NORTH AMERICAN ENERGY STANDARDS BOARD

Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
August 23-25, 2005

Wholesale Electric Quadrant

TAB 5

WEQ Subcommittee Updates

- For the Business Practices Subcommittee, included are the following for review and discussion:
  - the inadvertent interchange payback task force draft report is presented for discussion along with the TAP's comments and NAESB response and NERC response,
  - the resolution adopted by the TLR group,
- For the Electronic Scheduling and Information Technology Subcommittee, included are the following for review and discussion:
  - for ESS/ITS, OASIS 1a and 2, the update on the outstanding RM05-5-000 items that correspond to our comments; the draft recommendations for R04006D, R04035 and R04006C1 – all in progress; and the proposal for standards renumbering,
  - for CIBP, the proposed changes to the standards to complement the NERC reliability standards discussed by the CIBP on August 18,
  - for JISWG, the draft whitepaper on multiple curtailment options, the draft e-tag list, and the proposed registry requirements, and
  - for the JOITF, the final report of the task force.
- There have been no actions taken by the Glossary Subcommittee or Standards Review Subcommittee since the last EC meeting in May.
- The materials in Tab 5 correspond to agenda item 3 for the WEQ EC agenda.

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

via email and posting

TO:	NAESB WEQ Inadvertent Interchange Payback Practice Task Force Meeting Participants and Posting for Interested Parties
FROM:	Todd Oncken, Deputy Director
RE:	IIPTF Report Discussing Task Force Results
DATE:	July 19, 2005

This is the final report of the Inadvertent Interchange Payback Task Force (IIPTF) to advise the Wholesale Electric Quadrant (WEQ) Executive Committee that the task force has determined the NAESB Version 0 Inadvertent Interchange Payback Standard is an appropriate solution for the settlement of inadvertent interchange and request that the task force be disbanded.

History

The IIPTF was established in March 2003 to develop standards to define the alternatives that may be used to settle Inadvertent Interchange, consistent with 2003 WEQ Annual Plan Item 5. As noted in the standards request, the inadvertent interchange settlement standards would mitigate the potential financial gain that misuse of the payback-in-kind methodology allows. The request for standards suggested that the development of the standards would provide benefit to the industry because it would incent good behavior of balancing actual output and scheduled output within a reliable average limit and reduce the possibility of inadvertent accumulation. The IIPTF worked diligently over the course of 27 months, and considered five core proposals.

Accomplishments & Deliverables

The IIPTF has reviewed many different proposals for the settlement of Inadvertent Interchange and determined that the NAESB Version 0 Inadvertent Interchange Payback Standard is an adequate solution given the current NERC and regulatory environment. Although the task force did not develop a new standard, it did develop the following ancillary deliverables:

1) a library of published work papers discussing each of the settlement proposals[1];
2) increased industry awareness of potential settlement solutions through timely reports to the WEQ Executive Committee[2]; and
3) further analysis of the energy price component identified in NERC Joint Inadvertent Interchange Task Force (JIITF) Whitepaper

Process & Procedures

The IIPTF has met a total of XXX times over XXX days[3]. The IIPTF used the work of the NERC JIITF as the initial model for development of the standards. Add in a characterization of the JIITF Whitepaper and NERC's prior efforts on IIS, including a link to the report.

[1] All of the IIPTF work papers are available for public download from the NAESB website at http://www.naesb.org/weq/weq_iiptf.asp.
[2] The IIPTF's reports to the WEQ Executive Committee are available as part of the WEQ Executive Committee minutes from March 2003 to August 2005.
[3] A listing of meetings and conference calls is provided in Appendix 1 to this report.

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

Although the task force used the JIITF Whitepaper as a starting point for development, the task force also explored alternatives to those solutions contained in the whitepaper. During its deliberations, the IIPTF discussed the following proposals:

- Financial Settlement of a Frequency Control Component
- Native Market Pricing of an Energy Component including a Transmission Congestion Component
- Wide Open Load Following (WOLF)
- Western Electricity Coordination Council (WECC) Automatic Time Error Control (WATEC)
- Option 1
- NAESB Version 0 Inadvertent Interchange Payback Standard

Financial Settlement of a Frequency Control Component: Balancing Authorities' monthly average contribution to frequency error, in terms of their Inadvertent Interchange per Hertz of frequency deviation, would be assessed for purposes of monthly settlement. Those contributions settle exactly across the interconnection, between the BAs who were the net contributors to frequency error, and the BAs who were the net offsetters of frequency error. The settlement price (per megawatt) of inadvertent interchange for its contribution to frequency is some fixed-value times frequency error. This settlement price is the best estimate of what a market price for Inadvertent would be in an eventual market for trading NERC Control Performance Standard deviation allowances. Developed by the NERC JIITF and proposed by Mr. Illian and Mr. Blohm.

Many IIPTF participants did not feel comfortable with a "multipart" price or with settlement of frequency contribution separate from energy. "Option 1" below was an attempt to roll this into a "single" price for settlement of frequency contribution and energy (including transmission congestion) combined. Several IIPTF participants did not feel comfortable with a megawatt-per-hertz measure of FCC because as originally presented its price would rise exponentially with frequency deviation. The price per megawatt of FCC was later shown to rise linearly with frequency deviation, but this did not alleviate the pricing and implementability concerns on the part of several IIPTF members.

Native Market Pricing of an Energy Component including a Transmission Congestion Component: All North American ISOs, RTOs and FERC have concluded that transmission constraints result in market prices for energy that are different from market location to market location and have used centralized calculations to discover these price differences and provide them for market settlement. Native Market Pricing would provide equivalent pricing for areas that do not use a centralized calculation to derive these local market prices. Native Market Pricing instead depends upon the independent Native Market to derive the correct price through arbitrage, and then uses that Native Market Price in the settlement. The price for the energy would be the local spot market price or be the cost basis for the local schedule-4 tariff. This would include any price/cost differences attributable to congestion. Since this kind of pricing could result in either over or under collected revenues for an interconnection, a balancing algorithm was developed to assure balance settlement. This algorithm was based upon the amount of inadvertent contributed by each Native Market and it was demonstrated that using this balancing algorithm would maintain the marginal price differences necessary to properly represent the price differences due to the transmission constraints. Unfortunately,

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

Native Market Pricing alone lacks any frequency control incentive, and therefore, is viable only when combined with an incentive mechanism such as the Frequency Control Component. When the Frequency Control Component was eliminated from consideration, Native Market Pricing was also doomed because of the loss of the correct incentive to provide good frequency control. Proposed by Mr. Illian and Mr. Blohm.

Some IIPTF participants did not like the need for an entity to manage the likely periodic overcollection for the energy that results from different local energy prices, and to redistribute pro-rata the overcollection, and the credit issues involved. Several IIPTF members took issue with default risk of financial settlement. Several IIPTF members observed that the actor hurting frequency is paying his own energy price, which incents bad frequency control while attempting to assure good congestion management.

Wide Open Load Following (WOLF) Proposal: WOLF sets real time prices for unscheduled flows of electricity using a formula (driven by frequency error) to modify a base energy price to reflect reliability concerns. WOLF uses a formula that escalates exponentially with frequency error. The reliability constants are the frequency deviations associated with a ten-fold change in price. WOLF uses a similar formula to modulate the base energy price for time error and cumulative time error, thus reflecting changes in basic fuel costs while eliminating the time error. WOLF prices can be geographically differentiated to reflect transmission constraints and line losses.

Many IIPTF participants did not feel comfortable with WOLF for not allowing negative prices. There was also concern about high price escalation and lack of coordination between the scheduled energy market price and WOLF pricing.

Western Electricity Coordination Council (WECC) Automatic Time Error Control (WATEC) Proposal: The WATEC methodology is based on the principle that when a Balancing Authority experiences some type of operational problem that prevents its net scheduled interchange from matching its net actual interchange the prevailing Interconnection's system frequency changes. The other Balancing Authorities in the Interconnection will respond to correct the system frequency through their individual frequency bias term in their ACE equation.

The Balancing Authority causing the frequency error is said to have created "primary time error". The other Balancing Authorities in the Interconnection responding to correct system frequency are said to have created "secondary time error".

Time error is directly related to inadvertent interchange. All Balancing Authorities have procedures in place to determine their hourly inadvertent interchange. Converting hourly inadvertent interchange into "primary inadvertent interchange" a Balancing Authority can observe just that portion of the Interconnection's time error that they alone caused.

When all Balancing Authorities feedback this portion of "primary inadvertent interchange" into their ACE equation they continuously correct for just their own errors. The detailed derivation and explanation of the WECC ACE Equation used for control and inadvertent interchange payback are located on the WECC website www.wecc.biz.WATEC was supported by Mr. Henery.

Some IIPTF participants found WATEC to trade off adding new frequency error by timely unilateral payback, against economic fairness. While WATEC was found to eliminate much of the accumulation of Inadvertent Interchange allowed by the current Version 0 Standard, it was also found to allow for the same immediate economic advantage-taking as the current Version

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

0 Payback Standard. WATEC requires 100 percent participation and there was questions on whether 100 percent participation would be achievable in the East.

Option 1 Proposal: The proposed Option 1 Inadvertent Interchange Settlement Business Practice is modeled after the East Central Area Reliability Council (ECAR) Inadvertent Settlement Tariff. Option 1 uses a Frequency Bandwidth as an indicative measure where Inadvertent accumulated when the hourly average frequency is OUTSIDE the bandwidth, the settlement of the Inadvertent is financial. When Inadvertent is accumulated when the hourly average frequency is with in the Frequency Bandwidth, the settlement of the Inadvertent is in kind (as it is settled today). The proposed Frequency Bandwidth is +/- 20 mHz around scheduled frequency (typically 59.98 mHz to 60.02 mHz). The proposed financial component, paid to the entity responding appropriately, is the greater of $100.00 per MWh or provable Market Price of the entity responding appropriately. In addition, the proposal allows for the entity responding appropriately to recover costs associated with taking generation offline in response to a HIGH frequency situation. Option 1 was proposed by Mr. Cox, Mr. Reed and Mr. Goss.

Some IIPTF members found that practically all Inadvertent Interchange would fall within the deadband contained in this option where settlement is no different than the current Version 0 Inadvertent Interchange Payback Standard. For the small amount of extreme Inadvertent Interchange lying outside the deadband, this option could have an unintended negative impact on reliability by causing upward drift of scheduled frequency, and violate the congestion-cost management requirement embedded in FERC tariffs.

NAESB Version 0 Inadvertent Interchange Payback Standard: The default status quo that carries forward portions of the old NERC Policy 1F related to the settlement of accumulated Inadvertent. The Version 0 Business Practice defines the Payback in Kind structure where, Inadvertent accumulated during On-Peak hours, must be paid back during On-Peak hours. Inadvertent accumulated during Off-Peak hours must be paid back during Off-Peak hours. The Version 0 Business Practice also allows for other methods of settlement of Inadvertent as agreed to by all members of the Interconnect.

Some IIPTF members opposed the Version 0 standard because modern market pricing is much more granular than on-peak and off-peak and therefore continues to allow economic abuse. Furthermore, the lack of a payback time-frame retains the incentive to accumulate Inadvertent Interchange accounts in order sometimes to avoid the uncompensated cost of fulfilling control obligations.

Conclusion

IIPTF participants recognize that significant effort was expended by NAESB and its member organizations to develop an Inadvertent Interchange settlement standard that would mitigate the potential financial gain that misuse of the payback-in-kind methodology does not prevent. However, a majority of the task force members determined that, at this time, none of the proposed solutions considered by the task force is better than the payback-in-kind methodology for the Eastern Interconnect (as embodied in the NAESB Version 0 Inadvertent Interchange Payback Standard.) Each of the proposed solutions considered has one or more significant implementation hurdles to overcome, including but not limited to: data acquisition and integrity; pricing; credit; funding; 100% participation of the affected interconnection; and the task force's opinion that because WATEC uses strictly reliability parameters, it should be developed in the NERC reliability environment.

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

The Inadvertent Interchange Payback "WATEC Option" and the "Option 1" were presented to the industry for consideration, to determine a preference, and to generate comments. The industry posting generated minimal responses which did not support either option. With the lack of industry direction for a new "inadvertent interchange payback" standard the IIPTF has inferred that the industry is satisfied with the requirements within the current NAESB Version 0 Inadvertent Interchange Business Practice Standard.

Supporting Documentation

Appendix I:	List of IIPTF Meetings
Appendix II:	Frequency Control Component
Appendix III:	Local Native Pricing
Appendix IV:	WOLF
Appendix V.	WATEC
Appendix VI:	Option 1
Appendix VII:	NAESB Version 0 Inadvertent Interchange Payback Standard
Appendix VIII:	Summary of Industry Posting for Comment of "WATEC Option" and "Option 1"

TAPS

Web Site ◆
www.tapsgroup.org

July 22, 2005

CONTACTS ◆
Roy Thilly, Chairman
Wisconsin Public Power Inc.
1425 Corporate Center Drive
Sun Prairie, WI 53590
608.834.4500
Fax 608.837.0274
rthilly@wppisys.org

◆
Robert McDiarmid
Cindy Bogorad
Spiegel & McDiarmid
1333 New Hampshire Avenue, NW
Washington, DC 20036
202.879.4000
Fax 202.393.2866
robert.mcdiarmid@spiegelmcd.com
cynthia.bogorad@spiegelmcd.com

◆
Deborah Sliz
Morgan Meguire LLC
1225 I Street, NW
Suite 300
Washington, DC 20005
202.661.6192
Fax 202.661.6182
dsliz@morganmeguire.com

◆
Robert Talley
Talley & Associates
2121 K Street, NW
Suite 650
Washington, DC 20037
202.296.4114
Fax 202.296.2409
Tmg1@erols.com

WEQ Executive Committee
North American Energy
Standards Board
1301 Fannin, Suite 2350
Houston, TX 77002

Michehl R. Gent
President & CEO
North American Electric Reliability Council
116-390 Village Boulevard
Princeton, NJ 08540

Re: Inadvertent Interchange Payback

Dear Mr. Gent and WEQ Executive Committee Members:

I am writing to NERC and NAESB on behalf of the Transmission Access Policy Study Group (TAPS) to request that in future consideration of the treatment of inadvertent energy, an important comparability issue does not get overlooked —*i.e.*, allowing return-in-kind treatment of inadvertent energy among control areas, while non-control area utilities are burdened with punitive imbalance charges.

The TAPS group is an informal association of transmission-dependent utilities in more than 30 states, promoting open and non-discriminatory transmission access. TAPS members have been following the progress of NAESB's Inadvertent Interchange Payback Task Force (IIPTF). We were pleased to see the establishment of the IIPTF in March of 2003 with the goal of developing standards to define the alternatives that may be used to settle inadvertent interchange, particularly the mitigation of the potential financial gain that misuse of the payback-in-kind methodology does not prevent. However, we are disappointed that, after 27 months and the consideration of numerous proposals to replace the current payment-in-kind methodology of settling inadvertent energy accounts between control areas/balancing authorities, the IIPTF was unable to reach agreement on an improved system and so concluded in its June 1 memo discussing Task Force results, that "...none of the proposed solutions... better than the payback-in-kind methodology (as embodied in the NAESB Version 0 Inadvertent Interchange Payback Standard)." The result would leave a clearly discriminatory practice in place. We understand that the final IIPTF report will be considered by WEQ at its November meeting.

We also understand that NERC has asked that NAESB's Inadvertent Interchange Payback standard (WEQBPS) be transferred to NERC's and included as a reliability standard, and is drafting a Standards Authorization Requests (SAR) for this standard. (For that reason, NERC on June 24 asked FERC to defer action on NAESB's proposed Version 0 standard in FERC Docket No. RM05-5-000.) This proposed transfer will also bring aspects of this issue shortly before both WEQ (for action on the SAR) and NERC.

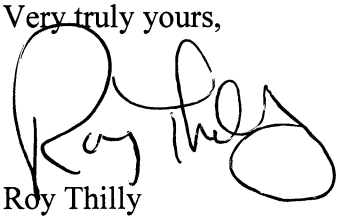
Thus, the inadvertent energy payback issue may soon be before NERC and/or WEQ. We ask that such consideration resolve, and not avoid, the fundamental comparability issue, rather than simply perpetuate a flawed and discriminatory system. Specifically, the payback-in-kind methodology for inadvertent energy between control areas is clearly not comparable to the treatment of imbalances experienced by non-control area utilities under FERC's open access tariffs. For non-control area utilities, return-in-kind provisions are typically limited to imbalances within a narrow 1.5% deadband, with under-deliveries beyond the deadband charged $100/MWh or 110% of incremental cost for under-deliveries (whichever is higher), with payments of 90% of decremental cost for over-deliveries. Payback in kind of inadvertent energy avoids these penalty aspects of the tariff completely. Neither the NERC nor NAESB standard should be designed to create or perpetuate competitive advantages for control area operators. This is important not only to achieve fundamental fairness, but also to avoid creating an obvious additional impediment to reasonable control area consolidation.

Whether through NAESB or NERC, the current discriminatory system of payback-in-kind should be replaced with a methodology that treats all utilities equally. As FERC, in Order 2000, concluded:[1]

> In the NOPR, we noted that unequal access to balancing options can lead to unequal access in the quality of transmission service, and that this could be a significant problem for RTOs that serve some customers who operate control areas and other customers who do not. We conclude that control area operators should face the same costs and price signals as other transmission customers and, therefore, also should be required to clear system imbalances through a real-time balancing market. We believe that providing options for clearing imbalances that differ among customers would be unduly discriminatory.

Because much of the nation will not have RTO balancing markets any time soon, it is critical that any policies promote a non-discriminatory system to manage inadvertent energy flows. Therefore, we ask the WEQ Executive Committee to reject the recommendation of the IIPTF and direct the IIPTF to develop a methodology that does not perpetuate what FERC has recognized to be a discriminatory treatment of imbalances. To the extent the issue is transferred to NERC, NERC should do the same. If NERC and/or NAESB cannot deal with this fundamental comparability issue (*e.g.*, because sufficient consensus is not possible), they should clearly inform FERC of this problem, identifying the comparability concern as a tariff issue that should be addressed by FERC.

Very truly yours,



Roy Thilly

cc: TAPS Members
Allen Mosher, APPA

[1] *Regional Transmission Organizations*, Order 2000, FERC Stat. & Regs. ¶ 31,089, at 31,142 (1999).

TAPS

Web Site ◆
www.tapsgroup.org

CONTACTS ◆
Roy Thilly, Chairman
Wisconsin Public Power Inc.
1425 Corporate Center Drive
Sun Prairie, WI 53590
608.834.4500
Fax 608.837.0274
rthilly@wppisys.org

◆
Robert McDiarmid
Cindy Bogorad
Spiegel & McDiarmid
1333 New Hampshire Avenue, NW
Washington, DC 20036
202.879.4000
Fax 202.393.2866
robert.mcdiarmid@spiegelmcd.com
cynthia.bogorad@spiegelmcd.com

◆
Deborah Sliz
Morgan Meguire LLC
1225 I Street, NW
Suite 300
Washington, DC 20005
202.661.6192
Fax 202.661.6182
dsliz@morganmeguire.com

◆
Robert Talley
Talley & Associates
2121 K Street, NW
Suite 650
Washington, DC 0002-0037
202.296.4114
Fax 202.296.2409
Tmgl@erols.com

TAPS MEMBERS

ALABAMA	Alabama Municipal Electric Authority
ARIZONA	Navajo Tribal Utility Authority
CALIFORNIA	Northern California Power Agency
COLORADO	Municipal Energy Agency of Nebraska
CONNECTICUT	Connecticut Municipal Electric Energy Cooperative Northeast Public Power Association
DELAWARE	Delaware Municipal Electric Corporation
FLORIDA	Florida Municipal Power Agency
ILLINOIS	City of Geneva Electric Department City of St. Charles Illinois Municipal Electric Agency
INDIANA	Indiana Municipal Power Agency
IOWA	Iowa Association of Municipal Utilities Missouri River Energy Services
KANSAS	Kansas Municipal Utilities Municipal Energy Agency of Nebraska
KENTUCKY	Municipal Electric Power Association of Kentucky
LOUISIANA	Lafayette Utilities System
MAINE	Kennebunk Light & Power District Northeast Public Power Association
MASSACHUSETTS	Braintree Electric Light Department Concord Municipal Light Plant Georgetown Municipal Light Department Holden Municipal Light Department North Attleborough Electric Northeast Public Power Association Shrewsbury Electric Light Plant Taunton Municipal Lighting Plant Templeton Municipal Light Plant Town of Ipswich Vermont Public Power Supply Authority West Boylston Municipal Lighting Plant
MICHIGAN	Michigan Public Power Agency

MINNESOTA	Minnesota Municipal Utilities Association Missouri River Energy Services Rochester Public Utilities Southern Minnesota Municipal Power Agency
MISSISSIPPI	Clarksdale Public Utilities Mississippi Delta Energy Agency Municipal Energy Agency of Mississippi Public Service Commission of Yazoo City
MISSOURI	City Utilities of Springfield Missouri Joint Municipal Electric Utility Commission
NEBRASKA	Lincoln Electric System Municipal Energy Agency of Nebraska
NEW HAMPSHIRE	New Hampshire Electric Cooperative Inc. Northeast Public Power Association Vermont Public Power Supply Authority
NEW MEXICO	Navajo Tribal Utility Authority
NORTH CAROLINA	ElectriCities of North Carolina
NORTH DAKOTA	Missouri River Energy Services
OHIO	American Municipal Power-Ohio Ohio Municipal Electric Association
OKLAHOMA	Oklahoma Municipal Power Authority
PENNYSLVANIA	American Municipal Power-Ohio
SOUTH CAROLINA	City of Newberry Piedmont Municipal Power Agency
SOUTH DAKOTA	Missouri River Energy Services
UTAH	Navajo Tribal Utility Authority
VERMONT	Burlington Electric Department Northeast Public Power Association Vermont Public Power Supply Authority
VIRGINIA	Blue Ridge Power Agency Virginia Municipal Electric Association No. 1
WEST VIRGINIA	American Municipal Power-Ohio

WISCONSIN	Madison Gas and Electric Company
	Manitowoc Public Utilities
	Marshfield Electric & Water Department
	Municipal Electric Utilities of Wisconsin
	Wisconsin Public Power Inc.
WYOMING	Municipal Energy Agency of Nebraska

February 2005

From: Rae Mcquade

Sent: Thursday, July 28, 2005 4:24 PM (via email)

To: Cynthia S. Bogorad (cynthia.bogorad@spiegelmcd.com); Allen Mosher (amosher@APPAnet.org); 'rthilly@wppisys.org'

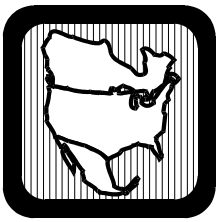
Cc: Michehl R. Gent,; Don Benjamin, David N. Cook, Barry R. Lawson, Michael Desselle, Louis Oberski , Phil Cox, Kathy York, Tony A Reed, Mark Fidrych; Veronica Thomason

Subject: TAPs comments to NAESB on inadvertent interchange

Dear Mr. Thilly,

We have received your comments on our efforts in regard to inadvertent interchange, and have posted those comments on our web site at the following address: http://www.naesb.org/pdf2/weq_ec082305w1.zip. We placed the discussion of those comments on the agenda for the upcoming NAESB Executive Committee meeting on August 23, in Colorado Springs, as part of the "Subcommittee Updates" agenda item no. 3. Please feel free to join in those discussions, or have other TAPs members join the meeting. The meeting is accessible via conference call if travel to Colorado Springs is not feasible. Thank you for sending the comments and making our committee aware of TAPs concerns. We look forward to hearing from you and other TAPs members -- Best Regards, Rae

Rae McQuade, President, NAESB
1301 Fannin, Suite 2350, Houston, Texas 77002
713-356-0060 (phone), 713-356-0067 (fax),
281-830-7406 (cell), www.naesb.org (web)



MICHEHL R. GENT
President and CEO

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

August 9, 2005

Mr. Roy Thilly
Chairman
Transmission Access Policy Study Group
Wisconsin Public Power Inc.
1425 Corporate Center Drive
Sun Prairie, Wisconsin 53590

Dear Roy:

Inadvertent Interchange Payback

This is in response to your July 22, 2005 letter to me and the NAESB Wholesale Electric Quadrant regarding the comparability between inadvertent interchange payback and energy imbalance. I understand that you and Don Benjamin talked about this in San Diego last week.

The inadvertent-energy imbalance comparability issue arose frequently within NERC committees soon after the Commission promulgated its *pro forma* tariff. In fact, this is one of the issues that resulted in NERC developing our reliability functional model.

We have debated the characteristics of inadvertent interchange over many years. Specifically:

1. Inadvertent interchange is between a balancing authority and the Interconnection, not between two individual balancing authorities. In other words, inadvertent interchange is not a bilateral arrangement.

2. Inadvertent interchange has two forms: 1.) Inadvertent caused by imperfect generation control that we call "primary inadvertent," and 2.) Inadvertent caused by Interconnection frequency error that we call "secondary inadvertent" (the result of other balancing authorities' primary inadvertent). How should the values of these different forms of inadvertent interchange be determined?

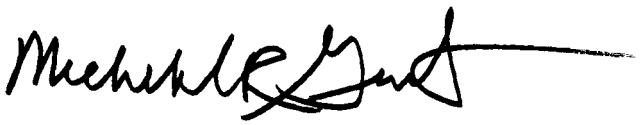
Therefore, while inadvertent interchange appears to have many of the attributes of energy imbalance, they are not the same, and I question whether they can be dealt with on the comparable basis that you are suggesting.

It appears to me that NERC and NAESB have both worked hard on inadvertent settlement methods, with NAESB's Inadvertent Interchange Payback Task Force delving into these concepts further than any group we're aware of. Despite the considerable discussions by industry experts, including economists, the IIPTF realized the practical hurdles of calculating Interconnection market prices and values for frequency response couldn't be crossed. Don explained this at the Stakeholders Committee meeting.

NERC is committed to ensure that our standards do not unduly discriminate among the responsible entities to which those standards apply. Standards that apply to balancing authorities must apply comparably to all balancing authorities. However, NERC cannot ensure that standards that apply to balancing authorities will be economically comparable to tariff rules or other protocols that apply to other transmission customers such as generators or load-serving entities, and that NERC has no influence over.

Roy, I believe NERC and NAESB have thoroughly debated inadvertent payback possibilities over many years. We believe NAESB should continue to set the on- and off-peak periods and develop whatever financial payback provisions that industry may agree upon in the future. Both NERC and NAESB have very open standards development processes that will welcome your thoughtful insight.

Sincerely,



cc: Allen Mosher, APPA
Rae McQuade, NAESB

Motion:

WHEREAS the NERC/NAESB TLR Subcommittee reviewed the responses to the public posting of the white papers (Option 3 and Option 3A) dealing with IDC Granularity, and

WHEREAS the Subcommittee reviewed a summary of the responses received from NERC's issuance of the IDC Granularity Option 3 Request for Information for the Selection of a Next Generation Transmission Congestion Management Tool, and

WHEREAS the NERC Operating Committee requested the Subcommittee to provide a business recommendation regarding the implementation of IDC Granularity Option 3 or Option 3A, and

WHEREAS the NERC/NAESB TLR Subcommittee finds that:

1. Greater granularity is desirable for reliability, and
2. Option 3 and Option 3A represent a paradigm shift in dealing with congestion management, and
3. While Option 3 and Option 3A are technically feasible, it is uncertain what the incremental improvements will be to reliability within the Eastern Interconnection. Arguably there could be a degradation in system reliability resulting from the duration of the process as proposed and
4. Successful implementation of Option 3 or Option 3A would require the expenditure of an extensive amount of time and resources by the electric industry to define the underlying NAESB business practices, NERC reliability standards, integration of supporting systems and tools, and the treatment of participant financial risk and parities necessary to support implementation of Option 3 or Option 3A, and
5. The electric industry, working in concert with state and federal regulatory agencies, must define and develop modifications to transmission tariffs to support regional or multi-regional generation redispatch, and
6. Implementation of Option 3 or Option 3A could render obsolete the ongoing efforts of RTOs, ISOs, and other similar regional transmission operating entities to develop regional congestion management policies and procedures unique to their regional stakeholder interest.

BE IT RESOLVED that the NERC/NAESB TLR Subcommittee concludes that, given the information available and lacking industry support, it is not possible to substantiate a Business Case supporting Option 3 or Option 3A at this time.

Further more the NERC/NAESB TLR Subcommittee believes that the necessary scope of investigation around Options 3 and 3A would require significant industry participation to ensure adequate analysis and understanding of the underlying issues, and until such time as a detailed industry-wide analysis of the issues, needs, and requirements is performed, such a business case cannot be completed in an adequate fashion.

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

August 3, 2005

TO: Rae McQuade, President and COO, NAESB

FROM: DeDe Kirby, Meeting/Project Manager

RE: Progress Report on NAESB Comments Filed in Response to Questions noted in Notice of Proposed Rule-Making Docket No. RM05-5-000 "Standards for Business Practices and Communication Protocols for Public Utilities"

DATE: August 3, 2005

Below is the status of the actions taken in the WEQ Subcommittees to progress on the NAESB comments filed in response to questions noted in the Notice of Proposed Rule-Making Docket No. RM05-5-000 "Standards for Business Practices and Communication Protocols for Public Utilities."

First Comment

- In paragraph 47, the Federal Energy Regulatory Commission (the "Commission") notes: *"it would be useful if the WEQ would adopt standards comparable to those NAESB adopted regarding standards of conduct on the gas side."*

July 1, 2005 Comment

The NAESB Wholesale Electric Quadrant (WEQ) will review the wholesale gas quadrant standards for standards of conduct to prepare comparable standards for the wholesale electric quadrant which would amend the NAESB WEQ BPS-007-000 standards.

Progress on Comment

Although the Electronic Scheduling and Information Technology Subcommittee (ESS/ITS) discussed revisions to the WEQ standards of conduct to make the standards comparable to the WGQ standards of conduct (July 13-14, 2005 ESS/ITS meeting), the ESS/ITS determined the task might be more appropriate for the WEQ Business Practices Subcommittee (BPS). At this time, the BPS has not addressed the issue, but it has been placed on the agenda for upcoming August 9-10 WEQ BPS meeting. No further action from the WEQ EC is needed before work commences on this issue, as it is covered in a prior request and was the subject of a report to the FERC in response to questions raised by the FERC to NAESB in the NOPR for Docket No. RM05-5-000.

Second Comment

- In paragraph 31, the Commission notes that the *"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."*

July 1, 2005 Comment

In NAESB deliberations on the Redirect Standard 9.7 (NAESB WEQ BPS-001-000), there was concern that in some instances a transmission customer may wish to retain all roll-over rights under an existing service agreement yet still request service over alternate points of receipt or delivery. Should additional changes to the standard be needed, the following issues regarding roll-over rights have been identified:

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

1. If a long-term service request has been granted that starts several years in the future, must a transmission provider deny any long-term request for the same points of receipt or delivery in the preceding year(s) on the basis that roll-over rights cannot be extended to this request due to the service previously granted in succeeding years? This applies to any request, including redirects on a firm basis.

2. If a long-term service request is redirected on a firm basis for 12 or more months and the redirected service ends prior to the end of the original service request, must the transmission provider honor roll-over rights in the full amount of the original request on the original path and also in the full amount of the redirect request on the alternate points of receipt and delivery? And, if so, must the transmission provider deny the redirect request if they are unable to provide for roll-over rights on the redirected path?

3. If a long-term service request is redirected on a firm basis for 12 or more months and the redirected service ends coincident with the end of the original service request, must the transmission provider honor roll-over rights in the full amount of the original request on the original path and also in the full amount of the redirect request on the alternate points of receipt and delivery? Or, are the roll-over rights on the original request reduced in the amount of the redirect request?

Due to above issues noted, in drafting Standard 9.7 the WEQ determined there may be circumstances with respect to redirects on a firm basis where the parties may mutually agree as to the disposition of roll-over rights. Should the Commission determine that this standard conflicts with its policy, NAESB will develop alternate language.

Progress on Comment

The ESS/ITS will wait on the response and Final Order of the Commission before proceeding. Should the Commission determine that the standard is indeed inconsistent, NAESB will draft alternate consistent language.

Third Comment

In paragraph 32, the Commission notes that "*We are also concerned about some vague language in Standard 10.6, which states that "for the purposes of 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."*

July 1, 2005 Comment

The Commission correctly interpreted the intent of Standard 10.6. NAESB WEQ concurs with the Commission's interpretation of the phrase "all other types" in Standard 10.6.

Progress on Comment

The OASIS 1A Task Force reviewed and discussed revisions to Standard 10.6 to bring it in line with the Commission's interpretation of "all other types" on August 2, 2005. The task force identified the action item on the July 8, 2005 OASIS 1A Task Force conference call, and drafted language that was reviewed at the August 2nd OASIS 1A Task Force meeting. The task force meets on August 18th to finalize the draft language, after which it will be placed on a recommendation and sent out for comment prior to the WEQ EC vote to adopt the clarified standard. No additional request is needed to complete this work as it falls

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

under an existing request and is in response to questions raised by the Commission to NAESB. The work paper is attached to this report.

Fourth Comment

In discussions with FERC staff, it was recommended that NAESB title its standards for ease of reference as well as reviewing the numbering scheme and comparing it to the WGQ numbers used for unambiguous identification.

July 1, 2005 Comment

NAESB concurs with these suggestions and will consider such changes as the organization amends and augments its base of standards.

Progress Report

The ESS/ITS drafted a naming and numbering scheme for the WEQ standards comparable to the WGQ standards numbering scheme at the July 13-14 meeting. The numbering scheme will be presented at the August 23, 2005 WEQ EC meeting. The work paper is attached.

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

Attachment A

Action Item from July 8, 2005 OASIS 1A Task Force Conference Call: Ms. Weathers will draft language to clarify the term "all other types" as used in Standard 10.6.

FERC questioned the use of the term "all other types" in their Notice of Proposed Rulemaking, RM05-5-000, dated May 9, 2005. It appears that Non-Firm service is different from Secondary service, therefore the term "all other types of Non-Firm Secondary Point-to-Point Service" does not make sense and should be changed. I am also recommending that Standard 2.2.3 be added to include Secondary service as a TS_Class as is created by Standard 10. The suggested redlines are as follows:

Standard 10 – Requirements for dealing with Redirects on a Non-Firm basis

10.6 - For the purposes of curtailment and other capacity reductions, confirmed Redirects on a Non-Firm (Secondary) basis shall have a lower priority than any ~~be treated comparably to all other types of~~ Non-Firm ~~Secondary~~ Point-to-Point Transmission Service.

Standard 2 – Standard Terminology for Transmission and Ancillary Services

Standard 2.2: A Transmission Provider shall use the values and definitions below to describe the service class, TS_CLASS, for transmission services offered on OASIS, or shall post alternative TS_CLASS attribute values and associated definitions on the OASIS Home Page at http://www.tsin.com, or shall use the attribute values and definitions posted by other Transmission Providers. (See Standard 3 for registration requirements.)

Standard 2.2.1: FIRM - Transmission service that always has priority over NONFIRM transmission service and includes Native Load Customers, Network Customers, and any transmission service not classified as non-firm in accordance with the definitions in the pro forma tariff.

Standard 2.2.2: NON-FIRM - Transmission service that is reserved and/or scheduled on an as-available basis and is subject to curtailment or interruption at a lesser priority compared to FIRM transmission service, including Native Load Customers and Network Customers, in accordance with the definitions in the pro forma tariff.

Standard 2.2.3: SECONDARY – Transmission service that is reserved on an alternate, or secondary, Point of Receipt and/or Point of Delivery and is subject to curtailment or interruption at a ~~priority equal to~~ lesser priority than NON-FIRM transmission service.

July 19, 2005
W. Weathers

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

Attachment B

PROPOSED NEW WEQ STANDARDS NAMING CONVENTION

01. OASIS Regulations
02. Transmission & Ancillary Service Attributes
03. OASIS Registration
04. On-line Negotiation & Communication
05. Procurement of Ancillary and Other Services
06. Pathnaming Standards
07. Next Hour Market Service
08. Requirements for dealing with multiple, identical transmission service requests
09. Requirements for dealing with Redirects on a Firm basis
10. Requirements for dealing with Redirects on a Non-Firm basis
11. Coordinate Interchange Standards
12. ACE Equation Special Cases Standards
13. Manual Time Error Correction Standards
14. Inadvertent Interchange Payback Standards
15. Reserved
16. Standards of Conduct

Y
- 001 Principles
- 002 Business Practice Standards
- 003 Standards & Communication Protocols
- 004 Data Dictionary
- 005 Contracts Related Standards

Z Sequentially assigned number indication version

July 13, 2005

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

Draft as of 4/22/05
It is our observation that some of the recommendations contained within these proposed standards seem to conflict with certain provisions of the pro-forma tariff. It is our recommendation that the standards be discussed and rewritten and that the submittal to the NAESB EC wait until such time that the standard and the S&CP changes are in a form that can be submitted without conflicts.

1. RECOMMENDED ACTION:

__X Accept as requested
___Accept as modified below
___Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

_X__Change to Existing Practice
___Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

_X_Initiation
___Modification
___Interpretation
___Withdrawal

___Principle
___Definition
_X_Business Practice Standard
___Document
___Data Element
___Code Value
___X12 Implementation Guide
___Business Process Documentation

Per Recommendation:

_X_Initiation
___Modification
___Interpretation
___Withdrawal

___Principle
___Definition
_X_Business Practice Standard
___Document
___Data Element
___Code Value
___X12 Implementation Guide
___Business Process Documentation

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

3. RECOMMENDATION

SUMMARY:

This recommendation establishes standard business practices related to secondary market sales of transmission service. These standards address certain provisions of Section 23 in the FERC Pro Forma Open Access Transmission Tariff titled "Sale or Assignment of Transmission Service."

The recommendation is presented in two major sections:

- Business Practice Standards for Sale or Assignment of Transmission Service, and
- Technical Standards for Sale or Assignment of Transmission Service which consist of red-lined changes to sections of the current OASIS Standards and Communications Protocols necessary to support the recommended Business Practice Standards.

The Business Practices Standards are subdivided into three sections:

- Definitions
- Resales
- Transfers

RECOMMENDED STANDARDS:

Business Practice Standards for Sale or Assignment of Transmission Service

Definitions– For the purposes of this standard the following definitions shall be applied:

Assignee – An Eligible Customer that receives point-to-point transmission service rights from a Reseller either through a Resale or a Transfer.

Eligible Customer – as defined in the FERC Pro Forma Open Access Transmission Tariff.

Financially Obligated Transmission Customer (FOTC)– The customer financially obligated to the Transmission Provider for transmission service~~.~~ (i.e., service procured either through direct purchase from the TP or through a Transfer of transmission rights).

Resale – The conveyance of scheduling rights associated with a reservation for point-to-point transmission service from a Reseller to an Assignee.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

Reseller[JTW1] – The customer that holds point-to-point transmission service rights and offers those rights for sale on the ~~-~~(secondary) transmission market. [This replaces the current definition of Reseller.]

Transfer[JTW2] – The conveyance of all rights and obligations associated with a reservation for point-to-point transmission service from a Reseller to an Assignee~~. except as noted otherwise herein.~~ Such Transfer may be for all or a portion of the capacity or duration of that reservation.

Standard Y: Resales
Any Transmission Customer (Reseller) shall have the right to offer for sale the scheduling rights associated with the points of delivery and receipt in the confirmed point-to-point transmission service reservation. Any Eligible Customer (Assignee) may request to purchase those scheduling rights.

Standard Y.1: Rights Conveyed
The Resale of transmission rights shall convey the rights to schedule point-to-point transmission service from the Reseller to the Assignee.

Standard Y.1.1 The Assignee shall submit schedules directly to the Transmission Provider (TP).

Standard Y.1.2 Secondary market transactions between Eligible Customers whereby the Reseller retains the responsibility to schedule transmission service with the TP are not subject to this Standard Y[JTW3].

Standard Y.2: Financial Obligations
Resales shall not affect the Financially Obligated Transmission Customer's (FOTC) financial obligations to the TP or any other terms of service under the tariff with the exception of scheduling terms and conditions.

Standard Y.3: Service Attributes[JTW4]
Resales shall retain the service attributes, service priority, and points of delivery and receipt of the reservation(s) being Resold. For example, if one hour of a Monthly Firm reservation is Resold, the Resale reservation shall be a Monthly Firm Resale reservation lasting one hour. ~~[IF WE SAY THIS DO WE NOT NEED TO SAY A VALID TP TRANSMISSION SERVICE? note, SERVICE PRIORITY IS TIED DIRECTLY TO SERVICE TYPE SO CAN SAY SERVICE TYPE AND IMPLIES PRIORITY FOR CURTAILMENTS AND PRIORITY FOR BUMPING]~~

Standard Y.3.1 Resales must be a valid service of the Primary Transmission Provider.

Standard Y.3.2[JTW5] **The Reseller shall have the right to aggregate multiple reservations into a single Resale provided that each reservation being aggregated is of exactly the same service attribute, priority, product and point of receipt/point of delivery.**

Standard Y.3.32 Resales must be in integral hours and within the start and stop times of the reservation(s) being resold.

~~**Standard Y.3.3**~~[JTW6] ~~If the Reseller combines rights from multiple reservations into a single Resale, the Resale shall retain the service attributes and service priority of the shortest duration, lowest priority reservation. For example, if a Reseller combines 10 mw of a monthly firm reservation and 10 MW of an hourly non-firm reservation into a single Resale, that Resale shall have the service attributes and service priority of a 20 MW hourly non-firm reservation.~~

Standard Y.3.4 The capacity in each hour of the Resale shall not exceed the total available capacity of the reservation(s) ~~combined in the Resale~~being resold.

Standard Y.4: Quantity
There shall be no limitation with respect to the amount (MW's) of the rights subject to Resale other than they must be in integral MWs and equal to or less than the amount of the reservation being resold, less any reductions (e.g. confirmed Redirects, previous Resales, curtailments).

Standard Y.5: Posting on OASIS
All Resales shall be posted on OASIS.

Standard Y.5.1 Resale offers and requests may be conducted on OASIS, in accordance with the OASIS Standards for Secondary Sales – On OASIS.

Standard Y.5.2 If the Assignee and the Reseller reach an agreement off OASIS, the Reseller must notify the TP of the Resale via the OASIS, in accordance with the OASIS Standards for Secondary Sales – Off OASIS. This posting should be made as soon as practicable, but in any case prior to the Assignee's exercising of any rights under the Resale.

Standard Y.5.3 Upon confirmation of a Resale on OASIS, the Reseller shall lose those conveyed scheduling rights for the time frame and in the amount of the Resale.

Standard Y.5.4 The[JTW7] If theTP determines the Reseller is not the legitimate owner of the rights being resold, ~~shall verify that the Reseller is the legitimate owner of the rights to be conveyed, otherwise~~ the TP has the right to nullify the Resale reservation. ~~and the resold rights will be reinstated to the Reseller.~~

Standard Y.6: Redirect
The Assignee shall have the right to Redirect firm rights acquired through a Resale. Any such request shall be submitted directly to the TP and will be treated the same as any other Redirect.

Standard Y.6.1 The[JTW8] Assignee shall be obligated directly to the TP for any additional charges or credits resulting from any Redirect on a firm basis. The credit or charge shall be assessed per the Redirect Standard. The FOTC's obligation to the TP shall remain unchanged.

Standard Y.6.2 Prior to accepting a Redirect request on a firm basis from the Assignee, the TP shall have the right to require that the Assignee execute a Transmission Service Agreement[JTW9].

Standard Y.7: Call-back[JTW10]
The Reseller may retain the right to call back the Resale, in whole or in part, pursuant to this Standard.

Y.7.1 The Reseller ~~must~~ shall clearly identify in writing any such provisions to the Assignee[JTW11].

Y.7.2 The Reseller ~~must~~ shall clearly identify any such provisions on OASIS[JTW12].

Y.7.3 The Assignee ~~may~~ shall not remarket, resell, redirect or otherwise modify in any form rights subject to be called back.

Standard Y.8: Resale of a Resale
The Assignee shall have the right to resell scheduling rights acquired through a Resale in accordance with these standards subject to exceptions in Y.7.

Standard Y.9: Renewal Rights
Renewal rights, if any, are not conveyed in a Resale[JTW13].

Standard Z: Transfers
Subject to the limitations below, a Financially Obligated Transmission Customer (Reseller) shall have the right to Transfer all of their rights and obligations under an existing~~or a portion of their existing~~, confirmed monthly or yearly point-to-point

transmission service rights to another Transmission Customer (Assignee) ~~with consent of the TP~~[JTW14]. Such Transfer may be for all or a portion of the capacity or duration of that reservation. ~~Such consent will not be unreasonably withheld.~~

Standard Z.1: Rights Conveyed
The Transfer of transmission rights shall convey all rights and obligations under the Transmission Provider's tariff, including the financial obligation to the TP, from the Reseller to the Assignee[JTW15]., ~~subject to the limitation in Standard Z.6.1~~.

Standard Z.1.1 Prior to the confirmation of any Transfer, the prospective Assignee and TP shall have executed a Transmission Service Agreement.

Standard Z.1.2 The Transfer must be agreed to by the FOTC, the Assignee, and the TP. The conveyance of Transfer rights is not complete until the TP approves the Transfer.

Standard Z.1.3 The Assignee (after ~~approval~~confirmation) shall submit schedules directly to the TP.

Standard Z.2: Financial Obligations
Transfers shall release the Reseller of their financial obligations to the TP and convey those financial obligations to the Assigneee.

Standard Z.3: Service Attributes and Timing

Transfers shall retain the same service attributes, service priority, and points of delivery and receipt of the reservation being Transferred.

Standard Z.3.1 The start time of the transfer may occur at any point during the period of service being transferred, but must begin on an integral hour.

Standard Z.3.2 The[JTW16] stop time of the Transfer must coincide with the stop time of the reservation being transferred.

~~**Standard Z.2: Service Attributes and Service Priority**~~
~~The Transfer shall retain the service attributes and service priority of the original transmission service rights purchased from the TP.~~

~~**Standard Z.3: Timing**~~
~~Transfers are limited to multiples of the original service purchased from the TP.~~

~~**Standard Z.3.1** The start of the transfer may occur at any point during the period of service being transferred.~~

~~**Standard Z.3.2** The[JTW17] end of the Transfer must coincide with the end of an increment of the service being transferred. For example, a yearly reservation that runs from January 1, 2006 to January 1, 2008 may be conveyed as a Transfer that starts on September 12, 2006 and ends on January 1, 2007 or January 1, 2008, but not September 12, 2007.~~

~~**Standard Z.3.3** The start and stop times of the Transfer must be in integral hours and within the start and stop times of the reservation being Transferred[JTW18].~~

Standard Z.4: Quantity
There shall be no limitation with respect to the amount (MW's) of the rights subject to Transfer other than they must be equal to or less than the amount of the reservation being transferred, less any reductions (e.g. confirmed Redirects, previous Resales, curtailments).

Standard Z.5: Posting on OASIS
All Transfers shall be posted on OASIS.

Standard Z.5.1 Transfer offers and requests may be conducted on OASIS, in accordance with the OASIS Standards for Transfers on OASIS.

Standard Z.5.2 If[JTW19] the Assignee and FOTC (Reseller) reach an agreement off OASIS, the Assignee must notify the TP of the Transfer via the OASIS in accordance with the OASIS Standards for Transfers – Off OASIS. This posting should be made as soon as practicable but in any case prior to the Assignee's exercising of any rights under the Transfer. ~~[prs: Need to discuss and align this with the S&CP changes. I did not make changes to the ***transassign*** template that would need to be used for the Assignee to submit on OASIS.]~~

Standard Z.5.3 The FOTC (Reseller) shall identify to the TP those existing transmission service rights that are to be conveyed to the Assignee subject to the review and approval by the TP, such approval shall not be unreasonably withheld.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

Standard Z.5.4 Upon confirmation of a Transfer on OASIS, the FOTC (Reseller) shall be released from their financial obligations for the time frame and in the amount of the Transfer.

Standard Z.6: Renewal Rights
~~Renewal rights, if any, may be conveyed in a Transfer.~~

~~**Standard Z.6.1** If[JTW20] the Transfer is for long-term firm service and the end of the Transfer does not coincide with the end of the reservation being transferred, renewal rights, if any exist, are not conveyed to the Assignee.~~

~~**Standard Z.6.2** ~~If the Transfer is for long-term firm service and the end of the Transfer coincides with the end of the reservation being transferred, renewal rights, if any exist, shall be granted to the Assignee on the path and in the amount transferred unless otherwise agreed to in writing by the Reseller and the Assignee.

Standard Z.7: Existing Rights
A Transfer shall not affect any existing rights (e.g. Resale, Transfer, Redirect, Renewal) ~~subject to the limitation in Standard Z.6.1~~. [incorporate in Z.4]

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

Technical Standards for Sale or Assignment of Transmission Service

The following excerpts contain the recommended changes to specific subsections in the OASIS Standards and Communications Protocols document required to support the above Business Practice standards. Each section or subsection is contained in its entirety with the recommended changes redlined.

4.2.13 Modifications to Transactions

Transactions processed by OASIS as outlined in Section 4.2.10 may be subject to modification by subsequent transactions or events as permitted under the Transmission Provider's Tariff. The following subsections describe the actions to be taken on OASIS to implement specific provisions of the Open Access Pro Forma Tariff related to transmission service. Depending on the exact form of the Provider's Tariff, some of these provisions may not be applicable, and implementation of other provisions may be Provider specific. In general, modification to any OASIS transaction initiated by the Customer shall involve the submission of a new transaction. The new transaction shall identify the specific type of modification being requested using the REQUEST_TYPE Data Element, and reference the transaction to be modified using the RELATED_REF Data Element. In the specific case of secondary market transactions, related transactions are identified with the use of the REASSIGNED_REF Data Element. The following are the specific restricted values for the REQUEST_TYPE Data Element and a brief description of their use:

- ORIGINAL – typical reservation requests submitted to the Primary Provider
- RESALE – secondary market requests submitted to a Transmission Customer as Secondary Transmission Provider
- RENEWAL – request to renew an expiring transmission reservation
- MATCHING – request to meet or exceed a competing request to retain transmission service (right of first refusal)
- DEFERRAL – request to defer or apply for extension on start of transmission service
- REDIRECT – request to redirect all or portion of a transmission reservation to an alternate POR/POD and/or make other changes to the terms of service as permitted
- TRANSFER – request to transfer all rights and obligations, including financial liability to the TP, from one Transmission Customer to another.
- {registered} – Primary Transmission Provider's may register values for REQUEST_TYPE to implement specific provisions of their Tariffs.

The Primary Transmission Provider may also modify a Customer's transmission reservation to the extent that the original reservation's MW capacity available for scheduling may be reduced over all or a portion of the term of the original reservation subject to the terms of the Provider's Tariff. Any time a subsequent transaction initiated by the Customer modifies all or a portion of a prior transaction, or a reduction in reserved MWs is initiated by the Primary Provider, the IMPACTED counter will be incremented in the prior transaction shall be set. OASIS User's may view the list of all

subsequent transactions or events impacting a given transaction using the ***reduction*** Template. The following subsections describe the application of REQUEST_TYPE to actions taken on OASIS, and how various modifications to existing reservations are to be affected.

…

4.2.13.11 Transfers (new)

Transmission Customers (Original TC) may transfer their rights and obligations, including financial liability, under the TP's Tariff to another Transmission Customer (Assignee). These requests must be initiated by the Assignee through submission of a transmission request with REQUEST_TYPE of TRANSFER and designation of the Original TC as SELLER. The transmission service attributes in the TRANSFER request must exactly match those in the transmission reservation(s) held by the Original TC. TRANSFER requests are handled by the Original TC (SELLER) and the Assignee (CUSTOMER) using the standard Transaction Process. OASIS may block submission of a TRANSFER request if the Assignee does not have an executed service agreement with the TP.

When approved by the Original TC, the Original TC must supply information as to the transmission service rights to be conveyed to the Assignee via the REASSIGNED_REF, REASSIGNED_CAPACITY, REASSIGNED_START_TIME and REASSIGNED_STOP_TIME Data Elements. The transmission service rights being transferred must have been purchased from the TP (REQUEST_TYPE of ORIGINAL with TP as SELLER) or transferred from another TC (REQUEST_TYPE of TRANSFER with that TC as SELLER). The aggregation of all REASSIGNED_xxx Data Elements must match the capacity and time frame of the TRANSFER request as specified in the CAPACITY_GRANTED (and/or CAPACITY_REQUESTED), START_TIME and STOP_TIME Data Elements of that transaction. If for any reason the TP disapproves of the TRANSFER, the TP must set the request's status to ANNULLED, and all rights will revert back to the Original TC.

The Transmission Provider may post a TRANSFER request directly on OASIS on behalf of the Original TC and Assignee after confirming the transaction with both parties. The information required to be posted shall be identical to that posted for TRANSFERs conducted on OASIS. The IMPACTED attributed will be incremented for each of the Original TC's reservations referenced by the REASSIGNED_REF Data Elements and be viewable with the ***reduction*** template.

…

4.3.6.1 Customer Capacity Purchase Request (transrequest)

The **Customer Capacity Purchase Request** (Input) (***transrequest***) is used by the Customer to request the purchase of transmission services or request changes to previously submitted reservations for transmission services. The response simply acknowledges that the Customer's request was received by the OASIS Node. It does not imply that the Seller has received the request. Inputting values into the reference Data Elements is optional.

CUSTOMER_CODE and CUSTOMER_DUNS shall be determined from the registered connection used to input the request.

Supporting "profiles" of service, which request different capacities (and optionally price) for different time periods within a single request, is at the discretion of the Primary Provider. Continuation records may be used to indicate requests for these service profiles; use of continuation records is only supported when using the CSV Format upload of Template data. Each segment of a profile is represented by the Data Elements CAPACITY_REQUESTED, START_TIME, and STOP_TIME, which define the intervals in time overwhich a non-zero MW demand is being requested. The initial segment of a profile is defined by the CAPACITY_REQUESTED, START_TIME and STOP_TIME Data Elements specified in the first/only record submitted; subsequent segments are specified in continuation records each containing the appropriate CAPACITY_REQUESTED, START_TIME and STOP_TIME values defining the segment. Provider's may optionally support price negotiation on segments of a profiled reservation request. In this case, the BID_PRICE Data Element is also included in each continuation record. If the BID_PRICE Data Element is not specified in the continuation records, the BID_PRICE specified in the first/only record submitted will be applied to the entire reservation request.

For requesting transmission services which include multiple paths, the following fields may be specified using continuation records: PATH_NAME, POINT_OF_RECEIPT, and POINT_OF_DELIVERY. Supporting multiple paths or multiple POINT_OF_RECEIPT and POINT_OF DELIVERY is at the discretion of the Provider.

The START_TIME and STOP_TIME indicate the requested period of service.

When the request is received at the OASIS Node, the TSIP assigns a unique ASSIGNMENT_REF value and queues the request with a time stamp. The STATUS for the request is QUEUED. The IMPACTED counter is initially set to 0. If the new request is not modifying an existing reservation (as indicated by a null value for the RELATED_REF Data Element) and the SELLER is the Primary Provider, REQUEST_TYPE must either be specified as "ORIGINAL" or be left null and OASIS will substitute the default value of "ORIGINAL". If the new request is not modifying an existing reservation and the SELLER is not the Primary Provider, REQUEST_TYPE must either be specified as "RESALE" or "TRANSFER". ~~or be~~ If left null, ~~and~~ OASIS will substitute the default value of "RESALE".

If the new request is modifying an existing transmission reservation, the Data Elements REQUEST_TYPE and RELATED_REF must be entered. RELATED_REF contains the ASSIGNMENT_REF for the transmission reservation being modified, and REQUEST_TYPE must be one of MATCHING, REDIRECT, DEFERRAL, RENEWAL, TRANSFER, or a Primary Provider registered value.

Specification of a value YES in the PRECONFIRMED field authorizes the TSIP to automatically change the STATUS field in the ***transstatus*** Template to CONFIRMED when that request is ACCEPTED by the Seller.

…

4.3.6.2 Status of Customer Purchase Request (transstatus)

The **Status of Customer Purchase Request** (***transstatus***) is provided upon the request of any Customer or Provider to indicate the current status of one or more

reservation records. Users may also view any transaction's status. However, the SOURCE and SINK may be masked for User requests until Transmission Providers must make source and sink information available at the time the request status posting is updated to show that a transmission request is confirmed.
Continuation records may be returned in association with a transmission reservation to convey information regarding: 1) sale or assignment of transmission rights on the secondary market (reassignments), 2) profiled requests, or 3) service over multiple paths Each continuation record associated with a transmission reservation shall be identified by the CONTINUATION_FLAG Data Element set to 'Y' and include the ASSIGNMENT_REF Data Element.
When a transmission reservation request acquires its rights to transmission service as the result of a sale or assignment of transmission rights on the secondary market, the identity of the original reservation, capacity, and time interval over which rights are assigned to the new reservation are defined by the Data Elements REASSIGNED_REF, REASSIGNED_CAPACITY, REASSIGNED_START_TIME, and REASSIGNED_STOP_TIME. These Data Elements will be returned in continuation records when more than one set of reassignment information is associated with a reservation.
If the transmission reservation has an associated profile, either as a result of the submission of CAPACITY_REQUESTED varying over time (support for Customer reservation profiles is at the discretion of the Provider) or due to the Provider offering partial service specifying a CAPACITY_GRANTED varying over time, then CAPACITY_GRANTED, CAPACITY_REQUESTED, START_TIME and STOP_TIME for the segments of the profile will be returned in continuation records. If the Provider supports negotiation of price on each segment of a Customer profiled request, BID_PRICE and OFFER_PRICE will also be returned with CAPACITY_REQUESTED, CAPACITY_GRANTED, START_TIME and STOP_TIME.
If the Provider supports reservations submitted on multiple paths, continuation records specifying PATH_NAME, POINT_OF_RECEIPT, and POINT_OF_DELIVERY associated with the reservation would be returned in continuation records.
The AFFILIATE_FLAG will be set by the TSIP to indicate whether or not the Customer is an affiliate of the Primary Provider. The NEGOTIATED_PRICE_FLAG will be set by the TSIP to indicate whether the OFFER_PRICE is higher, lower, or the same as the BID_PRICE. Any time that a confirmed transmission reservation's rights to schedule up to the amount of CAPACITY_GRANTED is reduced, either due to secondary market sales, partial displacements, Provider initiated "recalls" of capacity, etc., the IMPACTED Data Element shall be incremented. Specific information regarding the MW level and reason for reduction in reserved capacity is viewable using the *reduction* Template.

Template: **transstatus**

1. **Query**

   SELLER_CODE*
   SELLER_DUNS*
   CUSTOMER_CODE*
   CUSTOMER_DUNS*
   PATH_NAME*

POINT_OF_RECEIPT*
POINT_OF_DELIVERY*
SERVICE_INCREMENT*
TS_CLASS*
TS_TYPE*
TS_PERIOD*
TS_WINDOW*
TS_SUBCLASS*
STATUS*
START_TIME (Beginning time of service)
STOP_TIME
START_TIME_QUEUED (Beginning time queue)
STOP_TIME_QUEUED
NEGOTIATED_PRICE_FLAG
ASSIGNMENT_REF
REASSIGNED_REF
RELATED_REF
SALE_REF
REQUEST_REF
DEAL_REF
COMPETING_REQUEST_FLAG
TIME_OF_LAST_UPDATE

2. **Response**

CONTINUATION_FLAG
ASSIGNMENT_REF
SELLER_CODE
SELLER_DUNS
CUSTOMER_CODE
CUSTOMER_DUNS
AFFILIATE_FLAG (Set by TSIP)
PATH_NAME
POINT_OF_RECEIPT
POINT_OF_DELIVERY
SOURCE
SINK
CAPACITY_REQUESTED
CAPACITY_GRANTED
SERVICE_INCREMENT
TS_CLASS
TS_TYPE
TS_PERIOD
TS_WINDOW
TS_SUBCLASS
NERC_CURTAILMENT_PRIORITY
OTHER_CURTAILMENT_PRIORITY

START_TIME
STOP_TIME
CEILING_PRICE
OFFER_PRICE
BID_PRICE
PRICE_UNITS
PRECONFIRMED
ANC_SVC_LINK
ANC_SVC_REQ
POSTING_REF
SALE_REF
REQUEST_REF
DEAL_REF
IMPACTED (Greater than 0, if another reservation impacts this reservation)
COMPETING_REQUEST_FLAG
REQUEST_TYPE
~~**ORIGINAL, RESALE, REDIRECT, MATCHING,DEFERRAL, RENEWAL, {registered}**~~
RELATED_REF
NEGOTIATED_PRICE_FLAG ("L" if Seller accepted Price is lower than OFFER_PRICE in *transoffering* Template; "H" if higher; otherwise blank)
STATUS =
RECEIVED, QUEUED, INVALID, STUDY, REBID, COUNTEROFFER, ACCEPTED, DECLINED, SUPERSEDED, REFUSED, CONFIRMED, WITHDRAWN, DISPLACED, ANNULLED, RETRACTED
STATUS_NOTIFICATION
STATUS_COMMENTS
TIME_QUEUED
RESPONSE_TIME_LIMIT
TIME_OF_LAST_UPDATE
PRIMARY_PROVIDER_COMMENTS
SELLER_REF
SELLER_COMMENTS
CUSTOMER_COMMENTS
SELLER_NAME
SELLER_PHONE
SELLER_FAX
SELLER_EMAIL
CUSTOMER_NAME
CUSTOMER_PHONE
CUSTOMER_FAX
CUSTOMER_EMAIL
REASSIGNED_REF
REASSIGNED_CAPACITY (Capacity from each previous transaction)
REASSIGNED_START_TIME
REASSIGNED_STOP_TIME

…

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

Appendix A – Data Dictionary:
[ed. ~~Definition~~element of REQUEST_TYPE must be updated to include TRANSFER.]

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Using OASIS to process and record redirects of transmission service is a difficult task. There are many issues related to the redirect and resale functionality, but most are caused by provider business rules or vendor design choices. The primary issue concerns redirects of transmission service. The current OASIS standard does not facilitate primary provider approval of redirected transmission when that redirect is using resold (reassigned) transmission service. When transmission rights are resold to another customer, the customer on the original request is the seller on the resale request. In this case, the primary provider responsible for administering ATC no longer has approval rights for any future transactions, such as REDIRECTS, that use this resold or reassigned transmission service. This is only an issue when the 2nd customer wants to redirect transmission usage to a constrained path. Currently, unless the provider intervenes on the backend, that provider only has the option to deny this type of transaction when it is tagged.

b. Description of Recommendation:

In considering the request to clarify/standardize treatment of REDIRECT requests for transmission service acquired on the secondary market, the OASIS 1A Task Force determined that a more fundamental set of business practices should be specified dealing with the secondary transmission market. This issue has been discussed in the past in both the NERC Market Interface Committee (MIC) and the Electronic Scheduling Collaborative. The recommended standards presented here are in line with the discussions in those groups in that there are basically two major classes of secondary market transactions that must be recognized: 1) transfer of scheduling rights with no change in financial responsibility, and 2) transfer of all rights, including financial responsibility. Implementation of the second class of secondary market transaction (i.e., TRANSFER in the recommended standard), will require modifications to the OASIS S&CP and corresponding changes in OASIS software.

Standards Y.6 and Z.6 specifically address the issue of Redirects for secondary market transactions.

Standards Y.5.2 and Z.5.3 identify who is ultimately responsible for notification of the TP of the Resale or Transfer respectively. Note that in the case of Resales, the (re)seller documents off-OASIS sales since there is no incentive for that TC to give away rights to another TC without compensation and don't want to give the Assignee rights to "steal" rights from a TC by fraudulent use of the OASIS transassign template. In the case of Transfers, the Original TC could attempt to "dump" financial obligation on another entity without their approval if they could use the OASIS transassign template. Therefore, a TRANSFER request should be initiated by the Assignee

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters:
Request No.:
Request Title: OASIS 1A Enhancements - Sale or Assignment of Transmission Service

taking on the financial burden and won't be allowed to use transassign template, unless we make explicit restrictions in transassign that the Original TC's submission with request type of TRANSFER is to have an implied status of ACCEPTED (as opposed to CONFIRMED for resales).

In support of the Recommendation Sale or Assignment of Transmission Service to the NAESB Executive Committee for a proposed business pracitce standard, please see the following sets of NAESB subcommittee minutes:

WEQ OASIS 1A Task Force	February 13, 2004	http://www.naesb.org/pdf/weq_oasis1a_021304dm.pdf
WEQ ESS/ ITS	April 6, 2004	http://www.naesb.org/pdf/weq_ess_its040604fm.doc
WEQ ESS/ ITS	May 26-27, 2004	http://www.naesb.org/pdf/weq_ess_its052604dm.doc
WEQ ESS	February 17-18, 2004	http://www.naesb.org/pdf/weq_ess021704fm.doc
WEQ OASIS 1A Task Force	July 14, 2004	

c. Business Purpose:

The Business Practices will provide market participants with procedures for providing any necessary data for the secondary market sales of transmission service. These standards address certain provisions of Section 23 in the FERC Pro Forma Open Access Transmission Tariff related to the "Sale or Assignment of Transmission Service."

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **Wholesale Electric Quadrant**
Requesters: **ESS/ITS**
Request Number: **R04035**
Request Title: **Request to Modify Standards**

Draft as of July 22, 2005

1. RECOMMENDED ACTION:

___ Accept as requested
___ Accept as modified below
___ Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___ Change to Existing Practice
___ Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:	**Per Recommendation:**
___ Initiation	___ Initiation
___ Modification	___ Modification
___ Interpretation	___ Interpretation
___ Withdrawal	___ Withdrawal
___ Principle	___ Principle
___ Definition	___ Definition
___ Business Practice Standard	___ Business Practice Standard
___ Document	___ Document
___ Data Element	___ Data Element
___ Code Value	___ Code Value
___ X12 Implementation Guide	___ X12 Implementation Guide
___ Business Process Documentation	___ Business Process Documentation

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**Wholesale Electric Quadrant**
Requesters:	**ESS/ITS**
Request Number:	**R04035**
Request Title:	**Request to Modify Standards**

3. RECOMMENDATION

SUMMARY:

RECOMMENDED STANDARDS:

Recommended modifications to Version2 (?)of the WEQ OASIS Business Practice Standards (WEQ BPS-001-000)(?) are redlined below.

Modification 1

Definitions: Add or delete the following definitions, as appropriate

Commission – Federal Energy Regulatory Commission, or appropriate regulating authority.

FERC – Federal Energy Regulatory Commission

Appropriate Regulating Authority – the entity which has regulating authority over a given Transmission Provider.

Modification 2

Standard 1 Changed to read, in part:

Applicability

Standard 1 applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and to transactions limited to the provision of open access transmission service performed under the pro forma tariff required under currently applicable regulations."

Modification 3

Standard 3.1 changed to read, in part:

3.1 ~~**Standard 3.1:**~~ All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at http://www.tsin.com. Registration identification shall include the parent entity (if any) of the registrant. Registration shall be a prerequisite to OASIS usage and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement or providing false information may be denied access by a transmission provider to that transmission provider's OASIS node.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

Modification 4

Standard 2.5 changed to read, in part:

Other Service Attribute Values

~~The Commission has defined s~~Six ancillary services ~~in Order No. 888~~are pre-defined. Other services may be offered pursuant to filed tariffs

2.5: A Transmission Provider shall use the definitions below to describe the AS_TYPEs offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at http://www.tsin.com, or shall use attribute values and definitions posted by another Transmission Provider. (See Standard 3 for registration requirements.)

~~FERC~~ Ancillary Services Definitions

Modification 5

Standard 4.1: Changed to read:

4.1: ~~Consistent with FERC policy and regulations, a~~All reservations and price negotiations shall be conducted on OASIS.

Modification 6

Standard 7. Next Hour Market Service, changed to read in part:

Introduction

The standards in this section apply to the offering of Next Hour Market (NHM) Service only. The FERC~~Commission~~ has designated this service as voluntary for a transmission provider to offer. Therefore the standards apply to a transmission provider only if that provider offers NHM Service, in which case the standards become mandatory for that provider.

Modification 7

Standard 10.1.5 changed to read:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

10.1.5. Requests for Redirects on a Non-Firm basis shall specify: ~~the following transmission service attributes in their request:~~

TS_CLASS=SECONDARY

TS_TYPE=POINT_TO_POINT

~~TS_PERIOD, TS_WINDOW,and SERVICE_INCREMENT shall specify any valid value offered by the TP for Non-Firm Point-to-Point service.~~

Modification 8

10.5.3. The TC shall have the right to request the TP to release unscheduled capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all such valid requests, and reinstate the capacity on the Parent Reservation. ~~such that it may subsquently be scheduled, Redirected on a Firm or Non-Firm basis to a different path, resold, etc.~~

Modification 9

9.5.2. The TC ~~shall~~ should withdraw any request to Redirect on a Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to withdraw their acceptance of any request to Redirect on a Firm basis that cannot be confirmed due to limitations in the Capacity Available to Redirect by setting the OASIS standard STATUS data element to the value of SUPERSEDED.

Modification 10

10.5.2 The TC ~~shall~~ should withdraw any request to Redirect on a Non-Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to withdraw their acceptance of any request to Redirect on a Non-Firm basis that cannot be confirmed due to limitations in the Capacity Available to Redirect by setting the OASIS standard STATUS data element to the value of SUPERSEDED.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**Wholesale Electric Quadrant**
Requesters:	**ESS/ITS**
Request Number:	**R04035**
Request Title:	**Request to Modify Standards**

4. SUPPORTING DOCUMENTATION

a. Description of Request:

This recommendation addresses comments received by the WEQ ESS/ITS on the draft of its recommendation for request R04005-A (OASIS Baseline Business Practices – Standards 1 -7), R04006-B (Multiple Requests – Standard 8) and R04006-C (Redirects – Standards 9 and 10). As the comments recommended substantive changes to the standards, it was not appropriate to address these comments as a part of the initial issuance of the standards. Now that the standards have been ratified, the ESS/ITS combined the comments into Request R04035 being addressed herein.

The comments proposed:

- Changes to some of the definitions, including the replacing references to the "Commission," with an international, more general term, and others.
- Section 4.19 of the OASIS Baseline Business Practices be clarified to reflect that the Transmission Provider is not required to COUNTEROFFER a confirmed reservation.
- The standard be clarified to show that its numbered components are "requirements" of the OASIS Business Practice Standard, not individual standards [WHAT DOES THIS MEAN? Prs to find out]

b. Description of Recommendation:

In support of the Recommendation Multiple Requests to the NAESB Executive Committee for a proposed business practice standard, please see the following sets of minutes.

[Include minutes]

WEQ OASIS 1A Task Force	UPDATE TABLE	http://www.naesb.org/pdf/weq_oasis1a_021304dm.pdf

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

WEQ ESS/ ITS	April 6, 2004	http://www.naesb.org/pdf/weq_ess_its040604fm.doc
WEQ ESS/ ITS	May 26-27, 2004	http://www.naesb.org/pdf/weq_ess_its052604dm.doc
WEQ ESS	February 17-18, 2004	http://www.naesb.org/pdf/weq_ess021704fm.doc
WEQ OASIS 1A Task Force	July 14, 2004	

c. Business Purpose:

See Section d. Commentary/Rationale

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

The following is a list of comments received and a response to each.

I. Comments on Baseline Business Practices (R04005-A)

a. Comments by Entergy

Submitted by: Edward Davis
September 20, 2004

Entergy suggests that expansion of the Pro Forma Tarrif and OASIS requirements since the initial issuances make the following wording not specific to the provision of transmission service. Therefore, we suggest the following changes to the draft:

"Standard 1: Provision of Open Access Transmission Service. All transmission providers shall provide open access transmission service in accordance with the following requirements.

Applicability

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

Standard 1 applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and to transactions limited to the provision of open access transmission service performed under the pro forma tariff required under currently applicable regulations."

Response: Language included as suggested, see modification 2.

Entergy suggests expanding the legitimate reasons for denying access to include the provision of false information, as follows:

a. Standard 3.1: All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at http://www.tsin.com. Registration identification shall include the parent entity (if any) of the registrant. Registration shall be a prerequisite to OASIS usage and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement or providing false information may be denied access by a transmission provider to that transmission provider's OASIS node.

Response: Language included as suggested, see modification 3.

b. Comments by WE Energies

For all documents, definition of terms should be consistent with the NAESB Glossary and between documents. Inconsistencies were found in the definition of Affiliate, Transmission Customer, Firm Transmission, Non-firm Transmission, Point-to-Point Transmission Service, Network Service .

P. 10 of R04005-A, Standard 1.8 - A definition of "significant amount" is needed. Thank you for the opportunity to comment.

Barb Kedrowski , Project Manager , We Energies

Response: Laura to get more information per oasis 1a conf call.

c. Comments by V. Bissonnette, Hydro-Quebec TransEnergie

HYDRO-QUÉBEC TRANSÉNERGIE COMMENTS
September 20, 2004

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: **Wholesale Electric Quadrant**
Requesters: **ESS/ITS**
Request Number: **R04035**
Request Title: **Request to Modify Standards**

NAESB must prepare Business Standards that could apply internationally, meaning to Canadian entities also. This requires some adaptation work to this Recommendation.
The term "Commission" as defined in this Recommendation refers to FERC. That term should be replaced by "Appropriate Regulating Authority" (or some other term) and should be defined as the entity which has regulating authority over a given Transmission Provider. The whole document should then be revised with this international intent in mind (for example, this simplifies 1.5(f) that would then apply to "Appropriate regulating authorities staff" and the introduction to Standard 4.1 could be simplified to read only "All reservations and price…." Instead of "Consistent with FERC policy and regulations, all reservations and price…").

Response: The definition of Commission has been broadened to include "Appropriate Regulating Authority". References to FERC have been omitted where they are unnecessary. In cases where we do want to refer to the Federal Energy Regulatory Commission specifically, we have used the term FERC. See modifications 4, 5 and 6.

A Transmission Provider is not necessarily a "public utility". The definition should be broadened to include all possibilities and specify that it is used for those who provide Open Access to their electrical transmission System. As written the definition seems to encompass even systems which do not offer such access. The term "interstate" is also limiting regarding the international nature of a Business Standard. We also question that a Transmission Provider is not necessarily operating "interstate" even in the U.S. As a first try, the resulting definition for Transmission Provider could then read: "An entity that owns, operates or control facilities used for the transmission of electric energy and that offers open access transmission service over those facilities".

Response: The requests to change the definition of "Public Utility" and change the term "interstate" is beyond the scope of the Electronic Scheduling Subcommittee/Information Technology Subcommittee. No changes are recommended to the Business Practice Standards.

Submitted by Victor Bissonnette
Délégué commercial
Direction Commercialisation

Hydro-Québec TransÉnergie

II Comments on Multiple Requests (R04006-B)

a. Comments by First Energy

Denial of Service – the act of ~~this is the~~ intentionally or unintentionally ~~degradation of OASIS performance that~~ denying service to other OASIS customers ~~impacts all customer~~

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

~~interactions with OASIS~~ by consuming OASIS cyber resources in such a way that OASIS performance is degraded and the market's ability to operate is impeded. (The name didn't fit the definition.)

Queue Hoarding – this is the act, intentionally or unintentionally, of not confirming or withdrawing an accepted service request within the time limit specifed by the e-tag rules. ~~such that it impacts the ability of other willing buyers to secure service in a timely fashion~~.

Response: The definitions of "Denial of Service" and "Queue Hoarding" currently reflect the intended definitions. No changes are recommended to the Business Practice Standard definitions.

Standard 8. Requirements for dealing with multiple, identical transmission service requests.

8.1 Denial of Service - OASIS system administrators or Transmission Providers shall have the right to institute programs for the detection and mitigation of Denial of Service (DoS) ~~attacks~~events ~~-~~based on recognized standard industry practices. (the word attacks here implies an intentional event while the definition states a cause can be unintentional)

8.1.2 The Transmission Provider will have the right to suspend the user's access to the OASIS system when it is determined that the user has casued two or more DoS events.

8.1.3 The user's access to OASIS will be reinstated when they can demonstrate the problem that caused the DoS events has been corrected.

8.2.1 The Transmission Provider will have the right to suspend the user's access to the OASIS system when it is determined that the user has casued two or more Queue Flooding events.

8.2.2 The user's access to OASIS will be reinstated when they can demonstrate the problem that caused the Queue Flooding events has been corrected.

8.3.3 The Transmission Provider will have the right to suspend the user's access to the OASIS system when it is determined that the user has casued two or more Queue Hoarding events.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: **Wholesale Electric Quadrant**
Requesters: **ESS/ITS**
Request Number: **R04035**
Request Title: **Request to Modify Standards**

8.3.4 The user's access to OASIS will be reinstated when they can demonstrate the problem that caused the Queue Hoarding events has been corrected.

Response: Why? ~~No changes are recommended to the Business Practice Standard definitions.~~

b. Comments by Hydro-Quebec TransEnergie

Naesb weq recommendation r04006-B Oasis 1A Enhancements – Multiple Requests
Hydro-québec transénergie comments
November 5, 2004
The term "Commission" is defined as "the Federal Energy Regulatory Commission" and it is used only in "4. SUPPORTING DOCUMENTATION", Section d. Since the NAESB Standards should have an international intent, we propose to remove this definition and replace "Commission" by FERC (as is done elsewhere in the document) in this Section d.

Response: See modifications 4, 5 and 6.

Our comments on the definition of "Transmission Provider" stated for Recommendation R04005 also apply: A Transmission Provider is not necessarily a "public utility". The definition should be broadened to include all possibilities and specify that it is used for those who provide Open Access to their electric Transmission System. As written the definition seems to encompass even systems which do not offer such access. The term "interstate" is also limiting regarding the international nature of a Business Standard. We also question that a Transmission Provider is not necessarily operating "interstate" even in the U.S. As a first try, the resulting definition for Transmission Provider could then read: "An entity that owns, operates or control facilities used for the transmission of electric energy and that offers open access transmission service over those facilities".

Response: The requests to change the definition of "Transmission Provider" and "Public Utility" and change the term "interstate" is beyond the scope of the Electronic Scheduling Subcommittee/Information Technology Subcommittee. ~~No changes are recommended to the Business Practice Standards.~~

Remove the "Responsible party", "Reseller" and "Wholesale merchant function" definitions as those terms are not used in the document.

Response: The definitions within the OASIS Business Practice Standards are global, not repeated within each standard. The definitions listed above are all used in the Business Practice Standards even if not used in the Multiple Requests Standard. ~~No changes are recommended to the Business Practice Standards.~~

Submitted by Victor Bissonnette

Délégué commercial
Direction Commercialisation Hydro-Québec TransÉnergie

c. Comments by Southern Company Bulk Power Operations

Multiple Requests Southern Company Bulk Power Operations
Comments Submitted by: Southern Company's Bulk Power Operations
Dated: 11/08/04; 3:56 PM via email

Redirects and Multiple Submissions

1) Standard 8, Section 8.3.2 references a time limitation imposed by the Transmission Provider in the event of Queue Hoarding. This restriction states "…in no event shall the TP impose such restrictions that would set the confirmation time limit to expire any earlier than 30 minutes before the pro forma scheduling deadline." This restriction puts an undue burden on the TP's and the TC's to approve and accept the rest of the queued reservations within only a 30 minute window. The Business Practice Standards for OASIS Transactions (Order 638), Standard 4.13 already specifies timing requirements for OASIS requests. Specifically in that standard, Table 4-2 Footnote 2 states "Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preexemption deadlines." This footnote already allows the TP to set the TC response deadlines to accommodate multiple reservation requests and yet minimize the impacts on scheduling deadlines due to queue hoarding. Therefore, the Southern Company transmission organization ("Southern Company Transmission") recommends that the EC delete this confirmation time limit restriction (i.e., the last sentence in Section 8.3.2) from the standard.

Response: This issue will be discussed at the August/September ESS/ITS meeting.

2) Standard 9, Section 9.8.1 references a calculation for a default charge on a firm redirect and a default credit on the Parent Reservation, "if not addressed in the Transmission Provider's tariff". All tariff rate calculations are submitted by each Transmission Provider to FERC for approval and should not be addressed here. Southern Company Transmission suggests that the EC delete this section (9.8.1) in its entirety.

Response: If a Standard is addressed in a Transmission Provider's tariff, the tariff will always take precedent. If not addressed in the tariff, ~~section~~ standard 9.8.1 provides a standard for this rate calculation.

3) Standard 10, Section 10.1.5 needs to be reworded. As presently worded, the standard seems to imply that Transmission Providers might have to offer additional service increments of Secondary Point-to-Point service. Southern Company Transmission suggests that the EC revise the wording "...offered by the TP for Non-Firm Point-to-Point service." to "…offered by the TP for Non-Firm **Secondary** Point-to-Point service." (emphasis added).

Response: We agree that this could be ambiguous and have made deletions as shown in Modification 7 above.~~.~~

4) Standard 10, Section 10.5.3 references a "release" mechanism for Redirect on a Non-Firm basis. This proposed release mechanism has not yet been developed in support of this standard. Given the potential design complications that will likely arise in retrofitting a "release" mechanism into existing OASIS applications, as well as the likelihood of further automation requirements for verification of redirect capacity available on the Parent Reservation, Southern Company Transmission suggests that the EC consider a 6 months time frame for implementation of Standard 10. Some reasonable implementation period is necessary for an orderly transition which allows a Transmission Provider to remain in compliance with all applicable standards at any point in time.

Response: In respnse to this comment, we will discuss general recommendation to the FERC along these lines.

5) Standard 10, Section 10.5.3 needs additional clarification, with respect to the rights and obligations of the TC and TP concerning a request for "release" of a confirmed non-firm redirect reservation. Some redundant wording can also be eliminated, in regard to the future use of the re-instated capacity on the Parent Reservation. Southern Company Transmission suggests that Section 10.5.3 be revised as follows:

10.5.3 – The TC shall have the right to request the TP to release unscheduled capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all valid requests for release, and reinstate the released capacity to the Parent Reservation.

Response: We agree. See Modification 8 above.

III. Comments on Redirects (R04006-C)

a. Comments by First Energy

Definitions to be added to the OASIS Business Practice standard

Parent Reservation – ~~an~~ the original, existing, confirmed reservation being modified by a Transmission Customer's request to redirect, reassign, resale, etc.

Response: A Parent Reservation may be not be an original reservation as it may be a Redirect, Resale, or other type of reservation. This change has not been made to the standards.

Business Practices to be added to the OASIS Business Practice standard

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

Standard 9. Requirements for dealing with Redirects on a Firm basis.

9.1 – The Transmission Customer (TC) shall have the right to request modifications to Points of Receipt and/or Points of Delivery (including source or sink, where required) on a firm basis for a Confirmed Point-to-Point Firm Transmission Service reservation (i.e., Parent Reservation)~~,~~ providing the original path of the transaction is utilized for the Redirect. ~~This~~ will be referred to as a Redirect on a Firm basis.

Response: The requested change is a substantive change that would depart from FERC required industry standard practice. Without a rationale for making such a change, this change cannot be considered.

9.1.3 - A request to Redirect on a Firm basis shall be queued and treated in the same manner as any other firm point to point request providing the original path of the transaction is maintained~~,~~ and subject to the other requirements of this standard.

Response: The requested change is a substantive change that would depart from FERC required current industry practice. Without a rationale for making such a change, this change cannot be considered.

9.1.5 – The TC shall not submit a request for a Redirect on a Firm basis that exceeds the Capacity Available for Redirect.

Response: The suggested standard is not consistent with the intent of the standard, which is why standards 9.5.1 and 9.5.2 are included approved OASIS standards. The suggested standard would conflict with FERC requirements. Without a rationale for making such a change, this change cannot be considered.

9.2 - The TC shall be allowed to request a Redirect on a Firm basis for a portion or all of the Capacity Available to Redirect, even if the transmission scheduling rights on the Parent Reservation have been limited due to outages or other reliability-related events. An example is shown in Appendix B. (Ed – I am of the opinion that the request should be allowed, but a refusal should also be allowed if the request will worsen the reliability condition. However, if a TP sold transmission on a firm basis the entity purchasing the transmission capacity should be able to use the capacity up to the limits provided by a firm reservation such that the TP may be required to shed firm load to load the schedule. I think the bottom line here is that the TP sold transmission capacity that they didn't have if they have to shed firm load to allow the transaction to go forward.)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

Response: Standard 9.2 requires only that the Transmission Customer be allowed to request a certain type of redirect. The standard does not address the Transmission Provider response. ~~No change has been made to the standard.~~

9.4.2 - The TC shall be allowed to submit and have pending multiple requests for Redirects on a Firm basis up to and not exceeding the ~~against the same~~ Capacity Available to Redirect. The TP shall evaluate the requests for Redirects in the order they are received and will confirm only the requests up to and not exceeding the Capacity Available to Redirect.~~The TP shall evaluate each such request with the knowledge that only those requests up to the Capacity Available to Redirect may ultimately be confirmed~~. An example is shown in Appendix B.

Response: . The addition of the language "up to and exceeding the" to standard 9.4.2 is not consistent with the intent of the standard. It would achieve the same thing as adding the suggested standard 9.1.5, which was not incorporated. The suggested standard would conflict with FERC requirements. Without a rationale for making such a change, this change cannot be considered. The intent of the change to the sentence "The TP shall evaluate…" is addressed sufficiently elsewhere in the standard. ~~No change has been made to the standard.~~

9.5 - Upon confirmation of the request or requests to Redirect on a Firm basis, the Capacity Available to Redirect shall be reduced by the amount of the total of the redirected capacity for the time period of that Redirect. An example is shown in Appendix B.

Response: Standard 9.5 as written is more concise than the suggested changes. The standard may apply to more than one request which would achieve the same thing as the modified language. ~~No change has been made to the standard.~~

10.1.7 – The TC shall not submit a request for a Redirect on a non-Firm basis that exceeds the Capacity Available for Redirect.

Response: . See response to suggested standard 9.1.5 and suggested changes to standard 9.4.2.

10.4.2 - The TC shall be allowed to submit and have pending multiple requests for Redirects on a Non-Firm basis up to and not exceeding the ~~against the same~~ Capacity Available to Redirect. The TP shall evaluate the requests for Redirects in the order they are received and will confirm only the requests up to and not exceeding the Capacity Available to Redirect ~~The TP shall evaluate each such request with the knowledge that only those requests up to the Capacity Available to Redirect may ultimately be confirmed.~~ An example is shown in Appendix B.

Response: . See response to suggested standard 9.1.5 and suggested changes to standard 9.4.2.

Appendix B – Redirect Standards Examples

These examples need a lot of work. They do not clearly represent the principles described in 9 and 10 above. These examples would be clearer if they included the parent reservation prior to the redirect, the redirect, and then the effect of the redirect on the parent reservation. Sort of a before and after or cause and effect view.

Response:

b. Comments by Southern Company Bulk Power Operations

Dated: 11/08/04; 3:56 PM via email
Redirects and Multiple Submissions

1) Standard 8, Section 8.3.2 references a time limitation imposed by the Transmission Provider in the event of Queue Hoarding. This restriction states "…in no event shall the TP impose such restrictions that would set the confirmation time limit to expire any earlier than 30 minutes before the pro forma scheduling deadline." This restriction puts an undue burden on the TP's and the TC's to approve and accept the rest of the queued reservations within only a 30 minute window. The Business Practice Standards for OASIS Transactions (Order 638), Standard 4.13 already specifies timing requirements for OASIS requests. Specifically in that standard, Table 4-2 Footnote 2 states "Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preexemption deadlines." This footnote already allows the TP to set the TC response deadlines to accommodate multiple reservation requests and yet minimize the impacts on scheduling deadlines due to queue hoarding. Therefore, the Southern Company transmission organization ("Southern Company Transmission") recommends that the EC delete this confirmation time limit restriction (i.e., the last sentence in Section 8.3.2) from the standard.

Response: See responses to earlier comments .

2) Standard 9, Section 9.8.1 references a calculation for a default charge on a firm redirect and a default credit on the Parent Reservation, "if not addressed in the Transmission Provider's tariff". All tariff rate calculations are submitted by each Transmission Provider to FERC for approval and should not be addressed here. Southern Company Transmission suggests that the EC delete this section (9.8.1) in its entirety.

Response: See responses to earlier comments .

3) Standard 10, Section 10.1.5 needs to be reworded. As presently worded, the standard seems to imply that Transmission Providers might have to offer additional service increments of Secondary Point-to-Point service. Southern Company Transmission suggests that the EC revise the wording "...offered by the TP for Non-Firm Point-to-Point service." to "…offered by the TP for Non-Firm **Secondary** Point-to-Point service." (emphasis added).

Response: See responses to earlier comments .

4) Standard 10, Section 10.5.3 references a "release" mechanism for Redirect on a Non-Firm basis. This proposed release mechanism has not yet been developed in support of this standard. Given the potential design complications that will likely arise in retrofitting a "release" mechanism into existing OASIS applications, as well as the likelihood of further automation requirements for verification of redirect capacity available on the Parent Reservation, Southern Company Transmission suggests that the EC consider a 6 months time frame for implementation of Standard 10. Some reasonable implementation period is necessary for an orderly transition which allows a Transmission Provider to remain in compliance with all applicable standards at any point in time.

Response: See responses to earlier comments .

5) Standard 10, Section 10.5.3 needs additional clarification, with respect to the rights and obligations of the TC and TP concerning a request for "release" of a confirmed non-firm redirect reservation. Some redundant wording can also be eliminated, in regard to the future use of the re-instated capacity on the Parent Reservation. Southern Company Transmission suggests that Section 10.5.3 be revised as follows:

10.5.3 – The TC shall have the right to request the TP to release unscheduled capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all valid requests for release, and reinstate the released capacity to the Parent Reservation.

Response: See responses to earlier comments .

c. Comments by WE Energies

Comments Submitted by: Barb Kedrowski
Dated: 11/11/04, 1:21 PM
Below are We Energies' comments on the WEQ 2004 Annual Plan Item 2 - OASIS 1A Enhancements - Redirects (Comments in red, text from standard in blue): [color deleted]

Standard 10 - Requirements for dealing with Redirects on a non-firm basis:

Section 10.1.6 - Requests for redirects on a non-firm basis shall be submitted by the TC as pre-confirmed.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: **Wholesale Electric Quadrant**
Requesters: **ESS/ITS**
Request Number: **R04035**
Request Title: **Request to Modify Standards**

We Energies' comment: Why must it be preconfirmed? Would it be possible to set an acceptable time interval for redirect request confirmation that would allow requests to be submitted without being preconfirmed? Sometimes deals are done that encompass more than one transmission provider. If TLR's are in effect on one TP's jurisdiction, the deal falls apart. If the redirect request is preconfirmed and it has been confirmed by the TP, it is no longer of any use since one segment of the deal can't flow.

Response: The preconfirmation requirement was accepted because the Transmission Customer has the ability to use the release mechanism, per standard 10.5.3, to "undo" the transaction, or move the capacity back to the parent reservation. Specifics of the release mechanism are being developed in Recommendation R04006-C1. ~~No change has been made to the standard~~.For disussion at the August/September ESS/ITS meeting.

Section 10.5.1 - The TC shall not confirm any request to Redirect on a non-firm basis that would exceed the Capacity Available to Redirect at that point in time. The TP shall have the right to block any such confirmation.

We Energies' comment: If the TC can submit multiple redirect requests that are over the level of the parent request, how does the TC know if they have excluded the capacity available to redirect if the TP is evaluating multiple requests?

Response: [?]

Sections 10.1.6 and 10.5.1

We Energies comment: When looking at these sections together, if a TC must pre-confirm a request and can have multiple competing redirect requests that are being evaluated, when the TC "accepts" a request it will automatically be confirmed in violation of 10.5.1. This then raises the question on how the TC would notify the TP which competing redirect request has priority if more than one are deemed Ok. If the requirement for pre-confirmation is removed, then the TC would be able to determine which request they would prefer to confirm.

Response: The Transmission Provider would, if done correctly, reject any requests over the amount of the Capacity Available to Redirect of the Parent Reservation. If this were not done…[Need to discuss this one. She has a good point. If pre-confirmed the customer does not actually have a change to manually confirm, customer confirmation would occur upon TP approval. TP approval should not be given but may be given in error in some cases. The TP should have the right to nullify the nf redirect.]

Section 4.b Description of Recommendation (Supporting Documentation)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant
Requesters: ESS/ITS
Request Number: R04035
Request Title: Request to Modify Standards

We Energies' comment: Use of the word "an" instead of the word "and" in the sentence: "Only the primary transmission provider is in a position to make such an assessment and authorize the redirected service under the OATT."

Response: [is it necessary to submit a change to the supporting documentation?]

Thanks,

Barb Kedrowski
Project Manager
We Energies

d. Comments by Puget Sound Energy

Comments Submitted by: Susanne McFadden
Puget Sound Energy Marketing
Dated: 11/10/04; 5:21 PM
REDIRECTS R04006-C

9.5.2 – The TC shall withdraw any request to Redirect on a Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to withdraw their acceptance of any request to Redirect on a Firm basis that cannot be confirmed due to limitations in the Capacity Available to Redirect by setting the OASIS standard STATUS data element to the value of SUPERSEDED. (The TC should not have to go in and remove all the Accepted requests if the capacity to redirect is depleted. TP's OASIS should automatically supercede remaining requests.)

Response: We agree. See modification 9.

9.6.2 - Curtailments or other capacity reductions affecting the reserved capacity on the Redirect reservation shall not affect the Parent Reservation nor result in a reinstatement of capacity on the Parent Reservation. (…result in the automatic reinstatement… Should alos inclued "unless the TC submits a subsequent Redirect on a Firm Basis request")

Response: The intent of this standard is to not allow any reinstatement, automatic or otherwise. 9.6.2 is intended to only address curtailments and other capacity reductions.

10.1.3 - A request to Redirect on a Non-Firm basis shall be queued and treated in the same manner as any other non-firm point to point request, subject to the other requirements of this standard. (What does this imply? The TC is requesting secondary point- to-point service, not non-firm point-to-point service. It is a "as available" service subordinate to all other services (exception is Buy At Market))

Response: Discuss at the August/September ESS/ITS meeting. It also contradicts Table 4-3, row 9. Ask about 10.1.4 reference to hourly.

10.1.6 – Requests for Redirects on a Non-Firm basis shall be submitted by the TC as pre-confirmed. (Why pre-confirmed? This limits a customer's options.)

Response: Refer to response to We Energies' comments on this ~~section~~standard.

10.5 - Upon confirmation of the request to Redirect on a Non-Firm basis, the Capacity Available to Redirect shall be reduced by the amount of the redirected capacity for the time period of that Redirect. An example is shown in Appendix B. (OATT says in 22.1(3) the TC shall retain all of their scheduling rights on the parent. This statement limits the TC.)

Response: The release mechanism was created to allow the customer flexiblity.

10.5.1 – The TC shall not confirm any request to Redirect on a Non-Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to block any such confirmation.

10.5.2 – The TC shall withdraw any request to Redirect on a Non-Firm basis that would exceed the Capacity Available to Redirect at that point in time (i.e., at the time of attempted confirmation and over the time interval of the Redirect). The TP shall have the right to withdraw their acceptance of any request to Redirect on a Non-Firm basis that cannot be confirmed due to limitations in the Capacity Available to Redirect by setting the OASIS standard STATUS data element to the value of SUPERSEDED. (The TC should not have to go in and remove all the Accepted requests if the capacity to redirect is depeleted. TP's OASIS should automatically supercede remaining requests.)

Response: We agree. See modification 10.

10.5.3 – The TC shall have the right to request the TP to release capacity associated with a confirmed request to Redirect on a Non-Firm basis and reinstate that capacity to the Parent (Firm) Reservation. The TP shall honor all such requests, and reinstate the capacity on the Parent Reservation such that it may subsquently be scheduled, Redirected on a Firm or Non-Firm basis to a different path, resold, etc. (OATT says in 22.1 (3) the TC shall retain all of their scheduling rights on the parent. This statement limits, the TC has to request to have their rights back.)

Response: The release mechanism was created to allow the customer flexiblity.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: **Wholesale Electric Quadrant**
Requesters: **ESS/ITS**
Request Number: **R04035**
Request Title: **Request to Modify Standards**

10.8 - TPs shall have the right, but are in no means obligated, to accept requests for Redirect on a Non-Firm basis based on the submission of an Electronic Tag (ETAG) using protocols compliant with Version 1.7.095 NERC Transaction Information System Working Group (TISWG) *Electronic Tagging Functional Specification*. (If a TC can use E-Tag to request a Redirect on a Non-firm Basis, then the TC should also have the ability "release" capacity via E-Taf by referencing the parent reservation.)

Response: Needs to be addressed by the JISWG.

10.8.5 - The OASIS queue time of a Redirect requested via ETAG shall be the TP's ETAG Approval Service receipt time, unless a system failure requires the use of backup procedures, in which case the OASIS queue time shall be the time the ETAG is received by the TP. (How is the TP going to force the appearance and specified queue time into their OASIS?. How can this be comparable if some requests are on OASIS and other are off-OASIS)

Response: Needs to be addressed by the JISWG.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: **Southern Company Services**
Request No.: **R04006C1**
Request Title: **OASIS 1A Enhancements – Redirects (Release Mechanism)**

1. RECOMMENDED ACTION:

__x__Accept as requested
___Accept as modified below
___Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

__x__Change to Existing Practice
___Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:	**Per Recommendation:**
_x__Initiation	_x__Initiation
___Modification	___Modification
_x__Interpretation	_x__Interpretation
___Withdrawal	___Withdrawal
___Principle	___Principle
___Definition	___Definition
___Business Practice Standard	___Business Practice Standard
___Document	___Document
___Data Element	___Data Element
___Code Value	___Code Value
___X12 Implementation Guide	__X12 Implementation Guide
___Business Process Documentation	___Business Process Documentation

3. RECOMMENDATION

SUMMARY:

This recommendation establishes the required function for a Transmission Customer (TC) to request the Transmission Provider (TP) to release capacity associated with a confirmed request to Redirect on a Non-Firm basis reservation and to reinstate that capacity to the Parent (Firm) Reservation as required by the NAESB Standard 10.5.3 as presented in the Business Practice Standards section.

This recommendation defines Release in the Definitions section and should be included in the NAESB Standards for Definitions.

This recommendation implements a new reservation request type of RELEASE (the TP will need to register the new request type) as modified in the Technical Standards section.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: **Southern Company Services**
Request No.: **R04006C1**
Request Title: **OASIS 1A Enhancements – Redirects (Release Mechanism)**

RECOMMENDED STANDARDS:

Definition-

Release - A required function such that a Transmission Customer (TC) be allowed to request the Transmission Provider (TP) to reinstate back to the Parent (Firm) reservation all or portion of the capacity associated with a confirmed request to Redirect on a Non-Firm basis.

Business Practices to be added to the OASIS Business standard Standard X Requirements for dealing with Release.

Standard X Release – The Transmission Customer (TC) shall be allowed to request a release for all or portion of their existing confirmed request to Redirect on a Non-Firm basis reservation back to the Parent (Firm) reservation bound by the start/stop times of the Redirect on a Non-Firm basis reservation.

Standard X.1 The TC shall submit a request to Release to the Transmission Provider (TP).

Standard X.1.1 The request type shall be RELEASE.

Standard X.1.2 The request shall be pre-confirmed.

Standard X.1.3 The request's RELATED_REF shall refer to the reservation being released.

Standard X.1.4 The CAPACITY_REQUESTED shall be the values desired for the CAPACITY_GRANTED elements of the reservation being released.

Standard X.1.5 All remaining elements shall match the elements of the reservation being released.

Standard X.2 The TP shall honor all such requests and reinstate the capacity on the Parent Reservation such that it may subsequently be scheduled, Redirected on a Firm or Non-Firm basis to a different path, resold, etc. as long as:

Standard X.2.1 The request meets the criteria stated in X.1.

Standard X.2.2 The request does not affect dependencies (e.g, does not cause over usage for scheduling, resale, etc.) at time of confirmation.

Standard X.3 Only the CAPACITY_GRANTED MW profile for future increments may be updated and only to a lesser value.

Standard X.4 Only when the RELEASE reservation is CONFIRMED will the update occur to the related reservations CAPACITY_GRANTED values.

Standard X.5 Curtailments or other capacity reductions to the Redirect on a Non-Firm basis reservation will not effect the ability to reinstate the capacity on the parent reservation.

Technical Standards for Release of Transmission Service

The following excerpts contain the recommended changes to specific subsections in the OASIS Standards and Communications Protocols document required to support the above Business Practice standards. Each section or subsection is contained in its entirety with the recommended changes redlined.

4.2.13 Modifications to Transactions

Transactions processed by OASIS as outlined in Section 4.2.10 may be subject to modification by subsequent transactions or events as permitted under the Transmission Provider's Tariff. The following subsections describe the actions to be taken on OASIS to implement specific provisions of the Open Access Pro Forma Tariff related to transmission service. Depending on the exact form of the Provider's Tariff, some of these provisions may not be applicable, and implementation of other provisions may be Provider specific. In general, modification to any OASIS transaction initiated by the Customer shall involve the submission of a new transaction. The new transaction shall identify the specific type of modification being requested using the REQUEST_TYPE Data Element, and reference the transaction to be modified using the RELATED_REF Data Element. In the specific case of secondary market transactions, related transactions are identified with the use of the REASSIGNED_REF Data Element. The following are the specific restricted values for the REQUEST_TYPE Data Element and a brief description of their use:

- ORIGINAL – typical reservation requests submitted to the Primary Provider
- RESALE – secondary market requests submitted to a Transmission Customer as Secondary Transmission Provider
- RENEWAL – request to renew an expiring transmission reservation
- MATCHING – request to meet or exceed a competing request to retain transmission service (right of first refusal)
- DEFERRAL – request to defer or apply for extension on start of transmission service
- REDIRECT – request to redirect all or portion of a transmission reservation to an alternate POR/POD and/or make other changes to the terms of service as permitted
- RELEASE – request to release all or portion of a Redirected Non-Firm transmission reservation back to the parent reservation.
- {registered} – Primary Transmission Provider's may register values for REQUEST_TYPE to implement specific provisions of their Tariffs.

The Primary Transmission Provider may also modify a Customer's transmission reservation to the extent that the original reservation's MW capacity available for scheduling may be reduced over all or a portion of the term of the original reservation subject to the terms of the Provider's Tariff. Any time a subsequent transaction initiated by the Customer modifies all or a portion of a prior transaction, or a reduction in reserved MWs is initiated by the Primary Provider, the IMPACTED counter will be incremented in the prior transaction shall be set. OASIS User's may view the list of all subsequent transactions or events impacting a given transaction using the ***reduction*** Template. The following subsections describe the application of REQUEST_TYPE to actions taken on OASIS, and how various modifications to existing reservations are to be affected.

…

4.3.6.1 Customer Capacity Purchase Request (transrequest)

The **Customer Capacity Purchase Request** (Input) (***transrequest***) is used by the Customer to request the purchase of transmission services or request changes to previously submitted reservations for transmission services. The response simply acknowledges that the Customer's request was received by the OASIS Node. It does not imply that the Seller has received the request. Inputting values into the reference Data Elements is optional.

CUSTOMER_CODE and CUSTOMER_DUNS shall be determined from the registered connection used to input the request.

Supporting "profiles" of service, which request different capacities (and optionally price) for different time periods within a single request, is at the discretion of the Primary Provider. Continuation records may be used to indicate requests for these service profiles; use of continuation records is only supported when using the CSV Format upload of Template data. Each segment of a profile is represented by the Data Elements CAPACITY_REQUESTED, START_TIME, and STOP_TIME, which define the intervals in time overwhich a non-zero MW demand is being requested. The initial segment of a profile is defined by the CAPACITY_REQUESTED, START_TIME and STOP_TIME Data Elements specified in the first/only record submitted; subsequent segments are specified in continuation records each containing the appropriate CAPACITY_REQUESTED, START_TIME and STOP_TIME values defining the segment. Provider's may optionally support price negotiation on segments of a profiled reservation request. In this case, the BID_PRICE Data Element is also included in each continuation record. If the BID_PRICE Data Element is not specified in the continuation records, the BID_PRICE specified in the first/only record submitted will be applied to the entire reservation request.

For requesting transmission services which include multiple paths, the following fields may be specified using continuation records: PATH_NAME, POINT_OF_RECEIPT, and POINT_OF_DELIVERY. Supporting multiple paths or multiple POINT_OF_RECEIPT and POINT_OF DELIVERY is at the discretion of the Provider.

The START_TIME and STOP_TIME indicate the requested period of service.

When the request is received at the OASIS Node, the TSIP assigns a unique ASSIGNMENT_REF value and queues the request with a time stamp. The STATUS for the request is QUEUED. The IMPACTED counter is initially set to 0. If the new request

is not modifying an existing reservation (as indicated by a null value for the RELATED_REF Data Element) and the SELLER is the Primary Provider, REQUEST_TYPE must either be specified as "ORIGINAL" or be left null and OASIS will substitute the default value of "ORIGINAL". If the new request is not modifying an existing reservation and the SELLER is not the Primary Provider, REQUEST_TYPE must either be specified as "RESALE" or be left null and OASIS will substitute the default value of "RESALE".
If the new request is modifying an existing transmission reservation, the Data Elements REQUEST_TYPE and RELATED_REF must be entered. RELATED_REF contains the ASSIGNMENT_REF for the transmission reservation being modified, and REQUEST_TYPE must be one of MATCHING, REDIRECT, DEFERRAL, RENEWAL, RELEASE, or a Primary Provider registered value.
Specification of a value YES in the PRECONFIRMED field authorizes the TSIP to automatically change the STATUS field in the ***transstatus*** Template to CONFIRMED when that request is ACCEPTED by the Seller.
…

Appendix A – Data Dictionary:
[ed. Definition of REQUEST_TYPE must be updated to include RELEASE.]

4. SUPPORTING DOCUMENTATION

a. Description of Request:

In NAESB Standard 10.5.3 a release mechanism was required in the standard. This request establishes that mechanism for release. The current OASIS standard does not allow for a release mechanism to allow the Transmission Customer (TC) to formally request the Transmission Provider (TP) to release unused capacity back to the parent reservation to be reused by the TC. When transmission rights are redirected on a non-firm basis there is currently not a way to reinstate these MW's back to the parent reservation.

b. Description of Recommendation:

When NAESB Standard 10 was created to clarify REDIRECT requests on a non-firm basis the OASIS 1A Task Force determined there was a need for a release mechanism. This recommend standard defines that mechanism along with the required OASIS S&CP changes.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: **Southern Company Services**
Request No.: **R04006C1**
Request Title: **OASIS 1A Enhancements – Redirects (Release Mechanism)**

c. Business Purpose:

This recommendation will provide transmission customers the ability to release unused capacity on any redirected on a non-firm basis reservation to reinstate this capacity back on the Parent Reservation such that it may subsquently be scheduled, Redirected on a Firm or Non-Firm basis to a different path resold, etc. This standard will help clarify Section 22.c in the FERC Pro Forma Tariff.

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

Proposed New WEQ Standards naming convention

01. OASIS Regulations
02. Transmission & Ancillary Service Attributes
03. OASIS Registration
04. On-line Negotiation & Communication
05. Procurement of Ancillary and Other Services
06. Pathnaming Standards
07. Next Hour Market Service
08. Requirements for dealing with multiple, identical transmission service requests
09. Requirements for dealing with Redirects on a Firm basis
10. Requirements for dealing with Redirects on a Non-Firm basis
11. Coordinate Interchange Standards
12. ACE Equation Special Cases Standards
13. Manual Time Error Correction Standards
14. Inadvertent Interchange Payback Standards
15. Reserved
16. Standards of Conduct

Y	001	Principles
	002	Business Practice Standards
	003	Standards & Communication Protocols
	004	Data Dictionary
	005	Contracts Related Standards

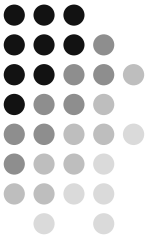
Z Sequentially assigned number indication version

July 13, 2005

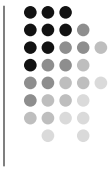
NAESB Coordinate Interchange Version 1 Standard

Revision 1, Draft 4

August, 2005

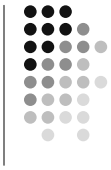


NAESB R05001 Coordinate Interchange Standard



Objective of Revised Standard:

- The currently approved CIBP Standard R03013 does not address the Industry transformation from an RA to the RC.
- There are definitions which were added or were revised for clarity.
- NERC's Coordinate Interchange Standard recently incorporated reliability assessment timing requirements within their proposed Standard. The NAESB Coordinate Interchange Standard responded to these reliability timing requirements in this revision.
- This revised Standard R05001 also includes revisions and additions to some of the requirements to add clarity to the standard.



NAESB R05001 Coordinate Interchange Standard

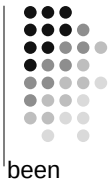
Definitions

RFI Standard 1.0 For the purposes of this Standard, the following definitions shall be applied:

Approval Entity – An entity that has approval rights for a Request for Interchange (RFI); this includes the Transmission Service Providers (TSP), scheduling Balancing Authorities (BA), and the Purchasing-Selling Entities (PSE) involved in the RFI.

Arranged Interchange – A Request for Interchange (RFI) that has completed all the arrangements necessary for submittal to the Interchange Authority (IA).

Confirmed Interchange – A Request for Interchange (RFI) that has been submitted to the Interchange Authority (IA) and has been reviewed and approved by all required Approval Entities.



NAESB R05001 Coordinate Interchange Standard

Implemented Interchange- A Request for Interchange (RFI) that has been approved by all required Approval Entities and has been entered into the net scheduled interchange component of the Sink Balancing Authority's Area Control Area (ACE) Equation.

Interchange – Energy transfers that cross Balancing Authority boundaries.

Interchange Block Accounting – Energy accounting that assumes a beginning and ending ramp time of zero minutes. For accounting purposes, this moves the energy associated with the starting and ending ramps into the adjacent starting and ending clock time of the Interchange.

Market Assembly – The function responsible for coordinating the submittal of the completed and balanced RFI from the Requesting Purchasing Selling Entity (PSE) to the Interchange Authority within an organized Market.

NAESB R05001 Coordinate Interchange Standard

Market Period – The period of time beginning with the Requesting Purchasing Selling Entity (PSE), or its designee, making required purchase, sale, and transmission service arrangements to support a Request For Interchange (RFI) through the period of time when the Interchange Authority receives the completed and balanced RFI.

Purchasing-Selling Entity (PSE) – An entity that is eligible to purchase or sell energy or capacity and reserve transmission services.

Reliability Coordinator. The entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the wide-area view of the System and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next day analysis and real time operations

Reliability Period – The period of time beginning with the Interchange Authority (IA) requesting approvals from the Approval Entities through the completion of the physical flow of the energy associated with the Request For Interchange.

NAESB R05001 Coordinate Interchange Standard

Request For Interchange, RFI- A collection of data as defined in Appendix D of NAESB's WEQBPS-002-000 Standard, to be submitted to the Interchange Authority (IA) for the purpose of implementing bilateral Interchange between a Source and Sink Balancing Authority (BA).

Requesting PSE – The PSE who prepares purchase, sale, and transmission service arrangements needed to support a Request For Interchange (RFI).

RFI Modification – A desired change to the energy and/or transmission profile of a RFI while it is Arranged Interchange.

Sink Balancing Authority – The Balancing Authority responsible for monitoring and/or controlling the load identified as the sink of a bilateral Interchange.

Source Balancing Authority – The Balancing Authority responsible for monitoring and/or controlling the generation identified as the source of a bilateral Interchange.

NAESB R05001 Coordinate Interchange Standard

Business Practices

RFI Standard 2.0 All requests to implement bilateral Interchange between a Source and Sink BA shall be accomplished by the submission of a completed and balanced Request For Interchange, RFI, to the Interchange Authority (IA).

RFI Standard 3.0 A RFI for Interchange crossing Interconnection Boundaries shall be in accordance with Appendix A "Interchange Transaction Tagging Across Interconnection Boundaries" contained in the NAESB's WEQ Coordinate Interchange Standard WEQBPS-002-000.

RFI Standard 4.0 In the event of E-Tag system component failure, the requirements and procedures contained within Appendix B "Electronic Tagging Service Performance Requirements and Failure Procedures" in the NAESB's WEQ Coordinate Interchange Standard WEQBPS-002-000 shall be followed**.**

NAESB R05001 Coordinate Interchange Standard

RFI Standard 5.0 It shall be the responsibility of the load serving Purchasing-Selling-Entity (PSE), or its designee, to ensure the completed and balanced RFI has been submitted to the IA and that the RFI contains, at a minimum, the information specified in Appendix D "Required and Correctable Tag Data" contained in the NAESB's WEQ Coordinate Interchange Standard WEQBPS-002-000.

RFI Standard 6.0 Approval Entities shall only be allowed to take actions against a RFI as specified in Appendix C " Interchange Transaction Tag Actions" contained in the NAESB's WEQ Coordinate Interchange Standard WEQBPS-002-000.

RFI Standard 7.0 All energy purchase, energy sale, and Transmission service arrangements necessary to create the RFI and implement the bilateral Interchange shall be performed prior to the RFI being submitted to the IA.

- At its discretion, the Requesting PSE may defer this responsibility to the Market Assembly function.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 8.0- Eastern Interconnection Timing Requirements:

RFI Standard 8.1- The completed and balanced RFI, or modification to the RFI, being submitted in the current day for transactions that run for less than one day (24 hours), and the ramp starts in less than one hour, shall be submitted to the IA at least 15 minutes prior to the ramp start.

RFI Standard 8.2-The completed and balanced RFI, or modification to the RFI, that is pre-scheduled to start the next day must be submitted by 1500 hours EPT the day the pre-scheduled transaction is submitted.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 9.0 -**Western Interconnection Timing Requirements**

RFI Standard 9.1- The completed and balanced RFI, or modification to the RFI, being submitted in the current day for transactions that run for less than one day (24 hours), and the ramp starts in less than one hour, shall be submitted to the IA at least 10 minutes prior to the ramp start.

RFI Standard 9.2-The completed and balanced RFI, or modification to the RFI, that is pre-scheduled to start the next day must be submitted by 1500 hours PPT the day the pre-scheduled transaction is submitted.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 10.0 The completed RFI, including all updates and market modifications, shall be forwarded by the PSE or its designee, to the BA, TSP, and PSEs (and where appropriate, the RC) for assessment prior to the RFI being submitted to the IA.

RFI Standard 11.0 All denials of a requested RFI by any Approval Entity during the Market Period assessment shall be communicated to the Requesting PSE by the entity denying the RFI and shall be accompanied by the reason for such denial.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 12.0 Unless denied by an Approval Entity during the Market Period assessment, the RFI is considered completed and balanced when all reliability Approval Entities have received a request from the IA to validate the results of the Market Period assessment.

RFI Standard 13.0 All denials of a RFI by an Approval Entity during the Reliability Period assessment shall be accompanied by the reason for such denial and communicated to the IA and by the IA to the Requesting PSE.

RFI Standard 14.0 Any changes to the status of the RFI as Arranged Interchange shall be communicated by the IA to all involved parties of the RFI, including BAs, IAs, RCs, PSEs , and TSPs.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 15.0- Until other means are adopted by NAESB, the preferred method of submitting the RFI to the IA shall be electronic and in accordance with the Version 1.7.095 NERC Transaction Information Systems Working Group (TISWG) *Electronic Tagging Functional Specification* .

- **RFI Standard 15.1** A backup or redundant electronic system shall be available for immediate use should the primary electronic means become disabled.
- **RFI Standard 15.2** Submitting a RFI to the IA via facsimile is acceptable only as a last resort when the electronic means and its required backup or redundant system are not available.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 16.0 The Requesting PSE shall have the right to make RFI Modifications for non-reliability related data prior to the RFI becoming Confirmed Interchange.

RFI Standard 16.1- The Requesting PSE shall have the right to increase or decrease the RFI's energy and committed transmission(s) profile to reflect a desire to flow more or less energy or commit more or less transmission than originally requested.

RFI Standard 16.1a - In the case of an increase, the Requesting PSE must provide the necessary transmission capacity that must be available from either the earlier Transaction or is provided with the increase.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 16.2 -The Requesting PSE shall have the right to extend the RFI's energy profile to reflect a desire to flow energy during hours not previously specified.

RFI Standard 16.2a The Requesting PSE must provide the necessary transmission capacity with the extension**.**

RFI Standard 16.3- If the modification is denied by any Approval Entity, the original request remains valid for the original RFI duration period.

RFI Standard 17.0 - All parties involved in the bilateral Interchange Transaction shall have, or arrange to have, personnel and facilities on site and immediately available for notification of changes to the RFI Transaction from the beginning of the Market Period through the time when the energy flow of the Transaction has been completed.

NAESB R05001 Coordinate Interchange Standard

RFI Standard 18.0 Unless provided for under a FERC approved market mechanism, energy accounting for all Interchange shall be accomplished via Interchange Block Accounting.

RFI Standard 19.0 Settlement of losses shall be either handled as financial or as payment in-kind in accordance with the Transmission Service Provider tariff.

RFI Standard 19.1 For losses handled as payment in-kind, the PSE, or its designee, shall communicate to the IA, via a RFI (either the original RFI or separate RFIs), the MW losses and the entity the losses are with for each TSP/BA along the Interchange path.

RFI Standard 20.0- All RCs, BAs, TSPs, PSEs, and other entities involved in an Interchange shall not disclose the Interchange Transaction information to any PSE not involved in the Interchange Transaction**.**

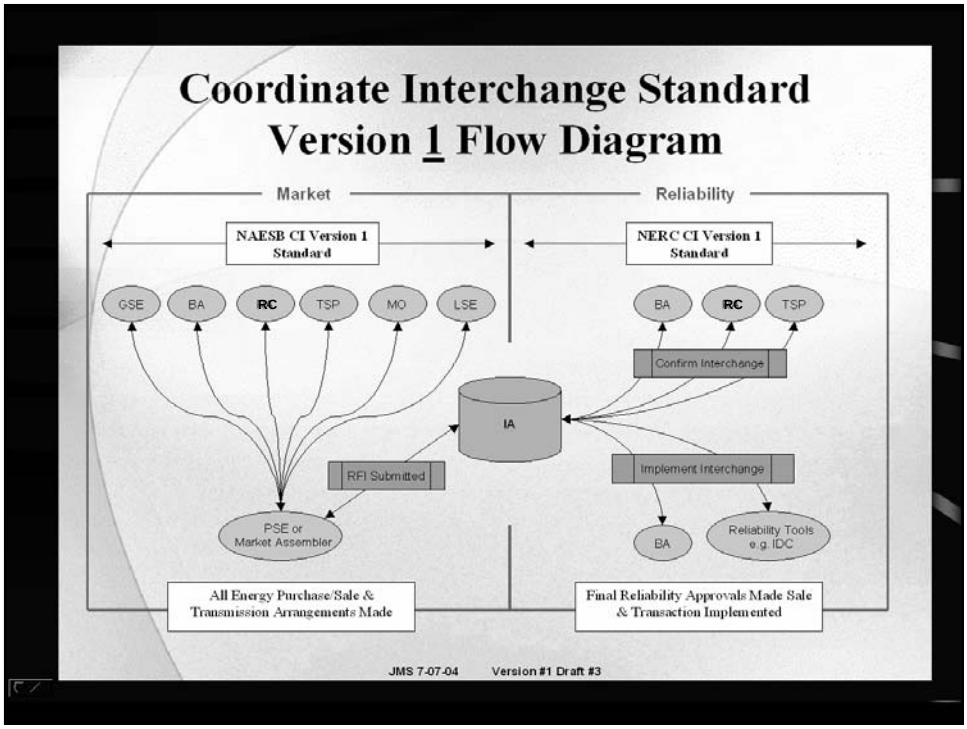
NAESB R05001 Coordinate Interchange Standard

RFI Standard 21.0 - After a curtailment of Interchange has ended, the Sink BA shall return the RFI profile to the originally requested level, unless otherwise specified by the entity submitting the RFI**.**

RFI Standard 22.0- A BA shall ensure that a RFI is submitted to the IA within 60 minutes of a loss of generation event should the event last for more than 60 minutes.

RFI Standard 23.0 Default ramp rates for the North American Interconnection shall be as follows:

- **RFI Standard 23.1** Default ramp rate for the Eastern Interconnection shall be 10 minutes equally across the start and end times of the RFI unless otherwise agreed to by all parties involved in the RFI .
- **RFI Standard 23.2** Default ramp rate for the Western Interconnection shall be 20 minutes equally across the start and end times of the RFI unless otherwise agreed to by all parties involved in the RFI.



The following was my excerpt of notes from the OSC Feb 19, 2003 meeting regarding handling of multiple entity curtailment/reload. Note that IDC implemented (6). I would suggest exploring (3) for tagging over any of the other options.

Possible technical solutions:

1. Just a Flag to enable or disable IDC Reload. An IDC curtailment would have the IDC Flag set to Yes. A Control area curtailment would set the IDC Flag to No. This prevents the IDC from reloading a local event. This is considered a Medium impact because it is adding a new element that needs to be tracked.
2. Add a profile to the Market, Reliability and Current level called IDC Level. This would allow for the reloading of only their curtailment. This does not prevent a separate control area from reloading the curtailment. This is considered a Medium/High impact because everyone has to track the information.
3. Track who owns the curtailment. Only the owner would be able to reload the curtailment. An issue with this one would be if the curtailing party was off line and unable to do the reload. This is considered a Low impact, since this is internal to their systems.
4. The tag has a reliability profile for each entity that can issue a curtailment. This is considered a High impact.
5. Keep the extra profile as listed in number four, but the Authority tracks and distributes only the lowest level. As the curtailments are released then the level that is in the distribute message is changed. This gives the appearance of only one curtailment level. Having the ability to see if any other entities have put reliability limits on the transaction. This is considered a Low impact but High effort because only the Authority services are impacted because they need to track the many curtailment profiles.
6. IDC keeping track of its level and only reloading to when current level matches its level. This is considered a Low impact, but would need to be referred to the IDCWG.

Non-technical solutions:

1. If a reload comes across that should not be performed, deny them.

Updated (at 6/23-24/05 JISWG Meeting) e-Tag Enhancement List
Please note that an update on the status of each item is included at the end of the paragraph describing the item. .

In light of the sentiments voiced at the Industry Conference on OASIS 2, the following are POTENTIAL extensions to existing e-Tag functionality that might be considered to enhance/advance this tool's use in electronic scheduling.

1. Add approval rights to PSEs listed as "owners" of transmission rights who are not the tag author. This would be passive approval, i.e., no action means approval. Rationale: Provides accountability for one party's use of another party's transmission service and could add transparency to the secondary transmission market (i.e., we could have a business/technical standard that would back-post on OASIS such transactions). Mr. Harshbarger submitted a NAESB Standards Request to the NAESB office for posting.

2. Add tag path validation as a Tag Agent/Authority function based on registration of POR/POD adjacency, SE responsibility, TP responsibility, etc. Rationale: Would stop invalid contract path specifications from being submitted. Would improve standardization of how transactions are tagged. Both Reliability and Commercial item the JISWG agrees to work on this item. This would be a major change to the registry. Provides additional validation checks to ensure accuracy of E-Tag transaction (POR/POD, SE/TP) This item has become part of the document the JISWG is drafting to address R04037 and the development of the new registry.

3. Add ability of entities registered as "Market Operators" (MOs) to make "Market Adjustments" to tag energy profiles. Rationale: MOs today must use the Reliability Limit functionality in e-tag to adjust tagged energy MWs to reflect market clearing results. This would allow MO to adjust full source-to-sink energy profile and loss deliveries. Commercial and Reliability need input from ISO/RTO. JISWG will take as an action item contact Karl Tammar and John Simonelli. At this time, no interest has been expressed by the ISO/RTO community in developing this item into a NAESB standards request or a NERC SAR. No further action will be taken on this item until a standards request or SAR is submitted to the NAESB or NERC offices.

4. Add standardized XML schema and encryption protocol to communicate market sensitive "bid" information (i.e., "up-to congestion cost") to MOs. Rationale: Eliminate need for PSEs to independently use Market interfaces, portals, etc., to enter price-sensitive bidding information into separate market scheduling systems. This is Commercial and the JISWG will take as an action item contact Karl Tammar and John Simonelli. At this time, no interest has been expressed by the ISO/RTO community in developing this item into a standards request. No further action will be taken on this item until a

standards request is submitted to the NAESB office.

5. Add standardized XML schema to communicate ramp reservation information. Rationale: Eliminate need for PSEs to independently use Market interfaces, portals, etc., to enter ramp reservation information into separate market scheduling systems. Action item Commercial and Reliability. JISWG will take as an action item contact Karl Tammar and John Simonelli. At this time, no interest has been expressed by the ISO/RTO community in developing this item into a NAESB standards request or a NERC SAR. No further action will be taken on this item until a standards request or SAR is submitted to the NAESB or NERC offices.

6. Add standardized XML schema to communicate alternate energy supply (i.e., reserves) in the event of a loss of generation resources. Rationale: Eliminate need to curtail and re-tag transactions that are backed by alternative energy sources. Action item Commercial and Reliability. JISWG leadership will review the item with the NERC Interchange Subcommittee (IS) and the Operating Committee (OC). An update will give an update on the item at the August 30-31 JISWG meeting.

7. Add time dependent approval/denial of tagged transactions, i.e., given entity could indicate approval hour-by-hour of a multi-hour transaction. Rationale: Eliminates the "all-or-nothing" approval/denial of tags that cross market boundaries and allows market clearing results to be factored into the approve/deny decision over time. Issue Deferred. (Issue is handled by implementation of the MO adjustment ability.) JISWG will take as an action item contact Karl Tammar and John Simonelli. At this time, no interest has been expressed by the ISO/RTO community in developing this item into a NAESB standards request or a NERC SAR. No further action will be taken on this item until a standards request or SAR is submitted to the NAESB or NERC offices.

8. Define standards for market-time tag fragment assembler. Action item Commercial. Mr. Hansen and Mr. Harshbarger will discuss defining standards for market time tag fragment assemblers with the Western Electric Coordinating Council (WECC) Interchange Scheduling and Accounting Subcommittee (IS/AS). Mr. Gumm will discuss the item with the WECC Market Interface Committee.

9. Add mechanism that prevents one CA from stepping on another CAs Reliability Limit. Action item and Reliability standard. Mr. Gumm and Mr. Blevins will develop a draft Standards Authorization Request (SAR) to be submitted for review at the August 30-31 JISWG meeting.

10. NERC book of flowgates. Action item. Reliability. Mr. Rodriquez will give presentation on merging. Mr. Hansen and Mr. Harshbarger will contact Mr. Rodriquez to request a presentation on merging for this item at the August 30-31 JISWG meeting.

11. Consider removing ability to actively deny a reliability adjustment. Action item – to consider and discuss the reasons involved. Mr. Gumm will discuss the removal of the ability to actively deny a reliability adjustment in e-Tag with the WECC Real Time Scheduling Working Group. Mr. Gumm will give an update on the item at the JISWG August 30-31 meeting.

Joint Interchange Scheduling Working Group

Electric Industry Registry System Requirement Document

Version 0.1
June 2005

Revision History

Date	Version	Description	Author

Table of Contents

1 Introduction

This System Requirements Document describes the needs of the electric industry to have certain information registered and made available through a central repository or Registry. The Registry will incorporate all existing functionality provided by the current NERC Registry and accommodate new industry requirements to support OASIS, NERC e-Tag, Cyber-Security (Public Key Infrastructure), and other applications.

The Joint Interchange Scheduling Working Group will oversee the development and implementation of the Registry.

1.1 Requirements Overview

The following is a brief summary of the existing regulatory and industry application requirements for information to be made available through a central registry:

- NAESB Business Practices Standards; Order 638
  - Entity Code
  - Entity DUNS
  - Transmission service attributes
  - Ancillary service attributes
  - Points of Receipt and Delivery (PORs/PODs
- NAESB Standards and Communications Protocols for Open Access Same Time Information Systems (OASIS); Order 889-C, Order 605
  - OASIS Node Location (URL)
  - OTHER_CURTAILMENT_PRIORITY
  - PROCEDURE_NAME
  - PROCEDURE_LEVEL
  - REQUEST_TYPE
  - SECURITY_TYPE
  - SYSTEM_ATTRIBUTE
- NERC e-Tag Requirements:
  - Tag Service Location (Agent/Authority/Approval/Forwarding URLs)
  - PSE Code
  - CA Code
  - TP Code
  - SC Code
  - PORs/PODs
  - Sources/Sinks

The current NERC Registry definition accommodates most of these requirements.

The following are new Industry initiatives that could benefit from a central registry of information:

- NERC Functional Model
  - Functions performed by an entity (e.g., BA, TSP, etc.)
  - Certification of entity to perform function(s)
- e-MARC Public Key Infrastructure (PKI)
  - Authorized Certification Authorities (CA)
  - Qualified CA Object Identifiers (OIDs)
  - CA Root Certificate Public Key
- e-Tag Transaction Path Validation
  - SE Adjacency
  - TP Adjacency
  - POR/POD Adjacency
- Seams Coordination and IDC Granularity
  - Book of Flowgates
  - Source/Sink Zones

These current and future Registry requirements are summarized in the following subsections according to the general functionality required to be supported.

1.1.1 Registry Identifier

The Registry should include identifying information related to its publication, format and applicability. Such information might include:

- Schema Version
- Publication Date/Time
- Activation Date/Ttime

Schema version would reference an agreed to enumeration of various revisions to the Registry, or might reference a specific XML Schema document if the Registry is published in an XML form. Publication date would by when this version of the registry was created and made available. Activation date would be when this specific version of the Registry was to take effect.

Additional information may be included to provide assurance that the registry is authentic and has not been altered. This information might include a “digest” of the Registry digitally signed by the Registry Administrator such that any corruption or modification of Registry information could be detected.

1.1.2 Entities (Companies)

Entity (Company) registration is one of the key functions of the current Registry and will be extended in the new registry. Key attributes that are required for Entity registration and integration with existing applications include:

- Entity Name
- Entity Location(s)
- Entity Contact(s)
- Entity Identifier(s)
- Entity Code(s)
- Entity-to-Entity Relationship(s)
- Entity Role(s) (Functions)
- Entity Certification(s)

The Registry must support the registration of the full business Entity Name and primary place of business. Entity registration should provide for the entry of effective start and end date/times that may be in the future to take effect on but not before the specified start date/time.

The ability to support a one-to-many relationship between a given registered entity and each of the attributes for location, contact information, identifiers, codes, affiliations and roles should be provided.

Entity Location information would consist of a street address for the Entity. Contact information should be classified by the type of contact provided. For example, their maybe administrative contacts, technical support contacts, emergency (24x7) contacts, etc. Entity Identifier would minimally support the registration of the Entity's DUNS number required by the OASIS application. Various other industry recognized standard identifiers may be used in the future and should be accommodated.

Entity Code information is key to both the OASIS and the e-Tag specifications. OASIS codes are basically the Entity Code itself. e-Tag codes are the registered tag PSE codes currently consisting of the Entity Code with an appended tag desk code. Current requirements must be supported, but other restrictions should be relaxed with the only requirement that Entity Code must be unique at any given point in time, and once assigned should have limited ability to be re-used by another Entity, e.g., only in the case of acquisition/merger or divestiture. The ability to require and enforce third-party approval of registered Entity Codes should be included in the Registry.

Entity-to-Entity relationships should be supported to provide a trace of Entity acquisitions/mergers and./or divestitures as well as inter-Entity affiliations. Entity

Affiliations are required by the OASIS application to identify the Merchant Affiliates of each Transmission Provider.

Entity Roles or Functions must be extended from the limited set supported by the current NERC Registry to support the registration of Entities performing the various functions defined by the NERC Functional Model. Registration of an Entity Role/Function should provide the ability for third-party approval or "certification" that the Entity has in fact been qualified to perform that function. The following are the initial set of Entity Roles to be considered in the Registry:

- O/SE (Operations) associated Entity Roles
  - RA – Reliability Authority
  - SC – Security Coordinator (synonomous with RA, retain?)
  - BA – Balancing Authority
  - CA – Control Area (synonomous with BA, retain?)
  - MO – Market Operator
  - TSP – Transmission Service Provider
  - ASP – Application Service Provider
- TC/PSE (Merchant) associated Entity Roles
  - TC – Transmission Customer (i.e., OASIS customer code)
  - PSE – Purchasing Selling Entity (i.e., Tagging desk code)
  - LSE – Load Serving Entity (implies PSE)
  - GPE – Generation Providing Entity (implies PSE)
  - ASP – Application Service Provider
- Unaffiliated Entity associated Entity Roles
  - Observer
  - ASP – Application Service Provider
  - PKICA – PKI Certification Authority
  - (Others?)

1.1.3 Clients (Users)

The Registry must support at least a rudimentary set of Client/User registration functions to minimally identify who is able to access and update the Registry itself. Their may also be requirements that certain applications will require the Registry to provide Client authentication credentials, e.g., a Tag Agent client certificate registration.

The Registry could go further than these minimal requirements and provide a central repository of all client credentials (i.e., x.509 certificates) issued be all the authorized PKI Certification Authorities. This may provide value for application system administrators in that they would not have to provide tools to access all the various PKI Certificate Repositories to gather this information.

Typical information that would be registered for a client would include:

- User's Entity
- User Name
- User Credential(s)

User Credentials may include different types of credentials, but would minimally support the x.509 Certificate information for one or more certificates issued to that Client. There should be a one-to-many relationship between a Client and their Credentials. Certificate credentials require information from the certificate Subject field and certificate Issuer field for uniqueness.

1.1.4 Security

The e-MARC PKI Certificate Policy and Authorized Certification Authority Accreditation and Certification program will identify those Certification Authority service providers that are authorized to issue certificates under the e-MARC policy.

These Certification Authority service providers would be registered as an Entity with the appropriate role of PKICA registered. The e-MARC Policy Authority would be required to approve/certify these registrations before they are to be "trusted". The following additional information should be registered for each Authorized Certification Authority:

- Certification Authority's Root CA Identifier
- Certification Authority's Root CA Public Key
- Certificate Issuer(s)
- Certificate OID(s)

The Certificate Issuers and OIDs identify one or more attributes that are allowed to be embedded in the certificates issued by this Authorized Certification Authority. The registration of the Root CA information is provided as a convenience to provide a single central repository of this information that application's may reference when building certificate trust lists.

1.1.5 Applications

The Registry should support the registration of specific Applications that may require the registration of specific "enumerated" data types or attributes. This requirement is particularly true for OASIS. FERC and NAESB Business Practice Standards enumerate specific transmission and ancillary service attributes and additional data elements that may be "registered" by a Transmission Provider.

Applications may also require the identification or location of the server/service provided for the application. OASIS requires the registration of the OASIS node location (URL) for each Transmission Provider; e-Tag requires the registration of the location (URL) for each of the tag services required to be provided by TPs, CAs, and PSEs.

Each Application that requires registration of specific information would appear in the Registry. Application "registration" is envisioned to be part of base data information established by the Registry Administrator. The specific Application Attributes would then be Registered either by the Industry at-large, or specific Entities.

1.1.6 Application Servers (Services)

The Registry currently supports registration of various application services by the Uniform Resource Locator (URL) that is used to access that service/application. This includes:

- OASIS Nodes
- Tag Agent Services
- Tag Authority Services
- Tag Approval Services
- Tag Forwarding Services

It is expected that additional services may be registered in the future. Such information might include locations for web Services related service URLs, and XML Schema, WSDL, or UDDI locators.

Services are envisioned to be registered and maintained by those entities that support/provide the service (e.g., Entity type of ASP). Contact information should be provided for each Service (e.g., 24-hour support, administrative, etc.). Many potential Entities could subscribe or use these services. The Registry should support an Entity's registration as a user/subscriber to a specific Registered Service, i.e., there should be a one-to-many relationship that may be established between a Service and Entities.

Services may be secured by server-side credentials. Such information should also be included in the Registry. Client systems making secured connections to Registry Services may use the Registry credential information to verify against the actual credentials presented by the service as further authentication that the Service is legitimate.

Services may also be mapped to support one or more Applications. The exact nature of this association should recognize the following types of existing relationships:

- Application = e-Tag
  - Service = Tag Agent URL
  - Service = Tag Authority URL
  - Service = Tag Approval URL
  - Service = Tag Forwarder URL
- Application = OASIS
  - Service = OASIS URL

1.1.7 Application Attributes

Each Application appearing in the Registry may require the definition of unique registered attributes. OASIS requires such information for the transmission service attributes for data elements TS_CLASS, TS_TYPE, SERVICE_INCREMENT, etc. The e-Tag application also requires definition of product codes and curtailment priorities.

Facilities should be provided for a third-party to review and "approve" registration of attributes (e.g., the NERC Market Interface Committee was originally envisioned as an oversight body to approve registration of new transmission or ancillary service attributes for OASIS).

The basic information that is required to be capturesd related to Application Attributes would include:

- Application (name or identifier)
- Application Atribute (e.g., TS_CLASS, etc.)
- Application Attribute Value (e.g., FIRM, etc.)

- Registering Entity
- Approval Entity

1.1.8 Topology

The Registry should support the registration and association between both physical, commercial and "political" topology information for use in a variety of applications.

These applications would include:

- Definition of metered areas controlled by registered Balancing Authorities (BAs)
- Definition of the metered areas overseen by registered Reliability Authorities/Coordinators (RA/RC)
- Definition of metered areas participating in a centralize Market overseen by a registered Market Operator (MO)
- Contract path or e-tag path adjacencies between Transmission Providers (TPs), and Scheduling Entities (SEs)
- Location of commercial service points (PORs, PODs, Sources, or Sinks) with respect to commercial markets and with respect to reliability related areas (BAs/RAs)
- Mapping of commercial service points to reliability or network modeled elements recognized by reliability applications (e.g., OASIS POR/PODs mapped to IDC flowgates or MMWG elements)

OASIS and e-Tag currently require the registration of PORs, PODs, Sources and Sinks. This functionality must be retained. Third-party (e.g., MO, TP, or BA) approval of registered topology information must be supported.

The most significant immediate extension needed by the industry is a means to validate tag path information through the Registry. The requirements of this particular requirement are discussed in the following subsections along with some of the simpler topological relationships that may be represented in the Registry.

1.1.8.1 Interconnection

The Registry should provide for a hierarchical model of inter-relationships to represent the different topologies, physical, commercial and/or political, that are needed by the Industry. Definition of the three major synchronous interconnections, Western, Eastern, and ERCOT, should be include in the Registry as a foundational element.

1.1.8.2 Regional Reliability Organization

Regional Reliability Organizations (RROs) may be included in the Registry to identify the overseeing RRO that has responsibility for a Reliability Area and/or Balancing Area.

RROs should be registered and associated with a single Entity acting as that RRO.

1.1.8.3 Reliability Area

Reliability Authorities/Coordinators should have the ability to define their specific areas of influence. It is assumed that a Reliability Area would not cross an interconnection. It may be related to one or more Regional Reliability Organizations. And, it would include one or more Balancing Areas.

Reliability Areas should be registered and associated with a single Entity acting as Reliability Authority/Coordinator.

1.1.8.4 Market Area

The boundaries of centrally administered Markets may be Registered. This information may be used by applications such as e-Tagging to limit Market Operator re-dispatch of tagged transactions to only those Balancing Areas overwhich they have such authority. It is assumed that a Market Area can span one or more Reliability Areas, one or more Regional Reliability Organizations, but will contain in its entirety one or more Balancing Areas.

Market Areas should be registered and associated with a single Entity acting as Market Operator.

1.1.8.5 Balancing Area

The Balancing Area represents a named metered areas overseen by a single certified Balancing Authority. It is assume that a BA will be within one and only one Interconnection, one and only one Reliability Area, and one and only one Market Area (if any). The BA may span one or more Regional Reliability Organizations.

Balancing Areas should be registered and associated with a single Entity certified to act as a BA.

1.1.8.6 Service Points

The current Registry provides for TP definition of the commercial PORs and PODs used in OASIS. The Registry also provides for PSEs to define e-Tag sources (for GPEs) and sinks (for LSEs). This functionality must be retained. However, a more rigorous process for third-party validation of these service point registrations must be instituted.

When registered, the relationship of each commercial service point to the entity making the registration (e.g., TP for PORs/PODs), the various "areas" in which the point is located (e.g., interconnection, reliability area, market area, balancing areas, etc.) such that all the operational entites that may be involved with commercial or reliability issues associated with that point may be identified.

1.1.8.7 TP-SE Association

To support automated tag path validation, the list of legitimate TPs providing service scheduled by a registered scheduling entity (SE) should be included in the Registry.

1.1.8.8 SE Adjacency

For each registered SE, the list of valid upstream and downstream SEs should be maintained. This information may be incorporated into the TP-SE Adjacency information.

1.1.8.9 TP-SE Adjacency

To provide more specificity in validating tag scheduling path, each valid TP-SE pair may be mapped to each legitimate upstream and downstream TP-SE pair.

1.1.8.10 POR-POD Adjacency

The capability to define the set of valid TP PORs that are commercially adjacent to an upstream TPs POD and vice versa should be considered for inclusion in the registry.

1.1.8.11 Source-POR Adjacency

The current Source and POR registration should be extended to provide a mechanism to register the commercial relationship between a source resource and the TP PORs over-which transmission service must be secured to schedule energy.

1.1.8.12 POD-Sink Adjacency

The current Sink and POD registration should be extended to provide a mechanism to register the commercial relationship between a sink resource and the TP PODs over-which transmission service must be secured to schedule energy.

1.2 Reference Documents

The following Reference Documents provide additional information on the various functional requirements that must be met by the NERC Registry.

- Standards and Communication Protocols for Open Access Same Time Information System (OASIS), Version 1.4, FERC Docket No. RM95-9-014.
- Open Access Same-Time Information System and Standards of Conduct, Order No. 638, FERC Docket No. RM95-9-0014.
- Master Registry Definition Document, Version 1.7, NERC.
- Electronic Tagging – Functional Specifications, Version 1.7.095, NERC.
- Electronic Tagging – Registry Definition, Version 1.7.04, NERC.
- Certificate Policy for Energy Market Access and Reliability Certificates (e-MARC); pending approval of NERC CIP.
- Registry Technical Specification, Version 2.0.3, NERC.

1.3 Glossary

2 Registry Processes and Procedures

2.1 General Concepts

Due to the Industry's heavy reliance on the existing NERC Registry in the e-Tag application, implementation of a new Registry should consider it essential to maintain full backward compatibility to re-create the existing Registry schema and publication mechanisms (Access MDB and csv files).

Every Registry entry should also support tracking of the following key information:

- Creation Date – date/time the entry was first inserted into the Registry
- Activation Date – date/time the entry becomes active or in use
- Deactivation Date – date/time the entry is no longer to be used
- Last Update – date/time the registry was last updated
- Modified By – identifying information for the person or software application that created/modified the Registry Entry

2.2 Registry Administrator Procedures

2.2.1 Administrator Base Data

Certain base data information will need to be established and maintained by the Registry Administrator. Such information might include:

- Entity Identifier Type – DUNS, etc.
- Entity Role Type – BA, LSE, ASP, etc.
- Client Identifier Type – x.509 Certificate, (others?)
- Client Role Type – Entity Admin, Registry Admin, etc.
- Contact Type – Adminstrative, 24-Hour, Technical Support, etc.
- Application – OASIS, e-Tag, etc.
- Application Attribute – TS_CLASS, SECURITY_TYPE, etc.
- Service (Server) Type – OASIS, Tag Agent, etc.
- Interconnection – Eastern, Western, ERCOT
- Region – MAAC, WECC, etc.
- Service Point Role Type – Source, POD, etc.

Additions, updates, and deletions (deactivation) of records within these tables will be restricted to the Registry Administrator only. The user interface will allow the Registry Administrator to view, add, and modify records in these tables as necessary. General access to these tables by all other users will be restricted to read only access. Addition of new information in these tables may be initiated by industry participants through an off-line administrative procedure with appropriate "checks and balances" as established by the Registry Administrator.

The Registry Administrator under the direction of the e-MARC Certificate Policy Policy Administrator will assume sole responsibility for maintaining the content of the following Cyber-Security related base data:

- Certificate Root – Authorized Certification Authority (CA) Root Certificate
- Certificate Policy – Authorized CA OID(s) for certificates issued
- Certificate Issuer – Distinguished name of Authorized CA Issuing Authority(ies)

2.2.2 PKI Certificate Registration

The Registry Administrator may be responsible for periodic execution (batch) or on-demand collection of newly issued end-user certificates. For each active Authorized CA's Certificate Issuer, an automated procedure could be written to scan the Issuer's certificate repository and update Registry Client and Client Certificate tables with new certificate information that does not currently exist in the registry.

The Client's username and associated fields would be resolved from the certificates common name (CN), and the Client's Entity affiliation would be resolved from the organizational unit (OU) fields within the certificate Subject.

This functionality is provided as a service to the industry community so that each individual system service provider is not required to mine this certificate information themselves, and would enable a level of "automated registration" of new users to the extent desired or possible based on the information present in the registry.

2.2.3 Full Registry Publication

The Registry Administrator is responsible for the periodic publication of the full Registry and selected subsets of that registry. The publication of the registry requires taking a snapshot of the registry at the time indicated in the Registry Version and Publication Date field. The registry will then be made available for download in the following formats:

- XML (?)

- Native SQL export script (?)

The current publication frequency is:

- Registry published at midnight, Monday through Thursday (?current scheme?)
- Published registry's ActivationDate set for midnight 24 hours after publication.

The Registry may be cleaned of all spurious data corrections made between publications due to mistakes, typos, etc., made during the registration process. The Registry Administrator may delete all records whose Creation Date AND Deactivation Date are greater than the Last Publication Date but less than the Publication Date.

2.2.4 V1.7 Registry Publication

Coincident with the publication of the full Registry, automated procedures will be executed to convert that Registry information into the V1.7 Registry MS Access .mdb file and to generate all associated CSV files. The V1.7 Registry database and CSV files will be published on the same frequency as the full registry. The Registry Administrator will also execute and/or review the results of a record-by-record comparison of the new V1.7 registry with that published previously to determine if there are any obvious errors in the conversion process.

2.2.5 Tag Registry Publication

The NERC e-Tagging application requires only a subset of pertinent information from the full registry. Coincident with the publication of the full registry, a subset of Registry information may be made available for use by tagging application service providers.

2.2.6 OASIS Registry Publication

The OASIS application requires only a subset of pertinent information from the full registry. Coincident with the publication of the full registry, a subset of Registry information may be made available for use by OASIS application service providers.

2.2.7 PKI Registry Publication

As a service to application service providers, the Registry Administrator will publish the following information regarding those PKI certificates issued to registered Entities by Authorized Certification Authorities:

- Entity

- Entity Code
- Certificate Root
- Certificate Policy
- Certificate Issuer
- Client
- Client Certificate

2.3 Entity – Initial Registration

The following information must be collected as part of the initial registration process for a new Entity:

- User – information regarding the individual submitting the initial Entity registration; this information will populate an initial Client associated with the Entity and assigned the role of "Entity Administrator" (See Client – Initial Registration);
- Entity - information including official/legal entity name, business address, etc.;
- Entity Code – one or more short acronyms to be associated with the Entity with one or more Entity Role(s) assigned to each Entity Code;
- Entity Identifier – one or more industry recognized legal entity identifiers (e.g., DUNS) if any Entity Code assigned the role of TSP (Transmission Service Provider), or TC (Transmission Customer). Additional validations/requirements may depend on other roles assigned to the Entity;
- Entity Affiliates – zero or more identifications of any active, registered entities to which the new Entity is affiliated;
- Entity Predecessor – zero or more associations to existing registered entities which gave rise to formation of the new Entity (e.g., Merger, Acquisition, Divestiture, etc.).

The following subsections describe specific requirements relative to the validation and processing of the Entity's initial registration.

2.3.1 Entity

Entity's official/legal name must be verified for uniqueness. Desired "activation date" will default to the Registry Version Activation Date unless an alternative date in the future is supplied by the User (activation date in the past should be flagged as an error).

The activation date will apply to all entity related information records inserted into the registry during initial registration.

Prior to insertion into the database, a unique Master Registry Identifier may be assigned to the Entity being registered.

2.3.2 Entity Identifier

Entity Identifier information submitted must supply both the value for the identifier (e.g., DUNS number) along with the "type" of identifier represented by that value (e.g., "DUNS"). Entity Identifier information submitted must be verified for uniqueness. If the Entity has attempted to register an Entity Code with Entity Role of TSP or TC, the registration information must contain a DUNS number as at least one of their Entity Identifiers to comply with OASIS registration requirements.

2.3.3 Entity Affiliate

Entity Affiliate information, if any, should verify that the affiliated Entity is still a valid/active Entity.

2.3.4 Entity Predecessor

Entity Predecessor information, if any, should verify the validity of the preceding Entity registrations. This information would most likely be presented/submitted from the UI when the User seeks to change an existing registered Entity to reflect merger, divestiture, etc. Predecessor entities do not necessarily have to be active to be associated with a new Entity registration.
[ed. Might want to consider calling out the specific types of business transactions that would spawn an Entity Predecessor registration, i.e., "merger", "acquisition", "divestiture" others(?). For instance, merger or acquisition would require that predecessor entity is deactivated on or before activation date of successor; divestiture would require that predecessor entity is NOT deactivated on or before activation date of successor UI could present this as a select list option that might give user more guidance with regard to the type of information to be supplied in this area.]

2.3.5 Entity Code and Entity Role

At least one Entity Code must be provided and associated with at least one Entity Role. The Entity Role of "unaffiliated entity" (or any of its specific associated roles) must be the only Entity Role selected and associated with only a single Entity Code, i.e.,

unaffiliated entities limited to one registered Entity Code and only the role of "unaffiliated entity".

For backward compatibility, only one Entity Code may be identified as "O/SE" (Operations or Security Entity) and only one Entity Code may be identified as "TC/PSE". This Entity Code represents the V1.7 Registry records in the Entity_Registration table, and also correspond to the Transmission Service Provider and Transmission Customer codes used in the OASIS application (e.g., SELLER and CUSTOMER data elements). There is no restriction on a given Entity registering separate Entity Codes as both an "O/SE" and "TC/PSE". **[ed. Need to verify if this can be accommodated in V1.7 registry schema.]** If not explicitly supplied, the O/SE and/or TC/PSE role will be assumed by default for the first Entity Code registered that has one or more of the specific O/SE or TC/PSE roles defined as shown below. Also, the role of PSE will be assumed if either GPE or LSE is selected. **[ed. Should we drop the old use of O/SE and TC/PSE and simply use the subordinate roles to infer this designation? There may be some confusion over the OASIS 'entity code' vs. Tagging 'desk codes' if simply allow role of PSE to denote both a tagging entity and OASIS customer.]**

- O/SE (Operations) associated Entity Roles
    - RA – Reliability Authority
    - SC – Security Coordinator (synonomous with RA, retain?)
    - BA – Balancing Authority
    - CA – Control Area (synonomous with BA, retain?)
    - MO – Market Operator
    - TSP – Transmission Service Provider
    - ASP – Application Service Provider (drop?)
- TC/PSE (Merchant) associated Entity Roles
    - TC – Transmission Customer (i.e., OASIS customer code)
    - PSE – Purchasing Selling Entity (i.e., Tagging desk code)
    - LSE – Load Serving Entity (implies PSE)
    - GPE – Generation Providing Entity (implies PSE)
    - ASP – Application Service Provider (drop?)
- Unaffiliated Entity associated Entity Roles
    - Observer
    - ASP – Application Service Provider

- PKICA – PKI Certification Authority
- (Others?)

[ed. The ASP role was defined to provide the application a way to limit who may register "services" (servers), e.g,, OATI is an unaffiliated entity ASP, and any TSP that hosts their own OASIS is also an ASP. Or, we could limit unaffiliated entities from registering Servers based on ASP designation, and not limit O/SE or TC/PSE entities from registering servers.]

With the exception of the ASP role, roles assigned to a given Entity Code must not cross major divisions of roles above, i.e., registration of an Entity Code as a TSP and PSE is illegal. All submitted Entity Codes must be verified for uniqueness. Prior to insertion into the Registry, a unique Master Registry Identifier may be assigned to each of the Entity Codes being registered.

The facility to designate an Entity with registration approval rights over the registered Entity Role should be provided unless the EntityCode is registered with any of the EntityRole of "unaffiliated entity". These Entities represent regulatory agencies, universities, consulting groups, application service providers, etc., that do not have an active Merchant or Operations role in the Electric Industry. Unaffiliated Entity registrations may be required to designate a Sponsoring "affiliated entity" (i.e., one with Merchant or Operations role) that will serve as the registrant's approval entity.
[ed. This assumes 1) approval of registration is by EntityCode and not by Entity; need to discuss this, and 2) NERC will not assume an approval role for "unaffiliated entities". If NERC would do all prescreening, we can change this.]

Following submission of the registration of an Entity Code table, as a triggered event or controlled by a batch script procedure, e-mail notifications must be generated to the Administrative Contact for the Entity identified as having approval rights over the Entity Code registration. Similarly, once an Entity Code registration has been approved, an e-mail notification must be sent to that Entity's Administrative Contact.

2.3.6 Entity Contact and Entity Code Contact

Registration of contact information should be provided at both the Entity level and at the Entity Code level. User information identifying the registrant will be used to create an initial Client record associated with the new Entity registration. By default, Entity Contact and Entity Code Contact information create a mapping this Client to the "Administrative" contact for the Entity as a whole and for each supplied Entity Code. The administrative contact will then be responsible for adding additional Client records in association with the various contacts which may be associated with the Entity and/or Entity Code(s) after the initial registration.

2.4 Entity – Updates

2.4.1 Entity

Authorized "Entity Administrators" may update information associated with their Entity registration. These updates would be to legal business entity name and/or location. Update operation is effected by deactivating the current record and inserting a new record with the updated information activated coincident with the deactivation of the original record.

[ed. Need to discuss the update policy. We can support the concept above, deactivate and insert, or we can simply modify in place. The information subject to change is not very critical (?) at the present time, so either method would work. The deactivate/insert allows registry to hold historic info rather than having to resort to an audit table report to see the updates; this has both pros and cons.]

2.4.2 Entity Identifier

New Entity Identifiers may be registered by authorized Entity Administrators. Entity Identifiers may be updated to reflect corrections or changes in the value of any registered identifier by first deactivating the current registered information and then inserting the updated information into the Entity Identifier table.

2.4.3 Entity Affiliate

New Entity Affiliate associations may be inserted by authorized Entity Administrators. New information will be verified in the same manner as performed for the initial Entity registration. Deletion of Entity Affiliate records is accomplished by updating the Deactivation Date field to reflect when the affiliation was terminated, and may occur at any time without restriction. There is no information that may be updated with respect to Entity Affiliation.

2.4.4 Entity Predecessor

New Entity Predecessor associations may be inserted by authorized Entity Administrators. New information will be verified in the same manner as performed for the initial Entity registration. Entity Predecessor information is restricted to being registered by the succeeding Entity only. Modification of existing information will be accomplished by deactivating the current information and inserting the updated/corrected information.

Deletion of Entity Predecessor records is accomplished by updating the Deactivation Date field to reflect when the association between the Entities was terminated; this is assumed to mainly be the result of correcting an error on registration.

2.4.5 Entity Code and Entity Role

Updates to Entity Code information are restricted to the addition or deactivation of Entity Role information. The Entity Code itself may only be altered if it has not been Approved, and is subject to all uniqueness checks as described for initial Entity registration.

New Entity Code and Entity Role associations may be submitted for an existing Entity. Entity Code and Entity Role information will be validated to insure it passes all validations as described for a new Entity registration.

See discussion below for restriction on deactivation of Entity Code or Entity Role information.

2.4.6 Entity Contact and Entity Code Contact

Contact information associating Entity or Entity Code with a Client may be added, updated or deactivated. Updating an Entity Contact or Entity Code Contact record to reference a new Client should result in deactivation of the existing record and insertion of a new record. Deactivation of an Entity Contact or Entity Code Contact record may occur at any time without restriction. Insertion of new Entity Contact or Entity Code Contact records requires only that the associate Client record is currently active.

2.4.7 Service Entity Code

Certain Entity Codes must be mapped to appropriate application Service (Servers), e.g., PSEs mapped to TagAgent Server, TSP mapped to OASIS Server, etc. The Entity administrator may insert, update or deactivate Server Entity Code registrations at anytime without restriction. Update of Server Entity Code associations is accomplished by deactivating the current record and inserting a new Server Entity Code registration.

3 End of changes to date.

The following are changes from the Technical Specification which need to be changed into a more functional description rather than implementation design.

3.1 Entity – Deactivation

The following subsections describe specific constraints or requirements for deactivation of Entity and related Registry information.

3.1.1 Entity

Deactivation of an Entity requires the simultaneous deactivation of all associated records in the following tables:

- EntityAffiliate
- EntityCode
- EntityContact
- EntityIdentifier
- Client

Each of these tables may have further constraints or requirements for deactivation of associated records.
Presence of active records associated with the Entity to be deactivated in the following tables will block deactivation of the Entity. The user/administrator must deactivate these records prior to attempting to deactivated the Entity.

- Server
- CertificateRoot
- CertificateIssuer

3.1.2 EntityCode

Deactivation of an EntityCode record requires the simultaneous deactivation of all associated records in the following tables:

- EntityRole
- EntityCodeContact
- ServerEntityCode

- OASISServicePointTSP
- TagServicePointGPE
- TagServicePointLSE

Each of these tables may have further constraints or requirements for deactivation of associated records.

3.1.3 EntityRole

Deactivation of an EntityRole associated with a given EntityCode is subject to the following constraints:

- If the EntityRole to be deactivated is EntityCodeType of RA or SC, there must be no active Zone records associated with the EntityCode
- If the EntityRole to be deactivated is EntityCodeType of BA or CA, there must be no active Area records associated with the EntityCode
- If the EntityRole to be deactivated is EntityCodeType of MO, there must be no active Market records associated with the EntityCode

Active records in the Zone, Area, and/or Market associated with the EntityCode serving as RA, BA or MO must first be deactivated or assigned to another EntityCode prior to deactivation the EntityRole record.

3.2 Client – Initial Registration

Submission of Client information is subject to uniqueness and validation checks. Initial registration of an Entity always must result in insertion of an active Client record associated with the role of Entity Administrator.

Submission of Client information may be performed by Clients active, approved registered Entities where the Client has been assigned the role of UserAdministrator. All information is subject to uniqueness and validation checks.

Information required for registration of a Client includes designation of name and contact information. Additional information may be submitted to define associated ClientIdentifiers, ClientCertificates, ClientRoles and EntityContact, EntityCodeContact and/or ServerContact associations. Registration of clients is typically only required for those individuals that have a role as an Entity, EntityCode or Server contact. Or, those clients of internal NERC systems which will not be automatically registered through the PKI certificate mining process.

Prior to insertion into the database, a unique Master Registry Identifier must be assigned to the Server being registered.

3.3 Client – Updates

3.3.1 ClientCertificate

Addition or deletion of ClientIdentifier information may occur at anytime without restriction. Update to a ClientIdentifier is accomplished by deactivating the existing record and inserting a new ClientIdentifier record. ClientCertificate information is typically inserted into the database by an automated procedure controlled by the Registry Administrator which mines all Authorized PKI Certification Authorities for newly issued x.509 certificates.

3.3.2 ClientIdentifier

Addition or deletion of ClientIdentifier information may occur at anytime without restriction. Update to a ClientIdentifier is accomplished by deactivating the existing record and inserting a new ClientIdentifier record.

3.3.3 ClientRole

Association/disassociation of roles to an active Client may occur at anytime without restriction.

3.4 Client – Deactivation

Deactivation of a Client record is subject to the following constraints and/or requirements:

- All active ClientCertificate records associated with the Client to be deactivated must be deactivated simultaneously
- All active ClientIdentifier records associated with the Client to be deactivated must be deactivated simultaneously
- All active ClientRole records associated with the Client to be deactivated must be deactivated simultaneously
- All active EntityContact records associated with the Client to be deactivated must be deactivated simultaneously
- All active EntityCodeContact records associated with the Client to be deactivated must be deactivated simultaneously
- All active ServerContact records associated with the Client to be deactivated must be deactivated simultaneously

3.5 Server – Initial Registration

Submission of Server information may be performed by Clients of an active, approved registered Entity with at least one EntityCode assigned the role of ASP. All information is subject to uniqueness and validation checks.
Information required for registration of a Server includes designation of ServerType, URI, and a description. Additional information may be submitted to identify the ServerCertificate(s), if appropriate, that the Server will use for secured communication, and any ServerContact information (i.e., technical support, etc.).
Prior to insertion into the database, a unique Master Registry Identifier must be assigned to the Server being registered.

3.6 Server – Updates

3.6.1 Server

Authorized "ServerAdministrators" may update information associated with their Server registration. These updates would be to Server URI or description. Update operation is effected by deactivating the current record coincident with the ActivationDate for the new information and insertion of a new record with the updated information.

3.6.2 ServerEntityCode

Addition, update or deactivation of entries in the ServerEntityCode table are controlled by the Entity owning that EntityCode. Activation of new records or deactivation of existing records may occur at any time without restriction. Update of existing records, i.e., changing Server association, must be accomplished by deactivating the current record coincident with the ActivationDate for the new information and insertion of a new record with the updated information.
[ed. Would we want to institute some failsafe for certain registrations? For instance cannot deactivate a TagAuthority Server for a BA?]

3.6.3 ServerContact

Contact information associating a Server with a Client may be added, updated or deactivated. Updating a ServerContact record to reference a new Client will result in deactivation of the existing record and insertion of a new record. Deactivation of a ServerContact record may occur at any time without restriction. Insertion of new ServerContact records requires only that the associate Client record is currently active.

3.6.4 ServerCertificate

Certificate information associating with a Server may be added, updated or deactivated. Updating a ServerCertificate record to reference a new Certificate will result in deactivation of the existing record and insertion of a new record. Insertion of new or deactivation of existing ServerCertificate records may occur at any time without restriction assuming the Certificate is associated with an active CertificateIssuer.

3.7 Server – Deactivation

Deactivation of a Server table record is subject to the following constraints and requirements:

- All ServerContact records associated with the Server to be deactivated must be deactivated simultaneously
- Any active ServerEntityCode records associated with the Server to be deactivated must block deactivation of the Server.

3.8 Application – Initial Registration

The only Application related table subject to registration from external entities is the ApplicationAttributeValue table. This table allows industry participants to define application specific information associated with an application's enumerated data types as defined by the Registry Administrator in the ApplicationAttribute table.
Submission of ApplicationAttributeValue information includes the name of the Application as defined in the Application table and the particular data element whose value is being registered as defined in the ApplicationAttribute Name field.
Currently, submission of ApplicationAttributeValues are only allowed for the OASIS Application and may only be submitted by Clients whose parent Entity contains an active, approved EntityCode designated with the EntityRole of TSP.
The ApplicationAttribute table defines whether the ApplicationAttributeValue is subject to approval by another entity and which entity is granted approval rights. If approval is not required, the Registry Administrator will be the approval entity and the registered value will be automatically approved on insertion into the database.
If approval is required, an e-mail notification must be sent to the administrative contact(s) associated with the approval entity. Once that entity updates the record to indicate approval (or disapproval), an e-mail notification will be sent to the registering entity's administrative contact.

3.9 Application – Updates

Once registered, OASIS application ApplicationAttributeValue records may only be deactivated by the entity that approved the registration. The registering entity may update the value and associated description fields only prior to approval of the registration. Once approved, no updates will be allowed except for deactivation by the approval entity.
[ed. Might make some provision for those attributes that don't require approval, and allow updates at will. Presently this is a very minor compliance issue for OASIS and does not warrant a complex registration process.]

3.10 Application – Deactivation

ApplicationAttributeValue records may be deactivated as described in the Update process at any time without restriction.

3.11 Area – Initial Registration

Definition of metered Areas may only be submitted by Clients of an Entity that has a valid, approved EntityCode assigned the role of BA (or CA?). Information that must be submitted includes the acronym for the Area, description of the Area, the EntityCode assigned to act as Balancing Authority (EntityRole of BA), and the identification of one or more (Reliability) Regions under which the Area will operate. Registered Area information must pass all uniqueness and validation requirements. Prior to insertion into the database a unique Master Registry Identifier must be assigned for the Area.
Initial registration of an Area may also include designation of one or more existing Areas that are adjacent to the Area being registered, and one or more existing Zones that participate in the Area (not typical). See the Area Update section for descriptions of the registering AreaAdjacency and ZoneArea information.

3.12 Area – Updates

3.12.1 AreaAdjacency

AreaAdjacency table records may be added by Clients associated with the Entity acting in the role of BA (CA) to associate their active Area with another active Area. AreaAdjacency records are updated by deactivating the existing record and inserting a new record. Insertions, updates and deactivations may occur at any time without restriction.

3.12.2 ZoneArea

ZoneArea table records may be added by Clients associated with the Entity acting in the role of BA (CA) to associate their active Area with an active Zone. ZoneArea records are updated by deactivating the existing record and inserting a new record. Insertions, updates and deactivations may occur at any time subject to the restriction that the ZoneArea table retains at least one active ZoneArea record associating that Zone with another active Area.

3.13 Area – Deactivation

Deactivation of an Area table record is subject to the following constraints and requirements:

- All AreaAdjacency records associated with the Area to be deactivated must be deactivated simultaneously
- Any Zones referenced in ZoneArea records associated with the Area to be deactivated must each include one or more ZoneArea records associating the Zone to an active Area, i.e., every Zone must always be associated with at least one active Area.

In the event an attempt to deactivate an Area would leave a Zone unassociated with any active zone, the Area deactivation must be blocked until the Zone(s) is/are deactivated or associated with one or more other Areas.

3.14 Market – Initial Registration

Definition of Markets may only be submitted by Clients of an Entity that has a valid, approved EntityCode assigned the role of MO. Information that must be submitted includes the acronym for the Market, description of the Market, the EntityCode assigned to act as Market Operator (EntityRole of MO) under which the market will operate. Registered Market information must pass all uniqueness and validation requirements. Prior to insertion into the database a unique Master Registry Identifier must be assigned for the Market.

3.15 Market – Updates

3.15.1 MarketAdjacency

MarketAdjacency table records may be added by Clients associated with the Entity acting in the role of MO to associate their active Market with another active Market. MarketAdjacency records are updated by deactivating the existing record and inserting a

new record. Insertions, updates and deactivations may occur at any time without restriction.

3.15.2 ZoneMarket

ZoneMarket table records may be added by Clients associated with the Entity acting in the role of MO to associate their active Area with an active Zone. ZoneMarket records are updated by deactivating the existing record and inserting a new record. Insertions, updates and deactivations may occur at any time without restriction.

3.16 Market – Deactivation

Deactivation of a Market table record is subject to the following constraints and requirements:

- All active MarketAdjacency records associated with the Market to be deactivated must be deactivated simultaneously
- All active ZoneMarket records associated with the Market to be deactivated must be deactivated simultaneously

4

5 Backward Compatibility

The implementation of the new Registry requires backward compatibility with the existing NERC V1.7 Registry publication methods to minimize the immediate impact on existing production applications that rely on the Registry. The Registry Detailed Design Specification should describe the mechanism for reconstituting the contents of the various V1.7 Registry table records from the new Registry's Schema. Once a backward compatible V1.7 Registry is created and populated by the appropriate migration scripts, the existing applications used to publish the registry in both MicroSoft Access .mdb file(s) and associated comma separated value files (.csv) should be executed.

Note that in retaining backward compatibility, features added specifically for the new Registry (e.g., PKI certificate information) will not be accessible through the V1.7 *.mdb or *.csv files. Applications should be updated as soon as practicable to use the new V2.0 Registry information published in either native SQLServer export script (?) or XML format.

North American Energy Standards Board

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

TO: NAESB Wholesale Electric Quadrant Executive Committee Members

FROM: DeDe Kirby, Meeting/Project Manager, NAESB

RE Final Report of the ESS/ITS Joint OASIS II Implementation Task Force (JOITF)

DATE: July 15, 2005

FINAL REPORT OF THE WEQ ESS/ITS JOINT OASIS II IMPLEMENTATION TASK FORCE JULY 15, 2005

The Joint OASIS II Implementation Task Force (JOITF) is a task force of the Wholesale Electric Quadrant Electronic Scheduling Subcommittee (ESS) and Information Technology Subcommittee (ITS). The JOITF began meeting on July 27, 2004 and voted to disband and discontinue further action on May 11, 2005. This decision to disband the task force was primarily the result of the finding of a lack of support for full OASIS II implementation among industry participants at the March 29, 2005 NERC/NAESB Future of OASIS Conference. This report reviews the opening meetings of the JOITF, their plan of action and reports completed, the results of the Future of OASIS Conference, and the decision to disband.

The JOITF conducted the opening meeting in a joint meeting with the ESS OASIS II Task Force on July 27, 2004.[1] At that meeting, it was determined that the JOITF should be a stand alone task force that reported to the ESS and ITS. The work assigned to the JOITF was to complete the following documents: OASIS II Use Cases, OASIS II Requirements, OASIS II Structural Design, and OASIS II Implementation Plan. In order to appropriately address the above tasks, it was determined that the JOITF should work with other groups and task forces. A list of those groups is found in the July 27, 2004 meeting minutes. A letter was sent from the task force leadership to these groups to request participation in the JOITF.[2]

The JOITF met jointly with the OASIS II Task Force on August 30-31, 2004 and discussed the three stage plan for implementation of OASIS II.[3] In order to facilitate the phased implementation, the group re-categorized the OASIS II Use Cases based on functionality. The new categories included: company/user registration; publish/subscribe; bilateral transmission markets; physical bilateral schedules; self schedules, market resource registration; auction transmission markets; financial bilateral schedules; and energy markets.

[1] The final minutes from the July 27, 2004 joint ESS OASIS II Task Force and JOITF meeting are located at http://www.naesb.org/pdf/weq_ess_oasis2_072704fm.doc.
[2] The JOITF letter is located at http://www.gisb.org/pdf/weq_ess_oasis2_082004corr.pdf.
[3] The final minutes from the August 30-31, 2004 JOITF meeting are located at http://www.naesb.org/pdf/weq_ess_oasis2_083004fm.doc.

North American Energy Standards Board
1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

In addition, the group charted the tasks of each of three stages of OASIS II implementation. The OASIS II Implementation Plan was scheduled as follows:

STAGE 1	STAGE 2	STAGE 3
Company/User Registration	Physical Bilateral Schedules	Energy Markets
Market Resource Registration	Self Schedules	Marketer Scheduling
Publish/Subscribe	Bilateral Transmission Markets	
Operations Use Case	Financial Bilateral Schedules	
Upgrade OASIS 1 to use these new functionalities	Bilateral Ancillary Markets	
Auction Transmission Markets		

The tasks of stage 1 were assigned to sub-groups to begin the initial stages of research and design for a plan for implementation. The JOITF also prioritized the functions of the OASIS II communication standard for completion. Highest in priority were digital signature, attachments, guaranteed delivery, and quality of service.

On September 28, 2004, the JOITF discussed how best to coordinate the efforts noted above with NERC and other market organizations.[4] On October 28, 2004 the JOITF discussed and reviewed a proposal on how best to implement Web Services.[5] That proposal is located at http://www.naesb.org/pdf/weq_ess_oasis2_102804w1.doc.

The JOITF met on November 17, 2004 and reviewed the requirements of OASIS II Phase 1 implementation.[6] That presentation is located at http://www.naesb.org/pdf/weq_ess_oasis2_111704a1.ppt. A diagram was provided on how to develop and implement publish/subscribe. The group discussed a joint group with the NERC Operating Committee to address registry concerns and to develop a joint NERC/NAESB registry. That joint registry group, the Joint Interchange Scheduling Working Group (JISWG) conducted its first meeting on January 26-27, 2005.[7]

The NERC/NAESB Future of OASIS Conference was held on March 29, 2005.[8] Two key conclusions were drawn from the conference. First, the industry has embraced electronic scheduling as an

[4] The final minutes from the September 28, 2004 JOITF meeting are located at http://www.naesb.org/pdf/weq_ess_oasis2_092804fm.doc.
[5] The final minutes from the October 28, 2004 JOITF meeting are located at http://www.naesb.org/pdf/weq_ess_oasis2_102804fm.doc.
[6] The final minutes from the November 17, 2004 meeting are located at http://www.naesb.org/pdf2/weq_ess_oasis2_111704fm.doc.
[7] The final minutes of the initial JISWG meeting are located at http://www.naesb.org/pdf2/weq_jiswg012605fm.doc.
[8] A summarized report on the Conference is given in a letter from NAESB and NERC to Chairman Wood entitled "Results from the NERC/NAESB OASIS Conference held March 29, 2005" (April 22, 2005). The letter is located on the NAESB website at http://www.naesb.org/pdf2/weq_jiswg050205w3.pdf. The revised draft minutes for the NERC/NAESB Future of OASIS Conference are posted on the NAESB website at: http://www.naesb.org/pdf2/weq_ess_oasis2_032905rm.doc. For transcripts of this conference, please contact the NAESB office.

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

efficient market tool. Through the implementation of e-Tags and the incorporation of e-Tags into organizations' scheduling systems, the industry is in the midst of a migration towards electronic scheduling today without the need for a major redefinition of OASIS requirements.

Second, the changes to OASIS to better support the market are being done on an incremental basis as the industry determines those changes are needed and can prioritize and staff the standards development work. Overall, it was determined that the incremental changes approach was an effective and efficient method to move forward and adapt OASIS to market needs. Although full OASIS II implementation did not receive support, changes to the TSIN registry did receive the support of the industry. In addition, there was some limited support for the development of a publish/subscribe function in OASIS.

The JOITF met on May 11, 2005 to discuss the results of the March 29th conference and to determine the future of the JOITF.[9] In addressing the results of the conference, the JOITF noted that development of the registry, a NAESB WEQ 2005 Annual Plan Item, was now the task of the NERC/NAESB JISWG. The group also noted that no request for standards development on publish/subscribe had been submitted to NAESB. Therefore, the group decided the registry and any other items left to the JOITF could best be developed by the JISWG and the ESS/ITS. Any remaining tasks were assigned back to the ESS/ITS to be delegated where appropriate. Therefore, the group voted to suspend activities of the JOITF until further notice from the WEQ Executive Committee.

[9] The draft minutes of the May 11, 2005 JOITF meeting are located at http://www.naesb.org/pdf2/weq_ess_oasis2_051105dm.doc.

NORTH AMERICAN ENERGY STANDARDS BOARD

Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
August 23-25, 2005

Wholesale Electric Quadrant

TAB 6

2005 Annual Plan for WEQ

- The 2005 plan as approved by the Board of Directors on June 22 is included. Should the WEQ EC determine that changes are to be made to the plan as a result of the subcommittee updates, a motion to approve the changes for forwarding to the Board for approval (September 22) would be required. The motion would require a simple majority to pass.
- The materials in Tab 6 correspond to agenda item 3 for the WEQ EC agenda.

North American Energy Standards Board

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

NORTH AMERICAN ENERGY STANDARDS BOARD
2005 WEQ Annual Plan Approved by the NAESB Board of Directors on June 22, 2005

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

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

North American Energy Standards Board
1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD
2005 WEQ Annual Plan Approved by the NAESB Board of Directors on June 22, 2005

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

North American Energy Standards Board
1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD
2005 WEQ Annual Plan Approved by the NAESB Board of Directors on June 22, 2005

	Item Description	Completion[1]	Assignment
b)	Develop and/or maintain standard communication protocols and cyber-security requirements as needed, including related industry standard communication protocols and cyber-security requirements	2006	ITS
	i. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders (R04007)		
	ii. Develop companion business practices to NERC's Cyber Standard (1300), and specifically review section 1303-Personnel & Training to determine if business practices are needed.		
c)	Develop business practices as needed for clarification of definitions and terminology in the Standards of Conduct.	2nd Q, 2005	ESS/ITS
d)	Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers.	4th Q, 2005	DUNs Task Force
	Underway.		
4	**Develop business practices standards to Improve the Current Operation of the wholesale electric market**		
a)	Evaluate the entries on the seams catalog, determine the need for business practice standards and draft the standards requests to develop business practice standards to complement or assist specific seams mitigation efforts as noted in the seams catalog.	Ongoing	Various
b)	Develop business practice standards according to approved and assigned standards requests that complement or assist specific seams mitigation efforts as noted in the seams catalog.	As Requested	Various
c)	Develop business practices to support Western Interconnection Tag Definitions (R04032)	Low priority 4th Q, 2005	BPS
5	**Determine the need for and develop, if necessary, business practice standards supportive of the Gas-Electric Coordination Report**		
a)	Evaluate and develop business practice standards for Energy Day (R04016)	4th Q, 2005	BPS
b)	Evaluate and develop business practice standards for electric scheduling timelines (R04020).	4th Q, 2005	ESS
c)	Evaluate and develop business practice standards for communications between entities representing gas-fired power generators and the pipelines serving them (R04021)	2nd Q, 2005 High Priority	BPS

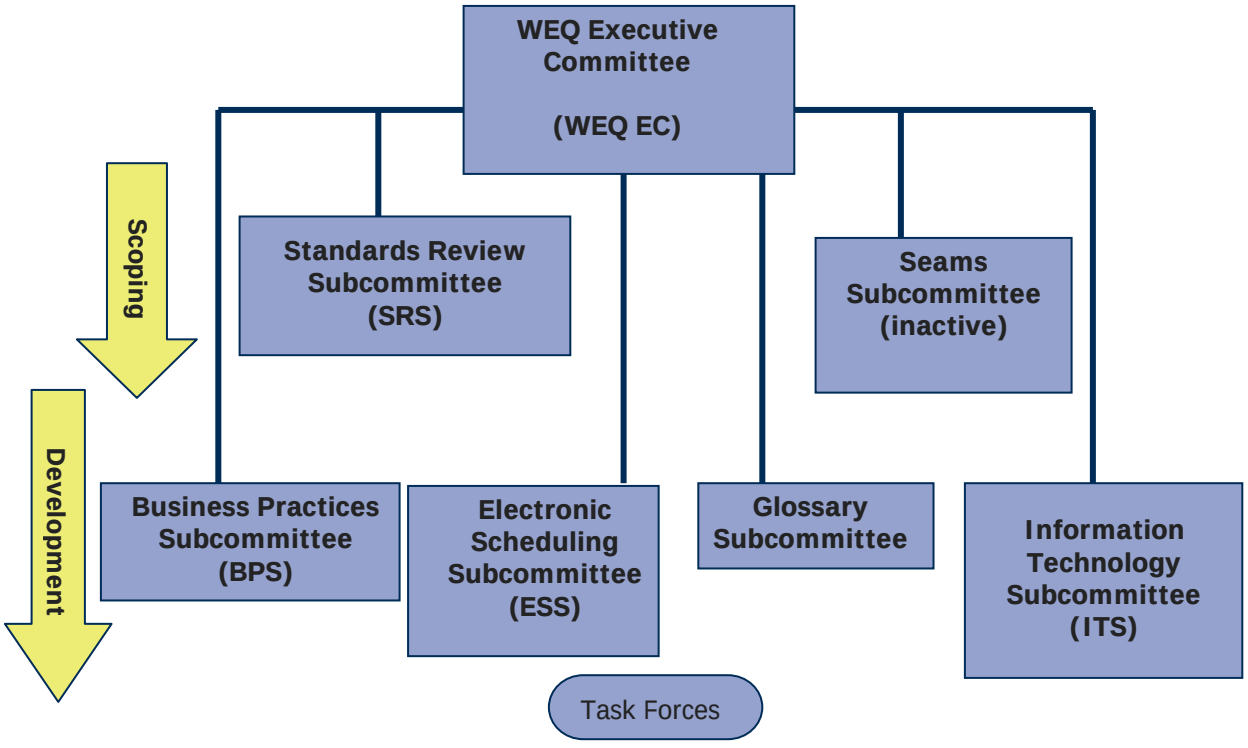
PROVISIONAL ITEMS

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

2 Using the NERC Interconnected Operations Services reference document (March 2002, version 1.1) as a guide and starting point, develop business practices as necessary for ancillary services and/or interconnected operating services transactions.

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 Wholesale Electric Quadrant Committee Structure



NAESB WEQ EC and Leadership is:

Executive Committee: Lou Oberski (WEQ EC Chair) and Tony Reed (WEQ EC Vice Chair)
Standards Review Subcommittee: Raj Rana, Narinder Saini, Ollie Frazier
Business Practices Subcommittee: Phil Cox, Kathy York and Joel Dison

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

Electronic Scheduling Subcommittee/Information Technology Subcommittee:
Paul Sorenson, J.T. Wood and Sheri Monteith

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

Glossary Subcommittee: Sherri Monteith

NORTH AMERICAN ENERGY STANDARDS BOARD

Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
August 23-25, 2005

Wholesale Electric Quadrant

TAB 7

Recommendations for Vote – R05009

- Recommendation R05009 is attached. The comment period for this request ended June 24. No comments were received.
- To approve the recommendation that would modify the TLR standards to keep them consistent with the Version 0 NERC reliability standards, a motion to accept the recommendation would be made by a WEQ EC member, and the resulting vote would need to be 67% of the WEQ EC members (20 of 29 members) and 40% of each segment's EC members.
- The materials in Tab 7 correspond to agenda item 4 for the WEQ EC agenda.

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

via email and posting

TO: NAESB Wholesale Electric Quadrant (WEQ) Members and Interested Industry Participants
FROM: DeDe Kirby, Meeting/Project Manager
RE: WEQ Request for Comments
DATE: May 25, 2005

An industry comment period begins today, May 25, 2005 and ends on June 24, 2005 for one WEQ recommendation:

> Recommendation R05009 – Modify the NAESB Version TLR business practices (WEQBPS-006-000) to remain consistent with the NERC Version 0 TLR reliability standards – http://www.naesb.org/pdf2/r05009_rec.doc.

As background, this recommendation addresses changes to the version 0 TLR business practices to keep those practices in alignment with the reliability standards approved by the North American Electric Reliability Council (NERC). NERC is currently processing an urgent action standards authorization request (SAR) to implement the same changes as referenced in this recommendation. NERC's urgent action SAR was the reason for this recommendation being drafted and put forward for your consideration. As you may recall, NERC and NAESB did not separate the TLR process into NAESB business practices and NERC reliability standards at the end of last year. Rather, due to time constraints, both NERC and NAESB agreed to keep the version 0 TLR identical until both organizations could separate the process by the end of 2005. While we are working on that separation, the effort is not complete but should conclude before yearend. As a result, NAESB needs to process this change to keep our TLR Version 0 aligned with NERC's TLR Version 0.

All interested parties, regardless of membership status within NAESB are eligible to submit comments for consideration. The WEQ Executive Committee will review this recommendation and consider it for vote as a NAESB WEQ standard at a WEQ EC conference call meeting to be announced shortly after the end of the comment period (June 24, 2005). The WEQ EC conference call will be held to address Recommendation R05009 only. In the consideration of Recommendation R05009, the WEQ EC will review all submitted comments.

All comments received by the NAESB office by end of business on June 24th will be posted on the Home Page (http://www.naesb.org/request.asp) and forwarded to the WEQ EC members for their consideration. If you have difficulty downloading the recommendation, please call the NAESB office at (713) 356-0060. The recommendation is also attached for your convenience.

Best Regards,

DeDe Kirby

cc: Rae McQuade, Executive Director

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 Wholesale Electric Quadrant Members as of May 25, 2005

Segment	Sub-segment	Organization	Contact
d	at large	New York State Reliability Council	P. Donald Raymond
d	at large	North American Electric Reliability Council (NERC)	Donald M. Benjamin
d	comp ret	Constellation NewEnergy, Inc.	Sara O'Neill Carrie Cullen Hitt
d	iou	American Electric Power Service Corp.	Thomas Ringenbach
d	iou	Consumers Energy Company	Andrew C. Dotterweich Frank Johnson
d	iou	Duke Energy Corp.	Ollie Frazier
d	iou	Exelon Corporation - PECO Energy	John F. Leonard, Jr.
d	iou	Public Service Electric and Gas Company	Colin J. Loxley
d	iou	Southern Company Services, Inc.	Gary Rozier Mark Crosswhite Greg Butrus
d	iou	We Energies (Wisconsin Electric)	Linda Horn
d	muni	Alabama Electric Cooperative, Inc.	Kenneth J. Skroback
d	muni	American Municipal Power - Ohio, Inc.	Pat Frazier Chris Norton
d	muni	American Public Power Association	Allen Mosher
d	muni	Central Electric Power Cooperative	Arthur Fusco
d	muni	Florida Municipal Power Agency	Steven H. McElhaney
d	muni	Michigan Public Power Agency	James R. Nickel Daniel E. Cooper
d	muni	Missouri River Energy Services	Brian Zavesky
d	muni	North Carolina Electric Membership Corporation	David Beam
d	muni	North Carolina Electric Municipal Power Agency #1	Andrew Fusco
d	muni	Sacramento Municipal Utility District	Robert D. Schwermann
d	muni	Wisconsin Public Power Inc.	Mike Stuart
d	muni/coop	National Rural Electric Cooperative Assoc.	Barry Lawson
d	nd	Buckeye Power, Inc.	Peter H. Buros
d	other	Bonneville Power Administration	Sydney D. Berwager
d	other	Salt River Project Agricultural Improvement and Power District	Wendy Weathers Mark B. Bonsall
d	other	Tennessee Valley Authority	Ron L. Owens

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

Segment	Sub-segment	Organization	Contact
e	at large	Open Access Technology International, Inc.	Kevin Burns
e	comres	Ohio Consumers Council	Randy Corbin
e	enduse	Cinergy	John Procario
e	enduse	Comprehensive Energy Services	Jim Templeton
e	enduse	Minneapolis Consulting Group	Mike Prickett
e	lind	Boeing Company, The	Steve LaFond
e	lind	BP America Inc.	Jeanne Zaiontz
e	lind	Electricity Consumers Resource Council (ELCON)	John Anderson John Hughes
e	reg	National Association of Regulatory Utility Commissioners	Lou Ann Westerfield
e	reg	New York State Dept. of Public Service	William Heinrich
e	sgen	ChevronTexaco Energy Research and Technology	Carol Guthrie
e	sgen	ExxonMobil Gas Marketing	Steve Sayuk Mark Scheel Mark Ulrich
g	fed	Bonneville Power Administration	Francis Halpin
g	fed	Department of the Interior, US Bureau of Reclamation	Deborah M. Linke
g	fed	Southeastern Power Administration	Bob Goss
g	fed	Southwestern Power Administration	Forrest E. Reeves
g	fed	Tennessee Valley Authority	William F. Irish
g	iou	Cinergy	Walt Yeager
g	iou	Consumers Energy Company	Steven L. Gaarde Andrew C. Dotterweich John J. Dellas
g	iou	Dominion Energy Marketing, Inc.	Louis Oberski
g	iou	PacifiCorp	Greg Maxfield
g	iou	Southern California Edison Company	Thomas Watson
g	iou	Southern Company Services, Inc.	Tony A. Reed
g	iou	We Energies (Wisconsin Electric)	James R. Keller
g	iou	Wisconsin Public Service Corporation	William Bourbonnais Charles W. Severance
g	merc	Calpine Corporation	William Taylor Jim Stanton
g	merc	Columbus Southern Power Company	Phil Cox
g	merc	Conectiv Energy Supply, Inc.	Gloria Ogenyi
g	merc	Constellation Generation Group	Michael Gildea
g	merc	Duke Energy North America	Bill D. Blevins

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

Segment	Sub-segment	Organization	Contact
g	merc	Dynegy Power Marketing, Inc.	Barry Huddleston
g	merc	Ontario Power Generation	Barry Green
g	merc	Tenaska, Inc.	Scott Helyer
g	muni	Arkansas Electric Cooperative Corporation	Ricky Bittle
g	muni	Basin Electric Power Cooperative	Jason Doerr
g	muni	ElectriCities of North Carolina (North Carolina Eastern Municipal Power Agency)	Gregory Locke
g	muni	Florida Municipal Power Agency	Rick Casey
g	muni	Indiana Muncipal Power Agency	Dick Foltz
g	muni	Oglethorpe Power Corporation	Billy Ussery
g	muni	Old Dominion Electric Cooperative	James N. Kimball
g	muni	Sacramento Municipal Utility District	Thomas Ingwers
g	muni	Seminole Electric Cooperative, Inc.	Lane Mahaffey
g	muni	Vermont Public Power Supply Authority	William J. Gallagher
m	at large	Navigant Consulting, Inc.	Richard G. Smead
m	fed	Bonneville Power Administration	Brenda Anderson
m	fed	Tennessee Valley Authority	Clyde Harmon
m	fed	Western Area Power Administration	Jeffrey Ackerman
m	iou	American Electric Power Service Corp.	Barbara Radous Joseph Hartsoe
m	iou	Cinergy	Walt Yeager
m	iou	Conectiv Energy Supply, Inc.	Gloria Ogenyi
m	iou	DTE Energy	David G Nick
m	iou	Entergy Services, Inc.	James M. (Jimmy) Smith
m	iou	Exelon Generation - Power Team	Jack Crowley
m	iou	FirstEnergy Solutions Corp.	Edward C. Stein
m	iou	Florida Power & Light Company	Gerry Yupp Raleigh Nobles
m	iou	PacifiCorp	Edison G. Elizeh
m	iou	Portland General Electric	Terri Peschka
m	iou	Progress Energy **(Regulated)**	James Eckelkamp
m	iou	Progress Energy **(Unregulated)**	Micheal Settlage
m	iou	PSEG Energy Resources and Trade LLC	James D. Hebson
m	iou	Southern Company Services, Inc.	Joel Dison
m	muni	ACES Power Marketing LLC	Roy J. True
m	muni	North Carolina Electric Municipal Power Agency #1	Clay A. Norris
m	nd	Basin Electric Power Cooperative	David Raatz

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

Segment	Sub-segment	Organization	Contact
m	niou	Mirant Corp.	Jim Mayhew Alan Johnson
m	niou	Ontario Power Generation	Ron Robinson
m	niou	TXU Energy	Elizabeth Howland Mike Grim
m	niou	UBS Energy LLC	Suzanne Calcagno
n	n	Edison Electric Institute	David Owens Dave Dworzak
n	n	Electric Reliability Council of Texas (ERCOT)	Sam R. Jones Ray Giuliani
n	n	Midwest Independent Transmission System Operator	William (Bill) Phillips
n	n	Southwest Power Pool	Carl Monroe
t	at large	Florida Reliability Coordinating Council	Linda D. Campbell
t	at large	Open Access Technology International, Inc.	Paul R. Sorenson
t	at large	Western Electricity Coordinating Council (WECC)	Michael Wells Louise McCarren
t	fed	Bonneville Power Administration	Barbara Rehman
t	fed	Hydro - Quebec Transenergie	Victor Bissonnette
t	fed	Salt River Project Agricultural Improvement and Power District	Steve Cobb
t	fed	Southwestern Power Administration	Stanley L. Mason
t	fed	Tennessee Valley Authority	Mitchell Needham W. Terry Boston
t	fed	Western Area Power Administration	Mark Fidrych
t	iou	American Electric Power Service Corp.	John Stough Michael Desselle
t	iou	Arizona Public Service Company	Mark W. Hackney
t	iou	Cleco Power, LLC	Keith Comeaux
t	iou	Conectiv Power Delivery	Ken Gates
t	iou	Consolidated Edison Company of New York, Inc.	Scott Butler
t	iou	Empire District Electric Company, The	Bary K. Warren
t	iou	Energy East Management Corporation	Marjorie Perlman
t	iou	Entergy Services, Inc.	Edward J. Davis John H. Zemanek
t	iou	Florida Power & Light Company	Marty Mennes
t	iou	Idaho Power Company	Robert Gumm
t	iou	Northeast Utilities Service Company	David Boguslawski Bill P. McKinnon
t	iou	Otter Tail Power Company	Daryl Hanson Larry Larson
t	iou	PacifiCorp	Jim Hicks Mark Maher
t	iou	PPL Electric Utilities Corporation	Ray Mammarella

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

Segment	Sub-segment	Organization	Contact
t	iou	Progress Energy	Verne Ingersoll Phillip W. Lewis
t	iou	Public Service Electric and Gas Company	Jeffrey C. Mueller
t	iou	Southern California Edison	Ronald D. Nunnally
t	iou	Southern Company Services, Inc.	R.D. (Dean) Ulch John Lucas
t	iou	TXU Electric Delivery	Ellis Rankin Debbie McKeever
t	itc	American Transmission Company LLC	Julie Voeck
t	itc	Hydro One Networks	Dave Barrie
t	itc	International Transmission Company	Jim D. Cyrulewski
t	itc	Michigan Electric Transmission Company LLC	Charles V. Waits
t	itc	National Grid USA	Masheed Rosenqvist Peter Flynn Mary Ellen Paravalos
t	itc	TRANS-ELECT, INC.	Paul D. McCoy
t	muni	Basin Electric Power Cooperative	Dan Klempel
t	muni	Dairyland Power Cooperative	Chuck Callies
t	muni	Georgia Transmission Corporation	Nina McNeive
t	muni	Modesto Irrigation District	Roger Van Hoy
t	muni	Platte River Power Authority	Terry L. Baker
t	muni	Southwest Transmission Cooperative, Inc.	Larry D. Huff
t	muni	Sunflower Electric Power Corporation	L. Earl Watkins Carroll Waggoner
t	muni	Tri-State Generation and Transmission Association, Inc.	Bruce Sembrick
t	niou	Puget Sound Energy, Inc.	George Marshall Bob Harshbarger

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: NAESB Office
Request No.: R05009
Request Title: Modify the NAESB Version TLR business practices (WEQBPS-006-000) to remain consistent with the NERC Version 0 TLR reliability standards.

1. RECOMMENDED ACTION:

_X_ Accept as requested
___ Accept as modified below
___ Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:
__x Change to Existing Practice
___ Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:	**Per Recommendation:**
___ Initiation	___ Initiation
_x_ Modification	_x_ Modification
___ Interpretation	___ Interpretation
___ Withdrawal	___ Withdrawal
___ Principle	___ Principle
___ Definition	___ Definition
__x Business Practice Standard	_x_ Business Practice Standard
___ Document	___ Document
___ Data Element	___ Data Element
___ Code Value	___ Code Value
___ X12 Implementation Guide	___ X12 Implementation Guide
___ Business Process Documentation	___ Business Process Documentation

3. RECOMMENDATION

SUMMARY: This recommendation proposes modifications to the NAESB Version 0 TLR business practices to remain consistent with the NERC Version 0 TLR reliability standards. NERC undertook an urgent action to modify its version 0 TLR reliability standards, and as such, NAESB must consider the same modifications to keep the TLR standards identical until the business practices have been separated from the reliability standards in the Amended Version 0 TLR standards.

This activity is not considered an Amended Version 0 effort. Those efforts are progressing separately.

The purpose of the revisions is to correct a conflict between INT-004 Requirement 5 and IRO-006 Attachment 1 concerning Dynamic Schedules. Currently the IDC does not allow entities to comply with INT-004 Requirement 5 during TLR conditions due to a software problem. At the December 2004 joint NERC Operating Committee subcommittee meeting, the subcommittee approved the following motion to correct the conflict: "If the E-Tag is identified as the type “Dynamic,” and the transmission service is considered firm

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: NAESB Office
Request No.: R05009
Request Title: Modify the NAESB Version TLR business practices (WEQBPS-006-000) to remain consistent with the NERC Version 0 TLR reliability standards.

according to the constrained path method, then it will not be held by the IDC during TLR level 4 or lower." The joint ORS/IS met in February 2005 and approved a recommendation to revise IRO-006 and requested an urgent action SAR be drafted. This change needs to be completed as an Urgent Action SAR because currently when a Dynamic Schedule is outside the band mentioned in INT-004 R.5.1 or 5.2 and the PSE attempts to comply with requirement 5 of INT-004 the IDC holds the transaction. The current software treats adjusted firm dynamic transactions that are already flowing as new transactions and holds them. This means PSE can not update the IDC during TLR level 3 greater conditions for a transaction that is already flowing. Because the IDC places a hold on the flowing PSE adjusted schedule the IDC is not being updated with the actual value of flowing Dynamic Schedules. This is not the intent of the reallocation process or the expected operation of the IDC so an Urgent Action on this SAR is requested to ensure the quickest resolution to this reliability issue with both the tool and the standards conflict. IRO-006 is requested to be changed to clarify the intent of the TLR procedure regarding this matter. The ORS, IDWG and IS agree with the requested modification to IRO-006 and the IS request this be handled as an Urgent Action SAR. The Interchange Subcommittee is drafting this Urgent Action SAR in order to make the changes to the Standard in coordination with the software changes which can be implemented by June 2005. This software change will allow for compliance with INT-004 and we are requesting additional clarifying language to be added to the TLR procedure so it is understood that the IDC will not hold Dynamic Schedule transactions that are being modified in accordance with INT-004.

RECOMMENDED STANDARDS:

The proposed revision to WEQBPS-006-000 “Transmission Loading Relief – Eastern Interconnection” to conform with the proposed revisions to standard IRO-006-0 “Transmission Loading Relief Procedure – Eastern Interconnection” is indicated below:

1.6.6. Reallocation. The Reliability Coordinator shall consider for Reallocation any Transactions of higher priority that meet the approved tag submission deadline during a TLR Level 3A. The Reliability Coordinator shall consider for Reallocation any Transaction using Firm Transmission Service that has met the approved tag submission deadline during a TLR Level 5A. Note Reallocations for Dynamic Schedules are as follows: If an Interchange Transaction is identified as a Dynamic Schedule and the transmission service is considered firm according to the constrained path method, then it will not be held by the IDC during TLR level 4 or lower. Adjustments to Dynamic Schedules in accordance with INT-004 R5 will not be held under TLR level 4 or lower.

NERC Implementation Plan:
The proposed effective date is immediately upon adoption by the Board of Trustees. The proposed revision will be presented for ballot of stakeholders beginning May 23. If approved by stakeholders, the revision will be forwarded to the Board of Trustees for adoption on

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Wholesale Electric Quadrant

Requesters: NAESB Office
Request No.: R05009
Request Title: Modify the NAESB Version TLR business practices (WEQBPS-006-000) to remain consistent with the NERC Version 0 TLR reliability standards.

approximately June 22.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

R05009: Modify the NAESB Version 0 TLR business practices to remain consistent with NERC Version 0 TLR reliability standards.

b. Description of Recommendation:

Please see the following set of WEQ TLR draft minutes for the supporting documentation and discussion.

April 28-29, 2005 http://www.naesb.org/pdf2/weq_tlr042805dm.doc

c. Business Purpose:

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

Wholesale Electric Quadrant

TAB 8

Triage Members and Responsibilities

- The leadership roster which includes the list of WEQ Triage members is attached for discussion.
- The materials in Tab 8 correspond to agenda item 5 for the WEQ EC agenda.

NAESB Leadership Roster
As of August 16, 2005

Name	Seg	Company	Email	Phone	Fax
Terry Moran	d	Public Service Electric & Gas Co.	terrence.moran@pseg.com	973-430-7105	973-624-4107
Technical Electronic Implementation Subcommittee:					
Mark Jarrett	s	Southern Company Services	msjarret@southernco.com	(404) 506-7274	(404) 506-4074
Business Practices Subcommittee:					
Mary Edwards	d	Dominion Virginia Power	mary_edwards@dom.com	804-771-6407	804-771-4045
Dan Jones	d	Cinergy	dan.jones2@cinergy.com	513-287-2718	
Information Requirements Subcommittee:					
Ed Overtree	su	Calpine Corporation	eovertree@calpine.com	713-830-8934	713-830-8751
Glossary Subcommittee:					
Patrick Eynon	d	Ameren Services Company	peynon@ameren.com	314-554-4110	314-206-0600
Mary Edwards	d	Dominion Virginia Power	mary_edwards@dom.com	804-771-6407	804-771-4045
Annual Plan Subcommittee:					
Jim Minneman	s	PPL Solutions	jmminneman@pplweb.com	610-774-5774	610-774-7229
Terry Moran	d	Public Service Electric & Gas Co.	terrence.moran@pseg.com	973-430-7105	973-624-4107
Retail Contracts Subcommittee:					
Ed Overtree (REQ)		Calpine Corporation	eovertree@calpine.com	713-830-8934	713-830-8751
Marcy McCain (RGQ)		Duke Energy Gas Transmission, LLP	mlmccain@duke-energy.com	713 627-4738	713 627-5947
Wholesale Electric Quadrant					
Triage:					
Jack Leonard	d	PECO Energy Company	jack.leonard@peco-energy.com	215-841-4879	215-841-4234
Barry Green	g	Ontario Power Generation	barry.green@opg.com	416-592-7883	416-592-8519
Suzanne Calcagno	m	UBS Energy, LLC	suzanne.calcagno@ubs.com	203-719-4599	203-719-7513
John Hughes	e	Electricity Consumers Resource Council	jhughes@elcon.org	202-682-1390	202-289-6370
John Lucas	t	Southern Company	jelucas@southernco.com	205-257-7200	205-257-6663
Alternates:					
Daniel Cooper	d	Michigan Public Power Agency	dcooper@mpower.org	517-232-8919 x114	517-323-8373
Ollie Frazier	d	Duke Energy Corporation	ofrazier@duke-energy.com	704-382-6964	704-373-5393
Kathy York	g	Tennessee Valley Authority	keyork@tva.gov	423-751-3398	423-751-7462

NAESB Leadership Roster
As of August 16, 2005

Name	Seg	Company	Email	Phone	Fax
Joel Dison	m	Southern Company	jjdison@southernco.com	205-257-6481	205-257-6824
Steve Sayuk	e	ExxonMobil Gas Marketing	steve.m.sayuk@exxonmobil.com	713-656-3203	713-656-7343
Mary Ellen Paravalos	t	National Grid USA	mary.ellen.paravalos@us.ngrid.com	508-389-3233	508-389-3129
Standards Review Subcommittee:					
Narinder Saini		Entergy	nsaini@entergy.com	870-543-5420	870-541-4528
Raj Rana		American Electric Power	Raj_rana@aep.com	614-716-2345	614-716-2352
Ollie Frazier	d	Duke Energy Corporation	ofrazier@duke-energy.com	704-382-6964	704-373-5393
Business Practices Subcommittee:					
Joel Dison	m	Southern Company	jjdison@southernco.com	205-257-6481	205-257-6824
Phil Cox	g	AEP Energy Services, Inc.	epcox@aep.com	614-583-7505	614-324-4598
Kathy York	fed	Tennessee Valley Authority	keyork@tva.gov	423-751-3398	423-751-7462
Coordinate Operations Business Practices Task Force:					
Narinder Saini		Entergy	nsaini@entergy.com	870-543-5420	870-541-4528
Operate Within Limits Business Practices Task Force:					
Raj Rana		American Electric Power	Raj_rana@aep.com	614-716-2345	614-716-2352
TLR Task Force:					
Michael Desselle	t	American Electric Power	mddesselle@aep.com	214-777-1083	214-777-1119
Energy Day Task Force:					
Lou Oberski	g	Dominion Energy Marketing, Inc	Lou_Oberski@dom.com	804-787-5714	804-787-6473
Joel Dison	m	Southern Company	jjdison@southernco.com	205-257-6481	205-257-6824
Phil Cox	g	AEP Energy Services, Inc.	epcox@aep.com	614-583-7505	614-324-4598
Kathy York	g	Tennessee Valley Authority	keyork@tva.gov	423-751-3398	423-751-7462
Inadvertent Interchange Payback Task Force:					
Phil Cox	g	AEP Energy Services, Inc.	epcox@aep.com	614-583-7505	614-324-4598
Seams Subcommittee:					
Joe Rossignoli		National Grid USA	joseph.rossignoli@us.ngrid.com	508-389-2866	508-389-3129

Joint Electronic Scheduling Subcommittee and Information Technology Subcommittee:

NORTH AMERICAN ENERGY STANDARDS BOARD

Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
August 23-25, 2005

Wholesale Electric Quadrant

TAB 9

FERC Filings and Comments

- This material is for review only. No action is needed. Documents provided are:
  - A report, docketed as RM05-28-000, on June 27 from the gas-electric interdependency committee which included the communication standards ratified on July 8 (WEQ) and August 15 (WGQ),
  - NAESB Comments provided to the FERC on July 1 re docket RM05-5-000, and
  - Excerpts of industry comments provided to the FERC re Docket RM05-5-000.
- The materials in Tab 9 correspond to agenda item 6 for the WEQ EC agenda.

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

June 27, 2005
Filed Electronically

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

RE: Docket No. RM05-28-000: Standards for the Coordination of Business Practices Between Public Utilities and Interstate Natural Gas Pipelines
NAESB Report on the Efforts of the NAESB Gas-Electric Interdependency Committee and the Business Practices on Pipeline – Gas-Fired Generation Facility Communications (NAESB Request No. R04021)

Dear Ms. Salas:

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

This effort began with a NAESB task force, the Gas-Electric Coordination Task Force (GECTF), performing primarily scoping activities in 2004. Two reports were provided to the Commission from NAESB regarding GECTF activities – on April 16, 2004[1] and November 30, 2004[2]. Its work products were a basis for our current activities and included issues identified, a level of categorization of the issues, and identification of some of those items to be further considered for possible development of NAESB standards through the submittal of requests for standards development. Three requests for standards development were received related to the GECTF efforts[3]:

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

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

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

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

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

- R04020, submitted by Tennessee Valley Authority, to develop business practice standards relating to electric transaction scheduling and timelines, which is assigned to the Wholesale Electric Quadrant, and

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

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

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

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

Respectfully submitted,

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

cc without enclosures:
Chairman Patrick H. Wood III, Federal Energy Regulatory Commission
Commissioner Nora Mead Brownell, Federal Energy Regulatory Commission
Commissioner Joseph Kelliher, Federal Energy Regulatory Commission
Commissioner Suedeen Kelly, Federal Energy Regulatory Commission

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

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

William P. Boswell, NAESB General Counsel

James Buccigross, NAESB Executive Committee Chairman
Lou Oberski, NAESB Executive Committee Vice Chairman (WEQ)

Enclosures (all available publicly on the NAESB web site – www.naesb.org):
(1) Gas Electric Interdependency Report
(2) Appendix 1: Related Minutes and Voting Records Regarding the Standards
(3) Appendix 2: Ratification Ballot and Comments Regarding the Standards
(4) Appendix 3: Request Nos. R04016, R04020 and R04021
(5) Appendix 4: Related Board and Board Committee Minutes and Work Papers
(6) Appendix 5: Listing of Transcripts

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

This is the report of the NAESB Wholesale Electric and Wholesale Gas Quadrants for business practices and the report of the Gas and Electric Interdependency Committee (GEIC). The standards were approved by the NAESB Executive Committee on May 31, 2005 and the report of the GEIC was approved by the Board of Directors on June 22, 2005. Member ratification for both the WGQ and WEQ members is pending, with ballots for the WEQ due on July 8, 2005. The WGQ ratification ballot will be issued to WGQ members after the WGQ EC has approved a supplemental recommendation regarding technical implementation of the standards (the WGQ EC is scheduled to vote on the supplemental recommendation on July 11, 2005), so we expect the ratification period to conclude in mid-August.

BACKGROUND ON NAESB

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

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

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

EXECUTIVE SUMMARY

In a December 2004 letter from Chairman Wood to Michael Desselle[1], the chairman noted that the January 2004 cold snap in New England highlighted the need for better coordination between the natural gas pipelines and the electric grid, including RTOs/ISOs and gas-fired power generators. He noted that he was pleased to see the efforts underway by NAESB to develop business practices in both industries that would alleviate the coordination problem and be in place for the next winter season. This report provides business practices developed jointly by both industries, briefly describes the process used to develop those business practices; plus, it highlights several issues requiring focus if additional efforts to coordinate the two industries are to be successful.

NAESB COMMUNICATION BUSINESS PRACTICES

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

The standards discussed in this section of the report represent 6,132 man-hours contributed by the NAESB members and other industry participants[2] in 14 NAESB multi-day Business Practices Subcommittee meetings over the span of five months (December 2004 to April 2005). They were developed in open meetings, where all interested parties were welcomed and encouraged to participate regardless of membership status within NAESB. The meetings where the business practices were drafted were facilitated by Mr. Miles of the Federal Energy Regulatory Commission.

The business practices ratified by membership will be included in the next published version of both the WEQ and WGQ standards (version 1 and version 1.8, respectively). Prior to publication, they will be available as final actions from the NAESB web site[3] related to the request from which they originated – R04021.[4]

---

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

[2] A roster of participants is provided in Appendices 1 and 4 to this filing (provided via attendance lists for each meeting). Participation in NAESB subcommittees is not limited by NAESB membership status.

[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 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.

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

Proposed NAESB WEQ and WGQ Definition:

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

Proposed NAESB WEQ and WGQ Definition:

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

Proposed NAESB WEQ and WGQ Definition:

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

Proposed NAESB WEQ and WGQ Standard:

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

Proposed NAESB WEQ and WGQ Standard:

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

Proposed NAESB WEQ and WGQ Standard:

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

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

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

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

Proposed NAESB WEQ Standard:

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

Proposed NAESB WGQ Standard:

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

Proposed NAESB WEQ Standard:

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

Proposed NAESB WEQ and WGQ Standard:

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

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

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

PROCESS USED TO DEVELOP THE NAESB COMMUNICATION BUSINESS PRACTICES

The NAESB standards development process[5] is well-established and robust. The standards development process recognizes the principles of openness, transparency and balance of interests and provides the ability for NAESB to serve as a forum for the development of consensus-based standards. The same standards development process is used by all of the NAESB quadrants, except that all requests for standards that affect the WEQ must be submitted to the Joint Interface Committee (JIC), a group consisting of members from NAESB, the North American Electric Reliability Council and the ISO-RTO Council[6]. The NAESB standards development process is briefly discussed below.

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

Full participation, including voting rights, is open to any interested party in all EC subcommittees, and participation is available for all meetings through teleconferencing and/or web-conferencing. Additionally, in-person subcommittee meetings are held at geographically diverse locations. EC subcommittees use balanced voting for non-administrative motions. Balanced voting procedures provide that each segment of a quadrant holds two votes to be apportioned equally to those participants of the segment present at the meeting either in person or by phone, with no individual having more than one vote[8]. The effect of balanced voting is that the interests of each industry segment participating at the meeting are represented without regard to number of segment participants in attendance. After the subcommittee completes its work on the standard, it prepares a recommendation for

---

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

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

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

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

consideration by the EC. Prior to the EC's review of the recommendation, the recommendation is posted for industry comment[9] for a minimum of thirty days. However, the drafting subcommittee may choose to hold multiple comment periods prior to completion of the recommendation.

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

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

GAS-ELECTRIC INTERDEPENDENCY ISSUES

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

Basis for Issues Development

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

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

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

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

CONSIDERATIONS

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

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

Issues Identified

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

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

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

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

#	Cat.	Description/Notes
		groups such as the ISOs and RTOs oversee the implementation of their respective market designs.
6	1-2-3-4	*Issue:* The ISO/RTO Council (IRC) has expressed concern that NAESB should not alter their market timelines through standard development as this is a regional implementation – not a national concern. *Note:* The issue raised by the IRC is addressed in part though NAESB Request No. R04020 on electric schedule timelines. It is also a regulatory concern because of the OASIS FERC regulations, and is both a NERC and RTO issue because reliability of the power grid depends on the electric schedules and the regional groups such as the ISOs and RTOs oversee the implementation of their market designs.
7	1-5	*Issue:* On cold days (i.e. on peak gas consumption days) there is not enough interruptible transportation (unused firm capacity of the contract holder) to meet the gas demand served through that type of transportation. This situation results from the statutory design that the gas industry builds pipelines and capacity based on firm contracts only. In recognition of this design, gas LDCs purchase their own "reserve" capacity in the form of additional firm pipeline service. This recognition, however, is not widespread in the electric market community, where some electric regulators have not been willing to give electric utilities cost recovery for the same level of "reserve" transportation for a peaking generator. *Note:* Power generators holding firm transportation agreements to meet peak demand would necessarily have unused capacity on pipelines when demand requirements are not at peak levels. LDCs have similar periods where capacity is not needed to meet their demand requirements.
8	1-5	*Issue:* Gas LDCs purchase their own "reserve" capacity in the form of additional firm pipeline service, but electric regulators have not been willing to give electric utilities cost recovery for the same level of "reserve" transportation for a peaking generator. *Note:* The infrastructure was initially designed for gas to be delivered to a city gate and is now being used to support, on an interruptible basis, the requirements of power generators. Purchasing firm service for peak day demand may lead to overbuilding[11] the infrastructure where it can be expanded – so other services may be required.
9	1-5	*Issue:* Where voluntary arrangements between pipeline shippers could accommodate the real-time generation market (e.g. instantaneous diversion of gas from an LDC to an adjacent market) neither the pipeline nor releasers of capacity are allowed to charge short-term rates that would match the instantaneous market value of capacity to a peaking generator. Further, the ability of pipeline tariff terms (e.g., nomination cycles and release procedures) to accommodate such arrangements vary as to their flexibility. Modifications to policy would enable

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

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

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

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

Coordination with NERC

On June 15, 2004, the NERC Board of Trustees approved several recommendations related to gas-electric coordination[12] are shown below, and many of the actions taken by the NAESB Business Practices Subcommittees in drafting the coordination standards and the discussions held by the NAESB Gas-Electric Interdependency Committee are supportive of those NERC recommendations. In particular, the NAESB efforts address, in part, recommendations 2, 5, and 7:

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

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

CONCLUSIONS AND SUMMARY

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

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

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

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

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

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

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

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

NEXT STEPS

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

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

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

NORTH AMERICAN ENERGY STANDARDS BOARD
Wholesale Electric Quadrant Report
Table of Appendices

(effective 06/27/05)

Appendix 1: Related Minutes and Voting Records Regarding the Standards

NAESB Energy Day Subcommittee Meetings:
- December 1-2, 2004
- January 24-25, 2005
- February 9-10, 2005
- March 1-2, 2005
- March 21-22, 2005
- April 6-7, 2005
- April 18-19, 2005
- April 25-26, 2005

Executive Committee Meetings:
- February 8, 2005 Conference Call
- May 26, 2005 Conference Call
- May 31, 2005 Conference Call

Joint Interface Committee Meetings:
- September 21-22, 2004

Appendix 2: Ratification Ballot, Member Voting Record and Comments Regarding the Standards

Ratification Ballot for Recommendation R04021 (WEQ) – Due July 8, 2005

Request for Comments on Recommendation R04021 – Due May 25, 2005
Comments Submitted by:
- American Electric Power
- American Gas Association
- California ISO
- Conectiv
- Duke Energy Corporation
- El Paso Electric Company
- Entergy
- Entergy Services, Inc. Gas Group
- Mewbourne Oil Company
- the Pipeline Segment
- Progress Energy Carolinas
- Tennessee Valley Authority
- We Energies

Appendix 3: Requests for NAESB Standards

Request No. R04016
Request No. R04020
Request No. R04021

Appendix 4: Related Board and Board Committee Minutes and Work Papers

Board Gas-Electric Interdependency Committee:
- November 17, 2004 Conference Call
- February 1, 2005 Conference Call
- March 31, 2005 Meeting
- May 17, 2005 Meeting

Board of Directors Meetings:
- September 16, 2004 Meeting
- March 3, 2005 Meeting
- June 22, 2005 Meeting

Correspondence from the NAESB Advisory Council

Appendix 5: Transcripts
List of Available Transcripts
Procedures for Ordering Transcripts

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin Street, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

July 1, 2005
Filed Electronically

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

RE: Docket No. RM05-5-000: Comments on "Standards for Business Practices and Communication Protocols for Public Utilities"

Dear Ms. Salas:

The North American Energy Standards Board ("NAESB") herewith submits these comments with respect to the Notice of Proposed Rulemaking Docket No. RM05-5-000 "Standards for Business Practices and Communication Protocols for Public Utilities." The comments are specific to questions asked of NAESB, namely:

- In paragraph 47, the Federal Energy Regulatory Commission (the "Commission") notes: *"it would be useful if the WEQ would adopt standards comparable to those NAESB adopted regarding standards of conduct on the gas side."*

  The NAESB Wholesale Electric Quadrant (WEQ) will review the wholesale gas quadrant standards for standards of conduct to prepare comparable standards for the wholesale electric quadrant which would amend the NAESB WEQ BPS-007-000 standards.

- In paragraph 31, the Commission notes that the *"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."*

  In NAESB deliberations on the Redirect Standard 9.7 (NAESB WEQ BPS-001-000), there was concern that in some instances a transmission customer may wish to retain all roll-over rights under an existing service agreement yet still request service over alternate points of receipt or delivery. Should additional changes to the standard be needed, the following issues regarding roll-over rights have been identified:

  1. If a long-term service request has been granted that starts several years in the future, must a transmission provider deny any long-term request for the same points of receipt or delivery in the preceding year(s) on the basis that roll-over rights cannot be extended to this request due to the service previously granted in succeeding years? This applies to any request, including redirects on a firm basis.
  2. If a long-term service request is redirected on a firm basis for 12 or more months and the redirected service ends prior to the end of the original service request, must

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin Street, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

the transmission provider honor roll-over rights in the full amount of the original request on the original path and also in the full amount of the redirect request on the alternate points of receipt and delivery? And, if so, must the transmission provider deny the redirect request if they are unable to provide for roll-over rights on the redirected path?

3. If a long-term service request is redirected on a firm basis for 12 or more months and the redirected service ends coincident with the end of the original service request, must the transmission provider honor roll-over rights in the full amount of the original request on the original path and also in the full amount of the redirect request on the alternate points of receipt and delivery? Or, are the roll-over rights on the original request reduced in the amount of the redirect request?

Due to above issues noted, in drafting Standard 9.7 the WEQ determined there may be circumstances with respect to redirects on a firm basis where the parties may mutually agree as to the disposition of roll-over rights. Should the Commission determine that this standard conflicts with its policy, NAESB will develop alternate language.

- In paragraph 32, the Commission notes that "*We are also concerned about some vague language in Standard 10.6, which states that "for the purposes of 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."*

The Commission correctly interpreted the intent of Standard 10.6. NAESB WEQ concurs with the Commission's interpretation of the phrase "all other types" in Standard 10.6.

- In discussions with FERC staff, it was recommended that NAESB title its standards for ease of reference as well as reviewing the numbering scheme and comparing it to the WGQ numbers used for unambiguous identification.

NAESB concurs with these suggestions and will consider such changes as the organization amends and augments its base of standards.

NAESB appreciates the opportunity to comment and values the guidance provided by the Commission in this notice of proposed rulemaking. We will give a high priority to these efforts so that they may be brought to a quick conclusion. Once completed, NAESB will submit a filing with the results.

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin Street, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

Please note that we are filing this report electronically in Adobe Acrobat® Print Document Format (.pdf). Please feel free to call me at (713) 356-0060 or refer to the NAESB website should you have any questions or need additional information regarding this set of comments.

Respectfully submitted,

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

cc: Chairman Joseph Kelliher, Federal Energy Regulatory Commission
Commissioner Nora Mead Brownell, Federal Energy Regulatory Commission
Commissioner Suedeen Kelly, Federal Energy Regulatory Commission

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

William P. Boswell, NAESB General Counsel

Lou Oberski, NAESB WEQ Executive Committee Chairman

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
7-1-05	American Public Power Association	Trade Association	• APPA files comments in this docket to make one limited, but important point. APPA supports the Commission's decision not to incorporate by reference into its regulations NAESB-promulgated standards that merely adopt language in regulations previously issued by the Commission itself. NOPR at P 46. As the Commission correctly notes, "in considering what WEQ standards to incorporate by reference, we are looking for the standards to implement, and operate in concert with, our regulations." APPA believes that promulgation by NAESB of regulations already issued by the Commission as NAESB standards would only introduce confusion and potential duplications/discrepancies that are best avoided. The further act of then filing such NAESB standards with the Commission for incorporation by reference into the Commission's own regulations would truly be carrying coals to Newcastle.
7-1-05	Bonneville Power Administration	Federal	• In the NOPR, the Commission states that the standards, once adopted, will also apply to non-jurisdictional utilities with approved reciprocity status, such as Bonneville. Bonneville is a member of NAESB and supports its development of appropriate national standards. • The Commission proposes to not incorporate Standard 9.7 because it appears to be in conflict with Commission policy. Bonneville agrees with NAESB's Standard 9.7 and believes it can be read in harmony with the pro forma tariff. Although section 22.2 of the tariff treats a redirect as a new request, there is good reason to recognize a distinction between a request made under section 22.2 and one made under section 17.1. Under section 17.1, unless the original service agreement contains a valid restriction, a new request is entitled to section 2.2 reservation priority. A redirect request under section 22.2, however, does not have to meet all the requirements of a new request under 17.1: It does not have to make a deposit nor does it execute a service agreement for the redirect. Unlike a new reservation, the redirect reservation holds an extremely important and absolute right to return to the parent path at the end of the redirect term. • Bonneville agrees with NAESB that rollover should not be given to the redirect request, but would create a single exception. When a long term firm redirect reservation will terminate on the same date the service agreement will terminate (i.e. the redirect is for the balance of the contract term), then Bonneville would move the reservation priority from the original request path to the redirect request path. Bonneville would initiate a contract amendment for this type of redirect, thus allowing for a contract modification on a firm basis with all the rights that flow with the service agreement. This approach effectively allows the redirect requestor to choose which path it values most, releasing the other path to new entrants. • Bonneville does not support the WEQ language regarding OASIS S&CP Standard 4.5, with respect to the exclusive use of INFO.HTM. As part of other industry forums, Bonneville has long maintained its belief that as long as postings are logically organized, user friendly and transparent to all users, exclusive use of INFO.HTM should not be mandated to provide links to the required information postings. • The S&CP and Data Dictionary formerly adopted by the Commission and the NAESB version of those documents contain some definition discrepancies mostly likely due to editing errors during the reformatting process. Therefore, Bonneville proposes the following minor technical revisions to the OASIS S&CP, Standard 4.2.10.2 Status Values

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			• Bonneville did not vote in favor of Version 0 business practice standards for ACE Equation Special Cases, Time Error Correction, and Inadvertent Interchange Payback because Bonneville's practices were different from the practices NAESB captured in these standards. During promulgation of the standards, NAESB noted that regional differences could be accommodated through waiver requests. If the Commission determines to make these business practice standards mandatory, Bonneville plans to request a waiver. • ACE Equations Special Cases Standard. Bonneville believes that one central process should be in place to develop standards associated with ACE because standards associated with generation control pose significant reliability implications. Bonneville requests that the decision to split these standards between the North American Electric Reliability Council (NERC) and NAESB be revisited and that the ACE equation, including special cases, be addressed in a NERC reliability standard. Bonneville asserts that the industry's interests would be best served if NERC took back this standard. • Manual Time Error Correction Standards. Because Bonneville generally considers Time Error Correction to be a reliability issue, not a commercial issue, Bonneville believes that it should be addressed in a NERC standard. Under the Western Electricity Coordinating Council (WECC) approach, time error is continually being "corrected" through Automatic Time Error Control (ATEC). Due to the nature of the systems utilized to affect this control, time error correction is a reliability concern. Additionally, time error is a useful indicator of performance of frequency control; frequency is a major driver for system control. Furthermore, the standard indicates that Time Error Correction is accomplished through coordinated actions of the Reliability Coordinators and Balancing Authorities through an offset to the scheduled frequency, which implies that Time Error Correction is a reliability issue. • The table illustrating the trigger points for Time Error Correction does not reflect those triggers actually in practice in the WECC. The value of 2 seconds of error as the trigger point shown in the table is no longer used by WECC. The value currently used in the WECC is +/- 5 seconds. Bonneville requests that the value in the table be changed to +/-5 seconds before the standard is finalized. • Bonneville believes that WECC's method of Inadvertent Interchange Payback (via ATEC), which involves a modification of the ACE equation, is intimately tied to reliability. The ACE equation is contained in the Energy Management Systems and Automatic Generation Control Systems of the member organizations. These systems and algorithms are the basis for controlling generation and managing reliability. • The reference to "other methods" of Payback in the Inadvertent Interchange Payback Standards implies that the agreed upon and "in practice" WECC ATEC is an acceptable method of payback. Because of the nature of the systems used to calculate and implement the Inadvertent Interchange Payback, Bonneville does not believe a business practice would adequately assure that this issue is settled in the prescribed manner. • Bonneville requests a resolution of the issues related to these three standards prior to their implementation and proposes that NAESB and NERC reconsider the issue in the context of the stated reliability concerns with the WECC ATEC. In the interim, Bonneville suggests that the methods of payback closely tied to reliability (i.e. WECC ATEC) be included as NERC standards. Bilateral payback, via fixed schedules and financial settlements, should be covered in a later proposed NAESB Business Practice, or its successor.

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			Bonneville further asserts that the correct direction for the industry would be for NERC to take back these standards.
7-1-05	California ISO	ISO	• The CAISO generally supports the Commission's proposed strategy of utilizing the broad consensus- based approach of the NAESB to drive the consideration and approval of certain business and commercial standards for use in the electric utility industry. Indeed, the CAISO has been an active participant in the NAESB standards development process albeit through participation at various subcommittee meetings, and by providing timely and salient written comments on each of the proposals of interest to the CAISO. However, the CAISO does have certain comments on the proposal. • There appears to be nothing in the NAESB/WEQ proposal that runs counter to the CAISO's existing OASIS operations, nor does there appear to be anything within the standards that would have a real and substantial impact on the CAISO's cost of operating its OASIS. However, the ISO stresses that its position is based on the assumption that the waivers the CAISO currently has in place with respect to the Commission OASIS standards will be carried forward to the proposed NAESB standards. • The following standards were transferred to NAESB prematurely when NERC was drafting "Version 0" reliability standards and the CAISO believes that these standards contain reliability implications in which the electric grid interconnection frequency could be seriously compromised that were not apparent when the standards were assigned to NAESB for development. There are also parts of these standards that conflict with requirements and procedures of the Regional Reliability Councils. This example illustrates a basic weakness in the standards coordination process: standards are assigned for development to either NERC or NAESB, depending on whether the standard addresses reliability or a business practice, but there is no opportunity for subsequent consideration of reliability implications once the details of the proposed NAESB standard has been developed. They are: 1. Area Control Error Equations Special Cases, 2. Manual Time Error Correction , 3. Inadvertent Interchange Payback. The CAISO proposes that the Commission postpone adoption of the above referenced standards as part of its rules until NERC can fully develop them as reliability standards. It is the CAISO's understanding that NERC is in full agreement with this approach. • The CAISO believes that it is essential that (1) the existing waivers that were previously applicable to these regulations be transferred to the NAESB standards that the Commission is incorporating in this NOPR regarding OASIS Business Practices, Standards and Communications Protocol, and the Data Dictionary and (2) the exemptions to be expanded to the newly proposed NAESB OASIS standards regarding Redirects, and Multiple Requests.
7-1-05	Cinergy	IOU	• Cinergy Services, Inc. ("Cinergy Services"), on behalf of its franchised public utility affiliates, The Cincinnati Gas & Electric Company ("CG&E"), PSI Energy, Inc. ("PSI") and The Union Light, Heat and Power Company ("ULH&P") (collectively "Cinergy"), and on behalf of its affiliates having market-based rate authorization' submits comments concerning the Commission's proposal to incorporate into its regulations certain business practice standards for electric utilities as promulgated by the North American Energy Standards Board's ("NAESB") Who1e:sale Electric Quadrant ("WEQ).

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			• Cinergy's comments are limited to the proposed NAESB Business Practice Standards for the redirects of transmission service, i.e., Standards 9.7 and 10.6. For the reasons set forth below, Cinergy shares the Commission's concerns regarding these two Standards. • Cinergy shares the Commission's concern that Standard 9.7 does not appear to be consistent with the existing pro forma tariff and Commission policy, and as such does not support its adoption. The request for redirect transmission service should be treated as a new transmission service request as provided for in the pro forma tariff and, as such, the customer should be able to indicate whether any rollover rights are requested on the new path. If the remaining term of service on the original path with long term firm rights is requested on the redirected path, the customer should be able to request rollover or evergreen rights on the new redirected path at the time of the request. If the redirected request is approved, the rollover rights on the existing path should terminate for the amount of service being redirected on a long term firm basis. • Standard 10.6 states that "for the purposes of curtailment and other capacity reductions, confinned Redirects on a Non-Finn basis shall be treated comparably to all other types of Non-Firm Secondary Point-to-Point Service." In the NOPR, the Commission states th,at it would accept Standard 10.6, but the phrase "all other types" was vague and not defined. The Commission stated it would interpret the phrase "all other types" to apply "only to services that are comparable to non-firm secondary point-to-point service, and propose to accepl the standard based on this interpretation." NOPR at P 32. Cinergy supports the Commission's interpretation of Standard 10.6, but suggests that NAESB consider revising the sentence by striking the language of "all other types" and inserting the word "other" in place of' the stricken language. The revised Standard 10.6 would then state "for the purpose of curtailment and other capacity reductions, confirmed Redirects on a Non-Firm basis shall be treated comparably to other Non-Firm Secondary Point-to-Point Service."
7-1-05	Edison Electric Institute	Trade Association	• EEI agrees with the Commission that incorporating by reference NAESB business practice standards into Commission regulations will streamline wholesale electric business practices and transactional processes, which will mitigate a broad range of business-related “seams” issues. • On June 24, NERC filed its comments on the NOPR and requested that the Commission defer action on the Area Control Error Equation Special Cases, the Inadvertent Interchange Payback, and the Manual Time Error Correction business practices standards. While NERC initially agreed that these standards were appropriate for NAESB, now NERC believes that it may be more appropriate for the standards to reside at NERC. EEI is confident that NERC and NAESB can resolve this issue to the satisfaction of the industry and consequently supports the requested Commission deferral. • In addition, it appears that the chart on page two of the Manual Time Error Correction, standard does not reflect the NERC waiver that sets the WECC initiation of manual time error as plus or minus five seconds instead of two seconds. The waiver should be included by NERC or NAESB, as appropriate, prior to Commission action.

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
7-1-05	Exelon	Various	• Exelon is a public utility holding company comprising retail utilities that also are transmission owners, Commonwealth Edison Company of Chicago and PECO Energy of Philadelphia, as well as a generating company, Exelon Generation, that owns or controls 27,948 MW of generating capacity. Thus, Exelon's position on this issue represents the point of view of all segments of the industry. • Exelon supports the Commission's decision to incorporate these standards into its regulations by reference. We believe this to be an appropriate process for adoption given the development of the rules through a voluntary consensus process requiring the support of a super-majority of the WEQ's Executive Committee. • We also agree with the Commission's proposal that Standard 9.7 not be adopted for the reasons the Commission gives. 9.7 would permit a customer to relinquish renewal rights, contrary to the Commission's policy that transmission customers should not be permitted to contract away renewal rights because transmission owners could unfairly induce customers to give up their renewal rights. 2 We also oppose 9.7 because it would change the present policy that allows renewal rights on a redirect of transmission. It is our understanding that, under 9.7, a customer who is granted transmission on a new path would have to forego renewal rights on the new path. Exelon agrees with the Commission that renewal rights should be transferred to the new path. Standard 9.7 also begs the question what is the effect of a "request" for redirected service. We believe that acceptance and confirmation by the transmission provider are necessary to grant the right for redirected service, but 9.7 does not make that clear. • Exelon supports the efforts of NAESB and the North American Reliability Council ("NERC") to coordinate their efforts at developing standards so that NAESB's business practice standards complement NERC's reliability standards. We agree with the Commission's proposal that these standards be incorporated by reference.
6-24-05	FirstEnergy Companies	IOUs	• American Transmission Systems, Inc., Metropolitan Edison Company, Pennsylvania Electric Company and Jersey Central Power and Light Company, are transmission-owning subsidiaries of FirstEnergy Corp., a registered utility holding company ("FirstEnergy Companies"). • However, in order to ensure that such standards do not compromise the reliable operation of the electric system, the FirstEnergy Companies urge the Commission to require the WEQ to continue working with the NERC to ensure that the development and implementation of business practices and reliability standards are harmonized in a coordinated fashion. • The FirstEnergy Companies urge the Commission to continue to develop and improve, with the assistance of NAESB WEQ and the NERC, a detailed coordination process which would set forth the particular responsibilities of the NAESB WEQ and the NERC. • Although the FirstEnergy Companies cannot comment at this time concerning the estimated cost of compliance, the FirstEnergy Companies, as a policy matter, request that the Commission approve the recovery of such actual costs. Such cost recovery is warranted due to the fact that compliance of the once voluntary NERC standards is now mandatory.

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
7-1-05	Graham County Electric Cooperative	Cooperative	• GCEC is a small non-profit Arizona rural electric distribution cooperative corporation. GCEC is primarily engaged in retail sales. GCEC's retail activities are subject to regulation by the Arizona Corporation Commission. GCEC obtains all of its power from Arizona Electric Power Cooperative, Inc. ("AEPCO"), and associated transmission through Southwest Transmission Cooperative, Inc. ("SWTC"). AEPCO and SWTC are both non-FERC-jurisdictional generation and transmission cooperatives, and GCEC is one of the six Class A distribution cooperative members of both AEPCO and SWTC. • GCEC does not sell any power at the wholesale level. However, GCEC does supply transmission (wheeling) service to two municipal customers. Because GCEC paid off its prior debt to the Rural Utilities Service (formerly the Rural Electrification Administration) of the Department of Agriculture in the early 1990s, the transmission ctivities render GCEC a jurisdictional "public utility." GCEC previously obtained "small utility" waivers from the Commission for Orders Nos. 888 and 889. • As GCEC reads the Notice, even utilities that, like GCEC, already have Order Nos. 888 and 889 waivers would be required to file for an additional waiver from the NAESB OASIS business practice standards. Furthermore, the waiver requests are to be adjudged under a five-factor test that is very specific, e.g., a load of 45 MW less, no more than four employees in accounting, billing, and regulatory activities, and only one cost-based sales agreement. GCEC respectfully submits that the Notice's treatment is fundamentally misguided in terms of both (a) the need to acquire an additional waiver beyond that previously obtained for Order No. 889 (OASIS) and perhaps Order No. 888 (standards of conduct), and (b) the specific waiver standards, to the extent any additional waiver should ultimately be required. • Additionally, some elements of the business practices standards, such as those relating to generator interconnection agreements and procedures, appear linked to provisions of the OATT. Such standards should not apply to those utilities that have obtained Order No. 888/OATT waivers, even if they are otherwise subject to Order No. 889/OASIS. That said, the waiver standards for Order No. 889 are generally more lenient than those for Order No. 888, and a a utility with an Order No. 889 waiver is also likely to have an Order No. 888 waiver as well. For the rare utility that has an Order No. 889 waiver, but no Order No. 888 waiver, the OASIS waiver provides a sound indication that there is no reason to require compliance with the OASIS business practice standards. • Any rule or regulation that the Commission should adopt pursuant to the Notice should make clear that any requirements to comply with the NAESB OASIS business practice standards do not apply to the extent that utilities have already obtained waivers from Order Nos. 888 and/or 889. In any event, the Order No. 2001 waiver standards should not be applied to requests for waivers from the NAESB OASIS business practice standards.

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
7-1-05	Indicated New York Transmission Owners	IOU	• Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., LIPA, New York Power Authority, New York State Electric & Gas Corporation, Rochester Gas and Electric Corporation, and Orange and Rockland Utilities, Inc. (referred to herein as the "Indicated New York Transmission Owners") individually and collectively move to intervene and file comments in the above-captioned proceeding.' • First, the Indicated New York Transrnission Owners believe that the Commission should allow Regional Transrnission Organizations ("RTOs") and Independent System Operators ("ISOs") to adopt modified versions of the NAESB standards if: (a) the proposed alternative reflects current practice, and that practice is reasonable, generally accepted in the region, and consistently adhered to by the Transmission Provider, (b) the proposed alternative is consistent with or superior to the proposed NAESB standard, and/or (c) the proposed alternative is a reasonable regional variation. • Second, the Indicated New York Transmission Owners support the request of the North American Reliability Council ("NERC") to defer action on some of the proposed standards while NERC investigates reliability-related issue. • Finally, the Indicated New York Transmission Owners believe that public utilities that are members of RTOs or ISOs should not be required to incorporate the proposed standards in their OATTs if the standards principally address functions performed by an RTO or ISO. • Because national business standards require approval from a broad spectrum of interests, they are often a "lowest common denominator" approach. While a lowest common denominator approach may be suitable for some regions, the proposed standards may not be acceptable in all regions, particularly in RTO/ISO regions where alternative practices may be needed or may already be in place. The Commission should not discourage RTOs and ISOs from pursuing more advanced strategies, or require them to change a practice when doing so could be harmful to the region. Variations must be allowed when needed. • In view of the foregoing, the Indicated New York Transmission Owners respectfully request that they be permitted to intervene in this proceeding with all the rights that attend to such status.
7-1-05	IRH Management Company (Interconnection Rights Holders)	Various	• The IRH are the entities that have the contractual obligation to pay the support costs of the 2000 MW high-voltage, direct-current interconnection linking Quebec, Canada and New England (the United States portion of these interconnection facilities is referred to herein as “Phase I/II HVDC-TF”). In return for their financial support, the IRH receive exclusive rights to use the transmission capacity of the Phase I/II HVDC-TF. Those IRH who are transmission providers make their use rights secondarily available, and enable non-transmission provider IRH to offer their use rights, to eligible customers under the regional tariff of ISO New England Inc. The IRH Management Committee is authorized under the Restated Use Agreement to, among other things, represent the IRH in regulatory proceedings. • Prior to promulgating a final rule, the IRH Management Committee requests that the Commission remove any fee or membership restrictions currently placed by NAESB on obtaining access to the most current standards.

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			• The IRH Management Committee takes no position at this time on whether or not the Commission should adopt the specific standards presented by NAESB in its regulations. • The proposed incorporation by reference also is contrary to past Commission practice to place all requirements, or regulations, in one place. No longer will a public utility or transmission customer be able to access the standards all at once. NAESB is an additional online site that must be visited by the market participant, which complicates rather than simplifies the process of acquiring transmission. The Commission should ensure that the same accessibility that exists today with respect to these standards is in place with any final rule.
7-1-05	ISO-RTO Council	ISOs	• Specific Points: (1) Existing waivers from pre-existing OASIS Standards should continue to be recognized, and exempted entities should not need to re-apply; (2) Entities exempted from certain OASIS requirements should not need to apply for waivers from new proposed changes to those OASIS requirements that are inapplicable to financially-based transmission service; (3) Standards that are based on NERC reliability procedures (Version 0) that impact reliable operations should not be adopted at this time and should be transferred from NAESB to NERC; specifically: ACE Control Area Equation Special Cases, Manual Time Error Correction, and Inadvertent Interchange Payback; (4) Standards that are based on NERC reliability procedures (Version 0) should not conflict with existing regional practices and should be corrected prior to adoption by the Commission; specifically this applies to Coordinate Interchange; and (5) Requiring compliance with Business Practice Standards by Canadian entities, which are non-jurisdictional, through the imposition of reciprocity conditions, is not appropriate. At a minimum the Commission should defer consideration of this condition at this time, pending further review. • Other points: ▪ Moreover, certain of the proposed NAESB standards, while based on existing business practices, are simply inapplicable in certain regions of the country where physical-based transmission service is no longer offered.
7-1-05	Lockhart Power Company	Muni/Coop	• Has a waiver in place for OASIS today • Has only one wholesale customer – city of Union, South Carolina • Requests that waiver be extended to this action
7-1-05	Los Angeles Dept of Water & Power	Municipal	• LADWP has an interest in the NOPR because it may ultimately be subject to the proposed business standards. LADWP is concerned that the process identified by the Commission for adopting national standards in the future may not properly account for regional or local differences in business practices. As

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			outlined below, the development of national standards without accounting for regional or local differences could lead to both an increase in costs, as well as an erosion of reliability. • LADWP is concerned that the WEQ processes are tilted too heavily in favor of commercial interests to the detriment of reliability and the cost to retail customers. Accordingly, the Commission should ensure that, where appropriate, local business practices will take precedence over national generic standards. • LADWP is concerned that the NOPR represents an effort to optimize spot markets at the expense of the long-term bilateral contracts, and will have the effect of undermining the system that was developed to provide the vast majority of the energy under long-term bilateral arrangements. • However, when generic standards would undermine or raise the costs of load-serving utilities' service obligations, LADWP recommends that FERC defer to regional solutions, i.e. solutions that may not be applicable to the entire interconnection. These local solutions, which are meant to address specific local needs, can work, even if they are more complicated than the simplifying one-size- fits-all ideal. In such circumstances, top-down generic solutions have less chance to succeed, and unfortunately, when they do not succeed, reliability is adversely affected. • … the unintended consequences that NAESB's electric business standards may have, and therefore illustrates why they should not be made mandatory. • The need to subordinate national standards to local or regional practices would not undermine the Commission's goal of fostering increased coordination and standardization among utilities. Indeed, considerable commercial coordination is now underway in the Western Interconnection. • LADWP fully supports the continued use of regional organizations, such as wesTTrans.net and TIG, to resolve transmission and commercial issues on an incremental basis, with the WECC or other regional organization in the Western Interconnection providing a forum. A national body creating generic standards without proper deference to local flexibility is not appropriate. • Although the decision whether or not to perform a transaction using Dynamic Scheduling (one of the ACE Equation Special Cases) is a commercial decision, it is clear to LADWP that any considerations that may impact the use of the ACE clearly belong with NERC, and not to NAESB. In fact, any business practice that is implemented with a reliability tool should have all of its rules written by NERC, and not NAESB. Furthermore, any standard written by NAESB should clearly state that "reliability considerations should override any commercial standard." • Wherefore, for the foregoing reasons, LADWP respectfully requests that the Commission (1) recognize that local solutions to commercial coordination are necessary, (2) not make NAESB standards mandatory, but retain them as advisory guidance, (3) endorse the use of regional entities to provide the forum where regional and sub-regional efforts, such as wesTTrans.net and TIG, would continue to collaborate to resolve transmission and commercial issues on an incremental, cost-effective basis, and finally (4) provide proper consideration for NERC to fully develop all business standards that are directly implemented with reliability tools.

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
7-5-05	Midwest ISO	ISO	• The Midwest ISO hereby respectfully requests waiver of the requirements set forth in 18 C.F.R. § 385.2010 for the subject filing. The Midwest ISO has electronically served a copy of this filing, including any attachment(s), upon all Tariff Customers under the EMT, Midwest ISO Members, Member representatives of Transmission Owners and Non-Transmission Owners, the Midwest ISO Advisory Committee participants, as well as all state commissions within the region. In addition, the filing has been electronically posted on the Midwest ISO's website at www.midwestiso.org under the heading "Filings to FERC" for other interested parties in this matter. • As discussed below, the Midwest ISO supports the request of the North American Electric Reliability Council ("NERC") that the Commission defer action on three proposed business practices standards that NERC has slated for transfer to NERC as reliability standards. • The Midwest ISO also believes any regulation adopting such business practices standards should duly recognize appropriate waivers for variances in the Midwest ISO's Region. • Consistent with the Midwest ISO's support for NERC's request for more time to work with NAESB on business practices standards expected to be reclassified as NERC reliability standards, the Midwest ISO likewise believes the NAESB should be given a further opportunity to discuss with the industry any departure from the Commission's policy on renewal or rollover rights. • The provisions of the Midwest ISO's EMT regarding non-firm point-to-point service are consistent with the Commission's view of the proposed standard. The Midwest ISO therefore supports the Commission's interpretation of Standard 10.6. • NAESB has decided that "Version 0" of the business practices standards would not reflect regional differences, which instead are to be accommodated either through waivers or through later revisions to the standards ("Version 1.0"). However, the Midwest ISO believes that if the Commission incorporates any of the NAESB standards into federal regulations by reference, the relevant regulation(s) should provide for: first, the automatic recognition of existing NERC waivers for regional variations that warrant corresponding waivers of the counterpart business practices standards; and second, other waivers to be granted by NAESB for other regional variations, including those based on the requirements and procedures of Regional Reliability Councils ("RRCs").
7-1-05	NAESB	Industry Organization	• Response to 4 questions in the NOPR directed to NAESB: 1. In paragraph 47, the Federal Energy Regulatory Commission (the "Commission") notes: "it would be useful if the WEQ would adopt standards comparable to those NAESB adopted regarding standards of conduct on the gas side." The NAESB Wholesale Electric Quadrant (WEQ) will review the wholesale gas quadrant standards for standards of conduct to prepare comparable standards for the wholesale electric quadrant which would amend the NAESB WEQ BPS-007-000 standards. 2. In paragraph 31, the Commission notes that the "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." In NAESB deliberations on the Redirect Standard 9.7 (NAESB WEQ BPS-001-000),

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			there was concern that in some instances a transmission customer may wish to retain all roll-over rights under an existing service agreement yet still request service over alternate points of receipt or delivery. Should additional changes to the standard be needed, the following issues regarding roll-over rights have been identified. 3. In paragraph 32, the Commission notes that "We are also concerned about some vague language in Standard 10.6, which states that "for the purposes of 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." The Commission correctly interpreted the intent of Standard 10.6. NAESB WEQ concurs with the Commission's interpretation of the phrase "all other types" in Standard 10.6. 4. In discussions with FERC staff, it was recommended that NAESB title its standards for ease of reference as well as reviewing the numbering scheme and comparing it to the WGQ numbers used for unambiguous identification. NAESB concurs with these suggestions and will consider such changes as the organization amends and augments its base of standards.
7-1-05	National Rural Electric Cooperative Association	Trade Association	• NRECA supports the Commission's goal of seeking to "benefit wholesale electric customers by streamlining utility business practices and transactional processes and OASIS procedures," as well as by adopting a "formal ongoing process" for the review and upgrading of those standards when necessary. • Such standardization, where appropriate, should be approved by the Commission only when it is determined that it helps reduce transaction costs, ensures non-discriminatory access to the transmission grid, and thereby facilitates consumers' access to lower cost electricity. • NRECA commends the Commission's efforts to establish a "more efficient and integrated wholesale electric power grid" by using standards developed through a "voluntary consensus process" that enjoy "support from a broad spectrum of all segments of the industry. • NRECA has long supported these efforts and the goal of reduced power costs through more efficient transaction processes. • At the same time, NRECA urges the Commission to avoid establishing standards and procedures that could impose unnecessary and heavy burdens on small entities, like many of NRECA's members. These burdens can be an obstacle for small entities, thereby eliminating the promised benefits. Fortunately, the NOPR suggested the availability of waivers for eligible small entities. • Unfortunately, however, the NOPR neither proposed a codified waiver provision, nor identified the appropriate standard for evaluating requests for waivers. NRECA assumes that this was a mere oversight and therefore urges the Commission to include an explicit waiver provision in the final rule with unambiguous implementation standards like those applicable to small entities under Order Nos. 888 and 889. • NRECA therefore proposes that the currently-proposed section 38.1 be made into a new subsection (a) of

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			section 38.1, and that new subsections (b) and (c) be added to address waivers. New section 38.1 would thus read as follows (proposed new language is shown in bold double-underline font): § 38.1 Applicability. (a) This part applies to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and to any non-public utility that seeks voluntary compliance with jurisdictional transmission tariff reciprocity conditions. (b) A public utility subject to the requirements of this part may file a request for waiver of all or part of the requirements of this part, for good cause shown. (c) A non-public utility seeking voluntary compliance with jurisdictional transmission reciprocity conditions may file a request for waiver of all or part of the reciprocity conditions contained in a public utility open access tariff, for good cause shown. An application for waiver may be filed at any time. • Finally, the Commission should clarify that existing waivers of the requirements of Order Nos. 888 and 889 should continue in effect. Thus, an entity with a waiver of the Order Nos. 888 and 889 requirements (including the reciprocity requirement) would enjoy a waiver of the requirements proposed in the NOPR, without having to do anything further.
7-1-05	NEPOOL	Various	• NEPOOL is a voluntary association organized in 1971 pursuant to the Restated NEPOOL Agreement, and it has grown to include more than 250 members. The Participants include all of the electric utilities rendering or receiving services under the ISO Tariff, as well as independent power generators, marketers, load aggregators, brokers, consumer-owned utility systems, end users and a merchant transmission provider. • NEPOOL supports the efforts of NAESB and its members to develop and implement generic industry standards for streamlining utility business practices and transactional processes and OASIS procedures. At this time, NEPOOL takes no formal position on whether or not the Commission should adopt the specific standards presented by NAESB in its regulations. • NEPOOL cautions against mandating compliance with standards that are only accessible to NAESB members, to those that pay a fee or to those that travel to the FERC public reference room in Washington, D.C. and that carry licensing restrictions. These accessibility issues make it more difficult for non-members to retrieve copies of the current standards, and to remain current with any pending revisions to the standards. These accessibility concerns extend not only to all the public utilities that will be affected by any final rule in this proceeding, but also to all customers of transmission services that need to review them. Public utilities and transmission customers that do not maintain a membership will be required to pay a fee each time NAESB makes an update to its standards. Currently, the existing standards are readily available to all public utilities and the public at large, consistent with the one-stop shopping practice that the Commission has followed. Incorporating these standards by reference seems inconsistent with that practice. Prior to mandating uniform compliance with these standards, the Commission should carefully consider whether there is a way to make them easily accessible without charge. • NEPOOL also requests that the Commission confirm that any business practice standards should be

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			developed by NAESB and any reliability standards should be developed by NERC. To the extent, however, that NAESB adopts any reliability standards, or processes complementary to reliability standards, the Commission should ensure that such standards are consistent with and subject to the latest approved NERC Reliability Standards on an ongoing basis.
6-24-05	North American Electric Reliability Council	Industry Organization	• NERC generally supports the industry's efforts in standardizing business practices through the North American Energy Standards Board. NERC requests that the Commission defer action on three of the business practices in order to allow time for the industry to complete its consideration of whether these practices should be repromulgated as NERC reliability standards. • As a result of that review, the NERC Operating Committee has identified three NAESB business practice standards that directly affect the generation balance and frequency of the Comments of the North American Electric Reliability Council Docket No. RM05-5-000 Interconnection. For that reason, the Operating Committee believes those three business practices should become NERC reliability standards. Specifically, these are: 1. Area Control Error (ACE) Equation Special Cases (WEQBPS – 003-000), 2. Inadvertent Interchange Payback (WEQBPS – 005-000), and 3. Manual Time Error Correction (WEQBPS – 004-000). • To provide additional insight into the role these standards play in the Interconnection's generation-load balance and frequency, these comments begin with a general explanation of area control error (ACE) and how it is calculated. Next comes a review of each of the three NAESB standards to explain how it affects the ACE calculations. • Area Control Error (ACE) Equation Special Cases (WEQBPS – 003-000): This standard explains how a Balancing Authority can incorporate four types of dynamic (real-time) interchange into the Balancing Authority's ACE algorithm: (1) pseudo-ties, (2) dynamic schedules, (3) supplemental regulation services, and (4) load or generation transfer by telemetry. Because these are essentially interchange schedules that vary in real time, they directly change the value of NIS in the ACE equation. This, in turn, affects the control signals that the Balancing Authority sends to its generators providing regulation service, and, hence, affects Interconnection frequency. NERC is also developing a Dynamic Transfers Catalog that will ensure that: Balancing Authorities are accounting for transfers in the same way; Dynamic transfers are handled correctly on the ACE equations; Dynamic transfers are properly tagged. NERC proposes to transfer this NAESB standard business practice on ACE Equation Special Cases to NERC. • NERC proposes to transfer these NAESB business practice standards on inadvertent inkind energy payback to NERC because these practices can affect Interconnection frequency and transmission line flows; however, we believe that NAESB should continue to define the on- and off-peak time periods. Furthermore, we believe that financial settlements for inadvertent payback, if developed, should be NAESB business practice standards. • To correct the Interconnection imbalance and correct the time error, each Interconnection has designated a Reliability Coordinator to serve as the Interconnection time monitor. Once the time error in the Interconnection exceeds a pre-determined limit, the time monitor orders all Balancing Authorities to change their scheduled frequency, f_A, in the ACE equation by 0.02 Hz. NERC proposes to transfer this NAESB

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			business practice standard to NERC. • NERC believes that, given the industry support expressed so far for the transfer and the strong partnership that has developed between NERC and NAESB, NAESB will work with NERC to effectuate this transfer. The Commission's deferring action will permit the industry to complete the process of determining whether the identified standards should be included within NERC's reliability standards. Deferring action will also permit NERC and NAESB to complete the actions needed to effectuate the transfer.
7-1-05	Southern California Edison (SCE)	ISO	• Motion to Intervene • SCE is a Participating Transmission Owner ("PTO") in the California Independent System Operator Corporation. As such, SCE has an immediate interest in the outcome of this proceeding. SCE's interest cannot be represented by any other party and, consequently, SCE respectfully requests that the Commission grant SCE permission to intervene in this proceeding. SCE hereby reserves its rights to raise substantive issues regarding all aspects of this proceeding, and to file additional comments as warranted by the proceeding. SCE designates the following persons for service on the Commission's service list in this proceeding:
7-1-05	Southern Company	IOU	• These comments are submitted by Southern Company Services, Inc. ("SCS"), on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company and Savannah Electric and Power Company (collectively "Southern Companies"). • With regard to the issues set forth in the NOPR, Southern Companies support the comments submitted in this proceeding by the North American Electric Reliability Council. • When a transmission customer obtains transmission service on a long term firm basis it also obtains rollover rights as allowed by the pro forma open access transmission tariff for that path. The transmission customer may also request modifications to Points of Receipt and/or Points of Delivery on a firm basis for a confirmed point-to-point long term firm transmission service reservation. This redirected service may only be for a portion of the remaining term or it may be for the remainder of the term. In any event, the transmission customer does not obtain rollover rights on both of these paths. As a result, the request by a transmission customer to redirect service on a firm basis does not change that customer's rollover rights on the original path nor does it confer rollover rights on the redirected path. However, transmission providers and transmission customers should have the ability to mutually agree to change the rollover rights from the original path to the redirected path if both parties find this beneficial. In such a case, the customer will not have rollover rights on the original path, but on the redirected path. SCS believes that Standard 9.7 as adopted by NAESB allows for this flexibility.
7-1-05	Transmission Access Policy Study Group	Municipals	• TAPS is chaired by Roy Thilly, CEO of Wisconsin Public Power, Inc. Current members of the TAPS Executive Committee include, in addition to WPPI, representatives of: American Municipal Power-Ohio; Blue Ridge Power Agency; Clarksdale, Mississippi; ElectriCities of North Carolina, Inc.; Florida Municipal Power Agency; Geneva, Illinois; Illinois Municipal Electric Agency; Indiana Municipal Power Agency; Madison Gas & Electric Co.; Missouri River Energy Services; Municipal Energy Agency of Nebraska;

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			Northern California Power Agency; Oklahoma Municipal Power Authority; Southern Minnesota Municipal Power Agency; and Vermont Public Power Supply Authority. • NERC has filed comments asking the Commission to delay action on three business practices—Area Control Error Equation Special Cases, Inadvertent Interchange Payback and Manual Time Error Correction—pending further work by the industry on these issues and specifically, their transfer to NERC. 3 TAPS takes no position on the deferral and transfer, but notes that one of the issues sought to be deferred – Inadvertent Exchange Payback—raises significant comparability concerns that need to be addressed by the industry and this Commission. • Specifically, the current NAESB proposal continues the "return-in-kind" regime for inadvertent energy exchange between balancing authorities/control areas, while noncontrol area utilities remain subject to $100/MWh charges for energy imbalance. The Commission has long recognized the treatment of non-control area utility energy imbalances to be discriminatory, as compared with control area operator inadvertent accounts. • Order 2001's waiver standards may be appropriate in its context, but they should not be generalized to all NAESB business standards. The Order 2001 waiver standard is quite stringent; for example, the entity must serve a load of 45 MW or less and have four or fewer employees, as well as meeting substantial other requirements. By comparison, Orders 888/889/2004 standards for a waiver for small utilities (either public utilities or non-public utilities providing service under reciprocity) recognize the appropriateness of a more generous standard to protect small systems from undue burden. • Particularly in view of the wide range and broad applicability of the NAESB standards proposed in this proceeding, the Commission should make clear that it is not adopting Order 2001 waiver standard as generally appropriate in the NAESB context. Specifically, it should clarify that the Order 888/889/2004 standards should be applied to pertinent NAESB standards.
7-1-05	United Illuminating Company (UI)	IOU	• UI files these brief comments to express concern about, and opposition to, the fee and licensing restrictions contemplated by the Commission with regard to the copyrighted NAESB standards. These fee and licensing restrictions will seriously limit the ability of parties to obtain access to applicable regulatory requirements pertaining to OASIS. Existing OASIS standards are presently available to the public, and any amendments proposed by NAESB to those standards as part of this rulemaking proceeding should also be publicly available. • FERC should also ensure that any business practices and reliability standards adopted by NAESB conform to existing NERC reliability standards so as to eliminate overlap and duplication of efforts. • At this time, UI takes no formal position on whether or not the Commission should adopt the specific standards presented by NAESB in its regulations.
7-1-05	Unitil Energy Systems	IOU	• Unitil Energy Systems, Inc. ("UES"), Fitchburg Gas and Electric Light Company ("Fitchburg"), and Unitil Power Corp. ("UPC") (collectively, the "Unitil Companies"), respectfully submit comments in response to

Summary of Comments on RM5-05-000			
Date	Commenter	Segment	Comments
			the Commission's Notice of Proposed Rulemaking ("NOPR") issued on May 9, 2005 in this docket. • Although the Unitil Companies appreciate the Commission's goal of streamlining business practices, the Unitil Companies are concerned that the NOPR, does not contemplate waiver of the proposed OASIS-related rules for companies that have waivers of the requirements of Order No. 889 and are not required to maintain an OASIS site. The Final Rule issued in this docket should clarify that companies that have already been granted waiver of Order No. 889 are not subject to the revised OASIS-related standards. • In the alternative, the Unitil Companies request that the Commission clarify the NOPR to indicate that entities other than small entities are eligible for waivers of the new rule. See NOPR at P 57. As currently drafted, the NOPR may be read to suggest that only small entities, as defined by the Regulatory Flexibility Act ("RFA"), may apply for waivers. According to the RFA's definition, the Unitil Companies are not "small entities." • Finally, it should be noted that the facilities of UES and FGE are subject to the operational control of ISO-NE. Per agreement with the ISO-NE, these companies currently make limited postings on the RTO OASIS. UES and FGE would continue to work with the ISO-NE to consider any modifications to such postings that may be necessary in light of a final rule in this docket.