERC and NAESB executive management should make the decision if joint publication is needed. • The template described herein for a joint standards development and coordination process is a standalone agreement between NERC and NAESB, drafted by the senior executives of each group. • The NERC and NAESB senior executives responsible for the coordination may choose to form a separate group to address issues brought forward that needed joint guidance or joint resolution when consensus of the joint development group was not achieved.



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

NERC NAESB Template Procedure for Joint Standards Development and Coordination Prepared as of 2-22-06

Process Description:	<ul style="list-style-type: none"> • After a request or SAR is assigned to NAESB or NERC, the senior executives of the two groups determine if joint development is needed. • If it is needed, the request or SAR is assigned to the appropriate NAESB standards development group and the NERC drafting team. The two groups hold joint meetings and jointly determine the split of standards into reliability standards and business practices. • The split is forwarded to the WEQ EC for approval and the appropriate committee within NERC for approval. The groups still continue to meet jointly and pursue development while this approval is being sought. This step should not cause delay in development. • Once standards have been drafted, the standards may be posted for one or more rounds of comments and responses until the joint group has reached the determination that a broad general industry perspective has been achieved and the standards are ready for vote. • Before the standards are sent out for adoption, the NERC office and the NAESB office should determine if tools or other software are needed, or if those tools or software in place need modifications. If so, the two offices will be required to make a determination if the creation of tools or software or changes to existing tools or software are technically feasible and within the financial framework of the organizations. If they are not feasible or fundable, the senior management of the two organizations shall be requested to determine a course of action regarding tools or software. • The standards then follow both the NERC procedure (for the standards deemed reliability) and the NAESB procedure (for standards deemed business practices) for adoption. For ease of viewing by users during development, the reliability standards may show the associated business practices for reference and the business practices may show the associated reliability standards for reference. However, the reliability standards and business practices shall remain separate and shall be approved through each respective process. • Once adopted, the senior executives of both NERC and NAESB shall determine if joint publication is needed to facilitate use by stakeholders. If so, the publication should clearly distinguish the reliability standards from the business practices in one document. NERC and NAESB senior executives with responsibility for the legal aspects and financial aspects of the two organizations will have previously reached a revenue neutral solution on the joint publication. • The business practices standards will be filed with the FERC and the reliability standards will follow the procedures outlined for the ERO. The filings may be joint, but should clearly identify each standard as either a business practice or reliability standard as they are to be treated differently by FERC and will apply to a different
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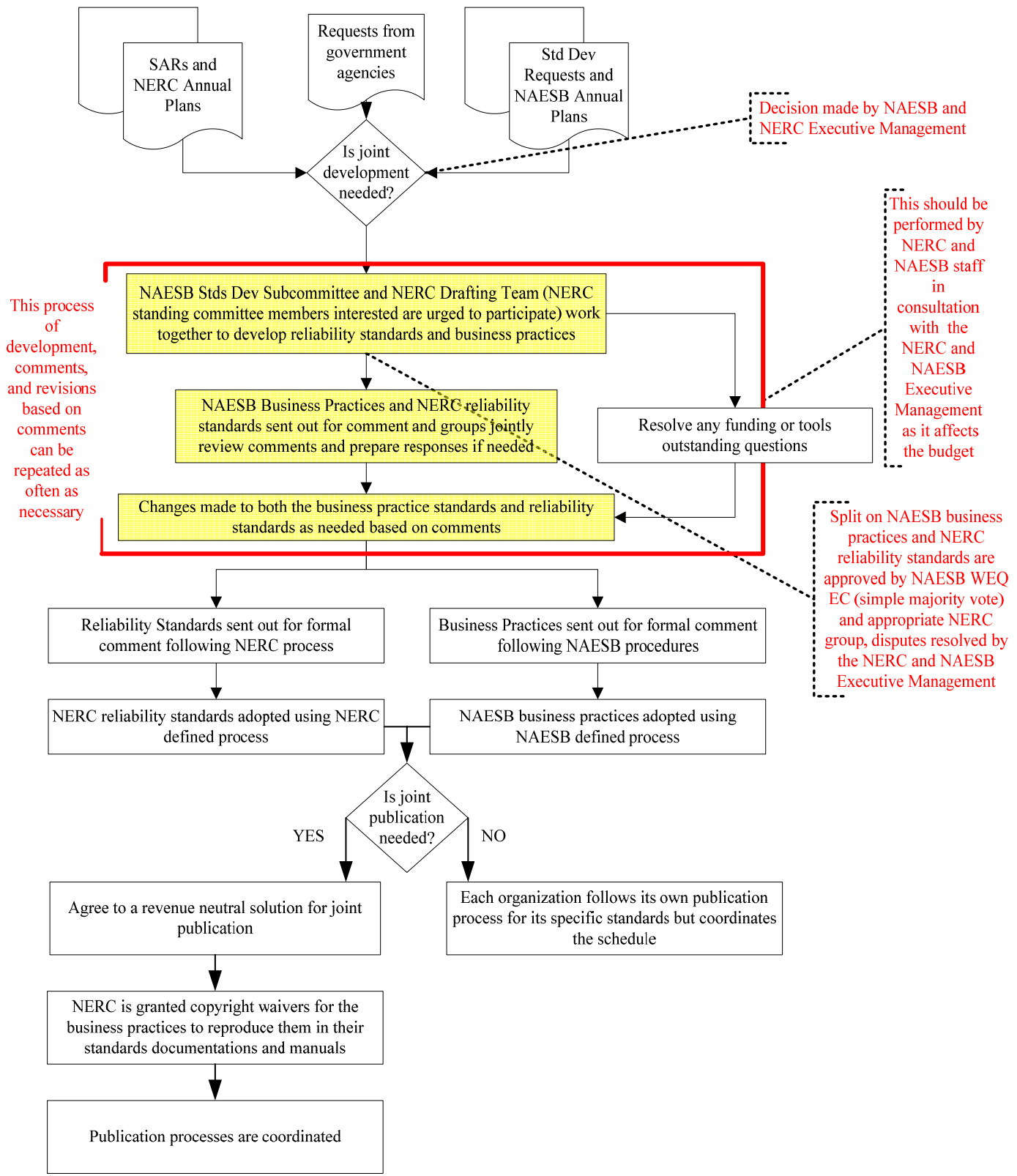
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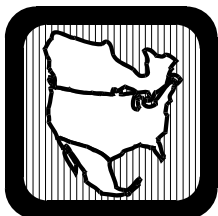
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NERC NAESB Template Procedure for Joint Standards Development and Coordination Prepared as of 2-22-06

	<p>jurisdiction.</p> <ul style="list-style-type: none"> Should there be a dispute or an inability to reach a joint agreement during any part of the procedure outlined, the senior management of NERC and NAESB will be approached for guidance and resolution.
<p>Special Considerations on Outstanding Issues:</p>	<ul style="list-style-type: none"> This process demonstrates to the NAESB WEQ Board of Directors that sufficient coordination between the two organizations is in place so that the TLR business practices may proceed on to the ratification process. After ratification, the standards will not be forwarded to the FERC in a filing until the two organizations have used the joint development process to ensure that both the reliability standards and business practices are consistent. The FERC may monitor and could provide input and guidance during the joint development efforts. A joint development and coordination process as outlined above would preclude the need for the Joint Interface Committee to make an assignment of each proposed standard, as the reliability standards and business practices would be developed in concert while avoiding duplication of effort and conflicting results.

NERC-NAESB Coordination
Joint Standards Development Process
As of 2/22/06





NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Supplement to NERC-NAESB Procedure for Joint Standards Development and Coordination

Draft 1.2 — April 13, 2006

**Reference: Procedure for Joint Standards Development and Coordination
February 22, 2006**

Purpose of this Supplement

This supplement to the NERC—NAESB Procedure for Joint Standards Development and Coordination (**Attachment 1**) is intended to aid the two organizations and their stakeholders in implementing the procedure. The supplement provides additional information and clarifies the intended use of the procedure.

Need for a Joint Standard Development Procedure

NERC and NAESB, along with the ISO/RTO Council (IRC), coordinate the development of standards through a revised and restated memorandum of understanding (MOU). This coordination is intended to “avoid overlap and duplication of effort in the activities of the three organizations by distinguishing the development, proposal and implementation of ISO and RTO policy from the setting of reliability standards or business practice standards.”

The mechanism for coordination has been provided through the Joint Interface Committee (JIC), comprising balanced representation from the three organizations. Coordination has also been provided, in some cases, on an ad hoc basis through informal relationships between NERC and NAESB technical groups. The primary role of the JIC has been:

- to provide consultative review of annual work plans of the three organizations, as related to the development of standards for the bulk power system and wholesale electricity markets; and
- to assign the development of proposed standards to NERC or to NAESB.

Historically, the JIC has assigned a proposed standard to NERC or NAESB based on whether the JIC viewed the content as either majority reliability or majority business practice. This approach works well when there is a clear distinction between reliability requirements and business practices. However, this decision is more difficult when the reliability and business practice

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components are intricately entwined within a proposed standard. Experience has shown that forcing a split of such a standard or assigning it to only one of the organizations is not optimal.

With NERC's application to become the electric reliability organization (ERO) for North America, NERC's reliability standards have been filed with the U.S. Federal Energy Regulatory Commission and governmental agencies in Canada for the purpose of making the standards mandatory for all bulk power system owners, operators, and users. NERC must have a complete set of standards necessary to protect the reliability of the bulk power system. Any reliability components assigned for development by NAESB would not be enforceable under the authorities delegated to the ERO and the regional entities. Similarly, NAESB files its business practice standards with FERC. The Commission can elect to make these business practices mandatory for public utilities. With these differences in the use and jurisdiction of the standards, it is important that each organization be able to develop a complete set of standards without being encumbered by the work of the other organization.

The conclusion is that when separating standards into reliability or business practice is difficult and potentially detrimental, a preferred approach is to develop the standards jointly. Joint development enables technical experts to separate the reliability and business practice components at the working level with a much finer granularity compared to simply splitting the standard or assigning it to only one organization.

Joint Development Process

The joint development procedure establishes a method for coordinating the development of reliability standards and business practices. The method involves developing both a reliability standard and a business practice standard in a single, coordinated work effort. A team of experts, balanced between NERC and NAESB stakeholders, works together to draft both the reliability and business practice components. The team may split into subgroups periodically to work on reliability or business practice components, but returns back to the joint group for coordination, review, and editing of the resulting drafts prepared by the subgroups.

The reliability components drafted by the joint team are developed and approved through the NERC reliability standards development process. That means a Standard Authorization Request (SAR) is developed, the SAR and drafts of the reliability standard are subject to stakeholder review and comment; and stakeholders vote to approve the standard. The business practice components go through the NAESB standards development process, as well, including review and comment by interested parties and approval by the Executive Committee and ratification by the membership. To the extent practical, the joint team coordinates the timing of the proposed standards as they move through the respective processes to completion.

Thus, the development of joint standards does not alter or affect either organization's process. The reliability components are approved through the NERC process as reliability standards and the companion business practices are approved through the NAESB process.

Results Produced by Joint Development Procedure

The final product of the joint development effort is viewed in two ways. First, NERC and NAESB may agree to joint publication of a common document containing both the reliability standard and business practice standard as complementary sections. In most cases, joint publication would be preferred, as it would have the benefit of facilitating ease of use by those who just need to "follow the rules" and prefer not to look in two places to find the rules.

The joint development procedure refers to “revenue neutral” publication. This means that if either organization derives revenues from the publication of its standards, the two organizations will, before joint publication occurs, reach a mutually acceptable arrangement that avoids or mitigates the potential loss of revenue for that organization. Without such an agreement, the respective standards would not be published jointly.

In terms of the impact of the standards, the joint effort produces separate reliability and business practice standards that may be applied through separate jurisdictional procedures. For example, the reliability standard portion can be filed as a reliability standard and made enforceable for bulk power system owners, operators, and users in North America. NAESB can continue its practice of filing business practice standards for adoption by FERC as mandatory for public utilities in the U.S. Despite joint development and the possibility of joint publication, the reliability standards and business practice standards remain distinct and separate with regard to their impacts on affected entities.

Figure 1 shows a simple conceptual representation of this “separate but joint” product.

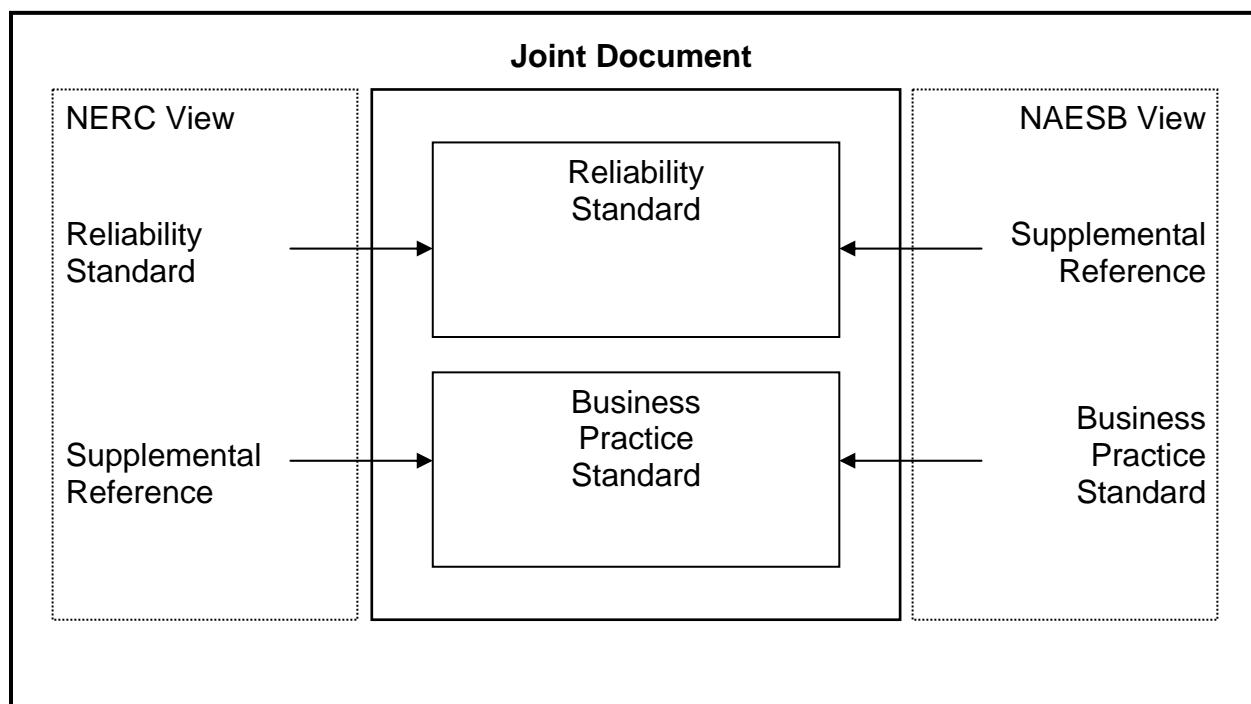


Figure 1 — Concept of Separate but Joint Standards

Role of Executive Managements of the Organizations

The joint development procedure refers several times to actions by “executive management” of the NERC and NAESB organizations. The phrase “executive management” means a combination of executive staff and relevant stakeholder executives working in consultation, in accordance with the established procedures and stakeholder relationships of each respective organization. For NERC, the stakeholder executives are the Executive Committee of the Standards Authorization Committee, and may also include executives of other committees as appropriate based on the subject of the proposed standard. In NAESB, stakeholder executives are the officers of the Board of Directors, and may also include board committees or officers and other leadership from the Executive Committee as determined by the board officers.

Role of the Joint Interface Committee

Consistent with the MOU, the historical role of the JIC has been to provide consultative review of annual work plans and to assign standards to NERC or NAESB for development. A joint development project achieves the goal of coordinating standards development through another method. Therefore, there is no need in the case of joint development for the step of assigning the standard to NERC or NAESB.

The joint development procedure anticipates that NERC and NAESB executive managements will work closely together to identify proposed standards that would be more effectively and efficiently developed in a joint effort than in one organization. The executive managements of both organizations would present the recommendation for a joint project to the JIC for consultative review, and will take into consideration any comments made by the JIC. Once the executive managements of the organizations make a final determination to begin a joint project, stakeholder and staff resources will be assigned through the regular established procedures of the respective organizations.

The consultative review of the JIC is analogous to the review the JIC provides for the annual standards development work plans. This role of the JIC in performing a consultative review does not change the MOU, nor does it extend the responsibilities of the JIC.

Development of Tools

The joint development procedure refers to decision-making regarding the development of tools necessary to implement the standards. Any decision by any party to the MOU to develop tools would be expected to be made through the business plan and budget approval process of the respective organization. Nothing in the joint development procedure would obligate any party to the MOU to develop tools to support or implement standards.

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 11

STRATEGIC SESSION
MEMBERSHIP AND FUNDING

This section includes:

- NAESB Membership Fees and Costs of Products
- Excerpt of certificate permitting promotional dues program which is in place for state regulators and consumer advocates and the Board resolution establishing the program.

The material presented is background information for the discussion of agenda item 4(f), and will provide context for the presentation comparing costs to other organizations.

No action is expected of the Board, guests and members. Discussion may lead to additional items to be placed on the NAESB annual plans for 2007 or related NAESB efforts.



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
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Quadrant	Standard Number or Version Number	Item Description	# of Items	Member Price		Non-Member Price	Cost
				Online Download	Mail Order	Mail Order Only	
ALL		Home Page Access for Password Protected Areas of Web Site		Free	Free	\$3,500	
WGQ	6.3.1	Base Contract for Sale and Purchase of Natural Gas (includes Canadian Addendum, Alternate Cover Page, and FAQ)		Free	\$25	\$50	
	6.3.2	Day Trade Interruptible Contract		Free	\$25	\$50	
	6.3.3	Electronic Data Interchange (EDI) Trading Partner Agreement (TPA)		Free	\$25	\$50	
	6.3.4	Gas Funds Transfer Agent Agreement (FTAA) (includes instructions, fax and funds flowcharts, special provisions to Base Contract, and FAQ)		Free	\$25	\$50	
	6.3.5	ISDA Gas Annex (includes users guide)		Free	\$25	\$50	
	6.5.2	Model Operational Balancing Agreement		Free	\$25	\$50	
	6.5.3	Model Credit Support Addendum (CSA) to Base Contract for Sale and Purchase of Natural Gas (includes users guide)		Free	\$25	\$50	
	Version 1.7	Printed NAESB WGQ Business Practice Standards Booklet (1 of 2)		Free	\$50	\$100	
	Version 1.7	Printed NAESB WGQ Business Practice Standards Booklet (2 of 2)		Free	\$50	\$100	
	Version 1.7	CD-ROM of Standards Manuals and Contracts		Free	\$150	\$300	
WGQ	Versions 1.6, 1.5, 1.4, etc.	Printed NAESB WGQ Business Practice Standards Booklets (2) - <i>Please indicate which version</i> _____		Free	\$100	\$200	
	Versions 1.6, 1.5, 1.4, etc.	CD-ROM of Standards Manuals and Contracts - <i>Please indicate which version</i> _____		Free	\$150	\$300	
WEQ	CON-008	Electric Power Funds Transfer Agent Agreement (FTAA) (includes instructions and fax and funds flowcharts)		Free	\$25	\$50	
	Version 0	Printed NAESB WEQ Business Practice Standards Booklet		Free	\$50	\$100	
	Version 0	CD-ROM of Business Practice Standards (includes minor corrections)		Free	\$150	\$300	
Retail	Version 1.0	Printed NAESB REQ and RGQ Model Business Practices Booklet		Free	\$50	\$100	
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NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 12

COPYRIGHT POLICY REVIEW

This section includes:

- NAESB Copyright Report and Policy Statements

The material presented is background information for the discussion of agenda item 5, and will provide context for the presentation to be given by Mr. Boswell. No action is expected of the Board, guests and members.



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1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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NAESB COPYRIGHT POLICY AND COMPANIES WITH ACCESS TO NAESB STANDARDS UNDER THE COPYRIGHT POLICY

AS OF JUNE 15, 2006

INTRODUCTION:

The NAESB standards are copyrighted and protected by federal copyright law. All NAESB members have access to the standards via the member-only portion of the NAESB web site. In accessing the standards they do so for their specific company use. They are not permitted to reproduce and distribute to third parties, including affiliates, partners or other corporate entities under the same corporate umbrella.

There are several other ways that companies can gain access to NAESB standards; however, the same copyright limitations remain in effect so that persons likewise are not permitted to reproduce and distribute to third parties, including affiliates, partners or other corporate entities under the same corporate umbrella.

As examples of the preceding paragraph, a company that attends a NAESB class may have access to those standards addressed in the class. A company that purchases a version of the standards has access to that version via either a CD or via printed material. Several government agencies have requested and received copies of the standards with waivers so that they and their task forces may evaluate the standards for use. The members of the task force are only to use the standards for evaluation purposes, and the same restrictions as noted above apply. As task force members determine to use the standards for implementation in their own companies and with trading partners, they must obtain the standards separately – either through purchasing, access to the NAESB web site if they are NAESB members, or attendance at classes.

REASON FOR ACCESS TO STANDARDS:

NAESB standards are developed by the industry to improve the transparency and transactional efficiency of the energy markets. From NAESB's perspective, all standards are voluntary.

The retail standards are available to support customer choice programs and other aspects of retail markets not related to customer choice programs. Some of the retail technical standards have been adopted by the states and are mandatory. The majority of the retail standards are voluntary. Access to the standards is necessary for implementation and ultimately, to benefit from the efficiency they introduce.

The Wholesale Gas Standards (WGQ Version 1.7) and the Wholesale Electric Standards (WEQ Version 000) with a few exceptions have been incorporated by reference by the Federal Energy Regulatory Commission into federal regulations and are mandatory for federal jurisdictional entities. The Commission, in adopting the standards, sets requirements for compliance and penalties for non-compliance. NAESB does not monitor for compliance nor does it set standards that address penalties for non-compliance. Access to the standards is necessary for implementation and ultimately, to benefit from the efficiency they introduce. Access is also needed to ensure compliance.

Standards access is provided 1) through membership in NAESB, 2) by purchase of annual web site access, 3) via attendance at NAESB courses for specific standards, 4) through purchase at a nominal price, or 5) by receipt of a special license. In each instance, access is limited and non-transferable.



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1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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June 15, 2006

NAESB Copyright Policy and Companies With Access to NAESB Standards Under the Copyright Policy
 Page 2 of 19

WARRANTY DISCLAIMER AND COPYRIGHT WARNING:

Below is the warranty disclaimer and copyright warning for each of the most recent versions of the NAESB standards:

- Wholesale Electric Quadrant Version 000 Standards for OASIS and Standards of Conduct and Complementing NERC Reliability Standards:

The North American Energy Standards Board (NAESB) disclaims and excludes, and any user of the NAESB standard acknowledges and agrees to NAESB's disclaimer of, any and all warranties, conditions or representations, express or implied, oral or written, with respect to the standard or any part thereof, including any and all implied warranties or conditions of title, non-infringement, merchantability, or fitness or suitability for any particular purpose (whether or not NAESB knows, has reason to know, has been advised, or is otherwise in fact aware of any such purpose), whether alleged to arise by law, by reason of custom or usage in the trade, or by course of dealing. Each user of the standard also agrees that under no circumstances will NAESB be liable for any special, indirect, incidental, exemplary, punitive or consequential damages arising out of any use of, or errors or omissions in, the standard.

The NAESB Wholesale Electric Quadrant (WEQ) Standards Manuals Relating to Open Access Same-Time Information Systems (OASIS), Coordinate Interchange, Area Control Error (ACE) Equation Special Cases, Manual Time Error Correction, Inadvertent Interchange Payback, Transmission Loading Relief (Eastern Interconnection), Standards of Conduct, and Contracts, and any amendments or errata thereto, are protected by NAESB's federal copyright 2005-2006. NAESB hereby grants the authorized users who are NAESB members in good standing permission to reproduce material therein for internal reference and use and not for use by any unauthorized third parties. Reproduction in any other form, or for any other purpose, is forbidden without express permission of NAESB. Copies are available for purchase from NAESB. This non-exclusive limited license is non-transferable and may be revoked without notice upon violation of the terms contained herein or any applicable law or regulation. Each user grants NAESB the right to audit its use to assure compliance with these terms.

- Wholesale Gas Quadrant Version 1.7 Standards for Nominations, Flowing Gas, Invoicing, Electronic Delivery Mechanisms, Capacity Release, Contracts, Interpretations, and Additional Standards:

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The NAESB, Wholesale Gas Quadrant (WGQ) Version 1.7 Standards Manuals Relating to Nominations, Flowing Gas, Invoicing, Electronic Delivery Mechanisms, Capacity Release, and Contracts, and any amendments or errata thereto, are protected by NAESB's federal copyright 1996-2006 NAESB hereby grants the authorized users who are NAESB members in good standing permission to reproduce material therein for



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NAESB Copyright Policy and Companies With Access to NAESB Standards Under the Copyright Policy
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- Retail Gas and Electric Model Business Practice Standards for Master List of Defined Terms, Market Participant Interactions, Creditworthiness, Billing and Payments, Electronic Delivery Mechanisms, Distribution Company-Supplier Disputes, Contracts, and Internet Electronic Transport:

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	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
8760	✓		✓	✓	✓	✓	✓	✓
Aarrowcast, Inc.		✓						✓
ABN AMRO Inc.		✓					✓	
ACES Power Marketing LLC	✓			✓	✓	✓	✓	✓
AGL Resources Inc.	✓			✓	✓	✓	✓	✓
Alabama Electric Cooperative, Inc.	✓			✓	✓	✓	✓	✓
Alabama Power	✓			✓	✓	✓	✓	✓
Allegheny Energy		✓		✓				
Alliance Pipeline LP	✓	✓	✓	✓	✓	✓	✓	✓
Alliance Pipeline Ltd		✓					✓	
Alston & Bird, LLP		✓						✓
Alterra Healthcare, Inc.		✓						✓
Amerada Hess Corp.		✓				✓		
Ameren Corporation	✓			✓	✓	✓	✓	✓
Ameren Services	✓			✓	✓	✓	✓	✓
Ameren Services Company	✓			✓	✓	✓	✓	✓
American Crystal Sugar Company		✓						✓
American Electric Power Service Corp.	✓			✓	✓	✓	✓	✓
American Municipal Power - Ohio, Inc.	✓			✓	✓	✓	✓	✓
American Public Power Association	✓			✓	✓	✓	✓	✓
American Transmission Company LLC	✓			✓	✓	✓	✓	✓
Ameristar Casinos, Inc.		✓						✓
Anadarko Energy Services			✓					✓
Anadarko Energy Services Company	✓			✓	✓	✓	✓	✓
Andrews Kurth LLP		✓					✓	✓
Apache Corporation	✓			✓	✓	✓	✓	✓
Aquila, Inc.	✓			✓	✓	✓	✓	✓
Arent Fox PLLC		✓						✓
AREVA TGD Corporation		✓		✓				
Arizona Public Service Company	✓			✓	✓	✓	✓	✓
Ater Wayne LLP of Portland Oregon		✓		✓	✓	✓	✓	✓
Atmos Energy	✓			✓	✓	✓	✓	✓



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	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Avista Energy, Inc.		✓						✓
Baker Botts, LLP		✓					✓	✓
Ballard Natural Gas, LLC	✓			✓	✓	✓	✓	✓
Baltimore Gas & Electric Co.	✓			✓	✓	✓	✓	✓
Baltimore Gas & Electric Company			✓					✓
Barclays Bank PLC	✓			✓	✓	✓	✓	✓
Basin Electric Power Cooperative	✓			✓	✓	✓	✓	✓
Bear Paw Energy, LOC		✓					✓	✓
Benjamin Schlesinger & Associates		✓						✓
Berry Petroleum Company		✓						✓
BG LNG Services, LLC	✓			✓	✓	✓	✓	✓
Biagiotti		✓						✓
Boeing Company, The	✓			✓	✓	✓	✓	✓
Bonneville Power Administration	✓			✓	✓	✓	✓	✓
BP America Inc.	✓			✓	✓	✓	✓	✓
BP Energy	✓		✓	✓	✓	✓	✓	✓
Bracewell & Giullani, LLP		✓		✓	✓		✓	✓
Bracewell & Patterson, LLP		✓						✓
Brickfield Burchette Ritts and Stone		✓						✓
Bridgeline Gas Distribution LLC		✓						✓
Bridgeline Gas Marketing	✓			✓	✓	✓	✓	✓
Bridgeline Holdings, LP		✓						✓
Bridgeline Storage Company LLC		✓						✓
British Columbia Transmission Corporation		✓		✓	✓			
Brown, Williams, Moorhead & Quinn, Inc.		✓					✓	✓
Burlington Resources	✓			✓	✓	✓	✓	✓
California ISO		✓					✓	✓
Calpine Corporation	✓			✓	✓	✓	✓	✓
Calpine Energy Services, LP	✓			✓	✓	✓	✓	✓
Cargill Incorporated	✓			✓	✓	✓	✓	✓
Cascade Natural Gas Corporation	✓			✓	✓	✓	✓	✓
Center Point Energy Minnegasco	✓			✓	✓	✓	✓	✓



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	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
CenterPoint Energy Gas Services, Inc.	✓		✓	✓	✓	✓	✓	✓
CenterPoint Energy Gas Transmission Company	✓		✓	✓	✓	✓	✓	✓
CenterPoint Energy Mississippi River Transmission	✓			✓	✓	✓	✓	✓
Central Electric Power Cooperative	✓			✓	✓	✓	✓	✓
Chandeleur Pipe Line Company	✓			✓	✓	✓	✓	✓
Charles River Associates		✓					✓	✓
Cheniere LNG Marketing, Inc.	✓		✓	✓	✓	✓	✓	✓
Cheniere Pipeline Company		✓						✓
Chevron/Texaco	✓			✓	✓	✓	✓	✓
ChevronTexaco Energy Research and Technology	✓			✓	✓	✓	✓	✓
Cimarex Energy Co.	✓			✓	✓	✓	✓	✓
Cinergy	✓			✓	✓	✓	✓	✓
Cinergy Marketing and Trading	✓			✓	✓	✓	✓	✓
Cinergy Services, Inc.	✓			✓	✓	✓	✓	✓
Citigroup		✓						✓
Citizens Gas		✓					✓	✓
City Forest Corporation		✓						✓
Cleary Gottlieb		✓						✓
Cleco Power, LLC	✓			✓	✓	✓	✓	✓
Columbia Gas Transmission Corporation	✓			✓	✓	✓	✓	✓
Combine Net, Inc.		✓						✓
Commerce Energy Group	✓			✓	✓	✓	✓	✓
Comprehensive Energy Services	✓			✓	✓	✓	✓	✓
Conectiv Energy Supply, Inc.	✓			✓	✓	✓	✓	✓
ConocoPhillips Gas and Power	✓			✓	✓	✓	✓	✓
Consolidated Edison Company of New York, Inc.	✓			✓	✓	✓	✓	✓
Consolidated Edison Company of NY	✓			✓	✓	✓	✓	✓
Constellation Energy Commodities Group, Inc.	✓			✓	✓	✓	✓	✓
Constellation Generation Group	✓			✓	✓	✓	✓	✓
Constellation NewEnergy, Inc.	✓			✓	✓	✓	✓	✓
Consumers Energy		✓						✓
Consumers Energy Company	✓			✓	✓	✓	✓	✓



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	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Credit Suisse First Boston		✓					✓	✓
Cross-Sound Cable Co, LLC		✓						
Cullen and Dykman, LLP		✓					✓	✓
Dairyland Power Cooperative	✓			✓	✓	✓	✓	✓
Dauphin Island Gathering Partners	✓			✓	✓	✓	✓	✓
Day, Berry & Howard, LLP		✓		✓	✓			
Dean Health System		✓						✓
Decatur Memorial Hospital		✓						✓
Defense Energy Support Center	✓			✓	✓	✓	✓	✓
Department of Energy	✓			✓	✓	✓	✓	✓
Department of the Interior, US Bureau of Reclamation	✓			✓	✓	✓	✓	✓
Dewey Ballantine, LLP		✓		✓	✓	✓	✓	✓
Direct Energy Business Services	✓			✓	✓	✓	✓	✓
Dominion Cove Point LNG, LP		✓					✓	✓
Dominion Energy Marketing, Inc.	✓			✓	✓	✓	✓	✓
Dominion Exploration and Production, Inc.	✓		✓	✓	✓	✓	✓	✓
Dominion Resources	✓			✓	✓	✓	✓	✓
Dominion Retail	✓			✓	✓	✓	✓	✓
Dominion Retail, Inc.	✓			✓	✓	✓	✓	✓
Dominion South Pipeline Company, LP		✓					✓	✓
Dominion Transmission, Inc.	✓			✓	✓	✓	✓	✓
Dominion Virginia Power	✓			✓	✓	✓	✓	✓
DPC Juniper		✓						✓
DTE Energy Company	✓			✓	✓	✓	✓	✓
Duke Energy Corp.	✓			✓	✓	✓	✓	✓
Duke Energy Gas Transmission - Texas Eastern	✓			✓	✓	✓	✓	✓
Duke Energy Gas Transmission, LLP	✓			✓	✓	✓	✓	✓
Dynegy Power Marketing, Inc.	✓			✓	✓	✓	✓	✓
East Resources Inc.		✓						✓
Eastern Shore Natural Gas Company		✓					✓	✓
EC Power International	✓		✓	✓	✓	✓	✓	✓
Edison Electric Institute	✓			✓	✓	✓	✓	✓



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Edison Mission Marketing & Trading, Inc.	✓			✓	✓	✓	✓	✓
EES Consulting		✓		✓	✓			
El Paso E & P, L.P.		✓					✓	✓
El Paso Exploration & Production Company	✓			✓	✓	✓	✓	✓
El Paso Industrial Energy, L.P.		✓					✓	✓
El Paso Marketing, L.P.		✓					✓	✓
El Paso Natural Gas	✓			✓	✓	✓	✓	✓
Electric Reliability Council of Texas (ERCOT)	✓			✓	✓	✓	✓	✓
ElectricCities of North Carolina (North Carolina Eastern Municipal Power Agency)	✓			✓	✓	✓	✓	✓
Electricity Consumers Resource Council (ELCON)	✓			✓	✓	✓	✓	✓
Elizabethtown College		✓						✓
Empire District Electric Company, The	✓			✓	✓	✓	✓	✓
EMS Pipeline Services		✓					✓	
Enbridge Energy			✓					✓
Enbridge Energy Company, Inc.	✓			✓	✓	✓	✓	✓
EnCana Corporation	✓			✓	✓	✓	✓	✓
EnCana Marketing (USA) Inc.	✓			✓	✓	✓	✓	✓
Enerdynamics LOC		✓						✓
Energy Corporation of America		✓					✓	✓
Energy East Management Corporation	✓			✓	✓	✓	✓	✓
Energy Gateway		✓						✓
Energy Services Group, Inc.	✓			✓	✓	✓	✓	✓
Energy Today		✓		✓	✓			
Enogex, Inc.		✓					✓	✓
Entergy Services, Inc.	✓		✓	✓	✓	✓	✓	✓
Enterprise Products Partners, L.P.	✓	✓		✓	✓	✓	✓	✓
Equitable Gas Company	✓			✓	✓	✓	✓	✓
Equitrans, L.P.	✓			✓	✓	✓	✓	✓
Exceleron Software		✓					✓	✓
Exelon Corporation - PECO Energy	✓			✓	✓	✓	✓	✓
Exelon Energy	✓			✓	✓	✓	✓	✓



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	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Exelon Energy Delivery	✓			✓	✓	✓	✓	✓
Exelon Generation - Power Team	✓			✓	✓	✓	✓	✓
Extencicare Health Services		✓						✓
ExxonMobil		✓					✓	✓
ExxonMobil Gas Marketing	✓			✓	✓	✓	✓	✓
Featherwood Capital		✓					✓	✓
Federated Dept. Stores		✓						✓
FirstEnergy Solutions Corp.	✓			✓	✓	✓	✓	✓
Florida Municipal Power Agency	✓			✓	✓	✓	✓	✓
Florida Power & Light Company	✓			✓	✓	✓	✓	✓
Florida Reliability Coordinating Council	✓			✓	✓	✓	✓	✓
Foothills Pipe Lines (SASK) Ltd.		✓					✓	✓
Frank F Lyman		✓						✓
Fulbright & Jaworski, LLP		✓					✓	✓
Gas Transmission Northwest Corporation	✓			✓	✓	✓	✓	✓
GDS Associates Inc.		✓		✓	✓			
Georgia Transmission Corporation	✓			✓	✓	✓	✓	✓
Georgia-Pacific Corporation		✓						✓
Globeleq		✓						✓
Great Lakes Gas Transmission	✓			✓	✓	✓	✓	✓
Group 8760	✓			✓	✓	✓	✓	✓
Guardian Pipeline		✓					✓	✓
Gulf Gas Utilities Company		✓						✓
Gulf Power Company	✓			✓	✓	✓	✓	✓
Gulf South Pipeline	✓			✓	✓	✓	✓	✓
H S Resources Inc.	✓			✓	✓	✓	✓	✓
Hellis Oil & Gas Company, LOC		✓						✓
Honeye Storage Corp. (Cullen and Dykman, LLP)		✓					✓	✓
Honeywell International		✓					✓	✓
Hydro - Quebec Transenergie	✓			✓	✓	✓	✓	✓
Hydro One Networks	✓			✓	✓	✓	✓	✓
Idaho Power Company	✓			✓	✓	✓	✓	✓



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Imperial Irrigation District	✓			✓	✓	✓	✓	✓
Indiana Muncipal Power Agency	✓			✓	✓	✓	✓	✓
Indiana Office of Utility Consumer Counselor	✓			✓	✓	✓	✓	✓
INOVIS		✓					✓	✓
International Business Associates		✓						✓
International LNG Alliance (Sweet Strategies)	✓			✓	✓	✓	✓	✓
International Malting Company - US		✓						✓
Interstate Gas Supply	✓			✓	✓	✓	✓	✓
Ipsen International, Inc.		✓						✓
Iroquois Gas Transmission System	✓			✓	✓	✓	✓	✓
ISO New England Inc.		✓		✓				
ITC Transmission	✓			✓	✓	✓	✓	✓
JCP Procurement LP		✓						✓
Jetta Production Co.		✓						✓
John C. Hilke		✓		✓				
Jones Day		✓			✓		✓	✓
Kentucky Natural Gas Corporation		✓						✓
Kern River Gas Transmission Company	✓			✓	✓	✓	✓	✓
Kerr McGee Oil & Gas Corp.			✓					✓
Kerr-McGee Oil and Gas Company	✓			✓	✓	✓	✓	✓
KeySpan Energy	✓			✓	✓	✓	✓	✓
Koch Industries, Inc.		✓					✓	✓
L-3 Communications		✓						✓
Laclede Gas Co.	✓			✓	✓	✓	✓	✓
Latham & Watkins, LP		✓						✓
Latitude Technologies	✓	✓		✓	✓	✓	✓	✓
Law Offices of Robert J. Rieth		✓						✓
LeClaire Mfg. Company		✓						✓
Lemle & Kelleher, LLP		✓					✓	✓
Leonard, Street, and Deinard		✓					✓	✓
LGI Energy Solutions		✓						✓
Lincoln Electric System		✓		✓	✓			



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Los Angeles Department of Water & Power		✓	✓	✓	✓			✓
Louis Dreyfus Energy Services L.P.	✓			✓	✓	✓	✓	✓
Lower Colorado River Authority	✓			✓	✓	✓	✓	✓
Lukens Energy Group		✓						✓
Mack Services Group, The		✓				✓		
Macquarie Cook Energy, LLC	✓			✓	✓	✓	✓	✓
Madison Gas & Electric		✓						✓
Madison Metro Sewer District		✓						✓
Marathon Oil Company	✓			✓	✓	✓	✓	✓
Marston Law		✓					✓	✓
Maryland People's Counsel	✓			✓	✓	✓	✓	✓
Materials Processing, Inc.		✓						✓
McClymond, Ltd.		✓						✓
McGuire Woods, LLP		✓			✓		✓	✓
Medicine Bow Operating Company		✓					✓	✓
Mercator Energy, LOC		✓					✓	✓
Merrill Lynch Commodities		✓					✓	✓
Mewbourne Oil Company	✓			✓	✓	✓	✓	✓
Michael Best & Friedrich, LLP		✓						✓
Michigan Electric Transmission Company LLC	✓			✓	✓	✓	✓	✓
Michigan Public Power Agency	✓			✓	✓	✓	✓	✓
MidAmerican Energy	✓			✓	✓	✓	✓	✓
Midwestern Gas Transmission		✓					✓	✓
Midwest Independent Transmission System Operator	✓			✓	✓	✓	✓	✓
Miller Mentzer, PC		✓					✓	✓
Mincom		✓		✓	✓	✓	✓	✓
Minneapolis Consulting Group	✓			✓	✓	✓	✓	✓
Mirant Energy Trading, LOC	✓			✓	✓	✓	✓	✓
Mission Gas Energy - Gas Supply		✓					✓	✓
Mississippi Power Company	✓			✓	✓	✓	✓	✓
Missouri River Energy Services	✓			✓	✓	✓	✓	✓
Mitsui & Co (USA) Inc.		✓						✓



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Companies with Access to NAESB Standards As of June 15, 2006

Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Modesto Irrigation District	✓			✓	✓	✓	✓	✓
Momentum Energy Group, LOC		✓						✓
Montana Star Pipeline Company, LP		✓						✓
Morgan Lewis		✓					✓	✓
Morgan Lewis & Bockius, LLP		✓		✓	✓			✓
Motorola Inc.		✓						✓
MAPPCOR		✓		✓	✓			
MxEnergy		✓					✓	✓
National Association of Regulatory Utility Commissioners	✓			✓	✓	✓	✓	✓
National Fuel Gas Distribution	✓			✓	✓	✓	✓	✓
National Fuel Gas Distribution Corporation	✓			✓	✓	✓	✓	✓
National Fuel Gas Supply Corp.	✓			✓	✓	✓	✓	✓
National Grid USA	✓			✓	✓	✓	✓	✓
National Rural Electric Cooperative Assoc.	✓			✓	✓	✓	✓	✓
Natural Gas Pipeline Co of America	✓			✓	✓	✓	✓	✓
Navigant Consulting, Inc.	✓			✓	✓	✓	✓	✓
NECC		✓						✓
NECC, LLC		✓						✓
New Jersey Natural Gas Company	✓			✓	✓	✓	✓	✓
New York ISO		✓		✓	✓			
New York State Dept. of Public Service	✓			✓	✓	✓	✓	✓
New York State Reliability Council	✓			✓	✓	✓	✓	✓
Nexen		✓						✓
Nexen Marketing		✓						✓
Niagara Mohawk	✓			✓	✓	✓	✓	✓
Niagara Mohawk Power Corporation	✓			✓	✓	✓	✓	✓
Nicor Enerchange, LLC		✓						✓
Nicor Gas	✓			✓	✓	✓	✓	✓
NiSource Inc.	✓			✓	✓	✓	✓	✓
Nixon Peabody LLP		✓					✓	✓
NJR Energy Services Company	✓			✓	✓	✓	✓	✓



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Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
North American Electric Reliability Council (NERC)	✓			✓	✓	✓	✓	✓
North Carolina Electric Membership Corporation	✓			✓	✓	✓	✓	✓
North Carolina Electric Municipal Power Agency #1	✓			✓	✓	✓	✓	✓
Northeast Utilities		✓		✓	✓			
Northeast Utilities Service Company	✓			✓	✓	✓	✓	✓
Northern Border Pipeline Company		✓					✓	✓
Northern California Power Agency		✓						✓
Northern Indiana Public Service Company (NiSource Inc.)	✓			✓	✓	✓	✓	✓
Northern Natural Gas	✓			✓	✓	✓	✓	✓
Northwest Natural Gas Company	✓			✓	✓	✓	✓	✓
Northwest Pipeline		✓					✓	✓
Northwestern Energy		✓		✓				
NOVA Gas Transmission Ltd.	✓			✓	✓	✓	✓	✓
Novus Energy, LOC		✓						✓
NrG Information Services, Inc.		✓					✓	✓
NSTAR Electric and Gas		✓		✓	✓			
Occidental Energy Marketing Inc. (OEMI)	✓			✓	✓	✓	✓	✓
Odyssey Energy Services		✓						✓
Office of Public Advocate, State of Maine	✓			✓	✓	✓	✓	✓
OG&E Electric Services		✓		✓				
Ohio Consumers Council	✓			✓	✓	✓	✓	✓
Ohms Energy Company, LOC		✓			✓			
OMV New Zealand Limited		✓						✓
ONEOK	✓			✓	✓	✓	✓	✓
ONEOK Partners GP, LLC (previously: Northern Plains Natural Gas Company, Inc.)	✓			✓	✓	✓	✓	✓
Ontario Power Generation	✓			✓	✓	✓	✓	✓
Open Access Technology International, Inc.	✓			✓	✓	✓	✓	✓
Otter Tail Power Company	✓			✓	✓	✓	✓	✓
Pacific Gas & Electric	✓			✓	✓	✓	✓	✓
PacifiCorp	✓			✓	✓	✓	✓	✓
Paine, Hamblen, Coffin, Brooke & Miller, LLP		✓		✓	✓			



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Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Pale Global Energy Services, LOC		✓					✓	✓
Panhandle Eastern Pipe Line	✓			✓	✓	✓	✓	✓
PECO Energy Co.	✓			✓	✓	✓	✓	✓
Pennsylvania Office Of Consumer Advocate	✓			✓	✓	✓	✓	✓
Peoples Gas Light & Coke Co.	✓			✓	✓	✓	✓	✓
Peoples Gas System	✓			✓	✓	✓	✓	✓
Petro-Hunt, LOC		✓					✓	✓
PG Energy		✓					✓	✓
PHI Power Delivery	✓			✓	✓	✓	✓	✓
Philadelphia Gas Works (APGA billing: Bert Kalisch)	✓			✓	✓	✓	✓	✓
Pierce Atwood LLP		✓						✓
Pine Needle		✓					✓	✓
Pipeline Consulting Corporation of Texas		✓					✓	✓
PJM Interconnection, LLC		✓		✓				
Platte River Power Authority	✓			✓	✓	✓	✓	✓
Platts	✓			✓	✓	✓	✓	✓
Plymouth Foam Inc.		✓						✓
Porter & Hedges, LLP		✓					✓	✓
Portland General Electric	✓			✓	✓	✓	✓	✓
Portland Natural Gas Transmission System	✓		✓	✓	✓	✓	✓	✓
Potomac Economics		✓		✓				
Powerex Corp.	✓			✓	✓	✓	✓	✓
PPL Electric Utilities Corporation	✓			✓	✓	✓	✓	✓
PPL EnergyPlus, LLC	✓			✓	✓	✓	✓	✓
PPLSolutions, LLC	✓			✓	✓	✓	✓	✓
PPM Energy, Inc.			✓					✓
Progress Energy	✓			✓	✓	✓	✓	✓
Progress Energy (Regulated)	✓			✓	✓	✓	✓	✓
Project Consulting Services		✓						✓
Promet Energy Partners		✓			✓			
PSEG Energy Resources and Trade LLC	✓			✓	✓	✓	✓	✓
PSEG Power LLC	✓			✓	✓	✓	✓	✓



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Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Public Service Electric & Gas	✓			✓	✓	✓	✓	✓
Public Service Electric & Gas Company	✓			✓	✓	✓	✓	✓
Puget Sound Energy, Inc.	✓			✓	✓	✓	✓	✓
Qualedi, Inc	✓			✓	✓	✓	✓	✓
Questar Pipeline Co.	✓			✓	✓	✓	✓	✓
Quorum Business Solutions Inc.	✓			✓	✓	✓	✓	✓
Rational Systems		✓					✓	✓
Regency Gas		✓						✓
Regency Gas Marketing, LP		✓						✓
Regency Gas Services Waha, LP		✓						✓
Regency Intrastate Gas, LOC		✓						✓
Regency Midcon Gas		✓						✓
Rockwell Lime Company		✓						✓
Sabine Pipe Line LLC	✓			✓	✓	✓	✓	✓
Sacramento Municipal Utility District	✓			✓	✓	✓	✓	✓
Salt River Project Agricultural Improvement and Power District	✓			✓	✓	✓	✓	✓
SASKPOWER		✓		✓	✓			
Saul Ewing LLP		✓						✓
SCANA Corporation	✓		✓	✓	✓	✓	✓	✓
Sem Group LP		✓					✓	✓
Seminole Electric Cooperative, Inc.	✓			✓	✓	✓	✓	✓
Sempra Energy - Southern California Gas Co.	✓			✓	✓	✓	✓	✓
Sensient Flavors, Inc.		✓						✓
Sequent Energy			✓					✓
Sequent Energy Management, L.P.	✓			✓	✓	✓	✓	✓
Shannon, Martin, Finkelstein & Sayre, PC		✓						✓
Slawson Exploration Company, Inc.		✓						✓
Smurfit Stone Container Enterprises, Inc.		✓						✓
SNL Financial		✓					✓	✓
SolArc Inc.	✓			✓	✓	✓	✓	✓
South Carolina Electric & Gas Company	✓			✓	✓	✓	✓	✓



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Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Southeastern Power Administration	✓			✓	✓	✓	✓	✓
Southern California Edison	✓			✓	✓	✓	✓	✓
Southern California Edison Company	✓			✓	✓	✓	✓	✓
Southern Company Services	✓			✓	✓	✓	✓	✓
Southern Company Services, Inc.	✓			✓	✓	✓	✓	✓
Southern Natural Gas Co.	✓			✓	✓	✓	✓	✓
Southern Star Central Gas Pipeline	✓			✓	✓	✓	✓	✓
Southwest Gas Corporation	✓	✓		✓	✓	✓	✓	✓
Southwest Power Pool	✓			✓	✓	✓	✓	✓
Southwest Transmission Cooperative, Inc.	✓			✓	✓	✓	✓	✓
Southwestern Power Administration	✓			✓	✓	✓	✓	✓
Spiegel & McDiarmid		✓		✓	✓			
Sprague Energy Corp.	✓			✓	✓	✓	✓	✓
State of Oklahoma/Commissioners of the Land Office		✓						✓
Sterling Smith		✓					✓	✓
Steuben-Storage (Cullen and Dykman,LLP)		✓					✓	✓
Stroock and Stroock and Lavan, LLP		✓					✓	✓
Structure Group	✓			✓	✓	✓	✓	✓
SUEZ Energy Marketing NA, Inc.	✓			✓	✓	✓	✓	✓
Sullivan & Cromwell		✓						✓
Sunflower Electric Power Corporation	✓			✓	✓	✓	✓	✓
SunGard	✓			✓	✓	✓	✓	✓
Sunrise Medical		✓						✓
Superior Natural Gas Corporation		✓						✓
Superior Water, Light & Power Company		✓					✓	✓
Sutherland, Asbill and Brennan, LLP		✓					✓	✓
Systrends USA	✓			✓	✓	✓	✓	✓
Tampa Electric Company	✓			✓				
Target		✓						✓
Telvent	✓			✓	✓	✓	✓	✓
Tenaska, Inc.	✓			✓	✓	✓	✓	✓
Tennessee Gas Pipeline Company	✓			✓	✓	✓	✓	✓



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Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Tennessee Valley Authority	✓			✓	✓	✓	✓	✓
Texaco Natural Gas, Inc.		✓						✓
Texas Gas Service		✓					✓	✓
Texas Gas Transmission, LLC	✓			✓	✓	✓	✓	✓
The Energy Authority		✓		✓	✓	✓	✓	✓
The United Illuminating Company		✓		✓	✓			
Theda Clark Regional Medical Center		✓						✓
Tiger Natural Gas	✓			✓	✓	✓	✓	✓
Total Gas & Power North America, Inc.		✓					✓	✓
Trans Ocean Energy Services		✓					✓	✓
TransCanada Pipelines	✓			✓	✓	✓	✓	✓
Transcontinental Gas Pipeline		✓					✓	✓
TRANS-ELECT, INC.	✓			✓	✓	✓	✓	✓
Travel Centers of America		✓						✓
Trinity Apex Solutions, Inc.	✓	✓		✓	✓	✓	✓	✓
Tri-State Generation and Transmission Association, Inc.	✓			✓	✓	✓	✓	✓
Turlock Irrigation District		✓					✓	✓
Tuscarora Gas Transmission Company		✓					✓	✓
Tucson Electric Power Company		✓						✓
TXU Electric Delivery	✓			✓	✓	✓	✓	✓
TXU Energy	✓			✓	✓	✓	✓	✓
TXU Energy Retail	✓			✓	✓	✓	✓	✓
U.S. Energy Services, Inc.		✓						✓
UBS Energy LLC	✓			✓	✓	✓	✓	✓
UGI Utilities, Inc.	✓			✓	✓	✓	✓	✓
Union Gas	✓			✓	✓	✓	✓	✓
Union Oil Company of California		✓					✓	✓
United Illuminating Company		✓		✓	✓			
University of Texas Medical Branch		✓					✓	✓
Urban Energy Source, LLC		✓		✓	✓			✓
Van Ness Feldman		✓		✓			✓	✓



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Company	Method of Access			Standards Products				
	Member Access	Purchase	Class Attendee	WEQ Version 000	WEQ FTAA	Retail Version 1.0	WGO Version 1.7	WGO Contracts
Vector Pipeline L.P.	✓			✓	✓	✓	✓	✓
Venica Gathering System		✓					✓	✓
Vermont Public Power Supply Authority	✓			✓	✓	✓	✓	✓
Viking Gas Transmission		✓					✓	✓
Vinson & Elkins		✓					✓	✓
VMAC		✓						✓
Wal-Mart Stores, Inc.	✓			✓	✓	✓	✓	✓
Washington Gas Light Co.	✓			✓	✓	✓	✓	✓
We Energies (Wisconsin Electric)	✓			✓	✓	✓	✓	✓
Western Area Power Administration	✓			✓	✓	✓	✓	✓
Western Electricity Coordinating Council (WECC)	✓			✓	✓	✓	✓	✓
Westfield Gas & Electric Light Dept.	✓			✓	✓	✓	✓	✓
Westfield Group		✓						✓
White and Case		✓					✓	✓
Williams Gas Pipeline	✓			✓	✓	✓	✓	✓
Williams Power Company	✓			✓	✓	✓	✓	✓
Williston Basin Interstate Pipeline	✓			✓	✓	✓	✓	✓
Wisconsin Public Power Inc.	✓			✓	✓	✓	✓	✓
Wisconsin Public Service Corporation	✓			✓	✓	✓	✓	✓
Xcel Energy	✓	✓		✓	✓	✓	✓	✓
Xcel Energy Inc.	✓			✓	✓	✓	✓	✓
Yankee Gas		✓					✓	✓

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 13

STANDARDS ADOPTED SINCE LAST BOARD MEETING

This section includes:

- List of standards adopted in 2006.

The material presented is background information for the discussion of agenda item 6(a)

No action is expected of the Board, guests and members.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
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NAESB BOARD OF DIRECTORS MEETING MATERIALS
 STANDARDS ADOPTED IN 2006
 JUNE 22, 2006

REQUESTS RECEIVED IN 2006

FOR THE RETAIL QUADRANTS

- **R06004** – Received January 16, 2006, Submitted by Columbia Gas Transmission, Minor revisions to EDI Trading Partner Agreement Standard 6.3.3, Assigned to both the WGQ Contracts Subcommittee and the Retail Contracts Subcommittee.

FOR THE WHOLESALE GAS QUADRANT

- **R06001** – Received November 1, 2005, Submitted by Kinder Morgan Add two Nomination Transaction Type codes to support the nomination and tracking of the shipping entity or producing entity on the interconnecting facility where title tracking is employed by the TSP, Assigned to the WGQ Information Requirements Subcommittee
- **R06003** – Received January 13, 2006, Submitted by Northern Plains Natural Gas, Add "Compression Use Surcharge" code value for "Surcharge Identification Code" data element, Assigned to the WGQ Information Requirements Subcommittee
- **R06004** – Received January 16, 2006, Submitted by Columbia Gas Transmission, Minor revisions to EDI Trading Partner Agreement Standard 6.3.3, Assigned to both the WGQ Contracts Subcommittee and the Retail Contracts Subcommittee.
- **R06005** – Received February 10, 2006, Submitted by El Paso Eastern Pipeline, Add "Special terms and Miscellaneous notes" as SO data element to the Transactional Reporting - Interruptible Transportation data set (5.4.22).
- **R06007** – Received April 14, 2006, Submitted by Northern Natural Gas, Add Reduction Reason code to Scheduled Quantity, Operator Scheduled Quantity and Confirmation Response.
- **R06008** – Received on May 12, 2006, Submitted by National Fuel Gas Distribution, Modify WGQ Business Practice Standard 4.3.90 to clarify that all available data at representative points should be made available by Transmission Service Providers.
- **R06009** – Received on May 15, 2006, Submitted by Tennessee Gas Pipeline Company, Develop a standard that would enhance the communications between Transportation Service Providers (TSP) and their customers pertaining to nominations related deadlines.

FOR THE WHOLESALE ELECTRIC QUADRANT

- **R06002** – Received January 9, 2006, Submitted by North American Electric Reliability Council (NERC), Modify NAESB pre-split Version 0 TLR business practices to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (inclusion of market flows), Assigned to the WEQ Business Practices Subcommittee.
- **R06006** – Received February 23, 2006, Submitted by the NERC/NAESB Joint Interchange Scheduling Working Group (JISWG), Develop standards to allow for registered Market Operators to request changes to the Market Level profile of Implemented Interchange.



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NAESB BOARD OF DIRECTORS MEETING MATERIALS STANDARDS ADOPTED IN 2006 JUNE 22, 2006

- **R06010** – Received May 31, 2006, Submitted by Western Electricity Coordinating Council (WECC), Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds. *(Please note: this request has not been assigned to the WEQ by the Triage Subcommittee, but it is the expectation that this request will be assigned to the WEQ and expedited).*

STANDARDS ADOPTED IN 2006

FOR THE WHOLESALE GAS QUADRANT

- **Clarification C05002:** Clarification to NAESB WGQ Standard 4.3.88 – add proposed WGQ Interpretation 7.3x regarding a clarification for usage of 128-bit Secure Socket layer encryption under NAESB WGQ Standard 4.3.88. *(Ratified on 1/9/06).*
- **Recommendation R98037** (Add a non-textual data element that will tie the offers of a Not-Stand-Alone Offer together to the existing UPPD data set and the Non-Prearranged Deals data set under development*(Ratified on 4/17/06).*
- **Recommendation R00012/R00013** (Add Bidder Notice Address and Bidder Notice Contact data elements to the Bid Upload and the Offer Upload Bidder Confirmation with corresponding validation codes added to the Bid Upload Quick Response and Offer Upload Bidder Confirmation Quick Response/ Add Bidder Invoice Contact and Bidder Invoice Address data elements to the Bid Upload and the Offer Upload Bidder Confirmation with corresponding validation codes added to the Bid Upload Quick Response and Offer Upload Bidder Confirmation Quick Response). *(Ratified on 4/17/06).*
- **Recommendation R00014** (Add Signatory Name and Signatory Title data elements to the Bid Upload and the Offer Upload Bidder Confirmation, with corresponding validation codes added to the Bid Upload Quick Response and Offer Upload Bidder Confirmation Quick Response *(Ratified on 4/17/06).*
- **Recommendation R00019** (Change the usage of Releaser Company Code from Mandatory to Conditional in the Bid Upload). *(Ratified on 4/17/06).*
- **Recommendation R00027** (Add a Status data element to the Offer Download, Bid Download and the Award Download. (GISB Interpretation No. 7.3.43)). *(Ratified on 4/17/06).*
- **Recommendation R01017** (Add a Date Time Period Format Qualifier for seasonal Start Date and Seasonal End Date)). *(Ratified on 4/17/06).*
- **Recommendation R03035B** (Standardize methodologies for calculating gas quality parameters). *(Ratification ballots due on 6/23/06).*
- **Recommendation R98081/R98082** (Define a means of requesting and sending a dataset that communicates RTU Alarms/Define a means of requesting and sending a dataset to communicate RTU Events). *(Ratification ballots due on 6/23/06).*
- **Recommendation R99013** (Define a means of requesting and providing pre-approved bidders list used in capacity release). *(Ratification ballots due on 6/23/06).*
- **Recommendation R00022/R00023** (Add Right of First Refusal Indicator and Right of First Refusal Terms data elements to the Offer Download, Offer Upload and Offer Upload Notification, with corresponding validation codes



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1301 Fannin, Suite 2350, Houston, Texas 77002
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NAESB BOARD OF DIRECTORS MEETING MATERIALS STANDARDS ADOPTED IN 2006 JUNE 22, 2006

added to the Offer Upload Quick Response/Add Rollover Rights Indicator and Rollover Rights Terms data elements to the header level of the Offer Download (5.4.1), Offer Upload (5.4.7) and Offer Upload Notification (5.4.9), with corresponding validation codes added to the Offer Upload Quick Response (5.4.8). (*Ratification ballots due on 6/23/06*).

- **Recommendation R02003/R02004** (Add a new Capacity Release data element - Discount Indicator/Add new code values for the discount indicator in the Capacity Release Data Sets). (*Ratification ballots due on 6/23/06*).

FOR THE RETAIL QUADRANTS

- No model business practices have been adopted by the Retail Quadrants to date in 2006.

FOR THE WHOLESALE ELECTRIC QUADRANT

- **Recommendation R04035/R05002:** Clarify OASIS 1A nomenclature and amend WEQ standard 4.19/Amend sections 9.5 and 10.5 of OASIS 1A redirect standards. (*Ratified on 1/9/06*).
- **Recommendation R04013A:** WEQ Annual Plan Item 1 - Develop Version 0 business practice standards that complement NERC's Version 0 reliability standards – TLR. (*Ratified on 4/10/06*).
- **Recommendation R04006F:** Naming Standards for PORs/PODs, PATHs, Sources/Sinks, etc. on OASIS. (*Adopted by WEQ Executive Committee on 5/9/06; Does not need to be ratified as it is a recommendation to maintain the status quo*).
- **Recommendation R04007:** Develop OASIS Phase II implementing NERC's functional model and other improvements; (*Adopted by WEQ Executive Committee on 5/9/06; Does not need to be ratified as it is a recommendation to maintain the status quo*).
- **Recommendation R05001:** Amend WEQ R03013 to align coordinate interchange transactions with Version 0. (*Ratification ballots due 6/22/06*).
- **Recommendation R05007:** Removal of ERCOT references to WEQ Version 0 Standards. (*Ratification ballots due 6/22/06*).
- **Recommendation R06002 (Revised):** Modify the NAESB pre-split Version 0 TLR BP to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (SPP regional difference for the inclusion of market flows); (*Ratification held pursuant to WEQ Executive Committee vote on 5/9/06 to make the adoption of R06002 provisional upon the approval of the complementary NERC reliability standards. This recommendation has not been distributed for ratification to date as the complementary NERC reliability standards have not been approved via the NERC process*).

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 14

FILINGS MADE WITH THE FERC

This section includes:

- 2006 Schedule and filings made, as well as an update on liaisons with other groups.
- NAESB Press Release and summary for Order No. 676
- FERC Press Release on OATT reform, which includes discussion on ATC/TTC Efforts

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

No action is expected of the Board, guests and members.



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

NAESB BOARD OF DIRECTORS MEETING MATERIALS FERC FILINGS, SCHEDULES AND LIAISONS WITH OTHER GROUPS IN 2006 JUNE 22, 2006

FEDERAL ENERGY REGULATORY COMMISSION

- March 6, 2006: Michael Desselle and Rae McQuade met with Commissioner Brownell and discussed the GEIC report, the efforts underway by WECC regarding development of regional business practices, the need to enhance the OASIS standards per FERC Order No. 888, the ATC/TTC planned development, the joint development process between NERC and NAESB, the impact of the ERO creation and this joint development process on the JIC, and the participation by RTOs and ISOs in NAESB.
- April 10, 2006: Rae McQuade, Kathy York and Paul Sorenson met with FERC staff to review progress made on OASIS related efforts.
- April 18, 2006: Rae McQuade, Bill Boswell and Michael Desselle met with Chairman Kelliher to discuss the GEIC report, the efforts underway by WECC regarding development of regional business practices, the need to enhance the OASIS standards per FERC Order No. 888, the ATC/TTC planned development, the joint development process between NERC and NAESB, the impact of the ERO creation and this joint development process on the JIC, and the participation by RTOs and ISOs in NAESB.
- May 18, 2006: Business Practices for the ATC/TTC functions should be filed with the FERC by year-end 2006 as requested by the Commission on May 18 in Docket No. RM05-25-000.

FERC FILINGS

- February 17, 2006: An update was filed with the FERC which addressed 4 issues: (1) the comments filed by NERC that asked that three sets of business practices in Version 0 be remanded back to NERC, (2) the TLR process and the plans for ensuring that the business practices and the reliability standards stay closely coordinated, (3) the Inadvertent Interchange Payback report which noted that the Inadvertent Interchange business practices standards for Version 0 are to remain unchanged, and (4) a joint standards development process for NERC and NAESB. The update related to Docket No. RM05-5-000.
- February 24, 2006: The Board of Directors unanimously approved the GEIC report on February 17 which was subsequently filed with the FERC on February 24, 2006.
- April 25, 2006: FERC Order 676 issued along with a NAESB press release and NAESB summary of the order. The utilities are to adopt and implement standards by July 1 with waivers to be requested by June 1.

FERC FILING PROPOSED SCHEDULE

- NAESB has submitted two filings to the FERC to date in 2006 as noted above.
- Filed in the 1st Quarter 2006
 - (1) WEQ: Version 0 split of transmission loading relief (RM05-5-000) – Filed 2-17-06
 - (2) WEQ: Inadvertent Interchange Payback report and comments (RM05-5-000) – Filed 2-17-06
 - (3) WEQ and WGQ: Follow up report from the Gas-Electric Interdependency Committee (RM05-28-000) – Filed 2-24-06
- Planned by 3rd Quarter 2006
 - (4) WGQ: Gas Quality Part 2 – Part B of the request R03035, reporting of assumptions and calculations used in measurement of gas quality specifications (RM96 et al)
 - (5) WEQ: TLR Version 0 split to be filed after it ratified and verified against the NERC reliability standards using the joint standards development template. (RM05-5-000)



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

NAESB BOARD OF DIRECTORS MEETING MATERIALS FERC FILINGS, SCHEDULES AND LIAISONS WITH OTHER GROUPS IN 2006 JUNE 22, 2006

- (6) WEQ: Several enhancements to OASIS including redirect modifications, resales and transfers, and changes to 10.6 (clarification of “all other types” – see our July 1 comments on RM05-5-000)
- (7) WEQ: Release mechanisms on the S&CP (RM05-5-000)
- (8) WGQ: Version 1.8 WGQ standards (publish date in July 31, 2006) (RM96 et al)
- Planned by 4th Quarter 2006
- (9) WEQ: Possible Version 1 changes to the standards including Coordinate Interchange Business Practices, TLR.
- (10) WEQ: Business Practices for the ATC/TTC functions should be filed with the FERC by year-end as requested by the Commission on May 18 in Docket No. RM05-25-000.

DEPARTMENT OF ENERGY & SANDIA NATIONAL LABORATORIES

- January 11, 2006: The Sandia National Laboratories (SNL) team and the NAESB team members discussed and commented on a natural gas sales transaction chart created by SNL to assist them in their review of the NAESB WGQ, REQ, and RGQ technical standards.
- January 24, 2006: The SNL team and the NAESB team members discussed comments to the SNL draft report on the WGQ, REQ, and RGQ technical standards. NAESB team members will submit any comments on the draft report to be reviewed and discussed by the team on the February 7th conference call.
- February 7, 2006: The team members reviewed and discussed the SNL draft report on the NAESB WGQ, REQ, and RGQ technical standards. It is anticipated that after this meeting the SNL team will forward their report to the Department of Energy and NAESB.
- March 7, 2006: Rae McQuade met with Jim Slutz and Christopher Freitas of the DoE to discuss the GEIC report. The DoE is interested in developing a primer of the report – highlighting the six issues and the impacts of modifying policy – benefits and constraints. They will contact Mr. Glotfelty of ICF to write the primer. The primer will be used by federal and state agencies in introduction of the report. The DoE is very interested in moving the report forward and seeing some level of policy change to improve the marketplace.
- March 8, 2006: Sandia National Laboratories team leader David Duggan delivered the Phase 1 (WGQ, REQ, and RGQ technical standards) NAESB Report to the Department of Energy and to NAESB. The document was delivered to NAESB in “unlimited release” status. It is expected that Sandia National Laboratories will begin Phase 2 (review of the WEQ Public Key Infrastructure [PKI]) standards in early April 2006.
- May 24, 2006: Sandia National Laboratories team and NAESB team began meeting to discuss Phase 2 of the Sandia review. Phase 2 consists of a review of the draft Wholesale Electric Quadrant Public Key Infrastructure standards under development in the Joint Interchange Scheduling Working Group. It is expected that Sandia will conclude its report on these draft standards in early July, 2006. At that time, it is also expected that the JISWG will have a near complete set of PKI standards to submit in recommendation form to the WEQ Executive Committee.
- Planned, June 20, 2006: DoE expects to release a report from the ICF (Jimmy Glotfelty) as a primer for the NAESB filing on gas-electric interdependencies.

NATIONAL ASSOCIATIONS OF REGULATORY UTILITY COMMISSIONERS

- Update calls of one hour each month are held to brief commissioners and staff on NAESB activities. The monthly update schedule, agenda, work papers and notes can be accessed from the NAESB web site (http://www.naesb.org/monthly_update.asp). These conference calls are open to all interested parties and the materials for the calls can be accessed from the NAESB web site at the above address.



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

NAESB BOARD OF DIRECTORS MEETING MATERIALS FERC FILINGS, SCHEDULES AND LIAISONS WITH OTHER GROUPS IN 2006 JUNE 22, 2006

- January 18, 2006: On the January call, updates were provided on the following: the status of the GEIC Report, the WGQ Contracts Subcommittee's effort to update the NAESB Base Contract, an update on the Retail Contracts Subcommittee's work to draft a retail contract for the gas and electric markets, the January 12, 2006 meeting of the Joint Interface Committee, the Certification Program, the work of the Retail Information Requirements Subcommittee to draft the technical requirements for the Billing and Payment model business practices, and an update on the status of NAESB membership.
- February 11, 2006: The NAESB Advisory Council meeting was held in conjunction with the NARUC winter session. Discussions on how to use the GEIC report, how to increase retail participation and the coordination between NERC and NAESB were key topics of the meeting. Mr. Ellsworth was re-elected as chair of the group.
- March 8, 2006: Rae McQuade and Laura Kennedy met with several of the drafters of the GEIC report (Rick Smead, Jim Templeton, Richard Kruse, Valerie Crockett and Kathy York) and representatives of the National Regulatory Research Institute (NRRI) (Commissioner Keating, Ken Costello, Vivian Davis, Partha Chaudhuri) to provide an overview of the report for possible NRRI action. It is expected that NRRI will write a summary to be provided to state commissioners and will work with NARUC to put together a joint gas-electric panel to discuss these issues at the summer NARUC meeting.
- March 20, 2006: The sole topic for the March Monthly Update call was the Gas-Electric Interdependency report. The drafters of the report provided a detailed review of the six issues identified in the report with time allotted for questions from call participants.
- May 17, 2006: The May Monthly Update call was limited to two topics: (1) the FERC e-tariff program with a FERC staff member as the speaker, and (2) a review of Order No. 676 – with reviews given by Paul Sorenson and Kathy York.
- June 13, 2006: Rae McQuade was part of a NECPUC panel discussing gas-electric interdependency. Also on the panel are Paul Holtberg, Director, Demand and Integration Division, Energy Information Administration, to describe the demand for natural gas and Steve Whitley Senior VP and COO, ISO-New England's to describe ISO-NE's analysis and answers to the problem of the Electric /Gas Independence Issue. The panel was moderated by Commissioner Keating.
- Planned, July 19, 2006: The next monthly update call is scheduled for 1:00 to 2:00 pm central.
- Planned July 31, 2006: NAESB will participate as part of a panel on gas-electric interdependency at the summer NARUC meetings in San Francisco.

ENERGY BAR ASSOCIATION

- April 2006: Bill Boswell and Jim Cargas completed the drafting of the article to be published in the Energy Bar Journal's April 2006 issue. It is entitled, "North American Energy Standards Board: Legal and Administrative Underpinnings of a Consensus Based Organization." As soon as we have contact with Mr. Fleishman of the EBJ, he will forward such documents to us.

ISOS AND RTOS

- April 27, 2006: We received confirmation from Charles Yeung of SPP that the ISO-RTO Council legal representative has reviewed the joint development process template between NERC and NAESB and finds no inconsistency between it and the existing MOU of NAESB, NERC and the IRC. They also support the template.
- April 28, 2006: A letter was sent to each of the presidents of the ISOs and RTOs explaining the maturation of our organization and requesting their support, leadership within NAESB and participation.



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

**NAESB BOARD OF DIRECTORS MEETING MATERIALS
FERC FILINGS, SCHEDULES AND LIAISONS WITH OTHER GROUPS IN 2006
JUNE 22, 2006**

- June 15, 2006: In response to our April 28 letter, we received a letter from the ISO-RTO Council asking that we consider created a separate segment within the NAESB WEQ for ISOs and RTOs.



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350

Houston, Texas 77002

713-356-0060/Fax 713-356-0067

Contact: S. Lawrence Paulson
Cheryl W. Hoffman
(301) 779-6863
Fax (301) 779-9263

For Immediate Release
Wednesday, May 3, 2006

**NAESB Pleased by Federal Energy Regulatory Commission's Order 676,
Incorporating Standards Adopted by Wholesale Electric Quadrant**

HOUSTON – The North American Energy Standards Board (NAESB) has hailed the issuance of a final rule by the Federal Energy Regulatory Commission (FERC) to incorporate by reference standards developed by NAESB's Wholesale Electric Quadrant (WEQ), pledging to act quickly on items designated by FERC for further work.

"We're very pleased by Order 676, issued by the commission on April 25, since it shows that FERC continues to have confidence in NAESB's ability to provide the energy industry with consensus-based standards that improve the efficiency of business practices," said Joe Stepenovitch, chairman of the NAESB Board of Directors. "This can only strengthen our public-private partnership with FERC."

Stepenovitch also noted, "FERC has given NAESB several assignments in its order that we will move to the top of our agenda."

Michael Desselle, WEQ vice chairman of the NAESB board and director of public policy for American Electric Power, called Order 676 “another landmark development for NAESB, further demonstrating that we have become a true energy standards board, not just an organization for a single commodity.”

Kathy York, NAESB Executive Committee chair for the WEQ, said, “As the commission noted, the standards adopted in Order 676 represent a baseline to build future wholesale electric business practice standards. Business practice standards and reliability standards must be complementary, and we’re looking forward to continuing to work with the North American Electric Reliability Council (NERC) in meeting the industry’s needs.” York is a senior specialist in energy, markets and policy for the Tennessee Valley Authority.

Order 676 incorporates into FERC regulations the standards developed by the WEQ that complement NERC reliability standards on coordinate interchange, area control error equation special cases, manual time error correction, and inadvertent interchange payback. It also includes business practices for Open Access Same-Time Information Systems (OASIS), business practices for OASIS standards and communications protocols, and an OASIS data dictionary.

Also in the order, the commission:

- Urged NAESB and NERC to work cooperatively to revise existing inadvertent interchange payback standards “to ensure that inadvertent interchange payback cannot be abused and that reliability is not jeopardized.”
- Noted that the WEQ is already revising coordinate interchange standards and encouraged the ISO/RTO Council to participate in the development of revised standards.
- Offered guidance to the WEQ in developing standards to facilitate the redirect of transmission services.
- Noted that the WEQ has said it will review standards of conduct adopted by the wholesale gas quadrant to prepare comparable WEQ standards, and stated, “We look forward to reviewing this work product when it is completed.”

NAESB is an independent and voluntary North American organization that develops and promotes the use of business practices and electronic communications standards for the wholesale and retail natural gas and electricity industries. Its members include over 300 companies and organizations that participate actively in the retail and wholesale natural gas and electricity markets.

#

Summary of Federal Energy Regulatory Commission Order 676

Order 676, issued by the Federal Energy Regulatory Commission (FERC) on April 25, 2006, incorporates by reference the following standards developed by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB):

- business practices for open access same-time information systems (OASIS);
- business practices for OASIS standards and communications protocols;
- OASIS data dictionary;
- coordinate interchange;
- area control error equation special cases;
- manual time error correction; and
- inadvertent interchange payback.

The commission also required public utilities to modify their open access transmission tariffs (OATTs) to include the WEQ standards the next time they make any unrelated filing to revise their OATTs.

On **inadvertent interchange payback**, the commission said, "We are concerned that, as reported by NAESB, the existing inadvertent interchange payback standards are susceptible to abuse for financial gain, particularly if such abuse can lead balancing authorities to create imbalances that may jeopardize reliability." It urged NAESB and the North American Electric Reliability Council (NERC) "to continue to work cooperatively to revise these standards to ensure that inadvertent interchange payback cannot be abused and that reliability is not jeopardized by such actions."

FERC said that it expects that "given the ever-changing nature of the industry," the WEQ will revise its standards on **coordinate interchange** when appropriate.

“In fact, the WEQ is already in the process of revising the coordinate interchange standards, including Appendix A,” the commission said. “We encourage the ISO/RTO Council to participate in the development of revised standards.”

While it accepted the **definitions** in the four NAESB standards that complement NERC’s Version 0 reliability standards—coordinate interchange, area control error equation special cases, manual time error correction, and inadvertent interchange payback—the commission said it agreed with comments filed by the ISO/RTO Council that these definitions differ somewhat from NERC’s definitions and that in the future there should be a single definition of reliability terms. “It is appropriate that NERC take the lead on defining these terms, as they are reliability related, and that these same definitions be used by the WEQ in its standards,” the commission said.

FERC said it would not adopt OASIS standard 001-9.7, to facilitate the **redirect of transmission services**, noting that it could be interpreted to mean that “the parties to an agreement may mutually agree to eliminate rollover rights and that a transmission provider may agree, but is not obligated, to offer rollover rights in the redirect path even when such rights are available.” This is inconsistent with the pro forma OATT and commission policies, the order said. The commission offered guidance to the WEQ in developing an acceptable standard.

The commission declined to incorporate by reference the WEQ’s **standards of conduct** for electric transmission providers because they duplicate the commission’s regulations. It noted that NAESB has said it will review the standards of conduct approved by the Wholesale Gas Quadrant to prepare comparable standards for the WEQ, and stated, “We look forward to reviewing this work product when it is completed.

FERC “is pleased that the WEQ has begun the process of developing business practice and communication standards for the electric industry. Standardization of business practices and communications processes will benefit the electric industry by providing for uniform method of doing business with different transmission providers,” the order stated. It said that since the electric industry “relies heavily on natural gas as a fuel source, it is becoming increasingly important for the business practices and communications protocols of these industries to work together efficiently. Because NAESB develops business practice and communications standards for the wholesale and retail natural gas and electric industries, NAESB standards will enable participants in these industries to better coordinate their activities and improve their communications.”

The commission also commended NAESB and NERC for developing new procedures to coordinate the development of standards that affect both reliability and business practices.

FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

NEWS MEDIA CONTACT:

Bryan Lee
202-502-8680

FOR IMMEDIATE RELEASE

May 18, 2006
Docket Nos. RM05-25-000 &
RM05-17-000

PROPOSED CHANGES TO OPEN-ACCESS RULES AIM TO IMPROVE CLARITY, TRANSPARENCY OF TRANSMISSION USE & PLANNING

The Federal Energy Regulatory Commission today proposed amendments to regulations adopted in Order Nos. 888 and 889 to ensure transmission services are provided in a nondiscriminatory and just and reasonable basis. The proposal marks the first major reform of the open-access transmission tariff (OATT) enacted 10 years ago.

“We act today to strengthen the OATT and address deficiencies that have become apparent over the decade since its adoption, particularly in the areas of ATC calculation and transmission planning,” said Commission Chairman Joseph T. Kelliher. “These reforms will ensure that the OATT achieves its original purpose – remedying undue discrimination in the provision of transmission service. The reforms are not, however, designed to create new market structures, divest control over transmission, impinge on state jurisdiction, or weaken the protection of native load customers.”

The Commission concluded as long ago as December 1999, in Order No. 2000, that transmission providers retained the incentive and ability to discriminate against third-party users of their transmission systems, particularly in areas where the *pro forma* OATT left the transmission provider with significant discretion. In Order No. 2003, the Commission similarly found that interconnection requirements could be used to discriminate. Today’s notice of proposed rulemaking (NOPR) is another action by the Commission designed to enhance the regulatory framework established in Order No. 888 and Order No. 889.

The Commission received more than 4,000 pages of initial and reply comments in response to its September 2005 Notice of Inquiry (NOI) seeking comment on necessary reforms of the Order No. 888 *pro forma* OATT.

“In proposing to reform Order No. 888, we have relied heavily on the comments,” the Commission said in today’s NOPR, calling the comments received on that NOI and another on calculating available transmission transfer capability “informative and useful.”

Through the new OATT embodied in today's proposal, the Commission seeks to increase transparency and clarity in the planning and use of the transmission system while addressing ambiguities in the original *pro forma* OATT. The lack of specificity in the *pro forma* OATT creates opportunities for discrimination and makes discrimination more difficult to detect when it does occur, the Commission said.

Among the OATT reforms the Commission is proposing are the following:

- **CONSISTENCY AND TRANSPARENCY OF ATC CALCULATIONS.** The absence of a consistent methodology to determine available transfer capability (ATC) provides discretion to transmission providers to deny service to competitors. The Commission proposes to make certain elements of ATC more consistent, and directs public utilities, working through the North American Electric Reliability Council, to address identified areas of concern. It also increases the transparency of ATC calculations through additional *pro forma* OATT requirements and postings on the open-access same-time information systems (OASIS) required under Order No. 889.
- **TRANSMISSION PLANNING, REGIONAL COORDINATION AND TRANSPARENCY.** Vertically integrated utilities lack the incentive to relieve transmission constraints in a nondiscriminatory manner, and existing planning processes lack transparency, each of which contributes to potential undue discrimination in, and otherwise creates barriers to, infrastructure development. The Commission proposes to require transmission providers to participate in an open and transparent regional transmission planning process that adheres to the NOPR's planning principles.
- **TRANSMISSION PRICING.** The Commission proposes to reform pricing policies related to imbalances, credits for customer-owned transmission facilities and capacity reassignment.
- **NON-RATE TERMS AND CONDITIONS.** The NOPR proposes to revise the rules under which a transmission provider must provide rollover rights, and proposes to require the provision of hourly firm point-to-point service. The Commission also concludes that existing methods of evaluating requests for long-term point-to-point service may no longer be just, reasonable and may be unduly discriminatory. The NOPR proposes that transmission providers must use all available redispatch options to satisfy a request for firm point-to-point services and, at the transmission customer's option, study redispatch options before the customer is obligated to incur the costs and delays of a transmission facilities study.
- **INCREASED TRANSPARENCY.** In addition to the ATC and planning reforms, the Commission proposes to require transmission providers to post all business rules, practices and standards on OASIS, and to include credit review procedures in their OATT. The NOPR also would require transmission providers and network customers to use the OASIS to request designation of a new network resource and to terminate the designation of an existing resource.

- **ENFORCEMENT.** The Commission proposes that transmission providers post on OASIS specific performance metrics related to their completion of required studies to evaluate transmission requests. The NOPR also proposes operational penalties and addresses the treatment of operational penalty revenues.

The NOPR retains the use of functional unbundling in conjunction with the OATT to promote competitive wholesale power markets and reduce barriers to market entry through the control of transmission, but does not impose any particular market structure on the industry.

The Commission also reaffirms many of the core elements of Order No. 888:

- **COMPARABILITY.** The NOPR retains the comparability requirement, in which third-party users of the transmission system must be dealt with in a manner comparable to the transmission owner's use of the system.
- **SERVICES.** The Commission proposes to retain the two forms of transmission service, network and point-to-point.
- **NATIVE LOAD.** The NOPR retains the protection of native load customers embodied in Order No. 888, consistent with the new requirement in the Energy Policy Act of 2005 that load-serving entities be provided transmission rights to meet their service obligations.
- **APPLICABILITY.** The Commission reaffirms its decision in Order No. 888 to exercise jurisdiction over unbundled wholesale transmission service, but not the transmission component of bundled retail rates.
- **RECIPROCITY.** The NOPR would maintain the Commission's current approach to reciprocity for nonjurisdictional transmission owners.

Comments on the NOPR are due 60 days after publication in the *Federal Register*.

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 15

REPORTS ON BOARD COMMITTEES

This section includes:

- Most recent minutes or work papers of each of the following board committees as posted on the web site:
 - Resources (membership analysis, most recent minutes, letter to the Board of Directors on membership)
 - Retail Awareness (letter sent to state commissioners on retail efforts) and
 - Retail Structure Review (most recent minutes).
 - Coordination materials are not provided in this section – they are presented in tab 10 regarding wholesale electric strategic directions specific to joint standards development.
- The material presented is background information for the discussion of agenda item 6(c). 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

June 15, 2006

TO: NAESB Managing Committee
FROM: Rae McQuade
RE: New and Resigning Members in 2006

New Members in 2006:

WEQ:	South Carolina Electric & Gas Company	Company participation on the electric side.
	SUEZ Energy Marketing NA, Inc.	Company needed access to documents
	Hydro One Networks	Company access to documents and participation
	Powerex Corp.	Company needed access to documents and future participation
REQ:	Wal-Mart Stores, Inc.	Cade Burks
	TXU Electric Delivery	ERCOT references of NAESB and Debbie McKeever
RGQ:	Interstate Gas Supply	Company access to documents and participation
WGQ:	Cheniere LNG Marketing, Inc.	Stan Horton, new marketing company
	Mirant Energy Trading, LLC	Scott Brown
	DTE Energy Trading, Inc.	Miki Kolobara participated through another company prior to joining DTE. Beneficial forum for market participants.
	Macquarie Cook Energy, LLC	Company access to documents and participation
	ONEOK	Company access to documents and participation

Resigned Members in 2006:

WEQ:	DTE Energy	Shifting Priorities
	The Boeing Company	Multiple Memberships
	Cinergy	Company merger with Duke
	Entergy Services, Inc.	Budget Cuts
	Oglethorpe Power Corporation	Shifting Priorities
REQ:	Savannah Electric and Power Company	Shifting Priorities
RGQ:	R.J. Rudden Associates, Inc.	Shifting Priorities
	SunGard Enform Consulting	Contact left company
WGQ:	Cinergy (regulated)	Company merger with Duke
	Enbridge Offshore Pipelines, LLC	Will purchase documents as needed
	Oxadel Consulting, LLC	



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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

via email

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

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

RE: Notes from Resources Committee Conference Call on May 23, 2006

DATE: June 7, 2006

Dear Resources Committee, RSRC, and Managing Committee Members,

A Resources Committee conference call was held on May 23, 2006. The following notes and assignments resulted from the meeting.

Resources Committee:

Tuesday, May 23, 2006

- Administrative:
- Ms. Kennedy reviewed the anti-trust guidelines and took roll-call. The draft agenda was adopted by consensus.
- Status Towards 2006 Goal:
- The Committee's progress since the last conference call was at net 5 new members.
 - New members since last call [1]:
 - Macquarie Cook Energy, LLC (WGQ, Services)
 - Subscriptions to Home Page Access since last call [1].
 - Dewey Ballantine LLP
 - Resignations since last call [2]:
 - Savannah Electric and Power Company (REQ, Distribution)
 - Enbridge Offshore Pipeline (WGQ, Pipeline)
 - Discussion:
 - Mr. Haynes stated Savannah Electric and Power Company resigned due to the company merging with Georgia Power. Upon completion of the merger Mr. Haynes will contact Georgia Power with an invitation to rejoin NAESB.
 - Ms. Rager updated the group that Enbridge informed NAESB that it would purchase materials as needed for compliance with NAESB copyright policies and would maintain the Enbridge Energy Company membership in the Wholesale Gas Quadrant, Pipeline Segment. Mr. Brown asked that Mr. Stepenovitch be informed of Enbridge's status.
 - Mr. Brown commented on the importance of the ATC/TTC standards development activity in the Wholesale Electric Quadrant (WEQ) and its potential effect on membership. He asked that the committee monitor this activity for possible new memberships. Mr. Brown noted that this standards drafting effort would receive additional attention and awareness in the industry, due to the FERC Notice of Proposed Rulemaking (NOPR) on OATT Reform and Order



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
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888, filed on May 19, 2006.¹

- The committee reviewed the action items for the last meeting. Mr. Brown asked if NAESB was able to secure contact information for SunGard Enform. Ms. Rager stated that SunGard Enform contacts did not wish to pursue rejoining at this time.
- Mr. Brown noted the action item from the last meeting was to contact NRECA rather than ELCON for prospective municipality/coop segment memberships in the Wholesale Electric Quadrant. He discussed with Mr. Lawson a potential nominee for the WEQ municipality/coop segment Board seat.
- An additional action item from the April 18th conference call was to discuss a meeting between NAESB leadership and Mr. Anderson of ELCON concerning WEQ memberships. No update was given at this time.
- An additional action item from the April 18th conference call for Mr. Novak was to contact representatives of Boeing concerning the resignation of their WEQ membership. Mr. Novak completed his assignment and an update will be give at the next conference call. Also, Mr. Novak took an action item to determine whether personal information of listees was contained in the “U.S. Energy Marketers and Retailers” listing. An update on this will be given at the next meeting. In addition Mr. Novak followed up on an April 18th action item to contact Black and Veech. An update on this will be given at the next conference call. However, Mr. Haynes noted that Black and Veech do not put emphasis on standards setting in their organization.
- Mr. Brown sent an email to Mr. Flynn concerning the Board and Executive Committee (EC) seats that are vacant in the WEQ, Transmission Segment. Mr. Brown contacted Mr. Corneli of NRG concerning vacant Board and EC seats in the WEQ, Marketers/Brokers Segment. At this time NRG is not interested in NAESB membership, however, Ms. Ogenyi noted that this may have changed subsequent to the issuance of Order 676. Mr. Brown will follow up with Mr. Corneli. Mr. Brown also contacted Mr. Oberski of Dominion concerning vacant Board and EC seats in the WEQ, Distribution segment. Ms. Ogenyi will follow up with Dominion Retail as these are Competitive Retailer seats.
- The NAESB office is drafting a letter concerning Board and EC vacancies and NAESB leadership. Ms. Kirby and Ms. Rager will update the committee on the status of the letter at the next scheduled Board Resources committee meeting.

¹ Please see [Notice of Proposed Rulemaking re Preventing Undue Discrimination and Preference in Transmission Service under RM05-25 et al.](#), filed May 19, 2006.



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o Action Items:

- The committee took an action item to create a list of target companies and contacts to fill vacant Board and EC seats. In addition the committee took an action item to try and enlist new Board members as participants in this committee at the next Board meeting. Mr. Brown will contact Mr. Desselle and Mr. Stepenovitch concerning the recruitment of Board members from their quadrants.
- Mr. Brown will contact Mr. Bennett of EPSA concerning vacant EC seats in the WEQ, Marketers/Brokers Segment.
- The NAESB office will update the Board and EC vacancy chart.
- Ms. Kennedy took an action item to discuss the outcome of the IRC letter with the NAESB office.
- The NAESB office will schedule a face to face meeting in correlation with the June Board meeting.

Retail Quadrant
 Outreach & RSRC
 Coordination:

- No new information at this time.

Other Business:

The next scheduled meeting for the Board Resources Committee is Thur., June 22, at 8:00 am Central (9:00am Eastern) Face-to-Face Meeting, coinciding with the June 22 NAESB Board meeting in San Antonio, Texas.

Adjournment

- The meeting adjourned by consensus at 2:00 PM Central Time.

Attendance:

Name:	Organization:	Comte. Member:	
Scott	Brown	Exelon Corporation	Yes, Vice Chair
Leonard	Haynes	Southern Company	Yes
Gloria	Ogenyi	Conectiv Energy	Yes, Chairman
Laura	Kennedy	NAESB	N/A
Denise	Rager	NAESB	N/A

Upcoming Conference Calls and Meetings:

- Thur., June 22, at 8:00 am Central (9:00am Eastern) Face-to-Face Meeting, coinciding with the June 22 NAESB Board meeting in San Antonio, Texas.
- Tues., July 25, at 1:00pm Central (2:00pm Eastern)
- Tues., August 22, at 1:00pm Central (2:00pm Eastern) (prepare for September 21 Board meeting)
- Tues., September 26, at 1:00pm Central (2:00pm Eastern)



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Pemex Gas Y Petroquimica Basia

Accounting Reorganization



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June 1, 2006

TO: NAESB Board of Directors
FROM: Rae McQuade, NAESB President and COO
RE: New Membership Analysis

via email

Dear NAESB Board Members:

At our March Board of Directors meeting, we noted that a report of new members would be sent to the Board members as well as the existing membership in NAESB. The Resources Committee has asked for your assistance in approaching your colleagues that are not members in NAESB, but may have interest in joining our organization. Our office can forward NAESB information to them on the benefits of membership, including opportunities for seats on either the Board or Executive Committee. A report will be given at the upcoming Board meeting on June 22 and may also be discussed at both the WEQ and retail quadrant leadership meetings on June 21.

Please let us know if you need any assistance or any further information. We have attached several reports that may be helpful in determining which of your colleagues currently are not members of NAESB. We truly appreciate your efforts in helping grow our organization --

Best Regards,

Rae

cc: NAESB Resources Committee

Meeting Note: The Resources Committee will be meeting from 8:00 am to 9:00 am directly prior to the Board meeting on June 22. If any of you are interested in joining the Resources Committee, the committee would appreciate your efforts. Feel free to attend that meeting if your schedule permits.

Enclosures: (1) Resources Committee Roster
 (2) New Members in 2006
 (3) Vacancies on the Board and Executive Committee
 (4) Membership Roster Sorted by Company



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North American Energy Standards Board Board Resources Committee Roster

Quadrant	Contact and Company	Phone	Email
WEQ	Scott Brown, Exelon Corporation	202-347-8096	scott.brown@exeloncorp.com
WEQ	Michael Desselle, American Electric Power	214-777-1083	mddesselle@aep.com
WEQ	Mike Grim, TXU Business Services	214-875-9595	mike.grim@txu.com
REQ	Leonard Haynes, Southern Company	404-506-0206	ljhaynes@southernco.com
WGQ	Bill Hebenstreit, El Paso Production Company	713-420-3474	bill.hebenstreit@elpaso.com
RGQ	Mark Maassel, NiSource	219-647-6400	mtmaassel@nisource.com
WEQ	Gloria Ogenyi, Conectiv Energy	302-451-5365	gloria.ogenyi@conectiv.com
WGQ	Joe Stepenovitch	813-289-5644	joestep@frc.com
WGQ	Jim Templeton, Comprehensive Energy Services	713-759-6999	jtemplton@aol.com



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North American Energy Standards Board New Members since January 2006

Quadrant	Segment	Contact and Company	Reason Joined	Month Joined
WEQ	Transmission	S. Porcher Stoney, South Carolina Electric & Gas Company	Company participation on the electric side	January
WEQ	Marketer	Ken Lackey/Cesar Seymour, SUEZ Energy Marketing NA, Inc.	Company needed access to documents	February
WEQ	Transmission	Mark Graham, Hydro One Networks	No reason given at this time	April
WEQ	Marketer	Michael L. McWilliams, Powerex Corp.	Access to Standards, Models and Contracts	May **
REQ	Distribution	Tommy Weathersbee/Debbie McKeever, TXU Electric Delivery	ERCOT references of NAESB and Debbie McKeever	January
RGQ	Supplier	Elizabeth Clothier, Interstate Gas Supply	Company participation on the gas side	May **
WGQ	Services	Mark Stubbe/Tammy Miller, Cheniere LNG Marketing, Inc.	Stan Horton, new marketing company	February
WGQ	End User	Laura Trautman/Nicole Daggs, Mirant Energy Trading, LLC	Scott Brown	April
WGQ	Services	Angela Jones, Macquarie Cook Energy, LOC	No reason given at this time	May
WGQ	Services	Patricia Anderson, ONEOK	Company participation on the gas side	May
WGQ	Services	Miki Kolobara, DTE Energy Trading, Inc.	Company participation on the gas side	May **

** Membership dues not yet received.



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North American Energy Standards Board Vacancies on the Board and Executive Committee as of May 31, 2006

Vacant Seats	Quadrant	Seat	Segment	Subsegment
11	Retail Electric	Board (7)	End User (3)	
			Service Providers (2)	
		Supplier (2)		
		Executive Committee (4)	End User (3)	
			Supplier (1)	
34	Retail Gas	Board (17)	Distribution (3)	
			End User (6)	
			Service Providers (3)	
			Suppliers (5)	
		Executive Committee (17)	Distribution (3)	
		End User (6)		
		Service Providers (5)		
		Suppliers (3)		
18	Wholesale Electric	Board (7)	Distribution/LSE (2)	Other (1)
				Competitive Retailer (1)
			End User (2)	Commercial/Residential (1)
				End Use Investor Owned Utility (In other segments) (1)
			Generation (1)	Muni/Coop
			Marketer/Broker (1)	Non-Investor Owned Utility
			Transmission (1)	Independent Transmission Company
		Executive Committee (11)	Distribution/LSE (1)	Competitive Retailer
			End User (4)	Large Industrial (1)
				End Use – Self Generation (1)
				Commercial/Residential (1)
				End Use (In other segments) (1)
			Generation (3)	Investor Owned Utility (1)
				Merchant (1)
		At Large (1)		
	Marketer/Broker (2)	Not IOU Affiliated(1)		
		At Large (1)		
	Transmission (2)	Investor Owned Utility (1)		
		Independent Transmission Company (1)		
4	Wholesale Gas	Board	End User (2)	
			Services (2)	



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North American Energy Standards Board Membership as of May 11, 2006

Company	Quadrant	Segment	Contacts
8760	WGQ	s	Jim Buccigross
ACES Power Marketing LLC	WEQ	m	Roy J. True
American Electric Power Service Corp.	WGQ	s	Cathy Szasz
AGL Resources Inc.	RGQ	d	Katrina Bond
Alabama Electric Cooperative, Inc.	WEQ	d	William Ronald Graham
Alabama Power	REQ	d	Judy W. Ray, Yvette Camp
Alliance Pipeline LP	WGQ	pl	Neil Coghlan
Ameren Corporation	WGQ	l	Scott Glaeser
Ameren Services	WEQ	m	Shawn Schukar
	REQ	d	Patrick Eynon
American Electric Power Service Corp.	WEQ	m	Barbara Radous, Joseph Hartsoe, Phil Cox
		t	John Stough, Michael Desselle
American Municipal Power - Ohio, Inc.	WEQ	d	Pat Frazier, Chris Norton
American Public Power Association	WEQ	d	Allen Mosher
American Transmission Company LLC	WEQ	t	Julie Voeck
Anadarko Energy Services Company	WGQ	s	John Bretz
Apache Corporation	WGQ	pr	Michele Markey
Aquila, Inc.	WEQ	g	Greg Emery
Arizona Public Service Company	WGQ	e	Gary Duede, Kelly Daly, Curt Brechtel
	WEQ	t	Mark W. Hackney
Atmos Energy	WGQ	pl	Steve Easley
Ballard Natural Gas, LLC	WGQ	s	Susan Thibodeaux
Baltimore Gas & Electric Co.	REQ	d	Ruth Kiselewich
	WGQ	l	Phil Precht



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Company	Quadrant	Segment	Contacts
	RGQ	d	Phil Precht
Barclays Bank PLC	WGQ	s	Guy Kern-Martin
Basin Electric Power Cooperative	WEQ	g	Jason Doerr
		m	David Raatz
		t	Dan Klempel
BG LNG Services, LLC	WGQ	s	Martha Braddy
Boeing Company, The	WGQ	e	Tina Burnett
Bonneville Power Administration	WEQ	d	Sydney D. Berwager
		g	Francis Halpin
		m	Brenda Anderson
		t	Barbara Rehman
BP America Inc.	WEQ	e	Jeanne Zaiontz
BP Energy	WGQ	pr	Bill Benham, Lauren Kaestner
Bridgeline Gas Marketing	WGQ	pl	Georgia Blanchard
Burlington Resources	WGQ	pr	Paul Keeler
Calpine Energy Services, LP	WGQ	e	Janet Dixon, Craig Chancellor
Cargill Incorporated	WGQ	s	Kathy Gerken
Cascade Natural Gas Corporation	WGQ	l	Mark Sellers-Vaughn
Center Point Energy Minnegasco	RGQ	su	Andrea Newman
CenterPoint Energy Gas Services, Inc.	WGQ	s	James G. Beste
CenterPoint Energy Gas Transmission Company	WGQ	pl	Larry Thomas
CenterPoint Energy Mississippi River Transmission Corp.	WGQ	pl	Robert Trost
Central Electric Power Cooperative	WEQ	d	Arthur Fusco
Chandeleur Pipe Line Company	WGQ	pl	Janice E. Rogers
Cheniere LNG Marketing, Inc.	WGQ	s	Mark Stubbe, Tammy Miller



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Company	Quadrant	Segment	Contacts
Chevron/Texaco	WGQ	pr	Randy Mills
ChevronTexaco Energy Research and Technology	WEQ	e	Carol Guthrie
Cimarex Energy Co.	WGQ	pr	Charlotte Baker
Cinergy	WEQ	g	Walt Yeager
	WEQ	m	Walt Yeager
	WGQ	e	Marty Patterson
Cinergy Marketing and Trading	WGQ	s	Maribeth Bedevian
Cinergy Services, Inc.	REQ	d	Paul K. Jett
Cleco Power, LLC	WEQ	t	Keith Comeaux
Columbia Gas Transmission Corporation	WGQ	pl	Carl Levander
Commerce Energy Group	RGQ	s	Greg Lander
Comprehensive Energy Services	WGQ	e	Jim Templeton
	WEQ	e	Jim Templeton
Conectiv Energy Supply, Inc.	WEQ	g	Gloria Ogenyi, Paul Dwyer
	WEQ	m	Gloria Ogenyi, Paul Dwyer
ConocoPhillips Gas and Power	WGQ	pr	Peter Frost
Consolidated Edison Company of New York, Inc.	WEQ	t	Scott Butler
	REQ	d	Hollis Krieger
	WGQ	l	Mary Jane McCartney, Jim Stanzione
Constellation Energy Commodities Group, Inc.	WGQ	s	Robert McKay
Constellation Generation Group	WEQ	g	Michael Gildea
Constellation NewEnergy, Inc.	REQ	su	Sara O'Neill, Peter Kelly-Detwiler, Jansen Pollock
Consumers Energy Company	WEQ	d	Andrew C. Dotterweich, Frank Johnson
	WEQ	g	Steven L. Gaarde, Andrew C. Dotterweich, John J. Dellas
Dairyland Power Cooperative	WEQ	t	Chuck Callies



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Company	Quadrant	Segment	Contacts
Dauphin Island Gathering Partners	WGQ	pl	Katie Rice
Defense Energy Support Center	WGQ	e	Veronica Jones, Kevin Ahern
	REQ	e	Lisa Robert
Department of Energy	WGQ	e	Christopher Freitas
Department of the Interior, US Bureau of Reclamation	WEQ	g	Deborah M. Linke
Direct Energy Business Services	REQ	su	David Booty
Dominion Energy Marketing, Inc.	WEQ	g	Louis Oberski
Dominion Exploration and Production, Inc.	WGQ	pr	David Ogden, Gary Weaver, Sheri Heslington
Dominion Resources	WGQ	l	Craig Colombo
Dominion Retail	REQ	su	William Barkas, Richard Zelenko
	RGQ	su	Richard A. Zollars
Dominion Transmission, Inc.	WGQ	pl	Gary Sypolt, Iris King
Dominion Virginia Power	REQ	d	David F. Koogler, Mary Edwards
Duke Energy Corp.	WEQ	d	Ollie Frazier
Duke Energy Gas Transmission - Texas Eastern	WGQ	pl	Richard Kruse
Duke Energy Gas Transmission, LLP	RGQ	su	Richard Kruse, Marcy L. McCain
Dynegy Power Marketing, Inc.	WEQ	g	Barry Huddleston
EC Power International	REQ	s	Judy Bailey, J. Cade Burks, Jennifer Teel
Edison Electric Institute	WEQ	n	David Owens, Dave Dworzak
Edison Mission Marketing & Trading, Inc.	WEQ	g	William Roberts
El Paso Natural Gas	WGQ	pl	William Griffith
El Paso Exploration & Production Company	WGQ	pr	Bill Hebenstreit
Electric Reliability Council of Texas (ERCOT)	WEQ	n	Sam R. Jones, Ray Giuliani
	REQ	s	Sam R. Jones, Rob Connell, Ray Giuliani
Electricities of North Carolina	WEQ	g	Gregory Locke



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Company	Quadrant	Segment	Contacts
Electricity Consumers Resource Council (ELCON)	WEQ	e	John Anderson, John Hughes
Empire District Electric Company, The	WEQ	t	Bary K. Warren
Enbridge Energy Company, Inc.	WGQ	pl	Terry McGill
EnCana Corporation	WGQ	pr	Keith Sappenfield
EnCana Marketing (USA) Inc.	WGQ	s	Keith Sappenfield
Energy East Management Corporation	WGQ	l	Marjorie Perlman
Energy East Management Corporation	WEQ	t	Marjorie Perlman
Energy Services Group, Inc.	RGQ	s	George Behr
Entergy Services, Inc.	WGQ	e	Arlynn Kelleher, Terry Shields
Entergy Services, Inc.	WEQ	m	James M. (Jimmy) Smith
		t	Edward J. Davis, John H. Zemanek, Narinder Saini
Enterprise Products Partners, L.P.	WGQ	pl	Richard W. Porter
Equitable Gas Company	WGQ	l	Steve Rafferty
Equitrans, L.P.	WGQ	pl	Mina Speicher
Exelon Corporation - PECO Energy	WEQ	d	John McCawley
Exelon Energy	RGQ	su	Sheree M. Petrone
Exelon Energy Delivery	REQ	d	Toni Garza
Exelon Generation - Power Team	WEQ	m	Jack Crowley
ExxonMobil Gas Marketing	WEQ	e	Steve Sayuk, Mark Scheel, Mark Ulrich
	WGQ	pr	Richard Smith
FirstEnergy Solutions Corp.	WEQ	m	Edward C. Stein
Florida Municipal Power Agency	WEQ	d	Steven H. McElhaney
		g	Robert C. Williams
Florida Power & Light Company	WGQ	e	Dona Gussow
	WEQ	m	Gerry Yupp, Raleigh Nobles



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Company	Quadrant	Segment	Contacts
		t	Marty Mennes
Florida Reliability Coordinating Council	WEQ	t	Linda D. Campbell
	WGQ	e	Ken Wiley
Gas Transmission Northwest Corporation	WGQ	pl	Jay Story
Georgia Transmission Corporation	WEQ	t	Patrick McGovern, Mark Temple
Great Lakes Gas Transmission	WGQ	pl	Gene Fava
Group 8760	WGQ	s	Jim Buccigross
Gulf Power Company	REQ	d	Joel Thomas Kilgore, Yvette Camp
Gulf South Pipeline	WGQ	pl	Claire Burum, Randy Young
H S Resources Inc.	WGQ	pl	Carol Hall
Hydro One Networks	WEQ	t	Mark Graham
Hydro - Quebec TransÉnergie	WEQ	t	Victor Bissonnette
Idaho Power Company	WEQ	t	Tessia Park
Imperial Irrigation District	WGQ	e	William Rapp
	WEQ	m	Kim M. Kiener, Frank M. Barbera
		t	Juan Carlos Sandoval, Javier Esparza
Indiana Municipal Power Agency	WEQ	g	Dick Foltz
Indiana Office of Utility Consumer Counselor	RGQ	e	Matthew Parsell
International LNG Alliance (Sweet Strategies)	RGQ	s	David Sweet
ITC Transmission	WEQ	t	Jim D. Cyrulewski
Iroquois Gas Transmission System	WGQ	pl	Tom Gwilliam
Kern River Gas Transmission Company	WGQ	pl	Brenda Horton
Kerr-McGee Oil and Gas Company	WGQ	pr	Charles (Chuck) Johnson
KeySpan Energy	WGQ	l	Dolores Chezar
Laclede Gas Co.	WGQ	l	Kenneth Neises



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Company	Quadrant	Segment	Contacts
Latitude Technologies	RGQ	s	Leigh Spangler
	WGQ	s	Leigh Spangler
Louis Dreyfus Energy Services L.P.	WGQ	s	Mary Ellen Bell, Ruby H. Melton
Lower Colorado River Authority	WGQ	e	Mickey Bell
Macquarie Cook Energy, LLC	WGQ	s	Angela Jones
Marathon Oil Company	WGQ	pr	Robin Perrine
Maryland People's Counsel	WEQ	e	Mike Tomczak
Mewbourne Oil Company	WGQ	pr	Michael F. Shepard
Michigan Electric Transmission Company LLC	WEQ	t	Charles V. Waits
Michigan Public Power Agency	WEQ	d	James R. Nickel, Daniel E. Cooper
MidAmerican Energy	REQ	d	James E. Wilson
Midwest Independent Transmission System Operator	WEQ	n	William (Bill) Phillips
Minneapolis Consulting Group	WEQ	e	Mike Prickett
Mirant Energy Trading, LOC	WGQ	e	Laura Trautman, Nicole Dags
Mississippi Power Company	REQ	d	Dorman Davis, Yvette Camp
Missouri River Energy Services	WEQ	d	Brian Zavesky
Modesto Irrigation District	WEQ	t	Roger Van Hoy
National Association of Regulatory Utility Commissioners	WEQ	e	Lou Ann Westerfield
National Fuel Gas Distribution	WGQ	l	Michael Novak
	RGQ	d	Mike Novak
National Fuel Gas Supply Corp.	WGQ	pl	Joseph Kardas
National Grid USA	WEQ	t	Herbert Schrayshuen, Peter Flynn, Mary Ellen Paravalos
National Rural Electric Cooperative Assoc.	WEQ	d	Barry Lawson
Natural Gas Pipeline Co of America	WGQ	pl	Paul Love
Navigant Consulting, Inc.	WEQ	m	Richard G. Smead



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New Jersey Natural Gas Company	WGQ	l	Douglas C. Rudd
New York State Dept. of Public Service	WEQ	e	William Heinrich
New York State Reliability Council	WEQ	d	P. Donald Raymond
Niagara Mohawk	RGQ	d	James Dillon
Niagara Mohawk Power Corporation	WGQ	l	Bruce Garcy
Nicor Gas	WGQ	l	Mary Wolosek, Shirley Holmes
NiSource Inc.	WGQ	l	George Simmons
NJR Energy Services Company	WGQ	s	Ginger Richman
North American Electric Reliability Council (NERC)	WEQ	d	Donald M. Benjamin, Larry Kezele, Tom Vandervort, Bill Blevins
North Carolina Electric Membership Corporation	WEQ	d	David Beam
North Carolina Electric Municipal Power Agency #1	WEQ	d	Andrew Fusco
	WEQ	m	Clay A. Norris
Northeast Utilities Service Company	WEQ	t	David Boguslawski, Calvin A. Bowie
Northern Indiana Public Service Company (NiSource Inc.)	RGQ	d	Mark T. Maassel
Northern Natural Gas	WGQ	pl	Mary Darveaux
Northern Plains Natural Gas Company, Inc.	WGQ	pl	Scott Coburn
Northwest Natural Gas Company	WGQ	l	Randolph Friedman
NOVA Gas Transmission Ltd.	WGQ	pl	Doug Miller
Occidental Energy Marketing Inc. (OEMI)	WGQ	pr	Melinda Duncan
Office of Public Advocate, State of Maine	REQ	e	Barbara Alexander
Oglethorpe Power Corporation	WEQ	g	Billy Ussery
Ohio Consumers Council	REQ	e	Randy Corbin
	RGQ	e	Bruce M. Hayes
	WEQ	e	Randy Corbin
Ontario Power Generation	WEQ	g	Barry Green



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North American Energy Standards Board Membership as of May 11, 2006

Company	Quadrant	Segment	Contacts
		m	Ron Robinson
Open Access Technology International, Inc.	WEQ	e	Kevin Burns
		t	Paul R. Sorenson
Otter Tail Power Company	WEQ	t	Daryl Hanson, Larry Larson
Pacific Gas & Electric	WGQ	l	John Breen
PacifiCorp	WEQ	g	Greg Maxfield
		m	Edison G. Elizeh
		t	Jim Hicks, Mark Maher
Panhandle Eastern Pipe Line	WGQ	pl	Bill (William) Grygar, Kim Van Pelt
PECO Energy Co.	WGQ	l	Reed R. Horting, Amy Hamilton
Pemex Gas Y Petroquimica Basica	WGQ	s	Juan Enrique Gonzales Azuara
Pennsylvania Office Of Consumer Advocate	REQ	e	Tanya J. McCloskey, Sonny A. Popowsky
	RGQ	e	Tanya J. McCloskey, Stephen Keene
Peoples Gas Light & Coke Co.	WGQ	l	Tom Zack
Peoples Gas System	RGQ	d	Rachel Gebhardt
PHI Power Delivery	WEQ	t	Ken Gates
Philadelphia Gas Works (APGA billing: Bert Kalisch)	RGQ	d	Joe Stengel, Craig White
Platte River Power Authority	WEQ	t	Terry L. Baker
Platts	WGQ	s	Bill Murphy
Portland General Electric	WGQ	pl	Kathy Davies
	WEQ	m	Terri Peschka
Portland Natural Gas Transmission System	WGQ	pl	David Haag
Powerex Corp.	WGQ	s	Sharole Tylor
PPL Electric Utilities Corporation	WEQ	t	Ray Mammarella
PPL EnergyPlus, LLC	WGQ	e	Anne Lovett



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North American Energy Standards Board Membership as of May 11, 2006

Company	Quadrant	Segment	Contacts
PPLSolutions, LLC	REQ	s	James M. Minneman
Progress Energy	WEQ	t	Verne Ingersoll, Phillip W. Lewis
Progress Energy (Regulated)	WEQ	m	James Eckelkamp
PSEG Energy Resources and Trade LLC	WEQ	m	James D. Hebson
PSEG Power LLC	WEQ	g	Thomas M. Piascik
Public Service Electric & Gas	WGQ	l	David Wohlfarth
	REQ	d	Terrence Moran
	RGQ	d	Terrence Moran
	WEQ	d	Colin J. Loxley
		t	Jeffrey C. Mueller
Puget Sound Energy, Inc.	WEQ	t	George Marshall, Bob Harshbarger
Qualedi, Inc	WEQ	g	Stephen A. Morocco
Questar Pipeline Co.	WGQ	pl	Scott Hansen
Quorum Business Solutions Inc.	WGQ	s	Mark Davis
Sabine Pipe Line LLC	WGQ	pl	Jan Rogers
Sacramento Municipal Utility District	WEQ	d	Robert D. Schwermann
		g	Thomas Ingwers
Salt River Project Agricultural Improvement & Power District	WGQ	e	Diane McVicker
	WEQ	d	Wendy Weathers, Mark B. Bonsall
		t	Steve Cobb
SCANA Corporation	WGQ	pl	Jacquelyn Gettle
Seminole Electric Cooperative, Inc.	WEQ	g	Lane Mahaffey
Sempra Energy - Southern California Gas Co.	WGQ	l	Lee Stewart, Rodger Schwecke
Sequent Energy Management, L.P.	WGQ	s	Pat Metteauer
SolArc Inc.	WGQ	s	Tim Curtis



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Company	Quadrant	Segment	Contacts
South Carolina Electric & Gas Company	WEQ	t	S. Porcher Stoney
Southeastern Power Administration	WEQ	g	Bob Goss
Southern California Edison	WEQ	t	Weston Williams
	WEQ	g	Thomas Watson
	WGQ	e	Roman Bakke
Southern Company Services	REQ	s	Mark S. Jarrett, Yvette Camp
Southern Company Services, Inc.	WGQ	e	Alan Kilpatrick
	WEQ	d	Gary Rozier, Mark Crosswhite, Greg Butrus
		g	Roman Carter
		m	Joel Dison
		t	R.D. (Dean) Ulch, John Lucas, James Y. Busgin, Rebecca Martin
Southern Natural Gas Co.	WGQ	pl	Renee Hyde, Ronnie L. Martin
Southern Star Central Gas Pipeline	WGQ	pl	James L. Harder, Dale Sanders
Southwest Gas Corporation	WGQ	l	Larry Black
Southwest Power Pool	WEQ	n	Carl Monroe
Southwest Transmission Cooperative, Inc.	WEQ	t	Larry D. Huff
Southwestern Power Administration	WEQ	t	Stanley L. Mason
Sprague Energy Corp.	RGQ	su	Kathy Fudali
Structure Group	REQ	s	Stacey Wood
SUEZ Energy Marketing NA, Inc.	WEQ	m	Ken Lackey, Cesar Seymour
Sunflower Electric Power Corporation	WEQ	t	L. Earl Watkins
SunGard	WGQ	s	Jennifer Chen
Systrends USA	RGQ	s	Dave Darnell
Telvent	WGQ	s	William (Bill) Morrow
Tenaska, Inc.	WEQ	g	Scott Helyer



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Company	Quadrant	Segment	Contacts
Tennessee Gas Pipeline Company	WGQ	pl	Larry Smith, Mark Gracey
Tennessee Valley Authority	WGQ	e	Valerie Crockett
	WEQ	d	Cindy Herron, CH Asst. (Dawn Arnorld)
		g	Kathy York
		m	Clyde Harmon
		t	Mitchell Needham, W. Terry Boston
Texas Gas Transmission, LLC	WGQ	pl	Jeff Bittel
Tiger Natural Gas	WGQ	s	Bob Smith
TransCanada Pipelines	WGQ	pl	Doug Miller
TRANS-ELECT, INC.	WEQ	t	Paul D. McCoy
Trinity Apex Solutions, Inc.	WGQ	s	Richard (Dick) Couron
Tri-State Generation and Transmission Association, Inc.	WEQ	t	Bruce Sembrick
TXU Electric Delivery	WEQ	t	Ellis Rankin, Debbie McKeever
	REQ	d	Tommy Weathersbee, Debbie McKeever
TXU Energy	WEQ	m	Elizabeth Howland, Mike Grim
TXU Energy Retail	REQ	su	Felecia Lokey
UBS Energy LLC	WEQ	m	Suzanne Calcagno
	WGQ	s	Suzanne Calcagno
	RGQ	su	Suzanne Calcagno
UGI Utilities, Inc.	RGQ	d	Paul Szykman
Union Gas	RGQ	d	Greg Tetreault
Vector Pipeline L.P.	WGQ	pl	Amy Bruhn
Vermont Public Power Supply Authority	WEQ	g	William J. Gallagher
Wal-Mart Stores, Inc.	REQ	e	Angela Beehler
Washington Gas Light Co.	WGQ	l	Adrian Chapman, Ken Yagelski



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Company	Quadrant	Segment	Contacts
We Energies (Wisconsin Electric)	WEQ	d	Linda Horn
		g	James R. Keller
Western Area Power Administration	WEQ	m	Jeffrey Ackerman
		t	Mark Fidrych
Western Electricity Coordinating Council (WECC)	WEQ	t	Michael Wells, Louise McCarren
Westfield Gas & Electric Light Dept.	WGQ	l	Joyce Bodak
Williams Gas Pipeline	WGQ	pl	Dale Davis, Ron Mucci
Williams Power Company	WEQ	g	Ron Mucci
Williston Basin Interstate Pipeline	WGQ	pl	Keith Tiggelaar
Wisconsin Public Power Inc.	WEQ	d	Mike Stuart
Wisconsin Public Service Corporation	WGQ	l	Patrick Fox
		REQ	William L. Bourbonnais, Les Nishida, Ken Thiry
		RGQ	William Bourbonnais, Glen R. Schwalbach, Les Nishida
		WEQ	William Bourbonnais, Charles W. Severance, Neal Balu
Xcel Energy	RGQ	d	Don Basler
		WEQ	David Lemmons



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February 4, 2005

Via email and post

Re: Introduction of Retail Awareness Committee

Dear _____:

As the new year begins, the North American Energy Standards Board (NAESB) will be celebrating its third year. It is hard to believe that just three short years ago, the Gas Industry Standards Board (GISB) became the Wholesale Gas Quadrant (WGQ) of NAESB, and three new quadrants were formed expanding our efforts to the Retail Gas, Retail Electric, and Wholesale Electric industries. NAESB is now comprised of approximately 350 pro-active business, consumer and governmental entities in a membership-driven organization dedicated to advancing electronic commerce in electricity and natural gas and other efficiencies that industry standardization has to offer.

The NAESB common business practice for the electronic exchange of transaction data has been **adopted by 12 States as the standard** in their restructured retail electricity and gas markets. In addition to being widely adopted, the technology standard is very scalable. The ERCOT market alone exchanges **over 30 million transactions a month** using the NAESB Electronic Delivery Mechanism. We have had some early success and we want to continue to focus on the areas that are important to state regulatory authorities.

I would enjoy an opportunity to make you and your staff aware of the progress NAESB has made in providing industry and regulators the tools to increase efficiencies and open new markets. I would also enjoy discussing our plans for the future and learning how NAESB can better serve the needs of the regulatory community.

To bolster our communications efforts with you and your staff our Board of Directors has formed the Retail Awareness Committee. Like NAESB itself, the Retail Awareness Committee does not advocate in front of regulatory bodies. Its mission is to increase the awareness within the energy industry of the retail quadrants' model business practices.

The time-tested and American National Standards Institute (ANSI) approved consensus process used at NAESB has allowed the many segments of industry, including consumer advocates, regulators and end-users, to come together and draft voluntary business practices. In a testament to NAESB's ability **to** develop cross-industry standards, the two retail quadrants have been holding many joint meetings and have developed commodity-neutral model business practices that can be used by both the electric and natural gas industry. They have also benefited from geographical diversity and, where appropriate, have drafted several options for compliance that accommodate regional differences.

During the past three years, NAESB has adopted the following retail model business practices:

- Billing and Payment Model Business Practices (MBPs) encompassing a variety of steps and interactions including calculating billable charges; printing and distributing the bill; posting payments; and, remittance practices. Interactions include the transfer of data necessary to accurately bill and process payments received from the Customer for energy, transmission/transportation and distribution related charges.



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- Creditworthiness MBPs that apply to credit risks existing between a supplier and distribution company in the course of serving retail access customers.
- A Market Participant Interaction outline for a master service agreement between a distribution company and a supplier to facilitate their working together to serve retail access customers.
- Electronic Delivery Mechanism (EDM) for exchanging electronic transactions securely over the Internet.
- Dispute Resolution MBPs for resolving disputes between suppliers and distribution companies that may arise in the context of serving retail access customers.
- A Non-Disclosure Agreement outline addressing confidentiality concerns between parties without needless or time-consuming negotiations.

I have attached a copy of our Annual Plans showing that the pace will continue in 2005. Our schedule calls for the development of model business practices for the exchange of customer information, and customer enrollment, switching, and drop notifications for both retail electric and natural gas markets. However, I would also appreciate receiving your input on what areas are ripe for the development of model business practices in your state. You may be able to assist us in developing products to respond to transactions among utilities, between utilities and electric and gas suppliers, as well as the need to standardize business practices between the electric and natural gas retail markets. We can set up a conference call, meet at the NARUC Winter Meeting in Washington DC in mid-February, or I can travel to your office depending on your schedule. I am looking forward to hearing from you and learning when we can discuss NAESB's efforts.

Sincerely yours,

Rae McQuade

Rae McQuade
 Executive Director, NAESB

enc.: REQ 2005 Annual Plan
 RGQ 2005 Annual Plan
 Schedule of 2005 Monthly Update Calls
 Membership List (Sorted by State)

cc: Ms. Marilyn Showalter, President, NARUC, and Chairwoman, Washington Utilities and
 Transportation Commission
 Ms. Diane Munns, First Vice President, NARUC, and Chairman, Iowa Utilities Board
 Mr. James Kerr II, Second Vice President, NARUC, and Commissioner North Carolina Public
 Utilities Commission
 Ms. Constance White, Treasurer, NARUC, and Commissioner, Utah Public Service Commission
 Mr. Michael Desselle, Chairman, NAESB
 Mr. Cade Burks, Chairman, NAESB Retail Awareness Committee
 Mr. James Cargas, Deputy Director, NAESB
 Members of NAESB Advisory Council



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List of State Commissioners Receiving February 4, 2005 Introduction Letter from NAESB Retail Awareness Committee

Name:	Title:	Commission:
Marc Spitzer	Chair	Arizona Corporation Commission
William Mundell	Commissioner	Arizona Corporation Commission
Mike Gleason	Commissioner	Arizona Corporation Commission
Jeff Hatch-Miller	Commissioner	Arizona Corporation Commission
Kristin Mayes	Commissioner	Arizona Corporation Commission
Michael Peevey	President	California Public Utilities Commission
Loretta Lynch	Commissioner	California Public Utilities Commission
Carl Wood	Commissioner	California Public Utilities Commission
Geoffrey Brown	Commissioner	California Public Utilities Commission
Susan Kennedy	Commissioner	California Public Utilities Commission
Donald Downes	Chair	Connecticut Dept. of Public Utility Control
Jack Goldberg	Commissioner	Connecticut Dept. of Public Utility Control
Linda Kelly	Commissioner	Connecticut Dept. of Public Utility Control
John Betkoski, III	Commissioner	Connecticut Dept. of Public Utility Control
Anne George	Commissioner	Connecticut Dept. of Public Utility Control
Arnetta McRae	Chair	Delaware Public Service Commission
Joshua Twilley	Vice Chair	Delaware Public Service Commission
Donald Puglisi	Commissioner	Delaware Public Service Commission
Jaymes Lester	Commissioner	Delaware Public Service Commission
Joann Conaway	Commissioner	Delaware Public Service Commission
Agnes Yates	Chair	District of Columbia Public Service Commission
Anthony Rachal, III	Commissioner	District of Columbia Public Service Commission
Richard Morgan	Commissioner	District of Columbia Public Service Commission
Edward Hurley	Commissioner	Illinois Commerce Commission
Kevin Wright	Commissioner	Illinois Commerce Commission
Lula Ford	Commissioner	Illinois Commerce Commission
Erin O'Connell-Diaz	Commissioner	Illinois Commerce Commission
Thomas Welch	Chair	Maine Public Utilities commission
Stephen Diamond	Commissioner	Maine Public Utilities commission
Sharon Reishus	Commissioner	Maine Public Utilities commission
Kenneth Schisler	Chair	Maryland Public Service Commission
J. Joseph Curran, III	Commissioner	Maryland Public Service Commission
Allen Freifeld	Commissioner	Maryland Public Service Commission
Ronald Guns	Commissioner	Maryland Public Service Commission
Harold Williams	Commissioner	Maryland Public Service Commission

Continued



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Name:		Title:	Commission:
Paul	Afonso	Chair	Massachusetts Dept. of Telecomm. and Energy
James	Connelly	Commissioner	Massachusetts Dept. of Telecomm. and Energy
W. Robert	Keating	Commissioner	Massachusetts Dept. of Telecomm. and Energy
Eugene	Sullivan, Jr.	Commissioner	Massachusetts Dept. of Telecomm. and Energy
Deirdre	Manning	Commissioner	Massachusetts Dept. of Telecomm. and Energy
J. Peter	Lark	Chair	Michigan Public Services Commission
Laura	Chappelle	Commissioner	Michigan Public Services Commission
Robert	Nelson	Commissioner	Michigan Public Services Commission
Thomas	Getz	Chair	New Hampshire Public Utilities Commission
Graham	Morrison	Commissioner	New Hampshire Public Utilities Commission
Jeanne	Fox	President	New Jersey Board of Public Utilities
Frederick	Butler	Commissioner	New Jersey Board of Public Utilities
Carol	Murphy	Commissioner	New Jersey Board of Public Utilities
Connie	Hughes	Commissioner	New Jersey Board of Public Utilities
Jack	Alter	Commissioner	New Jersey Board of Public Utilities
William	Flynn	Chair	New York State Public Services Commission
Thomas	Dunleavy	Commissioner	New York State Public Services Commission
Leonard	Weiss	Commissioner	New York State Public Services Commission
Neal	Galvin	Commissioner	New York State Public Services Commission
Alan	Schriber	Chair	Public Utilities Commission of Ohio
Ronda Hartman	Fergus	Commissioner	Public Utilities Commission of Ohio
Judith	Jones	Commissioner	Public Utilities Commission of Ohio
Donald	Mason	Commissioner	Public Utilities Commission of Ohio
Clarence	Rogers, Jr	Commissioner	Public Utilities Commission of Ohio
Lee	Beyer	Chair	Oregon Public Utility Commission
Ray	Baum	Commissioner	Oregon Public Utility Commission
John	Savage	Commissioner	Oregon Public Utility Commission
Terrance	Fitzpatrick	Chair	Pennsylvania Public Utility Commission
Robert	Bloom	Vice Chair	Pennsylvania Public Utility Commission
Glen	Thomas	Commissioner	Pennsylvania Public Utility Commission
Kim	Pizzingrilli	Commissioner	Pennsylvania Public Utility Commission
Wendell	Holland	Commissioner	Pennsylvania Public Utility Commission
Elia	Germani	Chair	Rhode Island Public Utilities Commission
Kate	Racine	Commissioner	Rhode Island Public Utilities Commission
Robert	Holbrook	Commissioner	Rhode Island Public Utilities Commission
Paul	Hudson	Chair	Texas Public Utility Commission
Julie Caruthers	Parsley	Commissioner	Texas Public Utility Commission
Barry	Smitherman	Commissioner	Texas Public Utility Commission
Theodore	Morrison, Jr.	Chair	Virginia State Corporation Commission
I. Clinton	Miller	Commissioner	Virginia State Corporation Commission
Mark	Christie	Commissioner	Virginia State Corporation Commission



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via posting

TO: Retail Structure Review Committee Members, and Interested Industry Participants
FROM: Rae McQuade, President
 Laura B. Kennedy, Meeting/Project Manager
RE: Notes from the Retail Structure Review Committee Conference Call on June 5, 2006
DATE: June 12, 2006

Dear Retail Structure Review Committee Members,

A conference call of the Retail Structure Review Committee (RSRC) was held on June 5. The following notes resulted from the meeting:

- Administration:
- Ms. Kennedy read the antitrust advice and the agenda was adopted by consent.
 - Mr. Bourbonnais requested that discussion of Net Metering be added to the agenda.
- Net Metering:
- The issue of Net Metering is surfacing as the hot topic right now with EEI, NARUC and others sponsoring conferences and workshops on the subject. While some of the RSRC members are opposed to Net Metering within their own organizations, they supported the need for NAESB developing model business practices to address Net Metering once the policies have been established.
 - Mr. Bourbonnais will monitor the EEI/NARUC workshop on net metering to see if there is a near term role for NAESB regarding Net Metering. Mike Novak will contact Terry Moran to see if there is a role for NAESB business practices in the work New Jersey is doing on net metering.
- Preparation for June Leadership Meeting:
- The RSRC determined the following items should be included on the agenda for the Retail Leadership meeting on June 21:
 - Calls to NARUC Commissioners: Determine the message; Determine the list of Commissioners; Determine how to get Retail Board member volunteers for calls; and Determine follow-up volunteers for NARUC's meeting in San Francisco
 - Review the proposal for increasing the number of discount memberships
 - Retail 2006 Annual Plan: the status and projected completion of items on the Annual Plan; and the Projected workload for the 2007 Annual Plan
 - Areas for possible model business practices development by the NAESB Retail Quadrants:
 - Net Metering
 - Standard communications practices between utilities and suppliers in day to day transactions with RTOs



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(joint initiative with the WEQ)

- Renewables/Renewable Portfolio Standards – work with the wholesale quadrant on nationally traded renewable energy credit
- XML Development – (reference to Request No. R03023 (assigned to the WGQ) submitted by PGAS Systems to Adopt XML File Format as a new industry standard for exchange of natural gas custody transfer measurement data)
- Others?

- The summer work plan of the RSRC will be determined based on what happens during the Retail Leadership meeting.

Adjournment

- The meeting adjourned at 10:13 AM Central.

Next meetings

- The RSRC will meet via conference call on July 6, 2006 from 9:30 AM to 11:00 AM Central.
- Retail Quadrants Leadership Meeting, June 21, 2006, 2PM to 5 PM San Antonio Marriott
- EEI National Accounts Meeting, Memphis, July, 2006.

Attendance:

Name	Organization	Participation
Bill Bourbonnais	WPS Resources Corporation	Committee Chair
Leonard Haynes	Southern Company	Committee Member
David Koogler	Dominion Virginia Power	Committee Member
Mike Novak	National Fuel Gas Distribution	Committee Member
Marjorie Perlman	Energy East	Observer
Laura Kennedy	NAESB	NAESB Staff

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 16

EXECUTIVE COMMITTEE REPORTS

This section includes:

- The 2006 Annual Plans for each of the quadrants

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

The Executive Committee leadership of each quadrant will discuss its progress towards completion of its 2006 annual plan and respond to questions from the Board. Action is required of the Board, to approve changes suggested by Executive Committees and to approve any changes suggested by the Board. To approve changes to the plans, the Board will be asked to vote to endorse those changes via a simple majority vote.

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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WGQ Annual Plan

Revisions Proposed by the WGQ Executive Committee – 5-11-06

Item	Item Description	Completion ¹	Assignment ²
Gas-Electric Activities			
1	Development of standards regarding an Energy Day (R04016) Status: Withdrawn by requestors on 2-28-06.	Withdrawn ³	WGQ BPS (with WEQ BPS)
Electronic Delivery Mechanisms and Related Activities			
2	Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI). Status: Pending Activities of the WEQ EC.	Pending WEQ PKI activities	EDM
3	Partner with the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations. Status: Underway.	2nd -3 rd Q, 2006	EC Officers
4	Review of minimum technical characteristics in Appendices B, C, and D of the WGQ QEDM Manual Status: Not Started Completed.	2 nd Q, 2006	EDM
5	Prepare a joint analysis with the Retail Quadrants for AS2 and AS3 protocols as compared to the NAESB IET. Status: Not Started.	4 th Qtr. 2006	EDM & Retail TEIS
Contracts Activities			
6	Review and update NAESB Base Contract for Sale and Purchase of Natural Gas to reflect current industry practices and applicable terms and conditions. (R05014) Status: Underway.	2 nd Q, 2006	Contracts
6A	<u>Develop FAQ for Updated NAESB Base Contract for Sale and Purchase of Sale of Natural Gas.</u> (R05014) Status: <u>Not Started</u> .	4 th Q, 2006	Contracts
Gas Quality			
7	Part B of R03035: Develop a uniform process for reporting the underlying assumptions and methodologies for determining gas quality specifications from measured data. Status: Underway Completed.	1 st Q, 2006	BPS
8	Part C of R03035: 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. Status: Tabled on Board of Directors instructions.	Tabled ⁴	Not assigned at this time.

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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WGQ Annual Plan

Revisions Proposed by the WGQ Executive Committee – 5-11-06

Item Description	Completion ¹	Assignment ²
Program of Standards Maintenance & Fully Staffed Standards Work⁵		
Business Practice Requests	Ongoing	Assigned by the EC ⁶
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 ⁶
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC ⁶
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC ⁶
Provisional Activities⁷		
Respond to requests as received that are related to <u>Docket No. RM05-28-000</u> (Gas-Electric Interdependency)		
Respond to directives related to the conclusions of the NAESB reports submitted in <u>Docket No. RM05-28-000</u>		
<u>Respond to requests as received that are related to Docket No RM05-1-000 (e-Tariff)</u>		
<u>Update the Canadian Addendum to the NAESB Base Contract for Sale and Purchase of Natural Gas</u>		
<u>Update the ISDA Gas Annex</u>		
Review and develop a Canadian Supplement to the ISDA Gas Annex		

Notes: (a) Priority is given to action items that are carry-overs from the 2005 Annual Plan.

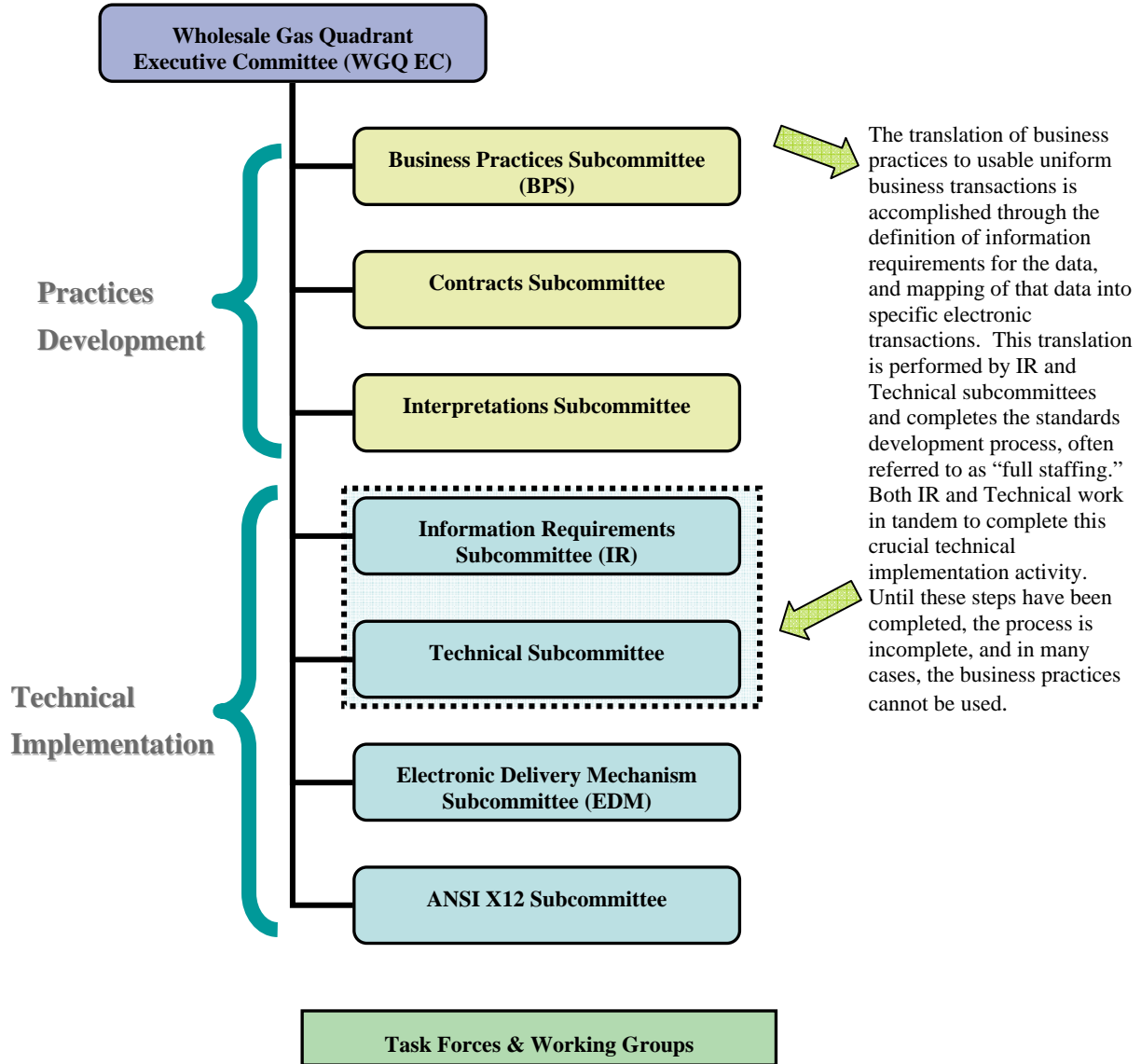
(b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

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NAESB WGQ EC and Subcommittee Leadership:

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

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

Information Requirements Subcommittee: Dale Davis

Technical Subcommittee: Kim Van Pelt

Contracts Subcommittee: Suzanne Calcagno, Keith Sappenfield

Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden

Interpretations Subcommittee: Paul Love

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End Notes:

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.

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

³ The Board of Directors determined to table standards development efforts on item 1 at the June 22, 2005 meeting. As a result of the notational ballots received from the Board of Directors on February 17, 2006 endorsing the Gas-Electric Interdependency Report, and the subsequent filing with the FERC on February 24, 2006, both Request Nos. R04016 and R04020 were withdrawn by the submitters.

⁴ At its meeting on June 21, 2005, the Board of Directors unanimously voted to keep Part C of Request R03035 in abeyance, and to instruct the WGQ Executive Committee to add Part B to the Annual Plan for 2006 with the understanding that work related to the reporting of gas quality specifications is associated with the development of reporting procedures and not the standardization of the measurement itself.

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

⁶ The EC assigns maintenance of existing standards on a request by request basis.

⁷ To the extent that it is determined that any of the provisional activities should be worked upon during the year as a result of a specific request for standards development or a FERC action, the Board has the discretion to modify the annual plan. Additionally, provisional activities will remain on the Annual Plan for one year pending the filing of a formal request or a decision to add them to the plan as active items.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WEQ Annual Plan

Revisions Proposed by the WEQ Executive Committee – 5-9-06

Item Description	Completion ¹	Assignment ²
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:		
a) Make version 1 changes to business practices as requested. i) Make changes to business practices as related to inclusion of functional model entities as NERC undertakes the same efforts Status: No requests	Ongoing As requested	BPS BPS
ii) Review the NAESB WEQ “Version 0” business practice standards and remove any references to ERCOT (R05007) Status: Underway	1 st -2 nd Q, 2006	BPS
b) Develop business practices to support Coordinate Interchange – update already adopted version 1 to reflect version 1 NERC CI (R03013, R05001, R05020) Status: Underway Complete	3 rd -2 nd Q, 2006	BPS
c) Develop business practice standards to support Operate Within Limits (R03017) Status: Not Started	2006	BPS
d) Develop business practices to support the reliability components of TLR i) Version 0 Split of TLR business practices from reliability components Status: Complete pending Completed ratification and delayed publication and filing with FERC until review for additional changes as NERC has had the opportunity to complete its split.	1 st -2 nd Q, 2006	BPS
ii) Continuous support of TLR Procedure in alignment with NERC efforts including version 1 development Status: Underway. <u>R06002 completed and approved by the WEQ EC on 5-9-06.</u>	Ongoing	BPS
f) Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC). Status: Not Started	2006	BPS
g) Develop jointly with NERC a Joint NERC/NAESB Operating training manual. Status: Not Started	2006	BPS



North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WEQ Annual Plan

Revisions Proposed by the WEQ Executive Committee – 5-9-06

Item Description	Completion ¹	Assignment ²
2 Develop business practice standards for Version 1 to support ATC calculations		
<p>Develop version 1 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards would be based on recommendations from NERC's Long Term ATC/AFC Task Force and would involve revised procedures for the ATC calculation and/or revised protocols for coordination between neighboring transmission providers and/or amendments to existing TLR procedures. <u>(R05004)</u></p> <p>Status: Not Started Under way using joint standards development process with NERC.</p>	<u>Pending 2007</u>	<u>BPS and ESS</u>
3 Develop business practices standards to improve the current operation of the wholesale electric market and develop and maintain business practice and communication standards for OASIS and Electronic Scheduling		
a) Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling. Specific items to address include:		
<p>i) Business Practices for the resale or reassignment of transmission service (R04006D)</p> <p>Status: Underway</p>	1 st -2 nd Q, 2006	ESS/ITS
<p>ii) Implementation of "release" mechanism in the OASIS S&CP to complement non-firm redirects (R04006C1)</p> <p>Status: Underway</p>	1 st -3 rd Q, 2006	ESS/ITS
<p>iii) Network Services: determine if business practice standards or other support is needed to support use of OASIS for Network Service transactions (R04006E).</p> <p>Status: Not Started</p>	3 rd Q, 2006	JISWG
<p>iv) Registry: determine if business practice standards are needed to support the registry functions currently supported by NERC (R04037).</p> <p>Status: Underway</p>	2 nd -3 rd Q, 2006	JISWG
<p>v) Adoption/maintenance of ESC use cases (R04007)</p> <p>Status: Underway Completed.</p>	1 st -2 nd Q, 2006	ESS/ITS
<p>vi) Adoption/maintenance of Functional Requirements Document (R04007)</p> <p>Status: Underway Completed.</p>	1 st -2 nd Q, 2006	ESS/ITS
<p>vii) e-Tag enhancements (including e-Tag specification changes) (R05018)</p> <p>Status: Underway</p>	2 nd -3 rd Q, 2006	ESS/ITS



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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WEQ Annual Plan

Revisions Proposed by the WEQ Executive Committee – 5-9-06

	Item Description	Completion ¹	Assignment ²
viii)	Document procedures used to implement the displacement/interruption terms of the Pro Forma tariff (R05019) Status: Not Started	3rd 4 th Q, 2006	ESS/ITS
ix)	Incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS (R05026) Status: Not Started Scoping statement being prepared by SRS.	TBD	Not Assigned
x)	<u>Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order)</u> Status: Underway – see item 7 in provisional items.	3 rd Q, 2006	ESS/ITS
b)	Develop and/or maintain standard communication protocols and cyber-security business practices as needed		
i)	Develop companion business practices to NERC's Cyber Standard (CIP002-009), and specifically review section 1303-Personnel & Training to determine if business practices are needed. Status: Not Started	3 rd Q, 2006	ESS/ITS (JISWG)
ii)	Partner with the Department of Energy to perform a surety assessment on NAESB technical standards and respond to the surety assessment findings and recommendations. Status: Not Started	4 th Q, 2006	EC Officers
iii)	PKI Initiative (e-MARC) (R03007) Status: Underway	1 st -3 rd Q, 2006	ESS/ITS (JISWG)
c)	Develop business practices as needed for clarification of definitions and terminology in the Standards of Conduct ³ Status: Underway	1 st -2 nd Q, 2006	BPS
d)	Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers. Status: Not Started	4 th Q, 2006	Not Assigned NAE SB Staff with WEQ support

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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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 WEQ Annual Plan

Revisions Proposed by the WEQ Executive Committee – 5-9-06

	Item Description	Completion ¹	Assignment ²
3	Develop and or modify business practices related to OATT reform resulting from the <u>Notice of Inquiry, Docket No. RM05-25-000</u> , FERC Notice Requesting Comments, “Preventing Undue Discrimination and Preference in Transmission Services”, issued September 16, 2005.		
4	Evaluate the entries on the <u>seams catalog</u> , 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.		
5	Develop business practice standards according to approved and assigned standards requests that complement or assist specific seams mitigation efforts as noted in the <u>seams catalog</u> .		
6	Develop business practice standards as related to the Effectiveness Study of Competitive Wholesale Markets (Congressional Mandate), Electric Energy Market Competition Task Force, Docket No. <u>AD05-17-000</u> , issued by the FERC on October 13, 2005.		
7	Upon the issuance of the final order by FERC, develop and or modify business practices as requested by FERC related to OASIS or Version 0 business practices as <u>filed by NAESB with the FERC on January 18, 2005</u> , in Docket No. RM05-5-000. The FERC Notice of Proposed Rulemaking, <u>RM05-5-000</u> , “Standards for Business Practices and Communication Protocols for Public Utilities,” was issued May 9, 2005. <u>The final order was issued on April 25, 2006.</u>		
8	Develop and/or maintain business practice standards to support gas-electric interdependencies <ul style="list-style-type: none"> • Respond to requests as received that are related to Docket No. RM05-28-000. • Respond directives related to the conclusions of the NAESB reports submitted in Docket No. RM05-28-000. • Evaluate and develop business practice standards for Energy Day (R04016) – request has been withdrawn. • Evaluate and develop business practice standards for electric scheduling timelines (R04020) – request has been withdrawn. 		

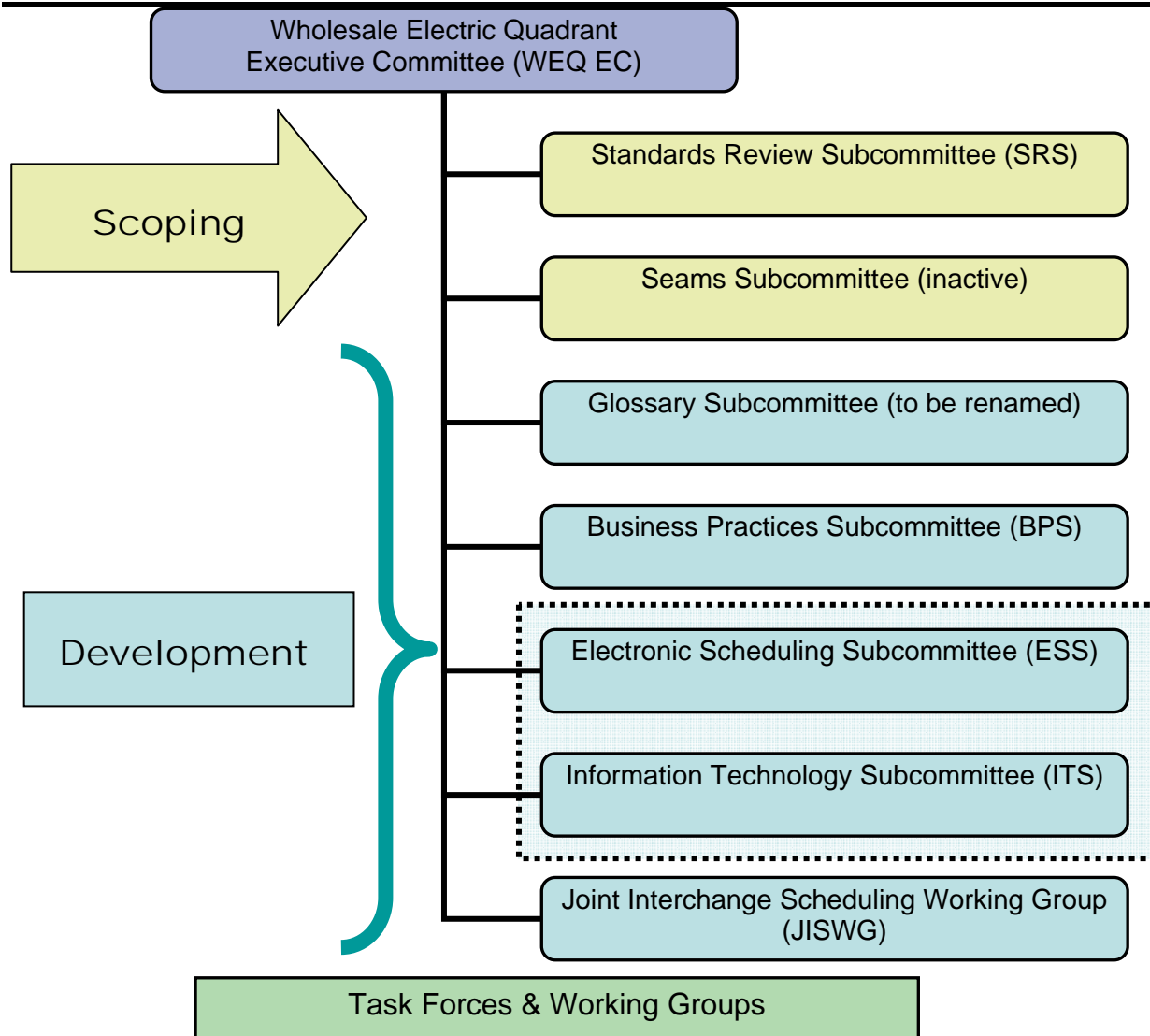


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NAESB WEQ EC and Subcommittee Leadership:

Executive Committee: Kathy York (WEQ EC Chair) and Lou Oberski (WEQ EC Vice Chair)

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

Seams Subcommittee: Inactive

Business Practices Subcommittee & Task Forces: Kathy York & Joel Dison

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

- Coordinate Interchange: Roman Carter
- OASIS: J.T. Wood and Wendy Weathers

Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger

Glossary Subcommittee (to be renamed): ~~Sherri Monteith~~ Vacancy



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End Notes:

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.

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

³ The changes to the Standards of Conduct requested by the Commission in NOPR Docket No. RM05-5-000 are underway and should conclude shortly.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS¹

Revisions proposed by Retail Gas Quadrant and Retail Electric Quadrant Executive Committees on 05/10/06

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



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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS¹

Revisions proposed by Retail Gas Quadrant and Retail Electric Quadrant Executive Committees on 05/10/06

Item Number & Description	Completion ²	Assignment
5 Customer Inquiries		
a. Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party. Status: Not Started	2007	BPS
6 Contracts		
a. Develop a model RGQ/REQ contract/outline modeled after the NAESB Base Contract for Sale and Purchase of Natural Gas, NAESB Standard 6.3.1 (NAESB Base Contract for Gas) designated for use by electric power markets or competitive gas markets. (R05013). Status: Underway	4 th Qtr. 2006	Contracts
7 Prepare a joint analysis with the WGQ for AS2 and AS3 protocols as compared to the NAESB IET. Status: Not Started	4 th Qtr. 2006	TEIS & WGQ EDM
8 Develop NAESB Certification checklist criteria for Retail Quadrants to be used in the NAESB Certification Program. Status: Not Started	4 th Qtr. 2006	TEIS
9 Partner with the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations. Status: Underway	2 nd -4 th Qtr. 2006	EC Officers ³
Program of Standards Maintenance & Fully Staffed Standards Work⁴		
Business Practice Requests	Ongoing	Assigned by the EC ⁵
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC ⁵
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC ⁵
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC ⁵
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary
Provisional Activities		
Review security standards as may be deemed necessary, such as Public Key Infrastructure (PKI).		



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Future Activities

Joint Effort:

Supplier Certification: Develop practices for Distribution Companies to register/certify new Suppliers when they seek to begin doing business in the Distribution Company's service area.

Modify TPA as necessary.

Retail Electric Quadrant Effort Only:

Retail Meter Data Validation, Editing & Estimating: Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, etc. Issues related to unbundled or competitive metering are not to be considered.

Load Profiling: Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.

Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.

Retail Gas Quadrant Effort Only:

Examine Wholesale Gas Quadrant Non-EDM Standards for applicability to retail business practices.

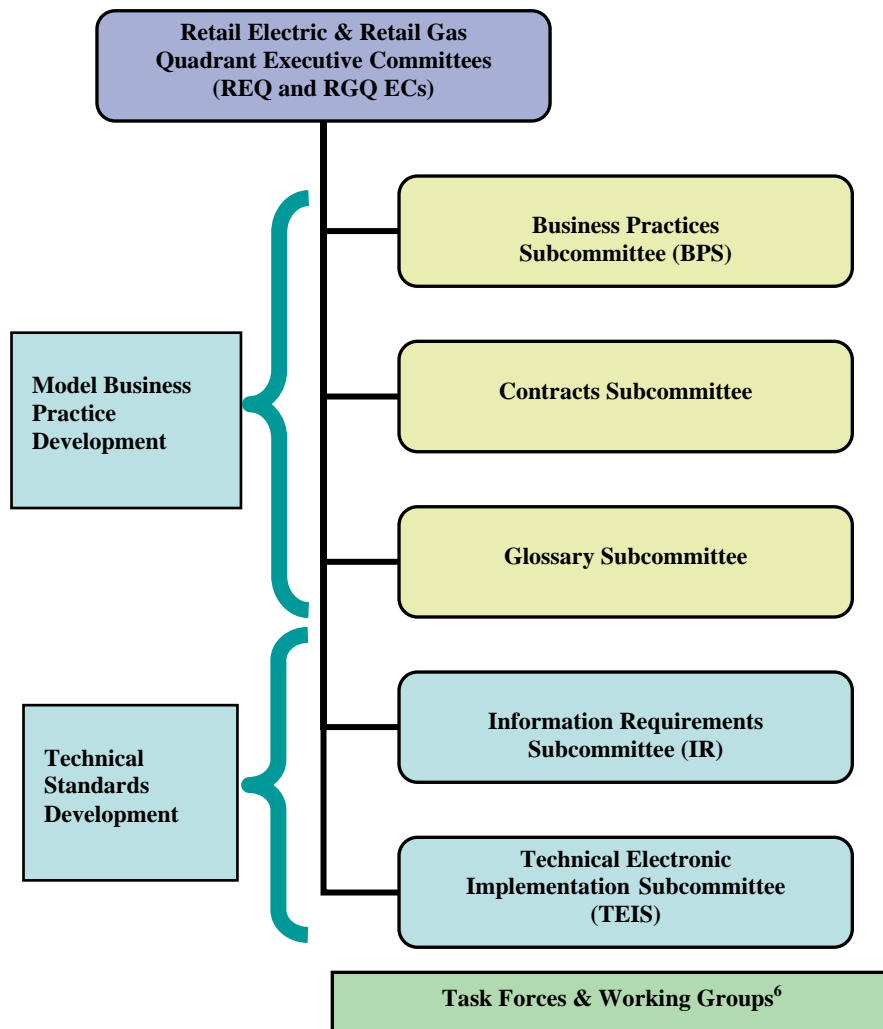


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NAESB RGQ EC and Subcommittee Leadership:

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

Business Practices Subcommittee: Phil Precht

Information Requirements Subcommittee: George Behr

Technical Electronic Implementation Subcommittee: George Behr

Contracts Subcommittee: Marcy McCain and Suzanne Calcagno

Glossary Subcommittee: Don Sytsma

NAESB REQ EC and Subcommittee Leadership:

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

Business Practices Subcommittee: Mary Edwards and Dan Jones

Information Requirements Subcommittee: Ed Overtree

Technical Electronic Implementation Subcommittee: Jennifer Teel

Contracts Subcommittee: Ed Overtree

Glossary Subcommittee: Mary Edwards and Patrick Eynon



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End Notes:

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

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 The project with SNL is a four quadrant effort, with all EC officers providing support to the SNL representatives.

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

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

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

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 17

FINANCIAL REPORT

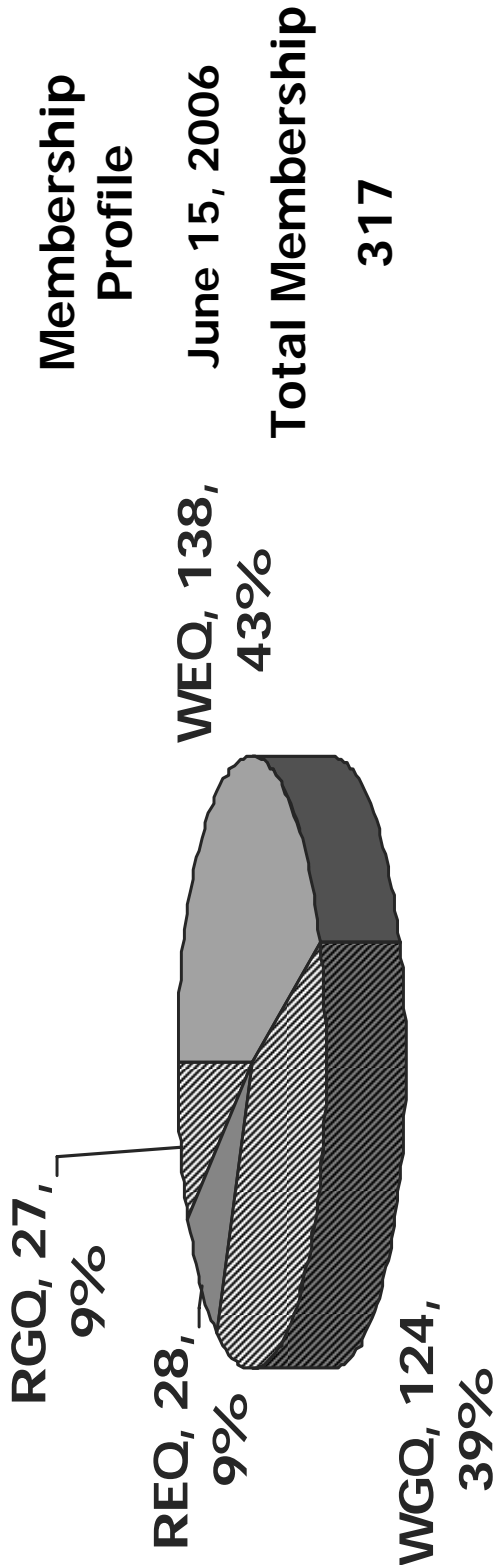
This section includes:

- Financial Reports YTD for 2006
- Membership Report and Statistics

The material presented is background information for the discussion of agenda item 6(e). This is for informational and discussion purposes with the no action expected of the board.

North American Energy Standards Board

6/15/06



Quadrant Statistics	WEO	WGO	REQ	RGQ	Total
Membership YE 2005	140	123	28	28	319
Net Change	-2	+1	0	-1	-2
Change in Quadrant	0	0	0	0	0
Membership YTD	138	124	28	27	317

**North American Energy Standards Board Membership List
As of June 15, 2006**

NAESB Membership Statistics – Changes by Quadrant for 2006 as of June 15, 2006

NAESB Membership Report - Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	Total	124
	End Users	18
	Distributors	25
	Pipelines	39
	Producers	14
	Services	28
REQ Segments	TOTAL	28
	End Users	5
	Distributors	13
	Services	5
	Suppliers	5
RGQ Segments	TOTAL	27
	End Users	3
	Distributors	12
	Services	5
	Suppliers	7
WEQ Segments	TOTAL	138
	End Users	11
	Distributors	23
	Transmission	45
	Generation	28
	Marketers	27
	None Specified	4

**North American Energy Standards Board Membership List
As of June 15, 2006**

WEQ	New Members:	4
	<i>South Carolina Electric & Gas Company, SUEZ Energy Marketing NA, Inc., Hydro One Networks, Powerex Corp.</i>	
	Member Resignations:	6
	<i>DTE Energy, The Boeing Company, Cinergy, Calpine Corporation, Entergy Services, Inc., Oglethorpe Power Corporation</i>	
WGQ	New Members:	5
	<i>Cheniere LNG Marketing, Inc., DTE Energy Trading, Inc., Maquarie Cook Energy, LLC, Mirant Energy Trading, LLC, ONEOK</i>	
	Member Resignations:	4
	<i>Cinergy-regulated, Enbridge Offshore Pipelines, LLC, Oxadel Consulting, LLC, Pemex Gas Y Petroquimica Basia</i>	
REQ	New Members:	1
	<i>TXU Electric Delivery</i>	
	Member Resignations:	1
	<i>Savannah Electric and Power Company</i>	
RGQ	New Members:	1
	<i>Interstate Gas Supply</i>	
	Member Resignations:	2
	<i>R.J. Rudden Associates, Inc., SunGard EnForm Consulting</i>	
TOTAL	New Members	11
	Member Resignations:	13

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant		Organization	Seg.	Contact	SS
REQ:	1	Alabama Power	d	Judy W. Ray, Yvette Camp	
	2	Ameren Services Company	d	Patrick Eynon	
	3	Baltimore Gas & Electric Co.	d	Ruth Kiselewich	
	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	Constellation NewEnergy, Inc.	d	Sara O'Neill, Peter Kelly-Detwiler, Jansen Pollock	
	8	Defense Energy Support Center	e	Lisa Robert	
	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, Jennifer Teel	
	13	Electric Reliability Council of Texas (ERCOT)	s	Sam R. Jones, Rob Connell, Ray Giuliani	
	14	Exelon Energy Delivery	d	Toni Garza	
	15	Gulf Power Company	d	Joel Thomas Kilgore	
	16	MidAmerican Energy	d	James E. Wilson	
	17	Mississippi Power Company	d	Dorman Davis	
	18	Office of Public Advocate, State of Maine	e	Barbara Alexander	
	19	Ohio Consumers Council	e	Randy Corbin	
	20	Pennsylvania Office Of Consumer Advocate	e	Tanya J. McCloskey, Sonny A. Popowsky	
	21	PPL Solutions, LLC	s	James M. Minneman	
	22	Public Service Electric & Gas	d	Terrence Moran	
	23	Southern Company Services	s	Mark S. Jarrett, Yvette Camp	
	24	Structure Group	s	Stacey Wood	
	25	TXU Electric Delivery	d	Tommy Weathersbee, Debbie McKeever	
	26	TXU Energy Retail	su	Felecia Lokey	
	27	Wal-Mart Stores, Inc.	e	Angela Beehler	
	28	Wisconsin Public Service Corporation	d	William L. Bourbonnais, Les Nishida, Ken Thiry	
WGQ	1	8760	s	Jim Buccigross	
	2	American Electric Power Service	s	Cathy Szasz	

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
	Corporation			
3	Alliance Pipeline LP	pl	Neil Coghlan	
4	Ameren Corporation	l	Scott Glaeser	
5	Anadarko Energy Services Company	s	John Bretz, Steve Abbey	
6	Apache Corporation	pr	Michele Markey	
7	Arizona Public Service Company	e	Gary Duede, Kelly Daly, Curt Brechtel	
8	Atmos Energy	pl	Steve Easley	
9	Ballard Natural Gas, LLC	s	Susan Thibodeaux	
10	Baltimore Gas & Electric Co.	l	Phil Precht	
11	Barclays Bank PLC	s	Guy Kern-Martin	
12	BG LNG Services, LLC	s	Martha Braddy	
13	Boeing Co., The	e	Tina Burnett	
14	BP Energy	pr	Bill Benham, Lauren Kaestner	
15	Bridgeline Gas Marketing	pl	Georgia Blanchard	
16	Burlington Resources	pr	Paul Keeler	
17	Calpine Energy Services, LP	e	Janet Dixon, Craig Chancellor	
18	Cargill Incorporated	s	Kathy Gerken	
19	Cascade Natural Gas Corporation	l	Mark Sellers-Vaughn	
20	CenterPoint Energy Gas Resources Corp.	s	James G. Beste	
21	CenterPoint Energy Gas Transmission Company	pl	Larry Thomas	
22	CenterPoint Energy Mississippi River Transmission Corporation	pl	Robert Trost	
23	Chandeleur Pipe Line Company	pl	Janice E. Rogers	
24	Cheniere LNG Marketing, Inc.	s	Mark Stubbe, Tammy Miller	
2	Chevron/Texaco	pr	Randy Mills	
26	Cimarex Energy Co.	pr	Charlotte Baker	
27	Cinergy	e	Marty Patterson	
28	Cinergy Marketing and Trading	s	Maribeth Bedevian	
29	Columbia Gas Transmission	pl	Carl Levander	
30	Comprehensive Energy Services	e	Jim Templeton	
31	ConocoPhillips Gas and Power	pr	Peter Frost	
32	Consolidated Edison Company of NY	l	Mary Jane McCartney, James Stanzione	
33	Constellation Commodities Group, Inc.	s	Robert McKay	
34	Dauphin Island Gathering Partners	pl	Katie Rice	
35	Defense Energy Support Center	e	Veronica Jones, Kevin Ahern	
36	Department of Energy	e	Christopher Freitas	
37	Dominion Exploration and Production, Inc.	pr	David Ogden, Gary Weaver, Sheri Heslington	

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
38	Dominion Resources	l	Craig Columbo	
39	Dominion Transmission, Inc.	pl	Gary Sypolt, Iris King	
40	DTE Energy Trading, Inc.	s	Miki Kolobara	
41	Duke Energy Gas Transmission - Texas Eastern	pl	Richard Kruse	
42	El Paso Natural Gas	pl	William Griffith	
43	El Paso Production Company	pr	Bill Hebenstreit	
44	Enbridge Energy Company, Inc.	pl	Terry McGill	
45	EnCana Marketing (USA) Inc.	s	Keith Sappenfield	
46	EnCana Corporation	pr	Keith Sappenfield	
47	Energy East Management Corporation	l	Marjorie Perlman	
48	Entergy Services, Inc.	e	Arlynn Kelleher, Terry Shields	
49	Enterprise Products Partners L.P.	pl	Richard W. Porter	
50	Equitable Gas Company	l	Steve Rafferty	
51	Equitrans, L.P.	pl	Mina Speicher	
52	ExxonMobil Gas Marketing	pr	Richard Smith	
53	Florida Power & Light Company	e	Dona Gussow	
54	Florida Reliability coordinating Council	e	Joe Stepenovitch	
55	Gas Transmission Northwest Corp.	pl	Jay Story	
56	Great Lakes Gas Transmission	pl	Gene Fava	
57	Group 8760	S	Jim Buccigross	
58	Gulf South Pipeline	pl	Claire Burum, Randy Young	
59	H S Resources Inc.	pl	Carol Hall	
60	Imperial Irrigation District	e	William Rapp	
61	Iroquois Gas Transmission System	pl	Tom Gwilliam	
62	Kern River Gas Transmission Company	pl	Brenda Horton	
63	Kerr-McGee Oil and Gas Corporation	pr	Charles (Chuck) Johnson	
64	Key Span Energy	l	Dolores Chezar	
65	Laclede Gas Co.	l	Kenneth Neises	
66	Latitude Technologies	s	Leigh Spangler	
67	Louis Dreyfus Energy Services	s	Mary Ellen Bell, Ruby H. Melton	
68	Lower Colorado River Authority	e	Mickey Bell	
69	Macquarie Cook Energy, LLC	s	Angela Jones	
70	Marathon Oil Company	pr	Robin Perrine	
71	Mewbourne Oil Company	pr	Michael F. Shepard	
72	Mirant Energy Trading, LLC	e	Laura Trautman, Nicole Daggs	
73	National Fuel Gas Distribution	l	Michael Novak	
74	National Fuel Gas Supply Corp.	pl	Joseph Kardas	

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
75	Natural Gas Pipeline Co of America	pl	Paul Love	
76	New Jersey Natural Gas Company	1	Douglas C. Rudd	
77	Niagara Mohawk Power Corporation	1	Bruce Garcy	
78	Nicor Gas	1	Mary Wolosek, Shirley Holmes	
79	NiSource Inc.	1	George Simmons	
80	NJR Energy Services Company	s	Ginger Richman	
81	Northern Natural Gas	pl	Mary Darveaux	
82	Northwest Natural Gas Company	1	Randolph Friedman	
83	NOVA Gas Transmission Ltd.	pl	Doug Miller	
84	Occidental Energy Marketing Inc. (OEMI)	pr	Melinda Duncan	
85	ONEOK	1	Patricia Anderson	
86	ONEOK Partners GP, LLC	pl	Scott Coburn	
87	Pacific Gas & Electric	1	John Breen	
88	Panhandle Eastern Pipe Line	pl	William Grygar, Kim Van Pelt	
89	PECO Energy Co.	1	Reed R. Horting, Amy Hamilton	
90	Peoples Gas Light & Coke Co.	1	Tom Zack	
91	Platts	s	Bill Murphy	
92	Portland General Electric	pl	Kathy Davies	
93	Portland Natural Gas Transmission System	pl	David Haag	
94	Powerex Corp.	s	Sharole Tylor	
95	PPL EnergyPlus, LLC	e	Anne Lovett	
96	Public Service Electric & Gas	1	David Wohlfarth	
97	Questar Pipeline Co.	pl	Scott Hansen	
98	Quorum Business Solutions Inc.	s	Mark Davis	
99	Sabine Pipe Line LLC	pl	Jan Rogers	
100	Salt River Project Agricultural Improvement & Power District	e	Diane McVicker	
101	SCANA Corporation	pl	Jacquelyn Gettle	
102	Sempra Energy - Southern California Gas Co.	1	Lee Stewart, Rodger Schwecke	
103	Sequent Energy Management, L.P.	s	Pat Metteauer	
104	SolArc Inc.	s	Tim Curtis	
105	Southern California Edison Company	e	Roman Bakke	
106	Southern Company Services, Inc.	e	Alan Kilpatrick	
107	Southern Natural Gas Co.	pl	Renee Hyde, Ronnie L. Martin	
108	Southern Star Central Gas Pipeline	pl	James L. Harder, Dale Sanders	
109	Southwest Gas Corporation	1	Larry Black	

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
110	SunGard	s	Deborah Feliciano, Lucia Nail	
111	Telvent	s	William (Bill) Morrow	
112	Tennessee Gas Pipeline Company	pl	Larry Smith, Mark Gracey	
113	Tennessee Valley Authority	e	Valerie Crockett	
114	Texas Gas Transmission, LLC	pl	Jeff Bittel	
115	Tiger Natural Gas	s	Bob Smith	
116	TransCanada Pipelines	pl	Doug Miller	
117	Trinity Apex Systems	s	Richard (Dick) Couron	
118	UBS Energy LLC	s	Suzanne Calcagno	
119	Vector Pipeline L.P.	pl	Amy Bruhn	
120	Washington Gas Light Co.	l	Adrian Chapman, Ken Yagelski	
121	Westfield Gas & Electric Light Dept.	l	Joyce Bodak	
122	Williams Gas Pipeline	pl	Dale Davis, Ron Mucci	
123	Williston Basin Interstate Pipeline	pl	Keith Tiggelaar	
124	Wisconsin Public Service Corporation	l	Patrick Fox	
WEQ:				
1	ACES Power Marketing LLC	m	Roy J. True	muni
2	Alabama Electric Cooperative, Inc.	d	William Ronald Graham	muni
3	Ameren Services	m	Shawn Schukar	iou
4	American Electric Power Service Corp.	m	Barbara Radous, Joseph Hartsoe, Phil Cox	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
7	American Public Power Association	d	Allen Mosher	muni
8	American Transmission Company LLC	t	Julie Voeck	itc
9	Aquila, Inc.	g	Tom Saitta	iou
10	Arizona Public Service Company	t	Mark W. Hackney	iou
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	Bonneville Power Administration	d	Sydney D. Berwager	other
15	Bonneville Power Administration	g	Francis Halpin	fed
16	Bonneville Power Administration	m	Brenda Anderson	fed
17	Bonneville Power Administration	t	Barbara Rehman	fed
18	BP America Inc.	e	Jeanne Zaiontz	lind
19	Central Electric Power Cooperative	d	Arthur Fusco	muni
20	ChevronTexaco Energy Research and Technology	e	Carol Guthrie	sgen

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
21	Cleco Power, LLC	t	Keith Comeaux	iou
22	Comprehensive Energy Services	e	Jim Templeton	enduse
23	Conectiv Energy Supply, Inc.	g	Gloria Ogenyi, Paul Dwyer	merc
24	Conectiv Energy Supply, Inc.	m	Gloria Ogenyi, Paul Dwyer	iou
25	Consolidated Edison Company of New York, Inc.	t	Scott Butler	iou
26	Constellation Generation Group	g	Michael Gildea	merc
27	Consumers Energy Company	d	Andrew C. Dotterweich, Frank Johnson	iou
28	Consumers Energy Company	g	Steven L. Gaarde, Andrew C. Dotterweich, John J. Dellas	iou
29	Dairyland Power Cooperative	t	Chuck Callies	muni
30	Department of the Interior, Bureau of Reclamation	g	Deborah M. Linke	fed
31	Dominion Energy Marketing, Inc.	g	Lou Oberski	iou
32	Duke Energy Americas, LLC (DEA)	g	Walt Yeager	iou
33	Duke Energy Americas, LLC (DEA)	m	Walt Yeager	iou
34	Duke Energy Corp.	d	Ollie Frazier	iou
35	Dynegy Power Marketing, Inc.	g	Barry Huddleston	merc
36	Edison Electric Institute	n	David Owens, Dave Dworzak	N
37	Edison Mission Marketing & Trading, Inc.	g	William Roberts	merc
38	Electric Reliability Council of Texas (ERCOT)	n	Sam R. Jones, Ray Giuliani	n
39	ElectriCities of North Carolina (North Carolina Eastern Municipal Power Agency)	g	Gregory Locke	muni
40	Electricity Consumers Resource Council (ELCON)	e	John Anderson, John Hughes	lind
41	Empire District Electric Company, The	t	Bary K. Warren	iou
42	Energy East Management Corporation	t	Marjorie Perlman	iou
43	Entergy Services, Inc.	t	Edward J. Davis	iou
44	Exelon Corporation - PECO Energy	d	John McCawley	iou
45	Exelon Generation - Power Team	m	Jack Crowley	iou
46	ExxonMobil Gas Marketing	e	Steve Sayuk, Mark Scheel, Mark Ulrich	sgen
47	FirstEnergy Solutions Corp.	m	Edward C. Stein	iou
48	Florida Municipal Power Agency	g	Robert C. Williams	muni
49	Florida Municipal Power Agency	d	Steven H. McElhaney	muni
50	Florida Power & Light Company	m	Gerry Yupp, Raleigh Nobles	iou
51	Florida Power & Light Company	t	Marty Mennes	iou
52	Florida Reliability Coordinating Council	t	Linda D. Campbell	at large
53	Georgia Transmission Corporation	t	Patrick McGovern, Mark Temple	muni

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
54	Hydro One Networks	t	Mark Graham	itc
55	Hydro – Quebec Transenergie	t	Victor Bissonnette	fed
56	Idaho Power Company	t	Tessia Park	iou
57	Imperial Irrigation District	m	Kim M. Kiener, Frank M. Barbera	muni
58	Imperial Irrigation District	t	Juan Carlos Sandoval, Javier Esparza	muni
59	Indiana Muncipal Power Agency	g	Dick Foltz	muni
60	ITC Transmission	t	Jim D. Cyrulewski	itc
61	Maryland Peoples Counsel	e	Mike Tomczak	
62	Michigan Electric Transmission Company LLC	t	Charles V. Waits	itc
63	Michigan Public Power Agency	d	James R. Nickel, Daniel E. Cooper	muni
64	Midwest Independent Transmission System Operator+J96	n	William (Bill) Phillips	n
65	Minneapolis Consulting Group	e	Mike Prickett	endues
66	Missouri River Energy Services	d	Brian Zavesky	muni
67	Modesto Irrigation District	t	Roger Van Hoy	muni
68	National Association of Regulatory Utility Commissioners	e	Lou Ann Westerfield	reg
69	National Grid USA	t	Herbert Schrayshuen, Peter Flynn, Mary Ellen Paravalos	itc
70	National Rural Electric Cooperative Assoc.	d	Barry Lawson	muni/coop
71	Navigant Consulting, Inc.	m	Richard G. Smead	at large
72	New York State Dept. of Public Service	e	William Heinrich	reg
73	New York State Reliability Council	d	P. Donald Raymond	at large
74	North American Electric Reliability Council	d	Donald M. Benjamin, Larry Kezele, Tom Vandervort, Bill Blevins	at large
75	North Carolina Electric Membership Corporation	d	David Beam	muni
76	North Carolina Electric Municipal Power Agency #1	m	Clay A. Norris	muni
77	North Carolina Electric Municipal Power Agency #1	d	Andrew Fusco	muni
78	Northeast Utilities Service Company	t	David Boguslawski, Calvin A. Bowie	iou
79	Ohio Consumers' Counsel	e	Randy Corbin	comres
80	Ontario Power Generation	g	Barry Green	merc
81	Ontario Power Generation	m	Renzo Marcuzzi	niou
82	Open Access Technology International, Inc.	e	Kevin Burns	at large
83	Open Access Technology International, Inc.	t	Paul R. Sorenson	at large
84	Otter Tail Power Company	t	Daryl Hanson, Larry Larson	iou

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
85	PacifiCorp	m	Edison G. Elizeh	iou
86	PacifiCorp	g	Greg Maxfield	iou
87	PacifiCorp	t	Jim Hicks, Mark Maher	iou
88	PHI Power Delivery	t	Ken Gates	iou
89	Platte River Power Authority	t	Terry L. Baker	muni
90	Portland General Electric	m	Terri Peschka	iou
91	Powerex Corp	m	Michael L McWilliams	fed
92	PPL Electric Utilities Corporation	t	Ray Mammarella	iou
93	Progress Energy (Regulated)	m	James Eckelkamp	iou
94	Progress Energy	t	Verne Ingersoll, Phillip W. Lewis	iou
95	PSEG Power LLC	g	Thomas M. Piascik	merc
96	PSEG Energy Resources and Trade LLC	m	James D. Hebson	io
97	Public Service Electric and Gas Company	d	Colin J. Loxley	iou
98	Public Service Electric and Gas Company	t	Jeffrey C. Mueller	iou
99	Puget Sound Energy, Inc.	t	George Marshall, Bob Harshbarger	niou
100	Qualedi, Inc.	g	Stephen A. Morocco	at large
101	Sacramento Municipal Utility District	d	Robert D. Schwermann	muni
102	Sacramento Municipal Utility District	g	Thomas Ingwers	muni
103	Salt River Project Agricultural Improvement and Power District	d	Wendy Weathers, Mark B. Bonsall	other
104	Salt River Project Agricultural Improvement and Power District	t	Steve Cobb	fed
105	Seminole Electric Cooperative, Inc.	m	Lane Mahaffey	muni
106	South Carolina Electric & Gas Company	t	S. Porcher Stoney	iou
107	Southeastern Power Administration	g	Bob Goss	fed
108	Southern California Edison	t	Weston Williams	iou
109	Southern California Edison Co.	g	Thomas Watson	iou
110	Southern Company Services, Inc.	d	Garey Rozier, Mark Crosswhite, Greg Butrus	iou
111	Southern Company Services, Inc.	g	John Ciza	iou
112	Southern Company Services, Inc.	m	Joel Dison	iou
113	Southern Company Services, Inc.	t	R.D. (Dean) Ulch, John Lucas, Rebecca Martin, James Y. Busbin	iou
114	Southwest Transmission Cooperative, Inc.	t	Larry D. Huff	muni
115	Southwest Power Pool	n	Carl Monroe	n
116	Southwestern Power Administration	t	Stanley L. Mason	fed
117	SUEZ Energy Marketing NA, Inc.	m	Ken Lackey, Cesar Seymour	niou

**North American Energy Standards Board Membership List
As of June 15, 2006**

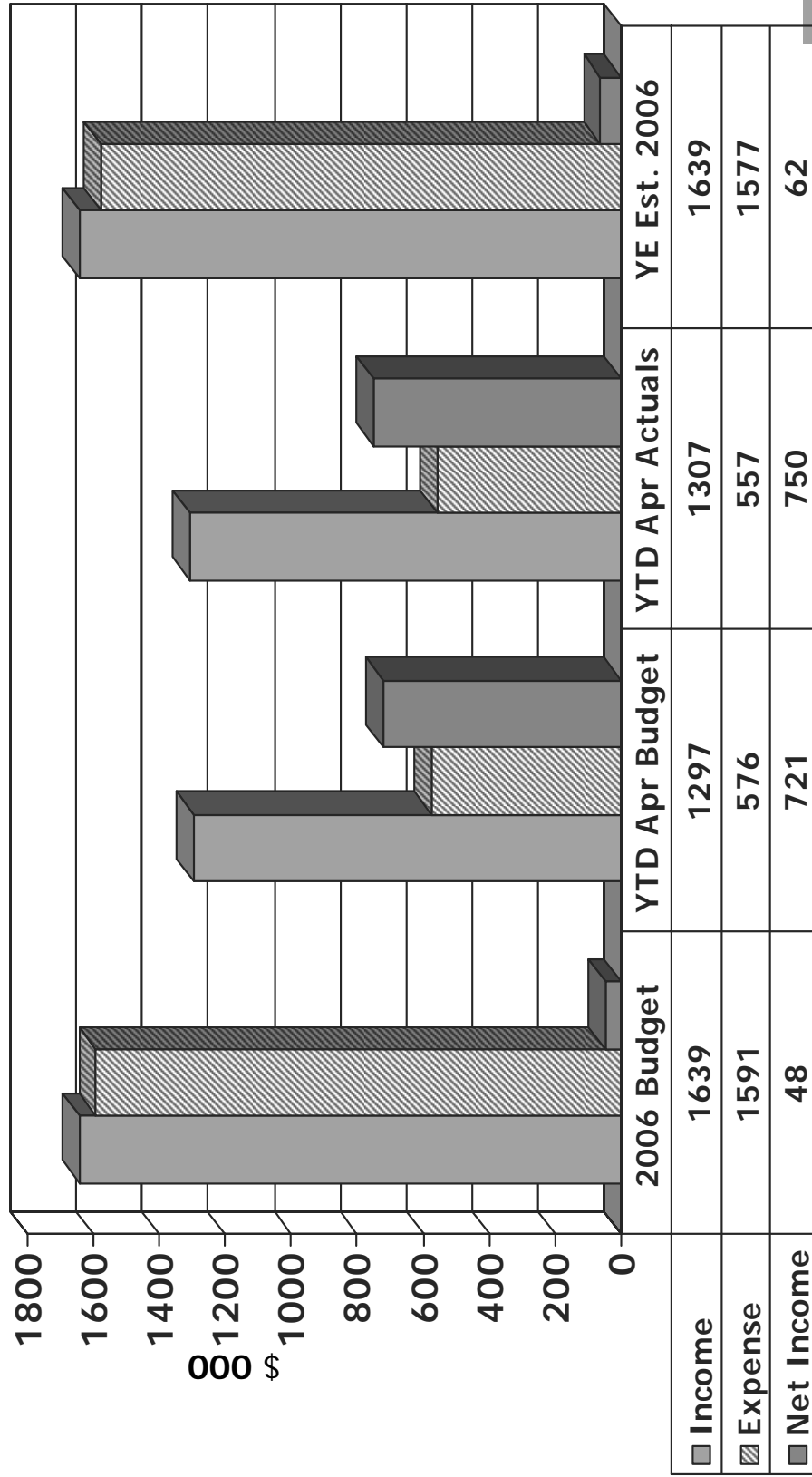
Quadrant	Organization	Seg.	Contact	SS
	118 Sunflower Electric Power Corporation	t	L. Earl Watkins	muni
	119 Tenaska, Inc.	g	Scott Helyer	merc
	120 Tennessee Valley Authority	d	Cindy Herron	other
	121 Tennessee Valley Authority	g	Kathy York	fed
	122 Tennessee Valley Authority	m	Clyde Harmon	fed
	123 Tennessee Valley Authority	t	Mitchell Needham, W. Terry Boston	fed
	124 TRANS-ELECT, INC.	t	Paul D. McCoy	itc
	125 Tri-State Generation and Transmission Association, Inc.	t	Bruce Sembrick	muni
	126 TXU Energy	m	Elizabeth Howland, Mike Grim	nio
	127 TXU Electric Delivery	t	Ellis Rankin, Deborah McKeever	iou
	128 UBS Energy LLC	m	Suzanne Calcagno	niou
	129 Vermont Public Power Supply Authority	g	William J. Gallagher	muni
	130 Western Area Power Administration	t	Mark Fidrych	fed
	131 Western Area Power Administration	m	Jeffrey Ackerman	fed
	132 Western Electricity Coordinating Council	t	Michael Wells, Louise McCarren	at large
	133 We Energies (Wisconsin Electric)	d	Linda Horn	iou
	134 We Energies (Wisconsin Electric)	g	James R. Keller	iou
	135 Williams Power Company	g	Ron Mucci	at large
	136 Wisconsin Public Power Inc.	d	Mike Stuart	muni
	137 Wisconsin Public Service Corporation	g	William Bourbonnais, Charles W. Severance, Neal Balu	iou
	138 Xcel Energy Inc.	m	David Lemmons	iou
RGQ:	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	Sheree M. Petrone	
	9 Indiana Office of Utility Consumer Counselor	e	Matthew Parsell	
	10 International LNG Alliance	s	David Sweet	
	11 Interstate Gas Supply	su	Elizabeth Clothier	
	12 Latitude Technologies	s	Leigh Spangler	

**North American Energy Standards Board Membership List
As of June 15, 2006**

Quadrant	Organization	Seg.	Contact	SS
13	National Fuel Gas Distribution Corporation	d	Mike Novak	
14	Niagara Mohawk	d	James Dillon	
15	Northern Indiana Public Service Company (NiSource, Inc.)	d	Mark T. Maassel	
16	Ohio Consumers' Counsel	e	Bruce M. Hayes	
17	Pennsylvania Office of Consumer Advocate	e	Tanya J. McCloskey, Stephen Keene	
18	Peoples Gas System	d	Rachel Gebhardt	
19	Philadelphia Gas Works	d	Joe Stengel, Craig White	
20	Public Service Electric & Gas Company	d	Terrence Moran	
21	Sprague Energy Corp.	su	Kathy Fudali	
22	Systrends USA	s	Dave Darnell	
23	UBS Energy LLC	su	Suzanne Calcagno	
24	UGI Utilities, Inc.	d	Paul Szykman	
25	Union Gas	d	Greg Tetreault	
26	Wisconsin Public Service Corporation	d	William Bourbonnais, Glen R. Schwalbach, Les Nishida	
27	Xcel Energy	d	Don Basler	

North American Energy Standards Board Board of Directors Meeting – 6-22-06

As of April 2006 Accrual Based Income and Expenses



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, 2006

TO: NAESB Board of Directors
FROM: Rae McQuade, Darla Wishart
RE: NAESB Financial Report as of April 30, 2006

Key financial highlights:

- **December 13, 2005:** The Board of Directors approved the 2006 budget: \$1,639,100 for revenues to be collected in 2006 based primarily on 2005 dues collections, and \$1,591,015.23 for expenses expected in 2006, with an expected net income of \$48,084.77.
- **December 31, 2005:** Total assets and total liabilities and equity for yearend 2005 were \$780,413.45. Accounts Receivables related to outstanding membership dues were \$211,000. Our net income at yearend was \$-40,368.15 (Expenses \$1,584,919.62 and net revenue of \$1,544,511.47). The budget for 2005 was \$ 1,858,120 – so while we clearly came under in expenses by \$273,201, we did not realize expected revenues of \$313,609, with a resulting negative retained earnings for 2005 of -\$40,368. On a cash basis, we had an ending balance as of December 31 of \$521,905.
- **January 31, 2006:** Total assets and total liabilities and equity for the month of January were \$610,066.26. Accounts Receivables related to outstanding membership dues were \$124,500. Our net income in January is \$951,879.94 (Expenses \$187,671.95 and net revenue of \$1,139,551.89). Compared to this period last year, we have increased revenue by \$61,832. Our expenses are \$1,082 less than budgeted for the month. On a cash basis, we have an ending balance as of January 31 of \$443,319.
- **February 28, 2006:** The accounting for the month of February is underway and should be completed later in March. We expect to be overall under budget in expenses and we should track the revenue expectations for the first two months of the year.
- **March 31, 2006:** Total assets and total liabilities and equity for the month of March were \$552,945.61. Accounts Receivables related to outstanding membership dues were \$180,500.00, of which \$91,000 is still outstanding at the end of April, and \$15,000 is more than 90 days in arrears. Our net income year to date as of March is \$821,746.60 (Expenses \$446,909.80 and net revenue of \$1,148,934). Compared to this period last year, we have a net income increase of \$55,136 (expenses were \$13,419 lower in 2006 YTD and revenues were \$41,717 higher YTD). Our expenses are 1.5% higher than budgeted for YTD (\$446,909.80 actual compared to \$440,092.56 budgeted), which is offset by revenues being 0.2% higher (\$1,268,656.40 actual to \$1,265,699.97 budgeted). As such, the net income is within 0.5% of the budget – \$821,746 actual compared to \$825,607 budgeted. On a cash basis, we have an ending balance as of March 31 of \$329,942
- **April 30, 2006:** Total assets and total liabilities and equity for the month of April were \$07,831.91. Accounts Receivables related to outstanding membership dues were \$146,000.00, of which \$91,000 is still outstanding at the end of April, and \$25,000 is more than 90 days in arrears, of which 3 credit memos have been written and the other two memberships have indicated that they are going to process the membership invoice through their accounting systems. Our net income year to date as of April is \$750,380.29 (Expenses \$556,602.61 and net revenue of \$1,306,982.90). Compared to this period last year, we have a net income increase of \$100,690 (expenses were \$32,921 lower in 2006 YTD and revenues were \$67,769 higher YTD). Our expenses are 3.3% lower than budgeted for YTD (\$556,602.61 actual compared to \$575,761.72 budgeted), which is augmented by revenues being 0.8% higher (\$1,306,982.90 actual to \$1,296,516.64 budgeted). As such, the net income is 4.1% higher than budgeted – \$750,380.29 actual compared to \$720,754.92 budgeted. On a cash basis, we have an ending balance as of April 30 of \$320,465.

North American Energy Standards Board

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Financial Report April 2006 – Accrual Based

Balance Sheet

Assets	
Current Assets	\$330,569.87
Accounts Receivable	\$146,000.00
Fixed Assets	\$20,984.10
Other Assets	\$10,277.94
Total Assets	\$507,831.91
Liability & Equity	
Deferred Revenue	\$91,791.69
Accounts Payable	\$37,486.38
Retained Earnings	(\$371,826.45)
Net Income	\$750,380.84
Total Liability and Equity	\$507,831.91

Income and Expense

Income	\$1,306,982.90
Expense	\$556,602.61
Net Income	\$750,380.29

Income and Expenses to Budget - YTD

2006 YTD Budget for Income	\$1,296,516.64
Income Variance	\$10,466.26
2006 YTD Budget for Expenses	\$575,761.72
Expenses Variance	(\$19,159.11)
Net Income Variance	\$29,625.37

Year End Analysis

2006 Budget	\$1,639,100.00
Revenue YTD	\$1,306,982.90
Expected Revenue May - December	\$332,000.00
Estimated Year End Revenue	\$1,638,982.90
Expenses YTD	\$556,602.61
Expected Expenses May - December	1,020,000.00
Estimated Year End Expenses	\$1,576,602.61,
Difference - Revenue - Expenses	\$62,380.30

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CASH BASIS ANALYSIS

Beginning Balance 1-1-06	\$521,905
Total Cash Income	\$366,610
Total Costs	\$568,050
Ending Balance	\$320,465

ACCOUNTS RECEIVABLE ANALYSIS

Accounts Receivable as of April 2006	\$146,000
Items 90 Days or more Outstanding	\$25,000
Items 60 Days Outstanding	\$5,000
Items 30 Days Outstanding	\$66,000
Items Less than 30 Days Outstanding	\$50,000
Items for which credit memos have been issued	\$15,000

NORTH AMERICAN ENERGY STANDARDS BOARD
MEETING OF THE MEMBERS, STRATEGIC SESSION & BOARD OF DIRECTORS MATERIALS
JUNE 22, 2006

TAB 18

MEETING SCHEDULE FOR 2006

This section includes:

- The meeting schedule for 2006.

The material presented is background information for the discussion of agenda items 7 and 8. Board members are asked to raise issues they would like addressed in the September 2006 Board meeting. There may be discussion on the 2007 schedule to determine if 4 meetings should be held in 2007, or if the number of meetings of the Board should be increased or decreased.



North American Energy Standards Board

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Home Page: www.naesb.org

November 23, 2005

TO: NAESB Executive Committee and Interested Industry Participants
FROM: Rae McQuade, NAESB Executive Director
RE: Schedule of 2006 Meetings

Below is the schedule for 2006 meetings for the Executive Committee, Board of Directors and Advisory Council. Unless sponsors are noted for the meetings or the location has already been set as noted below, they will be held in Houston. Should other sponsors volunteer in the next few weeks, these locations may change:

Date	Meeting	Location
February 21-23	Executive Committee Meetings (WEQ, Retail, WGQ)	Houston
May 9-11	Executive Committee Meetings (WEQ, Retail, WGQ)	Washington DC hosted by AGA
August 15-17	Executive Committee Meetings (WEQ, Retail, WGQ)	Colorado Springs hosted by El Paso Western Pipelines
November 14-16	Executive Committee Meetings (WEQ, Retail, WGQ)	Dallas Hosted by TXU
March 23	Board of Directors	Houston
June 22	Board of Directors Meeting & Strategic Planning Session	San Antonio
September 21	Board of Directors	Houston
December 14	Board of Directors	Houston
February 11	Advisory Council Meeting	Washington D.C. in conjunction with the NARUC Winter meetings