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

October 29, 2008

TO: NAESB Quadrant Executive Committee Members, Alternates and Interested Industry Participants

FROM: Rae McQuade, NAESB President

RE: Quadrant Executive Committee Meeting Announcements and Draft Agendas with links to Meeting Materials

NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETINGS
5000 Dominion Blvd, Glen Allen, VA 23060
November 4-6

As announced at prior Executive Committee meetings, meeting announcements and in other communications, the Executive Committee (EC) will meet in Glen Allen, VA on November 4-6. Below are the meeting arrangements:

Where:	Dominion Offices: 5000 Dominion Blvd, Glen Allen, VA 23060
Contact:	Veronica Thomason, 713-356-0060
When:	Tuesday, Nov. 4 -- 10:00 a.m. to 4:00 p.m. Eastern – Wholesale Electric Quadrant
	Wednesday, Nov. 5 -- 1:00 p.m. to 4:00 p.m. Eastern – Retail Gas Quadrant and Retail Electric Quadrant
	Thursday, Nov. 6 -- 9:00 a.m. to 2:00 p.m. Eastern – Wholesale Gas Quadrant

If you plan to attend any of the above EC meetings, please RSVP to the NAESB office (naesb@naesb.org) as soon as you know so that proper meeting arrangements can be made. Hotel information is posted on the NAESB web site at http://www.naesb.org/pdf3/ec1108announcement.doc. If you plan to participate by conference call, please contact the NAESB Office (713-356-0060 or naesb@naesb.org) to obtain the calling number and pass code. The EC meetings will be web cast as well. The meeting, conference calling and web casting is open to any interested party.

The materials for the meeting will be emailed to the participants and posted on the web site shortly. For agenda items where materials are already available and have been sent to you in prior communications, or posted on the web site, the links to those documents are included in the agenda for your convenience, and to help you prepare for the meetings. The links are formatted in blue underlined text. In an effort to control costs and be more environmentally aware, we are not printing Executive Committee books any longer.

As always, the chair reserves the right to extend the time of the meeting to ensure that agenda items are addressed. The times indicated on the agenda will be followed to ensure that agenda items are allotted appropriate time slots. Should an agenda item conclude earlier than its stated time slot, the remaining time could be allotted to other agenda items at the discretion of the chair.

As a special invite, we will be holding a Workshop on Roles and Responsibilities for Executive Committee Members, Alternates and Subcommittee Leadership. The workshop will be held at the Dominion offices. The details are:

- Wed, Nov 5 — Workshop on Roles and Responsibilities — 8:30 a.m. to 12:00 p.m. E

Please note audio and web conferencing will not be available for the workshop.

There are other NAESB subcommittee meetings being held in conjunction with the EC meetings. They are held in various Dominion offices in Glen Allen, VA and available via conference call and web cast. The details are:

• Mon, Nov 3	Retail Glossary	1:30 p.m. to 2:30 p.m. E
	Retail BPS (day one)	2:30 p.m. to 5:00 p.m. E
• Tue, Nov 4	Retail BPS (day two)	9:30 a.m. to 4:00 p.m. E
	WGQ Joint IR/Technical (day one)	9:00 a.m. to 4:00 p.m. E
• Wed, Nov 5	WGQ Joint IR/Technical (day two)	1:00 p.m. to 4:00 p.m. E

You can access the materials for this meeting from the NAESB web site, at the page specific for the subcommittee noted (WEQ: http://www.naesb.org/weq/default.asp, Retail: http://www.naesb.org/retail/default.asp, and WGQ: http://www.naesb.org/wgq/default.asp,).

Please feel free to call the NAESB office should you have any questions or comments.

Best Regards, *Rae*

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

1. Welcome
   - Antitrust Guidelines
   - Welcome to members and attendees
   - Quorum Establishment: Roll Call of WEQ EC Members and Alternates
   - Adoption of WEQ Agenda (simple majority)

2. Wholesale Electric Quadrant Draft Minutes
   - Adoption of the WEQ EC Meeting Minutes (simple majority)

3. Discussion and consideration of recommendations for no action including discussion on comments submitted and possible votes: (simple majority vote)
   - 2008 WEQ Annual Plan Item 6.i/R06010 - Comments Due October 24 (No comments submitted)
   - 2008 WEQ Annual Plan Item 3.a.vi.3/R05026 - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 3.a.i - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 6.j/R07001 - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 6.k/R07003 - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 1.f - Comments Due October 16 (Comments submitted)
     Comments:
     - P. Brown, PJM: http://www.naesb.org/pdf3/weq_091608_1f_pjm.pdf
     - D. Ulch, Southern Company: http://www.naesb.org/pdf3/weq_091608_1f_southern.doc
   - 2008 WEQ Annual Plan Item 6.g/R03031 & R03031 Revised - Comments Due October 16 (No comments submitted)
   - 2008 WEQ Annual Plan Item 1.g/R03014 - Comments Due October 16 (No comments submitted)

4. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 6.b/R07020 including discussion on comments submitted and possible votes: (super majority vote) – Comments Due October 24
   - Redline - http://www.naesb.org/pdf3/weq_2008_api_6b_r07020_rec_redline.doc
   - Clean - http://www.naesb.org/pdf3/weq_2008_api_6b_r07020_rec_clean.doc
     Comments:
     - C. Feagans, TVA: http://www.naesb.org/pdf4/weq_092308_6b_r07020tva.doc
     - W. Franklin, Entergy Services: http://www.naesb.org/pdf4/weq_092308_6b_r07020entergy.pdf
     - NAESB SRS: http://www.naesb.org/pdf4/weq_092308_6b_r07020srs.doc
     - L. Larson, Otter Tail Power Company: http://www.naesb.org/pdf4/weq_092308_6b_r07020otter_tail.doc
     - D. Klempel, Basin Electric Power Cooperative: http://www.naesb.org/pdf4/weq_092308_6b_r07020bepc.doc
     - J. Cyrulewski, JDRJC Associates: http://www.naesb.org/pdf4/weq_092308_6b_r07020jdrjc.doc
     - E. Davis, Entergy: http://www.naesb.org/pdf4/weq_092308_6b_r07020entergy.doc
     - J. Knight, Great River Energy: http://www.naesb.org/pdf4/weq_092308_6b_r07020gre.doc
     - D. Koehn, Bonneville Power Administration: http://www.naesb.org/pdf4/weq_092308_6b_r07020bpa.doc
     - D. Kimm, MidAmerican Energy Company: http://www.naesb.org/pdf4/weq_092308_6b_r07020mec.doc
     - M. Goldberg, ISO New England: http://www.naesb.org/pdf4/weq_092308_6b_r07020isone.doc
     - A. Rodriquez, NERC Staff: http://www.naesb.org/pdf4/weq_092308_6b_r07020nerc.doc
     - M. Desselle, NAESB Chairman and K. York, NAESB WEQ EC Chairman: http://www.naesb.org/pdf4/weq_092308_6b_r07020desselle_york.doc

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

5. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 1.a.ii including discussion on comments submitted and possible votes: (super majority vote) - Comments Due October 24
   - Redline - http://www.naesb.org/pdf3/weq_2008_api_1aii_rec_redline.doc
   - Clean - http://www.naesb.org/pdf3/weq_2008_api_1aii_rec_clean.doc
     Comments:
     - NAESB SRS: http://www.naesb.org/pdf4/weq_092308_1aii_srs.doc
     - C. Feagans, Tennessee Valley Authority: http://www.naesb.org/pdf4/weq_092308_1aii_tva.doc
     - E. Davis, Entergy Services: http://www.naesb.org/pdf4/weq_092308_1aii_entergy.doc
     - JT Wood, Southern Company: http://www.naesb.org/pdf4/weq_092308_1aii_southern.doc (late comments)

6. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 2.a.iv.3, 3.a.vii, and 6.l including discussion on comments submitted and possible votes: (super majority vote) - Comments Due October 06
   - Redline – http://www.naesb.org/pdf3/weq_2008_ap_2aiv3_3avii_6l_rec_redline.doc
   - Clean - http://www.naesb.org/pdf3/weq_2008_ap_2aiv3_3avii_6l_rec_clean.doc
     Comments:
     - R. Lamoureux, SPP, PJM, and Midwest ISO: http://www.naesb.org/pdf3/weq_090508spp_pjm_miso.doc
     - B. Harshbarger, Puget Sound Energy: http://www.naesb.org/pdf3/weq_090508puget.doc
     - NAESB SRS: http://www.naesb.org/pdf3/weq_090508srs.doc
     - JT Wood, Southern Company: http://www.naesb.org/pdf3/weq_090508southern.doc
     - B. Green, EPSA: http://www.naesb.org/pdf3/weq_090508epsa.doc
     - E. Davis, Entergy: http://www.naesb.org/pdf3/weq_090508entergy.doc
     - B. Rehman, BPA: http://www.naesb.org/pdf3/weq_090508bpa.doc

7. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 6.f including discussion on comments submitted and possible votes: (super majority vote) - Comments Due September 4
   - http://www.naesb.org/pdf3/weq_2008_api_6f_rec.doc
     Comments:
     - E. Davis, Entergy: http://www.naesb.org/pdf3/weq_080408entergy.doc

8. Discussion and consideration of minor corrections, including discussion on comments submitted and possible votes:
   - B. Rehman, Bonneville Power Administration - http://www.naesb.org/pdf3/weq_ec110408w1.doc
   - Chairs, NAESB Joint WEQ BPS and ESS/ITS Subcommittees - http://www.naesb.org/pdf3/weq_ec110408w2.doc
   - B. Rehman, Bonneville Power Administration - http://www.naesb.org/pdf3/weq_ec110408w3.doc
   - Co-chairs, in response to MOD review - http://www.naesb.org/pdf3/weq_ec110408w4.doc

9. Update on specific issues (no votes or action to be taken):
   - Order No. 890 Plan: Plan
   - DSM-EE efforts: Activity Report, Draft WEQ Recommendation
   - eTariff Update: Final Order No. 714, Course Description, Notice of Technical Conference

10. Subcommittee Updates and Plan Updates – no votes to be taken
    - Triage Subcommittee : October 20, September 8
    - Business Practices Subcommittee (BPS)
      - Time and Inadvertent Management Task Force
    - Electronic Scheduling (ESS) and Information Technology (ITS) Subcommittees
    - Joint Interchange Scheduling Working Group (JISWG)
    - Standards Review Subcommittee (SRS)

11. Review, discuss, identify changes and vote to approve changes to the 2008 Annual Plan to be proposed to the Board of Directors, and process for 2009 Annual Plan creation

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

12. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
    - Board Updates – Certificate, Bylaws, Standard Operating Practices, Policy Changes
    - Quadrant action on IGO segment: ballot results
    - Wholesale Gas and Retail key activities – WGQ Annual Plan, Retail Annual Plan
    - Regulatory Updates: WEQ Version 2.0, FERC Order No. 717, NAESB Report on Order No. 698

13. New Business
    - Process for Election of 2009 officers

14. Adjourn

Attire – Business Casual

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NORTH AMERICAN ENERGY STANDARDS BOARD
EXECUTIVE COMMITTEE AND SUBCOMMITTEE LEADERSHIP
ROLES AND RESPONSIBILITIES WORKSHOP LED BY RICHARD MILES

PROGRAM
Wednesday, November 5, 2008 – 8:30 a.m. to 12:00 noon E

1. Welcome
   - Introduction
2. NAESB: History – Creation of NAESB and GISB
   - Importance and Value of ANSI Certification
   - The context of NAESB within the regulatory framework
3. NAESB Future
   - Standards Development Challenges
   - Collaboration and Consensus Building in Meeting Standards Development Challenges
4. Roles and Responsibilities
   - EC Members and Alternates
   - Subcommittee Leadership
   - Subcommittee Participants
5. Collaboration and Consensus Discussion
   - How to encourage collaboration in the Executive Committee and in the Subcommittees
   - How to provide leadership that focuses on reaching consensus
   - Knowing when to push for consensus and when to determine that consensus cannot be reached
6. Taking Ownership in your roles
   - Contributing to the success of the organization
7. Adjourn

Attire – Business Casual

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
RETAIL QUADRANTS DRAFT AGENDA
Wednesday, November 5, 2008 – 1:00 p.m. to 4:00 p.m. E

1. Welcome
   - Antitrust Guidelines
   - Welcome to members and attendees
   - Quorum Establishment: Roll Call of Retail EC Members and Alternates
   - Adoption of Retail Agenda (simple majority)

2. Retail Gas & Electric Quadrants Draft Minutes
   - Adoption of Retail ECs Meeting Minutes (simple majority)

3. Retail Publication Schedule Discussion

4. DSM-EE efforts: Activity Report, Draft WEQ Recommendation

5. eTariff Effort: Final Order No. 714, Course Description, Notice of Technical Conference:

6. Subcommittee Updates and Plan Updates – no votes to be taken
   - Triage Subcommittee : October 20, September 8
   - Business Practices Subcommittee (BPS)
   - Information Requirements Subcommittee (IR)
   - Technical Electronic Implementation Subcommittee (TEIS)
   - Glossary Subcommittee

7. Review, discuss, identify changes and vote to approve changes to the 2008 Annual Plan to be proposed to the Board of Directors, and process for 2009 Annual Plan creation

8. Discuss reclassification of definitions and minor corrections before publication of Version 1.1
   - Joint REQ/RGQ Business Practices Subcommittee - http://www.naesb.org/pdf4/retail_ec110508w1.doc
     Book 0, Book 1, Book 2, Book3, Book 4, Book 6, Book 8, Book 9, Book 10a, Book 10b, Book 10c, Book 11

9. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
   - Board Updates – Certificate, Bylaws, Standard Operating Practices, Policy Changes
   - Wholesale Gas and Electric activities – WGQ Annual Plan, WEQ Annual Plan
   - Regulatory Updates: WEQ Version 2.0, FERC Order No. 717, NAESB Report on Order No. 698

10. New Business
    - Process for Election of 2009 officers

11. Adjourn

Attire – Business Casual

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE GAS QUADRANT DRAFT AGENDA
Thursday, November 6, 2008 – 9:00 a.m. to 2:00 p.m. E

1. Welcome
   - Antitrust Guidelines
   - Welcome to members and attendees
   - Quorum Establishment: Roll Call of WGQ EC Members and Alternates
   - Adoption of WGQ Agenda (simple majority)

2. Wholesale Gas Draft Minutes
   - Adoption of WGQ Meeting Minutes (simple majority)

3. Discussion and consideration of recommendations for standards, comments submitted, and vote on:
   - R96121-a23/R07011 http://www.naesb.org/pdf3/r96121a23_r07011_rec.doc - Comments Due Nov. 5
   - R03027 http://www.naesb.org/pdf3/r03027_rec.doc - Comments Due Nov. 5
   - R04001 http://www.naesb.org/pdf3/r04001_rec.doc - Comments Due Nov. 5
   - R04002 http://www.naesb.org/pdf3/r04002_rec.doc - Comments Due Nov. 5
   - R04004 http://www.naesb.org/pdf3/r04004_rec.doc - Comments Due Nov. 5
   - R04012 http://www.naesb.org/pdf3/r04012_rec.doc - Comments Due Nov. 5
   - R04024/R04039/R05024 http://www.naesb.org/pdf3/r04024_r04039_r05024_rec.doc - Comments Due Nov. 5
   - R04033/R05011/R05023/R05025/R05029 http://www.naesb.org/pdf3/r04033_r05011_r05023_r05025_r05029_rec.doc - Comments Due Nov. 5
   - R04041 http://www.naesb.org/pdf3/r04041_rec.doc - Comments Due Nov. 5
   - R05003 http://www.naesb.org/pdf3/r05003_rec.doc - Comments Due Nov. 5
   - R05028 http://www.naesb.org/pdf3/r05028_rec.doc - Comments Due Nov. 5
   - R06013 http://www.naesb.org/pdf3/r06013_rec.doc - Comments Due Nov. 5
   - R06017 http://www.naesb.org/pdf3/r06017_rec.doc - Comments Due Nov. 5
   - R06018 http://www.naesb.org/pdf3/r06018_rec.doc - Comments Due Nov. 5
   - R06019 http://www.naesb.org/pdf3/r06019_rec.doc - Comments Due Nov. 5
   - R06020 http://www.naesb.org/pdf3/r06020_rec.doc - Comments Due Nov. 5
   - R06021 http://www.naesb.org/pdf3/r06021_rec.doc - Comments Due Nov. 5
   - R06023 http://www.naesb.org/pdf3/r06023_rec.doc - Comments Due Nov. 5
     Comments:
     - R. Young, Boardwalk Pipeline Partners, LP: http://www.naesb.org/pdf4/wgq_110508boardwalkpp.doc
   - R07006 http://www.naesb.org/pdf3/r07006_rec.doc Comments Due Nov. 5
   - R07012 http://www.naesb.org/pdf3/r07012_rec.doc Comments Due Nov. 5
   - R07016 http://www.naesb.org/pdf3/r07016_rec.doc Comments Due Nov. 5
   - R07017 http://www.naesb.org/pdf3/r07017_rec.doc Comments Due Nov. 5
   - R08009 http://www.naesb.org/pdf3/r08009_rec.doc Comments Due Nov. 5

4. Update on specific issues – no votes to be taken:
   - eTariff Update: Activity Report, FERC Final Order, NAESB Report
   - Publication Schedule for Version 1.9

5 Subcommittee Updates and Plan Updates – no votes to be taken
   - Triage Subcommittee : October 20, September 8
   - Business Practices Subcommittee (BPS)
   - Information Requirements (IR) Subcommittee
   - Technical Subcommittee
   - Electronic Delivery Mechanism (EDM) Subcommittee
   - Interpretations Subcommittee
   - Contracts Subcommittee

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WHOLESALE GAS QUADRANT DRAFT AGENDA
Thursday, November 6, 2008 – 9:00 a.m. to 2:00 p.m. E

6 Review, discuss, identify changes and vote to approve changes to the 2008 Annual Plan to be proposed to the Board of Directors, , and process for 2009 Annual Plan creation

7 Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
- Board Updates – Certificate, Bylaws, Standard Operating Practices, Policy Changes
- Wholesale Gas and Electric activities – Retail Annual Plan, WEQ Annual Plan
- Regulatory Updates: WEQ Version 2.0, FERC Order No. 717, NAESB Report on Order No. 698

8 New Business
- Process for Election of 2009 officers

9 Adjourn

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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 EXECUTIVE COMMITTEE TERMS – Wholesale Electric Quadrant

TRANSMISSION SEGMENT		**TERM END:**	**SUBSEGMENT:**
Patrick McGovern	Manager - System Services, Georgia Transmission Corporation	12-31-2009	Muni/Coop
Steven C. Cobb	Manager Transmission Services, Salt River Project	12-31-2008	Fed/State/Prov.
Dean Ulch	Principal Engineer, Transmission Policy and Services Group, Southern Company Services	12-31-2008	IOU
Edward Davis	Policy Consultant, Entergy Services, Inc.	12-31-2009	IOU
V A C A N T		12-31-2008	ITC
Bob Harshbarger	OASIS Trading Manager, Puget Sound Energy	12-31-2009	at large
Michelle Mizumori	Market Interface Manager, Western Electricity Coordinating Council (WECC)	12-31-2009	At-Large
GENERATION SEGMENT			
William J. Gallagher	Special Contracts Chief, Vermont Public Power Supply Authority	12-31-2009	Muni/Coop
Kathy York	Sr. Energy Markets & Policy Specialist, Tennessee Valley Authority	12-31-2008	Fed/State/Prov.
Jalal Babik	Manager – Electric Policy, Dominion Resource Services, Inc.	12-31-2008	IOU
John Ciza	Project Manager Energy Policy and Regulatory Affairs, Southern Company Services	12-31-2009	IOU
Ron Mucci	Consultant, Representing Entegra Power Group LLC	12-31-2008	Merchant
Gary Hinners	Director- West regulatory Issues, Reliant Energy, Inc.	12-31-2009	at large
Neal Balu	Director of Transmission Policy, Wisconsin Public Service Corporation	12-31-2009	at large
MARKETERS/BROKERS SEGMENT			
Clay A. Norris	Senior Vice President – Planning and Marketing, North Carolina Municipal Power Agency #1	12-31-2008	Muni/Coop
Belinda Thornton	General Manager - Energy Origination, Tennessee Valley Authority	12-31-2009	Fed/State/Prov.
Ralph Honeycutt	Director of Transmission Analysis & Operations – Merchant Management Group, SUEZ Energy Marketing NA, Inc.	12-31-2008	Not IOU Affiliated
Mark Mitchell	Manager of Power Marketing Supply and Trading Department, Salt River Project	12-31-2009	at large
John Apperson	Director – Commercial and Trading, PacifiCorp Energy	12-31-2008	IOU
Roy True	Manager of Regulatory and Markets Development, ACES Power Marketing	12-31-2009	at large
Barry Green	Barry Green Consulting (representing Electric Power Supply Association (EPSA))	12-31-2009	at large

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DISTRIBUTION/LOAD SERVING ENTITIES (LSE) SEGMENT		TERM END:	SUBSEGMENT:
Robert Williams	Director of Regulatory Affairs, Florida Municipal Power Agency	12-31-2008	Muni/Coop
W. Shannon Black	Regulatory and Contracts Specialist, Sacramento Municipal Utility District	12-31-2009	Muni/Coop
Alan Pritchard	Senior Engineer, Duke Energy Corporation	12-31-2008	IOU
Jeffrey C. Mueller	Manager - ERO / RE Policy and Standards Interface, Public Service Electric and Gas Company	12-31-2009	IOU
Robert Martinko	Consultant FERC Compliance, FirstEnergy Service Company	12-31-2008	at large
Syd Berwager	Industry Restructuring Project Manager, Bonneville Power Administration/Power Business Line	12-31-2009	Other
Andy Rodriquez	Manager of Business Practice Coordination, NERC	12-31-2009	At-Large
END USERS SEGMENT			
V A C A N C Y		12-31-2009	at large
V A C A N C Y		12-31-2008	at large
Lou Ann Westerfield	Policy Strategist, Idaho Public Utilities Commission, rep. National Association of Regulatory Utility Commissioners	12-31-2008	Regulator
V A C A N C Y		12-31-2009	at large
V A C A N C Y		12-31-2008	at large
V A C A N C Y		12-31-2009	at large
Paul Sorenson	Director-Central Markets Strategy, Open Access Technology International, Inc.	12-31-2009	At-Large
INDEPENDENT GRID OPERATORS/PLANNERS			
Stu Bresler	General Manager, Market Operations, PJM Interconnection	12-31-2008	
Jim Castle	Manager, Grid Operations, New York Independent System Operator, Inc.	12-31-2008	
Matt Goldberg	Director Reliability & Operations Compliance ISO New England, Inc.	12-31-2008	
Anjali Sheffrin	Director Market and Product Development and Chief Economist, California ISO	12-31-2008	
Joel Mickey	Manager Market Operations Support, Electric Reliability Council of Texas	12-31-2009	
Ed Skiba	Technical Manager, Standards Compliance & Strategy, Midwest ISO	12-31-2009	
Charles Yeung	Executive Director Interregional Affairs, Southwest Power Pool	12-31-2009	

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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 EXECUTIVE COMMITTEE ALTERNATES – Wholesale Electric Quadrant

END USER SEGMENT		**SUB-SEGMENT**
Bill Heinrich	New York State Dept. of Public Service	Regulators
Robert Schwermann	Manager – Customer Care, Open Access Technology International, Inc.	At-Large
DISTRIBUTION/LSE SEGMENT		**SUB-SEGMENT**
Gerry Adamski	Vice President of Standards, NERC	At-Large
Lee Hall	Coordination Manager – Power Services, Bonneville Power Administration	Other
GENERATION SEGMENT		**SUB-SEGMENT**
Joel Dison	Project Manager, Southern Company Generation and Energy Marketing	IOU
Lou Oberski	Director – Electric Market Policy, Dominion Resources Services, Inc	IOU
Francis Halpin	Bonneville Power Administration	Fed/State/Prov.
MARKETER/BROKER SEGMENT		**SUB-SEGMENT**
Jeff Ackerman	Manager, CRSP-Energy Mgmt., Western Area Power Administration	Fed/State/Prov
Brenda Anderson	Bonneville Power Administration	Fed/State/Prov
Edison G. Elizeh	PacifiCorp	IOU Affiliated
Greg Locke	Manager, Strategic Analysis, ElectriCities of North Carolina	Muni/Coop
Valerie Crockett	Energy Markets & Policy Specialist, Tennessee Valley Authority	Fed/State/Prov
Carol McCrary	ElectriCities (North Carolina Municipal Power Agency #1)	Muni/Coop
TRANSMISSION SEGMENT		**SUB-SEGMENT**
Barbara Rehman	Policy Development & Analysis, Bonneville Power Administration	Fed/State/Prov.
Tim Ponseti	Tennessee Valley Authority	Fed/State/Prov.
Chuck Feagans	Tennessee Valley Authority	Fed/State/Prov.
Wendy Weathers	Principal Analyst, Salt River Project – Transmission and Generation Operations	Fed/State/Prov
Bob McKee	American Transmission Company	ITC
Brian Weber	Manager – Transmission Strategy and Policy, PacifiCorp	IOU
Shay Labray	Transmission Strategy Consultant, PacifiCorp	IOU
Jane Daly	Rate & Regulatory Advisor, Arizona Public Service Company	IOU
Marceline Otondo	Regulatory Compliance Advisory, Arizona Public Service Company	IOU

North American Energy Standards Board

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Narinder Saini	Policy Consultant, Entergy Services, Inc.	IOU
J.T. Wood	Southern Company Services	IOU
Daryl McGee	Manager – Transmission Services, Southern Company Transmission	IOU

INDEPENDENT GRID OPERATORS/PLANNERS SEGMENT		**SUB-SEGMENT**
Brent Kingsford	Sr. Operations Regulatory Specialist, CAISO	
Paul Wattles	Supervisor Demand Side Programs, Electric Reliability Council of Texas (ERCOT)	
Bill Blevins	Sr. Market Support Analyst, Electric Reliability Council of Texas (ERCOT)	
Robert Coughlin	Principal Scientist Reliability & Operations Compliance, ISO New England, Inc.	
Cheryl Mendrala	Principal Engineer, ISO New England, Inc.	
Brian Pedersen	Manager Transmission Services, Midwest ISO	
Jason Marshall	Technical Manager, Midwest ISO	
Dean Hartung	Manager Real Time Market Operations, PJM Interconnection	
Cathy Wesley	Sr. Analyst, PJM Interconnection, LLC	
Carl Monroe	Sr. Vice President Operations & Chief Operating Officer, Southwest Power Pool	
Greg Campoli	Supervisor – Reliability Compliance and Assessment, New York ISO	
Diana Pommen	Director Interjurisdictional Affairs, Alberta Electric System Operator	
Jimmy Womack	Manager-Tariff Administration, Southwest Power Pool	

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

1. Welcome
   - Antitrust Guidelines
   - Welcome to members and attendees
   - Quorum Establishment: Roll Call of WEQ EC Members and Alternates
   - Adoption of WEQ Agenda (simple majority)

2. Wholesale Electric Quadrant Draft Minutes
   - Adoption of the WEQ EC Meeting Minutes (simple majority)

3. Discussion and consideration of recommendations for no action including discussion on comments submitted and possible votes: (simple majority vote)
   - 2008 WEQ Annual Plan Item 6.i/R06010 - Comments Due October 24 (No comments submitted)
   - 2008 WEQ Annual Plan Item 3.a.vi.3/R05026 - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 3.a.i - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 6.j/R07001 - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 6.k/R07003 - Comments Due October 20 (No comments submitted)
   - 2008 WEQ Annual Plan Item 1.f - Comments Due October 16 (Comments submitted)
     Comments:
     - P. Brown, PJM: http://www.naesb.org/pdf3/weq_091608_1f_pjm.pdf
     - D. Ulch, Southern Company: http://www.naesb.org/pdf3/weq_091608_1f_southern.doc
   - 2008 WEQ Annual Plan Item 6.g/R03031 & R03031 Revised - Comments Due October 16 (No comments submitted)
   - 2008 WEQ Annual Plan Item 1.g/R03014 - Comments Due October 16 (No comments submitted)

4. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 6.b/R07020 including discussion on comments submitted and possible votes: (super majority vote) – Comments Due October 24
   - Redline - http://www.naesb.org/pdf3/weq_2008_api_6b_r07020_rec_redline.doc
   - Clean - http://www.naesb.org/pdf3/weq_2008_api_6b_r07020_rec_clean.doc
     Comments:
     - C. Feagans, TVA: http://www.naesb.org/pdf4/weq_092308_6b_r07020tva.doc
     - W. Franklin, Entergy Services: http://www.naesb.org/pdf4/weq_092308_6b_r07020entergy.pdf
     - NAESB SRS: http://www.naesb.org/pdf4/weq_092308_6b_r07020srs.doc
     - L. Larson, Otter Tail Power Company: http://www.naesb.org/pdf4/weq_092308_6b_r07020otter_tail.doc
     - D. Klempel, Basin Electric Power Cooperative: http://www.naesb.org/pdf4/weq_092308_6b_r07020bepc.doc
     - J. Cyrulewski, JDRJC Associates: http://www.naesb.org/pdf4/weq_092308_6b_r07020jdrjc.doc
     - E. Davis, Entergy: http://www.naesb.org/pdf4/weq_092308_6b_r07020entergy.doc
     - J. Knight, Great River Energy: http://www.naesb.org/pdf4/weq_092308_6b_r07020gre.doc
     - D. Koehn, Bonneville Power Administration: http://www.naesb.org/pdf4/weq_092308_6b_r07020bpa.doc
     - D. Kimm, MidAmerican Energy Company: http://www.naesb.org/pdf4/weq_092308_6b_r07020mec.doc
     - M. Goldberg, ISO New England: http://www.naesb.org/pdf4/weq_092308_6b_r07020isone.doc
     - A. Rodriquez, NERC Staff: http://www.naesb.org/pdf4/weq_092308_6b_r07020nerc.doc
     - M. Desselle, NAESB Chairman and K. York, NAESB WEQ EC Chairman: http://www.naesb.org/pdf4/weq_092308_6b_r07020desselle_york.doc

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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

5. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 1.a.ii including discussion on comments submitted and possible votes: (super majority vote) - Comments Due October 24
   - Redline - http://www.naesb.org/pdf3/weq_2008_api_1aii_rec_redline.doc
   - Clean - http://www.naesb.org/pdf3/weq_2008_api_1aii_rec_clean.doc
     Comments:
     - NAESB SRS: http://www.naesb.org/pdf4/weq_092308_1aii_srs.doc
     - C. Feagans, Tennessee Valley Authority: http://www.naesb.org/pdf4/weq_092308_1aii_tva.doc
     - E. Davis, Entergy Services: http://www.naesb.org/pdf4/weq_092308_1aii_entergy.doc
     - JT Wood, Southern Company: http://www.naesb.org/pdf4/weq_092308_1aii_southern.doc (late comments)

6. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 2.a.iv.3, 3.a.vii, and 6.l including discussion on comments submitted and possible votes: (super majority vote) - Comments Due October 06
   - Redline – http://www.naesb.org/pdf3/weq_2008_ap_2aiv3_3avii_6l_rec_redline.doc
   - Clean - http://www.naesb.org/pdf3/weq_2008_ap_2aiv3_3avii_6l_rec_clean.doc
     Comments:
     - R. Lamoureux, SPP, PJM, and Midwest ISO: http://www.naesb.org/pdf3/weq_090508spp_pjm_miso.doc
     - B. Harshbarger, Puget Sound Energy: http://www.naesb.org/pdf3/weq_090508puget.doc
     - NAESB SRS: http://www.naesb.org/pdf3/weq_090508srs.doc
     - JT Wood, Southern Company: http://www.naesb.org/pdf3/weq_090508southern.doc
     - B. Green, EPSA: http://www.naesb.org/pdf3/weq_090508epsa.doc
     - E. Davis, Entergy: http://www.naesb.org/pdf3/weq_090508entergy.doc
     - B. Rehman, BPA: http://www.naesb.org/pdf3/weq_090508bpa.doc

7. Discussion and consideration of recommendation for 2008 WEQ Annual Plan Item 6.f including discussion on comments submitted and possible votes: (super majority vote) - Comments Due September 4
   - http://www.naesb.org/pdf3/weq_2008_api_6f_rec.doc
     Comments:
     - E. Davis, Entergy: http://www.naesb.org/pdf3/weq_080408entergy.doc

8. Discussion and consideration of minor corrections, including discussion on comments submitted and possible votes:
   - B. Rehman, Bonneville Power Administration - http://www.naesb.org/pdf3/weq_ec110408w1.doc
   - Chairs, NAESB Joint WEQ BPS and ESS/ITS Subcommittees - http://www.naesb.org/pdf3/weq_ec110408w2.doc
   - B. Rehman, Bonneville Power Administration - http://www.naesb.org/pdf3/weq_ec110408w3.doc
   - Co-chairs, in response to MOD review - http://www.naesb.org/pdf3/weq_ec110408w4.doc

9. Update on specific issues (no votes or action to be taken):
   - Order No. 890 Plan: Plan
   - DSM-EE efforts: Activity Report, Draft WEQ Recommendation
   - eTariff Update: Final Order No. 714, Course Description, Notice of Technical Conference

10. Subcommittee Updates and Plan Updates – no votes to be taken
    - Triage Subcommittee : October 20, September 8
    - Business Practices Subcommittee (BPS)
      - Time and Inadvertent Management Task Force
    - Electronic Scheduling (ESS) and Information Technology (ITS) Subcommittees
    - Joint Interchange Scheduling Working Group (JISWG)
    - Standards Review Subcommittee (SRS)

11. Review, discuss, identify changes and vote to approve changes to the 2008 Annual Plan to be proposed to the Board of Directors, and process for 2009 Annual Plan creation

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WHOLESALE ELECTRIC QUADRANT DRAFT AGENDA
Tuesday, November 4, 2008 – 10:00 am to 4:00 pm E

12. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
    - Board Updates – Certificate, Bylaws, Standard Operating Practices, Policy Changes
    - Quadrant action on IGO segment: ballot results
    - Wholesale Gas and Retail key activities – WGQ Annual Plan, Retail Annual Plan
    - Regulatory Updates: WEQ Version 2.0, FERC Order No. 717, NAESB Report on Order No. 698

13. New Business
    - Process for Election of 2009 officers

14. Adjourn

Attire – Business Casual

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: WEQ

Requesters: Business Practices Subcommittee
Request No.: R06010/WEQ 2008 AP Item 6.i
Request Title: Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:	**Per Recommendation:**
___Initiation	___Initiation
_X_Modification	___Modification
___Interpretation	___Interpretation
___Withdrawal	_X_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:

On May 31, 2006, Steven Ashbaker of the Western Electricty Coordinating Council submitted a standards request to "Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds." During the August 21, 2006, Business Practices Subcommittee Meeting the BPS determined the request could be addressed through a minor correction. A minor correction was submitted by the BPS co-chair on August 22, 2006. The minor correction was subsequently approved by the Executive Committee on September 16, 2006 via notational ballot.

This "No Action" recommendation is intended to close out R06010 and provide the needed audit trail for explaining how the Standards Request was addressed by the WEQ.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
Request No.:	**R06010/WEQ 2008 AP Item 6.i**
Request Title:	**Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds**

RECOMMENDED STANDARDS:

No new or revised standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds to be consistent with what was implemented in May 2004.

b. Description of Recommendation:

No changes are recommended to the existing standards. The request has already been addressed through WEQ Minor Correction for WEQBPS-006 Manual Time Error Correction

c. Business Purpose:

The Western Interconnection initiated a manual time error corrections at +/- 5 seconds in May 2004 and requested a modification/enhancement to the referenced table in WEQ-006 to change the +/- 2 seconds to +/- 5 seconds.

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

The WEQ BPS is submitting this "No Action" recommendation to close out R06010.

Supporting Documentation:

- Standards Request R06010 Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds.
- WEQ Minor Correction for WEQBPS-006 Manual Time Error Correction
- BPS Meeting Minutes September 22, 2008 NAESB Staff to add link

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP 3.a.vi.3**
Request Title: **Initiate standard that requires all historical transmission service reservations to be available for review up to a number of years in the past.**

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

___Initiation
___Modification
___Interpretation
_X_Withdrawal

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

Per Recommendation:

___Initiation
___Modification
___Interpretation
_X_Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Standards Request R05026 was originally submitted by Terry Dobson of Calpine on October 11, 2005, and was divided into parts to be completed by various subcommittees of NAESB which were documented in the 2008 Annual Plan as item 3.a.vi. Item J from R05026 (Initiate standard that requires all historical transmission service reservations to be available for review up to a number of years in the past.) was assigned to the ESS/ITS at the May 8 2008 Executive Committee to review in light of the work the ESS/ITS subcommittee is doing in relationship to Order 890.

At the September 17, 2008, ESS/ITS meeting it was determined that this particular item in the original standards request has been addressed through a previous final action. As a result of that review the Subcommitee is recommending that no further action be taken on this Annual Plan Item.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP 3.a.vi.3**
Request Title:	**Initiate standard that requires all historical transmission service reservations to be available for review up to a number of years in the past.**

RECOMMENDED STANDARDS:

No new standards or changes to existing standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Annual Plan Item 3.a.vi.3 – Initiate standard that requires all historical transmission service reservations to be available for review up to a number of years in the past.

b. Description of Recommendation:

The ESS/ITS Subcommittee is recommending that no further action be taken on this Annual Plan Item.

c. Business Purpose:

Provide increase transparency in retrieving historical transmission service request information.

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

During its September 17, 2008, meeting the ESS/ITS Subcommittee reviewed the proposed requirement documented in R05026 which included the original proposed requirement from October 11, 2005, and the Annual Plan item 3.a.vi.3 dated August 19, 2008. An analysis of this requirement was performed by the ESS/ITS Subcommittee and the results are documented in meeting minutes. Based on this analysis the ESS/ITS Subcommittee passed the following motion.

> *The subcommittees submit the recommendation to the EC for approval and posting for formal comment the 2008 AP item 3.a.vi.3 that no further action be taken subject to final clean-up by NAESB staff.*

Please review the following ESS/ITS Subcommittee meeting minutes:

- September 17-19, 2008 (unavailable)

Please review the following Executive Committee meeting minutes:

- May 8, 2007

Standards Request Documents

- R05026

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP 3.a.vi.3**
Request Title:	**Initiate standard that requires all historical transmission service reservations to be available for review up to a number of years in the past.**

Final Actions:

- 2007 WEQ Annual Plan Item 2(c) Final Action: Attachment - Minor Correction Applied February 27, 2008

Supporting reasons:

WEQ 001-1.7 AUDITING TRANSMISSION SERVICE INFORMATION
(a) All OASIS database transactions, except other transmission-related communications provided for under Standard 1.6(g)(2), must be stored, dated, and time stamped.
(b) Audit data must remain available for download on the OASIS for 9 days, except ATC/TTC postings that must remain available for download on the OASIS for 20 days. The audit data are to be retained and made available upon request for download for five years from the date when they are first posted in the same electronic form as used when they originally were posted on the OASIS.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: WEQ

Requesters: ESS/ITS Subcommittees
Request No.: 2008 AP 3.a.i
Request Title: Develop OASIS S&CP changes to support OASIS business practices.

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

___Initiation
___Modification
___Interpretation
_X__Withdrawal

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

Per Recommendation:

___Initiation
___Modification
___Interpretation
_X__Withdrawal

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

3. RECOMMENDATION

SUMMARY:

The 2008 Annual Plan item 3.a.i was used as a catch all for making changes to the OASIS S&CP. Since the Annual Plan item was written FERC has issued Orders 890, 890-A, 890-B and 676-C. As a result of these orders the WEQ has developed detail line items in the WEQ 2008 Annual Plan. Therefore, this summary catch all annual plan item is no longer applicable.

At the September 17, 2008, ESS/ITS meeting it was determined that this particular annual plan item has been superseded by the detailed line items in the Annual Plan assigned to the ESS/ITS. As a result of that review the Subcommitee is recommending that no further action be taken on this Annual Plan Item.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP 3.a.i**
Request Title: **Develop OASIS S&CP changes to support OASIS business practices.**

RECOMMENDED STANDARDS:

No new standards or changes to existing standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Annual Plan Item 3.a.i – Develop OASIS S&CP changes to support OASIS business practices.

b. Description of Recommendation:

The ESS/ITS Subcommittee is recommending that no further action be taken on this Annual Plan Item.

c. Business Purpose:

Provide OASIS S&CP changes to support OASIS business practices.

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

During its September 17, 2008, meeting the ESS/ITS Subcommittees reviewed the Annual Plan item 3.a.i dated August 19, 2008. An analysis of this requirement was performed by the ESS/ITS Subcommittees and the results are documented in meeting minutes. Based on this analysis the ESS/ITS Subcommittees passed the following motion.

> *The subcommittees submit the recommendation to the EC for approval and posting for formal comment the 2008 AP item 3.a.i that no further action be taken, subject to final clean-up by NAESB staff.*

Please review the following ESS/ITS Subcommittee meeting minutes:

- September 17-19, 2008 (unavailable)

Please review the 2008 WEQ Annual Plan for a complete list of S&CP related items assigned to the ESS/ITS

- WEQ 2008 Annual Plan

Supporting reasons:

A number of OASIS business practices have been approved by the Executive Committee and are reflected in the OASIS S&CP documentation. All future recommendations for changes to OASIS business practices will carry with them detail references to Standard Request Numbers and/or Annual Plan Numbers. There is no longer a need for a catch all item.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP 6.j**
Request Title: **Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (R07001)**

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_ Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_ Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

___Initiation
___Modification
___Interpretation
_X__Withdrawal

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

Per Recommendation:

___Initiation
___Modification
___Interpretation
_X__Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Standards Request R07001 was originally submitted by Open Access Technology International (Paul Sorenson) on February 12, 2007, which was documented in the 2008 Annual Plan as item 6.j. At the September 17, 2008, ESS/ITS meeting it was determined that this particular item in the standards request has been addressed through the recommendation 2007 WEQ Annual Plan Item 2.ii (Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority). As a result of that review the Subcommitee is recommending that no further action be taken on this Annual Plan Item.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP 6.j**
Request Title:	**Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (R07001)**

RECOMMENDED STANDARDS:

No new standards or changes to existing standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Annual Plan Item 6.j – Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (R07001)

b. Description of Recommendation:

The ESS/ITS Subcommittee is recommending that no further action be taken on this Annual Plan Item.

c. Business Purpose:

Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (R07001)

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

During its September 17, 2008, meeting the ESS/ITS Subcommittee reviewed the proposed requirement documented in R07001 which included the original proposed requirement from February 12, 2007, and the Annual Plan item 6.j dated August 19, 2008. An analysis of this requirement was performed by the ESS/ITS Subcommittee and the results are documented in meeting minutes. Based on this analysis the ESS/ITS Subcommittee passed the following motion.

> *The subcommittee submits the recommendation to the EC for approval and formal comment the 2008 AP item 6.j that no further action be taken subject to final clean-up by NAESB staff.*

Please review the following ESS/ITS Subcommittee meeting minutes:

- September 17-19, 2008 (unavailable)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP 6.j**
Request Title:	**Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (R07001)**

Standards Request Documents

- R07001

Final Actions

- 2007 WEQ Annual Plan item 2(ii) Final Action: Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority - Ratified February 29, 2008 - Minor Correction Applied to Attachments February 27, 2008
  - 2007 WEQ Annual Plan item 2(ii) Final Action: Attachment 1-OASIS S&CPs (WEQ-002) - Minor Correction Applied February 27, 2008 and September 10, 2008
  - 2007 WEQ Annual Plan item 2(ii) Final Action: Attachment 2-OASIS Data Dictionary (WEQ-003)
  - 2007 WEQ Annual Plan item 2(ii) Final Action: Attachment 3-OASIS Implementation Guide (WEQ-013) - Minor Correction Applied February 27, 2008 and September 10, 2008

Supporting reasons:

That the RECALL mechanism has been implemented in the WEQ-002, WEQ-003, and WEQ-013 as part of the FERC Order 890 work and was approved and ratified in February 2008 to accommodate the proposed requests in standards request R07001 and that no further action need to be taken.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP 6.k**
Request Title: **Clarify the S&CP implementation of the DEFERRAL request. (R07003)**

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_ Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_ Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

___Initiation
___Modification
___Interpretation
_X__Withdrawal

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

Per Recommendation:

___Initiation
___Modification
___Interpretation
_X__Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Standards Request R07003 was originally submitted by Open Access Technology International (Paul Sorenson) on February 12, 2007, which was documented in the 2008 Annual Plan as item 6.k. At the September 17, 2008, ESS/ITS meeting it was determined that this particular item had been addressed through the recommendation 2007 WEQ Annual Plan Item 2.ii (Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority). As a result of that review the Subcommitee is recommending that no further action be taken on this Annual Plan Item.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP 6.k**
Request Title: **Clarify the S&CP implementation of the DEFERRAL request. (R07003)**

RECOMMENDED STANDARDS:

No new standards or changes to existing standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Annual Plan Item 6.k – Clarify the S&CP implementation of the DEFERRAL request. (R07003)

b. Description of Recommendation:

The ESS/ITS Subcommittee is recommending that no further action be taken on this Annual Plan Item.

c. Business Purpose:

Clarify the S&CP implementation of the DEFERRAL request. (R07003)

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

During its September 17, 2008, meeting the ESS/ITS Subcommittee reviewed the proposed requirement documented in R07003 which included the original proposed requirement from February 12, 2007, and the Annual Plan item 6.k dated August 19, 2008. An analysis of this requirement was performed by the ESS/ITS Subcommittee and the results are documented in meeting minutes. The co-chair discussed this no action recommendation with the submitter and he was in agreement that no further action is required on this standards request. Based on this analysis the ESS/ITS Subcommittee passed the following motion.

> *The subcommittee submits the recommendation to the EC for approval and formal comment the 2008 AP item 6.k that no further action be taken subject to final clean-up by NAESB staff.*

Please review the following ESS/ITS Subcommittee meeting minutes:

- September 17-19, 2008 (unavailable)

Standards Request Documents

- R07003

Final Actions

- 2007 WEQ Annual Plan item 2(ii) Final Action: Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service;

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP 6.k**
Request Title: **Clarify the S&CP implementation of the DEFERRAL request. (R07003)**

And Preconfirmation Priority - Ratified February 29, 2008 - Minor Correction Applied to Attachments February 27, 2008

- 2007 WEQ Annual Plan item 2(ii) Final Action: Attachment 1-OASIS S&CPs (WEQ-002) - Minor Correction Applied February 27, 2008 and September 10, 2008
- 2007 WEQ Annual Plan item 2(ii) Final Action: Attachment 2-OASIS Data Dictionary (WEQ-003)
- 2007 WEQ Annual Plan item 2(ii) Final Action: Attachment 3-OASIS Implementation Guide (WEQ-013) - Minor Correction Applied February 27, 2008 and September 10, 2008

Supporting reasons:

That the DEFERRAL mechanism has been implemented in the WEQ-002, WEQ-003, and WEQ-013 as part of the FERC Order 890 work and was approved and ratified in February 2008 to accommodate the proposed requests in standards request R07003 and that no further action need to be taken.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Standards Review Subcommittee**
Request No.: **2008 AP Item 1.f**
Request Title: **Review Market System Back-Up existing language and review of existing back-up language**

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
___Modification
___Interpretation
_X_Withdrawal

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

3. RECOMMENDATION

SUMMARY:

The Standards Review Subcommittee during second and third quarter 2008 developed the Request for Executive Committee Guidance on WEQ 2008 Provisional Item 5. In the document the SRS recommended no standards needed to be developed for this annual plan provisional item. The SRS also recommended Provisional Item 5 be moved to an active WEQ 2008 Annual Plan Item so that a "No Action Required" recommendation could be developed to close out this Annual Plan Item.

At the August 19, 2008, Executive Committee Meeting, the Executive Committee agreed to move the WEQ 2008 Provisional Item 5 to WEQ 2008 Annual Plan Item 1.f. The Executive Committee also requested that the SRS proceed with developing a "No Action Required" recommendation.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Standards Review Subcommittee**
Request No.: **2008 AP Item 1.f**
Request Title: **Review Market System Back-Up existing language and review of existing back-up language**

RECOMMENDED STANDARDS:

No new or revised standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

2008 Annual Plan item 1.f "Review Market System Back-Up existing language and review of existing back-up language."

b. Description of Recommendation:

No changes are recommended to the existing standards.

c. Business Purpose:

The business purpose of the request was for NAESB to review whether new backup standards needed to be developed for the existing NAESB Business Practices.

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

The SRS reviewed the existing NAESB business practices and backup processes which are in place either under the NAESB business practices and NERC standards and determined that no additional backup standards need to be developed at this time.

Supporting Documentation:

- Request for Executive Committee Guidance on WEQ 2008 Provisional Item 5
- SRS Meeting Minutes June 5, 2008
- SRS Meeting Minutes July 25, 2008 (unavailable – DC)
- WEQ Executive Committee Meeting Minutes August 19, 2008 (unavailable – JB)
- SRS Meeting Minutes September 11, 2008 (unavailable – DC)

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Patrick A. Brown
Manager, NERC and Regional Coordination
P: 610-666-4597
C: 610-908-9262
E: brownp@pjm.com

To: NAESB Wholesale Electric Quadrant Executive Committee

From: PJM Interconnection, LLC

Subject: Request for Formal Comments on WEQ Recommendations "Proposed No Action Taken"

Date: October 14, 2008

PJM appreciates the NAESB staff and industry representatives that have worked diligently and in good faith to produce the current set of NAESB standards, and that have made the current recommendations posted for comment.

In response to the NAESB WEQ Executive Committee's request for formal comments on the WEQ recommendation of 'Proposed No Action Taken", PJM offers the following comment.

Regarding 2008 WEQ Annual Plan Item 1(f): - "Review Market System Back-Up existing language and review of existing back-up language", although PJM agrees that the NAESB WEQ Executive Committee should accept the "Proposed No Action Taken" recommendation, we urge the Executive Committee to refer this issue to NERC for consideration.

Based on recent OATI interchange system and related data-link outages (e.g. PJM & SPP OATI data-link outages in August of this year), it has been demonstrated that the outage of critical business related systems could potentially pose a threat to the reliability of the Bulk Electric System.

Even though this potential threat may fall outside the scope of NAESB's current business standard & practice projects, PJM believes this possible threat could best be addressed by the WEQ Executive Committee referring the matter to NERC for consideration of further action under the NERC Standards Development Process.

PJM appreciates the opportunity to offer these recommendations for the benefit of the Committee's ongoing efforts and the wider industry.

Respectfully Submitted,

Patrick A. Brown

Southern Company

Comments Regarding Annual Plan Item 1.f

Review market System Back-up Existing Language
& Review of Existing back-up Language

Based on the recent outages of communication links it is appropriate for NAESB to proceed with i.) making this provisional business plan item a full business plan item, ii.) request that NERC review the requirements and testing of back-up communications systems related with reliability functions, and iii.) have the SRS review procedures and implementation of back-up communications systems for business processes prior to finalizing this Request (e.g., with a "No Action Required", or other alternative action recommendation to the Executive Committee).

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: WEQ

Requesters: Standards Review Subcommittee
Request No.: 2008 AP Item 6.g (R03031 & R03031 revised)
Request Title: Investigate and review possible modifications to the WGQ Intraday Nomination, Confirmation Scheduling, and Gas Day Standards.

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:	**Per Recommendation:**
___Initiation	___Initiation
_X_Modification	___Modification
___Interpretation	___Interpretation
___Withdrawal	_X_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:

On October 15, 2003, the Tennessee Valley Authority along with Salt River Project, Arizona Public Service Company, Boeing Co., Florida Power & Light Company, 8760 Inc., and Reliant Energy Services, Inc.submitted R03031. The description of the request stated:

> Investigate and review possible additions, deletions, and/or changes to the current Wholesale Gas Quadrant (WGQ) standards concerning Intraday Nominations, Confirmation Scheduling, and Gas Day. In addition, investigate possible standards creation related to additional coordination of the interaction between the scheduling of wholesale electric and wholesale gas scheduling transactions.
>
> Include this item on the 2004 WGQ Annual Plan as the submitters believe it is in the industry's best interest to continually keep pace with the increases in technology and

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Standards Review Subcommittee**
Request No.:	**2008 AP Item 6.g (R03031 & R03031 revised)**
Request Title:	**Investigate and review possible modifications to the WGQ Intraday Nomination, Confirmation Scheduling, and Gas Day Standards.**

market demands, especially when such efforts improve the integration of the gas and electric industry.

On November 20, 2003, the standards request was revised to state:

> Establish a task force to review and investigate possible standards creation related to additional coordination of the interaction between the scheduling of wholesale electric and wholesale gas scheduling transactions.
>
> Include this item on all 2004 Annual Plans as the submitters believe it is in the industry's best interest to continually keep pace with the increases in technology and market demands, especially when such efforts improve the integration of the gas and electric industry.

The Gas Electric Coordination Task Force (GECTF) was formed by NAESB and met between December 2003 and July 2004. The GECTF developed the Gas Electric Coordination Task Force Final Report (effective June 30, 2004). The interim work products from this task force can be found on the NAESB Gas Electric Coordination Task Force web page. A final report was filed with the FERC on November 20, 2004.

As a result of the work of the GECTF and the subsequent FERC filing, the SRS has determined that no additional work is required for this standards request and is recommending this standards request be closed with no further action being required.

RECOMMENDED STANDARDS:

No new or revised standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Establish a task force to review and investigate possible standards creation related to additional coordination of the interaction between the scheduling of wholesale electric and wholesale gas scheduling transactions.

b. Description of Recommendation:

No changes are recommended to the existing standards.

c. Business Purpose:

Establish a task force to review and investigate possible standards creation related to additional coordination of the interaction between the scheduling of wholesale electric and wholesale gas scheduling transactions.

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

The SRS reviewed the standards request R03031 and R03031 (Revised November 2003) along with the interim and final reports of the Gas Electric Coordination Task Force and have determined that the original objective of the standards requests have been met. As a result of

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Standards Review Subcommittee**
Request No.:	**2008 AP Item 6.g (R03031 & R03031 revised)**
Request Title:	**Investigate and review possible modifications to the WGQ Intraday Nomination, Confirmation Scheduling, and Gas Day Standards.**

meeting these objectives the SRS has determined no further action is required for this standards request.

Supporting Documentation:

- Standards Request R03031
- Standards Request R03031 Revised
- April 16, 2004 Interim Report
- November 20, 2004 Final Report
- Gas Electric Coordination Task Force Final Report (effective June 30, 2003)
- SRS Meeting Minutes September 11, 2008 (unavailable – DC)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Standards Review Subcommittee**
Request No.: **2008 AP Item 1.g (R03014)**
Request Title: **Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to NERC by the JIC.**

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
___Modification
___Interpretation
_X_Withdrawal

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

3. RECOMMENDATION

SUMMARY:

On June 15, 2003 Reliant Energy Services, Inc.submitted R03014. The description of the request stated:

> Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to the North American Electric Reliability Council. Business practices, particularly practices for transaction curtailments, may be needed to support the reliability standards to be created which establish requirements for the coordinated operation between Reliability Authorities (RAs) for operational (for current and next day) planning, real-time operations, and maintenance of the interconnected bulk electric system.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Standards Review Subcommittee**
Request No.:	**2008 AP Item 1.g (R03014)**
Request Title:	**Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to NERC by the JIC.**

The request was originally assigned to the Coordination Operations Business Practices Task Force (COBPTF) under the Standards Review Subcommittee (SRS). Since that time the COBPTF has become an inactive task force. In an effort to assess the status of this request the SRS found that at the May 4, 2004, Executive Committee a determination was made to close out this Standards Request without taking any additional action on the request.

The SRS is submitting this "No Additional Action Required" recommendation to formally close out Standards Request R03014.

RECOMMENDED STANDARDS:

No new or revised standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to the North American Electric Reliability Council. Business practices, particularly practices for transaction curtailments, may be needed to support the reliability standards to be created which establish requirements for the coordinated operation between Reliability Authorities (RAs) for operational (for current and next day) planning, real-time operations, and maintenance of the interconnected bulk electric system.

b. Description of Recommendation:

No changes are recommended to the existing standards.

c. Business Purpose:

Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to the North American Electric Reliability Council.

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

In reviewing the associated documentation for this standards request the SRS found a work paper from the March 31, 2004, Standards Review Committee titled "NAESB Wholesale Electric Quadrant Standards Review Subcommittee Report on Coordinate Operations Business Practice NAESB Standards Request R03014 of June 15, 2003." In this document the SRS requested guidance from the WEQ Executive Committee on how to dispose of the standards request. Specifically the document states:

> Until such time an industry participant identifies a need for a complementary business practice to NERC Standard 100, the SRS will be unable to proceed in scoping and drafting the COBP. Therefore, the SRS asks the WEQ Executive Committee for guidance on how to dispose of NAESB Standard Request R03014.
>
> Recommended Actions:
>
> 1) Suspend all NAESB activities on Request R03014, or
> 2) Repeal Standard Request R03014

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Standards Review Subcommittee**
Request No.: **2008 AP Item 1.g (R03014)**
Request Title: **Provide complementary business practice standards to support the Coordinate Operations Standards Authorization Request assigned to NERC by the JIC.**

At the May 4, 2008, Executive Committee the Executive Committee updated the WEQ 2004 Annual Plan to inidcate R03014 was complete.

Supporting Documentation:

- Standards Request R03014
- NAESB Wholesale Electric Quadrant Standards Review Subcommittee Report on Coordinate Operations Business Practice NAESB Standards Request R03014 of June 15, 2003.
- WEQ 2004 Annual Plan Updated by the WEQ Executive Committee May 4, 2004.
- SRS Meeting Minutes September 11, 2008 (unavailable – DC)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Dear Wholesale Electric Quadrant Members and Interested Industry Participants –

For the attached recommendation for standards that are linked to NERC standards development for FERC Order No. 693, specifically those dealing with time error and inadvertent interchange payback, our subcommittee has accepted these proposed standards and are asking you to comment on them in a formal comment period. They are also asking the WEQ Executive Committee to consider this recommendation and comments that are submitted during the formal comment period, and vote on this recommendation.

The subcommittee understands that NERC is considering the elimination of Time Error Corrections, and that the proposed standards may be unnecessary if NERC should identify that course of action.. However, at this time, whether that path will be chosen is uncertain. In light of this, the subcommittee believes it is prudent to present this standard for consideration. Should NERC choose to eliminate Time Error Correction, it may be appropriate for this Business Practice to be retired.

The subcommittee also understands that the proposed standards include references to NERC reliability standards related to Inadvertent Payback that are currently under revision. The subcommittee does not expect that this recommendation will require significant rework by the subcommittee once NERC adopts its related reliability standards.

The subcommittee's chairs along with the chair of the Time and Inadvertent Management Task Force will review the final NERC actions and will identify if any changes are needed to recommendations that have already been processed through commenting and EC consideration. If changes are needed, a determination will be made whether the changes can be processed as minor actions, or for more substantive changes, the standards modification process will be used.

We are taking these steps and offering this recommendation for your comment and for EC consideration for vote rather than waiting until NERC completes its full process because:

(1) NERC has not determined if or when they would eliminate of Time Error Corrections.
(2) The tools developed by the business practice support balancing authorities compliance to the existing NERC standards.
(3) Allowing the business practices to undergo a field test will provide signals to the NERC and NAESB drafting teams that they are on the right track.
(4) Submitting the recommendations now to the industry and to the WEQ EC will provide the necessary signals from the industry through formal comments and through EC actions. If corrective action is needed, NAESB would have the opportunity to further coordinate with NERC.

Please note that the subcommittee and its Time and Inadvertent Management Task Force have worked diligently on this recommendation and that all steps outlined conform with NAESB operating procedures. We appreciate your consideration and your comments.

With Best Regards,

Jim Busbin, Co-Chair, NAESB Business Practices Subcommittee
Ed Skiba, Co-Chair, NAESB Business Practices Subcommittee

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

1. RECOMMENDED ACTION:

___Accept as requested
_X_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:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Standards Request R07020 was submitted to have NAESB develop additional time error correction and indavertent payback options. At the June 4, 2008 BPS meeting Time and Inadvertent Management Task Force was created to address R07020. The Task Force met on three separate occassions on created:

- Time Error Correction Inititiation (Method 2) for WEQ-006
- Bilateral Payback (Method 2) for WEQ-007
- Unilateral Payback (Method 2) for WEQ-007

RECOMMENDED STANDARDS:

Changes to WEQ-006

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Purpose

Interconnection frequency is normally scheduled at 60.00 Hz and controlled to that value. The control is imperfect and over time the frequency will average slightly above or below 60.00 Hz resulting in electromechanical ~~electric~~ clocks developing an error relative to true time. This Standard specifies the procedures to be used for reducing the error to within acceptable limits of true time.

006-0.2 ~~**Balancing Authority Area (BAA)** - An electrical system bounded by interconnection (tie-line) metering and telemetry, where the Balancing Authority controls (either directly or by contract) generation to maintain its Interchange Schedule with other Balancing Authority Areas and contributes to frequency regulation of the Interconnection.~~RESERVED

006-4 **TIME ERROR CORRECTION INITIATION (METHOD 1)**

Time ~~e~~Error C~~c~~orrections should start and end on the hour or half-hour, and notice should be given at least one hour before the T~~t~~ime E~~e~~rror C~~c~~orrection is to start or stop. Time Error C~~c~~orrections shall last at least one hour, unless terminated by a Reliability Coordinator. Time Error C~~c~~orrections for fast time shall not be initiated between 0400-1100 Central Time except ~~for~~ in the Western Interconnection. All Balancing Authorities within an Interconnection shall make all Time Error ~~c~~Corrections directed by the Interconnection Time Monitor for its Interconnection. All Balancing Authorities within an Interconnection shall make Time Error Corrections at the same rate. Each Interconnection Time Monitor shall monitor Time Error and make a reasonable effort to initiate or terminate corrective action orders according to the following table:

Time Error (seconds)	*Initiation*		*Termination*		*Offset*
	East	West	West	East	
Slow	–10	-5	±0.5	–6	+0.02 Hz
Fast	+10	+5	±0.5	+6	-0.02 Hz

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

006-5 TIME ERROR CORRECTION INITIATION (METHOD 2)~~INTERCONNECTION TIME MONITORING~~

The Interconnection Time Monitor may choose Method 2 to reduce the number of Time Error Corrections. If Time Error is beyond +30 seconds at 22:00 Central Prevailing Time, the Interconnection Time Monitor will initiate a 24 hour correction starting at 00:00. The Interconnection Time Monitor shall make a reasonable effort to initiate or terminate corrective action orders according to the following table:

Time Error (seconds)	*Initiation*	*Termination*	*Offset*
Slow	-30 @ 22:00 to start at 00:00	00:00 next day	+0.02 Hz
Fast	+30 @ 22:00 to start at 00:00	00:00 next day	-0.02 Hz

~~Each Interconnection Time Monitor shall monitor time error and make a reasonable effort to initiate or terminate corrective action orders according to the following table:~~

~~Time (seconds)~~	~~*Initiation*~~		~~*Termination*~~	
	~~East~~	~~**West**~~	~~East~~	~~West~~
~~**Slow**~~	~~-10~~	~~-5~~	~~-6~~	~~±0.5~~
~~**Fast**~~	~~+10~~	~~+5~~	~~+6~~	~~±0.5~~

006-7 TIME ERROR CORRECTION OFFSET

Each Balancing Authority, when requested, shall participate in a Time Error Correction by one of the following two methods:

006-8 INTERCONNECTION TIME ERROR NOTIFICATION

On the first day of each month, the Interconnection Time Monitor shall issue a notification of ~~t~~Time ~~e~~Error accurate to within 0.01 second to all Reliability

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters: WEQ BPS Subcommittee
Request No.: 2008 WEQ AP Item 6.b
Request Title: Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)

Coordinators within the Interconnection to assure uniform calibration of time standards.

006-9 **WESTERN INTERCONNECTION TIME ERROR NOTIFICATION**

Within the Western Interconnection, the Interconnection Time Monitor shall provide the accumulated ~~t~~Time ~~e~~Error (accurate to within 0.001 second) to all Balancing Authorities on a daily basis at 1400 PDT/PST using the WECCNet. The alphabetic designator shall accompany T~~t~~ime E~~e~~rror notification if a T~~t~~ime E~~e~~rror ~~c~~Correction is in progress.

006-10 After the premature termination of a manual ~~t~~Time Error ~~c~~Correction, a slow ~~t~~Time Error ~~c~~Correction can be reinstated after the frequency has returned to 60.00 Hz or above for a period of ten minutes. A fast ~~t~~Time Error ~~c~~Correction can be reinitiated after the frequency has returned to 60.00 Hz or lower for a period of ten minutes. At least one hour shall elapse between the termination and re-initiation notices.

006-11 **TIME ERROR CORRECTION ON RECONNECTION**

When one or more Balancing Authorities have been separated from the Interconnection, upon reconnection, they shall adjust their T~~t~~ime E~~e~~rror devices to coincide with the ~~t~~Time ~~e~~Error of the Interconnection Time Monitor. The Balancing Authorities shall notify the Interconnection Time Monitor they are ready to receive the necessary adjustment to ~~t~~Time ~~e~~Error as soon as possible after reconnection.

Changes to WEQ-007

007-1.1.1 **Bilateral ~~p~~Payback (Method 1)**

Inadvertent Interchange accumulations may be paid back via an Interchange Schedule with another Balancing Authority.

007-1.1.1.1 Opposite ~~b~~Balances

The source Balancing Authority Area and sink Balancing Authority Area ~~must~~ should have Inadvertent Interchange accumulations in the opposite direction.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

unless transferring inadvertent to another party to facilitate the reduction of inadvertent balances.

007-1.1.1.2 Payback Tterms

The terms of the Inadvertent Interchange payback shall be agreed upon by all involved Balancing Authorities and Transmission Service Providers.

007-1.1.2 Bilateral Payback (Method 2)

Balancing Authorities may choose to financially settle part or all of their Inadvertent Interchange accumulations.

007-1.1.2.1 Opposite Balances

The source Balancing Authority Area and sink Balancing Authority Area should have Inadvertent Interchange accumulations in the opposite direction, unless transferring inadvertent to another party to facilitate the reduction of inadvertent balances.

007-1.1.2.2 Payback Terms

The terms of the Inadvertent Interchange payback shall be agreed upon by the settling Balancing Authorities.

007-1.1.2.3 Accounting and Reporting

The settling transaction in a given month will be accounted for as an after-the-fact schedule in the last on-peak hour of the month for on-peak Inadvertent Interchange and the last off-peak hour of the month for off-peak Inadvertent Interchange. The Balancing Authorities will jointly report to NERC the settled on-peak and off-peak MWh.

007-1.1.32 Unilateral Ppayback (Method 1)

Inadvertent Interchange accumulations may be paid back unilaterally controlling to a target of non-zero ACE. Controlling to a non-zero ACE ensures that the unilateral payback is accounted for in the CPS calculations. The unilateral payback control offset is limited to Balancing Authority's L_{10} limit and shall not burden the Interconnection.

007-1.1.4 Unilateral Payback (Method 2)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

A Balancing Authority may alternatively perform a unilateral payback to assist in correcting Time Error. Such payback may only be accomplished whenever the Balancing Authority's Inadvertent Interchange Balance and Time Error have the same sign. Method 2 unilateral Inadvertent payback must end if a Time Error Correction is initiated. Payback Method 2 may be accomplished by either of the following methods:

007-1.1.4.1 An offset of scheduled frequency of +0.02 Hz.

007-1.1.4.2 An offset of the Net Interchange Scheduled value of the ACE equation of 5MW or 20% of the Balancing Authority Bias, whichever is greater.

007-2 **OTHER PAYBACK METHODS**

Upon agreement by all Regions within an Interconnection, other methods of Inadvertent Interchange payback may be utilized.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

The purpose of this standard is to provide time correction and inadvertent interchange management business practices that will help NERC address the concerns raised by the FERC (*Mandatory Reliability Standards for the Bulk-Power System Docket No. RM06-16-000; Order No. 693).*

- Specifically, this Business Practice would address concerns raised in the sections of the order dealing with BAL-004, BAL-005 and BAL-006:Number of frequency excursions. Over 40% of the identified frequency excursions happened during Time Error Corrections (TEC), where the TEC magnifies the deviation from 60Hz. This business practice would result in fewer hours in TEC, which should result in fewer frequency excursions.
- BAL-004: Number and efficiency of TEC. Performing a clock-day TEC will reduce confusion about start and stop times and would enable a simple measurement on the efficiency of each correction.
- BAL-006: Accumulation of large Inadvertent balances. This business practice provides two additional tools to allow Balancing Authorities to pay back or recover Inadvertent Interchange. The unilateral payback option will also result in fewer TECs.

The scope of the proposed practices is intended to be very focused.

Time Error Correction Practices

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters: WEQ BPS Subcommittee
Request No.: 2008 WEQ AP Item 6.b
Request Title: Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)

First, the practices would accommodate and have no impact on the Western Interconnection's Automatic Time Error Correction (WATEC) procedure for the Western Interconnection.

The practices would still allow current manual TEC practices and would also allow an alternate manual TEC procedure. The alternate procedure would expand the time window and reduce the frequency offset such that TECs are implemented if Time Error exceeds ± 30 seconds (East) at 22:00 Central Prevailing Time. If this threshold is reached, a TEC is implemented at midnight (2 hours later) with a scheduled frequency offset of ±0.02Hz and run for a full clock day (unless stopped for reliability reasons).

Inadvertent Management

There are two components to the Inadvertent Management practices.

Unilateral Payback Correcting Time Error: In addition to current procedures, allow unilateral payback via one of the following two methods whenever the BA Inadvertent Interchange Balance and Time Error have the same sign:

- An offset of scheduled frequency of ±0.02 Hz, or
- If the scheduled frequency setting cannot be offset, a Net Interchange Schedule (MW) equal to 5MW or 20% of the BA Bias (whichever is greater).

This unilateral Inadvertent payback ends when the time error is zero or has changed signs, the accumulation of inadvertent interchange has been corrected to zero, or a scheduled time error correction begins, which takes precedence over offsetting frequency schedule to pay back inadvertent.

Financial Settlement: Allowing financial settlement of Inadvertent Interchange prevents a second flow of energy to correct an unscheduled flow of energy in previous hours. The terms of the financial inadvertent settlement remain private, the parties and amount of Inadvertent Interchange would be reported to NERC.

Terms and mechanisms for settlement of Inadvertent Interchange are not part of the scope of this proposal.

b. Description of Recommendation:

See proposed standards changes listed under Section 3 Recommended Standards.

c. Business Purpose:

Develop a NAESB Time and Inadvertent Management Business Practice that provides additional Inadvertent Payback options and improved Time Control.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

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

Notes:

- The changes to WEQ-006 are based on the assumption that the WEQ membership has ratified 2008 WEQ Annual Plan Item 6.a Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019)

Supporting Documentation:

- R07020 Time and Inadvertent Management Business Practice
- Time and Inadvertent Management Business Practice Presentation, provided to the Business Practices Subcommittee June 4, 2008
- Time and Inadvertent Management Business Practices FAQ, dated August 16, 2008
- Time and Inadvertent Management Business Practices Implementation Plan (Best Case) dated September 19, 2008
- Meeting Minutes
  - BPS June 4, 2008
  - BPS July 29, 2008 NAESB to add link
  - BPS September 22, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force July 14, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force July 24, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force August 15, 2008 NAESB to add link

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Dear Wholesale Electric Quadrant Members and Interested Industry Participants –

For the attached recommendation for standards that are linked to NERC standards development for FERC Order No. 693, specifically those dealing with time error and inadvertent interchange payback, our subcommittee has accepted these proposed standards and are asking you to comment on them in a formal comment period. They are also asking the WEQ Executive Committee to consider this recommendation and comments that are submitted during the formal comment period, and vote on this recommendation.

The subcommittee understands that NERC is considering the elimination of Time Error Corrections, and that the proposed standards may be unnecessary if NERC should identify that course of action.. However, at this time, whether that path will be chosen is uncertain. In light of this, the subcommittee believes it is prudent to present this standard for consideration. Should NERC choose to eliminate Time Error Correction, it may be appropriate for this Business Practice to be retired.

The subcommittee also understands that the proposed standards include references to NERC reliability standards related to Inadvertent Payback that are currently under revision. The subcommittee does not expect that this recommendation will require significant rework by the subcommittee once NERC adopts its related reliability standards.

The subcommittee's chairs along with the chair of the Time and Inadvertent Management Task Force will review the final NERC actions and will identify if any changes are needed to recommendations that have already been processed through commenting and EC consideration. If changes are needed, a determination will be made whether the changes can be processed as minor actions, or for more substantive changes, the standards modification process will be used.

We are taking these steps and offering this recommendation for your comment and for EC consideration for vote rather than waiting until NERC completes its full process because:

(1) NERC has not determined if or when they would eliminate of Time Error Corrections.
(2) The tools developed by the business practice support balancing authorities compliance to the existing NERC standards.
(3) Allowing the business practices to undergo a field test will provide signals to the NERC and NAESB drafting teams that they are on the right track.
(4) Submitting the recommendations now to the industry and to the WEQ EC will provide the necessary signals from the industry through formal comments and through EC actions. If corrective action is needed, NAESB would have the opportunity to further coordinate with NERC.

Please note that the subcommittee and its Time and Inadvertent Management Task Force have worked diligently on this recommendation and that all steps outlined conform with NAESB operating procedures. We appreciate your consideration and your comments.

With Best Regards,

Jim Busbin, Co-Chair, NAESB Business Practices Subcommittee
Ed Skiba, Co-Chair, NAESB Business Practices Subcommittee

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

1. RECOMMENDED ACTION:

___Accept as requested
_X_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:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Standards Request R07020 was submitted to have NAESB develop additional time error correction and indavertent payback options. At the June 4, 2008 BPS meeting Time and Inadvertent Management Task Force was created to address R07020. The Task Force met on three separate occassions on created:

- Time Error Correction Inititiation (Method 2) for WEQ-006
- Bilateral Payback (Method 2) for WEQ-007
- Unilateral Payback (Method 2) for WEQ-007

RECOMMENDED STANDARDS:

Changes to WEQ-006

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Purpose

Interconnection frequency is normally scheduled at 60.00 Hz and controlled to that value. The control is imperfect and over time the frequency will average slightly above or below 60.00 Hz resulting in electromechanical clocks developing an error relative to true time. This Standard specifies the procedures to be used for reducing the error to within acceptable limits of true time.

006-0.2 RESERVED

006-4 **TIME ERROR CORRECTION INITIATION (METHOD 1)**

Time Error Corrections should start and end on the hour or half-hour, and notice should be given at least one hour before the Time Error Correction is to start or stop. Time Error Corrections shall last at least one hour, unless terminated by a Reliability Coordinator. Time Error Corrections for fast time shall not be initiated between 0400-1100 Central Time except in the Western Interconnection. All Balancing Authorities within an Interconnection shall make all Time Error Corrections directed by the Interconnection Time Monitor for its Interconnection. All Balancing Authorities within an Interconnection shall make Time Error Corrections at the same rate. Each Interconnection Time Monitor shall monitor Time Error and make a reasonable effort to initiate or terminate corrective action orders according to the following table:

Time Error (seconds)	*Initiation*		*Termination*		*Offset*
	East	**West**	**West**	**East**	
Slow	–10	-5	±0.5	–6	+0.02 Hz
Fast	+10	+5	±0.5	+6	-0.02 Hz

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

006-5 **TIME ERROR CORRECTION INITIATION (METHOD 2)**

The Interconnection Time Monitor may choose Method 2 to reduce the number of Time Error Corrections. If Time Error is beyond ±30 seconds at 22:00 Central Prevailing Time, the Interconnection Time Monitor will initiate a 24 hour correction starting at 00:00. The Interconnection Time Monitor shall make a reasonable effort to initiate or terminate corrective action orders according to the following table:

Time Error (seconds)	*Initiation*	*Termination*	*Offset*
Slow	-30 @ 22:00 to start at 00:00	00:00 next day	+0.02 Hz
Fast	+30 @ 22:00 to start at 00:00	00:00 next day	-0.02 Hz

006-7 **TIME ERROR CORRECTION OFFSET**

Each Balancing Authority, when requested, shall participate in a Time Error Correction by one of the following two methods:

006-8 **INTERCONNECTION TIME ERROR NOTIFICATION**

On the first day of each month, the Interconnection Time Monitor shall issue a notification of Time Error accurate to within 0.01 second to all Reliability Coordinators within the Interconnection to assure uniform calibration of time standards.

006-9 **WESTERN INTERCONNECTION TIME ERROR NOTIFICATION**

Within the Western Interconnection, the Interconnection Time Monitor shall provide the accumulated Time Error (accurate to within 0.001 second) to all Balancing Authorities on a daily basis at 1400 PDT/PST using the WECCNet. The alphabetic designator shall accompany Time Error notification if a Time Error Correction is in progress.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

006-10 After the premature termination of a manual Time Error Correction, a slow Time Error Correction can be reinstated after the frequency has returned to 60.00 Hz or above for a period of ten minutes. A fast Time Error Correction can be reinitiated after the frequency has returned to 60.00 Hz or lower for a period of ten minutes. At least one hour shall elapse between the termination and re-initiation notices.

006-11 **TIME ERROR CORRECTION ON RECONNECTION**

When one or more Balancing Authorities have been separated from the Interconnection, upon reconnection, they shall adjust their Time Error devices to coincide with the Time Error of the Interconnection Time Monitor. The Balancing Authorities shall notify the Interconnection Time Monitor they are ready to receive the necessary adjustment to Time Error as soon as possible after reconnection.

Changes to WEQ-007

007-1.1.1 **Bilateral Payback (Method 1)**

Inadvertent Interchange accumulations may be paid back via an Interchange Schedule with another Balancing Authority.

007-1.1.1.1 Opposite Balances

The source Balancing Authority Area and sink Balancing Authority Area should have Inadvertent Interchange accumulations in the opposite direction, unless transferring inadvertent to another party to facilitate the reduction of inadvertent balances.

007-1.1.1.2 Payback Terms

The terms of the Inadvertent Interchange payback shall be agreed upon by all involved Balancing Authorities and Transmission Service Providers.

007-1.1.2 **Bilateral Payback (Method 2)**

Balancing Authorities may choose to financially settle part or all of their Inadvertent Interchange accumulations.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

007-1.1.2.1 Opposite Balances

The source Balancing Authority Area and sink Balancing Authority Area should have Inadvertent Interchange accumulations in the opposite direction, unless transferring inadvertent to another party to facilitate the reduction of inadvertent balances.

007-1.1.2.2 Payback Terms

The terms of the Inadvertent Interchange payback shall be agreed upon by the settling Balancing Authorities.

007-1.1.2.3 Accounting and Reporting

The settling transaction in a given month will be accounted for as an after-the-fact schedule in the last on-peak hour of the month for on-peak Inadvertent Interchange and the last off-peak hour of the month for off-peak Inadvertent Interchange. The Balancing Authorities will jointly report to NERC the settled on-peak and off-peak MWh.

007-1.1.3 **Unilateral Payback (Method 1)**

Inadvertent Interchange accumulations may be paid back unilaterally controlling to a target of non-zero ACE. Controlling to a non-zero ACE ensures that the unilateral payback is accounted for in the CPS calculations. The unilateral payback control offset is limited to Balancing Authority's L_{10} limit and shall not burden the Interconnection.

007-1.1.4 **Unilateral Payback (Method 2)**

A Balancing Authority may alternatively perform a unilateral payback to assist in correcting Time Error. Such payback may only be accomplished whenever the Balancing Authority's Inadvertent Interchange Balance and Time Error have the same sign. Method 2 unilateral Inadvertent payback must end if a Time Error Correction is initiated. Payback Method 2 may be accomplished by either of the following methods:

007-1.1.4.1 An offset of scheduled frequency of +0.02 Hz.

007-1.1.4.2 An offset of the Net Interchange Scheduled value of the ACE equation of 5MW or 20% of the Balancing Authority Bias, whichever is greater.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

007-2 **OTHER PAYBACK METHODS**

Upon agreement by all Regions within an Interconnection, other methods of Inadvertent Interchange payback may be utilized.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

The purpose of this standard is to provide time correction and inadvertent interchange management business practices that will help NERC address the concerns raised by the FERC (*Mandatory Reliability Standards for the Bulk-Power System Docket No. RM06-16-000; Order No. 693).*

- Specifically, this Business Practice would address concerns raised in the sections of the order dealing with BAL-004, BAL-005 and BAL-006:Number of frequency excursions. Over 40% of the identified frequency excursions happened during Time Error Corrections (TEC), where the TEC magnifies the deviation from 60Hz. This business practice would result in fewer hours in TEC, which should result in fewer frequency excursions.
- BAL-004: Number and efficiency of TEC. Performing a clock-day TEC will reduce confusion about start and stop times and would enable a simple measurement on the efficiency of each correction.
- BAL-006: Accumulation of large Inadvertent balances. This business practice provides two additional tools to allow Balancing Authorities to pay back or recover Inadvertent Interchange. The unilateral payback option will also result in fewer TECs.

The scope of the proposed practices is intended to be very focused.

Time Error Correction Practices

First, the practices would accommodate and have no impact on the Western Interconnection's Automatic Time Error Correction (WATEC) procedure for the Western Interconnection.

The practices would still allow current manual TEC practices and would also allow an alternate manual TEC procedure. The alternate procedure would expand the time window and reduce the frequency offset such that TECs are implemented if Time Error exceeds ± 30 seconds (East) at 22:00 Central Prevailing Time. If this threshold is reached, a TEC is implemented at midnight (2 hours later) with a

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

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scheduled frequency offset of ±0.02Hz and run for a full clock day (unless stopped for reliability reasons).

Inadvertent Management

There are two components to the Inadvertent Management practices.

Unilateral Payback Correcting Time Error: In addition to current procedures, allow unilateral payback via one of the following two methods whenever the BA Inadvertent Interchange Balance and Time Error have the same sign:

- An offset of scheduled frequency of ±0.02 Hz, or
- If the scheduled frequency setting cannot be offset, a Net Interchange Schedule (MW) equal to 5MW or 20% of the BA Bias (whichever is greater).

This unilateral Inadvertent payback ends when the time error is zero or has changed signs, the accumulation of inadvertent interchange has been corrected to zero, or a scheduled time error correction begins, which takes precedence over offsetting frequency schedule to pay back inadvertent.

Financial Settlement: Allowing financial settlement of Inadvertent Interchange prevents a second flow of energy to correct an unscheduled flow of energy in previous hours. The terms of the financial inadvertent settlement remain private, the parties and amount of Inadvertent Interchange would be reported to NERC.

Terms and mechanisms for settlement of Inadvertent Interchange are not part of the scope of this proposal.

b. Description of Recommendation:

See proposed standards changes listed under Section 3 Recommended Standards.

c. Business Purpose:

Develop a NAESB Time and Inadvertent Management Business Practice that provides additional Inadvertent Payback options and improved Time Control.

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

Notes:

- The changes to WEQ-006 are based on the assumption that the WEQ membership has ratified 2008 WEQ Annual Plan Item 6.a Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019)

Supporting Documentation:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

- R07020 Time and Inadvertent Management Business Practice
- Time and Inadvertent Management Business Practice Presentation, provided to the Business Practices Subcommittee June 4, 2008
- Time and Inadvertent Management Business Practices FAQ, dated August 16, 2008
- Time and Inadvertent Management Business Practices Implementation Plan (Best Case) dated September 19, 2008
- Meeting Minutes
  - BPS June 4, 2008
  - BPS July 29, 2008 NAESB to add link
  - BPS September 22, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force July 14, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force July 24, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force August 15, 2008 NAESB to add link

Formal Comments to the NAESB Business Practices Subcommittee for Proposed Changes to WEQ-006 and WEQ-007 Submitted by the Tennessee Valley Authority

Proposed Changes to WEQ-006 - Manual Time Error Correction

Method 2, a 24 hour duration time error correction, is proposed as an option in lieu of the existing NAESB business practice (Method 1) for the time error correction. TVA recommends guidelines be developed and included on how the Time Monitor will make the decision to forgo initiation of time error correction according to the table as shown in Method 1 or defer to the table in Method 2.

Proposed Changes to WEQ-007 - Inadvertent Interchange Payback

Unilateral payback (Method 2) allows unilateral payback only when the Balancing Authority's Inadvertent Interchange Balance and the Time Error have the same sign. For the Eastern Interconnection the vast majority of time error corrections have been for fast time correction. Therefore this proposal if adopted would be discriminatory and would favor those Balancing Authorities in the Eastern Interconnection who over-generated, created a positive balance, and contributed to the positive time error. Those Balancing Authorities who under-generated and did not contribute to a fast time error would not be able to utilize Method 2. When one Balancing Authority, as allowed in Method 2, changes its scheduled frequency by 0.02 hertz, or adjusts its net interchange schedules the greater of 20 percent of the Balancing Authority's frequency bias or 5 MW; other Balancing Authorities within the Interconnection whose scheduled frequency remains at 60 hertz will provide through their frequency bias MW contributions to maintain the Interconnection to its frequency schedule of 60 hertz. This method will not reduce the time error of the Interconnection and should not be proposed as an assist to correct time error. Time error can be corrected only if the frequency of the Interconnection is maintained at a frequency other than 60 hertz for a period of time. For example, if an Interconnection frequency was maintained at 59.98 hertz for one hour, the time error would be corrected 1.2 seconds. In addition, proposed Unilateral Payback (Method 2), unlike existing (Method 1), would not require this unilateral payback to be limited to the Balancing Authority's L_{10} limit nor would it require this unilateral payback to be properly accounted for in the CPS calculations and subsequent reporting required by NERC. Adoption of this proposed Unilateral Payback (Method 2) would allow Balancing Authorities to over- or under-generate without impact to their CPS2 bound. There is no prohibition that would prevent the simultaneous unbounded over- or under-generation by several large Balancing Authorities who choose to use Method 2 over a 24 hour period. TVA does not support the adoption of Unilateral Payback (Method 2).

William Franklin
Entergy Services, Inc
System Planning & Operations (SPO)
Generation & Marketing
10055 Grogans Mill Rd
The Woodlands, TX 77380
281-297-3594

NAESB WEQ Business Practices Subcommittee
Time & Inadvertent Management Task Force:

Please see Entergy (SPO) formal comments in response to the proposed changes to WEQ-006 and WEQ-007.

Feel free to contact me if you have any questions about our comments. Thank you for the opportunity to provide comments.

Regards,
Will Franklin

WEQ-006:
The suggestion that Method 2 will reduce the number of TEC is not necessarily true since the time spent in each TEC is longer.

TECs place the interconnection closer to operating limits and equipment trip set points, thus inherently TECs reduce reliability. One could contend that TECs should be entirely eliminated unless there is a true business need to perform them. If there is a valid business need, NAESB should identify that business need and the impact to reliability should be analyzed by NERC and if determined to be needed, appropriate limits on TECs should be established.

Instead of proposing "Method 2", why not propose the suspension of TECs altogether?

Time Error Correction Initiation Method 2 states that a 24 hr TEC will be applied with no termination value for TE. This means that the TE would continue, even if TE went negative. (Note that many systems are programmed to terminate TEC if TE is in a direction not congruent with the TEC). Recommend defining a TE termination criteria for TEC.
Also, the initiation criteria of +/- 30 seconds seems arbitrary (as is the criteria in Method 1). What is the business justification for 30 seconds vs. 5 or 10?

WEQ-007
Bilateral Payback Method 2: The concept of financial settlement of inadvertent is beneficial to reliability in that physical transfer of energy is no longer needed and thus those flows (especially unilateral payback) would not impact the interconnection.

To whom at NERC will BAs report the settled amounts?

Unilateral Payback Method 2:
This method appears to be a more restrictive variation of Method 1. I can't understand why any BA would elect to use Method 2 when they could use Method 1.
The statement to "to assist in correcting time error..." is not necessary as the purpose of this is to reduce inadvertent. TEC is accomplished through the process in WEQ-006.
Why does this have only a + 0.02 Hz offset as a mode of payback?
What is meant by "an Interchange Schedule of 5 MW…" Who would this Interchange Schedule be with?
Additionally, this method is biased towards those who have a positive balance (since TE has been typically positive over the last several years).

FORMAL COMMENTS

Quadrant:	Wholesale Electric Quadrant
Recommendation:	2008 WEQ AP Item 6.b Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)
Submitted By:	Standards Review Subcommittee
Date:	October 22, 2008

Under the Standards Review Subcommittee Scope of Work, which was approved by the SRS on March 6, 2008, the SRS agreed to review recommendations and if subcommittee deemed appropriate, they would submit advisory comments to the Executive Committee for consideration. As stated in the Scope of Work these comments are "not intended to change the scope of the Business Practices or recommendation, but to provide consistency and uniformity across all WEQ Business Practices."

The SRS is requesting the Executive Committee consider the following advisory comments in their review of this recommendation:

3. RECOMMENDATION SUMMARY:

In 4th line believe line should read "Force met on three separate occasions and created:". Currently have the word "on".

In 1st bullet misspelling. Should be "Initiation" instead of "Inititiation".

Comments Submitted by L. Larson, Otter Tail Power Company

-----Original Message-----
From: LLarson@otpco.com
Sent: Thursday, October 23, 2008 2:37 PM
To: naesbmail@naesb.org
Subject: RE: NAESB Request for Formal Comments on WEQ Recommendations - Due October 24, 2008

Otter Tail supports the changes proposed for time error correction in WEQ-006 and for inadvertent interchange payback in WEQ-007.

Larry
Lawrence R Larson, P E
Principal Engineer, Delivery Operations System Operations
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56538-0496

-----Original Message-----
From: naesbmail@naesb.org [mailto:naesbmail@naesb.org]
Sent: Tuesday, September 23, 2008 1:53 PM
To: Larson, Larry
Subject: NAESB Request for Formal Comments on WEQ Recommendations - Due October 24, 2008

via email and posting

TO: NAESB Wholesale Electric Quadrant (WEQ) Members and Interested Industry Participants

FROM: Jonathan Booe, NAESB Staff Attorney

RE: Request for Formal Comments on WEQ Recommendations WEQ 2008 Annual Plan Items 6.i/R06010, 6.b/R07020 and 1.a.ii

DATE: September 23, 2008

Dear NAESB WEQ Members and Interested Industry Participants,

An industry formal comment period begins today, September 23, 2008, and ends on October 24, 2008 for three Wholesale Electric Quadrant recommendations voted out of the Business Practice Subcommittee on September 22, 2008:

Recommendations:
2008 WEQ Annual Plan Item 6.i/R06010 - "Modify the timing chart for the Western Interconnection in WEQ BPS-006 to an initiation of manual time error at +/- 5 seconds" - NO ACTION TO BE TAKEN:
http://naesb.org/pdf3/weq_2008_api_6i_r06010_rec.doc

2008 WEQ Annual Plan Item 6.b/R07020 - "Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control"
(clean): http://naesb.org/pdf3/weq_2008_api_6b_r07020_rec_clean.doc
(redline): http://naesb.org/pdf3/weq_2008_api_6b_r07020_rec_redline.doc

Comments Submitted by L. Larson, Otter Tail Power Company

2008 WEQ Annual Plan Item 1.a.ii - "Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III"
(clean): http://naesb.org/pdf3/weq_2008_api_1aii_rec_clean.doc
(redline): http://naesb.org/pdf3/weq_2008_api_1aii_rec_redline.doc

All interested parties, regardless of membership status within NAESB are eligible to submit comments for consideration. The Wholesale Electric Quadrant Executive Committee will review the recommendations and consider them for vote during an upcoming Executive Committee meeting.
The Executive Committee will review all submitted comments.

All comments received by the NAESB office by the end of business, October 24, 2008, will be posted on the Home Page (WEQ Request Page):
http://www.naesb.org/weq_request.asp and forwarded to the WEQ Executive Committee members for their consideration. If you have difficulty downloading the recommendations, please call the NAESB office at (713) 356-0060.
Best Regards,

Jonathan Booe
NAESB

cc: Rae McQuade, President

To change your contact information, or to modify your subscription(s) with the North American Energy Standard Board (NAESB) mail system click the link below or copy and paste it into the address bar of your web browser.

http://www.naesb.org/listserv/mail/listmanager.asp

NAESB, 1301 Fannin Street, Suite 2350, Houston, TX 77002

Comments Submitted by D. Klempel, Basin Electric Power Cooperative

---

From: Dan Klempel
Sent: Thursday, October 23, 2008 3:33 PM
To: naesb@naesb.org
Subject: NAESB Business Practice WEQ-006 & WEQ-007

Please register my support for the referenced business practices.

Thanks,

Dan Klempel
Manager, Transmission Compliance
Basin Electric Power Cooperative
dklempel@bepc.com

Comments Submitted by J. Cyrulewski, JDRJC Associates

From: Jdrjcassociates
Sent: Friday, October 24, 2008 11:10 AM
To: naesb@naesb.org
Subject: 2008 WEQ Annual Plan Item 6.b/R07020

I am proposing the following wording revision:

007-1.1.4 Unilateral Payback (Method 2)
Suggest rewording second sentence to read "Such payback may only be accomplished whenever the Interconnection Time Error and Balancing Authority's Inadvertent Interchange Balance have the same sign." Time Error always pertains to an Interconnection.

Thank you for the consideration.

Jim

Jim Cyrulewski, P.E.
JDRJC Associates
1120 East Long Lake Road Suite 205
Troy, Michigan 48085

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Entergy Formal Comments

Ed Davis

Entergy Services

10-24-08

Dear Wholesale Electric Quadrant Members and Interested Industry Participants –

For the attached recommendation for standards that are linked to NERC standards development for FERC Order No. 693, specifically those dealing with time error and inadvertent interchange payback, our subcommittee has accepted these proposed standards and are asking you to comment on them in a formal comment period. They are also asking the WEQ Executive Committee to consider this recommendation and comments that are submitted during the formal comment period, and vote on this recommendation.

The subcommittee understands that NERC is considering the elimination of Time Error Corrections, and that the proposed standards may be unnecessary if NERC should identify that course of action.. However, at this time, whether that path will be chosen is uncertain. In light of this, the subcommittee believes it is prudent to present this standard for consideration. Should NERC choose to eliminate Time Error Correction, it may be appropriate for this Business Practice to be retired.

The subcommittee also understands that the proposed standards include references to NERC reliability standards related to Inadvertent Payback that are currently under revision. The subcommittee does not expect that this recommendation will require significant rework by the subcommittee once NERC adopts its related reliability standards.

The subcommittee's chairs along with the chair of the Time and Inadvertent Management Task Force will review the final NERC actions and will identify if any changes are needed to recommendations that have already been processed through commenting and EC consideration. If changes are needed, a determination will be made whether the changes can be processed as minor actions, or for more substantive changes, the standards modification process will be used.

We are taking these steps and offering this recommendation for your comment and for EC consideration for vote rather than waiting until NERC completes its full process because:

(1) NERC has not determined if or when they would eliminate of Time Error Corrections.
(2) The tools developed by the business practice support balancing authorities compliance to the existing NERC standards.

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

(3) Allowing the business practices to undergo a field test will provide signals to the NERC and NAESB drafting teams that they are on the right track.

(4) Submitting the recommendations now to the industry and to the WEQ EC will provide the necessary signals from the industry through formal comments and through EC actions. If corrective action is needed, NAESB would have the opportunity to further coordinate with NERC.

Please note that the subcommittee and its Time and Inadvertent Management Task Force have worked diligently on this recommendation and that all steps outlined conform with NAESB operating procedures. We appreciate your consideration and your comments.

With Best Regards,

Jim Busbin, Co-Chair, NAESB Business Practices Subcommittee
Ed Skiba, Co-Chair, NAESB Business Practices Subcommittee

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

1. RECOMMENDED ACTION:

___Accept as requested
_X_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:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
_X_Modification
___Interpretation
___Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Standards Request R07020 was submitted to have NAESB develop additional time error correction and indavertent payback options. At the June 4, 2008 BPS meeting Time and Inadvertent Management Task Force was created to address R07020. The Task Force met on three separate occassions ~~on~~ create~~d~~ding:

- Time Error Correction Inititiation (Method 2) for WEQ-006
- Bilateral Payback (Method 2) for WEQ-007
- Unilateral Payback (Method 2) for WEQ-007

RECOMMENDED STANDARDS:

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Changes to WEQ-006

Purpose

Interconnection frequency is normally scheduled at 60.00 Hz and controlled to that value; however, ~~. T~~the control is imperfect and, over time, the frequency will average slightly above or below 60.00 Hz resulting in electromechanical clocks developing an error relative to true time. This Standard specifies the procedures to be used for reducing the error to within acceptable limits of true time.

006-0.2 RESERVED

006-4 **TIME ERROR CORRECTION INITIATION (METHOD 1)**

Time Error Corrections should start and end on the hour or half-hour, and notice should be given at least one hour before the Time Error Correction is to start or stop. Time Error Corrections shall last at least one hour, unless terminated by a Reliability Coordinator. Time Error Corrections for fast time shall not be initiated between 0400-1100 Central Time except in the Western Interconnection. All Balancing Authorities within an Interconnection shall make all Time Error Corrections directed by the Interconnection Time Monitor for its Interconnection. All Balancing Authorities within an Interconnection shall make Time Error Corrections at the same rate. Each Interconnection Time Monitor shall monitor Time Error and make a reasonable effort to initiate or terminate corrective action orders according to the following table:

Time Error (seconds)	*Initiation*		*Termination*		*Offset*
	East	West	West	East	
Slow	–10	-5	±0.5	–6	+0.02 Hz
Fast	+10	+5	±0.5	+6	-0.02 Hz

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

006-5 **TIME ERROR CORRECTION INITIATION (METHOD 2)**

The Interconnection Time Monitor may choose Method 2 to reduce the number of Time Error Corrections. If the Time Error is beyond ±30 seconds at 22:00 Central Prevailing Time, the Interconnection Time Monitor will initiate a 24 hour correction starting at 00:00. The Interconnection Time Monitor shall make a reasonable effort to initiate or terminate corrective action orders according to the following table:

Time Error (seconds)	*Initiation*	*Termination*	*Offset*
Slow	-30 @ 22:00 to start at 00:00	00:00 next day	+0.02 Hz
Fast	+30 @ 22:00 to start at 00:00	00:00 next day	-0.02 Hz

006-7 **TIME ERROR CORRECTION OFFSET**

Each Balancing Authority, when requested, shall participate in a Time Error Correction by one of the following two methods:

006-8 **INTERCONNECTION TIME ERROR NOTIFICATION**

On the first day of each month, the Interconnection Time Monitor shall issue a notification of Time Error accurate to within 0.01 second to all Reliability Coordinators within the Interconnection to assure uniform calibration of time standards.

006-9 **WESTERN INTERCONNECTION TIME ERROR NOTIFICATION**

Within the Western Interconnection, the Interconnection Time Monitor shall provide the accumulated Time Error (accurate to within 0.001 second) to all Balancing Authorities on a daily basis at 1400 PDT/PST using the WECCNet. The alphabetic designator shall accompany Time Error notification if a Time Error Correction is in progress.

006-10 After the premature termination of a manual Time Error Correction, a slow Time Error Correction can be reinstated after the frequency has

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

returned to 60.00 Hz or above for a period of ten minutes. A fast Time Error Correction can be reinitiated after the frequency has returned to 60.00 Hz or lower for a period of ten minutes. At least one hour shall elapse between the termination and re-initiation notices.

006-11 **TIME ERROR CORRECTION ON RECONNECTION**

When one or more Balancing Authorities have been separated from the Interconnection, upon reconnection, they shall adjust their Time Error devices to coincide with the Time Error of the Interconnection Time Monitor. The Balancing Authorities shall notify the Interconnection Time Monitor that they are ready to receive the necessary adjustment to Time Error as soon as possible after reconnection.

Changes to WEQ-007

007-1.1.1 **Bilateral Payback (Method 1)**

Inadvertent Interchange accumulations may be paid back via an Interchange Schedule with another Balancing Authority.

007-1.1.1.1 Opposite Balances

The source Balancing Authority Area and sink Balancing Authority Area should have Inadvertent Interchange accumulations in the opposite direction, unless transferring inadvertent energy to another party to facilitate the reduction of inadvertent balances.

007-1.1.1.2 Payback Terms

The terms of the Inadvertent Interchange payback shall be agreed upon by all involved Balancing Authorities and Transmission Service Providers.

007-1.1.2 **Bilateral Payback (Method 2)**

Balancing Authorities may choose to financially settle part or all of their Inadvertent Interchange accumulations.

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **WEQ BPS Subcommittee**
Request No.: **2008 WEQ AP Item 6.b**
Request Title: **Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

007-1.1.2.1 Opposite Balances

The source Balancing Authority Area and sink Balancing Authority Area should have Inadvertent Interchange accumulations in the opposite direction, unless transferring inadvertent energy to another party to facilitate the reduction of inadvertent balances.

007-1.1.2.2 Payback Terms

The terms of the Inadvertent Interchange payback shall be agreed upon by the settling Balancing Authorities.

007-1.1.2.3 Accounting and Reporting

The settling transaction in a given month will be accounted for as an after-the-fact schedule in the last on-peak hour of the month for on-peak Inadvertent Interchange and the last off-peak hour of the month for off-peak Inadvertent Interchange. The Balancing Authorities will jointly report to NERC the settled on-peak and off-peak MWh.

007-1.1.3 **Unilateral Payback (Method 1)**

Inadvertent Interchange accumulations may be paid back unilaterally, controlling to a target of non-zero ACE. Controlling to a non-zero ACE ensures that the unilateral payback is accounted for in the CPS calculations. The unilateral payback control offset is limited to Balancing Authority's L_{10} limit and shall not burden the Interconnection.

007-1.1.4 **Unilateral Payback (Method 2)**

A Balancing Authority may alternatively perform a unilateral payback to assist in correcting a Time Error. Such payback may only be accomplished whenever the Balancing Authority's Inadvertent Interchange Balance and Time Error have the same sign. Method 2, ~~u~~Unilateral Inadvertent P~~p~~ayback, must end if a Time Error Correction is initiated. Payback Method 2 may be accomplished by either of the following methods:

007-1.1.4.1 An offset of scheduled frequency of +0.02 Hz.

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

007-1.1.4.2 An offset of the Net Interchange Schedule~~d~~ value of the ACE equation of 5MW or 20% of the Balancing Authority ~~-~~Bias, whichever is greater.

007-2 **OTHER PAYBACK METHODS**

Upon agreement by all Regions within an Interconnection, other methods of Inadvertent Interchange payback may be utilized.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

The purpose of this standard is to provide T~~t~~ime Error ~~c~~Correction (TEC) and I~~i~~nadvertent I~~i~~nterchange management business practices that will help NERC address the concerns raised by the FERC (*Mandatory Reliability Standards for the Bulk-Power System Docket No. RM06-16-000; Order No. 693).*

- Specifically, this Business Practice would address concerns raised in the sections of the order dealing with BAL-004, BAL-005 and BAL-006: Number of frequency excursions. Over 40% of the identified frequency excursions happened during ~~Time Error Corrections (~~TEC~~)~~s, where the TEC magnifies the deviation from 60Hz. This business practice would result in fewer hours in TEC, which should result in fewer frequency excursions.
- BAL-004: Number and efficiency of TEC. Performing a clock-day TEC will reduce confusion about start and stop times and would enable a simple measurement on the efficiency of each correction.
- BAL-006: Accumulation of large Inadvertent Interchange balances. This business practice provides two additional tools to allow Balancing Authorities to pay back or recover Inadvertent Interchange.
- The U~~u~~nilateral payback option will also result in fewer TECs.

The scope of the proposed practices is intended to be very focused.

Time Error Correction Practices

First, the practices would accommodate and have no impact on the Western Interconnection's Automatic Time Error Correction (WATEC) procedure for the Western Interconnection.

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

The practices would still allow current manual TEC practices and would also allow an alternate manual TEC procedure. The alternate procedure would expand the time window and reduce the frequency offset such that TECs are implemented if Time Error exceeds ± 30 seconds (East) at 22:00 Central Prevailing Time. If this threshold is reached, a TEC is implemented at midnight (2 hours later) with a scheduled frequency offset of ±0.02Hz and run for a full clock day (unless stopped for reliability reasons).

Inadvertent Management

There are two components to the Inadvertent Management practices.

Unilateral Payback Correcting Time Error: In addition to current procedures, allow unilateral payback via one of the following two methods whenever the Balancing Authority (BA) Inadvertent Interchange Balance and Time Error have the same sign:

- An offset of scheduled frequency of ±0.02 Hz, or
- If the scheduled frequency setting cannot be offset, a Net Interchange Schedule (MW) equal to 5MW or 20% of the BA Bias (whichever is greater).

This Uunilateral Inadvertent payback ends when the ttime eError is zero or has changed signs, the accumulation of linadvertent linterchange has been corrected to zero, or a scheduled ~~time error correction~~TEC begins, which takes precedence over offsetting frequency scheduled to pay back linadvertent Interchange.

Financial Settlement: Allowing financial settlement of Inadvertent Interchange prevents a second flow of energy to correct an unscheduled flow of energy in previous hours. The terms of the financial inadvertent settlement remain private,; however, ~~-~~the parties and amount of Inadvertent Interchange would be reported to NERC.

Terms and mechanisms for settlement of Inadvertent Interchange are not part of the scope of this proposal.

b. Description of Recommendation:

See proposed standards changes listed under Section 3 Recommended Standards.

c. Business Purpose:

Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**WEQ BPS Subcommittee**
Request No.:	**2008 WEQ AP Item 6.b**
Request Title:	**Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020)**

Develop a NAESB Time Error Correction and Inadvertent Management Business Practice that provides additional Inadvertent Payback options and improved Time Control.

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

Notes:

- The changes to WEQ-006 are based on the assumption that the WEQ membership has ratified 2008 WEQ Annual Plan Item 6.a Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019)

Supporting Documentation:

- R07020 Time and Inadvertent Management Business Practice
- Time and Inadvertent Management Business Practice Presentation, provided to the Business Practices Subcommittee June 4, 2008
- Time and Inadvertent Management Business Practices FAQ, dated August 16, 2008
- Time and Inadvertent Management Business Practices Implementation Plan (Best Case) dated September 19, 2008
- Meeting Minutes
  - BPS June 4, 2008
  - BPS July 29, 2008 NAESB to add link
  - BPS September 22, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force July 14, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force July 24, 2008 NAESB to add link
  - Time and Inadvertent Management Task Force August 15, 2008 NAESB to add link

Comments Submitted by J. Knight, Great River Energy

From: Knight, Joseph GRE/ER
Sent: Friday, October 24, 2008 2:47 PM
To: naesb@naesb.org
Subject: Comments on WEQ-006 and WEQ-007

I would like to offer the following comments on proposed business practices WEQ-006 and WEQ-007.

WEQ-006:
Overall I am in favor of this proposed business practice. That said, I find the language in Requirement 006-4 (TIME ERROR CORRECTION INITIATION (METHOD 1)) somewhat curious. The drafters of this requirement appear to mix suggestions with requirements and it comes across as being somewhat inconsistent. If this is in fact a requirement, I suggest using "shall" throughout the requirement versus mixing "should" and "shall".

WEQ-007
I am in favor of this proposed business practice as well. I like how the drafting team has given the applicable entities the option of in-kind as well as financial repayment. I offer the following comment on Requirement 007-1.1.2; Bilateral payback (Method 2). It would seem to me that when two BAs choose to financially settle an inadvertent balance, the price the repaying company should be required to pay should be equal to the price that the energy was on the day that they accumulated the inadvertent energy versus whatever the price may be on the day that they choose to repay. I believe that repaying at the same value as was accumulated would ultimately prove to be more equitable. This would seem to run parallel to the in-kind repayment practices of "if you accumulate it On-Peak you repay it On-Peak".

Thank you for the opportunity to comment.

_____

Joe Knight
Compliance Specialist
Great River Energy
17845 Hwy 10
Elk River, MN 55330

Comments Submitted by D. Koehn, Bonneville Power Administration

---

From: Koehn,Denise E - TGP-DITT-2
Sent: Friday, October 24, 2008 2:07 PM
To: naesbmail@naesb.org
Cc: Kelley,Rod - SR-7; Halpin,Francis J - PGST-5; McManus,Bart - TOT-DITT2; Chung,Robin L - PGST-5; Koehn,Denise E - TGP-DITT-2; Tuck,Brian A - TOT-DITT2; Jones,Lorissa J - TG-DITT-2; Rehman,Barbara M - TSPP-TPP-2; Simpson,Troy D - TSST-DITT-1
Subject: BPA Comments on NAESB Request for Formal Comments on WEQ Recommendations - Due October 24, 2008

Hello,

Bonneville Power has the following comments regarding the WEQ Recommendations for the NAESB Business Practice.

The NAESB Business Practice accommodates the WECC ATEC procedure as is, and will not impact BAL-004-WECC-01 Automatic Time Error Correction. It points out only one difference between WECC and the other two interconnections, which is that WECC can call on manual time error corrections at any time, we do not disallow them for fast time error corrections between 0400 and 1100 central. However, there is another major difference in that WECC does not allow bilateral inadvertent interchange transactions.

Thanks for the opportunity to comment.

Denise Koehn, Compliance Specialist
Transmission Reliability Program - TGP/DITT-2
Bonneville Power Administration

****

----Original Message-----
From: naesbmail@naesb.org [mailto:naesbmail@naesb.org]
Sent: Tuesday, September 23, 2008 11:53 AM
To: Kelley,Rod - SR-7
Subject: NAESB Request for Formal Comments on WEQ Recommendations - Due October 24, 2008

via email and posting

TO: NAESB Wholesale Electric Quadrant (WEQ) Members and Interested Industry Participants

FROM: Jonathan Booe, NAESB Staff Attorney

RE: Request for Formal Comments on WEQ Recommendations WEQ 2008 Annual Plan Items 6.i/R06010, 6.b/R07020 and 1.a.ii

DATE: September 23, 2008

Comments Submitted by D. Koehn, Bonneville Power Administration

Dear NAESB WEQ Members and Interested Industry Participants,

An industry formal comment period begins today, September 23, 2008, and ends on October 24, 2008 for three Wholesale Electric Quadrant recommendations voted out of the Business Practice Subcommittee on September 22, 2008:

Recommendations:
2008 WEQ Annual Plan Item 6.i/R06010 – "Modify the timing chart for the Western Interconnection in WEQ BPS-006 to an initiation of manual time error at +/- 5 seconds" – NO ACTION TO BE TAKEN:
http://naesb.org/pdf3/weq_2008_api_6i_r06010_rec.doc

2008 WEQ Annual Plan Item 6.b/R07020 – "Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control"

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2008 WEQ Annual Plan Item 1.a.ii – "Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III"

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(redline): http://naesb.org/pdf3/weq_2008_api_1aii_rec_redline.doc

All interested parties, regardless of membership status within NAESB are eligible to submit comments for consideration. The Wholesale Electric Quadrant Executive Committee will review the recommendations and consider them for vote during an upcoming Executive Committee meeting. The Executive Committee will review all submitted comments.

All comments received by the NAESB office by the end of business, October 24, 2008, will be posted on the Home Page (WEQ Request Page): http://www.naesb.org/weq_request.asp and forwarded to the WEQ Executive Committee members for their consideration. If you have difficulty downloading the recommendations, please call the NAESB office at (713) 356-0060.

Best Regards,

Jonathan Booe
NAESB

cc: Rae McQuade, President

Comments Submitted by D. Kimm, MidAmerican Energy

MidAmerican Energy Comments On:

WEQ 2008 ANNUAL PLAN 6(b)/R07020

NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control

MidAmerican Energy offers the following comments on the above-referenced NAESB Business Practice Standard. We commend the subcommittee for much of the difficult work it has done to produce a draft standard.

MidAmerican Energy is very supportive of the option to payback inadvertent energy financially - Bilateral Payback (Method 2). This is something that makes it easier to exchange inadvertent without worrying about the hassles of transmission and scheduling and it can, in no way, cause reliability issues.

In closing, MidAmerican would like thank you for all of the effort spend on this standard and hopes you will seriously consider our comments.

ISO new england

memo

To: naesb@naesb.org

From: Michael Potishnak, Principal Engineer
Matthew F. Goldberg, Director, Reliability & Operations Compliance

CC: Terry Bilke

Date: October 24, 2008

Subject: Time Error Correction

We provide these comments to express our support for the current proposal to expand the allowable time error to 30 seconds.

Recognizing, for now, the value in continuing to perform Time Error Correction[1], our preference, though, is that the period of time in which TEC takes place should be allowed in all hours of the day, only if the frequency is bounded at 59.99Hz and at 60.01Hz (as was originally proposed). Alternatively, if the frequency is bounded at 59.98 and at 60.02Hz (as is now proposed), our preference would be to keep the same hours of prohibited operation (e.g., avoid morning start-up hours) as exist today.

We support the additional options offered for the payback of inadvertent energy.

Please do not hesitate to contact us (mpotishnak@iso-ne.com; mgoldberg@iso-ne.com) if you have questions.

[1] We're supportive of **NERC's Balancing and Controls Standard Drafting Team** completing ongoing research as to value of TEC and whether any industrial processes are materially affected by time errors.

ISO New England Inc.
One Sullivan Road, Holyoke, MA 01040-2841
www.iso-ne.com **T** 413 5XX XXXX **F** 413 5XX XXXX

The following comments are being submitted by the North American Electric Reliability Corporation (NERC) on behalf of the following:

Andy Rodriquez
NERC Manager of Business Practice Coordination
Coordinator, NERC Balancing Authority Controls Standards Drafting Team
Gerry Adamski
NERC Vice-President of Standards
Scott Henry,
Duke Energy Vice President, Electric Systems Operations
Chairman, NERC Standards Committee
Allen Mosher
American Public Power Association
Senior Director of Policy Analysis and Reliability
Vice-Chairman, NERC Standards Committee

We appreciate the opportunity to comment on this Recommendation.

The NERC Balancing Authority Controls Standards Drafting Team (BACSDT) has expressed concerns that the changes proposed in NAESB Request 2008 WEQ AP Item 6.b may have reliability impacts that have not yet been fully considered. The BACSDT has requested that the executive management of NERC and NAESB consider whether joint development of this request and the concurrent NERC standards effort is appropriate. NERC and NAESB executive management have expressed their support for such coordination, believing it to be prudent and proper.

Note that it is not our intent to call into question previous decisions made regarding the "version zero" standards and business practices. However, we believe that with regard to the subject matter of this Recommendation, there are not necessarily clear demarcations between reliability and business practice interests. It is our intent that as our standards mature, we exercise appropriate due diligence to ensure neither NERC nor NAESB efforts have adverse consequences on each other's organizations.

Accordingly, we suggest that this Recommendation be temporarily remanded back to the Business Practices Subcommittee, and that the NERC BACSDT and NAESB Time and Inadvertent Management Task Force be given the opportunity to conduct a joint meeting to review this item and make any necessary changes to ensure that the business practices and the reliability standards are not inconsistent. We believe that it should be possible to accomplish this review within a reasonably short amount of time, and note that the BACSDT currently has a meeting scheduled for November 13-14 in Austin, Texas, which could be used to accommodate this joint meeting.

North American Energy Standards Board

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Home Page: www.naesb.org

October 27, 2008

TO: Members of the Wholesale Electric Quadrant Executive Committee

FROM: Michael Desselle, NAESB Chairman and Kathy York, NAESB WEQ Executive Committee Chair

RE: Comments on 2008 WEQ Annual Plan Item 6b/R07020

Dear WEQ Executive Committee Members,

We have been requested to implement a portion of the NAESB/NERC joint development process for the specific standard *"2008 WEQ Annual Plan Item 6.b/R07020 – Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control"* in order to ensure that, as this standard has evolved at NAESB, our revision is not incompatible with NERC's related reliability standard. While we understand that our process is nearing completion to finalize NAESB's version 2.1 release of the NAESB WEQ business practices, of which this recommendation would be included, should it be adopted - a small delay to consider the matter would appear to be reasonable.

Accordingly, as Chairman and Executive Committee Chair, respectively, we request that you consider remanding the recommendation back to the Time and Inadvertent Management Task Force for the limited purpose of reviewing the recommendation with NERC to determine that it is not incompatible with existing related NERC reliability standards. If the EC determines that this recommended action is appropriate, we also request that you provide direction to the Task Force that it be done expeditiously, and that the recommendation and any revisions be brought back to the Executive Committee at its next scheduled meeting.

We commend the Time and Inadvertent Management Task Force for acting in a deliberate, timely and proper manner to bring this current recommendation forward, and in no circumstance should our suggestions be viewed as opposition to the recommendation before you today, or indeed as any criticism of the work completed by the Task Force. Rather, we wish to ensure that the EC is satisfied that there are no inadvertent and substantive effects upon NERC's existing reliability standards when it takes final action consistent with NAESB's standards development process.

With best regards for a successful EC meeting,

M.D. Desselle

Michael D. Desselle

Chairman, NAESB

Kathy York

Kathy York

NAESB WEQ Executive Committee Chair

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Business Practices Subcommittee**
Request No.: **2008 Annual Plan – Item 1a(ii)**
Request Title: **Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
DRAFT

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:

___Initiation
__X_Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
__X_Modification
___Interpretation
___Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Following the split of the NERC IRO-006 (Reliability Coordination – Transmission Loading Relief) reliability standard there were several parts of the remaining reliability standard identified through the work of the Joint NERC/NAESB TLR Drafting Team as having a commercial nature. Some of these were processed into the NAESB Business Practice Standard WEQ-008 as minor corrections. Others, such as the modifications sought in this recommendation, fall under the "continuous support" umbrella of the 2008 Annual Plan Item 1a(ii).

There were also two sections of the resultant WEQ-008 standard identified as having unintentional omissions made during the "split" which changed the intent of the original reliability standard in the commercial process to be followed by the Reliability Coordinator during TLR-5A and TLR-5b. It was also discovered in Appendix C that a table shown there was not complete and a figure was incorrectly labelled.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
Request No.:	**2008 Annual Plan – Item 1a(ii)**
Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
	DRAFT

This recommendation seeks (1) to dispell the notion that the nine TLR Levels addressed in the NAESB WEQ-008 Business Practice Standards must be utilized sequentially, (2) to move a sentence left in the IRO-006 reliability standard under TLR Level 4 to the WEQ-008 Business Practice Standard, (3) to restore to WEQ-008 Business Practices the intent and language of the sequential, three-step process found in Sections 2.6.2 (TLR-5a) and 2.7.2 (TLR-5b) of Attachment 1, NERC IRO-006-3 (and all previous versions) and (4) to correct the "Allocation Based on Weighted Impact" table and supporting figure found in Appendix C.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Business Practices Subcommittee**
Request No.: **2008 Annual Plan – Item 1a(ii)**
Request Title: **Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
DRAFT

RECOMMENDED STANDARDS:

[Blue, italicized text to be added to WEQ-008 Business Practice Standard]

(1)

WEQ-008-3 EASTERN INTERCONNECTION PROCEDURE FOR PHYSICAL CURTAILMENT OF INTERCHANGE TRANSACTIONS

It shall be recognized that a Reliability Coordinator shall have the option to enter any TLR Level deemed necessary to protect the reliability of the Bulk Electric System. The nine Levels of TLR stated in WEQ-008 are not intended to ~~suggest~~ require a sequence ~~to~~ be followed by the Reliability Coordinator during the implementation of TLR procedures.

(2)

WEQ-008-3.5.3 *The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities.*

(3)

008-3.6 TLR LEVEL 5a
When a Reliability Coordinator has initiated a TLR level 5a, the Reliability Coordinator shall allow additional Interchange Transactions using Firm Transmission Service to be implemented after all Interchange Transactions using Non-Firm Transmission Service have been curtailed. The Reliability Coordinator shall reallocate Transmission Service by curtailing on a pro rata basis Interchange Transactions using Firm Transmission Service to allow additional Interchange Transactions using Firm Transmission Service to start on a pro rata basis. These actions shall be taken in accordance with the NERC-approved tag submission deadline for Reallocation.

008-3.6.1 The Reliability Coordinator shall only consider those Interchange Transactions at or above the Curtailment Threshold for which the Interconnection-wide TLR procedure is called.

008-3.6.2 The Reliability Coordinator shall use the following *sequential, three-step* process for reallocation of Interchange Transactions using Firm Transmission Service:

008-3.6.2.1 *Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying known re-dispatch options that are

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
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available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.

008-3.6.2.1.1 If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while simultaneously implementing other actions as described in this requirement.

008-3.6.2.2 *Step 2 --* The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility or Flowgate caused by Interchange Transactions utilizing Firm Transmission Service that are at or above the Curtailment Threshold and the Transmission Provider's Native Load and untagged Network Integration Transmission Service, as required by the Transmission Provider's filed tariff and as described in requirement 3.11, "Parallel flow calculation procedure for reallocating or curtailing Firm Transmission Service."

008-3.6.2.3 *Step 3 --* The Reliability Coordinator shall curtail or reallocate Interchange Transactions utilizing Firm Transmission Service and ask for relief from the Transmission Provider's Native Load and untagged Network Integration Transmission Service as identified in requirement 3.6.2.2 to allow the start of additional Interchange Transactions utilizing Firm Transmission Service provided those transactions were submitted in accordance to the NERC-approved tag submission deadline for Reallocation during TLR level 5a.

008-3.6.2.3.1 The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments are required by the Transmission Provider's tariff.

008-3.6.2.3.2 The Reliability Coordinator will assist the Transmission Provider to ensure that available re-dispatch options will continue to be implemented.

008-3.7 TLR LEVEL 5b
When a Reliability Coordinator has initiated a TLR level 5b (curtail Interchange Transactions using Firm Transmission Service to mitigate a SOL or IROL violation), the Reliability Coordinator *shall have curtailed all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold. The Reliability Coordinator shall* take the following actions:

008-3.7.1 The Reliability Coordinator shall use the following *sequential, three-step* process for curtailment of Interchange Transactions using Firm Transmission Service:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

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008-3.7.1.1	*Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known re-dispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.
008-3.7.1.1.1	If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while *proceeding to Steps 2 and 3*, as described in this requirement.
008-3.7.1.2	*Step 2 --* The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility or Flowgate caused by Interchange Transactions utilizing Firm Transmission Service that are at or above the Curtailment Threshold and the Transmission Provider's Native Load and untagged Network Integration Transmission Service, as required by the Transmission Provider's filed tariff and as described in Requirement 3.11, "Parallel flow calculation procedure for reallocating or curtailing Firm Transmission Service."
008-3.7.1.3	*Step 3 --* The Reliability Coordinator shall curtail Firm Interchange Transactions utilizing Firm Transmission Service and shall ask for relief from the Transmission Provider's Native Load and untagged Network Integration Transmission Service as calculated in requirement 3.7.1.2 until the SOL or IROL violation has been mitigated.
008-3.7.1.3.1	The Reliability Coordinator will assist the Transmission Provider to ensure that available re-dispatch options will continue to be implemented.
008-3.7.1.3.2	The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Native Load and untagged Network Integration Transmission Service customers if such curtailments are required by the Transmission Provider's tariff.

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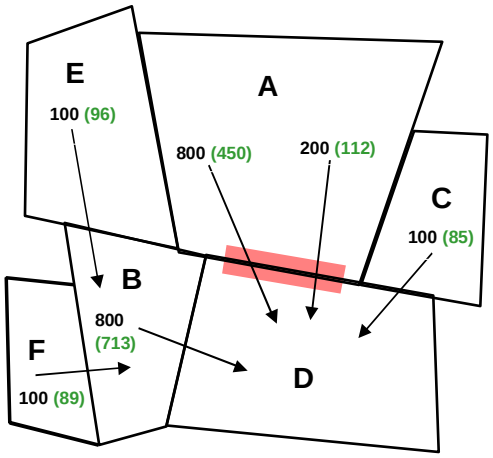
(4) [The following table and figure will replace those presently found in Appendix C]

	Allocation Based on Weighted Impact								
	1	2	3	4	5	6	7	8	9
Transaction ID	Initial Transaction	Distribution Factor	(1)*(2) Impact On Interface	(2)/(2TOT) Impact weighting factor	(3)*(4) Weighted Max Interface Reduction	(5)*(Relief Requested) /(5 Tot) Interface Reduction	(6)/(2) Transaction Reduction	(1)-(7) New Transaction Amount	(8)*(2) Adjusted Impact On Interface
Example 1									
A-D(1)	800	0.6	480	0.34	164.57	209.73	349.54	450.46	270.27
A-D(2)	200	0.6	120	0.34	41.14	52.43	87.39	112.61	67.57
B-D	800	0.15	120	0.09	10.29	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.11	2.29	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.03	0.14	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.09	1.29	1.64	10.92	89.08	13.36
	2100	**1.75**	**760**		**219.71**	**280.00**	**553.45**	**1546.55**	**480.00**
Example 2									
A-D(1)	1000	0.6	600	0.52	313.04	262.16	436.93	563.07	337.84
B-D	800	0.15	120	0.13	15.65	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.17	3.48	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.04	0.22	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.13	1.96	1.64	10.92	89.08	13.36
	2100	**1.15**	**760**		**334.35**	**280.00**	**553.45**	**1546.55**	**480.00**
Example 3									
A-D(1A)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1B)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1C)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1D)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(2)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
B-D	800	0.15	120	0.04	5.07	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.06	1.13	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.01	0.07	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.04	0.63	1.64	10.92	89.08	13.36
	2100	**3.55**	**760**		**108.31**	**280.00**	**553.45**	**1546.55**	**480.00**



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
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Request No.:	**2008 Annual Plan – Item 1a(ii)**
Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
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4. SUPPORTING DOCUMENTATION

a. Description of Request:

2008 WEQ Annual Plan – Item 1 a (ii)

Item 1 a. Make Version 2 changes to business practices as requested.

Part (ii) Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in Version 2 development.

b. Description of Recommendation:

(1)

Address the "built up approach" issue identified by the Joint NERC/NAESB TLR Standards Drafting Team. Insert language into Section 3 of WEQ-008 to clarify that the Reliability Coordinator has the discretion to enter any TLR level in order to respond to the reliability needs of the Bulk Electric System. Add additional language, as originally found in Section 2.7.1 of NERC IRO-006-3, to Section 3.7 (TLR-5b) of WEQ-008 Business Paractice Standards to require that "all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed" upon entering a TLR-5b.

(2)

Move the first sentence of Section 2.5.2 in Attachment 1 of NERC Standard IRO-006-4 to WEQ-008 Business Practices, Section 3.5 (TLR Level 4). This added sentence will become WEQ-008-3.5.3 and will read, "The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities."

(3)

Add language to clarify the intent of the original sequential, three-step process found in Section 2.6.2 (TLR-5a) and Section 2.7.2 (TLR-5b) of Attachment 1 of IRO-006-3.

(4)

Replace imcomplete "Allocation Based on Weighted Impact" table found in Appendix C with complete table and remove incorrect lable from the table's accompanying figure. The figure has no label.

c. Business Purpose:

Following the original split of the NERC IRO-006 (Reliability Coordination – Transmission Loading Relief) reliability standard, there are a few sections of the remaining reliability standard identified through the work of the Joint NERC/NAESB TLR Drafting Team as having a commercial nature. These sections were not included in the original split as decided by the WEQ Executive Committee in August, 2007 and were not included in the NAESB WEQ Version 1 Business Practices Booklet, filed with FERC in late 2007.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
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These sections need to be included in the Business Practice in order to bring the NAESB Business Practice and the NERC Reliability Standard into synch with each other.

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

(1) & **(2)** The changes to the business practices reflect agreements between the Joint NERC/NAESB TLR Standards Drafting Team (TLR SDT) in previous meetings. Below is a link to the November 27-28, 2007 meeting minutes where the standards were discussed.

Please see "5. Phase III Work" and "Attachment 1; List of Phase III Changes; #8" of the below linked document.

http://www.nerc.com/docs/standards/dt/TLRDT_Meeting_Notes_2007Nov27_28.pdf

(3) The unintentional omissions of language in Section 3.6 (TLR-5a) and Section 3.7 (TLR-5b) of WEQ-008 were discovered in the course of work being performed on the "Joint NERC/NAESB System Operator's Transmission Loading Relief (TLR) Reference Manual" by the TLR SDT.

The following contains the complete text of Section 2.6 (TLR-5a) and Section 2.7 (TLR-5b) of Attachment 1 of NERC Reliabiity Standard IRO-006-3 and is included for reference:

2.6. TLR Level 5a — Reallocation of Transmission Service by curtailing Interchange Transactions using Firm Point-to-Point Transmission Service on a pro rata basis to allow additional Interchange Transactions using Firm Point-to-Point Transmission Service

2.6.1. The Reliability Coordinator shall use the following circumstances to establish the need for entering TLR Level 5a**:**

- The transmission system is secure.
- One or more transmission facilities are at their SOL or IROL.
- All Interchange Transactions using Non-firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed.
- The Transmission Provider has been requested to begin an Interchange Transaction using previously arranged Firm Transmission Service that would result in a SOL or IROL violation.
- No further transmission reconfiguration is possible or effective.

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2.6.2. Reallocation procedures to allow new Interchange Transactions using Firm Point-to-Point Transmission Service to start. The Reliability Coordinator shall use the following three-step process for Reallocation of Interchange Transactions using Firm Point-to-Point Transmission Service:

2.6.2.1. Step 1 — Identify available redispatch options. The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known redispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities. If such redispatch options are deemed insufficient to mitigate loading on the Constrained Facilities, the Reliability Coordinator shall proceed to implement these options while proceeding to Steps 2 and 3 below.

2.6.2.2. Step 2 — The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility caused by both Firm Point-to-Point Transmission Service (at or above the Curtailment Threshold) and the Transmission Provider's Network Integration Transmission Service and Native Load, as required by the Transmission Provider's filed tariff. This is described in Section 5, "Parallel Flow Calculation Procedure for Reallocating or Curtailing Firm Transmission Service."

2.6.2.3. Step 3 — Curtail Interchange Transactions using Firm Transmission Service. The Reliability Coordinator shall curtail or reallocate on a pro-rata basis (based on the MW level of the MW total to all such Interchange Transactions), those Interchange Transactions as calculated in Section 7.2.2 over the Constrained Facilities. (See also Section 6, "Interchange Transaction Reallocation during TLR 3a and 5a.") The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments are required by the Transmission Provider's tariff. Available redispatch options will continue to be implemented.

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2.7. TLR Level 5b — Curtail Interchange Transactions using Firm Point-to-Point Transmission Service to mitigate an SOL or IROL violation

2.7.1. The Reliability Coordinator shall use following circumstances to establish the need for entering TLR Level 5b**:**

- One or more Transmission Facilities are operating above their SOL or IROL, or
- Such operation is imminent, or
- One or more Transmission Facilities will exceed their SOL or IROL upon the removal from service of a generating unit or another transmission facility.
- All Interchange Transactions using Non-firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed.
- No further transmission reconfiguration is possible or effective.

2.7.2. The Reliability Coordinator shall use the following three-step process for curtailment of Interchange Transactions using Firm Point-to-Point Transmission Service:

2.7.2.1. Step 1 — Identify available redispatch options. The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known redispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities. If such redispatch options are deemed insufficient to mitigate loading on the Constrained Facilities, the Reliability Coordinator shall proceed to implement these options while proceeding to Steps 2 and 3 below.

2.7.2.2. Step 2 — The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility caused by both Firm Point-to-Point Transmission Service (at or above the Curtailment Threshold) and the Transmission Provider's Network Integration Transmission Service and Native Load, as required by the Transmission Provider's filed tariff. This is described in Section 5, "Parallel Flow Calculation Procedure for Reallocating or Curtailing Firm Transmission Service."

2.7.2.3. Step 3 — Curtailment of Interchange Transactions using Firm Transmission Service. At this point, the Reliability Coordinator shall begin the process of curtailing Interchange Transactions as calculated in Section 2.7.2.2 over the Constrained Facilities using Firm Point-to-Point Transmission Service until the SOL or IROL violation has been mitigated. The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

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are required by the Transmission Providers' tariff. Available redispatch options will continue to be implemented.

(4) The table and figure shown in Appendix C were found to be incomplete and mis-labeled, respectively. This change makes the needed corrections.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

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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
___ 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:

Following the split of the NERC IRO-006 (Reliability Coordination – Transmission Loading Relief) reliability standard there were several parts of the remaining reliability standard identified through the work of the Joint NERC/NAESB TLR Drafting Team as having a commercial nature. Some of these were processed into the NAESB Business Practice Standard WEQ-008 as minor corrections. Others, such as the modifications sought in this recommendation, fall under the "continuous support" umbrella of the 2008 Annual Plan Item 1a(ii).

There were also two sections of the resultant WEQ-008 standard identified as having unintentional omissions made during the "split" which changed the intent of the original reliability standard in the commercial process to be followed by the Reliability Coordinator during TLR-5A and TLR-5b. It was also discovered in Appendix C that a table shown there was not complete and a figure was incorrectly labelled.

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This recommendation seeks (1) to dispell the notion that the nine TLR Levels addressed in the NAESB WEQ-008 Business Practice Standards must be utilized sequentially, (2) to move a sentence left in the IRO-006 reliability standard under TLR Level 4 to the WEQ-008 Business Practice Standard, (3) to restore to WEQ-008 Business Practices the intent and language of the sequential, three-step process found in Sections 2.6.2 (TLR-5a) and 2.7.2 (TLR-5b) of Attachment 1, NERC IRO-006-3 (and all previous versions) and (4) to correct the "Allocation Based on Weighted Impact" table and supporting figure found in Appendix C.

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RECOMMENDED STANDARDS:

[Blue, italicized text to be added to WEQ-008 Business Practice Standard]

(1)

WEQ-008-3 EASTERN INTERCONNECTION PROCEDURE FOR PHYSICAL CURTAILMENT OF INTERCHANGE TRANSACTIONS

It shall be recognized that a Reliability Coordinator shall have the option to enter any TLR Level deemed necessary to protect the reliability of the Bulk Electric System. The nine Levels of TLR stated in WEQ-008 are not intended to require a sequence be followed by the Reliability Coordinator during the implementation of TLR procedures.

(2)

WEQ-008-3.5.3 *The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities.*

(3)

008-3.6 TLR LEVEL 5a
When a Reliability Coordinator has initiated a TLR level 5a, the Reliability Coordinator shall allow additional Interchange Transactions using Firm Transmission Service to be implemented after all Interchange Transactions using Non-Firm Transmission Service have been curtailed. The Reliability Coordinator shall reallocate Transmission Service by curtailing on a pro rata basis Interchange Transactions using Firm Transmission Service to allow additional Interchange Transactions using Firm Transmission Service to start on a pro rata basis. These actions shall be taken in accordance with the NERC-approved tag submission deadline for Reallocation.

008-3.6.1 The Reliability Coordinator shall only consider those Interchange Transactions at or above the Curtailment Threshold for which the Interconnection-wide TLR procedure is called.

008-3.6.2 The Reliability Coordinator shall use the following *sequential, three-step* process for reallocation of Interchange Transactions using Firm Transmission Service:

008-3.6.2.1 *Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying known re-dispatch options that are

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available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.

008-3.6.2.1.1 If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while simultaneously implementing other actions as described in this requirement.

008-3.6.2.2 *Step 2 --* The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility or Flowgate caused by Interchange Transactions utilizing Firm Transmission Service that are at or above the Curtailment Threshold and the Transmission Provider's Native Load and untagged Network Integration Transmission Service, as required by the Transmission Provider's filed tariff and as described in requirement 3.11, "Parallel flow calculation procedure for reallocating or curtailing Firm Transmission Service."

008-3.6.2.3 *Step 3 --* The Reliability Coordinator shall curtail or reallocate Interchange Transactions utilizing Firm Transmission Service and ask for relief from the Transmission Provider's Native Load and untagged Network Integration Transmission Service as identified in requirement 3.6.2.2 to allow the start of additional Interchange Transactions utilizing Firm Transmission Service provided those transactions were submitted in accordance to the NERC-approved tag submission deadline for Reallocation during TLR level 5a.

008-3.6.2.3.1 The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments are required by the Transmission Provider's tariff.

008-3.6.2.3.2 The Reliability Coordinator will assist the Transmission Provider to ensure that available re-dispatch options will continue to be implemented.

008-3.7 TLR LEVEL 5b
When a Reliability Coordinator has initiated a TLR level 5b (curtail Interchange Transactions using Firm Transmission Service to mitigate a SOL or IROL violation), the Reliability Coordinator *shall have curtailed all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold. The Reliability Coordinator shall* take the following actions:

008-3.7.1 The Reliability Coordinator shall use the following *sequential, three-step* process for curtailment of Interchange Transactions using Firm Transmission Service:

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008-3.7.1.1	*Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known re-dispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.
008-3.7.1.1.1	If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while *proceeding to Steps 2 and 3*, as described in this requirement.
008-3.7.1.2	*Step 2 --* The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility or Flowgate caused by Interchange Transactions utilizing Firm Transmission Service that are at or above the Curtailment Threshold and the Transmission Provider's Native Load and untagged Network Integration Transmission Service, as required by the Transmission Provider's filed tariff and as described in Requirement 3.11, "Parallel flow calculation procedure for reallocating or curtailing Firm Transmission Service."
008-3.7.1.3	*Step 3 --* The Reliability Coordinator shall curtail Firm Interchange Transactions utilizing Firm Transmission Service and shall ask for relief from the Transmission Provider's Native Load and untagged Network Integration Transmission Service as calculated in requirement 3.7.1.2 until the SOL or IROL violation has been mitigated.
008-3.7.1.3.1	The Reliability Coordinator will assist the Transmission Provider to ensure that available re-dispatch options will continue to be implemented.
008-3.7.1.3.2	The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Native Load and untagged Network Integration Transmission Service customers if such curtailments are required by the Transmission Provider's tariff.

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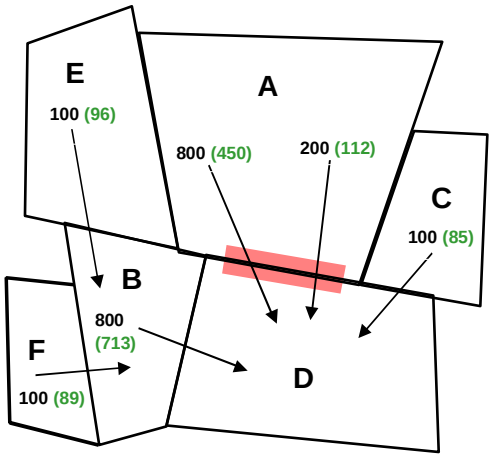
(4) [The following table and figure will replace those presently found in Appendix C]

	Allocation Based on Weighted Impact								
	1	2	3	4	5	6	7	8	9
Transaction ID	Initial Transaction	Distribution Factor	(1)*(2) Impact On Interface	(2)/(2TOT) Impact weighting factor	(3)*(4) Weighted Max Interface Reduction	(5)*(Relief Requested) /(5 Tot) Interface Reduction	(6)/(2) Transaction Reduction	(1)-(7) New Transaction Amount	(8)*(2) Adjusted Impact On Interface
Example 1									
A-D(1)	800	0.6	480	0.34	164.57	209.73	349.54	450.46	270.27
A-D(2)	200	0.6	120	0.34	41.14	52.43	87.39	112.61	67.57
B-D	800	0.15	120	0.09	10.29	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.11	2.29	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.03	0.14	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.09	1.29	1.64	10.92	89.08	13.36
	2100	**1.75**	**760**		**219.71**	**280.00**	**553.45**	**1546.55**	**480.00**
Example 2									
A-D(1)	1000	0.6	600	0.52	313.04	262.16	436.93	563.07	337.84
B-D	800	0.15	120	0.13	15.65	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.17	3.48	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.04	0.22	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.13	1.96	1.64	10.92	89.08	13.36
	2100	**1.15**	**760**		**334.35**	**280.00**	**553.45**	**1546.55**	**480.00**
Example 3									
A-D(1A)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1B)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1C)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1D)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(2)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
B-D	800	0.15	120	0.04	5.07	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.06	1.13	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.01	0.07	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.04	0.63	1.64	10.92	89.08	13.36
	2100	**3.55**	**760**		**108.31**	**280.00**	**553.45**	**1546.55**	**480.00**



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

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4. SUPPORTING DOCUMENTATION

a. Description of Request:

2008 WEQ Annual Plan – Item 1 a (ii)

Item 1 a. Make Version 2 changes to business practices as requested.

Part (ii) Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in Version 2 development.

b. Description of Recommendation:

(1)

Address the "built up approach" issue identified by the Joint NERC/NAESB TLR Standards Drafting Team. Insert language into Section 3 of WEQ-008 to clarify that the Reliability Coordinator has the discretion to enter any TLR level in order to respond to the reliability needs of the Bulk Electric System. Add additional language, as originally found in Section 2.7.1 of NERC IRO-006-3, to Section 3.7 (TLR-5b) of WEQ-008 Business Paractice Standards to require that "all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed" upon entering a TLR-5b.

(2)

Move the first sentence of Section 2.5.2 in Attachment 1 of NERC Standard IRO-006-4 to WEQ-008 Business Practices, Section 3.5 (TLR Level 4). This added sentence will become WEQ-008-3.5.3 and will read, "The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities."

(3)

Add language to clarify the intent of the original sequential, three-step process found in Section 2.6.2 (TLR-5a) and Section 2.7.2 (TLR-5b) of Attachment 1 of IRO-006-3.

(4)

Replace imcomplete "Allocation Based on Weighted Impact" table found in Appendix C with complete table and remove incorrect lable from the table's accompanying figure. The figure has no label.

c. Business Purpose:

Following the original split of the NERC IRO-006 (Reliability Coordination – Transmission Loading Relief) reliability standard, there are a few sections of the remaining reliability standard identified through the work of the Joint NERC/NAESB TLR Drafting Team as having a commercial nature. These sections were not included in the original split as decided by the WEQ Executive Committee in August, 2007 and were not included in the NAESB WEQ Version 1 Business Practices Booklet, filed with FERC in late 2007.

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These sections need to be included in the Business Practice in order to bring the NAESB Business Practice and the NERC Reliability Standard into synch with each other.

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

(1) & **(2)** The changes to the business practices reflect agreements between the Joint NERC/NAESB TLR Standards Drafting Team (TLR SDT) in previous meetings. Below is a link to the November 27-28, 2007 meeting minutes where the standards were discussed.

Please see "5. Phase III Work" and "Attachment 1; List of Phase III Changes; #8" of the below linked document.

http://www.nerc.com/docs/standards/dt/TLRDT_Meeting_Notes_2007Nov27_28.pdf

(3) The unintentional omissions of language in Section 3.6 (TLR-5a) and Section 3.7 (TLR-5b) of WEQ-008 were discovered in the course of work being performed on the "Joint NERC/NAESB System Operator's Transmission Loading Relief (TLR) Reference Manual" by the TLR SDT.

The following contains the complete text of Section 2.6 (TLR-5a) and Section 2.7 (TLR-5b) of Attachment 1 of NERC Reliabiity Standard IRO-006-3 and is included for reference:

2.6. TLR Level 5a — Reallocation of Transmission Service by curtailing Interchange Transactions using Firm Point-to-Point Transmission Service on a pro rata basis to allow additional Interchange Transactions using Firm Point-to-Point Transmission Service

2.6.1. The Reliability Coordinator shall use the following circumstances to establish the need for entering TLR Level 5a**:**

- The transmission system is secure.
- One or more transmission facilities are at their SOL or IROL.
- All Interchange Transactions using Non-firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed.
- The Transmission Provider has been requested to begin an Interchange Transaction using previously arranged Firm Transmission Service that would result in a SOL or IROL violation.
- No further transmission reconfiguration is possible or effective.

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2.6.2. Reallocation procedures to allow new Interchange Transactions using Firm Point-to-Point Transmission Service to start. The Reliability Coordinator shall use the following three-step process for Reallocation of Interchange Transactions using Firm Point-to-Point Transmission Service:

2.6.2.1. Step 1 — Identify available redispatch options. The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known redispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities. If such redispatch options are deemed insufficient to mitigate loading on the Constrained Facilities, the Reliability Coordinator shall proceed to implement these options while proceeding to Steps 2 and 3 below.

2.6.2.2. Step 2 — The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility caused by both Firm Point-to-Point Transmission Service (at or above the Curtailment Threshold) and the Transmission Provider's Network Integration Transmission Service and Native Load, as required by the Transmission Provider's filed tariff. This is described in Section 5, "Parallel Flow Calculation Procedure for Reallocating or Curtailing Firm Transmission Service."

2.6.2.3. Step 3 — Curtail Interchange Transactions using Firm Transmission Service. The Reliability Coordinator shall curtail or reallocate on a pro-rata basis (based on the MW level of the MW total to all such Interchange Transactions), those Interchange Transactions as calculated in Section 7.2.2 over the Constrained Facilities. (See also Section 6, "Interchange Transaction Reallocation during TLR 3a and 5a.") The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments are required by the Transmission Provider's tariff. Available redispatch options will continue to be implemented.

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2.7. TLR Level 5b — Curtail Interchange Transactions using Firm Point-to-Point Transmission Service to mitigate an SOL or IROL violation

2.7.1. The Reliability Coordinator shall use following circumstances to establish the need for entering TLR Level 5b**:**

- One or more Transmission Facilities are operating above their SOL or IROL, or
- Such operation is imminent, or
- One or more Transmission Facilities will exceed their SOL or IROL upon the removal from service of a generating unit or another transmission facility.
- All Interchange Transactions using Non-firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed.
- No further transmission reconfiguration is possible or effective.

2.7.2. The Reliability Coordinator shall use the following three-step process for curtailment of Interchange Transactions using Firm Point-to-Point Transmission Service:

2.7.2.1. Step 1 — Identify available redispatch options. The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known redispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities. If such redispatch options are deemed insufficient to mitigate loading on the Constrained Facilities, the Reliability Coordinator shall proceed to implement these options while proceeding to Steps 2 and 3 below.

2.7.2.2. Step 2 — The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility caused by both Firm Point-to-Point Transmission Service (at or above the Curtailment Threshold) and the Transmission Provider's Network Integration Transmission Service and Native Load, as required by the Transmission Provider's filed tariff. This is described in Section 5, "Parallel Flow Calculation Procedure for Reallocating or Curtailing Firm Transmission Service."

2.7.2.3. Step 3 — Curtailment of Interchange Transactions using Firm Transmission Service. At this point, the Reliability Coordinator shall begin the process of curtailing Interchange Transactions as calculated in Section 2.7.2.2 over the Constrained Facilities using Firm Point-to-Point Transmission Service until the SOL or IROL violation has been mitigated. The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments

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are required by the Transmission Providers' tariff. Available redispatch options will continue to be implemented.

(4) The table and figure shown in Appendix C were found to be incomplete and mis-labeled, respectively. This change makes the needed corrections.

FORMAL COMMENTS

Quadrant:	Wholesale Electric Quadrant
Recommendation:	2008 WEQ AP Item 1.a.ii Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III
Submitted By:	Standards Review Subcommittee
Date:	October 22, 2008

Under the Standards Review Subcommittee Scope of Work, which was approved by the SRS on March 6, 2008, the SRS agreed to review recommendations and if subcommittee deemed appropriate, they would submit advisory comments to the Executive Committee for consideration. As stated in the Scope of Work these comments are "not intended to change the scope of the Business Practices or recommendation, but to provide consistency and uniformity across all WEQ Business Practices."

The SRS is requesting the Executive Committee consider the following advisory comments in their review of this recommendation:

3. RECOMMENDATION SUMMARY:

In the second paragraph change TLR-5A to TLR-5a to be consistent with the remaining references and with WEQ-008

In the second paragraph change labelled to labeled.

3. RECOMMENDATION RECOMMENDED STANDARDS:

The SRS suggests that the entire revised Appendix C be included in the Recommended Standards to clearly display that the following text is being deleted:

> This flowchart depicts an overview of the Transaction Management and Curtailment process. Detailed decisions are not shown.

4. SUPPORTING DOCUMENTATION b. Description of Recommendation

Under item (4), change lable to label.

Comments Submitted by C. Feagans, Tennessee Valley Authority

Formal Comments to the NAESB Business Practices Subcommittee - Submitted by the Tennessee Valley Authority on:

2008 WEQ Annual Plan Item 1.a.ii – "Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III"

008-3.6.2.1 *Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying known re-dispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.

008-3.6.2.1.1 If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while simultaneously implementing other actions as described in this requirement.

Comment:

To improve clarity of this business practice, the redispatch options that the Transmission Customer has available should be explained. The redispatch options the Transmission Customer has are the redispatch options that were identified and sold as part of the transmission service. If transmission service has been sold to a Transmission Customer that provides for redispatch service, then the Transmission Operator will make that available to the Transmission Customer, and if implemented, presumably the Transmission Customer will be charged for that redispatch service. If the Transmission Customer has not purchased the right for redispatch service, then it is not available to the Transmission Customer. If the Transmission Customer has purchased that service, and if implementation solves the constraint, then proceeding to Steps 2 and 3 to implement TLR 5 is not needed.

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

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Entergy Formal Comments

Ed Davis
Entergy Services
10-24-08

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:

___Initiation
__X__Modification
___Interpretation
___Withdrawal

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

Per Recommendation:

___Initiation
__X__Modification
___Interpretation
___Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

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Following the split of the NERC IRO-006 (Reliability Coordination – Transmission Loading Relief) reliability standard, there were several parts of the remaining reliability standard identified through the work of the Joint NERC/NAESB TLR Drafting Team as having a commercial nature. Some of these were processed into the NAESB Business Practice Standard WEQ-008 as minor corrections. Others, such as the modifications sought in this recommendation, fall under the "continuous support" umbrella of the 2008 Annual Plan Item 1a(ii).

There were also two sections of the resultant WEQ-008 standard identified as having unintentional omissions made during the "split" which changed the intent of the original reliability standard in the commercial process to be followed by the Reliability Coordinator during TLR-5A and TLR-5b. It was also discovered in Appendix C that a table ~~shown~~ therein was ~~not~~ incomplete and a figure therein was incorrectly labelled.

This recommendation seeks (1) to dispell the notion that the nine TLR Levels addressed in the NAESB WEQ-008 Business Practice Standards must be utilized sequentially, (2) to move a sentence left in the IRO-006 reliability standard under TLR Level 4 to the WEQ-008 Business Practice Standard, (3) to restore, to the WEQ-008 Business Practices, the intent and language of the sequential, three-step process found in Sections 2.6.2 (TLR-5a) and 2.7.2 (TLR-5b) of Attachment 1, NERC IRO-006-3 (and all previous versions) and (4) to correct the "Allocation Based on Weighted Impact" table and supporting figure ~~found~~ in Appendix C.

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
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Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III DRAFT**

RECOMMENDED STANDARDS:

[Blue, italicized text to be added to WEQ-008 Business Practice Standard]

(1)

WEQ-008-3 EASTERN INTERCONNECTION PROCEDURE FOR PHYSICAL CURTAILMENT OF INTERCHANGE TRANSACTIONS

It shall be recognized that a Reliability Coordinator shall have the option to enter any TLR Level deemed necessary to protect the reliability of the Bulk Electric System. The nine Levels of TLR stated in WEQ-008 are not intended to require a sequence be followed by the Reliability Coordinator during the implementation of TLR procedures.

(2)

WEQ-008-3.5.3 *The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities.*

(3)

008-3.6 TLR LEVEL 5a
When a Reliability Coordinator has initiated a TLR level 5a, the Reliability Coordinator shall allow additional Interchange Transactions using Firm Transmission Service to be implemented after all Interchange Transactions using Non-Firm Transmission Service have been curtailed. The Reliability Coordinator shall reallocate Transmission Service by curtailing, on a pro rata basis, Interchange Transactions using Firm Transmission Service to allow additional Interchange Transactions using Firm Transmission Service to start on a pro rata basis. These actions shall be taken in accordance with the NERC-approved tag submission deadline for Reallocation.

008-3.6.1 The Reliability Coordinator shall only consider those Interchange Transactions at or above the Curtailment Threshold for which the Interconnection-wide TLR procedure is called.

008-3.6.2 The Reliability Coordinator shall use the following *sequential, three-step* process for reallocation of Interchange Transactions using Firm Transmission Service:

008-3.6.2.1 *Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying known re-dispatch options that are

Comments Submitted by E. Davis, Energy Services

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available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.

008-3.6.2.1.1 If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while simultaneously implementing other actions as described in this requirement.

008-3.6.2.2 *Step 2 --* The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility or Flowgate caused by Interchange Transactions utilizing Firm Transmission Service that are at or above the Curtailment Threshold, ~~and~~ the Transmission Provider's Native Load, and untagged Network Integration Transmission Service, as required by the Transmission Provider's filed tariff and as described in requirement 3.11, "Parallel flow calculation procedure for reallocating or curtailing Firm Transmission Service."

008-3.6.2.3 *Step 3 --* The Reliability Coordinator shall curtail or reallocate Interchange Transactions utilizing Firm Transmission Service and ask for relief from the Transmission Provider's Native Load and untagged Network Integration Transmission Service as identified in requirement 3.6.2.2 to allow the start of additional Interchange Transactions utilizing Firm Transmission Service, provided those transactions were submitted in accordance ~~to~~with the NERC-approved tag submission deadline for Reallocation during TLR level 5a.

008-3.6.2.3.1 The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments are required by the Transmission Provider's tariff.

008-3.6.2.3.2 The Reliability Coordinator will assist the Transmission Provider to ensure that available re-dispatch options will continue to be implemented.

008-3.7 TLR LEVEL 5b
When a Reliability Coordinator has initiated a TLR level 5b (curtail Interchange Transactions using Firm Transmission Service to mitigate a SOL or IROL violation), the Reliability Coordinator *shall have curtailed all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold. The Reliability Coordinator shall* then take the following actions:

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Business Practices Subcommittee**
Request No.: **2008 Annual Plan – Item 1a(ii)**
Request Title: **Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
DRAFT

008-3.7.1	The Reliability Coordinator shall use the following *sequential, three-step* process for curtailment of Interchange Transactions using Firm Transmission Service:
008-3.7.1.1	*Step 1 --* The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known re-dispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities or Flowgates.
008-3.7.1.1.1	If such re-dispatch options are deemed insufficient to mitigate loading on the Constrained Facilities or Flowgates, the Reliability Coordinator shall continue to implement these re-dispatch options while *proceeding to Steps 2 and 3*, as described in this requirement.
008-3.7.1.2	*Step 2 --* The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility or Flowgate caused by Interchange Transactions utilizing Firm Transmission Service that are at or above the Curtailment Threshold, ~~and~~ the Transmission Provider's Native Load, and untagged Network Integration Transmission Service, as required by the Transmission Provider's filed tariff and as described in Requirement 3.11, "Parallel flow calculation procedure for reallocating or curtailing Firm Transmission Service."
008-3.7.1.3	*Step 3 --* The Reliability Coordinator shall curtail Firm Interchange Transactions utilizing Firm Transmission Service and shall ask for relief from the Transmission Provider's Native Load and untagged Network Integration Transmission Service as calculated in requirement 3.7.1.2 until the SOL or IROL violation has been mitigated.
008-3.7.1.3.1	The Reliability Coordinator will assist the Transmission Provider to ensure that available re-dispatch options will continue to be implemented.
008-3.7.1.3.2	The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Native Load and untagged Network Integration Transmission Service customers if such curtailments are required by the Transmission Provider's tariff.

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

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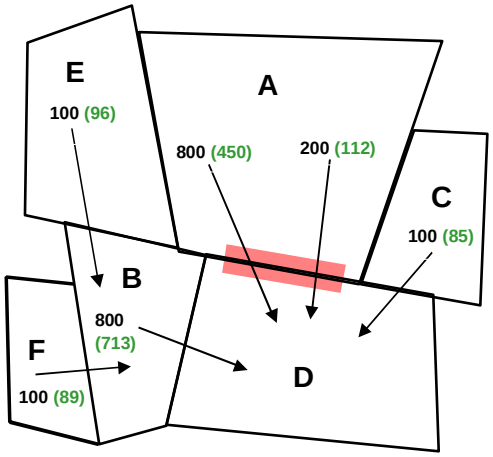
(4) [The following table and figure will replace those presently found in Appendix C]

	Allocation Based on Weighted Impact								
	1	2	3	4	5	6	7	8	9
Transaction ID	Initial Transaction	Distribution Factor	(1)*(2) Impact On Interface	(2)/(2TOT) Impact weighting factor	(3)*(4) Weighted Max Interface Reduction	(5)*(Relief Requested) /(5 Tot) Interface Reduction	(6)/(2) Transaction Reduction	(1)-(7) New Transaction Amount	(8)*(2) Adjusted Impact On Interface
Example 1									
A-D(1)	800	0.6	480	0.34	164.57	209.73	349.54	450.46	270.27
A-D(2)	200	0.6	120	0.34	41.14	52.43	87.39	112.61	67.57
B-D	800	0.15	120	0.09	10.29	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.11	2.29	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.03	0.14	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.09	1.29	1.64	10.92	89.08	13.36
	2100	**1.75**	**760**		**219.71**	**280.00**	**553.45**	**1546.55**	**480.00**
Example 2									
A-D(1)	1000	0.6	600	0.52	313.04	262.16	436.93	563.07	337.84
B-D	800	0.15	120	0.13	15.65	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.17	3.48	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.04	0.22	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.13	1.96	1.64	10.92	89.08	13.36
	2100	**1.15**	**760**		**334.35**	**280.00**	**553.45**	**1546.55**	**480.00**
Example 3									
A-D(1A)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1B)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1C)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(1D)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
A-D(2)	200	0.6	120	0.17	20.28	52.43	87.39	112.61	67.57
B-D	800	0.15	120	0.04	5.07	13.11	87.39	712.61	106.89
C-D	100	0.2	20	0.06	1.13	2.91	14.56	85.44	17.09
E-B	100	0.05	5	0.01	0.07	0.18	3.64	96.36	4.82
F-B	100	0.15	15	0.04	0.63	1.64	10.92	89.08	13.36
	2100	**3.55**	**760**		**108.31**	**280.00**	**553.45**	**1546.55**	**480.00**



Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
Request No.:	**2008 Annual Plan – Item 1a(ii)**
Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
	DRAFT

4. SUPPORTING DOCUMENTATION

a. Description of Request:

2008 WEQ Annual Plan – Item 1 a (ii)

Item 1 a. Make Version 2 changes to business practices as requested.

Part (ii) Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in Version 2 development.

b. Description of Recommendation:

(1)

Address the "built up approach" issue identified by the Joint NERC/NAESB TLR Standards Drafting Team. Insert language into Section 3 of WEQ-008 to clarify that the Reliability Coordinator has the discretion to enter any TLR level in order to respond to the reliability needs of the Bulk Electric System. Add additional language, as originally found in Section 2.7.1 of NERC IRO-006-3, to Section 3.7 (TLR-5b) of WEQ-008 Business Paractice Standards to require that "all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed" upon entering a TLR-5b.

(2)

Move the first sentence of Section 2.5.2 in Attachment 1 of NERC Standard IRO-006-4 to WEQ-008 Business Practices, Section 3.5 (TLR Level 4). This added sentence will become WEQ-008-3.5.3 and will read, "The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities."

(3)

Add language to clarify the intent of the original sequential, three-step process found in Section 2.6.2 (TLR-5a) and Section 2.7.2 (TLR-5b) of Attachment 1 of IRO-006-3.

(4)

Replace imcomplete "Allocation Based on Weighted Impact" table found in Appendix C with complete table and remove incorrect lable from the table's accompanying figure. The figure has no label.

c. Business Purpose:

Following the original split of the NERC IRO-006 (Reliability Coordination – Transmission Loading Relief) reliability standard, there are a few sections of the remaining reliability standard identified through the work of the Joint NERC/NAESB TLR Drafting Team as having a commercial nature. These sections were not included in the original split as decided by the WEQ Executive Committee in August, 2007 and were not included in the NAESB WEQ Version 1 Business Practices Booklet, filed with FERC in late 2007.

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
Request No.:	**2008 Annual Plan – Item 1a(ii)**
Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III DRAFT**

These sections need to be included in the Business Practice in order to bring the NAESB Business Practice and the NERC Reliability Standard into synch with each other.

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

(1) & **(2)** The changes to the business practices reflect agreements between the Joint NERC/NAESB TLR Standards Drafting Team (TLR SDT) in previous meetings. Below is a link to the November 27-28, 2007 meeting minutes where the standards were discussed.

Please see "5. Phase III Work" and "Attachment 1; List of Phase III Changes; #8" of the below linked document.

http://www.nerc.com/docs/standards/dt/TLRDT_Meeting_Notes_2007Nov27_28.pdf

(3) The unintentional omissions of language in Section 3.6 (TLR-5a) and Section 3.7 (TLR-5b) of WEQ-008 were discovered in the course of work being performed on the "Joint NERC/NAESB System Operator's Transmission Loading Relief (TLR) Reference Manual" by the TLR SDT.

The following contains the complete text of Section 2.6 (TLR-5a) and Section 2.7 (TLR-5b) of Attachment 1 of NERC Reliabiity Standard IRO-006-3 and is included for reference:

2.6. TLR Level 5a — Reallocation of Transmission Service by curtailing Interchange Transactions using Firm Point-to-Point Transmission Service on a pro rata basis to allow additional Interchange Transactions using Firm Point-to-Point Transmission Service

2.6.1. The Reliability Coordinator shall use the following circumstances to establish the need for entering TLR Level 5a**:**

- The transmission system is secure.
- One or more transmission facilities are at their SOL or IROL.
- All Interchange Transactions using Non-Ff irm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed.
- The Transmission Provider has been requested to begin an Interchange Transaction using previously arranged Firm Transmission Service that would result in a SOL or IROL violation.
- No further transmission reconfiguration is possible or effective.

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
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Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
	DRAFT

2.6.2. Reallocation procedures to allow new Interchange Transactions using Firm Point-to-Point Transmission Service to start. The Reliability Coordinator shall use the following three-step process for Reallocation of Interchange Transactions using Firm Point-to-Point Transmission Service:

2.6.2.1. Step 1 — Identify available redispatch options. The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known redispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities. If such redispatch options are deemed insufficient to mitigate loading on the Constrained Facilities, the Reliability Coordinator shall proceed to implement these options while proceeding to Steps 2 and 3 below.

2.6.2.2. Step 2 — The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility caused by both Firm Point-to-Point Transmission Service (at or above the Curtailment Threshold) and the Transmission Provider's Network Integration Transmission Service and Native Load, as required by the Transmission Provider's filed tariff. This is described in Section 5, "Parallel Flow Calculation Procedure for Reallocating or Curtailing Firm Transmission Service."

2.6.2.3. Step 3 — Curtail Interchange Transactions using Firm Transmission Service. The Reliability Coordinator shall curtail or reallocate on a pro-rata basis (based on the MW level of the MW total to all such Interchange Transactions), those Interchange Transactions as calculated in Section 7.2.2 over the Constrained Facilities. (See also Section 6, "Interchange Transaction Reallocation during TLR 3a and 5a.") The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments are required by the Transmission Provider's tariff. Available redispatch options will continue to be implemented.

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

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Request No.: **2008 Annual Plan – Item 1a(ii)**
Request Title: **Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
DRAFT

2.7. TLR Level 5b — Curtail Interchange Transactions using Firm Point-to-Point Transmission Service to mitigate an SOL or IROL violation

2.7.1. The Reliability Coordinator shall use following circumstances to establish the need for entering TLR Level 5b**:**

- One or more Transmission Facilities are operating above their SOL or IROL, or
- Such operation is imminent, or
- One or more Transmission Facilities will exceed their SOL or IROL upon the removal from service of a generating unit or another transmission facility.
- All Interchange Transactions using Non-Ff irm Point-to-Point Transmission Service that are at or above the Curtailment Threshold have been curtailed.
- No further transmission reconfiguration is possible or effective.

2.7.2. The Reliability Coordinator shall use the following three-step process for curtailment of Interchange Transactions using Firm Point-to-Point Transmission Service:

2.7.2.1. Step 1 — Identify available redispatch options. The Reliability Coordinator shall assist the Transmission Operator(s) in identifying those known redispatch options that are available to the Transmission Customer that will mitigate the loading on the Constrained Facilities. If such redispatch options are deemed insufficient to mitigate loading on the Constrained Facilities, the Reliability Coordinator shall proceed to implement these options while proceeding to Steps 2 and 3 below.

2.7.2.2. Step 2 — The Reliability Coordinator shall calculate the percent of the overload on the Constrained Facility caused by both Firm Point-to-Point Transmission Service (at or above the Curtailment Threshold) and the Transmission Provider's Network Integration Transmission Service and Native Load, as required by the Transmission Provider's filed tariff. This is described in Section 5, "Parallel Flow Calculation Procedure for Reallocating or Curtailing Firm Transmission Service."

2.7.2.3. Step 3 — Curtailment of Interchange Transactions using Firm Transmission Service. At this point, the Reliability Coordinator shall begin the process of curtailing Interchange Transactions as calculated in Section 2.7.2.2 over the Constrained Facilities using Firm Point-to-Point Transmission Service until the SOL or IROL violation has been mitigated. The Reliability Coordinator shall assist the Transmission Provider in curtailing Transmission Service to Network Integration Transmission Service customers and Native Load if such curtailments

Comments Submitted by E. Davis, Energy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Business Practices Subcommittee**
Request No.:	**2008 Annual Plan – Item 1a(ii)**
Request Title:	**Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III**
	DRAFT

are required by the Transmission Providers' tariff. Available redispatch options will continue to be implemented.

(4) The table and figure shown in Appendix C were found to be incomplete and mis-labeled, respectively. This change makes the needed corrections.

Formal comments submitted by Southern Company Services

Formal Comments for 2008 WEQ Annual Plan Item 1.a.ii – "Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III"

Discussion:
Item 1: Page 3, Recommended Standards, Item (2)
WEQ-008-3.5.3 — *The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities.*
Comments to Item 1:
1. The Standards for TLR Level 5a and 5b respectively indicate in Step 1 that load mitigation is concerned with Constrained Facilities and Flowgates. In the Standard for TLR Level 4, mitigation is only concerned with Constrained Facilites. This does not appear to be consistent. Flowgates should be a part of TLR Level 4 Standard.
Item 1: Page, Recommendation Standards, Item (2) recommended redline:
WEQ-008-3.5.3 — *The issuance of a TLR Level 4 shall result in the curtailment, in the current hour and the next hour, of all Interchange Transactions using Non-Firm Point-to-Point Transmission Service that are at or above the Curtailment Threshold that impact the Constrained Facilities and Flowgates.*

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title:	**Rollover Rights on Redirect on a Firm basis**

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:

The Commission has issued various clarifications on its intended policy regarding the granting of rollover (renewal, evergreen) rights to requests for Redirect on a Firm basis in Orders 676, 890 and 890-A. The following recommendation is a modification to WEQ-001-0.nn, WEQ-001-9.5.3, WEQ-001-9.7, WEQ-001-y Rollover Rights section including y.3, WEQ-003, WEQ-013-2.1, and WEQ-013-2.6.2 to reflect these clarifications in policy and implement the necessary standards for treatment of rollover rights for requests to Redirect on a Firm basis.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

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Request Title:	**Rollover Rights on Redirect on a Firm basis**

Please refer to Section 4(a) for information related to the relevant FERC rulings, and Section 4(d) for the rationale behind the specific recommendations presented.

This recommendation addresses the following WEQ 2008 Annual Plan Items:

- 2(a)(iv)(3): Revisions to Standard 9.7 (This item also addresses work in 2006 WEQ AP 3a(x).)
- 3(a).vii: Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order).
- 6(l): Develop business practice and technical standards for assigning, tracking, and limiting rollover rights. (R07004)

RECOMMENDED STANDARDS:

Add to WEQ-001 Definitions; enumeration to be established by NAESB staff at time of ratification:

001-0.nn **Unexercised Rollover Rights** – The amount of capacity that is held on a Long-Term Firm Point-to-Point Transmission Service reservation and eligible for on-going rollover or renewal of service as established by the Transmission Provider at the time service was granted less the capacity held on any confirmed service reservations for renewal of those rollover rights for a subsequent term of service and less any capacity conveyed as an on-going rollover right to a qualifying confirmed Redirect on a Firm Basis.

The following modifications to WEQ-001-9.5.3:

001-9.5.3 Redirects on a Fim basis shall have all the rights and obligations of an original reservation for Firm service (with the exception of renewal/roll-over rights as specified in WEQ-001-9.7), including the rights to be Redirected on a Firm and/or Non-Firm basis.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title:	**Rollover Rights on Redirect on a Firm basis**

The following modifications to WEQ-001-9.7

~~**001-9.7** Unless otherwise mutually agreed to by the primary provider and original customer, a request for Redirect on a Firm basis does not impact the TC's long term firm renewal rights (e.g., rollover or evergreen rights) on the original path, nor does it confer any renewal rights on the redirected path.~~

001-9.7 A Transmission Customer's Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights to the redirected path because that is the path to which it has rights at the end of the service agreement.

Modifications to approved Standards Recommendation under 2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1 for WEQ-001-y Rollover Rights:

001-y Rollover Rights

001-y.1 The Transmission Provider, upon approving a Long-Term Firm Point-to-Point request with rollover rights, shall post on OASIS the information relevant to the rollover rights associated with that request. Such information shall be posted such that it can be viewed and queried using the ***transtatus*** and ***rollover*** templates (see WEQ-002 and WEQ-013).

~~**001-y.2** Upon confirmation of a renewal Long Term Firm Point-to-Point request by a Transmission Customer who exercises rollover rights, the Transmission Provider shall reduce the rollover capacity in the parent reservation's ***rollover*** template by the capacity granted of the renewal reservation.~~

001-y.2 To exercise the on-going rollover rights associated with a Long-Term Firm Point-to-Point reservation, the Transmission Customer shall submit a request to renew their service for a new term prior to the deadline to notify the Transmission Provider to exercise those rights and in accordance with WEQ-013.

001-y.2.1 Submission of a request to renew service in an amount that exceeds the Long-Term Firm Point-to-Point reservation's current Unexercised Rollover Rights shall be deemed an invalid request.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters: **ESS/ITS Subcommittees**
Request No.: **2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title: **Rollover Rights on Redirect on a Firm basis**

001-y.2.2 The Transmission Customer shall not confirm any request to renew service that would exceed the Unexercised Rollover Rights at that point in time (i.e., at the time of attempted confirmation and over the time interval of the renewal request). The Transmission Provider shall have the right to block any such confirmation.

001-y.2.3 The Transmission Customer should withdraw any request to renew service that would exceed the current Unexercised Rollover Rights associated with the Long-Term Firm Point-to-Point reservation being renewed. The Transmission Provider shall have the right to withdraw their acceptance of any request to renew service that cannot be confirmed due to limitations in the Unexercised Rollover Rights held on the Long-Term Firm Point-to-Point reservation by setting the OASIS standard STATUS data element to the value of SUPERSEDED.

001-y.2.4 Upon confirmation of a Long-Term Firm Point-to-Point renewal request by the Transmission Customer exercising their rollover rights, the Transmission Provider shall reduce the rollover capacity (i.e., the Unexercised Rollover Rights) as viewed in the parent reservation's ***rollover*** template by the capacity granted to the renewal reservation.

001-y.3 Once the deadline for the Transmission Customer to submit a renewal request has passed for a Long-Term Firm Point-to-Point reservation and there are no outstanding pending renewal requests, the Transmission Provider shall set the rollover capacity associated with that reservation (i.e.,the Unexercised Rollover Rights) to zero.

The following modifications to WEQ-003-0:

003-0 OASIS DATA DICTIONARY, Version 1.5				
Data Dictionary Element Name	**Alias**	**Field Format : minimum characters {type of ASCII} maximum character**	**Restricted Values**	**Definition of Data Element**

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

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Request No.: **2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title: **Rollover Rights on Redirect on a Firm basis**

		s		
REQUEST_TYPE	REQTYPE	1{ALPHA}30	Valid Values: ORIGINAL RESALE RENEWAL MATCHING DEFERRAL REDIRECT RELINQUISH FULL_TRANSFER PART_TRANSFER RECALL {Registered}	ORIGINAL – typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service). RESALE –secondary market requests submitted to a Transmission Customer as Secondary Provider. RENEWAL –request to exercise~~renew an expiring transmission reservation that has~~ rollover rights. 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. RELINQUISH –request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation. FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another. PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER. RECALL - request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation {registered} – Primary Provider's may register values for REQUEST_TYPE to implement specific provisions of their Tariffs.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title:	**Rollover Rights on Redirect on a Firm basis**

The following modifications to WEQ-013-2.1:

013-2.1 TRANSACTION REQUEST TYPES

The following are the valid OASIS transaction request types (template data element REQUEST_TYPE) that may be submitted by the Transmission Customer unless otherwise noted, along with a brief description of their intended use:

ORIGINAL = typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service)

RESALE = secondary market requests for assignment of scheduling rights submitted to a Transmission Customer as Secondary Provider

RENEWAL = request to exercise~~renew an expiring transmission reservation that has~~ rollover rights

MATCHING = request to meet or exceed a competing request to retain transmission service (right of first refusal)

DEFERRAL = request to defer or apply for an 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

RELINQUISH = request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation

FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another.

PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
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RECALL = request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation

{registered} = A Primary Provider may register values for REQUEST_TYPE to implement specific provisions of their Tariff.

This Implementation Guide contains detailed descriptions on the use of each transaction REQUEST_TYPE and explains the business processes to be implemented in association with each of these requests as specified by the OASIS Business Practice Standards, WEQ-001.

The following modifications to WEQ-013-2.6.2:

013-2.6.2 RENEWAL Requests

Transmission Customers shall use the REQUEST_TYPE of RENEWAL only to exercise rollover rights ~~associated with an existing transmission service reservation held by the Transmission Customer~~. RENEWAL requests must always specify the Primary Provider as SELLER.

The following are specific restrictions or requirements for OASIS service requests with REQUEST_TYPE of RENEWAL.

Data Element	Restriction/Requirement
REQUEST_TYPE	Must be RENEWAL
RELATED_REF	Must specify the ASSIGNMENT_REF associated with an existing confirmed transmission service reservation or a pending Redirect on a Firm basis held by the Transmission Customer that 1) has rollover rights or may be conveyed rollover rights, and 2) whose rollover rights have not expired.
SELLER_CODE	Must match PRIMARY_PROVIDER_CODE
SELLER_DUNS	Must match PRIMARY_PROVIDER_DUNS
PATH	Must represent the same corresponding service points in the reservation/request specified in RELATED_REF
POINT_OF_RECEIPT	
POINT_OF_DELIVERY	
SOURCE	
SINK	

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Data Element	Restriction/Requirement
SERVICE_INCREMENT	Must specify a set of valid transmission service attributes recognized by the Primary Provider as a valid service designation eligible for exercising of rollover rights held by the reservation/request specified in RELATED_REF
TS_CLASS	
TS_TYPE	
TS_PERIOD	
TS_WINDOW	
TS_SUBCLASS	
START_TIME	Must match the STOP_TIME of the reservation/request specified in RELATED_REF
STOP_TIME	With START_TIME, must specify a valid interval of service eligible for exercising of renewal/rollover rights held by the reservation/request specified in RELATED_REF
CAPACITY_REQUESTED	Must be less than or equal to the amount of capacity eligible for renewal/rollover over the interval of service
BID_PRICE	Must specify the price to be paid for the service requested

Note: Elements are listed on basis of importance, which may be different from the order required in the template.

RENEWAL requests must be submitted on OASIS prior to expiration of the Transmission Customer's rollover rights as established by the Tariff or business practice.

CUSTOMER_CODE and CUSTOMER_DUNS in the RENEWAL request should correspond to the CUSTOMER_CODE and CUSTOMER_DUNS in the RELATED_REF reservation. If not, the Transmission Provider should verify that the submitting Customer has a valid agency agreement with the original transmission service agreement holder and is authorized to submit such a request on behalf of that entity.

The transmission service attributes, e.g., TS_CLASS, etc., should match the corresponding attributes in the reservation specified in RELATED_REF. However, changes may be made to these attributes over time such that some differences are necessary to accommodate changes in the Primary Provider's business practices. This also applies to changes in service points, e.g., PATH, etc., over time.

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RENEWAL requests may be subject to offering of partial service and negotiation and limitation of on-going rollover rights just as an ORIGINAL request.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

In the FERC Order 676-C under Docket No. RM05-5-000 dated April 25, 2006, the Commission made the following conclusions:

> *51. Standard 001-9.7 does not specify clearly the parties' responsibilities with respect to the ability of a customer requesting a firm redirect to obtain rollover rights on the redirect path.[1] Under section 22.2 of the pro forma OATT, a request for a firm redirect is like a request for new transmission service. The transmission provider, therefore, is required to offer rollover rights to a customer requesting a firm redirect if rollover rights are available on the redirect path. However, the transmission provider may not operationally be able to offer rollover rights on the requested redirect path due to reasonably forecasted native load needs for the transmission capacity.*
>
> *52. Standard 001-9.7 provides that "unless otherwise mutually agreed to by the primary provider and original customer, a request for a Redirect on a Firm basis … [does not] confer any renewal rights on the redirect path." (Emphasis added). This phrase could be interpreted to mean that the parties to an agreement may mutually agree to eliminate rollover rights and that a transmission provider may agree, but is not obligated, to offer rollover rights on the redirect path even when such rights are available. These provisions are inconsistent with the pro forma OATT and the Commission's policies. In addition, the last phrase of the standard also conflicts with the last sentence of section 22.2 of the pro forma OATT, which is limited to the period while the new request for service is pending.*

[1] Standard 001-9.7 appears consistent with section 22.2 of the existing pro forma OATT insofar as it provides that a customer requesting a firm redirect does not relinquish its rollover rights over its primary path simply by making the request.

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Therefore, we will not adopt Standard 001-9.7 at this time, but will allow the WEQ to reconsider the standard and to adopt a revised standard consistent with the Commission's policies.

53. The comments on this issue show that there is confusion in the industry regarding the provisions of sections 22.1 and 22.2 of the pro forma OATT. To assist the WEQ in developing a standard that is consistent with the Commission's policy, we offer the following guidance.

54. Section 22 of the pro forma OATT addresses changes in service specifications. Section 22.1 pertains to modifications on a non-firm basis and section 22.2 covers modifications on a firm basis. Under section 22.1, a firm point-to-point transmission customer may request non-firm transmission service at secondary receipt and delivery points (points other than those specified in the service agreement). Section 22.1(c) provides that the transmission customer shall retain its right to schedule firm point-to-point transmission service at the receipt and delivery points specified in its relevant service agreement in the amount of its original capacity reservation.

55. Under section 22.2, any request by a transmission customer to modify receipt and delivery points on a firm basis is treated as a new request for service. This section also provides that, "[w]hile such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement" (emphasis added). Once the new request is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

56. Bonneville asserts that the Commission has stated that the redirect requestor retains section 2.2 reservation priority rights on its original path. [2] *Under section 22.1(c), which pertains to redirects on a non-firm basis,*

[2] As explained in the notice of inquiry in Docket No. RM05-25-000, 70 FR 55796, FERC Stats. & Regs. ¶ 35,553 at P 18 (2005), section 2.2 of the pro forma OATT (Reservation Priority for Existing Firm Service Customers) provides that "existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more) have the right to continue to take transmission service from the public utility transmission provider when the contract expires, rolls over or is renewed. It specifically provides that this transmission

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the transmission customer retains its right to schedule firm point-to-point service on its original path. This means that the transmission customer retains its original rights on its original path including its rollover rights on its original path and the requestor does not obtain new rollover rights on the redirected path. However, there is no similar provision in section 22.2 for redirects on a firm basis.[3]

57. Southern Companies argues that a request by a transmission customer to redirect service on a firm basis cannot change that customer's rollover rights on the original path and does not confer rollover rights on the redirected path. We disagree. Section 22.2 provides that, while a transmission customer's request for new service on a firm basis is pending, the transmission customer retains its priority for service on its existing path, including rollover rights on its existing path. However, once a transmission customer's request for firm transmission service at new receipt and delivery points is accepted and confirmed, the new reservation governs the rights at the new receipt and delivery points and the transmission customer can obtain rollover rights with respect to the redirected capacity. In addition, at the time the transmission customer's request for the redirected capacity is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

58. As part of its process of review, NAESB identified several questions that were raised regarding rollover rights under the pro forma OATT during members' deliberations on Standard 001-9.7. These questions generally raised issues with respect to whether customers retain rollover rights on both the original and the redirected path.

59. A long-term firm transmission customer may request multiple, successive redirects and, as provided in section 22.2 of the pro forma OATT, each such successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. As a new request for service, each request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be

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reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the public utility transmission provider or elects to purchase capacity and energy from another supplier."

[3] Bonneville at 2.

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able to provide rollover rights on the new, redirected path. For example, assume a transmission customer with a one-year agreement for service between points A and B. If the transmission customer seeks to redirect on a firm basis in month 4 to points C to D and then redirect back to points A to B thereafter, at the end of the one year agreement the transmission customer would have rollover rights only with respect to points A to B.[4] With the same assumptions, if the transmission customer begins with points A to B, but redirects in month 4 to points C to D for the remainder of the one-year agreement, the transmission customer would have rollover rights only with respect to points C to D. If the transmission provider is unable to provide rollover rights on any redirected path, whether to points C to D or, thereafter, to points A to B, it would have to demonstrate at the time of the redirect request that it has native load growth or contracts that commence in the future that prevent it from providing rollover rights.[5]

60. If a transmission provider claims, either at the time of the original transmission request or at the time of a redirect request, that it is unable to provide rollover rights because it has native load growth or a contract that commences in the future, it must still offer transmission service for the time preceding the native load growth or commencement of the future contract. As explained above, however, it may limit rollover rights based on native load growth or contracts that commence in the future.

61. Further, if a transmission customer with a long-term firm transmission agreement requests to redirect on a firm basis for one month and then redirect on a firm basis back to its original receipt and delivery points for the remainder of the term of the agreement, such requests do not convert its existing long-term firm transmission service agreement into separate short-term transmission service agreements.[6] Under this scenario, the transmission customer has rollover rights for the original receipt and delivery points, because those are the points to which it has rights at the end of the agreement.

[4] The Commission assumes that a transmission customer would make the two requests to redirect to points C to D and then back to points A to B at the same time. Otherwise, the transmission customer would put itself at risk of not being able to redirect back to points A to B because of an intervening request for transmission service.

[5] See, e.g., Tenaska Power Services Co. v. Southwest Power Pool, Inc., 99 FERC 61,344 (2002), reh'g denied, 102 FERC ¶ 61,140 at P 33, 38 (2003); Nevada Power Company, 97 FERC ¶ 61,324, at 62,492 (2001).

[6] See, e.g., Commonwealth Edison Co., 95 FERC ¶ 61,027 (2001).

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In the FERC Order 890 under Docket Nos. RM05-17-000 and RM05-25-000 dated February 16, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

> *1280. Commission policy allows a redirect of firm, long-term service to retain rollover rights, even if the redirect is requested for a shorter period. In other words, the rollover right follows the redirect, regardless of the duration of the redirect. Contrary to the comments of Bonneville, MISO, and Southern, the Commission did not impose this requirement for the first time in Order No. 676, but merely provided guidance to the industry by restating Commission policy on this matter. The Commission has explained in prior orders that a transmission customer making a firm redirect request does not convert its original long-term firm transmission service to short-term service, nor does it lose its rollover rights under its long-term firm transmission service agreement. The Commission's concern underlying this policy is that long-term customers should not need to choose between redirecting on a firm basis and maintaining rollover rights, rather their rollover rights should be retained consistent with the long-term nature of their service.*
>
> *1281. In Commonwealth Edison Co., the Commission explained that a "request to change a delivery point on a firm basis for one month and then to revert to its original delivery point does not convert its existing long-term firm transmission service agreement into two separate short-term transmission service agreements."782 The Commission stated that section 22.2 was intended to provide flexibility to transmission customers to permit them to react in a competitive market and that some amount of this flexibility would be lost if a long-term firm transmission customer seeking to modify its delivery points would lose its rollover rights.783 782 95 FERC ¶ 61,027 at 61,083 (2001). 783 The Commission, however, recognized that this flexibility was not unlimited – any change to a delivery point is treated as a new request for service for purposes of the availability of capacity.*
>
> *1282. The Commission affirmed this policy in American Electric Power Service Corp.784 In that case, a long-term transmission customer (Exelon) had been granted a short-term redirect, but denied rollover rights on the redirected path. The Commission found the denial of rollover rights*

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was improper, since the "redirect request made by Exelon did not convert Exelon's long-term firm transmission service to short-term service, and therefore, did not affect Exelon's rollover rights under its long-term firm transmission service agreement."785 Thus, there is no inconsistency between the Commission's redirect policy and Order No. 676.

In the FERC Order 890-A under Docket Nos. RM05-17-001, 002 and RM05-25-001, 002 dated December 28, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

704. The Commission denies petitioners' requests to amend the rights of rollover customers to redirect their service. Under section 22.2 of the pro forma OATT, a request for a firm redirect must be treated like a request for new transmission service.[1] As a new request for service, each redirect request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new redirected path. The transmission provider is required to offer rollover rights to a customer requesting a firm redirect only if rollover rights are available on the redirected path, i.e., to the extent not restricted based on reasonable forecasts of native load growth or preexisting contracts that commence in the future.[2]

705. As the Commission explained in Order No. 890, rollover rights follow the redirect regardless of the duration of the redirect.[3] A transmission customer making a firm redirect request does not convert its original long-term firm transmission service agreement into two short-term service agreements, nor does it lose its rollover rights under its long-term firm transmission service agreement.[4] At the same time, a customer can exercise its rollover right only at the end of the contract. Thus, if a customer with rollover rights chooses to redirect its capacity for less than the full remaining term of the contract, absent some further request to redirect, the original path will automatically be reinstated and rollover

[1] See Order No. 890 at P 1268.
[2] See Order No. 676 at P 51.
[3] Order No. 890 at P 1280.
[4] Id.; see also Commonwealth Edison Co., 95 FERC ¶ 61,027 at 61,083 (2001) (explaining that a request to change delivery points on a firm basis for one month, followed by a reversion to the original points does not convert the existing long-term firm agreement into two separate short-term agreements); American Electric Power Service Corp., 97 FERC ¶ 61,207 at 61,905-06 (2001).

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rights would remain on only the original path. By contrast, if the customer chooses to redirect its capacity until the end of its contract, the customer would have rollover rights along only the redirected path, and only to the extent not restricted based on native load growth or future contracts along the redirected path.

706. We therefore reject requests to restrict rollover rights to longer-term redirects. A long-term transmission customer may request multiple, successive redirects for firm service. This discretion is limited by the fact that each successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. Each request is therefore subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rights on the new, redirected path.[5] If the customer has not been granted rollover rights for a redirect that extends to the end of its contract, the redirected service will terminate on the same date as the parent service.

707. We also reiterate that a customer cannot exercise any rollover rights unless it first has provided the appropriate notice to the transmission provider. If a customer requests and is granted a rollover right prior to the relevant notice deadline (60 days for pre-Order No. 890 agreements or one year for all others) and subsequently requests and is granted a redirect for firm service for the remainder of the contract term (i.e., within the notice period), the new reservation governs the rights at the new receipt and delivery points and the customer can obtain rollover rights with respect to the redirected capacity to the extent rollover rights are available for the redirected points. If, however, a customer fails to request a rollover right prior to the relevant notice deadline, the customer forfeits rollover rights along the current or any redirected path.

[5] For example, assume a transmission customer with a five-year agreement for firm service between points A and B, who qualifies for rollover rights on that path. If the transmission customer seeks to redirect on a firm basis in year 3 to points C to D and then redirect back to points A and B thereafter, at the end of the five year agreement the transmission customer would have rollover rights only with respect to points A to B. If, however, the transmission customer seeks to redirect to points C and D for the last six months of the contract term and both qualifies for rollover rights on this path and has requested rollover within the notice period of the contract, the customer would then have rollover rights only with respect to points C and D. See Order No. 676 at P 59.

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b. Description of Recommendation:

c. Business Purpose:

Implementation of FERC Orders.

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

001-9.7: FERC declined to adopt 9.7 and asked NAESB to reconsider FERC policy with respect to conveyance of rollover rights. Hence, this standard recommendation.

~~NAESB will need to add appropriate links to this section.~~

- Rollover of Redirects Motion
- Rollover of Redirects Concepts
- ESS/ITS Meeting Minutes February 11-12, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes July 15-16, 2008 (unavailable – DC)
- ESS/ITS Meeting Minutes August 20-22, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes September 3, 2008 (unavailable – DC)

Additional Background documentation

- 2006 WEQ Annual Plan Item (3)(a)(x) Recommendation, which was remanded back to the subcommittee by the Executive Committee at the August 14-15, 2006 meeting.
- Standards Request R07004 Business practice and technical standards for assigning, tracking, and limiting rollover rights.

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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:

The Commission has issued various clarifications on its intended policy regarding the granting of rollover (renewal, evergreen) rights to requests for Redirect on a Firm basis in Orders 676, 890 and 890-A. The following recommendation is a modification to WEQ-001-0.nn, WEQ-001-9.5.3, WEQ-001-9.7, WEQ-001-y Rollover Rights section including y.3, WEQ-003, WEQ-013-2.1, and WEQ-013-2.6.2 to reflect these clarifications in policy and implement the necessary standards for treatment of rollover rights for requests to Redirect on a Firm basis.

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Please refer to Section 4(a) for information related to the relevant FERC rulings, and Section 4(d) for the rationale behind the specific recommendations presented.

This recommendation addresses the following WEQ 2008 Annual Plan Items:

- 2(a)(iv)(3): Revisions to Standard 9.7 (This item also addresses work in 2006 WEQ AP 3a(x).)
- 3(a).vii: Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order).
- 6(l): Develop business practice and technical standards for assigning, tracking, and limiting rollover rights. (R07004)

RECOMMENDED STANDARDS:

Add to WEQ-001 Definitions; enumeration to be established by NAESB staff at time of ratification:

001-0.nn **Unexercised Rollover Rights** – The amount of capacity that is held on a Long-Term Firm Point-to-Point Transmission Service reservation and eligible for on-going rollover or renewal of service as established by the Transmission Provider at the time service was granted less the capacity held on any confirmed service reservations for renewal of those rollover rights for a subsequent term of service and less any capacity conveyed as an on-going rollover right to a qualifying confirmed Redirect on a Firm Basis.

The following modifications to WEQ-001-9.5.3:

001-9.5.3 Redirects on a Fim basis shall have all the rights and obligations of an original reservation for Firm service (with the exception of renewal/roll-over rights as specified in WEQ-001-9.7), including the rights to be Redirected on a Firm and/or Non-Firm basis.

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The following modifications to WEQ-001-9.7

001-9.7 A Transmission Customer's Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights to the redirected path because that is the path to which it has rights at the end of the service agreement.

Modifications to approved Standards Recommendation under 2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1 for WEQ-001-y Rollover Rights:

001-20 Rollover Rights

001-20.1 The Transmission Provider, upon approving a Long-Term Firm Point-to-Point request with rollover rights, shall post on OASIS the information relevant to the rollover rights associated with that request. Such information shall be posted such that it can be viewed and queried using the ***transtatus*** and ***rollover*** templates (see WEQ-002 and WEQ-013).

001-20.2 To exercise the on-going rollover rights associated with a Long-Term Firm Point-to-Point reservation, the Transmission Customer shall submit a request to renew their service for a new term prior to the deadline to notify the Transmission Provider to exercise those rights and in accordance with WEQ-013.

001-y.2.1 Submission of a request to renew service in an amount that exceeds the Long-Term Firm Point-to-Point reservation's current Unexercised Rollover Rights shall be deemed an invalid request.

001-y.2.2 The Transmission Customer shall not confirm any request to renew service that would exceed the Unexercised Rollover Rights at that point in time (i.e., at the time of attempted confirmation and over the time interval of the renewal request). The Transmission Provider shall have the right to block any such confirmation.

001-y.2.3 The Transmission Customer should withdraw any request to renew service that would exceed the current Unexercised Rollover Rights associated with the Long-Term Firm Point-to-Point reservation being renewed. The Transmission Provider shall have the right to withdraw

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their acceptance of any request to renew service that cannot be confirmed due to limitations in the Unexercised Rollover Rights held on the Long-Term Firm Point-to-Point reservation by setting the OASIS standard STATUS data element to the value of SUPERSEDED.

001-y.2.4 Upon confirmation of a Long-Term Firm Point-to-Point renewal request by the Transmission Customer exercising their rollover rights, the Transmission Provider shall reduce the rollover capacity (i.e., the Unexercised Rollover Rights) as viewed in the parent reservation's ***rollover*** template by the capacity granted to the renewal reservation.

001-y.3 Once the deadline for the Transmission Customer to submit a renewal request has passed for a Long-Term Firm Point-to-Point reservation and there are no outstanding pending renewal requests, the Transmission Provider shall set the rollover capacity associated with that reservation (i.e.,the Unexercised Rollover Rights) to zero.

The following modifications to WEQ-003-0:

003-0 OASIS DATA DICTIONARY, Version 1.5				
Data Dictionary Element Name	**Alias**	**Field Format : minimum characters {type of ASCII} maximum characters**	**Restricted Values**	**Definition of Data Element**
REQUEST_TYPE	REQTYPE	1{ALPHA}30	Valid Values: ORIGINAL RESALE RENEWAL MATCHING DEFERRAL REDIRECT RELINQUISH FULL_TRANSFER PART_TRANSFER RECALL	ORIGINAL – typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service). RESALE –secondary market requests submitted to a Transmission Customer as Secondary Provider. RENEWAL –request to exercise rollover rights. MATCHING –request to meet or exceed a competing request to retain transmission

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			{Registered}	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. RELINQUISH –request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation. FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another. PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER. RECALL - request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation {registered} – Primary Provider's may register values for REQUEST_TYPE to implement specific provisions of their Tariffs.

The following modifications to WEQ-013-2.1:

013-2.1 TRANSACTION REQUEST TYPES

The following are the valid OASIS transaction request types (template data element REQUEST_TYPE) that may be submitted by the Transmission Customer unless otherwise noted, along with a brief description of their intended use:

ORIGINAL = typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service)

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RESALE = secondary market requests for assignment of scheduling rights submitted to a Transmission Customer as Secondary Provider

RENEWAL = request to exercise rollover rights

MATCHING = request to meet or exceed a competing request to retain transmission service (right of first refusal)

DEFERRAL = request to defer or apply for an 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

RELINQUISH = request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation

FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another.

PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER.

RECALL = request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation

{registered} = A Primary Provider may register values for REQUEST_TYPE to implement specific provisions of their Tariff.

This Implementation Guide contains detailed descriptions on the use of each transaction REQUEST_TYPE and explains the business processes to be implemented in association with each of these requests as specified by the OASIS Business Practice Standards, WEQ-001.

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For Quadrant: WEQ

Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title:	**Rollover Rights on Redirect on a Firm basis**

The following modifications to WEQ-013-2.6.2:

013-2.6.2 RENEWAL Requests

Transmission Customers shall use the REQUEST_TYPE of RENEWAL only to exercise rollover rights. RENEWAL requests must always specify the Primary Provider as SELLER.

The following are specific restrictions or requirements for OASIS service requests with REQUEST_TYPE of RENEWAL.

Data Element	Restriction/Requirement
REQUEST_TYPE	Must be RENEWAL
RELATED_REF	Must specify the ASSIGNMENT_REF associated with an existing confirmed transmission service reservation or a pending Redirect on a Firm basis held by the Transmission Customer that 1) has rollover rights or may be conveyed rollover rights, and 2) whose rollover rights have not expired.
SELLER_CODE	Must match PRIMARY_PROVIDER_CODE
SELLER_DUNS	Must match PRIMARY_PROVIDER_DUNS
PATH	Must represent the same corresponding service points in the reservation/request specified in RELATED_REF
POINT_OF_RECEIPT	
POINT_OF_DELIVERY	
SOURCE	
SINK	
SERVICE_INCREMENT	Must specify a set of valid transmission service attributes recognized by the Primary Provider as a valid service designation eligible for exercising of rollover rights held by the reservation/request specified in RELATED_REF
TS_CLASS	
TS_TYPE	
TS_PERIOD	
TS_WINDOW	
TS_SUBCLASS	
START_TIME	Must match the STOP_TIME of the reservation/request specified in RELATED_REF
STOP_TIME	With START_TIME, must specify a valid interval of service eligible for exercising of renewal/rollover rights held by the reservation/request specified in RELATED_REF

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Data Element	Restriction/Requirement
CAPACITY_REQUESTED	Must be less than or equal to the amount of capacity eligible for renewal/rollover over the interval of service
BID_PRICE	Must specify the price to be paid for the service requested

Note: Elements are listed on basis of importance, which may be different from the order required in the template.

RENEWAL requests must be submitted on OASIS prior to expiration of the Transmission Customer's rollover rights as established by the Tariff or business practice.

CUSTOMER_CODE and CUSTOMER_DUNS in the RENEWAL request should correspond to the CUSTOMER_CODE and CUSTOMER_DUNS in the RELATED_REF reservation. If not, the Transmission Provider should verify that the submitting Customer has a valid agency agreement with the original transmission service agreement holder and is authorized to submit such a request on behalf of that entity.

The transmission service attributes, e.g., TS_CLASS, etc., should match the corresponding attributes in the reservation specified in RELATED_REF. However, changes may be made to these attributes over time such that some differences are necessary to accommodate changes in the Primary Provider's business practices. This also applies to changes in service points, e.g., PATH, etc., over time.

RENEWAL requests may be subject to offering of partial service and negotiation and limitation of on-going rollover rights just as an ORIGINAL request.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

In the FERC Order 676-C under Docket No. RM05-5-000 dated April 25, 2006, the Commission made the following conclusions:

51. Standard 001-9.7 does not specify clearly the parties' responsibilities

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with respect to the ability of a customer requesting a firm redirect to obtain rollover rights on the redirect path.[1] Under section 22.2 of the pro forma OATT, a request for a firm redirect is like a request for new transmission service. The transmission provider, therefore, is required to offer rollover rights to a customer requesting a firm redirect if rollover rights are available on the redirect path. However, the transmission provider may not operationally be able to offer rollover rights on the requested redirect path due to reasonably forecasted native load needs for the transmission capacity.

52. Standard 001-9.7 provides that "unless otherwise mutually agreed to by the primary provider and original customer, a request for a Redirect on a Firm basis … [does not] confer any renewal rights on the redirect path." (Emphasis added). This phrase could be interpreted to mean that the parties to an agreement may mutually agree to eliminate rollover rights and that a transmission provider may agree, but is not obligated, to offer rollover rights on the redirect path even when such rights are available. These provisions are inconsistent with the pro forma OATT and the Commission's policies. In addition, the last phrase of the standard also conflicts with the last sentence of section 22.2 of the pro forma OATT, which is limited to the period while the new request for service is pending. Therefore, we will not adopt Standard 001-9.7 at this time, but will allow the WEQ to reconsider the standard and to adopt a revised standard consistent with the Commission's policies.

53. The comments on this issue show that there is confusion in the industry regarding the provisions of sections 22.1 and 22.2 of the pro forma OATT. To assist the WEQ in developing a standard that is consistent with the Commission's policy, we offer the following guidance.

54. Section 22 of the pro forma OATT addresses changes in service specifications. Section 22.1 pertains to modifications on a non-firm basis and section 22.2 covers modifications on a firm basis. Under section 22.1, a firm point-to-point transmission customer may request non-firm transmission service at secondary receipt and delivery points (points other

[1] Standard 001-9.7 appears consistent with section 22.2 of the existing pro forma OATT insofar as it provides that a customer requesting a firm redirect does not relinquish its rollover rights over its primary path simply by making the request.

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than those specified in the service agreement). Section 22.1(c) provides that the transmission customer shall retain its right to schedule firm point-to-point transmission service at the receipt and delivery points specified in its relevant service agreement in the amount of its original capacity reservation.

55. Under section 22.2, any request by a transmission customer to modify receipt and delivery points on a firm basis is treated as a new request for service. This section also provides that, "[w]hile such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement" (emphasis added). Once the new request is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

56. Bonneville asserts that the Commission has stated that the redirect requestor retains section 2.2 reservation priority rights on its original path. [2] *Under section 22.1(c), which pertains to redirects on a non-firm basis, the transmission customer retains its right to schedule firm point-to-point service on its original path. This means that the transmission customer retains its original rights on its original path including its rollover rights on its original path and the requestor does not obtain new rollover rights on the redirected path. However, there is no similar provision in section 22.2 for redirects on a firm basis.* [3]

57. Southern Companies argues that a request by a transmission customer to redirect service on a firm basis cannot change that customer's rollover rights on the original path and does not confer rollover rights on the redirected path. We disagree. Section 22.2 provides that, while a transmission customer's request for new service on a firm basis is

[2] As explained in the notice of inquiry in Docket No. RM05-25-000, 70 FR 55796, FERC Stats. & Regs. ¶ 35,553 at P 18 (2005), section 2.2 of the pro forma OATT (Reservation Priority for Existing Firm Service Customers) provides that "existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more) have the right to continue to take transmission service from the public utility transmission provider when the contract expires, rolls over or is renewed. It specifically provides that this transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the public utility transmission provider or elects to purchase capacity and energy from another supplier."

[3] Bonneville at 2.

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pending, the transmission customer retains its priority for service on its existing path, including rollover rights on its existing path. However, once a transmission customer's request for firm transmission service at new receipt and delivery points is accepted and confirmed, the new reservation governs the rights at the new receipt and delivery points and the transmission customer can obtain rollover rights with respect to the redirected capacity. In addition, at the time the transmission customer's request for the redirected capacity is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

58. As part of its process of review, NAESB identified several questions that were raised regarding rollover rights under the pro forma OATT during members' deliberations on Standard 001-9.7. These questions generally raised issues with respect to whether customers retain rollover rights on both the original and the redirected path.

59. A long-term firm transmission customer may request multiple, successive redirects and, as provided in section 22.2 of the pro forma OATT, each such successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. As a new request for service, each request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new, redirected path. For example, assume a transmission customer with a one-year agreement for service between points A and B. If the transmission customer seeks to redirect on a firm basis in month 4 to points C to D and then redirect back to points A to B thereafter, at the end of the one year agreement the transmission customer would have rollover rights only with respect to points A to B.[4] With the same assumptions, if the transmission customer begins with points A to B, but redirects in month 4 to points C to D for the remainder of the one-year agreement, the transmission customer would have rollover rights only with respect to points C to D. If the transmission provider is unable to provide rollover rights on any redirected path, whether to points C to D or, thereafter, to points A to B, it would have to demonstrate at the

[4] The Commission assumes that a transmission customer would make the two requests to redirect to points C to D and then back to points A to B at the same time. Otherwise, the transmission customer would put itself at risk of not being able to redirect back to points A to B because of an intervening request for transmission service.

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time of the redirect request that it has native load growth or contracts that commence in the future that prevent it from providing rollover rights.[5]

60. If a transmission provider claims, either at the time of the original transmission request or at the time of a redirect request, that it is unable to provide rollover rights because it has native load growth or a contract that commences in the future, it must still offer transmission service for the time preceding the native load growth or commencement of the future contract. As explained above, however, it may limit rollover rights based on native load growth or contracts that commence in the future.

61. Further, if a transmission customer with a long-term firm transmission agreement requests to redirect on a firm basis for one month and then redirect on a firm basis back to its original receipt and delivery points for the remainder of the term of the agreement, such requests do not convert its existing long-term firm transmission service agreement into separate short-term transmission service agreements.[6] Under this scenario, the transmission customer has rollover rights for the original receipt and delivery points, because those are the points to which it has rights at the end of the agreement.

In the FERC Order 890 under Docket Nos. RM05-17-000 and RM05-25-000 dated February 16, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

1280. Commission policy allows a redirect of firm, long-term service to retain rollover rights, even if the redirect is requested for a shorter period. In other words, the rollover right follows the redirect, regardless of the duration of the redirect. Contrary to the comments of Bonneville, MISO, and Southern, the Commission did not impose this requirement for the first time in Order No. 676, but merely provided guidance to the industry by restating Commission policy on this matter. The Commission has explained in prior orders that a transmission customer making a firm

[5] See, e.g., Tenaska Power Services Co. v. Southwest Power Pool, Inc., 99 FERC 61,344 (2002), reh'g denied, 102 FERC ¶ 61,140 at P 33, 38 (2003); Nevada Power Company, 97 FERC ¶ 61,324, at 62,492 (2001).
[6] See, e.g., Commonwealth Edison Co., 95 FERC ¶ 61,027 (2001).

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redirect request does not convert its original long-term firm transmission service to short-term service, nor does it lose its rollover rights under its long-term firm transmission service agreement. The Commission's concern underlying this policy is that long-term customers should not need to choose between redirecting on a firm basis and maintaining rollover rights, rather their rollover rights should be retained consistent with the long-term nature of their service.

1281. In Commonwealth Edison Co., the Commission explained that a "request to change a delivery point on a firm basis for one month and then to revert to its original delivery point does not convert its existing long-term firm transmission service agreement into two separate short-term transmission service agreements."782 The Commission stated that section 22.2 was intended to provide flexibility to transmission customers to permit them to react in a competitive market and that some amount of this flexibility would be lost if a long-term firm transmission customer seeking to modify its delivery points would lose its rollover rights.783 782 95 FERC ¶ 61,027 at 61,083 (2001). 783 The Commission, however, recognized that this flexibility was not unlimited – any change to a delivery point is treated as a new request for service for purposes of the availability of capacity.

1282. The Commission affirmed this policy in American Electric Power Service Corp.784 In that case, a long-term transmission customer (Exelon) had been granted a short-term redirect, but denied rollover rights on the redirected path. The Commission found the denial of rollover rights was improper, since the "redirect request made by Exelon did not convert Exelon's long-term firm transmission service to short-term service, and therefore, did not affect Exelon's rollover rights under its long-term firm transmission service agreement."785 Thus, there is no inconsistency between the Commission's redirect policy and Order No. 676.

In the FERC Order 890-A under Docket Nos. RM05-17-001, 002 and RM05-25-001, 002 dated December 28, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

704. The Commission denies petitioners' requests to amend the rights of rollover customers to redirect their service. Under section 22.2 of the pro forma OATT, a request for a firm redirect must be treated like a request

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for new transmission service.[1] As a new request for service, each redirect request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new redirected path. The transmission provider is required to offer rollover rights to a customer requesting a firm redirect only if rollover rights are available on the redirected path, i.e., to the extent not restricted based on reasonable forecasts of native load growth or preexisting contracts that commence in the future.[2]

705. As the Commission explained in Order No. 890, rollover rights follow the redirect regardless of the duration of the redirect.[3] A transmission customer making a firm redirect request does not convert its original long-term firm transmission service agreement into two short-term service agreements, nor does it lose its rollover rights under its long-term firm transmission service agreement.[4] At the same time, a customer can exercise its rollover right only at the end of the contract. Thus, if a customer with rollover rights chooses to redirect its capacity for less than the full remaining term of the contract, absent some further request to redirect, the original path will automatically be reinstated and rollover rights would remain on only the original path. By contrast, if the customer chooses to redirect its capacity until the end of its contract, the customer would have rollover rights along only the redirected path, and only to the extent not restricted based on native load growth or future contracts along the redirected path.

706. We therefore reject requests to restrict rollover rights to longer-term redirects. A long-term transmission customer may request multiple, successive redirects for firm service. This discretion is limited by the fact that each successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. Each request is therefore subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rights

[1] See Order No. 890 at P 1268.
[2] See Order No. 676 at P 51.
[3] Order No. 890 at P 1280.
[4] Id.; see also Commonwealth Edison Co., 95 FERC ¶ 61,027 at 61,083 (2001) (explaining that a request to change delivery points on a firm basis for one month, followed by a reversion to the original points does not convert the existing long-term firm agreement into two separate short-term agreements); American Electric Power Service Corp., 97 FERC ¶ 61,207 at 61,905-06 (2001).

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on the new, redirected path.[5] *If the customer has not been granted rollover rights for a redirect that extends to the end of its contract, the redirected service will terminate on the same date as the parent service.*

707. We also reiterate that a customer cannot exercise any rollover rights unless it first has provided the appropriate notice to the transmission provider. If a customer requests and is granted a rollover right prior to the relevant notice deadline (60 days for pre-Order No. 890 agreements or one year for all others) and subsequently requests and is granted a redirect for firm service for the remainder of the contract term (i.e., within the notice period), the new reservation governs the rights at the new receipt and delivery points and the customer can obtain rollover rights with respect to the redirected capacity to the extent rollover rights are available for the redirected points. If, however, a customer fails to request a rollover right prior to the relevant notice deadline, the customer forfeits rollover rights along the current or any redirected path.

b. Description of Recommendation:

c. Business Purpose:

Implementation of FERC Orders.

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

001-9.7: FERC declined to adopt 9.7 and asked NAESB to reconsider FERC policy with respect to conveyance of rollover rights. Hence, this standard recommendation.

- Rollover of Redirects Motions
- Rollover of Redirects Concepts
- ESS/ITS Meeting Minutes February 11-12, 2008 (unavailable – JB)

[5] For example, assume a transmission customer with a five-year agreement for firm service between points A and B, who qualifies for rollover rights on that path. If the transmission customer seeks to redirect on a firm basis in year 3 to points C to D and then redirect back to points A and B thereafter, at the end of the five year agreement the transmission customer would have rollover rights only with respect to points A to B. If, however, the transmission customer seeks to redirect to points C and D for the last six months of the contract term and both qualifies for rollover rights on this path and has requested rollover within the notice period of the contract, the customer would then have rollover rights only with respect to points C and D. See Order No. 676 at P 59.

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- ESS/ITS Meeting Minutes July 15-16, 2008 (unavailable – DC)
- ESS/ITS Meeting Minutes August 20-22, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes September 3, 2008 (unavailable – DC)

Additional Background documentation

- 2006 WEQ Annual Plan Item (3)(a)(x) Recommendation, which was remanded back to the subcommittee by the Executive Committee at the August 14-15, 2006 meeting.
- Standards Request R07004 Business practice and technical standards for assigning, tracking, and limiting rollover rights.

Formal Comments Submitted by PJM, SPP and MISO

FORMAL COMMENTS

Quadrant:	Wholesale Electric Quadrant
Recommendation:	**Number:** 2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l) **Title:** Rollover Rights on Redirect on a Firm basis
Submitted By:	Cathy Wesley (PJM), Charles Yeung (SPP), Jim Pewarski (MISO), Rob Lamoureux (MISO)
Date:	October 3, 2008

PJM, SPP and Midwest ISO are requesting the Wholesale Electric Quadrant Electronic Scheduling Subcommittee (ESS)/Information Technology Subcommittee (ITS) consider the suggestions below, prior to voting out of subcommittee the "Rollover Rights on Redirect on a Firm basis" recommendation.

- Standard 001-9.5.3, the word "Firm" is spelled incorrectly as "Fim"

- Include the words "Confirmed Request to" in Standard 001-9.7
  A Transmission Customer's Confirmed Request to Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights to the redirected path because that is the path to which it has rights at the end of the service agreement.

Formal Comments Submitted by B. Harshbarger, Puget Sound Energy

FORMAL COMMENTS

Quadrant:	Wholesale Electric Quadrant
Recommendation:	**Number:** 2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l) **Title:** Rollover Rights on Redirect on a Firm basis
Submitted By:	Robert Harshbarger (Puget Sound Energy)
Date:	October 3, 2008

Puget Sound Energy is requesting the Wholesale Electric Quadrant Electronic Scheduling Subcommittee (ESS)/Information Technology Subcommittee (ITS) consider the suggestion below, prior to voting out of subcommittee the "Rollover Rights on Redirect on a Firm basis" recommendation.

- Removing the phrase "because that is the path to which it has rights at the end of the service agreement" in Standard 001-9.7

  A Transmission Customer's Confirmed Request to Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights to the redirected path ~~because that is the path to which it has rights at the end of the service agreement~~.

  The phrase quoted is not necessary for a standard. It may be benefical as a separate justification, example, or explanation for the standard (perhaps somewhere in the recommendation), but is not appropriate in the standard itself. In addition, justification of the conveyence is not necessary as this proposed standard reflects previous FERC guidance on this subject.

Formal Comments Submitted by the NAESB Standards Review Subcommittee

FORMAL COMMENTS

Quadrant:	Wholesale Electric Quadrant
Recommendation:	Rollover Rights on Redirect on a Firm basis 2008 AP Items 2(a)(iv)(3), 3(a)(vii), and 6(l)
Submitted By:	Standards Review Subcommittee
Date:	October 4, 2008

Under the Standards Review Subcommittee Scope of Work, which was approved by the SRS on March 6, 2008, the SRS agreed to review recommendations and if subcommittee deemed appropriate, they would submit advisory comments to the Executive Committee for consideration. The subcommittee completed its review of the recommendation and does not have any proposed changes for the Executive Committee to consider.

Formal Comments Submitted by JT Wood, Southern Company

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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:

The Commission has issued various clarifications on its intended policy regarding the granting of rollover (renewal, evergreen) rights to requests for Redirect on a Firm basis in Orders 676, 890 and 890-A. The following recommendation is a modification to WEQ-001-0.nn, WEQ-001-9.5.3, WEQ-001-9.7, WEQ-001-y Rollover Rights section including y.3, WEQ-003, WEQ-013-2.1, and WEQ-013-2.6.2 to reflect these clarifications in policy and implement the necessary standards for treatment of rollover rights for requests to Redirect on a Firm basis.

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Please refer to Section 4(a) for information related to the relevant FERC rulings, and Section 4(d) for the rationale behind the specific recommendations presented.

This recommendation addresses the following WEQ 2008 Annual Plan Items:

- 2(a)(iv)(3): Revisions to Standard 9.7 (This item also addresses work in 2006 WEQ AP 3a(x).)
- 3(a).vii: Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order).
- 6(l): Develop business practice and technical standards for assigning, tracking, and limiting rollover rights. (R07004)

RECOMMENDED STANDARDS:

Add to WEQ-001 Definitions; enumeration to be established by NAESB staff at time of ratification:

001-0.nn **Unexercised Rollover Rights** – The amount of capacity that is held on a Long-Term Firm Point-to-Point Transmission Service reservation and eligible for on-going rollover or renewal of service as established by the Transmission Provider at the time service was granted less the capacity held on any confirmed service reservations for renewal of those rollover rights for a subsequent term of service and less any capacity conveyed as an on-going rollover right to a qualifying confirmed Redirect on a Firm Basis.

The following modifications to WEQ-001-9.5.3:

001-9.5.3 Redirects on a Firm basis shall have all the rights and obligations of an original reservation for Firm service (with the exception of renewal/roll-over rights as specified in WEQ-001-9.7), including the rights to be Redirected on a Firm and/or Non-Firm basis.

Formal Comments Submitted by JT Wood, Southern Company

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The following modifications to WEQ-001-9.7

001-9.7 A Transmission Customer's Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights[JTW1] to the redirected path because that is the path to which it has rights at the end of the service agreement subject to the possibility that the transmission provider may not be able to provide rights on the new, redirected path.

Modifications to approved Standards Recommendation under 2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1 for WEQ-001-y Rollover Rights:

001-20 Rollover Rights

001-20.1 The Transmission Provider, upon approving a Long--Term Firm Point-to-Point request with rollover rights, shall post on OASIS the information relevant to the rollover rights associated with that request. Such information shall be posted such that it can be viewed and queried using the ***transtatus*** and ***rollover*** templates (see WEQ-002 and WEQ-013).

001-20.2 To exercise the ~~on-going~~ rollover rights associated with a Long-Term Firm Point-to-Point reservation, the Transmission Customer shall submit a request to renew their service for a new term prior to the deadline to notify the Transmission Provider to exercise those rights and in accordance with WEQ-013.

001-y.2.1 Submission of a request to renew service in an amount that exceeds the Long-Term Firm Point-to-Point reservation's current Unexercised Rollover Rights shall be deemed an invalid request.

001-y.2.2 The Transmission Customer shall not confirm any request to renew service that would exceed the Unexercised Rollover Rights at that point in time (i.e., at the time of attempted confirmation and over the time interval of the renewal request). The Transmission Provider shall have the right to block any such confirmation.

001-y.2.3 The Transmission Customer should withdraw any request to renew service that would exceed the current Unexercised Rollover Rights associated with the Long-Term Firm Point-to-Point reservation being

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renewed. The Transmission Provider shall have the right to withdraw their acceptance of any request to renew service that cannot be confirmed due to limitations in the Unexercised Rollover Rights held on the Long-Term Firm Point-to-Point reservation by setting the OASIS standard STATUS data element to the value of SUPERSEDED.

001-y.2.4 Upon confirmation of a Long-Term Firm Point-to-Point renewal request by the Transmission Customer exercising their rollover rights, the Transmission Provider shall reduce the rollover capacity (i.e., the Unexercised Rollover Rights) as viewed in the parent reservation's ***rollover*** template by the capacity granted to the renewal reservation.

001-y.3 Once the deadline for the Transmission Customer to submit a renewal request has passed for a Long-Term Firm Point-to-Point reservation and there are no outstanding pending renewal requests, the Transmission Provider shall set the rollover capacity associated with that reservation (i.e.,the Unexercised Rollover Rights) to zero.

The following modifications to WEQ-003-0:

003-0 OASIS DATA DICTIONARY, Version 1.5

Data Dictionary Element Name	**Alias**	**Field Format : minimum characters {type of ASCII} maximum characters**	**Restricted Values**	**Definition of Data Element**
REQUEST_TYPE	REQTYPE	1{ALPHA}30	Valid Values: ORIGINAL RESALE RENEWAL MATCHING DEFERRAL REDIRECT RELINQUISH FULL_TRANSFER PART_TRANSFER	ORIGINAL – typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service). RESALE –secondary market requests submitted to a Transmission Customer as Secondary Provider. RENEWAL –request to exercise rollover rights associated with existing transmission service prior to the

Formal Comments Submitted by JT Wood, Southern Company

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			RECALL {Registered}	notification deadline. 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. RELINQUISH –request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation. FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another. PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER. RECALL - request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation {registered} – Primary Provider's may register values for REQUEST_TYPE to implement specific provisions of their Tariffs.

The following modifications to WEQ-013-2.1:

013-2.1 TRANSACTION REQUEST TYPES

The following are the valid OASIS transaction request types (template data element REQUEST_TYPE) that may be submitted by the Transmission Customer unless otherwise noted, along with a brief description of their intended use:

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ORIGINAL = typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service)

RESALE = secondary market requests for assignment of scheduling rights submitted to a Transmission Customer as Secondary Provider

RENEWAL = request to exercise rollover rights[JTW2] associated with existing transmission service prior to the notification deadline

MATCHING = request to meet or exceed a competing request to retain transmission service (right of first refusal)

DEFERRAL = request to defer or apply for an extension on the commencement~~start~~[JTW3] 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

RELINQUISH = request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation

FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another.

PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER.

RECALL = request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation

{registered} = A Primary Provider may register values for REQUEST_TYPE to implement specific provisions of their Tariff.

This Implementation Guide contains detailed descriptions on the use of each transaction REQUEST_TYPE and explains the business processes to be implemented in association with each of these requests as specified by the OASIS Business Practice Standards, WEQ-001.

Formal Comments Submitted by JT Wood, Southern Company

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The following modifications to WEQ-013-2.6.2:

013-2.6.2 RENEWAL Requests

Transmission Customers shall use the REQUEST_TYPE of RENEWAL only to exercise rollover rights. RENEWAL requests must always specify the Primary Provider as SELLER.

The following are specific restrictions or requirements for OASIS service requests with REQUEST_TYPE of RENEWAL.

Data Element	Restriction/Requirement
REQUEST_TYPE	Must be RENEWAL
RELATED_REF	Must specify the ASSIGNMENT_REF associated with an existing confirmed transmission service reservation or a pending Redirect on a Firm basis held by the Transmission Customer that 1) has rollover rights or may be conveyed rollover rights, and 2) whose rollover rights have not expired.
SELLER_CODE	Must match PRIMARY_PROVIDER_CODE
SELLER_DUNS	Must match PRIMARY_PROVIDER_DUNS
PATH	Must represent the same corresponding service points in the reservation/request specified in RELATED_REF
POINT_OF_RECEIPT	
POINT_OF_DELIVERY	
SOURCE	
SINK	
SERVICE_INCREMENT	Must specify a set of valid transmission service attributes recognized by the Primary Provider as a valid service designation eligible for exercising of rollover rights held by the reservation/request specified in RELATED_REF
TS_CLASS	
TS_TYPE	
TS_PERIOD	
TS_WINDOW	
TS_SUBCLASS	
START_TIME	Must match the STOP_TIME of the reservation/request specified in RELATED_REF

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Data Element	Restriction/Requirement
STOP_TIME	With START_TIME, must specify a valid interval of service eligible for exercising of renewal/rollover rights held by the reservation/request specified in RELATED_REF
CAPACITY_REQUESTED	Must be less than or equal to the amount of capacity eligible for renewal/rollover over the interval of service
BID_PRICE	Must specify the price to be paid for the service requested

Note: Elements are listed on basis of importance, which may be different from the order required in the template.

RENEWAL requests must be submitted on OASIS prior to expiration of the Transmission Customer's rollover rights as established by the Tariff or business practice.

CUSTOMER_CODE and CUSTOMER_DUNS in the RENEWAL request should correspond to the CUSTOMER_CODE and CUSTOMER_DUNS in the RELATED_REF reservation. If not, the Transmission Provider should verify that the submitting Customer has a valid agency agreement with the original transmission service agreement holder and is authorized to submit such a request on behalf of that entity.

The transmission service attributes, e.g., TS_CLASS, etc., should match the corresponding attributes in the reservation specified in RELATED_REF. However, changes may be made to these attributes over time such that some differences are necessary to accommodate changes in the Primary Provider's business practices. This also applies to changes in service points, e.g., PATH, etc., over time.

RENEWAL requests may be subject to offering of partial service and negotiation and limitation of on-going rollover rights just as an ORIGINAL request.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Formal Comments Submitted by JT Wood, Southern Company

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In the FERC Order 676-C under Docket No. RM05-5-000 dated April 25, 2006, the Commission made the following conclusions:

> *51. Standard 001-9.7 does not specify clearly the parties' responsibilities with respect to the ability of a customer requesting a firm redirect to obtain rollover rights on the redirect path.[1] Under section 22.2 of the pro forma OATT, a request for a firm redirect is like a request for new transmission service. The transmission provider, therefore, is required to offer rollover rights to a customer requesting a firm redirect if rollover rights are available on the redirect path. However, the transmission provider may not operationally be able to offer rollover rights on the requested redirect path due to reasonably forecasted native load needs for the transmission capacity.*
>
> *52. Standard 001-9.7 provides that "unless otherwise mutually agreed to by the primary provider and original customer, a request for a Redirect on a Firm basis … [does not] confer any renewal rights on the redirect path." (Emphasis added). This phrase could be interpreted to mean that the parties to an agreement may mutually agree to eliminate rollover rights and that a transmission provider may agree, but is not obligated, to offer rollover rights on the redirect path even when such rights are available. These provisions are inconsistent with the pro forma OATT and the Commission's policies. In addition, the last phrase of the standard also conflicts with the last sentence of section 22.2 of the pro forma OATT, which is limited to the period while the new request for service is pending. Therefore, we will not adopt Standard 001-9.7 at this time, but will allow the WEQ to reconsider the standard and to adopt a revised standard consistent with the Commission's policies.*
>
> *53. The comments on this issue show that there is confusion in the industry regarding the provisions of sections 22.1 and 22.2 of the pro forma OATT. To assist the WEQ in developing a standard that is consistent with the Commission's policy, we offer the following guidance.*

[1] Standard 001-9.7 appears consistent with section 22.2 of the existing pro forma OATT insofar as it provides that a customer requesting a firm redirect does not relinquish its rollover rights over its primary path simply by making the request.

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54. Section 22 of the pro forma OATT addresses changes in service specifications. Section 22.1 pertains to modifications on a non-firm basis and section 22.2 covers modifications on a firm basis. Under section 22.1, a firm point-to-point transmission customer may request non-firm transmission service at secondary receipt and delivery points (points other than those specified in the service agreement). Section 22.1(c) provides that the transmission customer shall retain its right to schedule firm point-to-point transmission service at the receipt and delivery points specified in its relevant service agreement in the amount of its original capacity reservation.

55. Under section 22.2, any request by a transmission customer to modify receipt and delivery points on a firm basis is treated as a new request for service. This section also provides that, "[w]hile such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement" (emphasis added). Once the new request is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

56. Bonneville asserts that the Commission has stated that the redirect requestor retains section 2.2 reservation priority rights on its original path. [2] *Under section 22.1(c), which pertains to redirects on a non-firm basis, the transmission customer retains its right to schedule firm point-to-point service on its original path. This means that the transmission customer retains its original rights on its original path including its rollover rights on its original path and the requestor does not obtain new rollover rights on the redirected path. However, there is no similar provision in section 22.2 for redirects on a firm basis.* [3]

[2] As explained in the notice of inquiry in Docket No. RM05-25-000, 70 FR 55796, FERC Stats. & Regs. ¶ 35,553 at P 18 (2005), section 2.2 of the pro forma OATT (Reservation Priority for Existing Firm Service Customers) provides that "existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more) have the right to continue to take transmission service from the public utility transmission provider when the contract expires, rolls over or is renewed. It specifically provides that this transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the public utility transmission provider or elects to purchase capacity and energy from another supplier."

[3] Bonneville at 2.

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57. Southern Companies argues that a request by a transmission customer to redirect service on a firm basis cannot change that customer's rollover rights on the original path and does not confer rollover rights on the redirected path. We disagree. Section 22.2 provides that, while a transmission customer's request for new service on a firm basis is pending, the transmission customer retains its priority for service on its existing path, including rollover rights on its existing path. However, once a transmission customer's request for firm transmission service at new receipt and delivery points is accepted and confirmed, the new reservation governs the rights at the new receipt and delivery points and the transmission customer can obtain rollover rights with respect to the redirected capacity. In addition, at the time the transmission customer's request for the redirected capacity is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

58. As part of its process of review, NAESB identified several questions that were raised regarding rollover rights under the pro forma OATT during members' deliberations on Standard 001-9.7. These questions generally raised issues with respect to whether customers retain rollover rights on both the original and the redirected path.

59. A long-term firm transmission customer may request multiple, successive redirects and, as provided in section 22.2 of the pro forma OATT, each such successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. As a new request for service, each request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new, redirected path. For example, assume a transmission customer with a one-year agreement for service between points A and B. If the transmission customer seeks to redirect on a firm basis in month 4 to points C to D and then redirect back to points A to B thereafter, at the end of the one year agreement the transmission customer would have rollover rights only with respect to points A to B.[4] With the same assumptions, if the transmission customer begins with

[4] The Commission assumes that a transmission customer would make the two requests to redirect to points C to D and then back to points A to B at the same time. Otherwise, the transmission customer would put itself at risk of not being able to redirect back to points A to B because of an intervening request for transmission service.

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points A to B, but redirects in month 4 to points C to D for the remainder of the one-year agreement, the transmission customer would have rollover rights only with respect to points C to D. If the transmission provider is unable to provide rollover rights on any redirected path, whether to points C to D or, thereafter, to points A to B, it would have to demonstrate at the time of the redirect request that it has native load growth or contracts that commence in the future that prevent it from providing rollover rights.[5]

60. If a transmission provider claims, either at the time of the original transmission request or at the time of a redirect request, that it is unable to provide rollover rights because it has native load growth or a contract that commences in the future, it must still offer transmission service for the time preceding the native load growth or commencement of the future contract. As explained above, however, it may limit rollover rights based on native load growth or contracts that commence in the future.

61. Further, if a transmission customer with a long-term firm transmission agreement requests to redirect on a firm basis for one month and then redirect on a firm basis back to its original receipt and delivery points for the remainder of the term of the agreement, such requests do not convert its existing long-term firm transmission service agreement into separate short-term transmission service agreements.[6] Under this scenario, the transmission customer has rollover rights for the original receipt and delivery points, because those are the points to which it has rights at the end of the agreement.

In the FERC Order 890 under Docket Nos. RM05-17-000 and RM05-25-000 dated February 16, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

1280. Commission policy allows a redirect of firm, long-term service to retain rollover rights, even if the redirect is requested for a shorter period. In other words, the rollover right follows the redirect, regardless of the

[5] See, e.g., Tenaska Power Services Co. v. Southwest Power Pool, Inc., 99 FERC 61,344 (2002), reh'g denied, 102 FERC ¶ 61,140 at P 33, 38 (2003); Nevada Power Company, 97 FERC ¶ 61,324, at 62,492 (2001).
[6] See, e.g., Commonwealth Edison Co., 95 FERC ¶ 61,027 (2001).

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duration of the redirect. Contrary to the comments of Bonneville, MISO, and Southern, the Commission did not impose this requirement for the first time in Order No. 676, but merely provided guidance to the industry by restating Commission policy on this matter. The Commission has explained in prior orders that a transmission customer making a firm redirect request does not convert its original long-term firm transmission service to short-term service, nor does it lose its rollover rights under its long-term firm transmission service agreement. The Commission's concern underlying this policy is that long-term customers should not need to choose between redirecting on a firm basis and maintaining rollover rights, rather their rollover rights should be retained consistent with the long-term nature of their service.

1281. In Commonwealth Edison Co., the Commission explained that a "request to change a delivery point on a firm basis for one month and then to revert to its original delivery point does not convert its existing long-term firm transmission service agreement into two separate short-term transmission service agreements."782 The Commission stated that section 22.2 was intended to provide flexibility to transmission customers to permit them to react in a competitive market and that some amount of this flexibility would be lost if a long-term firm transmission customer seeking to modify its delivery points would lose its rollover rights.783 782 95 FERC ¶ 61,027 at 61,083 (2001). 783 The Commission, however, recognized that this flexibility was not unlimited – any change to a delivery point is treated as a new request for service for purposes of the availability of capacity.

1282. The Commission affirmed this policy in American Electric Power Service Corp.784 In that case, a long-term transmission customer (Exelon) had been granted a short-term redirect, but denied rollover rights on the redirected path. The Commission found the denial of rollover rights was improper, since the "redirect request made by Exelon did not convert Exelon's long-term firm transmission service to short-term service, and therefore, did not affect Exelon's rollover rights under its long-term firm transmission service agreement."785 Thus, there is no inconsistency between the Commission's redirect policy and Order No. 676.

Formal Comments Submitted by JT Wood, Southern Company

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In the FERC Order 890-A under Docket Nos. RM05-17-001, 002 and RM05-25-001, 002 dated December 28, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

> *704. The Commission denies petitioners' requests to amend the rights of rollover customers to redirect their service. Under section 22.2 of the pro forma OATT, a request for a firm redirect must be treated like a request for new transmission service.[1] As a new request for service, each redirect request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new redirected path. The transmission provider is required to offer rollover rights to a customer requesting a firm redirect only if rollover rights are available on the redirected path, i.e., to the extent not restricted based on reasonable forecasts of native load growth or preexisting contracts that commence in the future.[2]*
>
> *705. As the Commission explained in Order No. 890, rollover rights follow the redirect regardless of the duration of the redirect.[3] A transmission customer making a firm redirect request does not convert its original long-term firm transmission service agreement into two short-term service agreements, nor does it lose its rollover rights under its long-term firm transmission service agreement.[4] At the same time, a customer can exercise its rollover right only at the end of the contract. Thus, if a customer with rollover rights chooses to redirect its capacity for less than the full remaining term of the contract, absent some further request to redirect, the original path will automatically be reinstated and rollover rights would remain on only the original path. By contrast, if the customer chooses to redirect its capacity until the end of its contract, the customer would have rollover rights along only the redirected path, and only to the extent not restricted based on native load growth or future contracts along the redirected path.*

[1] See Order No. 890 at P 1268.
[2] See Order No. 676 at P 51.
[3] Order No. 890 at P 1280.
[4] Id.; see also Commonwealth Edison Co., 95 FERC ¶ 61,027 at 61,083 (2001) (explaining that a request to change delivery points on a firm basis for one month, followed by a reversion to the original points does not convert the existing long-term firm agreement into two separate short-term agreements); American Electric Power Service Corp., 97 FERC ¶ 61,207 at 61,905-06 (2001).

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706. We therefore reject requests to restrict rollover rights to longer-term redirects. A long-term transmission customer may request multiple, successive redirects for firm service. This discretion is limited by the fact that each successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. Each request is therefore subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rights on the new, redirected path.[5] If the customer has not been granted rollover rights for a redirect that extends to the end of its contract, the redirected service will terminate on the same date as the parent service.

707. We also reiterate that a customer cannot exercise any rollover rights unless it first has provided the appropriate notice to the transmission provider. If a customer requests and is granted a rollover right prior to the relevant notice deadline (60 days for pre-Order No. 890 agreements or one year for all others) and subsequently requests and is granted a redirect for firm service for the remainder of the contract term (i.e., within the notice period), the new reservation governs the rights at the new receipt and delivery points and the customer can obtain rollover rights with respect to the redirected capacity to the extent rollover rights are available for the redirected points. If, however, a customer fails to request a rollover right prior to the relevant notice deadline, the customer forfeits rollover rights along the current or any redirected path.

b. Description of Recommendation:

c. Business Purpose:

Implementation of FERC Orders.

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

[5] For example, assume a transmission customer with a five-year agreement for firm service between points A and B, who qualifies for rollover rights on that path. If the transmission customer seeks to redirect on a firm basis in year 3 to points C to D and then redirect back to points A and B thereafter, at the end of the five year agreement the transmission customer would have rollover rights only with respect to points A to B. If, however, the transmission customer seeks to redirect to points C and D for the last six months of the contract term and both qualifies for rollover rights on this path and has requested rollover within the notice period of the contract, the customer would then have rollover rights only with respect to points C and D. See Order No. 676 at P 59.

Formal Comments Submitted by JT Wood, Southern Company

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001-9.7: FERC declined to adopt 9.7 and asked NAESB to reconsider FERC policy with respect to conveyance of rollover rights. Hence, this standard recommendation.

- Rollover of Redirects Motions
- Rollover of Redirects Concepts
- ESS/ITS Meeting Minutes February 11-12, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes July 15-16, 2008 (unavailable – DC)
- ESS/ITS Meeting Minutes August 20-22, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes September 3, 2008 (unavailable – DC)

Additional Background documentation

- 2006 WEQ Annual Plan Item (3)(a)(x) Recommendation, which was remanded back to the subcommittee by the Executive Committee at the August 14-15, 2006 meeting.
- Standards Request R07004 Business practice and technical standards for assigning, tracking, and limiting rollover rights.

Formal Comments Submitted by J. Cashin and B. Green, EPSA

EPSA Comments to NAESB-Submitted by Jack Cashin and Barry Green

2008 WEQ Annual Plan Items 2(a)(iv)(3), 3(a)(vii) and 6(1)

Rollover Rights on Redirect on a Firm Basis

EPSA cannot support the draft standard as recommended by the ESS/ITS subcommittee.

The task of drafting this standard was sent to the subcommittee as a result of FERCs refusal to adopt a previous draft standard submitted by NAESB. The subcommittee spent 4 full days of meeting time, working from a draft produced by Paul Sorenson which consisted of 15 pages of standards text including 7 examples. Many significant issues were agreed to as part of those 4 days of meetings. Included was a consensus position that one portion of the FERC Order was unduly limiting on customer choice and that the standard we drafted should recommend to FERC a change in that particular area.

Suddenly, on the second day of a 3 day meeting, and the fourth day of working intensely on this standard, a motion was made and adopted, which opposed making such a recommendation to FERC. This was followed by another motion to limit the standard to one sentence. The sentence adopted and submitted for EC approval is merely a restatement of FERCs Order that for much of the discussion of the standard, the subcommittee was prepared to request that FERC reconsider.

The controversial issue is that FERC specifies that a customer redirecting its long term firm service at the end of its reservation, automatically receives rollover rights on the redirected path. We see no reason for limiting customer choice in this way and no subcommittee member articulated a reason for FERC doing so. Transmission service is not the product that a transmission customer is delivering. It is merely a means to deliver electricity to an ultimate consumer. The last day of a Transmission Service Reservation represents only one day of what could be a multi-year delivery of electricity. The fact that on that one day the customer is using a re-directed path, should not obligate the customer to use that same re-directed path for the remainder of the term of the contract. A customer has the right to re-direct its transmission service at any time during the duration of the reservation (subject to availability) for a fixed period at the end of which the rights revert to the original path. The same rights should apply when one of the days during which the re-direction occurs, happens to be the final day of a reservation which is being rolled over in any event.

Formal Comments Submitted by J. Cashin and B. Green, EPSA

Our opposition to this standard is therefore twofold:

- We were in agreement with the earlier consensus position of the subcommittee that FERC's language specifying that a customer redirecting its long term firm service at the end of its reservation, automatically receive rollover rights on the redirected path, was unnecessarily restrictive and we supported NAESB recommending in a standard that that policy be changed. We therefore cannot support a standard that is built on that premise.
- More generally, if the only position on which a subcommittee is able to reach consensus is a restatement of a FERC Order, EPSA's position is that no standard should be submitted. FERC has already indicated that there is no need for NAESB standards to reproduce the words of a FERC Order. As such, EPSA believes there is even less rationale for changing those words, but presumably not the intent, and submitting them back to FERC as this recommended standard has done.

Just prior to the adoption of the "one sentence" motion, there was discussion at the subcommittee of "request[ing] further guidance from FERC staff on the spirit and intent of FERC's rollover on redirect policy in order to be able to develop recommended standards". The nature of the discussion was that we would invite FERC staff to a subcommittee meeting to provide such guidance. EPSA would support a motion from the EC that requests that the subcommittee proceed along those grounds and return to the draft recommendation on which it was working prior to the adoption of the "one sentence" motion.

In the absence of such a motion, EPSA sees no purpose in submitting to FERC a "standard" that adopts explicitly one part of the FERC Order and leaves all other aspects of this issue to TP discretion.

Therefore we oppose this motion.

Formal Comments Submitted by E. Davis, Entergy Services

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ENTERGY SERVICES FORMAL COMMENTS

DUE 10-06-08

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:

Formal Comments Submitted by E. Davis, Entergy Services

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title:	**Rollover Rights on Redirect on a Firm basis**

The Commission has issued various clarifications on its intended policy regarding the granting of rollover (renewal, evergreen) rights to requests for Redirect on a Firm basis in Orders 676, 890 and 890-A. The following recommendation is a modification to WEQ-001-0.nn, WEQ-001-9.5.3, WEQ-001-9.7, WEQ-001-y Rollover Rights section including y.3, WEQ-003, WEQ-013-2.1, and WEQ-013-2.6.2 to reflect these clarifications in policy and implement the necessary standards for treatment of rollover rights for requests to Redirect on a Firm basis.

Please refer to Section 4(a) for information related to the relevant FERC rulings, and Section 4(d) for the rationale behind the specific recommendations presented.

This recommendation addresses the following WEQ 2008 Annual Plan Items:

- 2(a)(iv)(3): Revisions to Standard 9.7 (This item also addresses work in 2006 WEQ AP 3a(x).)
- 3(a).vii: Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order).
- 6(l): Develop business practice and technical standards for assigning, tracking, and limiting rollover rights. (R07004)

RECOMMENDED STANDARDS:

Add to WEQ-001 Definitions; enumeration to be established by NAESB staff at time of ratification:

001-0.nn **Unexercised Rollover Rights** – The amount of capacity that is held on a Long-Term Firm Point-to-Point Transmission Service reservation and is eligible for on-going rollover or renewal of service as established by the Transmission Provider at the time service was granted, less the capacity held on any confirmed service reservations for renewal of those rollover rights for a subsequent term of service, and less any capacity conveyed as an on-going rollover right to a qualifying confirmed Redirect on a Firm Basis.

The following modifications to WEQ-001-9.5.3:

001-9.5.3 Redirects on a Fim basis shall have all the rights and obligations of an original reservation for Firm Point-to-Point Transmission service (with the

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exception of renewal/roll-over rights as specified in WEQ-001-9.7), including the right~~s~~ to be Redirected on a Firm and/or Non-Firm basis.

The following modifications to WEQ-001-9.7

001-9.7 A Transmission Customer's Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights to the redirected path because that is the path to which the Customer~~it has~~ may have rollover rights at the end of the service agreement.

Modifications to approved Standards Recommendation under 2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1 for WEQ-001-y Rollover Rights:

001-~~20~~y Rollover Rights

001-~~20~~y.1 The Transmission Provider, upon approving a Long -Term Firm Point-to-Point request that is eligible for rollover rights with rollover rights, shall post on OASIS the information relevant to the rollover rights associated with that request. Such information shall be posted such that it can be viewed and queried using the ***transtatus*** and ***rollover*** templates (see WEQ-002 and WEQ-013).

001-~~20~~y.2 To exercise the on-going rollover rights associated with a Long-Term Firm Point-to-Point reservation that is eligible for rollover rights, the Transmission Customer shall submit a request to renew their service for a new term prior to the deadline to notify the Transmission Provider to exercise those rights and in accordance with WEQ-013.

001-y.2.1 Submission of a request to renew service in an amount that exceeds the Long-Term Firm Point-to-Point reservation~~'s~~ that is eligible for rollover rights's -current Unexercised Rollover Rights shall be deemed an invalid request.

001-y.2.2 The Transmission Customer shall not confirm any request to renew service that would exceed the Unexercised Rollover Rights at that point in time (i.e., at the time of attempted confirmation and over the time interval of the renewal request). The Transmission Provider shall have the right to block any such confirmation.

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001-y.2.3 The Transmission Customer should withdraw any request to renew service that would exceed the current Unexercised Rollover Rights associated with the Long-Term Firm Point-to-Point reservation that is eligible for rollover rights and that is being renewed. The Transmission Provider shall have the right to withdraw their acceptance of any request to renew service that cannot be confirmed due to limitations in the Unexercised Rollover Rights held on ~~the~~such Long-Term Firm Point-to-Point reservation by setting the OASIS standard STATUS data element to the value of SUPERSEDED.

001-y.2.4 Upon confirmation of a Long-Term Firm Point-to-Point renewal request by the Transmission Customer exercising their rollover rights, the Transmission Provider shall reduce the rollover capacity (i.e., the Unexercised Rollover Rights) as viewed in the parent reservation's ***rollover*** template by the capacity granted to the renewal reservation.

001-y.3 Once the deadline for the Transmission Customer to submit a renewal request has passed for a Long-Term Firm Point-to-Point reservation that is eligible for rollover rights and there are no outstanding pending renewal requests, the Transmission Provider shall set the rollover capacity associated with that reservation (i.e.,the Unexercised Rollover Rights) to zero.

The following modifications to WEQ-003-0:

003-0 OASIS DATA DICTIONARY, Version 1.5

Data Dictionary Element Name	**Alias**	**Field Format : minimum characters {type of ASCII} maximum characters**	**Restricted Values**	**Definition of Data Element**
REQUEST_TYPE	REQTYPE	1{ALPHA}30	Valid Values: ORIGINAL RESALE	ORIGINAL – typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary

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			RENEWAL MATCHING DEFERRAL REDIRECT RELINQUISH FULL_TRANSFER PART_TRANSFER RECALL {Registered}	service). RESALE –secondary market requests submitted to a Transmission Customer as Secondary Provider. RENEWAL –request to exercise rollover rights. 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. RELINQUISH –request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation. FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another. PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER. RECALL - request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation {registered} – Primary Provider's may register values for REQUEST_TYPE to implement specific provisions of their Tariffs.

The following modifications to WEQ-013-2.1:

013-2.1 TRANSACTION REQUEST TYPES

The following are the valid OASIS transaction request types (template data element REQUEST_TYPE) that may be submitted by the Transmission

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Customer unless otherwise noted, along with a brief description of their intended use:

ORIGINAL = typical reservation requests submitted to the Primary Provider (as the Seller of the transmission or ancillary service)

RESALE = secondary market requests for assignment of scheduling rights submitted to a Transmission Customer as Secondary Provider

RENEWAL = request to exercise rollover rights

MATCHING = request to meet or exceed a competing request to retain transmission service (right of first refusal)

DEFERRAL = request to defer or apply for an 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

RELINQUISH = request to release all or a portion of the capacity of a Redirect on a Non-Firm basis to the Firm Parent Reservation

FULL_TRANSFER = request to transfer all capacity, rights, encumbrances and obligations, including financial liability to the Primary Provider, from one Transmission Customer to another.

PART_TRANSFER = request to transfer a portion, but not all, capacity, and all rights, and obligations, including financial liability associated with the transferred capacity to the Primary Provider, from one Transmission Customer to another. No encumbrances (resales, etc) may be transferred with a PART_TRANSFER.

RECALL = request submitted by the Seller (Reseller or Primary Provider) to take back all or a portion of the capacity of a transmission reservation

{registered} = A Primary Provider may register values for REQUEST_TYPE to implement specific provisions of their Tariff.

This Implementation Guide contains detailed descriptions on the use of each transaction REQUEST_TYPE and explains the business processes to be

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implemented in association with each of these requests as specified by the OASIS Business Practice Standards, WEQ-001.

The following modifications to WEQ-013-2.6.2:

013-2.6.2 RENEWAL Requests

Transmission Customers shall use the REQUEST_TYPE of RENEWAL only to exercise rollover rights. RENEWAL requests must always specify the Primary Provider as SELLER.

The following are specific restrictions or requirements for OASIS service requests with REQUEST_TYPE of RENEWAL.

Data Element	Restriction/Requirement
REQUEST_TYPE	Must be RENEWAL
RELATED_REF	Must specify ~~the~~ an ASSIGNMENT_REF that is associated with an existing confirmed Firm transmission service reservation or a pending Redirect on a Firm basis held by the Transmission Customer that 1) has rollover rights or may be conveyed rollover rights, and 2) ~~whose~~ has not had the deadline for the exercise of rollover rights ~~have not expired~~pass.
SELLER_CODE	Must match PRIMARY_PROVIDER_CODE
SELLER_DUNS	Must match PRIMARY_PROVIDER_DUNS
PATH	Must represent the same corresponding service points in the reservation/request specified in RELATED_REF
POINT_OF_RECEIPT	
POINT_OF_DELIVERY	
SOURCE	
SINK	
SERVICE_INCREMENT	Must specify a set of valid transmission service attributes recognized by the Primary Provider as a valid service designation eligible for exercising of rollover rights held by the reservation/request specified in RELATED_REF
TS_CLASS	
TS_TYPE	
TS_PERIOD	
TS_WINDOW	
TS_SUBCLASS	
START_TIME	Must match the STOP_TIME of the reservation/request specified in RELATED_REF

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Data Element	Restriction/Requirement
STOP_TIME	With START_TIME, must specify a valid interval of service eligible for exercising of renewal/rollover rights held by the reservation/request specified in RELATED_REF
CAPACITY_REQUESTED	Must be less than or equal to the amount of capacity eligible for renewal/rollover over the interval of service
BID_PRICE	Must specify the price to be paid for the service requested

Note: Elements are listed on basis of importance, which may be different from the order required in the template.

RENEWAL requests must be submitted on OASIS prior to the deadline for exercising rollover rights as established by the Tariff or business practice or the expiration of the Transmission Customer's rollover rights as established by the Tariff or business practice.

CUSTOMER_CODE and CUSTOMER_DUNS in the RENEWAL request should correspond to the CUSTOMER_CODE and CUSTOMER_DUNS in the RELATED_REF reservation. If not, the Transmission Provider should verify that the submitting Customer has a valid agency agreement with the original transmission service agreement holder and is authorized to submit such a request on behalf of that entity.

The transmission service attributes, e.g., TS_CLASS, etc., should match the corresponding attributes in the reservation specified in RELATED_REF. However, changes may be made to these attributes over time such that some differences are necessary to accommodate changes in the Primary Provider's business practices. This also applies to changes in service points, e.g., PATH, etc., over time.

RENEWAL requests may be subject to offering of partial service as a result of competition and/or failure to exercise a right of first refusal.~~and negotiation and limitation of on-going rollover rights just as an ORIGINAL request~~.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

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In the FERC Order 676-C under Docket No. RM05-5-000 dated April 25, 2006, the Commission made the following conclusions:

> *51. Standard 001-9.7 does not specify clearly the parties' responsibilities with respect to the ability of a customer requesting a firm redirect to obtain rollover rights on the redirect path.[1] Under section 22.2 of the pro forma OATT, a request for a firm redirect is like a request for new transmission service. The transmission provider, therefore, is required to offer rollover rights to a customer requesting a firm redirect if rollover rights are available on the redirect path. However, the transmission provider may not operationally be able to offer rollover rights on the requested redirect path due to reasonably forecasted native load needs for the transmission capacity.*
>
> *52. Standard 001-9.7 provides that "unless otherwise mutually agreed to by the primary provider and original customer, a request for a Redirect on a Firm basis … [does not] confer any renewal rights on the redirect path." (Emphasis added). This phrase could be interpreted to mean that the parties to an agreement may mutually agree to eliminate rollover rights and that a transmission provider may agree, but is not obligated, to offer rollover rights on the redirect path even when such rights are available. These provisions are inconsistent with the pro forma OATT and the Commission's policies. In addition, the last phrase of the standard also conflicts with the last sentence of section 22.2 of the pro forma OATT, which is limited to the period while the new request for service is pending. Therefore, we will not adopt Standard 001-9.7 at this time, but will allow the WEQ to reconsider the standard and to adopt a revised standard consistent with the Commission's policies.*
>
> *53. The comments on this issue show that there is confusion in the industry regarding the provisions of sections 22.1 and 22.2 of the pro forma OATT. To assist the WEQ in developing a standard that is consistent with the Commission's policy, we offer the following guidance.*

[1] Standard 001-9.7 appears consistent with section 22.2 of the existing pro forma OATT insofar as it provides that a customer requesting a firm redirect does not relinquish its rollover rights over its primary path simply by making the request.

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54. Section 22 of the pro forma OATT addresses changes in service specifications. Section 22.1 pertains to modifications on a non-firm basis and section 22.2 covers modifications on a firm basis. Under section 22.1, a firm point-to-point transmission customer may request non-firm transmission service at secondary receipt and delivery points (points other than those specified in the service agreement). Section 22.1(c) provides that the transmission customer shall retain its right to schedule firm point-to-point transmission service at the receipt and delivery points specified in its relevant service agreement in the amount of its original capacity reservation.

55. Under section 22.2, any request by a transmission customer to modify receipt and delivery points on a firm basis is treated as a new request for service. This section also provides that, "[w]hile such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement" (emphasis added). Once the new request is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

56. Bonneville asserts that the Commission has stated that the redirect requestor retains section 2.2 reservation priority rights on its original path. [2] *Under section 22.1(c), which pertains to redirects on a non-firm basis, the transmission customer retains its right to schedule firm point-to-point service on its original path. This means that the transmission customer retains its original rights on its original path including its rollover rights on its original path and the requestor does not obtain new rollover rights on the redirected path. However, there is no similar provision in section 22.2 for redirects on a firm basis.* [3]

[2] As explained in the notice of inquiry in Docket No. RM05-25-000, 70 FR 55796, FERC Stats. & Regs. ¶ 35,553 at P 18 (2005), section 2.2 of the pro forma OATT (Reservation Priority for Existing Firm Service Customers) provides that "existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more) have the right to continue to take transmission service from the public utility transmission provider when the contract expires, rolls over or is renewed. It specifically provides that this transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the public utility transmission provider or elects to purchase capacity and energy from another supplier."

[3] Bonneville at 2.

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57. Southern Companies argues that a request by a transmission customer to redirect service on a firm basis cannot change that customer's rollover rights on the original path and does not confer rollover rights on the redirected path. We disagree. Section 22.2 provides that, while a transmission customer's request for new service on a firm basis is pending, the transmission customer retains its priority for service on its existing path, including rollover rights on its existing path. However, once a transmission customer's request for firm transmission service at new receipt and delivery points is accepted and confirmed, the new reservation governs the rights at the new receipt and delivery points and the transmission customer can obtain rollover rights with respect to the redirected capacity. In addition, at the time the transmission customer's request for the redirected capacity is accepted and confirmed, the transmission customer loses all rights to the original receipt and delivery points, including rollover rights associated with the original path.

58. As part of its process of review, NAESB identified several questions that were raised regarding rollover rights under the pro forma OATT during members' deliberations on Standard 001-9.7. These questions generally raised issues with respect to whether customers retain rollover rights on both the original and the redirected path.

59. A long-term firm transmission customer may request multiple, successive redirects and, as provided in section 22.2 of the pro forma OATT, each such successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. As a new request for service, each request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new, redirected path. For example, assume a transmission customer with a one-year agreement for service between points A and B. If the transmission customer seeks to redirect on a firm basis in month 4 to points C to D and then redirect back to points A to B thereafter, at the end of the one year agreement the transmission customer would have rollover rights only with respect to points A to B.[4] With the same assumptions, if the transmission customer begins with

[4] The Commission assumes that a transmission customer would make the two requests to redirect to points C to D and then back to points A to B at the same time. Otherwise, the transmission customer would put itself at risk of not being able to redirect back to points A to B because of an intervening request for transmission service.

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points A to B, but redirects in month 4 to points C to D for the remainder of the one-year agreement, the transmission customer would have rollover rights only with respect to points C to D. If the transmission provider is unable to provide rollover rights on any redirected path, whether to points C to D or, thereafter, to points A to B, it would have to demonstrate at the time of the redirect request that it has native load growth or contracts that commence in the future that prevent it from providing rollover rights.[5]

60. If a transmission provider claims, either at the time of the original transmission request or at the time of a redirect request, that it is unable to provide rollover rights because it has native load growth or a contract that commences in the future, it must still offer transmission service for the time preceding the native load growth or commencement of the future contract. As explained above, however, it may limit rollover rights based on native load growth or contracts that commence in the future.

61. Further, if a transmission customer with a long-term firm transmission agreement requests to redirect on a firm basis for one month and then redirect on a firm basis back to its original receipt and delivery points for the remainder of the term of the agreement, such requests do not convert its existing long-term firm transmission service agreement into separate short-term transmission service agreements.[6] Under this scenario, the transmission customer has rollover rights for the original receipt and delivery points, because those are the points to which it has rights at the end of the agreement.

In the FERC Order 890 under Docket Nos. RM05-17-000 and RM05-25-000 dated February 16, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

1280. Commission policy allows a redirect of firm, long-term service to retain rollover rights, even if the redirect is requested for a shorter period. In other words, the rollover right follows the redirect, regardless of the

[5] See, e.g., Tenaska Power Services Co. v. Southwest Power Pool, Inc., 99 FERC 61,344 (2002), reh'g denied, 102 FERC ¶ 61,140 at P 33, 38 (2003); Nevada Power Company, 97 FERC ¶ 61,324, at 62,492 (2001).
[6] See, e.g., Commonwealth Edison Co., 95 FERC ¶ 61,027 (2001).

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duration of the redirect. Contrary to the comments of Bonneville, MISO, and Southern, the Commission did not impose this requirement for the first time in Order No. 676, but merely provided guidance to the industry by restating Commission policy on this matter. The Commission has explained in prior orders that a transmission customer making a firm redirect request does not convert its original long-term firm transmission service to short-term service, nor does it lose its rollover rights under its long-term firm transmission service agreement. The Commission's concern underlying this policy is that long-term customers should not need to choose between redirecting on a firm basis and maintaining rollover rights, rather their rollover rights should be retained consistent with the long-term nature of their service.

1281. In Commonwealth Edison Co., the Commission explained that a "request to change a delivery point on a firm basis for one month and then to revert to its original delivery point does not convert its existing long-term firm transmission service agreement into two separate short-term transmission service agreements."782 The Commission stated that section 22.2 was intended to provide flexibility to transmission customers to permit them to react in a competitive market and that some amount of this flexibility would be lost if a long-term firm transmission customer seeking to modify its delivery points would lose its rollover rights.783 782 95 FERC ¶ 61,027 at 61,083 (2001). 783 The Commission, however, recognized that this flexibility was not unlimited – any change to a delivery point is treated as a new request for service for purposes of the availability of capacity.

1282. The Commission affirmed this policy in American Electric Power Service Corp.784 In that case, a long-term transmission customer (Exelon) had been granted a short-term redirect, but denied rollover rights on the redirected path. The Commission found the denial of rollover rights was improper, since the "redirect request made by Exelon did not convert Exelon's long-term firm transmission service to short-term service, and therefore, did not affect Exelon's rollover rights under its long-term firm transmission service agreement."785 Thus, there is no inconsistency between the Commission's redirect policy and Order No. 676.

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In the FERC Order 890-A under Docket Nos. RM05-17-001, 002 and RM05-25-001, 002 dated December 28, 2007, the Commission made the following conclusions regarding Redirects and Rollover rights:

> *704. The Commission denies petitioners' requests to amend the rights of rollover customers to redirect their service. Under section 22.2 of the pro forma OATT, a request for a firm redirect must be treated like a request for new transmission service.[1] As a new request for service, each redirect request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new redirected path. The transmission provider is required to offer rollover rights to a customer requesting a firm redirect only if rollover rights are available on the redirected path, i.e., to the extent not restricted based on reasonable forecasts of native load growth or preexisting contracts that commence in the future.[2]*
>
> *705. As the Commission explained in Order No. 890, rollover rights follow the redirect regardless of the duration of the redirect.[3] A transmission customer making a firm redirect request does not convert its original long-term firm transmission service agreement into two short-term service agreements, nor does it lose its rollover rights under its long-term firm transmission service agreement.[4] At the same time, a customer can exercise its rollover right only at the end of the contract. Thus, if a customer with rollover rights chooses to redirect its capacity for less than the full remaining term of the contract, absent some further request to redirect, the original path will automatically be reinstated and rollover rights would remain on only the original path. By contrast, if the customer chooses to redirect its capacity until the end of its contract, the customer would have rollover rights along only the redirected path, and only to the extent not restricted based on native load growth or future contracts along the redirected path.*

[1] See Order No. 890 at P 1268.
[2] See Order No. 676 at P 51.
[3] Order No. 890 at P 1280.
[4] Id.; see also Commonwealth Edison Co., 95 FERC ¶ 61,027 at 61,083 (2001) (explaining that a request to change delivery points on a firm basis for one month, followed by a reversion to the original points does not convert the existing long-term firm agreement into two separate short-term agreements); American Electric Power Service Corp., 97 FERC ¶ 61,207 at 61,905-06 (2001).

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706. We therefore reject requests to restrict rollover rights to longer-term redirects. A long-term transmission customer may request multiple, successive redirects for firm service. This discretion is limited by the fact that each successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. Each request is therefore subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rights on the new, redirected path.[5] If the customer has not been granted rollover rights for a redirect that extends to the end of its contract, the redirected service will terminate on the same date as the parent service.

707. We also reiterate that a customer cannot exercise any rollover rights unless it first has provided the appropriate notice to the transmission provider. If a customer requests and is granted a rollover right prior to the relevant notice deadline (60 days for pre-Order No. 890 agreements or one year for all others) and subsequently requests and is granted a redirect for firm service for the remainder of the contract term (i.e., within the notice period), the new reservation governs the rights at the new receipt and delivery points and the customer can obtain rollover rights with respect to the redirected capacity to the extent rollover rights are available for the redirected points. If, however, a customer fails to request a rollover right prior to the relevant notice deadline, the customer forfeits rollover rights along the current or any redirected path.

b. Description of Recommendation:

c. Business Purpose:

Implementation of FERC Orders.

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

[5] For example, assume a transmission customer with a five-year agreement for firm service between points A and B, who qualifies for rollover rights on that path. If the transmission customer seeks to redirect on a firm basis in year 3 to points C to D and then redirect back to points A and B thereafter, at the end of the five year agreement the transmission customer would have rollover rights only with respect to points A to B. If, however, the transmission customer seeks to redirect to points C and D for the last six months of the contract term and both qualifies for rollover rights on this path and has requested rollover within the notice period of the contract, the customer would then have rollover rights only with respect to points C and D. See Order No. 676 at P 59.

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RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Requesters:	**ESS/ITS Subcommittees**
Request No.:	**2008 AP Item 2(a)(iv)(3), 3(a)(vii), and 6(l)**
Request Title:	**Rollover Rights on Redirect on a Firm basis**

001-9.7: FERC declined to adopt 9.7 and asked NAESB to reconsider FERC policy with respect to conveyance of rollover rights. Hence, this standard recommendation.

- Rollover of Redirects Motions
- Rollover of Redirects Concepts
- ESS/ITS Meeting Minutes February 11-12, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes July 15-16, 2008 (unavailable – DC)
- ESS/ITS Meeting Minutes August 20-22, 2008 (unavailable – JB)
- ESS/ITS Meeting Minutes September 3, 2008 (unavailable – DC)

Additional Background documentation

- 2006 WEQ Annual Plan Item (3)(a)(x) Recommendation, which was remanded back to the subcommittee by the Executive Committee at the August 14-15, 2006 meeting.
- Standards Request R07004 Business practice and technical standards for assigning, tracking, and limiting rollover rights.

Formal Comments of the Bonneville Power Administration
on
2008 Annual Plan Item 2(a)(iv)(3), 3(a)(vii), and 6(l), Rollover Rights on Redirect on a Firm basis

Comment 1:

Based on FERC language in Order 890-A, paragraphs 655 and 656[i], BPA agrees with FERC in acknowledging that one year is the appropriate minimum term for evaluating requests (including redirects) for rollover rights and recommends the following change to 9.7:

001-9.7 A Transmission Customer's Redirect on a Firm basis with a stop date equal to the stop date of that Customer's Long-Term Firm PTP reservation with rollover rights conveys those rollover rights to the redirected path because that is the path to which it has rights at the end of the service agreement, unless the deadline for submitting a renewal request has passed.

Note: BPA had submitted a similar comment on this during the Informal Comment period and we feel it is still a concern for us, therefore we are repeating our comment here, which is bolstered by the 890-A language shown below.

Comment 2:

Please correct the spelling of ***transstatus*** in 001-20.1.

Comment 3:

Please correct Supporting Documentation, a. Description of Request, to cite Order 676 vs 676-C.

Thank you for your consideration.

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[i] Commission Determination

655. We affirm the decision in Order No. 890 to require customers to notify the transmission provider of their intent to exercise their rollover rights at least one year before expiration of their service agreement. We reject requests to tie the notice period to the construction lead-times for any upgrades a transmission provider may believe are necessary in order to accommodate any rolled over service along with its other service obligations. The Commission recognized in Order No. 890 that the one-year notice period is shorter than the typical planning horizon, but declined to extend the notice period to a time that coincides with the typical planning horizon or the time it takes to construct new facilities.[259] The Commission balanced the circumstances facing customers in renewing power supply contracts and the interests of transmission providers in attempting to plan their system. We continue to believe that the one-year notice provision most appropriately balances these competing interests.

656. We acknowledge that, in certain circumstances, the one-year notice period could cause the transmission facilities that are not ultimately needed to accommodate other service obligations in light of a rollover customer declining to rollover its service. However, moving from a 60-day notice period to one year should mitigate the risk of unnecessary investments. While allowing a transmission provider to require rollover notification prior to construction of facilities (whether or not identified in the original service agreement), or treating the customer's service as conditionally firm

while upgrades are completed, would further reduce this risk for the transmission provider, it also would further decrease flexibility for the transmission customer. As the Commission explained in Order No. 890, no single notice period can perfectly balance the needs of customers and transmission providers.[260] The Commission concluded that a one-year notice provision best balances the respective benefits and burdens for customers and transmission providers, and we affirm that decision here.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Standards Review Subcommittee**
Request No.: **2008 AP Item 6.f**
Request Title: **Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply**

1. RECOMMENDED ACTION:

___Accept as requested
___Accept as modified below
_X_Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

___Change to Existing Practice
_X_Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:	**Per Recommendation:**
___Initiation	___Initiation
_X_Modification	___Modification
___Interpretation	___Interpretation
___Withdrawal	_X_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:

On review of FERC Order 676 (pp 84-87) and feedback from NAESB staff discussions with FERC staff the SRS is recommending that no new/revised standards be developed under the 2008 Annual Plan item 6.f "Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply." Based upon the subcommittee's review, it was determined that cutoff limits should not be addressed by NAESB and if an entity wants an exemption based on its size the entity should use the existing request for waiver or exemptions process established by FERC.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: **WEQ**

Requesters: **Standards Review Subcommittee**
Request No.: **2008 AP Item 6.f**
Request Title: **Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply**

RECOMMENDED STANDARDS:

No new or revised standards are proposed.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

2008 Annual Plan item 6.f "Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply."

b. Description of Recommendation:

No changes are recommended to the existing standards.

c. Business Purpose:

The business purpose of the request was for NAESB to establish guidelines for exempting small entities from NAESB standards.

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

FERC Order 676 (April 25, 2006) states:

> **Comments**
> 84. Several commenters[1] argue that small utilities that previously have obtained waivers from the Commission from compliance with the requirements of Order Nos. 888 and 889 should be granted an automatic waiver of the OASIS-related business practice standards proposed to be incorporated by reference by the Standards NOPR. Moreover, to the extent that public utilities need to apply for a waiver of the OASIS-related business practice standards, TAPS requests that the Commission clarify that the waiver criteria provided in Order Nos. 888, 889, and 2004 should be applied to the pertinent WEQ standards, rather than the criteria in the two orders cited in the Standards NOPR,[2] which relate to the stricter standard for waivers under Order No. 2001.[3]

[1] This argument is raised in comments filed by GCEC, Lockhart, and NRECA.

[2] Bridger Valley Electric Association, Inc., 101 FERC ¶ 61,146 (2002) and Sussex Rural Electric Cooperative, 103 FERC ¶ 61,299 (2003).

[3] Unitil Companies argues, alternatively, that, if entities granted waivers under Order No. 889 are not eligible for waivers, then the Commission should clarify that waivers should not be limited to entities that fall within the Regulatory Flexibility Act (RFA) definition of "small entities." As discussed below, entities granted waivers under Order No. 889 are eligible, upon a proper showing, for waivers of the OASIS-related standards adopted in this rule. Thus, we find Unitil Companies' alternative proposal to be moot.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Standards Review Subcommittee**
Request No.:	**2008 AP Item 6.f**
Request Title:	**Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply**

Commission Conclusion

85. We will extend to small entities (that the Commission previously granted waivers of the Commission's OASIS-related standards) a streamlined procedure for requesting waivers of the corresponding newly adopted OASIS-related standards, as long as the circumstances warranting such waivers remain unchanged. For small entities to obtain such a waiver, they must file a letter explaining that they are seeking a waiver under this Final Rule, citing the caption and docket number of this proceeding, and identifying the caption, date and docket number of the proceeding in which they received their waiver and certifying that the circumstances warranting such waivers have not changed. These waivers would not apply to newly created standards, including standards to: facilitate redirects of transmission service; address multiple submissions of identical transmission requests and queuing issues; and address Coordinate Interchange, ACE Equation Special Cases, Manual Time Error Correction, and Inadvertent Interchange Payback.

86. We also note that, while the costs of creating a fully functional OASIS website may be beyond the resources of a small company, such a company could comply with the redirect standards without undue additional cost. Nevertheless, a small company that believes that compliance with a particular redirect or other business practice standards would cause it hardship may request a waiver of a particular standard for good cause. Such a request will be evaluated on a case-by-case basis. In its waiver request, the requesting entity should specifically reference the standard at issue, describe its problems in complying with the standard, and describe how the entity intends to process such transactions.

87. We agree with TAPS and clarify that the appropriate criteria governing waiver requests relating to OASIS-related business practice standards should be the applicable criteria regarding waivers under Order Nos. 888 and 889, which were laid out in Black Creek Hydro, Inc., 77 FERC ¶ 61,232 (1996) (Black Creek),[4] and in Inland Power & Light Company, 84 FERC ¶ 61,301 (1998) (Inland P&L) and for the Commission's Standards of Conduct under Order No. 2004,[5] which were laid out in Bear Creek Storage Company, 108 FERC ¶ 61,011 (2004) (Bear Creek), among other cases. In Inland P&L, the Commission explained that waiver of Order No. 889 is appropriate: (1) if the applicant owns, operates, or controls only limited and discrete transmission facilities (rather than an integrated

[4] See also Order No. 638 at 31,451.

[5] Order No. 2004 states that transmission providers may request waivers or exemptions from all or some of the requirements of part 358 for good cause. See 18 CFR 358.1(d)(2005).

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	**WEQ**
Requesters:	**Standards Review Subcommittee**
Request No.:	**2008 AP Item 6.f**
Request Title:	**Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply**

transmission grid); or (2) if the applicant is a small public utility[6] that owns, operates, or controls an integrated transmission grid (unless it is a member of a tight power pool, or other circumstances are present that indicate that a waiver is not justified). The waiver would last until such time as the public utility receives a request for transmission service, at which time the public utility must file a pro forma OATT within 60 days.[7] Moreover, as the Commission explained in Inland P&L, the Commission has held, among other matters, that a waiver of Order No. 889 remains in effect until an entity evaluating its transmission needs finds that it needs the information not being reported (because of the waiver) and files a complaint on this subject with the Commission and the Commission takes action in response to the complaint.[8]

88. Finally, the Commission routinely processes requests for waivers and does not see a need to include a specific reference to waivers for non-public utilities in Part 38, as requested by NRECA. We will apply the same principles in granting waivers that the Commission established in Inland P&L and other relevant Commission cases.

Standards Review Subcommittee Meeting Minutes June 5, 2008

Standards Review Subcommittee Meeting Minutes July 25, 2008 (unavailable- DC)

[6] To qualify as a small public utility, the applicant must meet the Small Business Administration definition of a small electric utility, i.e., disposes of no more than four million Mwh annually.

[7] 84 FERC at 62,387.

[8] Id.

ENTERGY SERVICES COMMENTS

WEQ Annual Plan Item 6.f
RECOMMENDATION ON SIZE LIMIT ON ENTITIES FOR WHICH STANDARDS APPLY
Due September 4, 2008

Ed Davis
504-576-3029

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant:	Wholesale Electric Quadrant
Requesters:	WEQ Executive Committee
Request No.:	2008 AP 6.f
Request Title:	Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply

Entergy supports the adoption of this Recommendation.

To: NAESB Office; WEQ Executive Committee Chairs

From: Barbara Rehman, Bonneville Power Administrative

Subject: Minor Corrections

Recommendation 2008 WEQ Annual Plan Item 2.a.i.2/2008 WEQ Annual Plan Item 2.a.vii.1: Conditional Firm Business Practice Standards associated with S&CP Requirements completed in 2008 AP 2(a)(i)(1) and Tagging for Conditional Service (Additional changes to Rollover templates) as revised by the WEQ EC on July 31, 2008 and August 8, 2008:

Date: September 11, 2008

During a review of the above Recommendation currently out for member ratification and due to the EC revision of the Recommendation on Request No 2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1, Existing Transmission Commitments – namely, deletion of the language in former 001-y.3: Once the deadline for the Transmission Customer to submit a renewal request has passed for a Long Term Firm Point-to Point reservation, the Transmission Provider shall set the rollover capacity to zero. -, it was determined that there is a need to make the following minor corrections to the Revisions to section 002-5.10.1 in the Subject Recommendation:

Revisions to section 002-5.10.1:

rollover (query)	ROLLOVER_START_TIME	No data to convert
rollover (query)	ROLLOVER_STOP_TIME	No data to convert
rollover (response)	CONTINUATION_FLAG	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.

rollover (response)	ASSIGNMENT_REF	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.
rollover (response)	RENEWAL_DUE_TIME	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.
rollover (response)	ROLLOVER_START_TIME	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.
rollover (response)	ROLLOVER_STOP_TIME	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.
rollover (response)	ROLLOVER_CAPACITY	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.
rollover (response)	TIME_OF_LAST_UPDATE	The Transmission Provider must provide this data for each confirmed Long Term Firm Point-to-Point reservation with rollover rights ~~which has not passed the deadline for submittal of a renewal request~~.

To: WEQ Executive Committee:
From: Marcie Otondo, Ed Skiba, Paul Sorenson, and JT Wood
Date: September 18, 2008

During the creation and approval of various ATC-related Standards that required coordination with NERC, it was determined that NAESB would proceed with finalizing the Standards and that the Standards would be subject to review. A cover letter was included with each of the affected standards. The cover letter stated:

> The subcommittees' chairs will review the final NERC standards once adopted and will identify if any changes are needed to recommendations that have already been processed through commenting and EC consideration. If changes are needed, a determination will be made whether the changes can be processed as minor actions, or for more substantive changes, the standards modification process will be used.

The Standards approved subject to review by the subcommittees' chairs are:

- 2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1, Existing Transmission Commitments
- 2008 WEQ AP Items 2.b.iii.1-3, Capacity Benefit Margin
- 2008 AP Item 2.b.vii, WEQ-001 changes for "ATC Information Link" on OASIS and TTC and ATC methodologies and values
- 2008 WEQ AP Item 2.b.ii.2, Postbacks and Counterflows Business Practice Standards
- 2008 WEQ AP Item 2.b.v.1, Business Practice Standards for ATC and AFC Calculation Methodologies to complement the NERC Reliability Standards
- 2008 WEQ AP Item 2.b.v.2, Business practice standards for data exchange for ATC modeling complementary to the related NERC reliability standards
- 2008 WEQ AP Item 2.b.vi, Business practice standards to complement new NERC Supplemental SAR: Revisions to Existing Standards MOD001-MOD009, FAC12-13
- 2008 WEQ AP 2.b.iv.1-3, Transmission Reliability Margins Business Practices

The chairs of the Joint BPS and ESS/ITS have reviewed the above cited Standards against the finalized NERC standards. Additionally, the chairs reviewed and confirmed that the ATC recalculation requirement contained in the finalized NERC standards are not inconsistent with the ATC posting requirements contained in the NAESB standards.

Based on the review the chairs are recommending the attached minor corrections to WEQ 001-13.1.5, WEQ 001-16 and WEQ 001-16.1.

During the review the chairs specifically compared the definitions contained in the NERC ATC-related standards against the definitions contained in the above cited NAESB standards. This comparison revealed a difference in the definition of Postbacks. The chairs recommend the definition in the NAESB standards be retained as superior to the various definitions contained in the NERC standards.

There is no need for a minor correction to reflect the finalized NERC standards' numbering as NAESB staff has already made this correction.

With Best Regards,

Marcie Otondo, Co-Chair, NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee
Ed Skiba, Co-Chair, NAESB Business Practices Subcommittee
Paul Sorenson, Co-Chair, NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee
J.T. Wood, Co-Chair, NAESB Business Practices Subcommittee and Co-Chair, NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee

Minor Corrections Proposed by the Joint BPS and ESS/ITS Chairs

001-13.1.5 ATC INFORMATION LINK

If the Transmission Provider does not use CBM or TRM in their assessment of ATC, that information shall be found in the CBM Implementation Document – CBMID or TRM Implementation Document – TRMID link below.

The information posted at "ATC Information" should include the following links (as applicable to the Transmission Provider's methodologies):

- Current Available Transfer Capability Implementation Document - ATCID (as specified in NERC MOD-001-1)
- Current CBM Implementation Document - CBMID (as specified in NERC MOD-004-1)
- Current TRM Implementation Document - TRMID (as specified in NERC MOD-008-1)
- ATC Methodology Contact (as required by Standard WEQ-001-16)
- Current Load Forecast Descriptive Statement (as specified in Standard WEQ-001-17.6.5)
- Current Postback Methodology
- Current Flowgate Methodology Grandfathered Agreements (only required for Transmission Providers using the Flowgate Methodology

The posting of this information would be subject to the Transmission Provider's ability to redact certain provisions due to market, security or reliability sensitivity concerns. Any section that has been redacted shall retain the heading and will include the reason for the redaction. Appropriate reasons for redaction are: "Market Sensitive Information", "CEII Information", "Security Sensitive Information" or "Reliability Sensitive Information".

These items shall appear in the order specified above and before any other items which may be required as per specific FERC direction or local business practice related to ATC Information. Posting of the cites noted in the parentheses is optional. Access to some of the information found under the ATC Information Link above may require the user to register with the individual OASIS sites according to Standard WEQ-002-3.1.

001-16 **ATC OR AFC METHODOLOGY QUESTIONS**

001-16.1 PROCEDURE FOR ADDRESSING ATC OR AFC METHODOLOGY QUESTIONS

The Transmission Provider shall respond to questions related to the applicable ~~ATC~~ methodology for calculating ATC or AFC~~ies~~, including but not limited to derivation of values, underlying assumptions or data inputs within one week of the receipt by the Transmission Provider's ATC Methodology Contact and shall respond to the question or shall provide an estimate of the amount of time needed to respond. Such questions must be submitted to the contact specified by the Transmission Provider's contact information under the ATC Information Link as specified under Standard WEQ-001-13.1.5.

To: NAESB Office; WEQ Executive Committee Chairs

From: Barbara Rehman, Bonneville Power Administrative

Subject: Minor Corrections

2008 WEQ AP Items 2.a.iv.4, 2.a.vi.4 and 2.b.ii.1
Existing Transmission Commitments

Date: September 22, 2008

During a review of the above Recommendation currently out for member ratification, it was determined that there is a need to make the following minor corrections to the Subject Recommendation:

Please see pp 6 and 8 where there is inconsistency in the SYSTEM_ATTRIBUTE value names, as follows:

Page 6:
FGF - Firm Grandfathered Firm Transmission Service
NFGF - Non-Firm Grandfathered Non-Firm Transmission Service

Page 8:
FGF - Firm Grandfathered Transmission Service
NFGF - Non-Firm Grandfathered Transmission Service

I believe the EC agreed to delete the words in red above, on page 6.

Thank you for your consideration.

To: WEQ Executive Committee:
From: Marcie Otondo, Ed Skiba, Paul Sorenson, and JT Wood
Date: September 26, 2008

On September 18, 2008 we notified you of our review of the ATC-related Standards against the finalized NERC standards. Since that time, the NERC initial ballot results for MOD-004-1 – Capacity Benefit Margin (Project 2006-07) were released. The ballot did not receive the required two-thirds majority of the weighted segment votes cast; therefore, NERC MOD-004-1 is not final. According to the NERC website, the NERC standard "will proceed to recirculation ballot". Once MOD-004-1 receives the affirmative votes necessary for passage, the Joint BPS and ESS/ITS chairs will review the NAESB CBM Standard against the finalized NERC CBM standard to determine if any changes are needed to the NAESB CBM Standard.

The chairs of the Joint BPS and ESS/ITS continue to recommend the previously submitted minor corrections to WEQ 001-13.1.5, WEQ 001-16 and WEQ 001-16.1.

With Best Regards,

Marcie Otondo, Co-Chair, NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee
Ed Skiba, Co-Chair, NAESB Business Practices Subcommittee
Paul Sorenson, Co-Chair, NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee
J.T. Wood, Co-Chair, NAESB Business Practices Subcommittee and Co-Chair, NAESB Electronic Scheduling Subcommittee/Information Technology Subcommittee

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Status[1]	Cite	Order 890 Work Plan			
		Action Item/Work Plan	**Action Item Home**	**Target Dates**	**Status**
ATC GROUP ASSIGNMENTS (ESS/ITS and BPS)					
✔	243, 244, 246	Business Practice Standards complementary to NERC Reliability Standards for **Existing Transmission Commitment (ETC)** to create a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses", including the elements of ETC for full implementation of the NERC MOD-001 reliability standard* Paragraphs 243, 244, and 246 will require coordination with the NERC Order 890 reliability standards development *Posting requirements for ETC assigned to ESS/ITS (see 2008 AP 2(a)(vi)(4) and Order 890 WP, Group 6) **Order 890-A:** 63. The Commission also found that inclusion of all requests for transmission service in ETC would likely overstate usage of the system and understate ATC. The Commission therefore found that reservations that have the same point of receipt (POR) (generator) but different point of delivery (POD) (load), for the same time frame, should not be modeled in the ETC calculation simultaneously if their combined reserved transmission capacity exceeds the generator's nameplate capacity at the POR. The Commission directed public utilities, working through NERC, to develop requirements in MOD-001 that lay out clear instructions on how these reservations should be modeled. The Commission also concluded that some elements of ETC are candidates for business practices instead of reliability standards and directed public utilities, working through NAESB, to develop business practices necessary for full implementation of the MOD-001 reliability standard. 151. We decline to impose additional posting requirements regarding ETC uses, as requested by EPSA and Powerex. In Order No. 890, the Commission required transmission providers to make available all data used to calculate ATC for constrained paths and any system planning studies or specific network impact studies performed for customers. This would include information regarding ETC uses, including grandfathered agreements, that affect ATC calculations or study results. EPSA and Powerex fail to demonstrate that it is necessary to require the posting of additional information regarding ETC uses to verify the accuracy of the transmission provider's ATC calculations. We note in response to Powerex that, if any new service taken upon expiration of a pre-Order No. 888 contract, the terms and conditions of the transmission provider's OATT would apply.	WEQ 2008 Annual Plan Item 2(b)(ii)(1)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter , 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 3rd Quarter, 2008	The NAESB ESS/ITS and BPS are working to draft complementary business practices to the NERC MOD028, MOD029, and MOD030, which includes ETC. The NERC team has determined that there is not a need for explicit posting of ETC values; the ESS/ITS and BPS supports the decision. ESS/ITS/BPS will look at the NERC MODs to determine if additional business practices are needed for ETC components. Recommendation was voted out of subcommittee on June 17, 2008. Formal comment period closed on July 21, 2008. Approved by WEQ EC August 19, 2008.

[1] Status is defined as: ✔ - Complete, C – formal commenting period, I – in progress of standards development underway in subcommittee, NS – development not started.

Status[1]	Cite	Order 890 Work Plan			
		Action Item/Work Plan	**Action Item Home**	**Target Dates**	**Status**
✔	293	• Business practice standards for accounting for **counterflows**. These standards will be included in the ATC business practice standards (Paragraph 293 will require coordination with the NERC Order 890 reliability standards development)	WEQ 2008 Annual Plan Item 2(b)(ii)(2)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 3rd Quarter 2008	The ESS/ITS and BPS have created a list of items that are considered post-backs to be used in the creation of post back requirements. NERC has requested that NAESB practices address post-back requirements. (8/16/07) On March 11-12, 2008, the ESS/ITS and BPS passed motions to define high level concepts for counterflows and post backs. Draft standards are being developed by sub-teams. Subcommittee voted recommendation for counterflows and Postbacks out of subcommittee on May 15, 2008. Formal comment period closed on June 23, 2008. Approved by WEQ EC August 19, 2008.
C	257	**Capacity Benefit Margin (CBM) Business Practices** • Business practice standards to set forth "how the CBM value shall be determined, allocated across transmission paths, and used" and how transmission providers will "reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service." (Paragraph 257 will require coordination with the NERC Order 890 reliability standards development) **Order 890-A:** 68. The Commission directed public utilities, working through NERC and NAESB, to develop clear standards and business practices for how the CBM value is determined, allocated across transmission paths and flowgates, and used. To ensure that CBM is used for its intended purpose, the Commission provided that CBM shall only be used to	WEQ 2008 Annual Plan Item 2(b)(iii)(1)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 4th	The ESS/ITS and BPS have begun identifying complementary business practices to NERC MOD004. The ESS/ITS and BPS have identified the NAESB business practice standards that may be needed to address CBM, including where the CBM value shall be posted; how to allocate

Status[1]	Cite	Order 890 Work Plan			
		Action Item/Work Plan	**Action Item Home**	**Target Dates**	**Status**
		allow an LSE to meet its generation reliability criteria. The Commission rejected requests to allow CBM to be used to meet reserve-sharing needs, explaining that TRM is the appropriate category for that purpose. Public utilities were directed to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage. 83. The Commission did not mandate a particular methodology for allocating CBM over transmission paths and flowgates in Order No. 890. We therefore reject Southern's argument that development of a consistent methodology for calculating CBM would be harmful to LSEs because reserve needs vary from area to area. While we expect the NERC and NAESB process to produce a consistent and transparent process for setting aside and allocating CBM based on LSE requests, we decline to prescribe a specific method for how CBM should be obtained or allocated or otherwise determine the amount of capacity that the transmission provider has to set aside in response to requests from multiple LSEs.		Quarter, 2008	priority use of CBM; how to allocate the amount of CBM; the ability to audit CBM usage; a new request type on OASIS to distinguish a CBM reservation; and for the posting of CBM on the OASIS systemdata template. The joint subcommittee has determined no additional standards need to be developed for this work plan item. Recommendation voted out of subcommittee on July 30th. Formal Comment period closes September 5, 2008.
C	262	• Business practice standards that include an OASIS mechanism to "allow for auditing of CBM usage." (Paragraph 262 does not require coordination with the NERC Order 890 reliability standards development) **Order 890-A:** 68. The Commission directed public utilities, working through NERC and NAESB, to develop clear standards and business practices for how the CBM value is determined, allocated across transmission paths and flowgates, and used. To ensure that CBM is used for its intended purpose, the Commission provided that CBM shall only be used to allow an LSE to meet its generation reliability criteria. The Commission rejected requests to allow CBM to be used to meet reserve-sharing needs, explaining that TRM is the appropriate category for that purpose. Public utilities were directed to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage.	WEQ 2008 Annual Plan Item 2(b)(iii)(2)	FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 4th Quarter, 2008	The ESS/ITS and BPS are continuing to evaluate and review the templates and practices for CBM, including auditing of CBM usage. 8/16/07 If we are using existing templates and the existing templates have corresponding "Audit Templates", additional work may not be needed. The joint subcommittee is working with JISWG on this annual plan item. Changes are expected to be required for WEQ 001,

Status[1]	Cite	Order 890 Work Plan			
		Action Item/Work Plan	**Action Item Home**	**Target Dates**	**Status**
					002, 003, 004, and 013. Recommendation voted out of subcommittee on July 30th. Formal Comment period closes September 5, 2008.
C		• Any additional business practice standards needed to complement the NERC CBM reliability standards (MOD004) created as a result of this effort. (This item is a catchall section in case there are areas where business practices are needed as a result of the NERC CBM reliability standards. This item will require coordination with the NERC Order 890 reliability standards development).	WEQ 2008 Annual Plan Item 2(b)(iii)(3)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 4th Quarter,, 2008	The ESS/ITS and BPS have begun identifying complementary business practices to NERC MOD004. The joint subcommittee has determined no additional standards need to be developed for this work plan item. Recommendation voted out of subcommittee on July 30th. Formal Comment period closes September 5, 2008.
✔	272	• Transmission Reliability Margin (TRM): Business Practice Standards to complement the NERC reliability standards for TRM (Paragraph 272 will require coordination with the NERC Order 890 reliability standards development)	WEQ 2008 Annual Plan Item 2(b)(iv) (1)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: N/A	The ESS/ITS and BPS have begun identifying complementary business practices to NERC MOD008. The ESS/ITS and BPS are continuing to evaluate and review the templates and practices for TRM, 8/16/07 The ESS/ITS and BPS determined no additional standards needed to be developed for this item and voted for the co-chairs to develop recommendation

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					and post formal comments 3/31/08. Recommendation posted for 30-day formal comment period on April 8th. The recommendation was voted out of the EC on May 13.
✔	273	• The TRM business practice standards will include specification of the appropriate uses of TRM and when transmission providers may set aside TRM (Paragraph 273 will require coordination with the NERC Order 890 reliability standards development) **Order 890-A:** 94. The Commission clarifies that NERC was not directed to identify an actual number or a particular methodology to include in the TRM standards, MOD-008-0 and MOD-009-0. The Commission's intent was to require NERC and NAESB to include consistent criteria and guidelines in the calculation and uses of TRM by transmission providers. Likewise, in response to Southern's concern regarding flexibility to use something other than the ratings reduction method discussed in Order No. 890, we clarify that the ratings reduction method is only an example of a simple method that could be used. Our intent is not to prohibit a transmission provider from using a more sophisticated method, so long as it is consistent with the reliability standards developed by NERC.	WEQ 2008 Annual Plan Item 2(b)(iv)(2)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: N/A	The ESS/ITS and BPS have begun identifying complementary business practices to NERC MOD008. The ESS/ITS and BPS are continuing to evaluate and review the templates and practices for TRM, 8/16/07 The ESS/ITS and BPS determined no additional standards needed to be developed for this item and voted for the co-chairs to develop recommendation and post formal comments 3/31/08. Recommendation posted for 30-day formal comment period on April 8th. The recommendation was voted out of the EC on May 13.
✔		• Any additional business practice standards needed to complement the NERC TRM reliability standards (MOD008) created as a result of this effort (This item is a catchall section in case there are areas where business practices are needed as a result of the NERC TRM reliability standards. This item will require coordination with the NERC Order 890 reliability standards development).	WEQ 2008 Annual Plan Item 2(b)(iv)(3)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890**	The ESS/ITS and BPS have begun identifying complementary business practices to NERC MOD008.

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				are changed: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: N/A	The ESS/ITS and BPS are continuing to evaluate and review the templates and practices for TRM, 8/16/07 The ESS/ITS and BPS determined no additional standards needed to be developed for this item and voted for the co-chairs to develop recommendation and post formal comments 3/31/08. Recommendation posted for 30-day formal comment period on April 8th. The recommendation was voted out of the EC on May 13.
✔	301	Business Practice Standards for ATC and AFC Calculation Methodologies to complement the NERC reliability standards created for ATC and AFC Methodologies (NERC MOD001 (Available Transfer Capability); NERC MOD028 (Network Response Available Transfer Capability); NERC MOD029 (Rated System Path Available Transfer Capability); and NERC MOD030 (Flowgate Network Response Available Transfer Capability)): • Business practice standards to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards (Paragraph 301 will require coordination with the NERC Order 890 reliability standards development) **Order 890-A:** 53. We clarify in response to NorthWestern that TRM may be used to accommodate the procurement of ancillary services used to provide service under the pro forma OATT. We deny as premature EPSA's and Williams' requests for clarification regarding the realtime determination and posting of ATC and AFC values, as well as posting of utilization of transmission provider's own system ETC. In Order No. 890, the Commission required an exchange of the data both for short and long-term ATC/AFC calculation that will increase the accuracy of ATC calculations.[33] The Commission also required that ATC be recalculated by all transmission providers on a consistent time	WEQ 2008 Annual Plan Item 2(b)(v)(1)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: N/A	The ESS/ITS and BPS has drafted several sets of language and is in the process of coordinating alignment with the NERC ATC Drafting Team. The ESS/ITS and BPS are drafting documents that will facilitate agreement on concepts/scope. The ESS/ITS and BPS determined no additional standards needed to be developed for this item and voted for the co-chairs to develop recommendation and post formal comments 4/16/08. Recommendation posted

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		interval, and in a manner that closely reflects the actual topology of the system, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data, and that NERC/NAESB revise the related reliability standard and business practices accordingly.[34] EPSA and William should address their concerns through the NERC and NAESB processes implementing these requirements. 60. Order No. 890 requires NERC and NAESB to develop a single set of ATC-related standards that will apply to all transmission providers, including RTOs and ISOs. We understand that the NERC ATC standard drafting team includes representatives from various industry sectors, including RTOs/ISOs, and we encourage NYISO to participate in the standard development process to provide NERC an opportunity to address its concerns. To the extent NYISO feels its concerns are not address in this process, it should bring the issue to the Commission's attention on review of the resulting reliability standards. 101. The Commission directed public utilities, working through NERC and NAESB, to revise reliability standard MOD-001 to require ATC to be recalculated by all transmission providers on a consistent time interval and in a manner that closely reflects the actual topology of the system, e.g., generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data. The Commission stated that this process must also consider whether ATC should be calculated more frequently for constrained facilities. 104.The Commission agrees with Powerex that the standards adopted through the NERC and NAESB processes should serve as minimum or "no less frequent than" requirements to recalculate ATC. Transmission providers also must update their ATC calculation when they receive substantial and material changes in data, such as updated load forecasts, changes in topology and dispatch patterns, which may be more frequent than the NERC and NAESB standards would otherwise require. In the absence of substantial and material changes in data, transmission providers are not required to update ATC on a more frequent basis than the minimum frequency that the NERC and NAESB standards require, once implemented. The Commission will consider the adequacy of the time frame for ATC updates on review of these standards. 148. In Order No. 890, the Commission required transmission providers to make available, upon request, all data used to calculate ATC, TTC, CBM and TRM for any constrained posted path. We believe that this adequately addresses Constellation's request for access to modeling data used by the transmission provider. Specifically, we expect transmission providers to make available, upon request and subject to appropriate confidentiality protections and CEII requirements, the following modeling data: (1) load flow base cases and generation dispatch methodology; (2) contingency, subsystem, monitoring, change files and accompanying auxiliary files; (3) transient and dynamic			for 30-day formal comment period on April 23rd. Approved by WEQ EC August 19, 2008.

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		stability simulation data and reports on flowgates which are not thermally limited; (4) list of transactions used to update the base case for transmission service request study; (5) special protection systems and operating guides, and specific description as to how they are modeled; (6) model configuration settings; (7) dates and capacities of new and retiring generation; (8) new and retired generation included in the model for future years; (9) production cost models (including assumptions, settings, study results, input data, etc.), subject to reasonable and applicable generator confidentiality limitations; (10) searchable transmission maps, including PowerWorld or PSSE diagrams; (11) OASIS names to Common Names table and PTI bus numbers; and, (12) flowgate and interface limits including limit category (thermal, steady state or transient, voltage or angular). We decline, however, to require the transmission provider to post this information on OASIS, as Constellation suggests. We conclude that making this information available on request provides sufficient transparency for customers without unduly burdening the transmission provider. 149. With regard to the modeling support information sought by Constellation, we believe much of this information should already be stated in each transmission provider's Attachment C. In Order No. 890, the Commission required each transmission provider to set forth in the Attachment C to its OATT the ATC calculation methodology used by the transmission provider. To the extent necessary, we clarify that the step-by-step modeling study methodology and criteria for adding or eliminating flowgates (permanent and temporary) is part of the ATC methodology that must be stated in the transmission provider's Attachment C. We direct any transmission provider that has failed to include this information in its Attachment C to include that information as part of the compliance filing directed in section II.C. If the transmission provider has already satisfied this obligation in a previous compliance filing, it should refer to that filing instead. 150. We deny as premature Constellation's request to require OASIS postings of additional model benchmarking and forecasting data/TSR study audit data. Such information would be utilized in the process of updating and benchmarking models to actual events, which is the subject of ongoing efforts to modify relevant reliability standards from the MOD and facilities design, connections and maintenance (FAC) groups. 152. We deny TDU Systems' request to require transmission providers to grant customers access to proprietary modeling software used to calculate ATC values. The Commission believes at this time that the requirements of Order No. 890 are sufficient to achieve the Commission's transparency goals without further requiring the disclosure of proprietary software.			

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✔	310	• Business practice standards for data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange (Paragraph 310 will require coordination with the NERC Order 890 reliability standards development)	WEQ 2008 Annual Plan Item 2(b)(v)(2)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: N/A	NERC will be addressing data exchange standards and will identify any new OASIS posting requirements or template query requirements which are needed in order to facilitate data exchange for ATC modeling On March 13, 2008 the ESS/ITS and BPS determined the work associated to this item has been completed by NERC and recommended no further action be taken by NAESB. Recommendation posted for 30-day formal comment period on March 17th. The recommendation was voted out of the EC on May 13.
✔	369	• Business practice standards that will set forth how transmission providers will post "explanations of the reason for a change in monthly and yearly ATC values on a constrained path." The standards will include a requirement that the transmission provider post the reason for the change in a narrative form. The posted information will include "the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network)." (Paragraph 369 will not require coordination with the NERC Order 890 reliability standards development) Although not specified in the WEQ 2008 AP, it is expected that this standard will also contain requirements associated with annotations when ATC remains at zero for six months or longer. **Order 890-A:** 124. We believe that E.ON U.S. overestimates the burden of complying with this requirement. Since TTC standardization is ongoing, it is impossible to identify with	WEQ 2008 Annual Plan Item 2(b)(v)(3)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: 2nd Quarter, 2008	Voted out of subcommittee for formal comment on February 13, 2008. Approved by the EC via notational ballot on April 14th. Membership ratification completed on May 16th.

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		precision the steps that will need to be taken to comply with the posting requirement. The appropriate forum to raise concerns regarding the burden of particular TTC calculation requirements is in the NAESB standards development process. In any event, we would expect that the posting of narratives for changes in monthly and yearly ATC values as a result of a 10 percent change in TTC will be triggered mainly by topology changes resulting from transmission lines and generator in-service status, as well as new facilities additions, that are reported on OASIS. 125. We clarify in response to Southern that transmission providers do not need to list each and every circumstance or occurrence that impacts TTC values from the previous month or year and, instead, may list the primary events that give rise to the update. Again, we expect that TTC changes will generally result from topology changes and, therefore, the primary reasons for an update would be changes in schedules of transmission or generation additions, prolonged outages, or changes in maintenance schedules causing a TTC change of 10 percent. We agree with Southern that the transmission provider should post these narrative explanations on OASIS via a template and data element that is to be defined by NAESB. We direct transmission providers, working through NAESB, to develop the OASIS functionality necessary for such postings. Pending completion of this work by NAESB, we direct transmission providers to post these narrative explanations as comments on OASIS.			
✔	413	• Business practice standards for posting on OASIS of the "underlying load forecast assumptions for all ATC calculations" (Paragraph 413 will not require coordination with the NERC Order 890 reliability standards development) **Order 890-B:** 35. We clarify, however, that the Commission intended for transmission providers to post the underlying factors used to make load forecasts that have a significant impact on calculations, such as temperature forecasts, not all economic and other data that underlies each and every daily load forecast. Transmission providers must post a description of their load forecast method including how economic and weather assumptions are used in load forecasting. The Commission's intent is to increase transparency in the transmission provider's process of forecasting, providing assurance to customers that loads are consistently being forecast using methodologies which are not subject to daily manipulation to favor affiliates.	WEQ 2008 Annual Plan Item 2(b)(v)(4)	**These dates are dependent on NERC providing responses to questions forwarded to NERC by the BPS/ESS/ITS.** FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: 2nd Quarter, 2008	Voted out of subcommittee for formal comment on March 10, 2008. Approved by the EC via notational ballot on April 23rd. Recommendation was posted for membership ratification on June 23rd. Membership ratification completed on July 23rd.
✔	405	• Business practice standards for posting on OASIS of the "actual daily peak load for the prior day." (Paragraph 405 will not require coordination with the NERC Order 890 reliability standards development)	WEQ 2008 Annual Plan Item 2(b)(v)(5)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: 2nd	Voted out of subcommittee for formal comment on March 10, 2008. Approved by the EC via notational ballot on April

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				Quarter, 2008	23rd. Recommendation posted for Membership Ratification on June 23rd. Membership ratification completed on July 23rd.
✔		• Business practice standards to complement NERC reliability standards for Transfer Capability in response to new NERC Supplemental SAR: Revisions to Existing Standards MOD001-MOD009, FAC12-13 (This item was added as a result of the Supplemental SAR NERC created in case additional business practices are needed as a result of the work on this SAR by NERC. It does not have a cite in Order 890. This item will require coordination with the NERC Order 890 reliability standards development).	WEQ 2008 Annual Plan Item 2 (b)(vi)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: N/A	The ESS/ITS and BPS is in the process of coordinating alignment with the NERC ATC Drafting Team. On May 1, 2008, the subcommittee determined no additional standards were required for this work plan item. Posted for formal comments on May 5, 2008. Approved by WEQ EC August 19, 2008.
✔		• Business practice standards to set forth the procedure for input on TTC and ATC methodologies and values. (During the Order 890 NERC and NAESB joint standards development effort, it was determined that the standards contained in MOD003 should be business practice standards instead of reliability standards. NERC has requested that NAESB adopt the standards as business practices via correspondence to Ms. McQuade, NAESB President.) This item will require coordination with the NERC Order 890 reliability standards development because the language to address this item is contained within a draft standard that addresses items that are dependent on NERC deliverables, i.e., the requirements to create an "ATC Information Link" on OASIS. There is no Order 890 cite for this item.	WEQ 2008 Annual Plan Item 2 (b)(vii)	**These dates are dependent on NERC deliverables and may be changed if NERC timelines for Order 890 are changed**: FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: 2nd Quarter, 2008	Voted out of subcommittee for formal comment on March 13, 2008. Approved by the EC via notational ballot on May 2, 2008. Membership ratification period closes June 27, 2008. Recommendation was ratified by the membership on June 27, 2008.
C		Develop any additional business practice standards to support transparency reporting and related functions that may be required as a result of the final order.	WEQ 2008 Annual Plan Item 2(c)	FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008	The ESS/ITS and BPS continue to review the need for additional business practice standards.

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				RATIFICATION: 3rd Quarter, 2008	The ATC information list was posted for informal comment on January 22, 2008. 05-13-2008 - The BPS/ESS/ITS was directed by the EC to suspend activity on this item. ATC Information List has been assigned to a task force of the EC. Voted out of EC task force for formal comment period ending September 17, 2008.
✔		Modify WEQ-001 to reflect in the definition of certain ancillary services that such ancillary services may be provided by non-generation resources such as demand resources. (http://www.naesb.org/pdf3/weq_ec051308w2.doc)	WEQ 2008 Annual Plan Item 6(d)	FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 3rd Quarter, 2008	Commissioner Wellinghoff letter Draft recommendation posted for informal comments on June17, 2008 Recommendation was voted out of subcommittee on July 9th. Formal Comment period closes on August 11th. Approved by WEQ EC August 19, 2008.

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ESS/ITS ASSIGNMENTS					
		GROUP 0: RESALES			
✔	815, FN 496	The OASIS business practices developed to align the existing NAESB standards with Order 890 will include the requirement that "all sales or assignments of capacity be conducted or otherwise posted on the transmission provider's OASIS on or before the date the reassigned service commences." The OASIS business practices will also conform to Footnote 496 of Order 890. The business practices will include the requirement that the assignee "execute a service agreement directly with the transmission provider." In addition, the business practices will include the requirement that the assignee pay "the transmission provider for service at the negotiated rate and the transmission provider will bill or credit the assignor with any the difference between the negotiated rate and the assignor's original rate. **Order 890-A:** 394. Reforms to the rules governing reassignments and associated reporting obligations also increase our regulatory oversight of the secondary market, allowing the Commission to effectively monitor that market for any attempts to exercise market power. All reassignments must now be conducted through or otherwise posted on OASIS and assignees must execute service agreements prior to the date on which service commences. Transmission providers must provide information regarding reassignments in their EQRs. As noted above, Commission staff will also closely monitor the quarterly reassignment-related data submitted by transmission providers and prepare a report on staff's findings for the Commission's consideration. The Commission takes seriously the possibility that resellers may attempt to exercise market power in the secondary market for transmission capacity. We continue to believe, however, that the regulatory protections in place and our increased oversight of this market will limit the potential for market power abuse during the period in which the price cap is lifted. There is no need for particularized market power studies regarding secondary transmission capacity, as suggested by TAPS. 408. As noted above, the Commission required in Order No. 890 that all sales or assignments of capacity be conducted through or otherwise posted on the transmission provider's OASIS on or before the date the reassignment commences. The Commission thus eliminated the ability of transmission customers to assign transmission rights to another party with subsequent notification to the transmission provider. The Commission also directed transmission providers, working through NAESB, to develop appropriate OASIS functionality to allow such postings. Transmission providers were not required to implement this new OASIS functionality or any related business	WEQ 2007 Annual Plan Item 2(a)(i)	FORMAL COMMENT: Posted for formal comment April 5, 2007 with comments due on May 4, 2007. WEQ EC VOTE: The WEQ Executive Committee adopted a revised recommendation during the May 8, 2007 WEQ EC meeting. RATIFICATION: The recommendation, as revised by the WEQ Executive Committee was posted for member ratification on June 22, 2007 with ballots due on July 23, 2007. The ratification results are posted on the NAESB website.	Completed. The final action is posted on the NAESB WEQ Final Actions page: 2007 WEQ Annual Plan Item 2 Final Action - Recommendation for Revision to Final Action R04006D to align the Resales Standards with Order 890 The Subcommittee believes the final action conforms with Order 890-A.

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		practices until NAESB develops appropriate standards. 422. The Commission affirms the decision in Order No. 890 to require assignees to execute a service agreement with the transmission provider governing reassignments of transmission capacity prior to scheduling use of that capacity. We provide clarification of this requirement, however, in response to the concerns raised by petitioners. In Order No. 890, the Commission required that all reassignments be accomplished by the assignee executing a service agreement with the transmission provider that will govern the provision of reassigned service. The Commission did not intend to impose contracting obligations that are more onerous than the acquisition of primary transmission capacity, which may be accomplished through execution of a service agreement followed by scheduling on OASIS. We clarify that it is equally sufficient for an assignee to execute a service agreement governing its reassignments of capacity generally and to complete a particular assignment through the OASIS. However, as with reservations of primary transmission capacity, there remains a threshold requirement to execute a service agreement with the transmission provider in order to commit the assignee to abide by the terms and conditions of the transmission provider's OATT governing the reassignment of transmission service. 423. It would not be appropriate to relieve assignees of the obligation to execute a service agreement with the transmission provider since such agreements establish the necessary contractual relationship between the assignee and the transmission provider. As we explain above, sales of reassigned capacity now take place under the transmission provider's OATT and, thus, there must be a contractual relationship between these parties. This does not mean, however, that all of the terms and conditions of a particular assignment must be stated in the service agreement. Like short-term firm and non-firm reservations of primary capacity, the transmission provider and assignee may rely on OASIS to provide information regarding the reseller, quantity, and price associated with a particular reassignment of service. This information would then become part of the binding agreement between the transmission provider and assignee governing the assignment, just as confirmation of short-term firm and non-firm transactions on OASIS constitute binding contractual commitments. Because execution of a service agreement with the transmission provider governing reassignments of capacity is a threshold requirement for an assignee wishing to accomplish a particular reassignment on OASIS, Bonneville's concern regarding the failure of an assignee to return its service agreement is misplaced. The assignee in that instance would have no right to schedule a reassignment on OASIS since it has not first executed the appropriate service agreement with the transmission provider. 424. Some of the confusion regarding these contracting requirements may have been caused by the Commission's reference in section 23.1 of the revised pro forma OATT to			

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		a service agreement "that will govern the provision of reassigned service," which could be interpreted to refer to transaction-by-transaction service agreements for reassignments. Inclusion of the words "Long-Term Firm" in both the title of the form of service agreement and the attached specifications in the new Attachment A-1 to the pro forma OATT adopted in Order No. 890 may have added to the confusion by potentially implying that use of the service agreement is limited to long-term firm point-to-point transactions instead of also applying to short-term firm point-to-point and non-firm point-to-point reassignments, as intended by the Commission. We revise section 23.1 of the pro forma OATT and the title of Attachment A-1 to make clear that use of the form of service agreement for reassigned capacity, and associated posting of schedules and transaction information on OASIS, should be similar to the use of such agreements for primary capacity. 425. The execution of a service agreement by the assignee does not itself terminate the reseller's service agreement, as EEI argues. The reseller's service agreement remains in place, granting the reseller scheduling rights for the reserved capacity and obligating the reseller to pay for that reservation. During the term of the assignment, the reseller will continue to be billed under its agreement with the transmission provider. The assignment of service simply transfers to the assignee some or all of the reseller's scheduling rights for the period of the reassignment and, in return, obligates the assignee to pay the transmission provider the negotiated rate. In order to prevent over-recovery by the transmission provider, the transmission provider must therefore credit the reseller the reassignment rate, which leaves the reseller with the net difference between the resale rate and the reseller's original rate. If the assignee defaults and fails to pay for the reassigned capacity, the transmission provider should reverse the credit to the reseller to reflect the lack of payment by the assignee. 426. We disagree that these billing requirements are unduly burdensome. While it is true that the transmission provider may be required to bill at different rates, that is already the case under the pro forma OATT. Transmission providers are permitted to offer discounts from the rates stated in their OATT, provided they offer such discounts to all eligible customers. Offering discounts thus creates different rates for different customers depending on when they negotiate service. The transmission provider therefore should already have mechanisms in place to bill customers based on rates other than those stated in its OATT. In any event, the need to bill assignees directly for reassignments is inextricably linked to the decision to require that all reassignment transactions take place pursuant to the rate on file in the transmission provider's OATT, rather than bilateral agreements between customers. We therefore do not intend for the discount rule or the price ceilings otherwise stated in the transmission provider's OATT to apply to reassignments of capacity. We have revised schedules 7 and 8 of the pro			

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		forma OATT accordingly. 427. We clarify that, to the extent necessary, the costs incurred by the transmission provider to account and bill for reassignments of transmission capacity should be included in the transmission provider's cost of service, just like accounting and billing costs for any other service under the transmission provider's OATT. We decline MidAmerican's request to prohibit further assignments of reassigned capacity. Order No. 888 allowed for multiple reassignments under the pro forma OATT and MidAmerican does not justify departing from this practice. Just as the original transmission customer may find that it has excess capacity it can reassign, so may an assignee. Denying the assignee's right to further assign its scheduling rights would inhibit customers who value the capacity most from accessing it and thereby contradict the Commission goal of creating a competitive secondary market for transmission capacity. 428. With regard to OASIS modifications necessary to allow for the reassignment of transmission capacity, the Commission in Order No. 890 already directed transmission providers working through NAESB to develop appropriate OASIS functionality to allow for reassignment-related postings. We understand that this work is on-going and expect any necessary modifications to NAESB's business practices that are necessary to reflect our rulings in this order will be adopted prior to the submission of those standards for Commission review. In the interim, transmission providers should identify in their business practices any procedures necessary to accomplish the reassignment of capacity by their customers.			
		GROUP 1: ANNOTATIONS FOR ATC; LOAD FORECAST AND ACTUAL LOAD; RE-BID OF PARTIAL SERVICE; PRECONFIRMATION PRIORITY; and CONDITIONAL FIRM			
		Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority S&CP Requirements	WEQ 2008 Annual Plan Item 2(a)(i)(1)	FORMAL COMMENT: Sent during the 3rd Quarter 2007. WEQ EC VOTE: EC notational ballot due January 16, 2008. RATIFICATION: The ratification of the Recommendation will be completed during 1st Quarter 2008.	**Split into individual items – see below**
✔	1078	**Conditional Firm:** In Paragraph 1078 of Order 890, the Commission directed transmission providers to "assign short-term firm service to conditional firm customers as the service becomes available." The Commission also directed transmission providers to work with NAESB to "develop the appropriate communications protocols to implement this attribute of conditional firm service." NAESB will develop OASIS	WEQ 2008 Annual Plan Item 2(a)(i)(2)	FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 3rd Quarter, 2008	Initial working paper of draft requirements to be posted in April 2008. On April 4, 2008, the

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		business practices (to complement the OASIS S&CPs developed in 2008 AP item 2(a)(i)(1))that will implement the ability to assign short-term firm service to conditional firm customers. Development of communication protocols for conditional firm including tracking mechanism and regional variation. Need to review the tagging rules related to the use of conditional firm. **Order 890-A:** 566. During non-conditional periods, conditional firm service is subject to pro rata curtailment consistent with curtailment of any other long-term firm service. During the hours or specific system conditions when conditional firm service is conditional, conditional firm service share the same curtailment priority as secondary network service. In such circumstances, transmission providers will be allowed to curtail only for reliability reasons and conditional firm customers during conditional curtailment hours will be curtailed only after all point-to-point non-firm customers have been curtailed. If the customer selects the annual hourly cap option, the transmission provider will have the flexibility to conditionally curtail the customer for any reliability reason during those hours, including but not limited to, the system condition(s) identified in the system impact study. 567. The Commission provided that short-term firm service reserved prior to the reservation of conditional firm service will maintain priority over conditional firm service in the periods when conditional firm service is conditional, i.e., when specified system conditions exist or conditional curtailment hours apply. Transmission providers were directed to work with NAESB to develop the appropriate communications protocol to allow for automatic assignment of short-term firm point-to-point service to conditional firm customers to the extent short-term service becomes available. Transmission providers need not implement this requirement until NAESB develops appropriate communications protocols. 569. Finally, the Commission recognized that there may be some regional variation in the way transmission providers approach the provision of conditional firm service beyond the minimum attributes that established in Order No. 890. The Commission directed transmission providers located in the same region to coordinate among themselves to develop business practices for implementation of the conditional firm service. In order to allow time for this regional coordination, the Commission directed transmission providers to implement these mechanisms and business practices within 180 days after the publication of this Final Rule in the Federal Register, or October 11, 2007. 585. We also agree with MidAmerican that a transmission provider's waiver of a			ESS/ITS voted to send this recommendation out for informal comments due April 11, 2008. Voted out of subcommittee for formal comment on June 24, 2008. Recommendation posted for 30-day formal comment period on June 25th. Approved by WEQ EC on August 8, 2008 Ratified by the membership on 9/25/2008.

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		reassessment for conditional firm or planning redispatch service does not constitute a waiver of all reassessments for the duration of the service, unless explicitly agreed to by the transmission provider. We reiterate, however, that only one reassessment may be performed in each two-year period of service. We also affirm that any waiver must be granted for similarly situated service, which would include conditional firm or planning redispatch service that is limited because of the same constraints or general system limitations. Such a waiver would be an act of discretion that must be posted on OASIS. Waiver of the reassessment presents an opportunity for discrimination among classes of customers on the part of the transmission provider and posting will provide eligible customers with an indicator of how often conditions or redispatch requirements have been reassessed. Transmission providers are directed to develop uniform OASIS posting standards, in coordination with NAESB, for transmission providers to post information regarding waivers of the biennial reassessment for planning redispatch and conditional firm service.			
✔	369	**Annotations for ATC:** OASIS Business Practice Standards (to complement the OASIS S&CPs developed in 2008 AP item 2(a)(i)(1)) that will "require that the transmission provider post a brief, but specific, narrative explanation of the reason for a change in monthly and yearly ATC values on a constrained path." The posting requirements will include posting of "(1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network)."	WEQ 2008 Annual Plan Item 2(a)(i)(3)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: 2nd Quarter, 2008	Assigned to BPS/ESS/ITS (see above BPS/ESS/ITS item that reference WEQ 2008 AP Item 2(b)(v)(3)). Voted out of subcommittee for formal comment on February 13, 2008. Approved by the EC via notational ballot on April 14th. Membership ratification to be completed by May 16th. Ratified by the membership on 5/16/2008.
✔	416	**Load Forecast and Actual Load:** OASIS Business Practice Standards (to complement the OASIS S&CPs developed in 2008 AP item 2(a)(i)(1)) for the posting of "load forecasts and actual daily peak load for both system-wide load (including native load) and native load." **Order 890-B:** 35. We clarify, however, that the Commission intended for transmission providers to post the underlying factors used to make load forecasts that have a significant impact on calculations, such as temperature forecasts, not all economic and other data that	WEQ 2008 Annual Plan Item 2(a)(i)(4)	FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 2nd Quarter, 2008 RATIFICATION: 2nd Quarter, 2008	Assigned to BPS/ESS/ITS (see above BPS/ESS/ITS item that reference WEQ 2008 AP Items 2(b)(v)(4) and (5)). Voted out of subcommittee for formal comment on March 10, 2008.

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		underlies each and every daily load forecast. Transmission providers must post a description of their load forecast method including how economic and weather assumptions are used in load forecasting. The Commission's intent is to increase transparency in the transmission provider's process of forecasting, providing assurance to customers that loads are consistently being forecast using methodologies which are not subject to daily manipulation to favor affiliates.			Approved by the EC via notational ballot on April 23rd. Membership ratification completed on July 23rd.
✔	1378	**Re-bid of Partial Service:** OASIS Business practice standards (to complement the OASIS S&CPs developed in 2008 AP item 2(a)(i)(1)) for re-bid of partial service across a single Transmission Provider's system.	WEQ 2008 Annual Plan Item 2(a)(i)(5)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 1st Quarter, 2008 RATIFICATION: 1st Quarter, 2008	Voted out of subcommittee for formal comment on 2/12/2008. WEQ EC adopted the recommendation on May 13. Membership ratification to be completed by June 23rd. Recommendation was ratified by the membership on June 23rd
✔	1392, 1401	**Pre-confirmation Priority:** Development of OASIS business practice standards (to complement the OASIS S&CPs developed in 2008 AP item 2(a)(i)(1)) to prohibit "transmission customers from changing a request into a pre-confirmed request and requiring OASIS platforms to be accessible on non-Windows/Explorer computers." **Pre-confirmation Priority:** Development of OASIS Business Practice Standards and OASIS S&CPs so that "pre-confirmed non-firm point-to-point transmission service requests and short-term firm point-to-point transmission service requests" have priority though "longer duration requests for transmission service will continue to have priority over shorter duration requests for transmission service." The standards will be written such that pre-confirmation will serve as a "tie-breaker" when the requests are of equal duration.	WEQ 2008 Annual Plan Item 2(a)(i)(6)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 1st Quarter, 2008 RATIFICATION: 1st Quarter, 2008	Voted out of subcommittee for formal comment on 2/12/2008. WEQ EC adopted the recommendation on May 13. Membership ratification to be completed by June 23rd. Recommendation was ratified by the membership on June 23rd.
✔		Appendix C – OASIS Exemptions	WEQ 2008 Annual Plan Item 2(a)(i)(7)	FORMAL COMMENT: **Voted out of subcommittee 12/17/2007. Formal Comment period 12/19/2007 through 1/19/2008.** WEQ EC VOTE: Approved February 4, 2008 RATIFICATION: Ratification	Ratified by the membership on 3/13/2008.

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				period to close 3/13/2008	
		GROUP 2: METRICS; REDISPATCH COST POSTING			
✔	413	**Metrics:** Business Practice standards s to "post on OASIS metrics related to the provision of transmission service under the OATT" including the posting of: • "the number of affiliate versus non-affiliate requests for transmission service that have been rejected"; • "the number for affiliate versus non-affiliate requests for transmission service that have been made"; These standards will also set forth in the above referenced posting requirements the length of the service request and the type of the service requested.	WEQ 2008 Annual Plan Item 2(a)(ii)(1)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 1st Quarter, 2008 RATIFICATION: 1st Quarter, 2008	Voted out of subcommittee for formal comment on 2/12/2008. WEQ EC adopted the recommendation on May 13. Membership ratification to be completed by June 23rd. Recommendation was ratified by the membership on June 23rd
✔	1318	**Metrics:** OASIS business practice standards to implement the standard performance (planning study) metrics set forth in Order 890, Paragraphs 1308-1317.	WEQ 2008 Annual Plan Item 2(a)(ii)(2)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 1st Quarter, 2008 RATIFICATION: 1st Quarter, 2008	Voted out of subcommittee for formal comment on 2/12/2008. WEQ EC adopted the recommendation on May 13. Membership ratification to be completed by June 23rd. Recommendation was ratified by the membership on June 23rd
✔	1162	**Redispatch Cost Posting:** Business practices for redispatch cost postings: • The posting of redispatch information will also include the posting of each transmission provider's "monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability redispatch under the pro forma OATT." • The business practice standards for redispatch cost postings will also include functionality for transmission providers to post "a high and low redispatch for the month" each internal congested transmission facility or interface over which it provides redispatch service.	WEQ 2008 Annual Plan Item 2(a)(ii)(3)	FORMAL COMMENT: 1st Quarter, 2008 WEQ EC VOTE: 1st Quarter, 2008 RATIFICATION: 1st Quarter, 2008	Voted out of subcommittee for formal comment on 2/12/2008. WEQ EC adopted the recommendation on May 13. Membership ratification to be completed by June 23rd. Recommendation was ratified by the membership

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		Order 890-A: 621. Transmission providers must post internal constraint or interface data for the month if any planning redispatch or reliability redispatch is provided during the month, regardless of whether the transmission customer is required to reimburse the transmission provider for those exact costs. Thus, if the transmission customer pays for planning redispatch pursuant to a negotiated fixed rate, the transmission provider is required to post and calculate the monthly average redispatch costs and the high and low costs in the month even though the transmission provider will bill the customer the fixed rate. The same posting requirement applies if the customer is paying a monthly "higher of" rate. The Commission concluded that the relevant reliability redispatch costs for posting purposes are those costs the transmission provider invoices network customers based on a load ratio share pursuant to section 33.3 of the pro forma OATT. The transmission provider must post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to transmission customers for redispatch-related services. The Commission directed transmission providers to work in conjunction with NAESB to develop this new OASIS functionality and any necessary business practice standards.			on June 23rd
		GROUP 3: NETWORK SERVICE ON OASIS			
I	385	Development of OASIS business practice standards and OASIS S&CPs for "transmission providers and network customers to use OASIS to request designation of new network resources and to terminate designation of network resources." Shall be posted on OASIS for 90 days and available for audit for a 5 year period.	WEQ 2008 Annual Plan Item 2(a)(iii)(1) See also WEQ 2008 Annual Plan item 3(a)(ii)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009 RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.
I	385	The standards will include the ability to electronically query requests to designate and terminate network resources and will require development of OASIS templates and to allow for queries of all information provided with designation requests. **Order 890-B:** 209. We also conclude that concerns regarding the ability to verify or monitor the buyer's decision to designate a purchase of system power as a network resource are overstated in light of the clarification that the buyer and seller must be on the same transmission system. In Order No. 890, the Commission directed transmission providers, working through NERC, to develop OASIS functionality for the designation of network resources and for queries of information provided with designation requests. Parties to a sale of system power on the same transmission system will therefore have	WEQ 2008 Annual Plan Item 2(a)(iii)(2) See also WEQ 2008 Annual Plan item 3(a)(ii)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009 RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.

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		ready access to the treatment of the resource. Sellers also may rely on commitments made by the buyer to designate the purchase as a network resource.			
I	1477	The standards will include the ability to mask information "about operating restrictions and generating cost on OASIS"	WEQ 2008 Annual Plan Item 2(a)(iii)(3) See also WEQ 2008 Annual Plan item 3(a)(ii)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009 RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.
I	1477	Development of OASIS business practice standards and OASIS S&CPs that describe the procedural requirements for submitting designations over any new OASIS functionality. **Order 890-A:** 919. The Commission clarifies, in response to South Carolina E&G's request, that the language in paragraph 1521 of Order No. 890 is only meant to be a paraphrase of the more detailed attestation to be provided in the pro forma OATT itself. A network customer designating network resources should submit an attestation using the language set forth in sections 29.2(viii) and 30.2 of the pro forma OATT, as amended in Order No. 890, not the language of the preamble. A network customer is not permitted to merely reference the applicable section of the pro forma OATT when completing the attestation requirement. If the OASIS customer comment section does not currently allow enough space for a network customer to provide its attestation, transmission providers should modify, in coordination with NAESB, OASIS functionality to accommodate the full attestation. In the interim, the transmission provider should identify alternate means, such as by telefax or e-mail, for the network customer to provide the attestation.	WEQ 2008 Annual Plan Item 2(a)(iii)(4) See also WEQ 2008 Annual Plan item 3(a)(ii)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009 RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.
I	1504	Development of OASIS business practice standards and OASIS S&CPs to specify how designated network service informational postings are posted on OASIS . Develop details of how the view, download, and query requirements for information posted regarding network resource designations informational postings.	WEQ 2008 Annual Plan Item 2(a)(iii)(5) See also WEQ 2008 Annual Plan item 3(a)(ii)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.
I	1532	Development of OASIS business practice standards and OASIS S&CPs to set forth the "treatment of OASIS requests when the customer fails to provide the necessary attestation," when submitting a request to designate a new network resource.	WEQ 2008 Annual Plan Item 2(a)(iii)(6)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009	Concept Paper posted 11/7/2007.

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		Attestation: Formatting of attestation information that will be provided on OASIS. **Order 890-B:** 182. The Commission grants rehearing to more accurately state the requirement to provide an attestation supporting the designation of network resources pursuant to sections 29.2(viii) and 30.2 of the pro forma OATT. In order to designate a network resource, section 30.7 of the Order No. 888 pro forma OATT required each network customer to demonstrate that (i) it owns or has committed to purchase generation pursuant to an executed contract or (ii) execution of a contract is contingent upon the availability of transmission service in order to designate a generating resource. In Order No. 890, the Commission adopted the attestation requirement as the means by which the network customer can make this demonstration, revising sections 29.2 and 30.2 accordingly. We affirm this requirement, consistent with the network customer's obligations under section 30.7, and grant rehearing of the Commission's statements in this proceeding indicating that the attestation can instead be submitted at the time a resource designation is confirmed, rather than requested. 183. We disagree with NRECA and TDU Systems that a customer submitting an attestation pursuant to section 29.2(viii) or 30.2 of the pro forma OATT must commit to purchase the resources for which designation is requested irrespective of the outcome of the network service request. Consistent with section 30.7, a network customer may attest that execution of a contract is contingent upon the availability of transmission service under Part III of the pro forma OATT. Network customers are therefore not required to commit to purchasing a resource prior to submitting a request to designate that resource.	See also WEQ 2008 Annual Plan item 3(a)(ii)	RATIFICATION: 1st Quarter, 2009	
I	1541	Development of OASIS business practice standards and OASIS S&CPs to describe "the procedural requirements for submitting both temporary and indefinite terminations of network resources, to allow network customers to provide all required information for such terminations." These business practice standards will include the functionality set forth in Order 890, Paragraph 1541.	WEQ 2008 Annual Plan Item 2(a)(iii)(7) See also WEQ 2008 Annual Plan item 3(a)(ii)	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009 RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.
I	1541	Development of OASIS business practice standards and OASIS S&CPs to describe "the procedures for submitting and processing requests for concomitant evaluations of transmission requests and temporary terminations. **Order 890-B:** 188. In Order No. 890, the Commission directed transmission providers to evaluate as a single request a request for temporary undesignation and related requests for	WEQ 2008 Annual Plan Item 2(a)(iii)(8) See also WEQ 2008 Annual Plan item	FORMAL COMMENT: 1st Quarter, 2009 WEQ EC VOTE: 1st Quarter, 2009RATIFICATION: 1st Quarter, 2009	Concept Paper posted 11/7/2007.

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		transmission service. Transmission providers were therefore directed to develop, working through NAESB, business practices allowing for electronic identification of related transmission service requests to be evaluated concomitantly with the request for temporary undesignation. This was appropriate in light of the Commission's decision to allow network customers to temporarily undesignate their network resources without forfeiting the right to use the resource at a specified point in the future, provided they pair the temporary undesignation with a request to redesignate the resource. 189. We find that similar procedures for permanent undesignations of network resources are unnecessary given the transmission provider's obligation to consider clustering transmission service requests at the request of customers. If a network customer or the transmission provider's merchant function wishes for the transmission provider to take into consideration the effect of a request to terminate a network resource on a concomitant request to designate another network resource, it may request the transmission provider to cluster the requests. As TranServ acknowledges, this will not alter the priority of the network customer or the transmission provider's merchant function with regard to any ATC that may be made available by undesignating the network resource.	3(a)(ii)		
		GROUP 4: PRE-EMPTION; REQUEST R05019; and REVISIONS TO STANDARD 9.7			
N S	1407	**Pre-emption:** Revise OASIS business practice standards and OASIS S&CPs so that "a new pre-confirmed request for transmission service would preempt a request of equal duration that has been accepted by the transmission provider but not yet confirmed by the transmission customer." It is the expectation that the business practice standards to address preemption will be developed in conjunction with NAESB Request No. R05019 to modify OASIS standards and OASIS S&CPs to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff. This is consistent with NAESB Standard WEQ 001-4.25. **Order 890-A:** 814. The Commission affirms the decision in Order No. 890 not to change the "first-come, first served" nature of the reservation process and the right of first refusal. These policies have worked well in the past and, as we explain in Order No. 890, benefit transmission providers and customers alike by facilitating the administration of the reservation process and removing confusion about how to comply. 815. We disagree with Duke and TranServ that the right of first refusal policies should be revised based on complex hypotheticals involving the preemption of multiple short-term reservations. The complexities pointed to by these commenters do not by themselves warrant changing the right of first refusal rule. Even though we recognize	WEQ 2008 Annual Plan Item 2(a)(iv)(1)	**REQUEST FOR RECONSIDERATION PENDING AT FERC MAY IMPACT TARGET DATES.** FORMAL COMMENT:2nd Quarter, 2009 WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started

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		the potential for complexities to arise under the right of first refusal rule, we believe them to be relatively limited. In the off-chance that multiple eligible customers with short-term reservations choose to exercise their right of first refusal for the same capacity simultaneously, the Commission believes that they should have a right to do so. 816. We therefore decline to expand upon the language of the pro forma OATT to account for every factual scenario that could arise under sections 13.2 and 14.2 of the pro forma OATT. Sections 13.2 and 14.2 of the pro forma OATT set forth adequate guidance for transmission providers to fairly administer competing requests, including the priorities for determining which reservations or requests trump one another as well as the timeframes for eligible customers to respond to competing requests. As noted above, we recognize that certain unique cases can present difficult allocation issues, but conclude that these extreme cases arise infrequently in the normal course of business. In the vast majority of cases, we believe the right of first refusal rules are efficient and easy to administer without further amending the governing tariff language, as Bonneville and Southern suggest. 817. To the extent necessary, the Commission clarifies that a "competing request" under sections 13.2 and 14.2 of the pro forma OATT may include a transmission service request that overlaps with only part of another existing transmission service reservation since both requests cannot be granted simultaneously. Accordingly, a "competing request" for purposes of sections 13.2 and 14.2 may also include a transmission service request for which transmission capacity cannot be accommodated without preempting one or more existing transmission reservations of parts thereof. 818. In response to TranServ and Duke, we clarify that sections 13.2 and 14.2 allow an eligible customer to retain its original reservation by matching the competing service request's cost or duration terms exactly or by exceeding one or more of the terms of a competing transmission service request. Since any "match" by an eligible customer in response to a potentially preempting request, by definition, either exceeds the costs, duration or both of the eligible customer's original reservation, we do not believe eligible customers opting to match a competing request have a strong incentive, if any, to "match" a competing request with terms that exceed the competing request. Nevertheless, we do not see any harm resulting from a match that exceeds the exact terms of a competing request and therefore believe it would not be appropriate to preclude the ability of eligible customers to make such a request. 819. With regard to reassignments of capacity in the secondary market, we clarify that the associated right of first refusal under sections 13.2 and 14.2 of the pro forma OATT to match a competing transmission service request applies to the primary transmission service, not the reassignment of scheduling rights. Using TranServ's example, the reassignment of one day of a customer's weekly service would not cause the assignor or			

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		the assignee to match a competing three day request for service since the initial one week reservation already exceeded the competing request. The fact that one day of service has been reassigned does not alter the assignor's entitlement to use service for the remaining week reserved. **Order 890-B:** 161. The Commission declines to address in this rulemaking proceeding how transmission providers should resolve complicated and fact-specific scenarios such as the cascading rights of first refusal described by Duke. Sections 13.2 and 14.2 of the pro forma OATT provide adequate guidance for transmission providers to fairly administer the vast majority of competing requests, including priorities for determining which reservations or requests trump one another as well as the timeframes for eligible customers to respond to competing requests. As the Commission explained in Order No. 890-A, we expect that more complex circumstances such as those suggested by Duke will be relatively limited and, therefore, are best addressed on a case-by-case basis. Transmission providers remain free, however, to develop through the NAESB process standard procedures for processing complicated request scenarios.			
N S		**NAESB Request No. R05019:** During the work to address FERC Order 890, the ESS/ITS will also use the opportunity to modify OASIS standards and S&CP to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff as requested in NAESB Request No. R05019	WEQ 2008 Annual Plan Item 2(a)(iv)(2) R05019	**REQUEST FOR RECONSIDERATION PENDING AT FERC MAY IMPACT TARGET DATES.** FORMAL COMMENT: 2nd Quarter, 2009 WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started
N S	1269	**Revisions to Standard 001-9.7:** NAESB will continue to work to revise NAESB WEQ business practice standard WEQ 001-9.7 (which addresses rollover rights for Redirected transmission service) to be consistent with the Commission's policies. **Order 890-A:** 697. Pursuant to Section 22 of the pro forma OATT, a transmission customer taking firm point-to-point service may modify its receipt and delivery points, i.e., redirect its service, on either a non-firm or firm basis. In Order No. 676, the Commission adopted the "Standards for Business Practices and Communication Protocols for Public Utilities" developed by the NAESB's Wholesale Electric Quadrant (WEQ). The WEQ standards include standards addressing requirements for redirects on both a firm and non-firm basis, all of which were incorporated by reference into the Commission's regulations	WEQ 2008 Annual Plan Item 2(a)(iv)(3)	FORMAL COMMENT: 3rd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 4th Quarter, 2008	On February 11-12, 2008, the ESS/ITS voted to send this recommendation out for informal comments due March 25, 2008. Voted out of subcommittee for formal comment on 9/3/2008.

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		except for WEQ Standard 001-9.7, which addressed the impact of redirects on the rollover rights of a long-term transmission customer. Order No. 676 directed the WEQ to reconsider WEQ Standard 001-9.7 and develop a revised standard consistent with Commission policy. 698. In Order No. 890, the Commission affirmed reliance on the NAESB process to develop business practices implementing the Commission's redirect policy. The Commission also determined that the reforms adopted in Order No. 676, in combination with the OATT-related reforms adopted in this proceeding, were adequate to ensure that transmission providers do not engage in undue discrimination when a customer seeks to modify its receipt and delivery points on a firm basis. With respect to the effect of redirects on rollover rights, the Commission affirmed its policy allowing a redirect of firm, long-term service to retain rollover rights, even if the redirect is requested for a shorter period. The Commission concluded that a transmission customer should not have to choose between maintaining its rollover rights and redirecting on a firm basis. The Commission noted, however, that any change to a delivery point would be treated as a new request for service for purposes of determining availability of capacity. As a result, a redirect right does not grant the customer access to system capacity or queue position different from other customers submitting new requests for service. The Commission also provided guidance regarding the processing of, and pricing for, redirected service. 700. If the Commission decides to maintain rollover rights for redirects, MISO proposes the following limitations and requests the Commission to direct NAESB to draft its business practices accordingly. First, MISO suggests that the primary path agreement should have a term of at least five years for any rollover rights to attach. Second, MISO requests that any redirect must be for firm service for one year or longer. If the redirect is for a shorter period, MISO contends that the rollover rights should remain with the original path. Third, MISO requests redirected service to terminate on the same date as the parent service so as to maintain the timing for execution of rollover rights. Finally, MISO suggests that in order to execute a rollover right the redirected service must be requested and granted prior to the one-year deadline for the customer to request rollovers along the original path. 702. TranServ also requests clarification regarding the requirement for the rollover right to follow the redirect, regardless of the duration of the redirect. TranServ questions whether a redirect of a long-term firm service reservation for one day qualifies that customer for rollover rights on the redirected service points. TranServ suggests that the Commission instead restrict rollover rights on redirected service points to redirects of five years or longer and further require that the redirect be co-terminus with the original request being redirected. TranServ argues that more guidance regarding implementation			

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		of the rollover and redirect policies will facilitate the NAESB standards development process. 704. The Commission denies petitioners' requests to amend the rights of rollover customers to redirect their service. Under section 22.2 of the pro forma OATT, a request for a firm redirect must be treated like a request for new transmission service. As a new request for service, each redirect request is subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new redirected path. The transmission provider is required to offer rollover rights to a customer requesting a firm redirect only if rollover rights are available on the redirected path, i.e., to the extent not restricted based on reasonable forecasts of native load growth or preexisting contracts that commence in the future. 705. As the Commission explained in Order No. 890, rollover rights follow the redirect regardless of the duration of the redirect. A transmission customer making a firm redirect request does not convert its original long-term firm transmission service agreement into two short-term service agreements, nor does it lose its rollover rights under its long-term firm transmission service agreement. At the same time, a customer can exercise its rollover right only at the end of the contract. Thus, if a customer with rollover rights chooses to redirect its capacity for less than the full remaining term of the contract, absent some further request to redirect, the original path will automatically be reinstated and rollover rights would remain on only the original path. By contrast, if the customer chooses to redirect its capacity until the end of its contract, the customer would have rollover rights along only the redirected path, and only to the extent not restricted based on native load growth or future contracts along the redirected path. 706. We therefore reject requests to restrict rollover rights to longer-term redirects. A long-term transmission customer may request multiple, successive redirects for firm service. This discretion is limited by the fact that each successive request is treated as a new request for service in accordance with section 17 of the pro forma OATT. Each request is therefore subject to the availability of capacity and subject to the possibility that the transmission provider may not be able to provide rollover rights on the new, redirected path. If the customer has not been granted rollover rights for a redirect that extends to the end of its contract, the redirected service will terminate on the same date as the parent service. 707. We also reiterate that a customer cannot exercise any rollover rights unless it first has provided the appropriate notice to the transmission provider. If a customer requests and is granted a rollover right prior to the relevant notice deadline (60 days for pre-Order No. 890 agreements or one year for all others) and subsequently requests and is granted a redirect for firm service for the remainder of the contract term (i.e., within the notice period), the new reservation governs the rights at the new receipt and delivery points and			

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		the customer can obtain rollover rights with respect to the redirected capacity to the extent rollover rights are available for the redirected points. If, however, a customer fails to request a rollover right prior to the relevant notice deadline, the customer forfeits rollover rights along the current or any redirected path. 708. We clarify, to the extent necessary, that transfer capability is not freed up for earlier queued service requests until a redirect has been granted. A redirect request must be evaluated in accordance with section 17 of the pro forma OATT using the same system assumptions and analysis applicable to any other new request for service, including whether sufficient ATC exists to accommodate the request. If there is insufficient ATC to offer service to customers in the queue, and an existing customer requests redirected service, any increase in ATC along the original path is contingent upon the acceptance and confirmation of the redirect. It cannot be assumed at the time of a redirect request that the transmission provider will grant the request.			
		GROUP 5: PARAGRAPH 1377			
NS	1377	NAESB will develop business practice standards to facilitate the coordination of requests across multiple transmission systems using the principles set forth in Paragraph 1377 of Order 890. Develop S&CPs related to coordination of request across multiple transmission systems. **Order 890-A:** 762. The Commission also required transmission providers working through NAESB to develop business practice standards to better coordinate transmission requests across multiple transmission systems. In order to provide guidance to NAESB, the Commission articulated the principles that should govern processing across multiple systems. The Commission further required transmission providers working through NAESB to develop business practice standards to allow a transmission customer to rebid a counteroffer of partial service so the transmission customer can take the same quantity of service for linked transmission service requests across multiple systems. The Commission explained that the transmission customer should not be required to take the same quantity of service across consecutive transmission service requests and, instead, it should simply have the option to do so. 766. The Commission affirms the decision in Order No. 890 to rely on the NAESB process to develop business practices to govern the processing of transmission requests across multiple transmission systems. We decline to dictate at this time, beyond those principles outlined in Order No. 890, the particular practices that must be implemented. It is more appropriate to allow transmission providers working through NAESB, in the first instance, to consider how best to ensure coordination across multiple systems. It is	WEQ 2008 Annual Plan Item 2(a)(v)(1)	FORMAL COMMENT: 2nd Quarter, 2009 WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started

		Order 890 Work Plan			
	Cite	**Action Item/Work Plan**	**Action Item Home**	**Target Dates**	**Status**
		also appropriate to give NAESB an open timeframe to develop these standards since they must be broad enough to account for the complexities of coordinating multi-system transmission service requests.			
N S	1378	**Re-bid of Partial Service:** OASIS Business practice standards for re-bid of partial service across multiple Transmission Providers' systems. NAESB will develop business practice standards to "allow a transmission customer to rebid a counteroffer of partial service so the transmission customer is allowed to take the same quantity of service across all linked transmission service requests.	WEQ 2008 Annual Plan Item 2(a)(v)(2)	FORMAL COMMENT: 2nd Quarter, 2009 WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started
		GROUP 6: MISCELLANEOUS			
N S	1390	NAESB plans to review the existing business functions set forth in the NAESB WEQ standards to determine if changes should be made to address Paragraph 1390 of Order 890. FERC: OATT is sufficient to allow a Transmission Provider to manage situations where the Transmission Customer modifies its application for service to the point that the request is "meaningfully different" than initial request. ESS/ITS: need to review if this has any impact on business functions.	WEQ 2008 Annual Plan Item 2(a)(vi)(1)	FORMAL COMMENT: 2nd Quarter, 2009WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started
N S	1627	Development of OASIS business practice standards and OASIS S&CPs for "the posting of additional curtailment information on OASIS" via a "detailed template for the posting of additional information on OASIS regarding firm transmission curtailments. Posting of curtailment information on OASIS: develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments. **Order 890-A:** 973. The Commission did not propose in the NOPR, or adopt in Order No. 890, any changes to the terms and conditions under which a transmission provider may curtail service to maintain reliable operation of the grid, as set forth in sections 13.6 and 14.7 for point-to-point service and section 33 for network service. The Commission did, however, conclude that the posting of additional curtailment information is necessary to provide transparency and allow customers to determine whether they have been treated in the same manner as other transmission system users, including customers of the transmission provider. Accordingly, the Commission required transmission providers, working through NAESB, to develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments, including all circumstances and events contributing to the need for a firm service curtailment, specific	WEQ 2008 Annual Plan Item 2(a)(vi)(2)	FORMAL COMMENT: 2nd Quarter, 2009 WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started

		Order 890 Work Plan			
	Cite	**Action Item/Work Plan**	**Action Item Home**	**Target Dates**	**Status**
		services and customers curtailed (including the transmission provider's own retail loads), and the duration of the curtailment.			
	1005	**Redispatch Cost Posting:** Business practices for redispatch cost postings: The business practice standards for redispatch cost postings will include OASIS business practices and any needed additions or revisions to the OASIS Standards & Communication Protocols (S&CPs) to allow for posting of third party offers of planning redispatch services. The business practice standards developed for redispatch cost postings may affect the existing NAESB business practice standards for Transmission Loading Relief. (moved from Group 2) **Order 890-A:** 568. Transmission providers also were directed to work with customers to facilitate the use of third party generation, where available, in provision of planning redispatch. To facilitate provision of redispatch service by third parties, the Commission further directed transmission providers, working through NAESB, to modify their OASIS sites and develop any necessary business practices to allow for posting of third party offers to provide planning redispatch. Again, transmission providers were not required to implement the new OASIS functionality and any related business practices until NAESB develops appropriate standards. **Order 890-B:** 131. In Order No. 890, the Commission directed transmission providers to modify their OASIS sites to allow for posting of third-party offers for planning redispatch and to work with NAESB to develop the OASIS functionality and any necessary business practice standards to allow for third-party planning redispatch. The Commission noted that provision of third party planning redispatch required coordination between the customer, transmission provider and reliability coordinator, but determined that the customer bears the burden to ensure that the necessary contractual and technical arrangements are in place to maintain reliability.	WEQ 2008 Annual Plan Item 2(a)(vi)(3)	FORMAL COMMENT: 2nd Quarter, 2009 WEQ EC VOTE: 2nd Quarter, 2009 RATIFICATION: 2nd Quarter, 2009	Not Started
✔	243-244	**Posting of ETC:** OASIS business practice standards and S&CPs necessary to implement the Business Practice Standards developed to complement NERC Reliability Standards for **Existing Transmission Commitment (ETC)** to create a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses", including the elements of ETC for full implementation of the NERC MOD-001 reliability standard. (moved from Group 1)* *Requirements for a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed	WEQ 2008 Annual Plan Item 2(a)(vi)(4) and 2(a)(iv)(4)	FORMAL COMMENT: 2nd Quarter, 2008 WEQ EC VOTE: 3rd Quarter, 2008 RATIFICATION: 3rd Quarter, 2008	Started May 15, 2008. Task has been reassigned to BPS/ESS/ITS. Recommendation was voted out of subcommittee on June 17, 2008. Formal comment period closes on July 21, 2008.

		Order 890 Work Plan			
	Cite	**Action Item/Work Plan**	**Action Item Home**	**Target Dates**	**Status**
		uses" is assigned to BPS/ESS/ITS (see above BPS/ESS/ITS item that references WEQ 2008 AP Items 2(b)(ii)(2)).			Approved by WEQ EC August 19, 2008. Membership ratification completed on September 22nd.
		GROUP 7: Tagging for Conditional Firm Service, Submittal Windows			
✔	Order 890-A, paragraph 592	**Tagging for CFS:** Within 180 days of Order 890-A publication, develop tracking capabilities and business practices for tagging for implementation of conditional firm service. **Order 890-A:** 592. We agree with petitioners that the NAESB rules regarding tagging do not allow a transmission provider to change the tag of a transmission customer. That is why, in Order No. 890, the Commission directed transmission providers to coordinate with other transmission providers in their regions to develop their own business practices to implement the tagging and tracking of conditional firm service. Upon consideration of petitioners' concerns, we grant rehearing to require transmission providers, in coordination with NERC and NAESB, to develop within 180 days of publication of this order in the Federal Register a consistent set of tracking capabilities and business practices for tagging for implementation of conditional firm service. We agree with petitioners that a consistent set of practices followed by the industry will reduce transmission provider discretion and bring uniformity in implementing conditional firm service. In the interim, the existing business practices of each transmission provider for tracking and tagging conditional firm service shall remain in effect.	WEQ 2008 Annual Plan Item 2(a)(vii)(1)	FORMAL COMMENT: 3rd Quarter 2008 WEQ EC VOTE: 3rd Quarter 2008 RATIFICATION: 3rd Quarter 2008	Assigned to the ESS/ITS. Order 890-A publications date: January 16, 2008. On April 4, 2008, the ESS/ITS voted to send this recommendation out for informal comments due April 11, 2008. Recommendation posted for 30-day formal comment period on June 25th. Approved by WEQ EC on August 8, 2008. Membership ratification completed on September 25nd.
N S	Order 890-A, paragraph 805	**Submittal Windows:** Standardized practices for allocating capacity among requests received during a submittal window. **Order 890-A:** 805. The Commission recognizes that developing methods to allocate capacity among requests received during a submittal window may require detailed procedures, particularly when transmission requests received simultaneously exceed available capacity. As the Commission explained in Order No. 890, however, we believe that each transmission provider is in the best position to develop allocation procedures that are suitable for its system. This does not preclude transmission providers from working through NAESB to develop standardized practices, as suggested by Southern. For example, as we pointed out in Order No. 890, allocation methods such as that used by PJM to allocate monthly firm point-to-point transmission service could provide useful	WEQ 2008 Annual Plan Provisional Item 57	FORMAL COMMENT: WEQ EC VOTE: RATIFICATION:	No date assigned for completion.

		Order 890 Work Plan			
	Cite	**Action Item/Work Plan**	**Action Item Home**	**Target Dates**	**Status**
		guidance in developing general allocation procedures.			

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NAESB DSM-EE ACTIVITY SUMMARY
OCTOBER 3, 2008

DSM-EE PROJECT – ASSIGNED TO RETAIL GAS, RETAIL ELECTRIC AND WHOLESALE ELECTRIC:

- **April 11, 2007:** Several representatives of the NAESB WEQ, REQ, and RGQ as well as representatives of the US Department of Energy, US Environmental Protection Agency, FERC, and other industry experts met at the Department of Energy offices in Washington, D.C. to discuss the NAESB effort to draft business practices for Demand Side Management and Energy Efficiency. Ongoing Energy Efficiency and DSM projects and programs by other groups (such as NAPEE) were reviewed by the meeting attendees. The following resolution outlines the scope of the initial effort by NAESB to draft business practice standards for these topics: It was decided that NAESB should begin its standards development focus on measurement and verification of energy savings and peak demand reduction from both a wholesale and retail electric market perspective. A future schedule of meetings for DSM and Energy Efficiency should be posted on the NAESB website shortly.
- **May 24, 2007:** 75 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants (22% more than the first meeting) met in person and by conference telephone at NAESB headquarters in Houston to refine the scope of Phase 1 activities, agreeing on a specific list of tasks and assigning subgroups of volunteers to work on each task. At this meeting, no less than 28 individuals spoke to the group.
- **June 18, 2007:**. 51 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at BGE offices in Baltimore to further refine the scope of Phase 1 activities by reviewing the initial task list and revising it with more detailed deliverable requirements and dates, and with identification of base documents to support completing each task.
- **July 26, 2007:** 46 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at AGA offices in Washington DC to present deliverables of existing demand response measurement and verification protocols and a list of 41 possible topics and subtopics for NAESB model business practices. The task force reviewed all 41 possibilities, deciding whether to draft MBPs and which ones can be grouped together.
- **September 14, 2007:** The results of the meeting including possible standards text were sent out for comment including notes, considerations and possible standards text. Comments were requested on each of the nine standards development areas including whether the remarks were directed to wholesale or retail markets, pre program evaluation or post implementation evaluation, or to DSM or EE projects.
- **September 25, 2007:** A DSM-EE meeting was held in Austin, Texas hosted by ERCOT. The purpose of the meeting was to review the comments, determine the level of progress made towards the task list and determine is adjustments to the task, focus or schedule were needed. When reviewing the comments it was determined to focus in five areas specific to demand response programs, and develop business practice standards that would prove helpful – (1) DR programs administered by ISOs and RTOS in the wholesale markets, (2) DR programs administered by utilities in wholesale markets, (3) DR programs administered by utilities in the retail markets, (4) a glossary to support the DR programs, and (5) a preamble to put the business practice standards in context. To focus on the DR programs, each of the three areas outlined will develop a matrix that describes the aspects of the DR programs in effect today, planned, or has been in effect in the past.
- **November 6, 2007:** Several of the NAESB leadership met with Commissioners Kerr and Ervin of NC to gain further understanding of expectations for DSM-EE NAESB activity for electricity for the retail markets.
- **November 11, 2007**: NAESB participated in a panel on DSM-EE at the NARUC Annual Meeting in Anaheim.
- **November 30, 2007:** Meeting hosted by Dominion in Richmond. During the meeting, each of the five groups described the progress made and plans to date. Drafts of the three matrices were reviewed, as was a draft glossary and outline for the preamble. It is possible that the two wholesale matrices will be combined, as The calendar for 2008 was also set. The next meeting is scheduled for January 23 in Baltimore hosted by BGE.
- **December 3, 2007:** A meeting was held with Commissioner Mason of Ohio to gain further understanding of expectations for DSM-EE NAESB activity for natural gas for the retail markets.
- **January 23, 2008:** The group met in Baltimore to review progress on the two matrices, the preamble and the glossary. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. Data is being placed in five separate categories -Initial Testing and Auditing, Ongoing Testing and Auditing, Triggering; Construction, Statistical Analysis, Performance and

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NAESB DSM-EE ACTIVITY SUMMARY
OCTOBER 3, 2008

Baselines. The matrix for retail DR programs is lagging but several companies have provided or agreed to provide data – including BGE, Dominion, ConEd, Alabama Power and ComVerge. Procedures for how to collect the data was discussed with both interviews online and distributed surveys discussed. Both the preamble and glossary while first drafts are available are dependent on the work of the matrices and cannot be further developed until after more progress has been made on the matrices.

- **March 28, 2008:** The group met in Houston to review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had expanded significantly to provide for more comparability for responses. 45 DR programs have been identified and the data is now being verified. A template for the type of standards to be expected from this effort was reviewed. The retail matrix now has additional data and several interviews were conducted online, with the conclusion that it is the preferred way to gather data. The retail group is to set up a face-to-face meeting in May to review the matrix and make changes before sending it out to utilities for interviews.

- **May 30, 2008** – The group met in Holyoke to continue review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had expanded significantly to provide for more comparability for responses. With the 45 DR programs identified, the group is now consolidating the data to higher levels from the more specific items collected. With the consolidation, the business practices should be drafted. The outline for the business practices has been prepared. The retail matrix now has contributions from 11 DR programs and the matrix structure is being validated against flow charts of the programs. Once the matrix structure is validated, online interviews will be held. It was determined to concentrate on dispatchable DR programs first.

- **July 30, 2008** –The group met in Carmel, Indiana hosted by ACES Power to review the progress made in the two efforts. With the 45 DR programs identified, the wholesale group has consolidated the data to higher levels and draft language is being developed around four product types, energy, capacity, regulation and reserves which incorporate information from various ISO/RTOs, as well as other entities. For the retail effort, the group is relying on work from AEIC regarding process flow and applying that flow to DR programs in place. From the flows, draft standards are being prepared. Once the draft standards are prepared, efforts will being to collect through interviews information from other utilities, geographically diverse and administering programs different from those already documented. Through the interviews it is expected that we would validate both the matrix and the draft standards. The retail group is initially focusing on dispatchable DR programs. Coordination is also underway with NERC on the development of a DR survey and with the AEIC. Work will soon begin with both groups to include the glossary and the preamble text.

- **October 3, 2008 –**The group met in Austin, Texas hosted by ERCOT to review prorgess made in development of M&V standards for retail and wholesale DR programs. A recommendation of business practice standards for the wholesale market was reviewed by the group. After discussion, it was the intent that the recommendation be distributed for a two week informal comment period. The comments would be discussed at the December meeting including any suggested changes. After discussion on December 2, the recommendation will either be voted out of subcommittee and would proceed to a formal comment period and Executive Committee consideration, or the recommendation would continue to be modified by the subcommittee through another round of informal comments. For retail, the subgroup has collected detailed data on some DR programs underway. After review of the wholesale effort, it was discussed that the retail subgroup would hold a two day session to determine whether to proceed at the level defined in the wholesale recommendation, or proceed to define more prescriptive standards.

- **Planned, December 2, 2008** – Planned meeting hosted by Alabama Power in Birmingham.

THE FOLLOWING INCLUDES:

LINKS ON THE NAESB WEB SITE:

- DSM-EE NAESB PAGE FOR MEETINGS AND MATERIALS: http://www.naesb.org/dsm-ee.asp
- RELEVANT DOCUMENTS AND WORK PAPERS: http://www.naesb.org/dsm-ee_doc.asp

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WHOLESALE PLAN

ISO/RTO Wholesale Matrix Plan					
#	**Task**	**Description**	**Deliverable**	**Completion Date**	**Who**
1	Finalize Framework	The draft framework will serve as a basis for documenting the technical M&V requirements for the different ISO/RTO products. It should guide each ISO-RTO in answering the questions of Why, When, and What M&V is done.	Each ISO should provide comments on the Objectives, Frequency and Description. Each ISO/RTO should add any additional comments that it feels it needs to describe the products, (this will help to synthesize any commonalities between products and ISO/RTOs). If the list of product classes are not representative, please comment.	10/30/07 COMPLETE	All
2	ISO/RTO Conference Call	This call is designed to discuss comments submitted in regard to the Framework	Come to consensus on the Framework	Week of November 19 , 2007 COMPLETE	All
3	Report to NAESB DSM/EE Standards Committee	At the September 25th meeting the ISO/RTOs tacitly agreed to report back to the Committee on how we plan on completing the task by the end of the 1st quarter of 2008.	Report to NAESB DSM-EE Task Force the status of the ISO/RTO Wholesale standards development.	11/30/07 COMPLETE	P. Wattles, E. Winkler
4	Add M&V technical data	Each ISO/RTO will fill in the matrix with appropriate technical requirements and how the M&V activity is implemented (where appropriate) for each of its products and each M&V area.	A Draft Matrix with the general description of the M&V areas, products and technical information in M&V requirements for each ISO/RTOs range of products.	12/15/07 COMPLETE	All
5	ISO/RTO Conference Call	This call is designed to review progress on data synthesis from the Framework	Develop status update on development of wholesale standards	January 14, 2008. COMPLETE	All
6	Report to NAESB DSM/EE Task Force	Status report of Wholesale standards	Report to NAESB the status of the ISO/RTO Wholesale standards development.	1/23/2008 COMPLETE	P. Wattles, E. Winkler
7	Update M&V Technical Data	ISO/RTOs will update matrices with appropriate expanded technical requirements.	Expanded draft Matrix	1/30/2008 COMPLETE	All
8	ISO/RTO Conference Call	This call is designed to review progress on data synthesis from the Framework	Develop status update on development of wholesale standards	2/11/08 COMPLETE	All
9	Draft Wholesale Standards	Synthesize Technical Requirements into draft Standards	Draft Standards will be developed by processing the technical requirements provided by all the ISO/RTOs to find commonalities and or create ranges of requirements	2/29/08 COMPLETE internal document	E. Winkler lead, Scott COE, review by All

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WHOLESALE PLAN

ISO/RTO Wholesale Matrix Plan					
#	**Task**	**Description**	**Deliverable**	**Completion Date**	**Who**
10	ISO/RTO Working Meeting	This meeting is designed to review and discuss the draft wholesale standards.	Provide agreement on draft standards to be submitted to NAESB	3/11/08 - 3/12/08 COMPLETE	All
11	Revise Draft Outline of Standards	Revised Draft Wholesale DR Standards outline based on working group session distributed to ISO/RTO working group	Revised Draft Wholesale Standards Outline	3/18/08 COMPLETE	E. Winkler
12	Update M&V Technical Data	Each ISO/RTO will revise entries in the matrix for appropriate technical requirements per the current draft matrix. (IRC Demand Programs 2008-03-14.xls)	A Draft Matrix with the general description of the M&V areas, products and technical information in M&V requirements for each ISO/RTOs range of products and services	3/21/08	All
13	Call to review Presentation & discuss presentation at DSM/EE Meeting	Review of materials and scope of presentation at NAESB DSM/EE standards development meeting, Houston, TX March 28, 2008	Presentation materials for meeting	3/26/08	P. Wattles, E. Winkler
14	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	3/28/08 Houston TX	P. Wattles, E. Winkler, S. Coe
15	ISO/RTO Working Meeting	This meeting is designed to review and discuss the draft wholesale standards.	Provide agreement on draft standards to be submitted to NAESB	Mid May, 2008, TBD	All
16	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	5/30/08 Holyoke, MA	P. Wattles, E. Winkler, S. Coe
17	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	7/30/08 TBD	P. Wattles, E. Winkler, S. Coe
18	ISO/RTO Working Meeting	This meeting is designed to review and discuss the draft wholesale standards.	Provide agreement on draft standards to be submitted to NAESB	Mid Sept, 2008, TBD	All

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WHOLESALE PLAN

ISO/RTO Wholesale Matrix Plan					
#	**Task**	**Description**	**Deliverable**	**Completion Date**	**Who**
19	Draft Wholesale DR Standards	Final Draft Wholesale Standards Completed for submittal to NAESB	Completed draft ISO/RTO contribution of wholesale DR M&V standards	9/30/08	E. Winkler, S. Coe
20	NAESB DSM/EE Standards Committee	ISO-RTO documents presented as a draft for wider NAESB stakeholder consideration and comment	Report to NAESB on documented ISO/RTO Wholesale DR M&V standards for use in developing proposed NAESB standards and/or model business practices.	9/30/08 Austin, TX	P. Wattles, E. Winkler, S. Coe

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WHOLESALE MATRIX

Instructions for Characteristics of DR Programs

ISO/RTO Specific Name	**Region**	Abbreviation for the ISO/RTO.
	ISO/RTO Program or Service Name	Proper name for the program or service within the region. Note: If several products are included in a given Program or Service, then several rows will be shown for each.
	Acronym	Acronym for the Program or Service
Major Features	**Product**	The commodity that is being offered: **AS: Regulation**, **AS: Spin**, **AS: Non-Spin**, **Energy**, or **Capacity**.
	Mapping: NAESB Sections	**CALCULATED FIELD: DO NOT TYPE IN THIS CELL**
Initial Qualification / Testing / Auditing	**Load Deployment Time**	Time at which the requested level of response is completely "off the system" (in minutes)
	Aggregation Allowed	Indication of if composite / aggregated assets are allowed.
Telemetry	**Real-Time On-Site Generation Measurement**	If on-site generation is present; is metering required? **Yes** / **No**
	Accuracy	Precision of the Demand Measurement (or also of the On-Site Generator Output) ***PREFERENCE IS PERCENTAGE OF FULL SCALE***
	Reporting Interval	The time between signals [in seconds]
	Other Measurements	If other variables are measured, a list should be provided here. Example include quality flags, breaker status, response amount, etc .
	Communication Protocol	The IT protocol used to collect the data, such **ICCP** or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.
After-The-Fact Measurements	**On-Site Generation Meter Required**	Yes or No
	Meter Accuracy	Accuracy of the Meter Reading (or also of the On-Site Generator Output) PREFERENCE IS PERCENTAGE OF FULL SCALE and is the net accuracy, i.e. includes PT & CT

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WHOLESALE MATRIX

Instructions for Characteristics of DR Programs

	Clock / Time Accuracy	Accuracy of the time measurement (if any) associated with the Meter Read time.
	Details of Meter/Equipment Standards	Listing of any meter or equipment standards
	Meter Data Reporting Deadline	How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.
	Granularity	The level of detail in the reported data. For example, if the Periodicity = 1 hour, the Granularity might be 5 minute.
	Validating, Editing & Estimating (VEE) Method	An indication of how missing data are managed, for example, **Skipped**, **Estimated & Flagged**, etc.
	Rules For Statistical Sampling	If statistical sampling is allowed, document the sample size, precision and accuracy parameters, homogeneity, etc.
Performance / Baseline	**Baseline Type**	Either "**Meter-Before vs. Meter-After**", "**Comparable Day**", "**Statistical Algorithm**" , "**Behind the Meter Generation Data**", "**Firm Service Level Drop**"

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
AESO	Demand Opportunity Service	DOS		
AESO	Frequency Load Shed Service	FLSS	AS: Regulation	Regulation
AESO	Supplemental Operating Reserves	SUP	AS: Non-Spin	Reserve
AESO	Voluntary Load Curtailment Program	VLCP		
CAISO	Participating Load Program	PLP	Energy	Energy
CAISO	Participating Load Program	PLP	AS: Non-Spin	Reserve
ERCOT	Emergency Interruptible Load Service	EILS	Capacity	Capacity

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
ERCOT	Loads Acting as a Resource providing Responsive Reserve Service -- Under Frequency Relay Type	LaaR / RRS / UFR	AS: Spin	Reserve
ERCOT	Loads Acting as a Resource providing Responsive Reserve Service -- Controllable Load Resource Type	LaaR / RRS / CLR	AS: Spin	Reserve
ERCOT	Loads Acting as a Resource providing Non-Spinning Reserve Service	LaaR / NSRS /	AS: Non-Spin	Reserve
ERCOT	Controllable Load Resources providing Regulation Service	CLR	AS: Regulation	Regulation
IESO	Emergency Load Reduction Program	ELRP	Energy	Energy
IESO	Emergency Demand Response Program	EDRP	Energy	Energy
IESO	Dispatchable Load	DL	Energy	Energy

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
IESO	Dispatchable Load (Spinning Component)	DL	AS: Spin	Reserve
IESO	Dispatchable Load (Non-Spinning Component)	DL	AS: Non-Spin	Reserve
IESO	Hour Ahead Dispatchable Load	HADL	Energy	Energy
ISO-NE	Real Time Demand Response Program [Capacity Component]	RTDRP	Capacity	Capacity
ISO-NE	Real Time Demand Response Program [Energy Component]	RTDRP	Energy	Energy
ISO-NE	Day Ahead Load Response Program	DALRP	Energy	Energy
ISO-NE	Demand Response Reserves Pilot	DRR	AS: Non-Spin	Reserve

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
ISO-NE	Real Time Price Response Program	RTPR	Energy	Energy
ISO-NE	Real Time Demand Response Resource	RTDR	Capacity	Capacity
ISO-NE	FCM: On-Peak, Seasonal Peak, Critical Peak Resources		Capacity	Capacity
ISO-NE	Real Time Emergency Generation Resource	RTEG	Capacity	Capacity
NBSO	30 Minute Non-Spinning Reserves	30NSR	AS: Non-Spin	Reserve
NBSO	10 Minute Non-Spinning Reserves	10NSR	AS: Non-Spin	Reserve
NBSO	10 Minute Spinning Reserve	10SR	AS: Spin	Reserve

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
NBSO	Load Following	LF	AS: Regulation	Regulation
NBSO	Regulation	REG	AS: Regulation	Regulation
NBSO	Interruptible Load	IL	Capacity	Capacity
NBSO	Bid-Based Demand Response	BBDR	Energy	Energy
NYISO	Day-Ahead Demand Response Program	DADRP	Energy	Energy
NYISO	Demand Side Ancillary Services Program	DSASP	AS: Spin	Reserve
NYISO	Demand Side Ancillary Services Program	DSASP	AS: Non-Spin	Reserve

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
NYISO	Demand Side Ancillary Services Program	DSASP	AS: Regulation	Regulation
NYISO	Emergency Demand Response Program	EDRP	Energy	Energy
NYISO	Installed Capacity Special Case Resources (Energy Component)	SCR	Energy	Energy
NYISO	Installed Capacity Special Case Resources (Capacity Compoent)	SCR	Capacity	Capacity
PJM	Economic Load Response		Energy	Energy
PJM	Economic Load Response		AS: Spin	Reserve
PJM	Economic Load Response		AS: Regulation	Regulation

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WHOLESALE MATRIX

Wholesale Matrix DR Programs Identified				
ISO/RTO Specific Name			***Major Features***	
Region	**ISO/RTO Program or Service Name**	**Acronym**	**Product**	**Mapping: NAESB Sections**
PJM	Emergency Load Response		Energy	Energy
PJM	Emergency Load Response (Energy Component)		Energy	Energy
PJM	Emergency Load Response (Capacity Component)		Capacity	Capacity

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WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

DISCLAIMER

THIS DOCUMENT CONTAINS DRAFT INFORMATION ON STANDARDS FOR WHOLESALE ELECTRICITY DEMAND RESPONSE PROGRAMS AND SERVICES. THE INFORMATION CONTAINED WITHIN THIS DRAFT IS NOT INTENDED TO REPLACE APPLICABLE TARIFFS FOR WHOLESALE DEMAND RESPONSE. IN NO CASE DOES THIS INFORMATION SUPPLANT EXISTING STANDARDS USED IN ISO/RTO ADMINISTERED MARKETS. PROPOSED STANDARDS AREAS ARE DRAFT AND SUBJECT TO REVISION OR EXCLUSION.

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WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

BUSINESS PRACTICES FOR WHOLESALE ELECTRICITY DEMAND RESPONSE

Introduction
Definition of Terms
Business Practice Requirements: Regulation Services

PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

Applicability

Purpose

WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

Wholesale Products:
The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

INITIAL QUALIFICATION / TESTING / AUDITING

Reduction Deadline Standard:
Time at which the requested level of response is completely "off the system" (in minutes)
Aggregation Allowed Standard:
Indication of if composite / aggregate assets are allowed.

TELEMETRY

Real-Time Demand Measurement Required:
Measurement of the real-time demand for each Resource required: Yes / No.
Real-Time On-Site Generation Measurement:
If on-site generation is present; is metering required? Yes / No.
Accuracy:
Precision of the Demand Measurement (or also of the On-Site Generator Output)
Reporting Interval:
The time between signals [in seconds]
Other Measurements:
If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.
Communication Protocol:
The IT protocol used to collect the data, such ICCP or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.

AFTER-THE-FACT MEASUREMENTS

On-Site Generation Meter Required:
Yes or No
Meter Accuracy:
Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT
Clock / Time Accuracy:
Accuracy of the time measurement (if any) associated with the Meter Read time.
Details of Meter/Equipment Standards
Listing of any meter or equipment standards

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Meter Data Reporting Deadline:
How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.

Granularity:
The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = "within 24 hours", the Granularity might be "1 hour".

Validating, Editing & Estimating (VEE) Method:
An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.

Rules for Statistical Sampling:
If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

PERFORMANCE / BASELINE

Baseline Types:
Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm" , "Behind the Meter Generation Data", "Firm Service Level Drop"

Business Practice Requirements: Reserves Services

PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

Applicability
Purpose

WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

Wholesale Products:
The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

INITIAL QUALIFICATION / TESTING / AUDITING

Reduction Deadline Standard:
Time at which the requested level of response is completely "off the system" (in minutes)

Aggregation Allowed Standard:
Indication of if composite / aggregate assets are allowed.

TELEMETRY

Real-Time Demand Measurement Required:
Measurement of the real-time demand for each Resource required: Yes / No.

Real-Time On-Site Generation Measurement:
If on-site generation is present; is metering required? Yes / No.

Accuracy:
Precision of the Demand Measurement (or also of the On-Site Generator Output)

Reporting Interval:
The time between signals [in seconds]

Other Measurements:
If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.

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WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

AFTER-THE-FACT MEASUREMENTS

On-Site Generation Meter Required:
Yes or No

Meter Accuracy:
Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT

Clock / Time Accuracy:
Accuracy of the time measurement (if any) associated with the Meter Read time.

Details of Meter/Equipment Standards
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Meter Data Reporting Deadline:
How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.

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The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = "within 24 hours", the Granularity might be "1 hour".

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An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.

Rules for Statistical Sampling:
If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

PERFORMANCE / BASELINE

Baseline Types:
Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm" , "Behind the Meter Generation Data", "Firm Service Level Drop"

Business Practice Requirements: Energy Products

PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

Applicability
Purpose

WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

Wholesale Products:
The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

INITIAL QUALIFICATION / TESTING / AUDITING

Reduction Deadline Standard:
Time at which the requested level of response is completely "off the system" (in minutes)

Aggregation Allowed Standard:
Indication of if composite / aggregate assets are allowed.

TELEMETRY

Real-Time Demand Measurement Required:
Measurement of the real-time demand for each Resource required: Yes / No.

Real-Time On-Site Generation Measurement:
If on-site generation is present; is metering required? Yes / No.

Accuracy:
Precision of the Demand Measurement (or also of the On-Site Generator Output)

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Reporting Interval:
The time between signals [in seconds]
Other Measurements:
If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.
Communication Protocol:
The IT protocol used to collect the data, such ICCP or any other named system. If a non-standard system is used, description should include a brief overview of the transport, i.e. Internet, Dedicated Network, Wireless, FM, etc.

AFTER-THE-FACT MEASUREMENTS

On-Site Generation Meter Required:
Yes or No
Meter Accuracy:
Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT
Clock / Time Accuracy:
Accuracy of the time measurement (if any) associated with the Meter Read time.
Details of Meter/Equipment Standards
Listing of any meter or equipment standards
Meter Data Reporting Deadline:
How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.
Granularity:
The level of detail in the reported data. For example, if the Meter Data Reporting Deadline = “within 24 hours”, the Granularity might be “1 hour”.
Validating, Editing & Estimating (VEE) Method:
An indication of how missing data are managed, for example, Skipped, Estimated & Flagged, etc.
Rules for Statistical Sampling:
If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

PERFORMANCE / BASELINE

Baseline Types:
Either "Meter-Before vs. Meter-After", "Comparable Day", "Statistical Algorithm" , "Behind the Meter Generation Data", "Firm Service Level Drop"

Business Practice Requirements: Capacity Products

PROVISIONS OF MEASUREMENT AND VERIFICATION STANDARDS

Applicability
Purpose

WHOLESALE MARKET DEMAND RESPONSE PRODUCTS

Wholesale Products:
The commodity that is being offered: Regulation, Reserve, Energy, or Capacity.

INITIAL QUALIFICATION / TESTING / AUDITING

Reduction Deadline Standard:
Time at which the requested level of response is completely "off the system" (in minutes)

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WHOLESALE MATRIX DRAFT PROPOSED STANDARDS OUTLINE

Aggregation Allowed Standard:
Indication of if composite / aggregate assets are allowed.

TELEMETRY

Real-Time Demand Measurement Required:
Measurement of the real-time demand for each Resource required: Yes / No.
Real-Time On-Site Generation Measurement:
If on-site generation is present; is metering required? Yes / No.
Accuracy:
Precision of the Demand Measurement (or also of the On-Site Generator Output)
Reporting Interval:
The time between signals [in seconds]
Other Measurements:
If other variables are measured, a list should be provided here. Example include: quality flags, breaker status, response amount, etc.
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Yes or No
Meter Accuracy:
Accuracy of the Meter Reading (or also of the On-Site Generator Output) and is the net accuracy, i.e. includes PT & CT
Clock / Time Accuracy:
Accuracy of the time measurement (if any) associated with the Meter Read time.
Details of Meter/Equipment Standards
Listing of any meter or equipment standards
Meter Data Reporting Deadline:
How often is the meter reading data sent to the ISO/RTO related to demand response reporting. May be absolute or relative to Event period. Also, those entries marked "Daily" or "Monthly" happens regardless of the existence of an Event.
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If statistical sampling is allowed, a brief summary of the rules associated with the estimates, for example, minimum percentage of physical measurements.

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Baseline Types:
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RETAIL MATRIX

How to use this Matrix:

To the best of your ability fill in the matrix with tje descriptions for the columns as noted below. If there are multiple programs or product names or triggers within a Class of DR Resource, please include their names and the trigger actions as appropriate . If there are different M&V requirements within a Class of DR Resource include them separated by a notation as to which product name it applies. There is no limit to the amount of information you add for each box, (this should occur rarely). Please note that the description text provided for specific programs is used as examples to put the issue identified in the heading within context. Companies may have different or similar descriptions for programs. There may or may not have differences in program qualification versus program implementation.

This Section in below in Blue is meant to clarify and focus the M&V content to be filled in the matrix following

Column Header	Objective	Frequency	Description
Qualification/ testing/ auditing	To ensure that the DR resources are capable of performing, thereby delivering the product(s) being purchased.	Prior to participation in market, and ongoing.	Up front process to verify adequate infrastructure (measurement & data recording and communication equipment and data validation procedures) in place. May include on-site inspections, data transfers, actual load reduction test to verify that the resource is able to deliver the committed reductions. Process & procedures for disqualification. THe data entered should answer the question: "How do you verify that the equipment is operating as expected?"
Data reporting- frequency and monitoring	To ensure adequate information to measure DR performance, accurate settlement and real-time operating data as appropriate.	Ongoing and/or event-driven.	Requirements around transmittal of meter and/or telemetry data to market. Includes validation, editing & estimation (VEE). *If reporting for a particular product is differentiated by what it is used for, e.g. operations, planning or settlement only. For VEE - addressing missing values, high-low checks, etc.*.Utility best practices should be followed in addressing missing data or questionable data with techniques used to estimate or edit data. Retail business practices may be developed to define parameters supporting addressing estimates or editing to replace missing or questionable data.

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RETAIL MATRIX

Column Header	Objective	Frequency	Description
Meter and equipment standards	To ensure appropriate granularity (frequency of data collection), frequency of data communication, accuracy and validity of data.	Ongoing or event-driven.	Requirements for meter accuracy, calibration, precision & testing *and frequency of above.* This could include support of ANSI standards for the performance of the meter equipment or control devices for the equipment. There is a difference between the sample population and the normal target population and is dependent on the investment made by the utility.
Performance/ baseline	To ensure the methodologies and techniques used to calculate load response and/or recovery produce results that are within the required error tolerances (i.e., +/- X%).	Ongoing or event-driven.	Method(s) and techniques used to calculate the DR resource's expected load absent the DR instruction or request. Load response is the difference between its actual metered load and the calculated baseline. Baselines may vary depending on age of equipment and other criteria. The following questions may be answerd in the responses for performance/baseline: *How is the baseline calculated? How is an acceptable default reached for a utility operating in a non-ISO footprint?* In comparison to the wholeasle market, ISOs establish baselines and compare to usage immediately prior to an event.
Statistical sampling of non-interval metered loads	To ensure that the methodologies and techniques used to calculate load response and/or recovery create a statistically valid use alternative to interval metering for measuring DR performance or aggregations of loads, produce results that are statistically valid.	Ongoing or event-driven.	Methodology for creating a statistically valid alternative to universal interval metering, to include precision & accuracy requirements, sample size and selection requirements and bias control.
Deployment Limitations	Define any maximum number of events or hours of program deployment. *Limitations of the number of times the event is called, the length of an event, the % of participants*	N/A	Restrictions of program operation and /or participation. Limitations of the number of times the event is called, the length of an event, the % of participants

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RETAIL MATRIX

Column Header	Objective	Frequency	Description
Regulatory and market context	*This would be helpful to identify the different regulatory contexts under which programs operate.*	N/A	Context under which the service or program is being offered.

Class of DR Resources	Notes:
Submitter	These columns were added to indicate the submitters and the status of the programs described
Status	These columns were added to indicate the submitters and the status of the programs described
Product Type	
Category	Ancillary Services, Capacity, Energy Voluntary, Energy Price
Program or Product Name	Need to compile a list of programs. Each ISO/RTO calls their products and programs different things. In order to track and define similarities and then translate that back to each ISO/RTO this field should include the program or product name
When is Product expected to perform - Trigger events	Questionable on whether this is needed for development of M&V model business practices for the retail market - this column is needed for the ISO/RTO matrix. This trigger event will probably vary from company to company. Triggers require date and time stamps. Each ISO/RTO program or product has unique trigger events their products and programs different things. In order to track and define similarities and then translate that back to each ISO/RTO this field should include the trigger action for the program or product.

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting-frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
Capacity	Submitter	Dominion, Ripley Newcomb, 804-771-4637, ripley.newcomb@dom.com		Verification: Operate a pilot program to determine that at least 95% of devices both receive and respond to signal to turn off WH at the beginning of the program. Depending on the manufacturers and device, the verification may come from a signal back from device, a data logger, or an IDR on the meter. Ongoing, a sample of at least 250 devices should be tested at least every 5 years to determine the overall failure rate and to develop a net to gross ratio. This ratio will be applied to the deemed kW per customer reduction from the load study.	Data from IDR will be collected on monthly meter reading route for pilot and sample accounts. When program is implemented, the profiled reduction from the sample will be deemed to be the reduction for the program population. Monthly data will be required for PJM settlement	The customer's meter will continue to be used for billing determinants. The WH control switches should be included in the periodic meter tests to verify that 95% of the devices remain operational. The communication signal must be tested annually. Accounts in the load profile sample should have an end-use recorder on the water heater as well as a whole house recorder. Thirty minute interval data is adequate, although fifteen minute data on the water heater is considered preferable.	The algorithm that provides a reasonable estimate of normal customer usage absent any water heater interruption will be utility (and program specific). The CBL formula that is approved by the utility's ISO should be an acceptable default alternative.	An initial sample of 250 homes will provide a reasonably accurate estimate of load reduction that should be within =/- 5% of the true mean at a 90% confidence interval. The estimate for each demand reduction should be calculated with a 90% confidence level and the accuracy determined for each load reduction. An average error bound within +/- 10% will be considered to be accurate. If the net to gross operability study has remained at or above 90%, a sample of 100 homes will be adequate and should produce an error bound within =/- 5%. If net to gross operability drops below 90%, then a full sample of 250 homes will be required. If a tighter error bound is necessary, a larger sample will be required. (NOTE: This recommendation based on "PJM Deemed Savings for Legacy AC/WH Programs" report.)		
	Status	Program not in effect today								
	Product type									
	Category									
	Program or Product Name	Residential Water Heater Control Program								
	Trigger Events	when system load is critical (defined as ____) or when zone load is priced at or above $____ or transmission constraints in zone (defined as _____)								

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
Energy Price	Submitter	Dominion, Ripley Newcomb, 804-771-4637, ripley.newcomb@dom.com		Each customer site will provide a dedicated IBM compatible PC with a modem in order to receive the price transmissions and the telecommunication equipment needed for the company to communicate with the meter (dedicated phone line, cellular phone modem, etc.) The company will provide the software to allow receipt of the RTP prices as well as to perform analytical and graphical functions. The company will install an IDR . A rate contract will be executed to insure that the customer fully understands the rate and agrees to a one year minimum commitment. (NOTE: the existing RTP rate is currently closed to new customers.)	The company will maintain access through the provided phone line and will collected half-hourly load data every 24 hours.	Standard billing meter and IDR, meeting company standards for accuracy. Modem and phone line provided by customer.	See Dominion VA Power rate sch.. RTP, paragraph V. DETERMINATION OF BASELINE KW LEVELS, BASELINE ENERGY LEVELS, AND INCREMENTAL ENERGY USAGE.	Not sampled.		
	Status	Program not in effect today								
	Product type									
	Category									
	Program or Product Name	Real Time Pricing rate (RTP)								
	Trigger Events	when system load is critical (defined as ____) or when zone load is priced at or above $____ or transmission constraints in zone (defined as _____)								

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described			M&V Aspects of the DR Programs						
Class of DR Resources			Qualification/ testing/ auditing	Data reporting-frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
Capacity	Submitter	Puget Sound Energy, Shannon McCormick, 425-256-2399, shannon.mccormick@pse.com	The pilot program is administered by EnerNOC for PSE. Participants are provided a no-cost site assessment of potential curtailable loads. Site enablement requires of demand pulse interval meter data and appropriate LAN connections. Five-minute interval meter data is continuously passed via an Internet LAN connection to the EnerNOC's network operations center in Boston, MA. The data is collected during the event, which can span from one to four hours. The participants are estimated to on average curtail 100 - 200 kW in the winter season (November - February) and 100 - 200 kW in the summer (May - September).	The pilot seeks to provide PSE to practical knowledge and performance data for customer facilities during winter and summer control events. Continuous, near real-time interval meter data supports measurement of capacity performance, baseline readings and development of the load adjustment. When the event is called, the participants are notified one hour ahead - for winter season notification windows (6 am to 9 am and 5 pm to 9 pm) and the summer	Demand pulse interval meters are installed at the participants sites as well as a pulse splitter to permit EnerNOC to receive the meter data.	Performance is calculated based on a baseline determined from the highest thee days out of the previous ten business days for a given participant.	Not applicable	The participants represent a mix of facility/operation/load types, of which a maximum of 24 participants can be accommodated in the program. The program is operational from November 2007 to December 2009. The financial incentives offered for participants in measured capacity curtailment is capped at $5000 per participant per season, (provided through $20/kW seasonal average curtailment).	The program is operational in King County, Washington, and falls under the jurisdiction of Washington Utilities and Transportation Commission. The rate schedule is Electric Schedule 249A.
	Status	Pilot program in effect today and began November 2007. The program will end in December 2009.							
	Product type	Direct Load Control							
	Category	Capacity							
	Program or Product Name	Commercial-Industrial Load control Pilot Program							

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	Trigger Events	The program is triggered by weather conditions determined by PSE resource planners.			notification window (2 pm to 6 pm). Following each event, EnerNOC reports to PSE the five minute interval kW data files (for each site) covering the (10 business day) baseline calculation period, through to the end of the event day. PSE separately maintains its own 15 minute utility meter data files for evaluation purposes.					
Price and Capacity Program	Submitter	ConEd, Elena Futoryan, 212-460-2228, futoryane@coned.com		This is not a pilot. A revenue grade interval meter with phone lines is required. For customers -- 50 KW reduction, and for load aggregators -- 100 KW reduction, for 4 consecutive hours. Audit is required for the mandatory program. The rider has been approved. In 2007, the maximum was 6 hours per capability period. Any participation over 6 events or 4 hours is considered voluntary. May 1 to October 31 is the summer capability period for	The customers are billed on the data. The meters are 15 minute interval meters. The data is 15-minute interval data, and the baseload level should be met every hour - so the data is rolled up to hourly. The data is collected after an event is called. The data is stored in a time stamp meter.	Revenue grade interval meters must be used with appropriate telephone lines. Precision levels should be available.	Performance is calculated based on NYISO methodology for capacity and energy payments.	not applicable	The program is capped at 400 MW. The reservation payment is based on a two tier system.	NY PSC
	Status	In effect today								
	Product type									
	Category									
	Program or Product Name	Reservation Payment Program								

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting-frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	Trigger Events	The program is triggered in heavy demand conditions as provided by the tariff. The trigger levels are under consideration now and may be changed.		the mandatory program. There is no winter capability option for the mandatory program at this time.						
Capacity	Submitter	Alabama Power, Neal Allen, 205-257-6579, hnallen@southernco.com		Two way communication devices. We send test and customers respond. Test periodically.. In addition, "in field" tests are performed periodically as well.	Interval metered data captured and maintained. Actual load evaluated when IS call occurs. Normal load levels evaluated when no call occurs. This allows for a determination of expected results when called. Program requirements are that customer drop to firm level during a call. No "reduction" constraints utilized.	Utilizes revenue quality meters.	The IS customer is required to cut load to the contracted firm load level. Actual load dropped is determined by evaluating pre and post event load levels of each customer.	N/A	Customer has options to choose various call constraints. Chosen option determines the credit amount to the customer for non-firm load.	PSC regulated tariff
	Status	In effect Today								
	Product type	Interruptible Load								
	Category	Capacity								
	Program or Product Name	Industrial Interruptible Program, IS Program								
	Trigger Events	During a System Reliability Alert "System Alarm" notice. Can be utilized for locational reliability issues if necessary.								

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
Capacity	Submitter	Alabama Power, Neal Allen, 205-257-6579, hnallen@southernco.com		Two way communication devices. We send test and customers respond. Test periodically.. In addition, "in field" tests are performed periodically as well. Generators are remotely started monthly for reliability purposes.	Two way communication confirms operating equipment.	Utilizes revenue quality meters.	No baseline requirements. Equipment rating and reliability testing determines expected reduction for a call.	N/A	Program rules set minimum 250 kW size to participate in the program. Program call constrained to 8 hours per day, 5 days per week, 240 hours per year.	PSC regulated tariff
	Status	In effect Today								
	Product type	Utilization of customer owned generation								
	Category	Capacity								
	Program or Product Name	Stand By Generator Program								
	Trigger Events	During a System Reliability Alert "System Alarm" notice. Can be utilized for locational reliability issues if necessary.								
Energy	Submitter	Alabama Power, Neal Allen, 205-257-6579, hnallen@southernco.com		Originally offered years ago prior to any qualification or auditing requirements. None exist today.	TOU metered data captured and maintained. No change or reduction constraints exist.	Utilizes revenue quality meters.	No performance levels expected therefore no baseline required.	N/A	Various TOU rates are available to customers meeting specific SIC codes. Some require separate metering for specific end uses such as irrigation pumps, electric	PSC regulated tariff
	Status	In effect Today								
	Product type	TOU Rates								
	Category	Energy price								

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Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	Program or Product Name	TOU Rates							vehicle charging, etc.	
	Trigger Events	Various types of TOU rates exist for various types of residential, commercial, and industrial customers. Rates vary by fixed customer charge, season, and time of day. Majority of rates are based on summer and non-summer seasons with peak, intermediate, and off-peak rate periods.								
Capacity	Submitter	BGE, Ruth Kiselewich, 410-470-1361, ruth.c.kiselewich @bge.com		BGE tests a sample of switches periodically. Switch operability studies must be conducted every 5 years, according to PJM, Manual 19: Load Data Systems.	In addition to the periodic sampling of switch operability, BGE conducts Load Research Studies to estimate the average impact for each participant in the	For its Load Research Studies, BGE uses ANSI certified meters that have been approved by the PSC for load recording. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT	For the development of average impacts for water heating, BGE compares non-event days to event days using a comparison of means. The	Load data are obtained from meters that were installed on 65 customers' water heaters. This stratified sample design provides a confidence of 90% ± 10% accuracy. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION		
	Status	In effect Today								

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described			M&V Aspects of the DR Programs						
Class of DR Resources			Qualification/ testing/ auditing	Data reporting-frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	Product type			program. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THIS FUNCTION IS IMPACT EVALUATION	EVALUATION	difference between these two (2) load shapes forms the average impacts. PJM requires average impacts for each hour between noon and 8 p.m. The non-event profile is comprised of the hottest days of the summer. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION			
	Category								
	Program or Product Name	BGE's Residential Water Heater Control Program (Rider 6)							
	Trigger Events	BGE can activate switches up to 15 times per year for reliability or economic reasons.							
Capacity	Submitt er	BGE, Mary Straub, 410-470-1416, mary.m.straub@bge.com		Customers interval meter data is captured on weekly basis. This hourly data is stored and facilitates the M&V analysis.	The Participant must have Company-approved interval metering and communications equipment to participate in this Rider.	If the customer is participating by using a metered generator then the generator data forms the basis of the incentive. If the customer is participating by reducing load, then a Customer Baseline Load (CBL) will be developed. In			BGE Rider. Settlements are made with PJM.
	Status	In effect Today							
	Product type	PJM Load Response program							
	Category	Voluntary (Capacity & Energy)							

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NAESB RETAIL MATRIX AS OF MAY 16, 2008

Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting-frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	Program or Product Name	BGE's Load Response Program (Rider 24)								
	Trigger Events	Commercial Customer notifies BGE when they plan on initiating a load response event.								
Capacity	Submitt er	BGE, Ruth Kiselewich, 410-470-1361, ruth.c.kiselewich @bge.com		BGE tests a sample of switches periodically. Switch operability studies must be conducted every 5 years, according to PJM, Manual 19: Load Data Systems.	In addition to the periodic sampling of switch operability, BGE conducts Load Research Studies to estimate the average impact for each participant in the program. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION	For its Load Research Studies, BGE uses ANSI certified meters that have been approved by the PSC for load recording. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION	For the development of average impacts for air conditioning, BGE compares non-event days to event days using regression analysis. The model estimates the average impact provided a particular weather conditions. PJM requires average impacts for each hour between noon and 8 p.m.PROVIDED	Load data are obtained from meters that were installed on 100 customers' air conditioner units. This stratified sample design provides a confidence of 90% ± 10% accuracy. PROVIDED FOR INFORMATION ONLY - BGE BELIEVES THAT THIS FUNCTION IS IMPACT EVALUATION		
	Status	In effect Today								
	Product type									
	Category									
	Program or Product Name	BGE's Residential Air Conditioner Control Program (Rider 5)								

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NAESB RETAIL MATRIX AS OF MAY 16, 2008										
Specifics of the DR Program Being Described				M&V Aspects of the DR Programs						
Class of DR Resources				Qualification/ testing/ auditing	Data reporting- frequency and monitoring	Meter and equipment standards	Performance/ baseline	Statistical sampling of non-interval metered loads	Deployment Limitations	Regulatory and market context
	Trigger Events	There is no limit to the number of times BGE can activate switches for reliability or ecomic reasons.					FOR INFORMATION ONLY - BGE BELIEVES THAT THSI FUNCTION IS IMPACT EVALUATION			

To the extent that NAESB can provide some protocols that would assist groups such as ISOs in evaluating the effectiveness of programs would be helpful.

Time of Use
Examples:
Schedule of prices published such the consumer can determine his energy consumption based in part on price signals published.

Real Time Pricing

Demand Charges

Peak Time Rebates

Planning Peak Alerts

Interruptible/Curtailable Management Rates

Thermal Storage/Energy Storage

Standby Generation Rates (emergency generators and distributed generators)

Smart Appliances

Ancillary Programs

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Draft: October 3, 2008
Requesters:DSM-EE Subcommittee
Request No.: 2008 AP Item 5(a)
Review and develop business practice standards to support DR and DSM-EE programs

Proposed 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:**	
X	Initiation	X	Initiation
X	Modification	X	Modification
	Interpretation		Interpretation
	Withdrawal		Withdrawal
X	Principle	X	Principle
X	Definition	X	Definition
X	Business Practice Standard	X	Business Practice Standard
X	Document	X	Document
	Data Element		Data Element
	Code Value		Code Value
	X12 Implementation Guide		X12 Implementation Guide
X	Business Process Documentation	X	Business Process Documentation

3. RECOMMENDATION

SUMMARY:

The standards support the measurement and verfication characteristics of Demand Response progams administered for application in the wholesale market and may be the subject of individual tariffs filed with and approved by the Federal Energy Regulatory Commission.

RECOMMENDED STANDARDS:

DISCLAIMER: This document contains draft information on standards for wholesale electricity Demand Response products and services in markets administered by Independent System Operators and Regional Transmission Organizations (hereinafter referred to as "System Operator"). The information contained within this draft is not intended to replace applicable tariff, market rules, operating procedures, protocols or manuals, for wholesale Demand Response, and in the event of a conflict, the latter documents shall have precedence over these standards.

Contact information: Eric Winkler, Ph.D., ISO New England, 413-540-4513, ewinkler@iso-ne.com

WEQ-015 Business Practices for Wholesale Electricity Demand Response Programs - Please see attached documentation.

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Proposed Standards

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Develop business practices to support demand side management and energy efficiency programs in the wholesale and retail electric markets.

b. Description of Recommendation:

For the first phase, develop business practices to support the measurement and verification aspects of the wholesale market demand response programs.

c. Business Purpose:

The business practices may be used by the administrators of wholesale demand response programs to add market transparency and understanding in the application of the measurement and verification characteristics of those programs.

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

- **April 11, 2007:** Several representatives of the NAESB WEQ, REQ, and RGQ as well as representatives of the US Department of Energy, US Environmental Protection Agency, FERC, and other industry experts met at the Department of Energy offices in Washington, D.C. to discuss the NAESB effort to draft business practices for Demand Side Management and Energy Efficiency. Ongoing Energy Efficiency and DSM projects and programs by other groups (such as NAPEE) were reviewed by the meeting attendees. The following resolution outlines the scope of the initial effort by NAESB to draft business practice standards for these topics: It was decided that NAESB should begin its standards development focus on measurement and verification of energy savings and peak demand reduction from both a wholesale and retail electric market perspective. A future schedule of meetings for DSM and Energy Efficiency should be posted on the NAESB website shortly.
- **May 24, 2007:** 75 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants (22% more than the first meeting) met in person and by conference telephone at NAESB headquarters in Houston to refine the scope of Phase 1 activities, agreeing on a specific list of tasks and assigning subgroups of volunteers to work on each task. At this meeting, no less than 28 individuals spoke to the group.
- **June 18, 2007:**. 51 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at BGE offices in Baltimore to further refine the scope of Phase 1 activities by reviewing the initial task list and revising it with more detailed deliverable requirements and dates, and with identification of base documents to support completing each task.
- **July 26, 2007:** 46 NAESB members, FERC, DOE, EEI, ISO and State regulatory personnel, experts in DSM and energy markets participants met in person and by conference telephone at AGA offices in Washington DC to present deliverables of existing demand response measurement and verification protocols and a list of 41 possible topics and subtopics for NAESB model

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Proposed Standards

business practices. The task force reviewed all 41 possibilities, deciding whether to draft MBPs and which ones can be grouped together.

- **September 14, 2007:** The results of the meeting including possible standards text were sent out for comment including notes, considerations and possible standards text. Comments were requested on each of the nine standards development areas including whether the remarks were directed to wholesale or retail markets, pre program evaluation or post implementation evaluation, or to DSM or EE projects.
- **September 25, 2007:** A DSM-EE meeting was held in Austin, Texas hosted by ERCOT. The purpose of the meeting was to review the comments, determine the level of progress made towards the task list and determine is adjustments to the task, focus or schedule were needed. When reviewing the comments it was determined to focus in five areas specific to demand response programs, and develop business practice standards that would prove helpful – (1) DR programs administered by ISOs and RTOS in the wholesale markets, (2) DR programs administered by utilities in wholesale markets, (3) DR programs administered by utilities in the retail markets, (4) a glossary to support the DR programs, and (5) a preamble to put the business practice standards in context. To focus on the DR programs, each of the three areas outlined will develop a matrix that describes the aspects of the DR programs in effect today, planned, or has been in effect in the past.
- **November 6, 2007:** Several of the NAESB leadership met with Commissioners Kerr and Ervin of NC to gain further understanding of expectations for DSM-EE NAESB activity for electricity for the retail markets.
- **November 11, 2007**: NAESB participated in a panel on DSM-EE at the NARUC Annual Meeting in Anaheim.
- **November 30, 2007:** Meeting hosted by Dominion in Richmond. During the meeting, each of the five groups described the progress made and plans to date. Drafts of the three matrices were reviewed, as was a draft glossary and outline for the preamble. It is possible that the two wholesale matrices will be combined, as The calendar for 2008 was also set. The next meeting is scheduled for January 23 in Baltimore hosted by BGE.
- **December 3, 2007:** A meeting was held with Commissioner Mason of Ohio to gain further understanding of expectations for DSM-EE NAESB activity for natural gas for the retail markets.
- **January 23, 2008:** The group met in Baltimore to review progress on the two matrices, the preamble and the glossary. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. Data is being placed in five separate categories -Initial Testing and Auditing, Ongoing Testing and Auditing, Triggering; Construction, Statistical Analysis, Performance and Baselines. The matrix for retail DR programs is lagging but several companies have provided or agreed to provide data – including BGE, Dominion, ConEd, Alabama Power and ComVerge. Procedures for how to collect the data was discussed with both interviews online and distributed surveys discussed. Both the preamble and glossary while first drafts are available are dependent on the work of the matrices and cannot be further developed until after more progress has been made on the matrices.
- **March 28, 2008:** The group met in Houston to review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had

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expanded significantly to provide for more comparability for responses. 45 DR programs have been identified and the data is now being verified. A template for the type of standards to be expected from this effort was reviewed. The retail matrix now has additional data and several interviews were conducted online, with the conclusion that it is the preferred way to gather data. The retail group is to set up a face-to-face meeting in May to review the matrix and make changes before sending it out to utilities for interviews.

- **May 30, 2008** – The group met in Holyoke to continue review progress on the two matrices. The wholesale matrix for DR programs administered by ISOs and RTOs was reviewed. The matrix had expanded significantly to provide for more comparability for responses. With the 45 DR programs identified, the group is now consolidating the data to higher levels from the more specific items collected. With the consolidation, the business practices should be drafted. The outline for the business practices has been prepared. The retail matrix now has contributions from 11 DR programs and the matrix structure is being validated against flow charts of the programs. Once the matrix structure is validated, online interviews will be held. It was determined to concentrate on dispatchable DR programs first.
- **July 30, 2008** –The group met in Carmel, Indiana hosted by ACES Power to review the progress made in the two efforts. With the 45 DR programs identified, the wholesale group has consolidated the data to higher levels and draft language is being developed around four product types, energy, capacity, regulation and reserves which incorporate information from various ISO/RTOs, as well as other entities. For the retail effort, the group is relying on work from AEIC regarding process flow and applying that flow to DR programs in place. From the flows, draft standards are being prepared. Once the draft standards are prepared, efforts will being to collect through interviews information from other utilities, geographically diverse and administering programs different from those already documented. Through the interviews it is expected that we would validate both the matrix and the draft standards. The retail group is initially focusing on dispatchable DR programs. Coordination is also underway with NERC on the development of a DR survey and with the AEIC. Work will soon begin with both groups to include the glossary and the preamble text.
- **October 3, 2008** –The group met in Austin, Texas hosted by ERCOT to review prorgess made in development of M&V standards for retail and wholesale DR programs. A recommendation of business practice standards for the wholesale market was reviewed by the group. After discussion, it was the intent that the recommendation be distributed for a two week informal comment period. The comments would be discussed at the December meeting including any suggested changes. After discussion on December 2, the recommendation will either be voted out of subcommittee and would proceed to a formal comment period and Executive Committee consideration, or the recommendation would continue to be modified by the subcommittee through another round of informal comments. For retail, the subgroup has collected detailed data on some DR programs underway. After review of the wholesale effort, it was discussed that the retail subgroup would hold a two day session to determine whether to proceed at the level defined in the wholesale recommendation, or proceed to define more prescriptive standards.
- **Planned, December 2, 2008** – Planned meeting hosted by Alabama Power in Birmingham.

e. Additional Background documentation

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- DSM-EE NAESB page for meetings and materials: http://www.naesb.org/dsm-ee.asp
- Presentation of the wholesale recommendation given on October 3: ISO presentation - http://www.naesb.org/pdf3/dsmee100308w7.pdf
- Presentation on the NAESB process to be used – given on October 3: http://www.naesb.org/pdf3/dsmee100308w8.pdf

[At a later time a supporting document with clarifying information will be provided as a Technical Implementation Business Practice]

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Proposed Standards

Business Practices for Wholesale Electricity Demand Response

Introduction

1. Measurement and Verification Standards

These Measurement and Verification (M&V) standards are intended to facilitate Demand Response in wholesale electricity markets by providing a common framework for the following:

- Transparency: accessible and understandable M&V requirements for Demand Response products;
- Accountability: criteria that will enable the System Operator to accurately measure performance of Demand Response resources; and
- Consistency: standards applicable across all wholesale electricity markets.

2. Applicability of Measurement and Verification Standards:

These standards were developed by the Independent System Operators (ISO) and Regional Transmission Organizations (RTO) in North America through the North American Energy Standard Board (NAESB) stakeholder process. The standards reflect business practices applicable to measurement and verification of wholesale market Demand Response services including the following four product categories:

Energy Service

A type of Demand Response service in which Demand Resources are compensated based solely on Demand reduction performance.

Capacity Service

A type of Demand Response service in which Demand Resources are obligated over a defined period of time to be available to provide Demand Response upon deployment by the System Operator.

Reserve Service

A type of Demand Response service in which Demand Resources are obligated to be available to provide Demand reduction upon deployment by the System Operator, based on reserve capacity requirements that are established to meet applicable reliability standards.

Regulation Service

A type of Demand Response service in which a Demand Resource increases and decreases Load in response to real-time signals from the System Operator. Demand Resources providing Regulation Service are subject to dispatch continuously during a commitment period. Provision of Regulation Service does not correlate to Demand Response Event timelines, deadlines and durations.

These standards establish Demand Response M&V criteria. They do not establish requirements related to the compensation, design, operation, or use of Demand Response services. In these regards, System

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Operators are not required to offer these Services and may not currently offer each of these Services. Terms that are capitalized in these standards have the meanings ascribed to them in the Definitions of Terms section.

For purposes of these Measurement and Verification standards, Demand Response does not include Measurement and Verification of energy efficiency or permanent Load reduction.

Tariff Conflict and NERC Standards:

In the event of a conflict between these business practices and the System Operator's Tariffs, market rules, operating procedures, protocols or manuals, the Tariff, market rules, operating procedures, protocols or manuals shall have precedence. Terms defined in the Definition of Terms section are critical to understanding the applicability of these M&V standards, but do not modify or supersede market rule or tariff definitions that apply to the compensation, design, operation, or use of Demand Response services. Additionally, all entities supplying Demand Response Services shall comply with NERC reliability standards.

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3. Overview of the Standards

These M&V standards establish criteria for the use of equipment, technology, and procedures to quantify the Demand Reduction Value delivered. Standards developed may include commonalities among product types. The following outline of standards is applicable to the four Demand Response product categories.

General	Advance Notification
	Deployment Time
	Reduction Deadline
	Release/Recall
	Normal Operations
	Demand Resource Availability Measurement
	Aggregation
	Transparency of Requirements
Telemetry	Telemetry Requirement
	Telemetry Accuracy
	Telemetry Reporting Interval
	Other Telemetry Measurements
	Communication Protocol
	Governor Control Equivalent
	On-Site Generation Telemetry Requirement
After-The-Fact Metering	After-the-Fact Metering Requirement
	Meter Accuracy
	Details of Meter/Equipment Standards
	Meter Data Reporting Deadline
	Meter Data Reporting Interval
	Clock / Time Accuracy
	Validating, Editing & Estimating (VEE) Method
	On-Site Generation Meter Requirement
Performance Evaluation	Rules for Performance Evaluation

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Draft: October 3, 2008
Requesters:DSM-EE Subcommittee
Request No.: 2008 AP Item 5(a)
Review and develop business practice standards to support DR and DSM-EE programs

Proposed Standards

Performance Evaluation Methodology

For each Demand Response service, a performance evaluation methodology is used to determine the Demand Reduction Value provided by a Demand Resource. The standards include descriptions of acceptable Baselines and alternative performance measurements that are appropriate for each of the four types of Demand Response services. The table below provides an outline of the applicable criteria for performance evaluation methodologies.

Baseline Information	Baseline Window
	Calculation Type
	Sampling Precision and Accuracy
	Exclusion Rules
	Baseline Adjustments
	Adjustment Window
Event Information	Use of Real-Time Telemetry
	Use of After-The-Fact Metering
	Performance Window
	Measurement Type
Special Processing	Highly-Variable Load Logic
	On-Site Generation Requirements

These standards do not specify detailed characteristics of performance evaluation methodologies, but rather provide a framework that may be used to develop performance evaluation methodologies for specific Demand Response services. The following methodology types are included:

Maximum Base Load: A performance evaluation methodology based solely on a Demand Resource's ability to reduce to a specified level of electricity demand, regardless of its electricity consumption or demand at Deployment.

Meter Before / Meter After: A performance evaluation methodology where electricity consumption or demand over a prescribed period of time prior to Deployment is compared to similar readings during the Sustained Response Period.

Baseline Type-I: A Baseline performance evaluation methodology based on a Demand Resource's historical interval meter data which may also include other variables such as weather and calendar data.

Baseline Type-II: A Baseline performance evaluation methodology that uses statistical sampling to estimate the electricity consumption of an Aggregated Demand Resource where interval metering is not available on the entire population.

Metering Generator Output: A performance evaluation methodology, used when a generation asset is located behind the Demand Resource's revenue meter, in which the Demand Reduction Value is based on the output of the generation asset.

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Performance Evaluation Type	Valid For Service Type			
	Energy	Capacity	Reserves	Regulation
Maximum Base Load	✓	✓		
Meter Before / Meter After	✓	✓	✓	✓
Baseline Type-I	✓	✓	✓	
Baseline Type-II	✓	✓	✓	
Metering Generator Output	✓	✓	✓	✓

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Definition of Terms

DEMAND RESPONSE EVENT TERMS

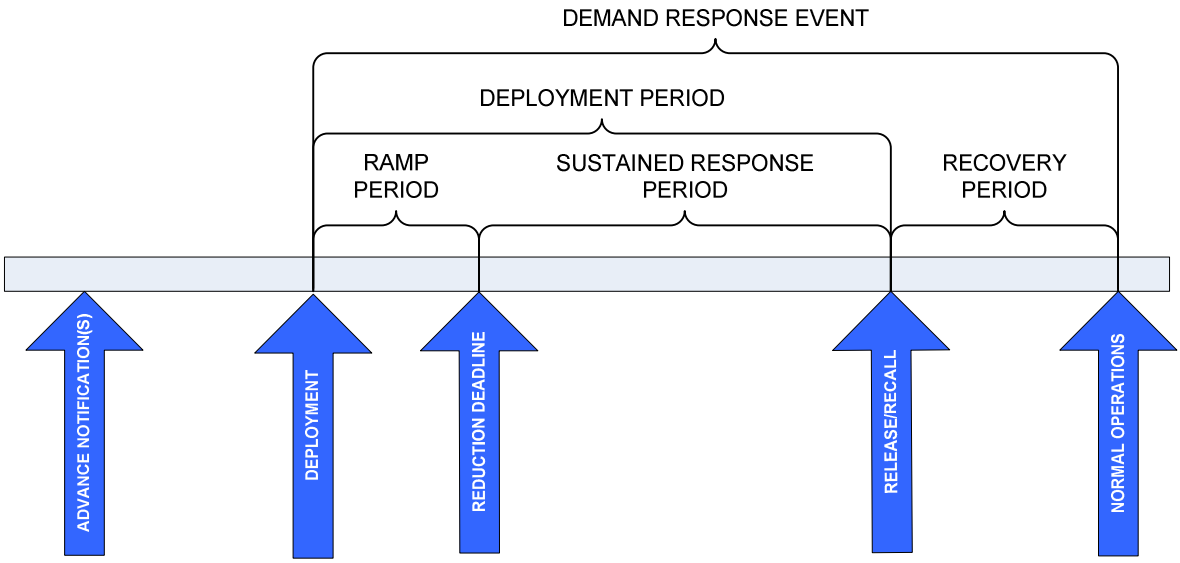

Figure 1. Timing of a Demand Response Event

The following terms refer to the above Figure 1.

Advance Notification(s)

One or more communications to Demand Resources of an impending Demand Response Event in advance of the actual event.

Demand Response Event

The time periods, deadlines and transitions during which Demand Resources perform. The System Operator shall specify the duration and applicability of a Demand Response Event.

Deployment

The time at which a Demand Resource begins reducing Demand on the system in response to an instruction.

Deployment Period

The time in a Demand Response Event beginning with the Deployment and ending with the Release/Recall.

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Normal Operations

The time following Release/Recall at which a System Operator may require a Demand Resource to have returned its Load consumption to normal levels, and to be available again for Deployment.

Ramp Period

The time between Deployment and Reduction Deadline, representing the period of time over which a Demand Resource is expected to achieve its change in Demand.

Recovery Period

The time between Release/Recall and Normal Operations, representing the window over which Demand Resources are required to return to their normal Load .

Reduction Deadline

The time at the end of the Ramp Period when a Demand Resource is required to have met its Demand Reduction Value obligation.

Release/Recall

The time when a System Operator or Demand Response Provider notifies a Demand Resource that the Deployment Period has ended or will end.

Sustained Response Period

The time between Reduction Deadline and Release/Recall, representing the window over which a Demand Resource is required to maintain its reduced net consumption of electricity.

GENERAL TERMS

Adjustment Window

The period of time prior to a Demand Response Event used for calculating a Baseline adjustment.

After-the-Fact Metering

Any meter data communication that is not considered Telemetry.

Aggregated Demand Resource

A group of independent Load facilities that provide Demand Response services as a single Demand Resource.

Baseline

A Baseline is a method of estimating the electricity that would have been consumed by a Demand Resource in the absence of a Demand Response Event. The Baseline is compared to the actual metered electricity consumption during the Demand Response Event to determine the Demand Reduction Value. Depending on the type of Demand Response product or service, Baseline calculations may be performed in real-time or after-the-fact. The System Operator may offer multiple Baseline models and may assign a Demand Resource to a model based on the characteristics of the Demand Resource's Load or allow the Demand Resource to choose a

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performance evaluation model consistent with its load characteristics from a predefined list. Figure 2. below illustrates the concept of Baseline relative to a Demand Response Event.

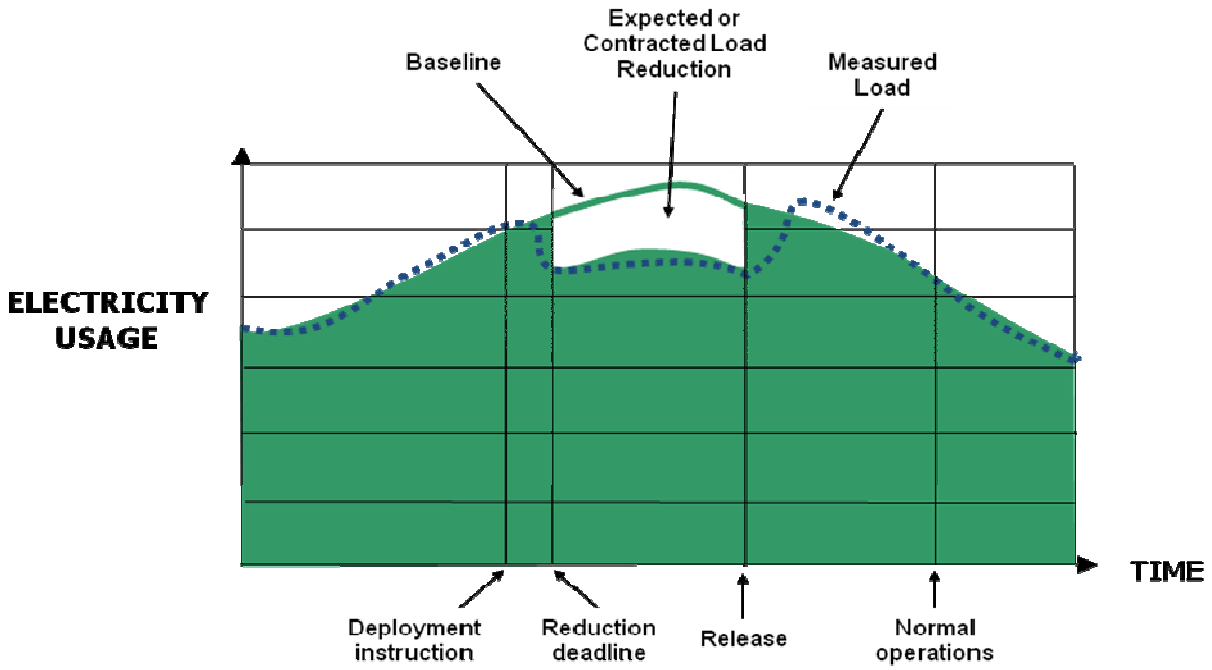

Figure 2. Illustration of Baseline Concept.

Baseline Adjustment

An adjustment that modifies the Baseline to reflect actual conditions immediately prior to or during a Demand Response Event to provide a better estimate of the energy the Demand Resource would have consumed but for the Demand Response Event. The adjustments may include but are not limited to weather conditions, near real time event facility Load, current Demand Resource operational information, or other parameters based on the System Operator's requirements.

Baseline Type-I (Interval Metered)

A Baseline performance evaluation methodology based on a Demand Resource's historical interval meter data which may also include other variables such as weather and calendar data.

Baseline Type-II (Non-Interval Metered)

A Baseline performance evaluation methodology that uses statistical sampling to estimate the electricity consumption of an Aggregated Demand Resource where interval metering is not available on the entire population.

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Baseline Window

The window of time preceding and optionally following, a Demand Response Event over which the electricity consumption data is collected for the purpose of establishing a Baseline. The applicability of this term is limited to Meter Before/Meter After, and Baseline Type-I and Type-II.

Capacity Service

A type of Demand Response service in which Demand Resources are obligated over a defined period of time to be available to provide Demand Response upon deployment by the System Operator.

Demand Response Provider

The entity that is responsible for delivering Demand reductions from Demand Resources and is compensated for providing such Demand Response products in accordance as specified by the System Operator.

Demand

The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time; and the rate at which energy is being used by the customer (NERC Definition).

Demand Reduction Value

Quantity of reduced electrical consumption by a Demand Resource, expressed as MW or MWh.

Demand Resource

A Load or aggregation of Loads capable of measurably and verifiably providing Demand Response.

Demand Response

A temporary change in electricity consumption by a Demand Resource in response to market or reliability conditions. For purposes of these standards, Demand Response does not include energy efficiency or permanent Load reduction.

Energy Service

A type of Demand Response service in which Demand Resources are compensated solely based on Demand reduction performance.

Highly-Variable Load

A Load with a fluctuating or unpredictable electricity consumption pattern.

Load

An end-use device or customer that receives power from the electric system (NERC Definition).

Maximum Base Load

A performance evaluation methodology based solely on a Demand Resource's ability to reduce to a specified level of electricity Demand, regardless of its electricity consumption or Demand at Deployment.

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Meter Before / Meter After

A performance evaluation methodology where electricity Demand over a prescribed period of time prior to Deployment is compared to similar readings during the Sustained Response Period.

Meter Data Recording Interval

The time between electricity meter consumption recordings.

Meter Data Reporting Deadline

The maximum allowed time from the end of a Demand Response Event (Normal Operations) to the time when meter data is required to be submitted for performance evaluation and settlement. The Meter Data Reporting Deadline may be either relative (a number of hours/days after Normal Operations) or fixed (a fixed calendar time, such as end-of-month).

Metering Generator Output

A performance evaluation methodology, used when a generation asset is located behind the Demand Resource's revenue meter, in which the Demand Reduction Value is based on the output of the generation asset.

Performance Window

The period of time in a Demand Response Event analyzed by the System Operator to measure and verify the Demand Reduction Value for a Demand Resource.

Ramp Rate

The rate, expressed in megawatts per minute, that a generator changes its output. (NERC Definition) Demand Resource ramp rate is the rate, expressed in megawatts per minute, that a Demand Resource changes its Load.

Regulation Service

A type of Demand Response service in which a Demand Resource increases and decreases Load in response to real-time signals from the System Operator. Demand Resources providing Regulation Service are subject to dispatch continuously during a commitment period. Provision of Regulation Service does not correlate to Demand Response Event timelines, deadlines and durations as depicted in Figure 1.

Reserve Service

A type of Demand Response service in which Demand Resources are obligated to be available to provide Demand reduction upon deployment by the System Operator, based on reserve capacity requirements that are established to meet applicable reliability standards.

System Operator

A System Operator is a Balancing Authority, Transmission Operator, or Reliability Coordinator whose responsibility is to monitor and control an electric system in real time (based on NERC definition). The System Operator is responsible for initiating Advance Notifications, Deployment, and Release/Recall instructions.

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Telemetry

Real-time continuous communication between a Demand Resource or Demand Response Provider and the System Operator.

Telemetry Interval

The time unit between communications between a Demand Resource or Demand Response Provider and a System Operator.

Validation, Editing and Estimation

The process of taking raw meter data and performing validation and, as necessary, editing and estimation of corrupt or missing data, to create validated data. (VEE guidelines are published in the Edison Electric Institute's Uniform Business Practices for Unbundled Electricity Metering, Volume Two, Published 12/05/00, http://www.naesb.org/REQ/req_form.asp)

Business Practice Requirements:

Provision of Wholesale Electric Demand Response Energy Products

Applicability

The Standard applies to any entity that administers wholesale Energy Demand Response Products.

Purpose

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

015-1.0 GENERAL

- **Advance Notification**

  The System Operator shall specify requirements for the Advance Notification instruction.

- **Deployment Time**

  The System Operator shall specify the time at which Demand Resources must begin reducing Demand on the system.

- **Reduction Deadline**

  The System Operator shall specify the Reduction Deadline.

- **Release/Recall**

  The System Operator shall specify the time at which Demand Resources shall be instructed to begin restoring Load.

- **Normal Operations**

  The System Operator shall specify Normal Operations.

- **Demand Resource Availability Measurement**

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Proposed Standards

Not applicable to Energy Service unless otherwise specified by the System Operator.

- **Aggregation**

  The System Operator shall specify if aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

  Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

015-1.1 TELEMETRY

- **Telemetry Requirement**

  The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data.

- **On-Site Generation Telemetry**

  If on-site generation is present behind the primary Telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

  The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

  The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

  The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

  The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

  Not applicable to Energy Service unless otherwise specified by the System Operator.

015-1.2 AFTER-THE-FACT METERING

- **After-the-Fact Metering Requirement**

  After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

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Proposed Standards

The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

  Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

  The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

  The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

  The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Validating, Editing & Estimating (VEE) Method**

  The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

  The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

015-1.3 PERFORMANCE EVALUATION

- **Rules for Performance Evaluation**

  Performance shall be evaluated through the use of one of the following methods unless otherwise specified by the System Operator:
  - Maximum Base Load
  - Meter Before / Meter After
  - Baseline Type-I
  - Baseline Type-II
  - Metering Generator Output

Business Practice Requirements:

Provision of Wholesale Electric Demand Response Capacity Products

Applicability

The Standard applies to any entity that administers the wholesale Demand Response Capacity Products.

Purpose

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Proposed Standards

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

015-1.4 GENERAL

- **Advance Notification**

  The System Operator shall specify requirements for the Advance Notification instruction.

- **Deployment Time**

  The System Operator shall specify the time at which Demand Resources must begin reducing Demand on the system.

- **Reduction Deadline**

  The System Operator shall specify the Reduction Deadline.

- **Release/Recall**

  The System Operator shall specify the time at which Demand Resources shall be instructed to begin restoring Load.

- **Normal Operations**

  The System Operator shall specify Normal Operations.

- **Demand Resource Availability Measurement**

  The System Operator shall specify any requirements for measuring the capability of a Demand Resource to meet its obligation.

- **Aggregation**

  The System Operator shall specify if aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

  Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

015-1.5 TELEMETRY

- **Telemetry Requirement**

  The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data.

- **On-Site Generation Telemetry**

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Proposed Standards

If on-site generation is present behind the primary Telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

  The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

  The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

  The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

  The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

  Not applicable to Capacity Service unless otherwise specified by the System Operator.

015-1.6 AFTER-THE-FACT METERING

- **After-the-Fact Metering Requirement**

  After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

  The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

  Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

  The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

  The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

  The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

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Proposed Standards

- **Validating, Editing & Estimating (VEE) Method**

  The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

  The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

015-1.7 PERFORMANCE EVALUATION

- **Rules for Performance Evaluation**

  Performance shall be evaluated through the use of one of the following methods unless otherwise specified by the System Operator:

  - Maximum Base Load
  - Meter Before / Meter After
  - Baseline Type-I
  - Baseline Type-II
  - Metering Generator Output

Business Practice Requirements:

Provision of Wholesale Electric Demand Response Reserve Products

Applicability

The Standard applies to any entity that administers the wholesale Demand Response Reserve Products.

Purpose

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

015-1.8 GENERAL

- **Advance Notification**

  The System Operator shall specify requirements for the Advance Notification instruction.

- **Deployment Time**

  The System Operator shall specify the time at which Demand Resources must begin reducing Demand on the system.

- **Reduction Deadline**

  The System Operator shall specify the Reduction Deadline.

- **Release/Recall**

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The System Operator shall specify the time at which Demand Resources shall be instructed to begin restoring Load.

- **Normal Operations**

  The System Operator shall specify Normal Operations.

- **Demand Resource Availability Measurement**

  The System Operator shall specify any requirements for measuring the capability of a Demand Resource to meet its obligation.

- **Aggregation**

  The System Operator shall specify if Aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

  Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

015-1.9 TELEMETRY

- **Telemetry Requirement**
- The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data
- .**On-Site Generation Telemetry**

  If on-site generation is present behind the primary telemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

  The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

  The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

  The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

  The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

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Proposed Standards

Not applicable to Reserve Service unless otherwise specified by the System Operator.

015-1.10 AFTER-THE-FACT METERING

- **After-the-Fact Metering Requirement**

  After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

  The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

  Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

  The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

  The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

  The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Validating, Editing & Estimating (VEE) Method**

  The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

  The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

015-1.11 PERFORMANCE EVALUATION

- **Rules for Performance Evaluation**

  Performance shall be evaluated through the use of one of the following methods unless otherwise specified by the System Operator:

  - Meter Before / Meter After
  - Baseline Type-I
  - Baseline Type-II
  - Metering Generator Output

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Business Practice Requirements:

Provision of Wholesale Electric Demand Response Regulation Products

Applicability

The Standard applies to any entity that administers the wholesale Demand Response Regulation Products.

Purpose

The purpose of this Standard is to ensure that participants in wholesale electric markets in which these Products are administered receive uniform access to information that will enable them to participate in said markets.

015-1.12 GENERAL

- **Advance Notification**

  Not applicable to Regulation Service unless otherwise specified by the System Operator.

- **Deployment Time**

  Not applicable to Regulation Service unless otherwise specified by the System Operator.

- **Reduction Deadline**

  Not applicable to Regulation Service unless otherwise specified by the System Operator.

- **Release/Recall**

  Not applicable to Regulation Service unless otherwise specified by the System Operator.

- **Normal Operations**

  Not applicable to Regulation Service unless otherwise specified by the System Operator.

- **Demand Resource Availability Measurement**

  Not applicable to Regulation Service unless otherwise specified by the System Operator.

- **Aggregation**

  The System Operator shall specify if aggregated Demand Resources are allowed to participate.

- **Transparency of Requirements**

  Any specific requirements shall be defined in a System Operator's tariff, market rules, operating procedures, protocols or manuals and shall be posted in a publicly accessible location.

015-1.13 TELEMETRY

- **Telemetry Requirement**

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The System Operator shall specify any requirements for real-time Telemetry, including, but not limited to: the use of real-time Telemetry, the entity responsible for installing and maintaining Telemetry equipment and collecting and communicating Telemetry data.

- **On-Site Generation Telemetry**

  If on-site generation is present behind the primary Ttelemetry point, real-time Telemetry data shall be required to measure performance of the generator unless otherwise specified by the System Operator.

- **Telemetry Accuracy**

  The accuracy of the real-time Demand measurement shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Telemetry Reporting Interval**

  The Telemetry Reporting Interval shall be up to a maximum of 5 minutes unless otherwise specified by the System Operator.

- **Other Telemetry Measurements**

  The System Operator shall specify any additional Telemetry data requirements.

- **Communication Protocol**

  The System Operator shall specify the Telemetry communication protocol.

- **Governor Control Equivalent**

  Demand Resources providing Regulation Service shall automatically respond to grid frequency deviations, similar to governor action provided by generation resources, unless otherwise specified by the System Operator.

015-1.14 AFTER-THE-FACT METERING

- **After-the-Fact Metering Requirement**

  After-the-fact Metering is required unless otherwise specified by the System Operator.

- **Meter Accuracy**

  The accuracy of the after-the-fact metering shall be represented as a percentage of full scale, up to a maximum of 3.0% unless otherwise specified by the System Operator.

- **Details of Meter/Equipment Standards**

  Meter/Equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Meter Data Reporting Deadline**

  The System Operator shall specify the Meter Data Reporting Deadline.

- **Meter Data Reporting Interval**

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The Meter Data Reporting Interval shall be a maximum of 1 hour unless otherwise specified by the System Operator.

- **Clock / Time Accuracy**

  The System Operator shall specify the clock and time accuracy. Clock and time meter/equipment standards shall meet or exceed industry standards equivalent to ANSI C12 unless otherwise specified by the System Operator.

- **Validating, Editing & Estimating (VEE) Method**

  The System Operator shall specify VEE requirements.

- **On-Site Generation Meter Requirement**

  The System Operator shall specify additional metering requirements if on-site generation is present behind the primary metering point.

015-1.15 PERFORMANCE EVALUATION

- **Rules for Performance Evaluation**

  Performance shall be evaluated using telemetry data and additionally through the use of one of the following methods unless otherwise specified by the System Operator:

  - Meter Before / Meter After
  - Metering Generator Output

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

Draft: October 3, 2008
Requesters:DSM-EE Subcommittee
Request No.: 2008 AP Item 5(a)
Review and develop business practice standards to support DR and DSM-EE programs

Proposed Standards

Business Practice Requirements

Maximum Base Load Evaluation

015-1.16 BASELINE INFORMATION

There are no Baseline calculations defined for Maximum Base Load evaluations. The Maximum Base Load Evaluation methodology shall be associated with a demand reduction obligation compared to the Demand Resource's average Load or as specified by the System Operator.

015-1.17 EVENT INFORMATION

- **Use of Real-Time Telemetry**

  The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

  After-the-fact metering shall be used to measure performance, unless otherwise specified by the System Operator.

- **Performance Window**

  The Performance Window shall be the Sustained Response Period (Reduction Deadline through Release/Recall) unless otherwise specified by the System Operator.

- **Measurement Type**

  During the Performance Window, the Demand Resource must maintain its electricity consumption at or below the Maximum Base Load. The criteria used to evaluate performance shall be one of the following unless otherwise specified by the System Operator:
  a) Peak consumption or Demand
  b) Average consumption or Demand

015-1.18 SPECIAL PROCESSING

The System Operator shall specify any special processing rules.

Business Practice Requirements

Meter Before / Meter After

015-1.19 BASELINE INFORMATION

- **Baseline Window**

  The System Operator shall specify the Baseline Window.

- **Calculation Type**

  During the Baseline Window, the energy consumption or Demand of the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:

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Proposed Standards

a) Instantaneous
b) Maximum
c) Average

- **Sampling Precision and Accuracy**

  Sampling is not permitted for this performance evaluation type, unless otherwise specified by the System Operator.

- **Exclusion Rules**

  The System Operator shall specify any exclusion rules.

- **Baseline Adjustments**

  The System Operator shall specify any event-day adjustments.

- **Adjustment Window**

  No Adjustment Window is used for this model unless otherwise specified by the System Operator.

015-1.20 EVENT INFORMATION

- **Use of real-time Telemetry**

  The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

  After-the-fact metering shall be used to measure performance, unless otherwise specified by the System Operator.

- **Performance Window**

  The Performance Window shall be the Sustained Response Period (Reduction Deadline through Release/Recall) unless otherwise specified by the System Operator.

- **Measurement Type**

  During the Performance Window, the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:
  a) Instantaneous
  b) Maximum
  c) Average

015-1.21 SPECIAL PROCESSING

- **Highly-Variable Load Logic**

  The System Operator shall specify any performance evaluation requirements for Highly-Variable Loads.

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Review and develop business practice standards to support DR and DSM-EE programs

Proposed Standards

- **On-Site Generation Requirements**

  The System Operator shall specify any performance evaluation requirements for on-site generation.

Business Practice Requirements

Baseline Type-I (Interval Meter)

015-1.22 BASELINE INFORMATION

- **Baseline Window**

  The System Operator shall specify the Baseline Window.

- **Calculation Type**

  The System Operator shall specify the method of developing the Baseline value using, but not limited to, the following calculation types:
  a) Maximum
  b) Average
  c) Regression

- **Sampling Precision and Accuracy**

  Sampling is not permitted for this Performance Evaluation type, unless otherwise specified by the System Operator.

- **Exclusion Rules**

  The System Operator shall specify any rules for excluding data from the Baseline Window. Exclusion rules may be based on, but are not limited to the following:
  a) Historical Demand Response Events
  b) Testing/Audit Periods
  c) Calendar data
  d) Outages
  e) Weather emergencies or force majeure events
  f) Usage threshold

- **Baseline Adjustments**

  The System Operator shall specify any rules for Baseline Adjustments. Adjustment rules may be based on, but are not limited to the following:
  a) Temperature
  b) Humidity
  c) Calendar data
  d) Sunrise/Sunset time
  e) Event day operating conditions

- **Adjustment Window**

  The System Operator shall specify the Adjustment Window.

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For Quadrant: WEQ

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Review and develop business practice standards to support DR and DSM-EE programs

Proposed Standards

015-1.23 EVENT INFORMATION

- **Use of Real-Time Telemetry**

  The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

  After-the-fact metering shall be used to measure performance, unless otherwise specified by the System Operator.

- **Performance Window**

  The System Operator shall specify the Performance Window.

- **Measurement Type**

  During the Performance Window, the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:
  a) Maximum
  b) Average
  c) Regression

015-1.24 SPECIAL PROCESSING

- **Highly-Variable Load Logic**

  The System Operator may specify performance evaluation requirements for Highly-Variable Loads.

- **On-Site Generation Requirements**

  The System Operator may specify performance evaluation requirements for on-site generation.

Business Practice Requirements

Baseline Type-II (Non-Interval Meter)

015-1.25 BASELINE INFORMATION

- **Baseline Window**

  The System Operator shall specify the Baseline Window.

- **Calculation Type**

  The System Operator shall specify the method of developing the Baseline value using, but not limited to, the following calculation types:
  a) Maximum
  b) Average
  c) Regression

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

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Request No.: 2008 AP Item 5(a)
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Proposed Standards

- **Sampling Precision and Accuracy**

  The System Operator shall specify sampling precision and accuracy requirements.

- **Exclusion Rules**

  The System Operator shall specify any rules for excluding data from the Baseline Window. Exclusion rules may be based on, but are not limited to the following:

  a) Historical Demand Response Events
  b) Testing/Audit Periods
  c) Calendar data
  d) Outages
  e) Weather emergencies or force majeure events
  f) Usage threshold

- **Baseline Adjustments**

  The System Operator shall specify any rules for Baseline Adjustments. Adjustment rules may be based on, but are not limited to the following:

  a) Temperature
  b) Humidity
  c) Calendar data
  d) Sunrise/Sunset time
  e) Event day operating conditions

- **Adjustment Window**

  The System Operator shall specify the Adjustment Window.

015-1.26 EVENT INFORMATION

- **Use of Real-Time Telemetry**

  The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

  After-the-fact metering or other energy measurement technology shall be used to measure performance, as a supplement to real-time Telemetry unless otherwise specified by the System Operator.

- **Performance Window**

  The System Operator shall specify the Performance Window.

- **Measurement Type**

  During the Performance Window, the Demand Resource shall be evaluated using one of the following measurements unless otherwise specified by the System Operator:

  a) Maximum
  b) Average
  c) Regression

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: WEQ

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Review and develop business practice standards to support DR and DSM-EE programs

Proposed Standards

015-1.27 SPECIAL PROCESSING

The System Operator shall specify any special processing rules.

Business Practice Requirements

Metering Generator Output

015-1.28 BASELINE INFORMATION

The System Operator shall specify Baseline calculations for Metering Generator Output.

015-1.29 EVENT INFORMATION

- **Use of Real-Time Telemetry**

  The System Operator shall specify if real-time Telemetry data is to be used to measure performance.

- **Use of After-The-Fact Metering**

  After-the-fact metering on the generator and optionally on the associated Load shall be used to measure performance unless otherwise specified by the System Operator.

- **Performance Window**

  The System Operator shall specify the Performance Window.

- **Measurement Type**

  During the Performance Window, the Demand Resource shall be evaluated using the total measured generation output unless otherwise specified by the System Operator.

015-1.30 SPECIAL PROCESSING

The System Operator shall specify any special processing rules.

124 FERC ¶ 61,270
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Parts 35, 131, 154, 157, 250, 281,
284, 300, 341, 344, 346, 347, 348, 375 and 385

[Docket No. RM01-5-000; Order No. 714]

Electronic Tariff Filings

(Issued September 19, 2008)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: The Federal Energy Regulatory Commission is revising its regulations to require that all tariffs and tariff revisions and rate change applications for the public utilities, natural gas pipelines, oil pipelines and power administrations be filed electronically according to a set of standards developed in conjunction with the North American Energy Standards Board. This rule is part of the Commission's efforts to comply with the Paperwork Reduction Act, the Government Paperwork Elimination Act (GPEA), and the E-Government Act of 2002 by developing the capability to file electronically with the Commission via the Internet. Electronic filing reduces physical storage space needs and document processing time, provides for easier tracking of document filing activity; potentially reduces mailing and courier fees; allows concurrent access to the tariff filing by multiple parties as well as the ability to download and print tariff filings; and provides automatic e-mail notification to an applicant of receipt of the

filing and whether or not it has been accepted. Upon implementation of this rule, the Commission will no longer accept tariff filings submitted in paper format.

EFFECTIVE DATES: This rule will become effective **[Insert_Date days after publication in the FEDERAL REGISTER].** Implementation will begin April 1, 2010 pursuant to a six month staggered schedule.

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SUPPLEMENTARY INFORMATION:

124 FERC ¶ 61,270
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Electronic Tariff Filings Docket No. RM01-5-000

ORDER NO. 714

FINAL RULE

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Electronic Tariff Filings Docket No. RM01-5-000

ORDER NO. 714

FINAL RULE

(Issued September 19, 2008)

1. The Commission in the last several years has expanded its capability to accept electronic filings. As part of this process, the Commission has sought to develop a means by which publicly regulated utilities could file tariffs, rate schedules, and other jurisdictional contracts and agreements electronically in a fashion that would permit the Commission to assemble and organize the disparate pieces of these agreements for display and for use by the Commission and the public. Commission staff in collaboration with the wholesale electric and gas quadrants of the North American Energy Standards Board (NAESB), and representatives from the Association of Oil Pipelines (AOPL) developed a set of standards to be used by companies in making tariff and tariff related filings at the Commission. The Commission is adopting these standards as the requirement for making tariff and tariff related filings.

I. Background

2. The development of these standards began in 2004 with a Notice of Proposed Rulemaking[1] in which the Commission proposed to require public utilities, power administrations, interstate and intrastate gas pipelines, and oil pipelines to file tariff and tariff related material electronically. The Commission proposed to develop an electronic tariff database to store tariff and tariff related information for retrieval by Commission staff and the public. In order to implement a tariff database system that would permit such functionality, Commission staff developed a software system for tariff filings similar to that used in filing forms with the Commission. Commission staff worked with many industry representatives and experts to test this software and held public meetings to demonstrate and receive comment on the software.

3. While some commenters supported using the Commission-provided software as an acceptable solution, others were concerned that this software might not work well for making tariff filings. Some also were concerned that the Commission software would not integrate well with their existing tariff management systems and that formatting tariffs to fit the parameters of the software could be difficult or time consuming.

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[1] Electronic Tariff Filings, Notice of Proposed Rulemaking 69 FR 43,929 (July 23, 2004) FERC Stats. & Regs., Proposed Regulations 2004-2007 ¶ 32,575 (2004) (2004 NOPR), Notice of Additional Proposals and Procedures, 70 FR 40941 (July 15, 2005), FERC Stats. & Regs. ¶ 35,551 (2005) (2005 Notice). The 2004 NOPR was the result of an earlier Notice of Inquiry and Informal Conference in this same proceeding (Electronic Tariff Filings, 66 FR 15673 (March 20, 2001), FERC Stats. & Regs. ¶ 35,538, at 35,789-91 (2001)).

4. As a result of the review of the comments, on February 1, 2007, a public meeting was held with NAESB to discuss NAESB's assistance in the process of developing the protocols, standards, and data formats needed to provide tariff and related data to enable the Commission to develop a database to track electronic tariff and rate schedules filings. At the meeting, NAESB agreed to develop these standards and report back to the Commission.

5. NAESB established two committees, a business eTariff Subcommittee and an eTariff Technical Task Force. These committees included representatives from the wholesale natural gas industry, wholesale electric industry, oil pipelines, intrastate natural gas pipelines, and third party software developers who worked along with Commission staff to develop the applicable standards. Between February 1, 2007 and January 23, 2008, these committees held a total of 16 meetings in various cities over 24 days. Total attendance in all the meetings was 991 participants either in person or by electronic conferencing, with an average attendance of 62 people for each meeting.

6. The committees determined not to use the Commission developed software, but instead to develop standards that would enable individual companies to develop or procure software for making tariff filings that would best meet the needs of each company's business requirements. The Executive Committees for both the Wholesale Gas and Wholesale Electric Quadrants of NAESB approved the standards on March 4, 2008, and the NAESB membership ratified the standards on April 4, 2008.

7. On April 15, 2008, NAESB filed the standards with the Commission along with a record of the NAESB proceedings. This material included questions about the policies to be followed in using the standards to make tariff filings. NAESB also provided a copyright waiver stating: "While the eTariff standards are copyrighted by NAESB, a limited waiver is granted to the FERC to modify and post any excerpts of the eTariff standards and eTariff work products that they deem appropriate. These excerpts will be available for companies to reproduce only for their own internal use."

8. On April 17, 2008, the Commission issued a Supplemental Notice of Proposed Rulemaking (NOPR) proposing to use the NAESB developed standards as the means to effectuate electronic tariff filing.[2] The NOPR also proposed solutions to several issues raised during the NAESB process, such as the filing process for shared and joint tariffs. Twenty comments were filed, with most generally favoring the use of the NAESB standards.[3]

II. Discussion

9. As the background indicated, this proceeding has followed a long and winding road, with a number of detours and U-turns, but we have reached the end of the road and

[2] As used in this Final Rule, the "NAESB standards" or "standards" refer to a set of data elements and requirements that are posted on the Commission website. Instruction Manual for Electronic Filing of Parts 35, 154, 300, 341 and 284 Tariff Filings. (http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=11683627)

[3] Appendix A lists the commenters and the abbreviations used for each.

are adopting a final set of standards for electronic tariff filings.[4] We again want to thank NAESB, its Board of Directors, and the numerous volunteers from across the spectrum of the gas, electric, and oil industries who were able to meet with staff and develop a set of standards and protocols that will achieve the Commission's goal of establishing a robust electronic filing environment for tariffs and tariff related material and will make it possible for the Commission staff and the public to retrieve this material from a database. We will adopt the standards and protocols developed through the NAESB collaborative process in place of providing Commission-created software. Adoption of these standards and protocols will provide each company with enhanced flexibility to develop software to better integrate tariff filings with their individual tariff maintenance and business needs. These standards and protocols also will provide an open platform permitting third-party software developers to create more efficient tariff filing and maintenance applications, which will spread the development costs over larger numbers of companies.

10. Over the last few years, the Commission has greatly expanded its ability to accept electronically filed material, including interventions, protests, rehearings, complaints, and

[4] Smith v. Lachter (In re Smith), 352 B.R. 702 (B.A.P. 9th Cir. 2006) ("This matter is reminiscent of that old Beatles' standard, 'The Long and Winding Road,' a brooding song about a road that never ends. One can only hope that, with this opinion, the end of the road is indeed in sight").

applications for certificates and licenses.[5] We now are expanding these filings to include tariffs and tariff-related material, which comprise a large portion of the Commission's workload. But tariff filings raise special challenges that our current filing systems do not address. eLibrary is designed and works extremely well as a repository that stores, and permits retrieval of, all documents filed in individual docketed proceedings. But while an individual tariff filing is made in an individual docket, the tariff itself is an organically changing document that is comprised of individual filings made in many different dockets over time. In order for the Commission and the public to obtain a complete picture of a company's tariff, these various provisions need to be integrated into a single system that will provide information as to the status of tariff provisions, permit the assembly of a complete tariff, and permit tariff related research. Indeed, for tariffs filed on paper, the Commission has managed these tariffs as a database by keeping tariff books, open to the public at our headquarters, in which new pages are inserted to replace old pages to reflect revisions, and such changes are recorded in "numbering" sheets to

[5] See Electronic Registration, Order No. 891, 67 FR 52,406 (Aug. 12, 2002), FERC Stats. & Regs. ¶ 31,132 (2002); Electronic Filing of FERC Form 1, and Elimination of Certain Designated Schedules in Form Nos. 1 and 1F, Order No. 626, 67 FR 36,093 (May 23, 2002), FERC Stats. & Regs. ¶ 31,130 (2002); Electronic Service of Documents, 66 FR 50,591 (Oct. 4, 2001), FERC Stats. & Regs. ¶ 35,539 (2001); Revised Public Utility Filing Requirements, Order No. 2001, 67 FR 31,043 (May 8, 2002), FERC Stats. & Regs. ¶ 31,127 (2002); Electronic Filing of Documents, Order No. 619, 65 FR 57,088 (Sept. 21, 2000), FERC Stats. & Regs. ¶ 31,107 (2000); Electronic Notification of Commission Issuances, Notice of Proposed Rulemaking, FERC Stats. & Regs. ¶ 32,574 (2004); Filing Via the Internet, Order No. 703, 72 FR 65,659 (Nov. 23, 2007), FERC Stats. & Regs. ¶ 31,259, P 33 (2007) (Order No. 703).

ensure that the tariff reflects the currently effective tariff.[6] The standards we are adopting in this Final Rule merely replace this paper system with a very similar electronic database that will similarly track the tariff submissions and tariff history, but in a form that will make tariff information more widely available over the Internet.

11. The database will provide easier access to tariffs and allow the viewing of proposed tariff sections in context. One of the principal benefits of such a database is the ability to do historical research into tariffs. For example, proceedings such as complaints may involve past tariff provisions that have already been revised by the utility by the time the complaint is considered by the Commission. In order to expeditiously process such filings, the Commission, the parties, and the public need to be able to obtain the tariff provision that applies to the time period under review, rather than the currently effective tariff provision. In fact, the effectiveness of tariff provisions arises in a number of contexts, particularly in complaint cases, in which the Commission and the participants need to know the effective tariff at a particular point in time.[7]

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[6] In fact, companies often arrange to view their own tariffs to try and recreate either effective tariffs or the tariff in effect during the time period of a particular proceeding.

[7] See FPL Energy Marcus Hook, L.P. v. PJM Interconnection, LLC, 123 FERC ¶ 61,289, at P 39 n.77, 77-80 (2008) (in a complaint case, the complainant and all other parties relied on the current version of a tariff provision rather than the provision in effect at the time).

12. The set of NAESB standards provides a foundation for building such a database. The standards define an extensible markup language (XML) schema[8] that will permit filers to assemble an XML filing package that includes the tariff changes, the accompanying tariff-related documents, such as the transmittal letter, rate schedules, and spreadsheets that are required to accompany various tariff filings, and other required information such as the proposed effective date of the filing. Upon the receipt of the filing electronically, the XML schema will enable the Commission to parse[9] (divide) the filed package into its component parts, place the filed documents into its eLibrary system and provide the metadata[10] that will permit automated organization of the tariff and permit the Commission and the public to search that database. As an example of the

[8] XML schemas facilitate the sharing of data across different information systems, particularly via the Internet, by structuring the data using tags to identify particular data elements. For example, each filed tariff change will include tags for the relevant information, such as the utility name, the tariff section being changed, the name for that section, the proposed effective date, and certain sections of tariff text. The tagged information can be extracted and separately searched.

[9] Parse means to capture the hierarchy of the text in the XML file and transform it into a form suitable for further processing.

[10] The term metadata is based on the Greek word "meta" meaning after or beyond and in epistemology means "about." Thus, metadata is data or information beyond or about other data. Digital Libraries, by William Arms (M.I.T. Press 2000), http://www.cs.cornell.edu/wya/DigLib/MS1999/Chapter1.html (visited April 11, 2008); The University of Queensland, http://www.library.uq.edu.au/iad/ctmeta4.html (visited April 11, 2008); The Linux Information Project, http://www.linfo.org/metadata.html (visited April 11, 2008). For example, in the XML schema, one required element is a proposed effective date and another element is the text of the tariff provision. The proposed effective date would be considered metadata relative to the tariff text.

expanded public access to tariffs, the Commission currently provides electronic access to approximately 150 NGA interstate pipeline tariffs utilizing the FASTR standards. That access under the NAESB standards should expand to at least 1600 companies' tariffs. The NAESB standards also will provide flexibility to companies making tariff filings by enabling each regulated company to design or purchase software for creating tariff filings that will best accommodate its filing patterns and needs.

13. Some of the principal requirements of the standards and regulations being adopted here are:

- Tariffs[11] may be filed either using the current sheet based nomenclature or using section-based numbering at the choice of the filer.[12]
- Tariffs may be filed as entire documents in either of two electronic formats, RTF[13] or PDF,[14] except with respect to open access transmission tariffs for electric utilities and interstate natural gas companies which would have to be filed as individual sheets or as sections in RTF format as defined in the regulations.
- Tariff filings can be served electronically using the same approach used for electronic service of other Commission filings.

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[11] The term tariff is used herein to refer to tariffs, rate schedules, jurisdictional contracts, and other jurisdictional agreements that are required to be on file with the Commission.

[12] Section-based filings will not have to include the sheet based nomenclature as a header or footer on the tariff page.

[13] RTF refers to Rich Text Format which is a standardized textual format that can be produced by a number of word processors.

[14] PDF refers to Portable Document Format which is a format used for representing documents that closely resembles the original formatting of the document.

- Filings of joint tariffs (tariffs covering two regulated entities) may be made with a single tariff filing by the entity designated to make the filing.

- Tariff filings for tariffs shared among companies (such as regional transmission organization (RTO) tariffs) can be made individually by any of the companies with rights to file tariff changes.

- During initial baseline implementation of electronic tariff filing, only open access transmission tariffs (OATTs) and agreements need to be filed.

- After implementation of electronic tariff filing, all new tariffs and agreements must be filed using the standards. Existing agreements need to be filed electronically only when they are revised.

14. Although the comments generally supported the adoption of the NAESB standards, some commenters suggested the adoption of alternative approaches. As the Commission has previously stated: "Standardization, by definition, requires accommodation of varying interests and needs, and rarely can there be a perfect standard satisfactory to all."[15] We find that the NAESB standards best accommodate the needs of regulated utilities in making filings electronically and the needs of the Commission and the public for an electronic system that will enable efficient, user-friendly retrieval of tariffs. We will discuss below the technical requirements applicable to electronic tariff filing and the comments received on various aspects of the standards.

[15] Standards For Business Practices Of Interstate Natural Gas Pipelines, Order No. 587, 61 FR 39,053, 39,057 (July 26, 1996), FERC Stats. & Regs. ¶ 31,038, at 30,059 (1996).

A. Electronic Filing Requirements

1. Companies Required to File Tariffs Electronically

15. The companies or entities covered by this Final Rule are those that submit tariffs, rates, or contracts with the Commission pursuant to the Natural Gas Act (NGA), the Natural Gas Policy Act of 1978 (NGPA), the Federal Power Act (FPA), the Interstate Commerce Act (ICA), the Flood Control Act, the Bonneville Power Act, the Northwest Power Planning Act, and other relevant statutes. Included among the companies or entities covered by the requirements are: RTOs and independent system operators (ISOs); power authorities and federal power marketing administrations which file rates, contracts, or tariffs at the Commission; intrastate natural gas pipelines that file rates and operating conditions pursuant to the NGPA; interstate natural gas pipelines subject to the NGA which serve only an industrial customer; and companies or entities that may make voluntary tariff filings, such as reciprocity filings pursuant to Order No. 888.

2. Procedures for Making Tariff Filings

16. Using the new XML schema, companies, and all those authorized to make filings on behalf of the company, such as outside counsel, will make tariff related filings using the existing eFiling portal. As described below, the filing process will be modified slightly from the current eFiling process, in particular to include a company registration that will provide increased security for the filing, as well as additional e-mail notifications of potential problems with the filing.

17. The person making a tariff filing must have previously registered in eFiling (Filer). Upon successfully logging into the FERC eFiling portal, the Filer will be presented with the introductory screen indicating success in accessing the site, and presented with a link to the filing creation part of the site, which will include an option to make a Tariff filing (eTariff portal).

18. The eTariff portal will prompt the Filer to enter the company identification number assigned during the company registration process and an associated password. After successfully passing this step, the Filer will upload an eTariff XML filing package that conforms to the XML schema. Once the filing is uploaded, the eFiling web page will indicate the filing has been submitted.

19. After the filing has been submitted, a Confirmation of Receipt will be e-mailed to both the e-mail address of the Filer and to the e-mail address on file with FERC for the company identification number. This e-mail only acknowledges the receipt of the filing through the eFiling portal, provides a timestamp, and indicates that the filing is placed in the queue to be processed.

20. The XML filing package will be validated programmatically by an eTariff verification process. Depending upon the success of the verification process, a number of e-mails will be sent.

- If the verification is completed successfully, an e-mail will be sent to the validation e-mail address provided in the XML package and to the e-mail address

associated with the company whose tariff is being revised.[16] This e-mail means only that the filing has passed the validation, not that it has been officially accepted by the Secretary of the Commission.

- If the XML filing package can be parsed (and the validation e-mail address can be obtained), but the package does not otherwise pass verification, an e-mail will be sent to the validation e-mail address provided in the XML filing package. This e-mail will provide information about the problems encountered during the verification process.

- If the XML filing package cannot be parsed at all (is unreadable), an e-mail will be sent to the Filer and to the e-mail address associated with the company identification number indicating a problem has been encountered with the filing.

21. Once passed validation, the standard eFiling e-mail will be sent to indicate whether the Secretary of the Commission has accepted and docketed the filing or rejected it. As occurs with all filings, the docketing e-mail does not guarantee that other filing deficiencies will not result in rejection or other action pertaining to the filing later in the review processes within the Commission. After this step, the filing is passed on to eLibrary, the tariff database and other Commission systems.

22. INGAA requests that the Commission establish a procedure for submission of tariff filings in the event of an electronic failure of the Commission's eFiling and eTariff system. Such a request is beyond the scope of this rulemaking. In Order No. 703, the Commission delegated to the Secretary of the Commission the authority to develop procedures for electronic filing, including procedures to be followed in case of an

[16] This may not be the same company making the filing; for example, in the case of a shared tariff, one notification will go to the company making the filing and the other will go to the ISO or RTO whose tariff is being revised.

electronic failure of the eFiling system.[17] Since the tariff filing component will be a part of the eFiling system, the same procedures followed by the Secretary for electronic failure will apply to eTariff as well.

3. XML Schema and Tariff Database

23. Under the standards, the tariff filing must be made in conformance with the XML schema. The schema essentially is a method by which the filing entities can communicate information to the Commission. The schema proscribes the metadata elements and the textual information that must be included in the filing package. The data elements included in the XML package are required to properly identify the nature of the tariff filing, organize the tariff database, and maintain the proper relationship of tariff provisions in relation to other provisions. For example, these elements will identify which tariff provision is being revised so that the revised tariff provision can be placed electronically in the proper location within the tariff hierarchy. The filing package itself will include the text of tariff changes as well as all filing attachments, such as transmittal letters.[18] The XML schema will be maintained on the Commission website along with the required codes, descriptions, and other requirements, as well as information that may

[17] Filing Via the Internet, Order No. 703, 72 FR 65659, FERC Stats. & Regs. ¶ 31,259, at P 33 (2007).

[18] The XML package must be filed as a zip (compressed) file.

be useful to those developing filing software.[19] Contemporaneously with the issuance of this Final Rule, we are posting on the website the XML schema along with the descriptions of the fields used in the schema, the instruction manual and codes to be used with the XML schema.

24. Although we do not envision that the schema and related code values will need to be changed frequently, the Secretary of the Commission, under Order No. 703, has delegated authority to make modifications to them if necessary.[20] Before any such changes are made, a notice of the proposed change will be issued sufficiently in advance to permit companies to revise their software.

25. A few commenters object to the use of the XML schema for electronic filing and argue that the Commission should simply rely on filings in eLibrary.[21] They argue that documents are maintained in standard word processing formats and that filing such tariffs through eLibrary would be easier on the filer. They assert that any tracking of such filings could be accomplished by assigning a docket number. Nevada Power, for example, argues that managing tariffs is a document management, rather than a database function. It maintains that the ability to access prior tariffs can be solved by retaining all previous effective versions of the tariff.

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[19] Currently located at www.ferc.gov under the tab Documents and Filings, eTariff.

[20] 18 CFR 375.302(z).

[21] Duke Energy, EEI, Nevada Power, Southern California Edison, and PSEG.

26. As explained above, eLibrary is principally a system that manages and tracks filed documents based on individual proceedings (dockets). It was neither designed, nor will it function well, to retrieve individual sections or pages of tariffs that are filed in different dockets over the course of many years. The tariff database, on the other hand, will enable the Commission staff, as well as the public, to access all or portions of a company's tariffs and rate schedules compiled using date, text, and status criteria.

27. The use of a database to track individual pages or sections of tariffs is not inappropriate to the task of managing tariffs, as the comments suggest. The Commission has for over twenty years maintained the FASTR database for gas tariff filings and has made the results of that database available to the public. The XML schema on which the industry agreed, will update the FASTR methodology to provide an even more effective database for managing tariffs and conducting tariff searches.

28. Some commenters suggest assigning a docket or other unique number to each tariff or rate schedule, and Nevada Power suggests that instead of an electronic database, each utility could file an updated history of changes to its tariff so that customers can determine where to find specific sheets in which they are interested. Nevada Power attached, as an example of its proposal, a history for its OATT that is only six pages long covering a relatively small number of tariff filings.

29. These solutions would require users to search through reams of filing materials to obtain the particular section or page of the tariff that they need. Such solutions are not a reasonable substitute for a database, given the large number of gas, oil, and electric

companies, some of whom may make hundreds of tariff filings a year, with a list of changes that would eventually grow to hundreds of pages using the Nevada Power approach. PJM Interconnection, LLC for example made over 130 tariff related filings in a one year period. Trying to keeping track of, and find, particular tariff provisions in this massive amount of data using only a docket or other numeric identifier and a spreadsheet would be a monumental task.[22] But the tariff database, using the metadata supplied with each filing, will be able to store and retrieve this information.

30. Those arguing for an eLibrary approach envision that tariff documents would not be filed in individual sections, but as entire documents. But not all industry members supported this entire document approach. The gas pipelines, for example, supported the continued use of sheet based filings in which utilities file only the specific tariff sheet that is being revised.[23] Other tariffs are so large that filing them as a single document would be unwieldy.[24] The flexibility to file tariffs using different approaches was key to

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[22] Nevada Power's listing is similar to the Commission's current numbering sheets used in its paper tariff database. These numbering sheets run to 70 linear feet for all utilities. Using such a system to research extensively revised tariffs is difficult, time consuming, and prone to error.

[23] Minutes of February 1, 2007 eTariff Meeting, ("Ms. Nagle [Tennessee Gas Pipeline] asked whether FERC Staff supported using a section-based tariff system (in lieu of a sheet based system) and if so does everyone need to move to the section-based system"), http://www.naesb.org/pdf2/etariff020107fm.doc.

[24] For example, PJM's posted tariff is over 8 megabytes. http://www.pjm.com/documents/agreements.html, and the California ISO's tariff is over 4 megabytes. ISO New England (http://www.iso-ne.com/regulatory/tariff/index.html)

(continued)

developing the NAESB standards, and the industry consensus supporting those standards.[25] The approach suggested by the commenters would not provide the flexibility the industry sought. The use of a database utilizing the NAESB standards provides that flexibility and is the most efficient method of processing such filings in a way that will permit the easy and efficient integration of such individual filings into an entire tariff.

31. As we have discussed above, the development of standards requires cooperation and accommodation between companies with different needs and requirements. The NAESB process provided a means by which various members of the affected industries and customers, including those from the oil pipeline industry, could develop a set of standards that reasonably meet the needs of a large range of different types of tariff filers, large and small companies, frequent and infrequent tariff filers, companies using different methods of storing tariffs, including databases, word processing software, and spreadsheets. After examining a variety of alternative approaches over 24 days of

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and the New York ISO (http://www.nyiso.com/public/documents/tariffs/oatt.jsp) post tariffs that already are divided into sections.

[25] Minutes of July 27, 2008 eTariff Meeting, at P 5 ("flexibility is present to support whole document filings, sheet based filings and section based filings. This flexibility is provided for individual companies and for the industries themselves, as a given company may choose to use any of the three choices depending on the filing to be made. This flexibility is a key underlining assumption from which all the work papers were developed and as such, was reflected in the vote just taken"), http://www.naesb.org/pdf3/etariff072707fm.doc.

meetings, a consensus of the gas and electric industry[26] agreed upon the use of the data elements and XML schema as the most efficient means for electronically filing tariffs.[27] We therefore will adopt the database approach and standards as approved through the NAESB process.

32. CAISO asks that the RTOs not be required to provide all the metadata required by the standards or, if it is not possible to eliminate the metadata, that such metadata be kept to a minimum. The technical meetings with NAESB were designed to develop the minimum required metadata that would be necessary to feed and operate the database. The CAISO has not indicated specific metadata elements that can safely be eliminated and still maintain the integrity of the database.

[26] Although the oil pipelines and their customers did not have an official vote during the NAESB process, they participated in formulating the requirements and have supported the data elements and XML schema in their comments in this rulemaking.

[27] APS, an active participant in the beta testing of the Commission's original software, as well as a participant in the NAESB process, recognizes that the standards provide "a useable platform for industry compliance with the new standardized requirements for electronic filing of tariff, as well as a convenient tool for market participants and FERC staff to access and review tariffs and agreements … [and this methodology] to be the superior choice to implement this Commission requirement." APS Comment, at 2. AOPL similarly recognizes that compromises were necessary to meet the needs of all the industries, stating the standards "reflect significant improvements to the proposed electronic filing regulations, in light of the particular circumstances and needs of the oil pipeline industry." AOPL Comment, at 1.

B. Tariff Filing Requirements

33. The Commission's current regulations require companies to file tariff sheets that include specifically defined nomenclature to identify each sheet of the tariff.[28] A company is required to file only the tariff sheets containing the tariff revisions or changes.

34. Based on the NAESB meetings and the comments submitted, we will allow far more flexibility in the structure and identification of tariffs. Companies may determine to structure their tariffs either using the existing tariff sheet format or as sections. Companies will also be given more flexibility to file tariffs either by dividing the tariff into sheets or sections and filing only the revised sheet or section, or for a wide range of tariff documents, by filing the entire tariff document that is revised. In order to ensure that the Commission and the public have the ability to identify specific tariff provisions, versioning information is required to be included as part of the XML package. But, this information has been simplified and will no longer need to be included as text on individual sheets or sections, with the exception of certain documents filed as PDFs.

1. Sheet or Section Filing Requirements

35. In order to compile the tariff database, the standards require companies to file tariff text as a specific data element. Companies, however, will be permitted to choose whether to continue to number tariff provisions as individual tariff sheets (e.g., Sheet

[28] 18 CFR 35.9; 154.102(e).

No. 1) or sections (e.g., Section 1.1.1). Except as discussed in the following section with respect to open access tariffs, companies will be allowed to determine based on the nature of the tariff and frequency of filing whether to file tariffs by breaking the tariff into sheets or sections or by filing the tariff as an entire document. Companies that initially file using the entire document option will be allowed later to divide the tariff document into sections or sheets. However, a company that has already broken its tariff into sections or sheets, will not be able to recompile those sheets or sections and use the entire document option unless a company files a request for waiver.

36. The NAESB standards provide that tariff text must be filed either using the RTF file format or the PDF file format.[29] Tariffs filed under the entire document option may be filed either in RTF or PDF. Tariffs filed as sections or sheets must be filed in RTF, due to limitations on the ability to process and assemble PDF files.[30]

[29] The requirements adopted by the Commission in Order No. 703 will apply to PDF formatted documents filed as tariff text. Tariffs filed in PDF format must use the print-to-pdf feature as opposed to an unsearchable scanned format, except that tariff documents existing only on paper may be scanned into PDF. Order No. 703, FERC Stats. & Regs. ¶ 31,259 at P 23. We, however, encourage filers that scan old paper tariff documents to use an optical character recognition program to convert the scanned file to text prior to filing, so that copy and paste and search functions may be used.

[30] RTF is a text format that will enable the Commission's software to assemble quickly the sheets or sections into a complete tariff document. In contrast, PDF is not a textual format, and does not permit such processing.

37. The comments support the flexibility to use sheet, section, and entire document options using PDF format.[31] AOPL for example "strenuously supports this aspect of the rule which provides benefits to both shippers and pipelines."[32]

38. TransCanada asks that the Commission clarify whether and under what conditions companies that initially file using the sheet-based option may be allowed to later re-file using the section-based option, and vice-versa. For both the shipper and Commission staff benefit, we certainly would not encourage utilities to switch back and forth frequently between a sheet and a section-based system, because such a change will make the ability to research past provisions more difficult.[33] But because both the sheet and section approaches provide equivalent granularity and flexibility for users, utilities can make such a change without obtaining special permission. The only time special permission is required is if a utility wants to covert from a sheet or section based approach to entire document, because such a change does reduce usability.

39. AGA requests that tariffs be fully text searchable. As described above, all tariffs, including those filed using PDF, must be filed in text searchable format.

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[31] Midwest ISO, INGAA, and AOPL.

[32] AOPL Comment, at 4.

[33] The database will store each sheet or section so that a user wishing to examine a past sheet or section can do so. If the utility decides to change between sheets and sections, the prior history of a particular provision may be more difficult to access. For example, in a sheet to section change, the past sheet (record) will still appear in the database, but it will not be linked to the section (record) that will replace it.

2. Gas and Electric Open Access Transmission Tariffs

40. Tariffs for interstate natural gas pipelines and electric utilities must be filed by breaking the document into sheets or sections. Unlike individual service agreements or contracts that affect only the signatories to the agreements, the open access transmission tariffs affect a wide variety of customers and are the most frequently revised. Moreover, because of the breadth of these tariffs, and the need to review and research portions of these tariffs, it would not be efficient for staff or for the public to have these documents refiled in their entirety every time a company proposes to revise an individual tariff section or page.

41. We are revising §§ 35.9 and 154.102 to require that open access transmission tariffs, which will include other open access documents and documents of general applicability, such as ISO/RTO operating agreements and market rules, must be filed as sheets or sections. Because the electric OATTs are based on the Commission's pro forma OATT, we have specified the minimum required divisions for such filings. For non-ISO/RTO OATTs, the OATT must be divided at least at the section 1.0 level, with individual sections for each schedule or attachment. Because ISO/RTO OATTs are much more complex, ISO/RTOs will be required to divide their OATTs at the 1.1 level at a minimum. Filers are encouraged to use even smaller divisions that are appropriate to their individual tariffs and filing patterns. In addition, to aid electric utilities in filing their OATTs, we are posting on our website a pro forma OATT divided into the largest

allowable sections, as well as information that will help companies develop Microsoft® Word macros to electronically divide tariffs at this level.

42. Because we have not specified a pro forma interstate natural gas transportation tariff, the regulation we adopt requires that the interstate natural gas pipeline open access tariffs filed as sections be divided so that each section includes only related subject matter and is of reasonable length.[34] Negotiated rate agreements and other non-conforming service agreements need not be divided, but can be filed as entire documents.

43. EEI requests that non-RTOs be allowed to file their OATTs as single documents, maintaining that these are relatively static documents and that allowing the filing of an entire document will reduce the time and expense necessary to break such tariffs into sections and may simplify the filing software that such companies need to build or acquire.

44. We will not relax the requirement to at least divide the pro forma OATTs at the 1.0 level. As described above, OATTs can be large and unwieldy documents and run to over 160 pages; dividing the document at the 1.0 level will ensure that Commission staff and the public can review and search for tariff provisions relating to the same subject matter. Dividing the OATT at the 1.0 level will result in only 57 sections, each addressing a different topic, and such division will only have to be done once. Moreover, EEI maintains that most OATTs are maintained as Microsoft Word documents.

[34] 18 CFR 154.102.

Commission staff has developed and will post a macro that in many cases will divide the OATT at the appropriate level. Commission staff also has posted a pro format OATT divided into the requisite sections that can be used as a reference. Creating the sectionalized pro forma OATT manually only took one hour. In balancing the burden of a one-time conversion of an OATT into individual sections against the benefits of being able to easily locate and search for specific OATT sections, we find that the benefits of requiring that OATTs be broken into sections outweigh the costs.

45. AGA argues that the Commission should set a minimum requirement for gas pipelines similar to that set for electric utilities and suggests that the minimum should at least match the table of contents and include as a separate section each topic listed under General Terms and Conditions of Service. We find that this suggestion does provide useful guidance as to the minimum sections required and therefore revise the regulation in §154.102 accordingly.

3. Versioning

46. The Commission currently requires each tariff page to include a version number that can be used to identify the particular revision of that page (e.g., First Revised Sheet No. 1 would replace Original Sheet No. 1). Because tariff provisions change, often frequently, this convention is useful over time for identifying and referring to particular tariff provisions in orders. With the adoption of the NAESB standards, the versioning requirement will be modified and made less complicated.

47. The NAESB standards require that each sheet, section, or entire tariff document be identified with a version number in an x.y.z format.[35] The x.y.z format will accommodate the same level of identification as our existing nomenclature, including items such as squeezed and retroactive sheets. As long as each tariff section, sheet, or entire document is identified uniquely, companies can choose how complex to make their identification. Some companies may want to continue this detailed approach to better identify the placement and relative position of tariff sheets and sections, and the x.y.z format will accommodate such identification. Other companies may not choose to include such a detailed hierarchy of changes. Companies, for example, may choose simply to numerically number each section, sheet, or entire tariff document as they file it, using just the x field.

48. As proposed in the NOPR, and adopted in this Final Rule, identification of versioning need not be included in the text of the individual tariff revisions that are filed with the exception of tariffs filed in PDF format. Companies however may choose to include such identification in the tariff text if they desire. The XML schema requires that the requisite versioning information be included as metadata, and versioning information

[35] The x.y.z format is a representation of the version (designation) of a tariff filing where “x” represents revision number for the given tariff provision (tariff record), “y” delineates that it is a substitute for a previously filed tariff provision, and “z” indicates that it is a “squeeze” tariff provision. A "squeeze" tariff provision occurs when a tariff provision needs to be made effective on a date which occurs between the effective dates of two tariff provisions that already are filed with the Commission.

will be made available to staff and the public in the tariff database. Moreover, to ensure that the versioning information is available to the public on eLibrary, the Commission will use the metadata provided in the XML package to generate a document on eLibrary that contains the appropriate versioning information. Because we are creating this document by electronically combining information from the XML package, the formatting of the versions and tariff text may not appear identical to the filing made by the company.

49. The only exception to this rule is for tariff documents filed using PDF. Because PDF is not a textual format and does not permit easy electronic manipulation, we cannot generate a document for eLibrary that contains the correct versioning information. For these documents, therefore, the Instruction Guide requires that the first page of the tariff document include the required information: company name, tariff title (if applicable), and the appropriate version number.

50. INGAA suggests that for gas tariffs, the regulations should continue to require that the first section or sheet of the tariff include: The FERC Gas Tariff Volume Number, the name of the natural gas company, as well as the name, title, address, telephone number, e-mail address and facsimile number of a person to whom communications concerning the tariff should be sent. We will modify the regulation to continue this requirement.

51. EEI recommends that the Commission eliminate various formatting requirements required under Order No. 614.[36] As we have discussed above, we are eliminating a variety of the required formatting requirements because they are included in the XML metadata and the other formatting requirements are included in the standards. As a result, the formatting and filing requirements of Order No. 614 have been supplanted by the regulations and requirements addressed in this rulemaking.[37]

4. Marked Tariff Changes

52. The Commission's current interstate natural gas pipeline (§ 154.201) and electric utility regulations (§ 35.10), require companies to provide a marked version of the tariff text in the tariff filing indicating the changes and deletions made to the existing tariff text. The oil pipeline regulations (§ 341.3) provide for the use of special symbols to denote changes.

53. We are continuing the requirement for filing marked versions of tariffs. We also are modifying the symbols used by the oil pipelines using the symbols proposed by

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[36] Designation of Electric Rate Schedule Sheets, Order No. 614, 65 FR 18,221 (Apr. 7, 2000), FERC Stats. & Regs. ¶ 31,096 (2000).

[37] The provisions of §35.5 regarding rejection of material (adopted in Order No. 614) are being retained. In filing pre-existing contracts and rate schedules, electric utilities are still required to eliminate the use of supplements and include in their filings only effective provisions. See 18 CFR 35.1 (revised to remove the use of supplements); Boston Edison Company, 98 FERC ¶ 61,292 (2002) (utilities must file effective tariff provisions); Vermont Yankee Nuclear Power Corporation, 98 FERC ¶ 61,122, at 61,366 (2002) (utility required to remove tariff language that was no longer effective from its rate schedule).

AOPL so that the symbols can be entered into a find or search message box using keystrokes available on a keyboard. In contrast to past practice in which tariff changes were filed only as individual sheets or supplements, the standards permit tariff documents to be filed as large sections or as entire documents. Although we are confident that filing companies will not intentionally make unmarked changes to tariff text, we want to ensure that both staff and the public are not put in the position of having to read the entire tariff text of large sections or an entire document to ensure that unmarked changes were not made. As a precaution, therefore, we are revising our regulations to make clear that only the sections of the tariff document appropriately identified in the filing will be considered part of the filing and any acceptance of a filing by the Commission will not constitute acceptance of an unmarked tariff change.

54. INGAA supports the regulation, but requests that the Commission modify it to state that "interested parties may comment only on those revisions appropriately designated and marked to constitute the filing; provided, however, comments on unmarked and undesignated language will be permitted when such comments provide useful information to the Commission for the resolution of issues directly related to the filing." We will not adopt the proposed language as part of the regulation because, as INGAA itself recognizes, determinations as to the appropriateness of such comments need to be made on a case by case basis. The Commission must in individual cases determine if the protest or comment on the unchanged tariff text bears upon the justness

and reasonableness of the proposed tariff change or is a request for the Commission to take action under section 5 of the Natural Gas Act to revise the unchanged provision.

55. AOPL argues that the Commission should remove the proposed language in § 341.3 of the regulations arguing that a filed tariff change should be deemed effective even if a symbol is misplaced or incorrect. AOPL states that under long-standing ICA precedent the omission of a symbol in a tariff denoting a change in rate does not affect the validity or applicability of the tariff item.

56. We never meant for this provision of the regulations to constitute a trap that would penalize an oil pipeline if it simply used the wrong symbol or failed to include a symbol in the tariff as long as its overall filing was sufficient to provide notice of the proposed change. We therefore have revised the regulation from that proposed in the NOPR to make clear the regulation does not apply to an improper or omitted symbol so long as the change is identified in the tariff filing.[38] The purpose of this regulation is to ensure that shippers and the Commission receive the required notice of proposed changes by the pipeline and that shippers are not penalized by the failure of the pipeline to provide the requisite notice. As part of the NAESB process, agreement was reached on allowing oil pipelines to file entire tariffs as PDF files. Because of the nature of PDF files, however,

[38] The NOPR used the phrase "revisions that are marked appropriately," which in the context of the oil pipeline regulations might be read to connote marked with the correct symbol. We are revising the regulation to read "revisions to tariffs identified in the filing" which will cover revisions that are explained in the transmittal letter even if the symbol is incorrect or omitted in the tariff.

it will be difficult for the Commission staff or the pipeline's customers to create a document comparison of a PDF document. Thus, the oil pipeline would be in the best position to create a document comparison, and we find the burden of ensuring proper notice legitimately should fall on the oil pipeline making the filing. The oil pipeline could for example satisfy this requirement by indicating its changes in the transmittal letter or attaching to the transmittal letter a redline-strikeout version of the tariff being revised.

57. Section 6(3) of the Interstate Commerce Act (ICA) recognizes that it is the responsibility of an oil pipeline in making a filing to change its tariff to "plainly state the changes proposed to be made in the schedule then in force." ICC v. American Trucking Association,[39] cited by AOPL, does not establish the invalidity of the Commission's regulation. In American Trucking, the Interstate Commerce Commission (ICC) sought to reject tariff rates based on violations of rate bureau agreements. While the Court found that the ICC was without statutory authority retroactively to reject a tariff in violation of the rate bureau agreement after the tariff has taken effect, the Court found that the ICC did have authority to condition tariff approval in a manner reasonably tied to statutory objectives. In this regulation, we are not retroactively rejecting a tariff we have previously accepted; rather we are imposing a regulatory condition governing the filing prior to acceptance that will ensure that customers are protected in the event that the oil

[39] 467 U.S. 354 (1984) (American Trucking).

pipeline fails to provide sufficient notice of a tariff change. Moreover, the regulation does not determine the regulatory outcome of any challenge to the unidentified rate. We recognize the regulatory differences between the ICA and the FPA and NGA,[40] and that interpretations of the ICA have provided that, in some circumstances, the failure to identify a rate change could be deemed a technical defect that would not necessarily void an unidentified rate, but could subject the pipeline to damages or other remedies as provided in the ICA.[41]

5. Clean Tariff Sheets Filed as Attachments

58. As discussed above, the tariff text for use by the database will be filed as a separate data element, and the Commission may not be able to generate a formatted version of that tariff text acceptable to the filer for inclusion in eLibrary. For this reason, the standards provide that companies will also include as an attachment to their filing a clean copy of the relevant tariff sheets, sections, or entire document formatted as the filer

[40] The ICA for example provides a two-year period for reparations, which is not part of the NGA or FPA. 49 App. U.S.C. §16(3)(b) (1988).

[41] See Genstar v. ICC, 665 F.2d 1304, 1308 (D.C. Cir. 1981) (for rates with procedural irregularities, the remedy is correction of the "harm if any caused by unlawfulness or irregularity"). For example, a shipper that does not have effective notice, may not be able to protest the filed rate and may only be aware of, and challenge, a rate after it has received a bill. After such a challenge is filed, the Commission could review the rate to determine if it is just and reasonable. If the Commission were to determine that the filed rate is not just and reasonable, but that a different rate is justified, the damages could be computed based on the difference between what the pipeline charged and the just and reasonable rate ultimately determined by the Commission.

prefers.[42] The clean version of the tariff text may be filed using any electronic file format currently approved by the Secretary of the Commission for eFiling.

59. AOPL requests clarification as to which of the tariff documents included in the XML package, including the marked version made by the utility, constitutes the official version of the tariff filing. As stated above, no substantive differences should exist between the tariff provisions filed as part of the XML data and the tariff provisions filed as attachments. To the extent that such differences exist, and they are significant, they will need to be addressed on a case-by-case basis by the Commission.

6. Joint, Shared, and Section 206 Filings

60. All utilities, but principally the electric industry, may make joint and shared tariff filings. Joint filings refer to tariffs applicable to more than one company. Shared tariffs refer to a tariff that can be revised by one or more parties. Shared tariffs principally refer to ISO or RTO tariffs, sections of which can be revised by the ISO and RTO as well as by individual transmission owners. Section 206 tariff filings again relate principally to ISOs and RTOs, which may not have the ability to make tariff filings under section 205 of the FPA, but have the right under their operating agreements to make tariff filings under

[42] The text of the tariff provisions (including the entire tariff document if that option is chosen) to be included in the database must, of course, match exactly the text of the clean copy of the tariff provisions filed as an attachment. The standards also will require the company to include a non-formatted plain text copy of the tariff provisions for search purposes.

section 206 of the FPA. The following approaches should ensure that parties with filing rights can make appropriate filings without undue burden.

a. Joint Tariff Filings

61. Section 35.1(a) of the Commission's regulations establishes two methods by which public utilities that are parties to the same rate schedule may file the rate schedule with the Commission: (1) each public utility can file the rate schedule itself, or (2) "the rate schedule may be filed by one such public utility and all other parties having an obligation to file may post and file a certificate of concurrence."[43] Prior to Order No. 614, when filers made a single filing, Commission staff would copy the rate schedule or tariff for the number of joint filers, place the appropriate designations on the documents, and put them in the tariff books. In Order No. 614, the Commission stated in the preamble that "on joint services, each utility offering a service must file its own tariff sheets."[44] Currently, we therefore receive a single filing usually from a designated filer with identical tariff sheets for each joint filing utility, except that each utility's tariff contains the appropriate sheet designation for that utility.

62. In the Commission's current state of software development, we are not in a position to permit a single designated filer to submit tariff provisions on behalf of multiple entities as part of a single filing. We, however, recognize the inefficiency and

[43] 18 CFR 35.1(a).

[44] Order No. 614, FERC Stats. & Regs. ¶ 31,096 at 31,503.

confusion for the filer, the staff, and the public in having multiple identical filings made on behalf of different companies. To deal with this issue, the following approach will minimize the burden on the filer and also provide ready access to the tariff.

63. We will no longer require utilities to follow the Order No. 614 preamble instructions to file multiple copies of a tariff. Instead, the joint filers will be permitted to designate one filer to submit a single tariff filing for inclusion in its database that reflects the joint tariff, along with the requisite certificates of concurrence. The non-designated joint filers would include in their tariff database a tariff section consisting of a single page or section that would provide the appropriate name of the tariff and the identity of the utility designated as the filer for the joint tariff. In this way, the staff or the public will be able to find quickly the appropriate tariff in the database, without the need for multiple filings by each of the filers.

64. EEI maintains that parties with joint tariffs should have flexibility to make modifications to these tariffs, but it does not object to the procedure outlined above. We, therefore, will adopt this approach to joint tariffs.

b. Shared Tariffs

65. Shared tariffs refer principally to ISO and RTO tariffs, portions of which may be revised by FPA section 205 filings by the ISO/RTO or other transmission owners. Depending on the tariff section involved, one party may have exclusive rights to modify the section or multiple parties may have rights to modify the section. The structure of all the ISO and RTO tariffs as well as their filings rights are different.

66. In order to file revisions to shared tariffs today, parties with shared filing rights have to share information about the tariff, such as the current section numbering and sheet designations as well as the text of the provisions. Some ISOs and RTOs provide in their tariffs that the ISO/RTO is responsible for administering the tariff.[45]

67. The use of electronic filing will provide parties with shared tariffs with greater opportunities to develop electronic filing methods that fit their respective tariff structure, filing rights, and business processes. First, parties in organized markets can develop or obtain filing software to be shared among those with filing rights that imposes restrictions on filing rights as applicable under the individual ISO or RTO tariff. Second, ISOs and RTOs can agree to make all filings on behalf of the members in order to maintain administrative control over the tariff. Third, each of the respective parties with filing rights can continue to make individual filings as they do today by sharing certain relevant tariff and metadata among the parties with shared rights.

68. With respect to the third option, individual filings by each company, we have developed a method for making such filings. The party initiating the filing (Company A) would need to have an eRegistered party (Filer) log-on to make the filing. The Filer would have to know Company A's company identification number and password. In

[45] Midwest ISO Transmission Tariff, Appendix K, § F. http://mktweb.midwestiso.org/publish/Document/469a41_10a26fa6c1e_-6d790a48324a/TOA%20(As%20Accepted%20on%2012-03-07%20EC07-89).pdf?action=download&_property=Attachment.

order to make such a filing, the ISO and RTO would have to share with Company A its company identification number (but not its password) and tariff identifier used in the XML schema for the ISO or RTO's tariff along with other required metadata for making the filing.

69. Currently, for some ISOs and RTOs, when a transmission owner makes a section 205 filing to revise an ISO or RTO tariff, the ISO or RTO is notified only through service. In order to provide greater security and more immediate notification to the ISO or RTO, we will provide an e-mail notification to the ISO or RTO when the XML filing passes verification checks. This notification will ensure that the ISO or RTO can detect immediately any potential unauthorized filing. Moreover, because the person making the filing will be eRegistered and will be using the company identification number of the filer (Company A), we will be able to easily identify who made the filing in case any questions are raised.

70. New England PTOs support the Commission's approach to shared document filings, but request that the Commission provide additional time for possible needed revisions to the OATT of ISO New England. As discussed later, the Commission will be providing sufficient time to develop software and implement the electronic filing requirements. Such time should be sufficient to make whatever tariff or other changes may be needed to accommodate shared document filings. If ISO New England can show that additional time is required, it may file for an extension of time.

71. While generally supporting the Commission's approach, ISO New England suggests that the Commission should provide additional security for shared tariff filers by developing and administering a database that would permit a tariff owner to control the parties authorized to file tariff changes to its tariff.[46] We have closely examined the potential security risks to the eTariff system and find that at this point the benefits of ISO New England's proposal for increased security do not justify the enhanced costs for the Commission to build and support an administrative website and database necessary to implement ISO New England's proposal.

72. The eTariff system will be more secure than the current paper filing system and the current eFiling system, and we have not experienced unauthorized filings to date through either our paper or eFiling system. In the current eFiling system, a filer need only be eRegistered.[47] The eTariff system, however, will provide additional security because in addition to eRegistration, the filer must possess both a company registration number and a password. These forms of identification will be limited to regulated utilities. The RTO's or ISO's password will be unique to each company and need not be shared with another utility having shared filing rights, thereby providing enhanced

[46] For example, the website would permit ISO New England to select those transmission owners with the authority to make filings to amend the ISO New England's OATT.

[47] Paper filings are delivered by courier or mail with no way for the Commission to verify that the filing is authorized by the purported filer.

security. Further, any filing made using the RTO's or ISO's company registration number will generate an e-mail to the RTO or ISO, so that it can monitor actively any potential unauthorized filings.

73. After comparing the potential benefits of ISO New England's approach against the costs of implementation, we have decided not to try to implement the authorized filer proposal. If we find after implementation that additional security is necessary, we will reconsider this option at that time.[48]

c. Section 206 Filings Related to ISOs/RTOs

74. ISOs and RTOs sometimes have tariff or operating agreement provisions that require a certain percentage of stakeholder support for making FPA section 205 filings. As a result, if the requisite stakeholder approval is not obtained, ISOs and RTOs have retained rights to make filings pursuant to section 206 of the FPA, and may make a single filing under both section 205 and section 206.[49] In addition, transmission owners that are

[48] First Energy raises a question about filings by outside counsel, and similarly suggests a system of having administrators provide passwords with respect to filings by outside counsel. As discussed above, outside counsel will be able to submit filings as long as they adhere to the standards, and the company provides them with the appropriate filing identifiers, passwords, and other information. Just as companies have to protect their internal use of passwords, they will need to protect against the use of passwords by outside counsel or others making filings on their behalf. Companies of course can design their own software to provide administrative password rights, but for the reasons discussed above, we do not find it necessary for the Commission to provide such administrative control.

[49] See, e.g., PJM Interconnection, LLC, 115 FERC ¶ 61,079 (2006).

part of the RTO also may file complaints under FPA section 206 contending that the ISO or RTO tariff is unjust and unreasonable.

75. For ISO or RTO transmission owners filing a complaint against the ISO or RTO, the complaint must be filed pursuant to the standard complaint mechanism. While these transmission owners may have legal rights to make section 205 filings to change certain aspects of the ISO or RTO tariff, they do not have any different rights than any other party to file complaints under section 206. If the Commission agrees with the complainant, the ISO or RTO would then be directed to submit a compliance filing through the eTariff portal to make the required tariff changes.

76. However, the RTO or ISO making a filing to revise its own tariff pursuant to section 206 should make such a filing through the eTariff portal with the appropriate tariff revisions using the NAESB standards. Because such a filing relates to the ISO's or RTO's own tariff, and the ISO or RTO has a reserved right to make such a section 206 filing, such a filing is more similar to a standard tariff filing by a utility as opposed to a complaint filing. In addition, since RTOs or ISOs may make a single filing in one proceeding under both sections 205 and 206, it seems appropriate to have such a filing made using the standard eTariff mechanism.[50]

[50] No comments were filed on this approach.

C. Other Business Practice Changes

1. Electronic Service

77. In the NOPR, the Commission proposed to permit electronic service for initial filings.[51] We are revising our regulations to permit electronic service according to the same procedures and protocols used for other forms of service under the Commission's regulations.[52] Customers and state agencies wishing to receive service will be required to provide the company with an applicable e-mail address (since a service list will not exist at the time of an initial filing). Any customer believing it is unable to receive electronic service will need to request a waiver of electronic service as provided in the regulations.[53]

78. EEI asks for further clarification of how electronic service should be made, including questions about the provision of e-mail addresses, suggestions related to the use of generic service e-mail addresses and the ability to serve after a filing has been posted. In this rulemaking, we have expanded the scope of electronic service to include initial filings. We have expressly provided in the regulations that customers must provide an e-mail address for initial service to the utility unless they obtain a waiver of electronic service under Part 390 of our regulations. Other than establishing a procedure for obtaining customer e-mail address, all other aspects of electronic service for initial filings

[51] Notice of Additional Proposals and Procedures, FERC Stats. & Regs. ¶ 35,551 at P 7.

[52] 18 CFR 385.2010.

[53] 18 CFR 390.3.

will be the same as those for service in a proceeding with a service list, including the e-mail addresses to be used for service, and the use of a link to the filing in eLibrary as the means of providing service.[54]

2. Attachment Documents

79. Under the standards, all attachments to a filing, such as the transmittal letter, testimony, and cost-of-service statements, will be included as part of the XML package. The attachments must meet the formatting requirements for any other eFiled document, as set forth by the Secretary of the Commission. AOPL suggests deleting the requirement to file a proposed form of protective agreement in the existing (and proposed) § 348.2. AOPL does not explain its suggestion, and we do not find that the adoption of electronic filing requirements for tariffs necessitates removal of the requirement to file proposed forms of protective agreements. Under the NAESB standards, proposed forms of protective agreements must be filed as attachment documents.

3. Withdrawal of Pending Tariff Filings and Amendments to Tariff Filings

80. As discussed in the 2004 NOPR, the electric, gas, and oil industries have different procedures for withdrawing and amending a tariff filing. For example, the regulations governing oil pipelines permit withdrawal of proposed tariff filings before the tariff filing

[54] See 18 CFR 385.2010(f)(3).

is effective,[55] while the regulations for electric and gas companies do not address withdrawal of tariff filings prior to suspension.[56] Because tariff withdrawal and amendment filings affect the status of tariff proposals, standardization of these procedures is needed in order to effectuate an electronic tariff system. We are therefore revising our regulations to permit a company to withdraw in its entirety a tariff filing, which has not become effective, and upon which no Commission or delegated order has been issued, by filing a withdrawal motion with the Commission. The withdrawal will become effective, and the filing deemed withdrawn, at the end of 15 days, so long as no answer in opposition to the withdrawal motion is filed within that period and the Commission has not acted to deny the withdrawal motion. If such an answer in opposition is made, the withdrawal is not effective until a Commission or delegated order accepting the withdrawal is issued. In order to ensure that the tariff database remains accurate, such withdrawal filings will need to be made through the eTariff portal using the XML filing requirement so that the appropriate data elements can be revised.

81. Electric utilities and interstate pipelines file amendments or modifications to tariff provisions to make substantive changes to their filings as well as to correct minor errors. Because such modifications can have substantive effect, we are revising § 35.17 and § 154.205 to make clear that the filing of an amendment or modification to a tariff

[55] 18 CFR 341.13.

[56] 18 CFR 35.17; 154.205.

provision will toll the period for action on the prior filing and establish a new period for action.

82. In the 2004 NOPR, we recognized that in the past, we have sought to process minor changes filed in NGA cases within the 30-day statutory period, and we will continue to try to do so for those amendments that are not significant or do not create a major substantive difference in the tariff proposal. INGAA filed a comment asking to include the following in the regulatory text: "For tariff filings containing minor changes in the tariff proposal, the Commission will seek to process minor changes filed in NGA cases, within the 30-day statutory notice period for the original filing." While we intend to try to abide by our past practice, we find this language inappropriate for inclusion in our regulations, because it only reflects a goal or aim, and is not sufficiently precise to be included as a regulation.

4. Motions

83. Several types of motions may be made by regulated entities that do not include tariff sheets, but that affect the status of a tariff filing. For example, interstate natural gas pipelines may file motions to move suspended tariff sheets into effect, and other regulated companies may file motions to change the effective dates of tariff filings or to withdraw tariff filings. Because such filings affect the metadata associated with the tariff filing, such motions must be filed through the eTariff portal using the XML filing package.

5. Rate Sheets for Tariff Filings by Intrastate and Hinshaw Pipelines

84. Under the Commission's current regulations in section 284, subparts C and G, an intrastate or Hinshaw pipeline must provide the Commission with an election of how it will determine its interstate service rates. An intrastate or Hinshaw pipeline also is required to file with the Commission, within 30 days of the commencement of service, a statement of operating conditions, which includes the rate election it has made, but which currently does not require a statement of the interstate rates to be charged. The interstate rates are included only as part of the overall filing.

85. In implementing the proposal for electronic tariff filing, the statement of operating conditions will be placed in the tariff database. To facilitate easier access by the Commission and the public to the interstate service rates of intrastate and Hinshaw pipelines, we are revising § 284.123 of the regulations to require intrastate and Hinshaw pipelines to include a statement of their interstate service rates as part of the statement of operating conditions that will appear in the tariff database. Including a statement of interstate service rates in the statement of operating conditions will ensure that all relevant information related to interstate service will be accessible in the tariff database.

D. Regulatory Text

86. Many commenters submitted detailed proposals to revise regulatory text in a number of areas. We very much appreciate the interest that has been paid to trying to ensure that the regulatory text is as accurate as possible. We have carefully reviewed

those suggestions, included the ones we find appropriate, and discussed above the substantive revisions we determined not to make. The suggestions we did not adopt were stylistic, linguistic, or syntactical revisions that, in some cases, did not conform to the requirements of the Federal Register, or that we did not find superior to the regulatory text we are adopting. We will not discuss each of these proposed revisions individually.

E. Transition Procedures

1. Testing of Software

87. We recognize that after the Final Rule, companies and third-party vendors developing tariff filing software will need time for development as well as a mechanism for testing their software to make sure that their filings will be accepted by the Commission. We will therefore provide a testing site where companies can make test electronic filings to determine whether their XML packages can be received and can be parsed in order to determine if the XML package can be opened and broken into its constituent parts, and to verify whether the metadata supplied meets the requirements of the XML schema.

88. Further, as the development process continues, we think it will be useful to continue the dialog among FERC staff and the industries involved to help the industries better understand the use of the code values as well as to discuss issues that may arise regarding methods of implementing the standards. Commission staff will therefore hold technical conferences as needed during this process.

89. UNICON argues that the Commission's testing site should be permanent in the event the standards are revised. It also argues that the testing site should fully simulate FERC's live eTariff environment. It maintains that regulated companies could use this testing site to verify that the XML packages being submitted are valid and can be parsed by FERC's software and validate that the filing contents within the XML packages will be processed appropriately.

90. We are committed to providing as robust an electronic testing site as we are able, within resource and budgetary constraints. When, and if, the standards are revised we recognize that we may need to provide some additional testing, and depending on budgetary constraints we will try to maintain the electronic testing platform even after the implementation date as companies may need to experiment with different types of filings. Because much of the processing of tariff filings received by the Commission will not be automatic, but dependant on the human interaction with software on our end, we cannot commit to providing companies with a complete review of all test filings, including how these will be displayed on our web viewer. Our staff is, and has been, committed to making this program a success. As discussed above, staff will conduct, perhaps with NAESB, conferences on implementation issues and staff will continue to provide as much information on particular eTariff filing issues as their time permits.

91. EEI requests that the Commission post on its website all the required information necessary to implement the eTariff approach and place all information, including code values, into a single document. As discussed earlier, we will provide on our web site all

the information needed to implement eTariff in as user friendly a means as possible. Because the industries during the NAESB process requested it, we have posted code values separately so that companies can download that information more efficiently. These technical issues can be discussed at the technical conferences, and we will continue to try to post information in the manner that will be most useful to industry.

2. Baseline Tariff Filings

92. Each regulated entity will be required to make a filing to establish its baseline tariffs. In the NOPR, we proposed to reduce the burden in making the baseline filing and limit such filings to tariffs of general applicability. As applied to filings by electric utilities, the baseline filing will include open access transmission tariffs (OATTs), power sales tariffs available to any customer, and market-based rate tariffs. Individually negotiated rate schedules and agreements will not have to be included as part of the baseline filing. Interstate natural gas pipelines will have to file their existing Volume No. 1 tariffs, but will not have to file special rate schedules included in Volume No. 2 tariffs, or any existing negotiated rate or non-conforming service agreements. Intrastate and Hinshaw pipelines will have to file their statement of operating conditions including their interstate service rates. Oil pipelines will need to file their tariff publications. Other pre-existing effective tariffs, rate schedules, and agreements do not need to be included in the baseline filing, although companies are free to include these agreements in their baseline filings, and we would encourage them to do so.

93. After implementation, all new tariffs and rates schedules would have to be filed using the NAESB standards. Existing tariffs and rate schedules not included as part of the baseline filing are required to be filed electronically only when they are revised or amended.

94. We recognize that some of the pre-existing tariffs and rates schedules, such as older rate schedules and contracts, may not exist in electronic form. Companies having or electing to file such agreements do not need to retype the entire agreement. They may scan these agreements into PDF or another image format and file them in that fashion as an entire document.[57] Although not required, companies are encouraged to run an optical character recognition program (OCR) to convert these scanned documents into a textual format so that the text of the tariff can be searched and copied.[58]

95. The baseline tariff filing is not a substantive tariff revision. The baseline filing, therefore, should reflect the existing accepted tariff provisions, with no proposed substantive changes or revisions. The baseline tariff filings will be subject to notice and comment solely to permit customers to ensure that the proposed baseline tariff is an

[57] As is the current practice, utilities filing scanned documents can comply with the requirement to show only the effective tariff provisions by making handwritten edits or cutting and pasting provisions.

[58] We recognize that OCR may not work well on some older documents. But even if the OCR version is not sufficiently legible to be filed as the tariff text, a filer could include the OCR version in the plain text field of the XML schema, so that it can be used for search purposes.

accurate reflection of the effective tariff. No protests involving other issues, such as the merits of various sections of the tariff, will be considered. We also are providing a one-time delegation of authority to the Director of OEMR to rule on protests.

96. If a regulated entity has a pending or suspended tariff change filing at the time of the filing of the baseline tariff, the regulated entity should not file these pending or suspended tariff sections as part of the baseline tariff filing. When the Commission acts on pending or suspended tariffs provisions, the companies will file the tariff provisions as a compliance filing through the eTariff portal for inclusion in the database.

97. As discussed above, in filing joint tariffs, utilities have the option of designating one utility as the designated filer, as opposed to each utility filing the identical tariff. For companies adopting the designated filer option, the designated filer will file the baseline tariff; the non-designated utility will need to include in its baseline filing a tariff section that provides the appropriate name of the tariff and identifies the utility that is the designated filer for the joint tariff.

98. EEI requests clarification whether a baseline filing or tariff filings by electric utilities would be limited to OATTs. First Energy requests that prior versions of the baseline tariffs will not need to be filed. As stated above, electric utilities need to include as part of their baseline tariff filings the following three types of documents: OATTs, power sales tariffs available to any customer, and market-based rate tariffs. Only the currently accepted versions of the baseline tariffs need to be filed; historic copies should not be filed.

99. EEI, Duke, and the CAISO request that companies be allowed to include pending compliance filings (which have not yet been accepted) in their baseline filings. They maintain that the tariff text in compliance filings reflects Commission directives that the utilities are implementing and that if compliance filings are not included in the baseline filings, the baseline tariff as displayed by the Commission could be inaccurate.

100. Because eTariff is a database system with no existing records, the baseline tariff needs to reflect the tariff as accepted by the Commission. Any subsequent tariff changes, including previously filed compliance filings, need to be filed separately so that the system can appropriately record the status of such filings. To reduce the burden on parties making baseline filings, we are limiting the baseline filing obligation only to the accepted tariff provisions. Pending tariff provisions in compliance filings will be added seriatim to the database as the Commission acts on a company's compliance filings. This will reduce the number of baseline filings companies are required to make.

101. However, we will permit companies wishing to place pending compliance filings into the database during the baseline filing process to do so. But we emphasize that baseline filings of compliance provisions are not required; this is only an option available to those companies wishing to avail themselves of it. The details of including compliance provisions as part of the baseline filing process can be discussed with staff during the technical conferences.

3. Implementation Date for eTariff

102. While we think the entire industry, both filers and customers alike, will benefit from quick implementation of eTariff, we recognize that we need to provide sufficient time for software development and testing to ensure that the filing of tariffs electronically has as few bugs as possible. In the NOPR, we generally proposed that compliance would begin within six months to one year after the Final Rule is issued.

103. Many of the commenters thought that six months was too short and requested implementation periods of one year or longer.[59] INGAA and AOPL urge the Commission not to set a firm implementation date, but rather focus on successful implementation.

104. In order to provide companies with sufficient time to develop and test software, we will provide 18 months for implementation, until April 1, 2010, with a staggered implementation schedule for companies over the next six months. Staff and industry should work out the schedule for staggered implementation during the technical conferences.

III. Information Collection Statement

105. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting, recordkeeping, and public disclosure (information collections)

[59] EEI, Duke, Nevada Power (proposes two years); ISO New England and TransCanada (proposes at least one year); UNICON (proposes 18 months); FirstEnergy (proposes 18-24 months).

imposed by an agency. Pursuant to OMB regulations, the Commission is providing notice of its information collections to OMB for review under section 3507(d) of the Paperwork Reduction Act of 1995.

106. The Commission identifies the information provided under Part 35 as contained in FERC-516 "Electric Rate Schedules and Tariff Filings; Part 154 as contained in FERC-545Gas Pipeline Rates: Rate Change (Non-Formal); Part 284 as contained in FERC-549 Gas Pipeline Rates: NGPA Title III Transactions and Parts 341 and 344 as contained in FERC-550 "Oil Pipeline Rates: Tariff Filings." The Commission solicited comments on the need for this information, whether the information will have practical utility, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing respondents' burden, including the use of information technology. The Commission received specific comments regarding its burden estimates.

A. Comments on the NOPR's Burden Estimates

107. INGAA, EEI, TransCanada, and Southern California Edison contend that the burden estimates used by the Commission in the NOPR are understated. As part of the NAESB process, a consensus of all the industries chose the flexibility provided by using the NAESB standards, and the use of XML protocols for business communication, in

place of using filing software furnished by the Commission.[60] The industries recognized that adopting such standards would entail the building or purchasing of software compatible with the XML protocols. By adopting these standards, companies opted for the enhanced flexibility to obtain software, or modify existing tariff maintenance software, in order to better integrate tariff filings with their individual tariff maintenance and business needs. The use of the NAESB standards, as opposed to the Commission distributed software, also provides an open framework for third-party software developers to develop filing and tariff maintenance applications or processes, which, by managing tariffs for multiple parties, will enable development costs to be spread over a large number of users. The industry consensus was that the flexibility offered by the standards outweighed the added costs of developing or purchasing software to implement the standards.

108. But this flexibility, and the likelihood that third-party providers will reduce the costs of constructing systems, makes computing burden estimates difficult, particularly given the difficulty in separating the costs of compliance from the other business functions provided by various software systems. INGAA contends that the costs for a

[60] The President's Management Agenda (PMA) encourages the development of protocols that enable digital communication using XML protocols as the language of ebusiness. E-Government Strategy, at 8 (Executive Office of the President, April 2003) (minimization of burden on business by … using XML or other open standards to receive transmissions), http://www.whitehouse.gov/omb/egov/2003egov_strat.pdf.

tariff filing system should be in the range of $20,000 per tariff, but TransCanada argues the costs for its system suggest a $10,000 cost estimate.

109. We developed the burden estimates in the NOPR based only on the necessary costs of developing a bare-bones filing system that would enable a company to make a filing in compliance with the standards.[61] But we fully recognize that, while not strictly required by this Final Rule, companies making larger numbers of tariff filings will want to obtain a more robust software package that will provide various forms of tariff management and storage in addition to simply facilitating a tariff filing. Accordingly, we have determined to revise our burden estimates to include the greater cost of obtaining more robust software.

110. EEI maintains that companies will have multiple tariffs that need to be filed as baseline tariffs. But in this Final Rule, at EEI's request, we limited the baseline filing for electric companies to OATTs, power sales tariffs available to any customer, and market-based rate tariffs.

111. EEI maintains we have underestimated the time for legal review of certain data fields. We have included in these revised estimates additional time for legal review of

[61] The elements for such a system include a database program; an internet browser; an XML form generator, a Base64 converter; and a ZIP file converter, many of which can be obtained for free or at low cost. See http://www.download.com/Base64-De-Encoder/3000-2248_4-10571789.html?tag=lst-1 (freeware Base 64 converter); http://www.altova.com/products/databasespy/database_tool.html (XML form generator); https://shopm.winzip.com/cgi-bin/wzct1.cgi (ZIP file generator). We also included time and cost for hiring a computer programmer.

the baseline tariff filings. Since the baseline filings consist only of already accepted tariff sheets, such legal review should not be significant. For ongoing tariff filings, this rulemaking does not entail additional legal review, since attorneys generally already review the substantive tariff and attachment data contained in such filings, and the metadata fields are not substantive.

112. EEI suggests that the estimates leave out one-time costs for evaluating software, and training on new systems. We recognize that we did overlook such costs, and we have added additional hours for evaluation and training of relevant personnel.

B. Burden Estimates

113. The following burden estimates reflect the cost to an individual company of obtaining software sufficient to meet the requirements of the regulation, as well as the cost of making the required baseline filing. Investment in electronic filing will reduce filing costs over time. Therefore, we include an estimate of the cost savings per year due to the savings in mail, messenger delivery, and copying. The public reporting and records retention burdens for the reporting requirements and the records retention requirement are as follows.[62]

[62] These burden estimates apply only to this Final Rule and do not reflect upon all of FERC-516, FERC-545, FERC-539 or FERC-550.

Baseline Tariff – Hours

Data Collection	Number of Respondents	Hours Per Tariff	Total Hours	Installation Hours	Total Install Hours	Total Hours
FERC-516						
Utilities	152	9	1368	20	3040	4408
Marketers	984	5	4920	20	9840	14760
RTOs/ISOs	6	362	2172	28	168	2340
FERC -545						
Small Pipelines	106	7	742	20	2120	2862
Large Pipelines	62	18	1116	20	1240	2356
NGPA	200	6	1200	20	4000	5200
FERC -550 Oil	200	9	1800	20	4000	5800
Totals			13318		24408	37726

Total Annual Hours for Collections: 37,726.

Baseline Tariff – Costs

Data Collection	Number of Respondents	Cost Per Tariff	Total Filing Cost	Software Purchase & Installation	Total Cost Purchase & Installation
FERC-516					
Utilities	152	$211	$32,072	$10,000	$1,520,000
Marketers[63]	984	$109	$107,256	$1,035	$1,018,440
RTOs/ISOs	6	$8,345	$50,070	$10,000	$60,000
FERC -545					
Small Pipelines	106	$171	$18,126	$2,070	$219,420

[63] The costs for marketers assume that affiliated marketers will share a single installation.

Data Collection	Number of Respondents	Cost Per Tariff	Total Filing Cost	Software Purchase & Installation	Total Cost Purchase & Installation
Large Pipelines	62	$423	$26,226	$10,000	$620,000
NGPA	200	$132	$26,400	$2,070	$414,000
FERC -550 Oil	200	$206	$41,200	$10,000	$2,000,000
Totals			$301,350		$5,851,860
Combined Total					$6,153,210

Going Forward Cost Savings Per Annum			
	Total Number of Filings	**Cost Per Filing**	**Total Cost**
Oil	689	$110	$75,790
Electric	4,445	$406	$1,804,670
Gas	2,548	$406	$1,034,488
Total			$2,914,948

114. OMB's regulations require it to approve certain information collection requirements imposed by an agency rule. The Commission is submitting notification of this Final Rule to OMB.

Title: FERC-516, Electric Rate Schedules and Tariff Filings; FERC-545, Gas Pipeline Rates: Rate Change (Non Formal); FERC-549 Gas Pipeline Rates: NGPA Title III Transactions; and FERC-550 Oil Pipeline Rates: Tariff Filings.

Action: Proposed Collections

OMB Control Nos. 1902-0096, 1902-0154, 1902-0086 and 1902-0089

Respondents: Business or other for profit; Federal Government

Frequency of responses: On occasion.

To Register

Fax the form below to 713-356-0067, or mail it to NAESB,1301 Fannin, Suite 2350, Houston, TX 77002.

Cancellation Policy

Refunds requested in writing prior to November 10, 2008 will be subject at a $30 processing fee. No refunds will be granted after November 10, 2008.

Registration Form

NAESB eTariff Standards - Electronic Tariff Filing

November 21, 2008

Name: _____

E-mail: _____

Company: _____

Job Title: _____

Phone: _____

Address: _____

_____

Form of Payment: Check _____ Visa _____

MasterCard _____ American Express _____

Card No.: _____

Exp.: _____ Amount charged: _____

Signature: _____

Registration fee: Members, $300; Nonmembers, $400, ***(Register by November 10, 2008 and SAVE! - Members, $200, Nonmembers $300) Registration fee is waived for staff of federal or state regulatory agencies.***

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

Important class information enclosed. Register early and save!

NAESB
eTariff Standards - Electronic Tariff Filing Workshop

November 21, 2008
Austin, TX

NAESB
eTariff Standards - Electronic Tariff Filing Workshop

When

Friday, November 21, 2008
8:00 A.M. - 4:00 PM (Central Time)

Where

Driskill Hotel
604 Brazos Street
Austin, Texas 78701
(512) 474-5911

Purpose of Seminar

This course is designed to provide an overview of NAESB eTariff Business Practice Standards that apply to federally jurisdictional entities for the wholesale gas and electric markets and for oil pipelines. Students will be introduced to the definitions, standards and Appendix A - Implementation Guide for Electronic Tariff Filing. Students will learn how to implement the Electronic Tariff Filing in house and via third party solutions. Technology issues will also be addressed during the course.

The class will discuss the NAESB approved standards with respect to the electronic filing of tariffs and the procedures proposed by the Commission as outlined in the final rule, FERC Order No. 714, Rule-making Docket No. RM01-5-000.

Who should attend

This course is designed for those responsible for preparing and submitting tariffs, rate schedules and service agreements pursuant to Title 18 Code of Federal Regulations Parts 35, 154, 284, 300, 341 or Parts as required by FERC.

Prerequisite

Attendees are encouraged to familiarize themselves with the NAESB report regarding electronic tariff filings submitted to the FERC on April 15, 2008. They are invited to bring specific questions about standards to the workshop.

Format

This course is composed of formal presentations, using handouts and slides, and open discussion. The standards and materials will be provided to the attendees on CD.

Content

NAESB Process

Ms. McQuade, President and COO of NAESB will explain the NAESB process and procedures used to develop the eTariff standards, and will review the structure of the organization, its work products and participation in NAESB.

eTariff Standards

Presenter, Leigh Spangler is a NAESB Board Member, Co-Chair of the NAESB WGQ EDM Subcommittee and President of Latitude Technologies, a provider of technology services to the energy industry. Mr. Spangler will lead discussion and review of the NAESB standards related to electronic tariff filings. Mr. Spangler was a key contributor to the creation of the eTariff standards.

How to Implement the Electronic Tariff Filing

Mr. Spangler will describe the process and the various mechanisms, data tables, code values/ reference tables, and technical specifications used in the submission of eTariff filings. Specifically the course will describe:

- The components of eTariff filings, including Tariff metadata
- The placement of these components into identifying information in an XML schema
- The compilation of these components and their accompanying tariff records into a filing package for electronic tariff filing at FERC
- The options available for implementation

Other workshops are scheduled for:

- New Orleans, LA
  Monday, January 12, 2009

For more information

- NAESB room block rate at the Driskill Hotel is $239.00 per night for a “historic 1 bed” - Reservations (512) 474-5911 or (800) 252-9367; *cut-off is November 7, 2008*
- Phone 713-356-0060, or go to www.naesb.org/materials/training.asp

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Electronic Tariff Filings Docket No. RM01-5-000

NOTICE OF TECHNICAL CONFERENCE REGARDING ELECTRONIC TARIFF FILING

(October 24, 2008)

Take notice that on Wednesday, December 3, 2008, a technical conference will be held to discuss the implementation of electronic tariff filing. In Order No. 714,[1] the Commission adopted regulations requiring that, as of April 10, 2010, tariff and tariff related filings must be made electronically. The Commission adopted a set of protocols and standards developed through a consensus process under the auspices of the North American Energy Standards Board (NAESB) to govern the manner and format in which such filings must be made. NAESB developed these standards and protocols to provide each filing company with the "flexibility to develop software to better integrate tariff filings with their individual tariff maintenance and business needs."[2] As part of the compliance process, the Commission authorized Commission staff to continue their dialog with "the industries involved to help the industries better understand the use of the code values as well as to discuss issues that may arise regarding methods of implementing the standards."[3]

This first technical conference is designed to provide tariff filers and third-party software developers with an opportunity to obtain technical information about the requirements of the standards to assist companies in developing software and in determining whether developing or purchasing software would best fit their tariff maintenance needs. The conference also will consider the schedule for future conferences and the subjects to be discussed at those conferences.

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[1] Electronic Tariff Filings, Order No. 714, 73 FR 57,515 (Oct. 3, 2008), 124 FERC ¶ 61,270 (Sept. 19, 2008).

[2] Order No. 714, at P 9. The Commission also recognized that "these standards and protocols also will provide an open platform permitting third-party software developers to create more efficient tariff filing and maintenance applications, which will spread the development costs over larger numbers of companies." *Id*.

[3] Order No. 714, at P 88.

The format of the conference will be interactive, and companies are encouraged to ask questions about the technical aspects of the standards. To help Commission staff in planning the conference so that it will provide as much assistance to the industries as possible, participants are encouraged to submit by email in advance of the meeting the topics or questions they would like discussed. Emails should be directed to eTariff@ferc.gov and should include "Discussion Topic" in the subject line.

Background material on the standards and requirements can be found on the Commission's website (www.ferc.gov; click on eTariff under the Documents and Filings Heading).

The technical conference is open to the public. The conference will be held from 10:00 AM until 4:00 PM (EDT) at the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426. In addition, the conference will be accessible via WebEx and telephone.

Those wishing to participate via a WebEx (www.webex.com) computer connection and telephone must submit by no later than November 24, 2008, a request to eTariff@ferc.gov. The email must include Registration in the subject line and the requester's name, email address, and telephone number in the body of the email. Only the first 50 requests to use the WebEx computer connection to view documents can be honored. All telephonic connection requests can be honored. We will notify WebEx requesters if their request to use WebEx computer connections can be granted and will provide the appropriate Logon information by email prior to the conference. We anticipate that most of the material to be referenced on WebEx during the conference is posted on the Commission's website, so even those without the WebEx computer connection should be able to follow most of the discussion.

For more information, contact Keith Pierce, Office of Energy Markets and Reliability at (202) 502-8525 or Keith.Pierce@ferc.gov.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

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September 8, 2008
Via email and posting

TO: **NAESB Executive Committee (EC) Members, EC Alternates**

Submitters: Micki Schmitz, Mike Stender, Cynthia Corcoran, Paul Love, Mitchell Whitehead, Valerie Crockett, Ed Skiba, Michael Desselle, Andy Ott, Rana Mukerji, Kevin Kirby, Bill Phillips

Subcommittee Chairs for Notification:
Ed Skiba (WEQ BPS)
Valerie Crockett, Richard Smith, Kim Van Pelt, Dolores Chezar (WGQ BPS)
Dale Davis and Christopher Burden (WGQ IR)
Leigh Spangler and Christopher Burden (EDM)
Keith Sappenfield (WGQ Contracts)
Phil Precht, Mary Edwards and Dan Jones (Retail BPS)

FROM: NAESB Office

RE: NAESB Triage Actions Taken for R08012 to R08023

Dear Triage Committee and EC members,

Several requests – R08012 to R08023 -- all provided below as hyperlinks, were sent out for consideration on August 14. There were no requests for conference calls for discussions, and no adverse comments received. The requests were triaged as follows:

For R08012 – submitted by Micki Schmitz on behalf of Northern Natural Gas:

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add 2 detail (contract) level code values to Validation Code and Message elements in Nomination Quick Response (WGQ Standard No. 1.4.2) dataset, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.
>
> The request notes that EDI shippers have requested that NNG generate an error message when nominated quantity is below EPSQ. The error is at a contract level, which will allows/ensures that the shipper sends lower quantities for each nomination of the contract.

For R08013 – submitted by Paul Love on behalf of Kinder Morgan Inc.

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add nominations Transaction Type code value to support wheeling service on Rockies Express Pipeline LLC, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.
>
> The request notes that operational sales and purchase transactions are used on the Kinder Morgan family of pipelines.

For R08014– submitted by Paul Love on behalf of Kinder Morgan Inc.

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new nominations Transaction Type code value to support operational sales and operational purchases for nominations and all related documents where Transaction Type appears, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.
>
> The request notes that wheeling service exists in the Rockies Express Pipeline LLC tariff and is defined as: the receipt of Gas by a Parking And Wheeling Service (PAWS) shipper, or for a PAWS Shipper's account, at a physical point or Hub Pooling Point within a specified Hub and the redelivery of Gas at a physical point within the same Hub.

For R08015– submitted by Paul Love on behalf of Kinder Morgan Inc.

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ) and the retail quadrants (RGQ and REQ) as all three quadrants maintain a trading partner agreement (TPA) standard; and (3) because it is a request to modify the TPA to be streamlined to remove the Exhibits from the agreement and relegate such

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information as contained in the exhibits to operational worksheet(s), it should be assigned to the WGQ Contracts Subcommittee and the WGQ Electronic Delivery Mechanisms Subcommittee jointly, along with the Retail BPS should there be any changes needed to the retail documents. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the noted subcommittees.

The request notes that it is Kinder Morgan's opinion that including operational information in the TPA, as opposed to confining it to worksheet(s) outside the agreement, results in un-necessary administrative burdens that produce no practical benefit to anyone. It is Kinder Morgan's opinion that the operational details contained in the current Exhibits is fluid over time and that any change to this information is best resolved by the trading partners' operational contacts exchanging such information, as opposed to contract administrators amending the TPA to reflect such operational changes.

For R08016– submitted by Micki Schmitz on behalf of Northern Natural Gas:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a Reduction Reason code to Operator Scheduled Quantity, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the additional code value will be used to support existing business practices and to more accurately define decreased quantities for shippers and operators.

.For R08017– submitted by Mitchell Whitehead on behalf of Boardwalk Pipeline Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new transaction type code to the Transportation/Sales Invoice dataset and two new code values for the service requester level charge/allowance amount descriptor to the Transportation/Sales Invoice and the Service Requester/Charge Allowance Invoice datasets, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the addition of the transaction type 'Reservation/Enhanced Hourly Flow' to NAESB WGQ Standard 3.4.1 Transportation/Sales Invoice, and the code values (MIS) Miscellaneous and (SST) State Sales Tax for the data element 'Service Requester Level Charge/Allowance Amount Descriptor' to NAESB WGQ Standard 3.4.1 Transportation/Sales Invoice and NAESB WGQ Standard 3.4.4 Service Requester/Charge Allowance Invoice will identify transportation which exceeds hourly contract capacity rights for which authorization has been granted.

For R08018– submitted by Mitchell Whitehead on behalf of Boardwalk Pipeline Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new code value for Rate Identification Code, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

The request notes that the addition of 'Reservation and Commodity' as a new Rate Identification Code within the dataset Transactional Reporting – Firm Transportation is needed to better utilize the Rate Form/Type Code of 'Blended' when the rate is a combination of reservation and commodity.

For R08019– submitted by Mitchell Whitehead on behalf of Boardwalk Pipeline Partners, LP:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to change the usage for the data element 'Maximum Tariff Rate' from mandatory to sender's option within the dataset Award Download, and is lined to request no. R07018 as requested by Spectra Energy Transmission, it should be assigned to the WGQ Business Practices Subcommittee (BPS). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ BPS.

The request notes that if the TSP has market based rate authority and an award will have market based rates, there will not be a maximum tariff rate so therefore the data element should be sender's option, and the usage should change to accommodate market based rate authority.

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For R08020– submitted by Valerie Crockett on behalf of TVA and other parties:

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ) and the Wholesale Electric Quadrant (WEQ); and (3) because it is a request to provide for enhanced granularity for public utilities in identifying critical operational flow orders, it should be assigned to the WGQ Business Practices Subcommittee (BPS) and the WEQ Business Practices Subcommittee (BPS). Should it be determined that only one quadrant's standards are affected, then the assignment to change to reflect only that quadrant. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of both the WGQ and WEQ BPSs.
>
> The request notes that under the current implementation of FERC Order No. 698, the public utilities have signed-up to receive Operational Flow Orders and other Critical Notices. As a result of this implementation, the public utilities in many instances are receiving substantially more information, which does not have an impact on its operations. As a result of meeting the letter of the Order, the public utilities are finding the applicable notices have the potential of being lost in the volume of non-applicable notices. The request further notes that the Wholesale Electric Quadrant and the Wholesale Gas Quadrant should review how/which notices are sent to public utilities to reduce the risk of critical notices being missed or overlooked based on the volume of notices now being sent to public utilities.

For R08021– submitted by Mike Stender on behalf of El Paso Natural Gas:

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to implement a minor adjustment to the Measured Volume Audit Statement to allow for 40 instances of the MEA segment in the QTY loop, it should be assigned to the WGQ Technical Subcommittee. There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ Technical Subcommittee.
>
> The request notes that the NAESB standards permit multiple MEA segments but the EDI mapping permits only one.

For R08022– submitted by Micki Schmitz on behalf of Northern Natural Gas:

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a Rate Identification Codes in the transactional reporting data sets, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.
>
> The request notes that the additional code value will be used to support existing business practices and to more accurately define identify storage related transactional reporting.

For R08023– submitted by Cynthia Corcoran on behalf of Enbridge Energy Partners, LP:

> This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to additional Surcharge Codes for Capacity Release Transactions, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.
>
> The request notes that the additional code values "Fuel Surcharge" and "Event Surcharge" should be added to the Surcharge Identification Codes in the Code Values Dictionary for Standards 5.4.1 – Offer Download, 5.4.2 – Bid Download, 5.4.3 – Award Download, 5.4.7 – Offer Upload, 5.4.9 – Offer Upload Identification, 5.4.18 – Bid Upload, 5.4.20 - Transactional Reporting – Capacity Release, 5.4.21 - Transactional Reporting – Firm Transportation and 5.4.22 - Transactional Reporting – Interruptible Transportation. These additions will clarify the surcharge types available for transactions.

The noted dispositions for the requests and the requests themselves were forwarded to the Triage Subcommittee and the EC members on August 14. There were no dissenting comments received. A comment was received on Request No. R08015 to extend the assignment to the Retail BPS. After recirculation with the extension noted as an edit, no adverse comments were received. As such, the requests are considered in scope and assigned to the indicated subcommittees for development. Please note that this communication serves as notice to the subcommittee chairs of the subcommittees to which the requests are assigned.

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September 8, 2008
Via email and posting

TO: **NAESB Executive Committee (EC) Members, EC Alternates**

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This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add a new code value for Rate Identification Code, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the normal course of business of the WGQ IR.

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For R08019– submitted by Mitchell Whitehead on behalf of Boardwalk Pipeline Partners, LP:

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For R08021– submitted by Mike Stender on behalf of El Paso Natural Gas:

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For R08022– submitted by Micki Schmitz on behalf of Northern Natural Gas:

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For R08023– submitted by Cynthia Corcoran on behalf of Enbridge Energy Partners, LP:

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> The request notes that the additional code values "Fuel Surcharge" and "Event Surcharge" should be added to the Surcharge Identification Codes in the Code Values Dictionary for Standards 5.4.1 – Offer Download, 5.4.2 – Bid Download, 5.4.3 – Award Download, 5.4.7 – Offer Upload, 5.4.9 – Offer Upload Identification, 5.4.18 – Bid Upload, 5.4.20 - Transactional Reporting – Capacity Release, 5.4.21 - Transactional Reporting – Firm Transportation and 5.4.22 - Transactional Reporting – Interruptible Transportation. These additions will clarify the surcharge types available for transactions.

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Business Practices Subcommittee Update 2008 Review

November 4, 2008

Annual Plan Summary

	Description	Due	Comp.	Comments
	Make changes to business practices as related to inclusion of the NERC Reliability Functional Model functional model entities as NERC undertakes the same efforts.)	**As Rqstd.**		No requests received
✔	Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in version 2 development.	**Ongoing**	**3rd Qtr**	
✔	Develop business practice standards to support Operate Within Limits (R03017).	**4th Qtr**	**2nd Qtr**	Determined no new standards were needed.
	Prepare recommendations for future path for TLR in concert with NERC, which may include alternative congestion management procedures.	**4th Qtr**		Work is dependent on NERC SAR that is under development.
	Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards.	**4th Qtr**		Moved to a Provisional item in April.
✔	Annotations For ATC Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1).		**1st Qtr**	Originally assigned to ESS/ITS only.

Annual Plan Summary (cont.)

	Description	Due	Comp.	Comments
✔	Load Forecast and Actual Load Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1).		**1st Qtr**	Originally assigned to ESS/ITS only.
✔	Posting of Existing Transmission Commitments (ETC) (moved from Group 1).		**2nd Qtr**	Originally assigned to ESS/ITS only.
✔	Develop Standards to support existing Request No. R05004.	**4th Qtr**	**3rd Qtr**	Work was split between Joint BPS/ESS/ITS and ESS/ITS. Joint work complete.
✔	Develop the Business Practice Standards complementary to NERC Reliability Standards for Existing Transmission Commitments (ETC) to create a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses" including the elements of ETC for full implementation of the NERC MOD-001 reliability standard.	**2nd Qtr**	**2nd Qtr**	
✔	Business practice standards for accounting for counterflows. These standards will be included in the ATC business practice standards.	**2nd Qtr**	**2nd Qtr**	

Annual Plan Summary (cont.)

	Description	Due	Comp.	Comments
✔	Determine if business practice standards are needed, and if so, develop them to set forth "how the CBM value shall be determined, allocated across transmission paths, and used" and how transmission will "reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission Service.	**2nd Qtr**	**3rd Qtr**	In May FERC granted NAESB an extension, to February 2009 on this effort.
✔	Business practice standards that include an OASIS mechanism to "allow for auditing CBM Usage."	**2nd Qtr**	**3rd Qtr**	In May FERC granted NAESB an extension to February 2009 on this effort .
✔	Any additional business practice standards needed to complement the NERC CBM reliability standards (MOD004) created as a result of this effort.	**2nd Qtr**	**3rd Qtr**	In May FERC granted NAESB an extension to February 2009 on this effort.
✔	Transmission Reliability Margin (TRM): Business Practice Standards to complement the NERC reliability standards for TRM.	**2nd Qtr**	**2nd Qtr**	
✔	The business practice standards will include specification of the appropriate uses of TRM and when transmission providers may set aside TRM.	**2nd Qtr**	**2nd Qtr**	

Annual Plan Summary (cont.)

	Description	Due	Comp.	Comments
✔	Any additional business practice standards needed to complement the NERC TRM reliability standards (MOD008) created as a result of this effort.	**2nd Qtr**	**2nd Qtr**	
✔	Business practice standards to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards.	**2nd Qtr**	**2nd Qtr**	
✔	Business practice standards for data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange.	**2nd Qtr**	**1st Qtr**	
✔	Business practice standards that will set forth how transmission providers will post "explanations of the reason for a change in monthly and yearly ATC values on a constrained path." The standards will include a requirement that that the transmission provider posts the reason for the change in a narrative form. The posted information will include "the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network)."	**4th Qtr 2007**	**1st Qtr**	

Annual Plan Summary (cont.)

	Description	Due	Comp.	Comments
✔	Business practice standards for posting on OASIS of the "underlying load forecast assumptions for all ATC calculations."	**2nd Qtr**	**1st Qtr**	
✔	Business practice standards for posting on OASIS of the "actual daily peak load for the prior day."	**4th Qtr 2007**	**1st Qtr**	
✔	Business practice standards to complement NERC reliability standards for Transfer Capability in response to new NERC Supplemental SAR: Revisions to Existing Standards MOD001-MOD009, FAC12-13.	**2nd Qtr**	**2nd Qtr**	
✔	Business practice standards to set forth the procedure for input on TTC and ATC methodologies and values. (During the Order 890 NERC and NAESB joint standards development effort, it was determined that the standards contained in MOD003 should be business practice standards instead of reliability standards. NERC has requested that NAESB adopt the standards as business practices via correspondence to Ms. McQuade, NAESB President.)	**2nd Qtr**	**1st Qtr**	

Annual Plan Summary (cont.)

	Description	Due	Comp.	Comments
	Develop version 1 business practice standards to support transparency reporting and related functions that may be required as a result of the final order.	**2nd Qtr**		In May EC reassigned Annual Plan to EC ATC Information List Task Force.
✔	Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005, conference on the future of OASIS (R05026) (Represent ALL pre-Order 888 ("grandfathered") transmission and ancillary services in current use in OASIS.)	**2008**	**2nd Qtr**	Joint BPS/ESS/ITS work completed at the end of June.
✔	Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019.)	**New**	**2nd Qtr**	
✔	Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020.)	**New**	**3rd Qtr**	
	Gas / Electric Communication Consistency Changes (R08004.)	**New**	**TBD**	

Annual Plan Summary (cont.)

	Description	Due	Comp.	Comments
✔	Modify WEQ-001 to reflect in the definition of certain ancillary services that such ancillary services may be provided by non-generation resources such as demand resources. (http://www.naesb.org/pdf3/weq_ec051308w2.doc)	**New**	**2nd Qtr**	
	Modify NAESB definitions to address internal inconsistencies and inconsistencies with the NERC glossary. (http://www.naesb.org/pdf3/weq_ec051308w3.doc)	**New**		All subcommittees are recommending a single set of definitions rather than definitions in each business practices.
✔	Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds. (R06010)	**New**	**3rd Qtr**	
✔	Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds. (R06010)	**New**	**3rd Qtr**	Requires joint coordination with WGQ BPS.

2009 - Objectives

- TLR Business Practice
  - Parallel Flow Visualization/Mitigation for Reliability Coordinators in the Eastern Interconnection
  - Update WEQ-008 Appendix D to include the Market Flow Threshold Percentage recommended by NERC working group/task force
- Work with other subcommittees to resolve differences in NAESB definitions
- Provide for Enhanced Granularity for Public Utilities in Identifying Critical Operational Flow Orders, requires coordination with WGQ (R08020)
- Make consistency changes to WEQ-011 (R08004)
- Make changes to business practices as related to inclusion of the NERC Reliability Functional Model functional model entities as NERC undertakes the same efforts (as requested)
- Address additional WEQ 2009 Annual Plan items assigned to the BPS

Questions/Feedback

NAESB Time and Inadvertent Management Business Practice



November 4 , 2008

Terry Bilke

MidwestISO
Energizing the Heartland

Introduction

- Targeted business practice to address FERC's concerns in Order No. 693
- NERC Standards Committee and Operating Committee said Time Error Corrections (TEC) and Inadvertent Payback are NAESB issues
- Relies on proven Time and Inadvertent management practices
- Gives Balancing Authorities better tools to meet the future NERC BAL standards under 693
- No impact on ERCOT/WECC unless they so choose

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FERC's Order No. 693 Concerns

- Address number and efficiency of TECs
- Concerned with frequency excursions
  (nearly half of reported frequency excursions occurred during TEC even though the East is in TEC 15% of the time)
- Large Inadvertent balances
- Asks NERC to investigate alternatives to present TEC practices

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Targeted Business Practice

- Draw on past practice
  - Allow unilateral payback (greater of 5MW or 20% of bias) when Inadvertent balance has same sign as Time Error, which will reduce # of corrections and therefore excursions
  - Financial Settlement (MWs disclosed to NERC, terms left to BAs)
- Uses Europe's clock-day approach to TEC
  - Wider window (30 seconds) will further reduce the # of corrections and therefore excursions
  - Better participation/effectiveness due to improved awareness of TEC starts/stops

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NERC-NAESB Coordination

- Updates to the NERC Resources Subcommittee and BAC drafting team
- Updates to NERC RCWG/ORS/OC and SC
- Balancing Authority and Reliability Coordinator (RC) training, periodic RC calls (Future)
- NERC Resources Subcommittee 6 month report (Future)

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Business Practice Summary

- Low Tech approach to achieve similar results as the WECC ATEC
- Provides BAs tools to meet FERC's concerns
  - Fewer and more efficient TECs
  - Fewer frequency excursions
  - Smaller inadvertent balances

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Proposed Implementation Plan

- Month 1/2
  - Training
- Month 3
  - Allow financial settlement & unilateral payback (method 2)
  - Widen window to 20 seconds
- Month 4
  - Widen window to 30 seconds
  - Longer corrections
- Month 5
  - Clock-day Corrections
- Month 6
  - Draft Report

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Standards Review Subcommittee Update 2008 Review

November 4, 2008

Standards Review Subcommittee 2008 Objectives

- In December 2007, the 2008 Annual Plan had the following items assigned to the SRS:
  - Review the need to develop business practice standards to support Operate Within Limits (R03017)
  - Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS (R05026)
- The SRS was also directed to review the NERC Reliability Standards Development Plan

Annual Plan Accomplishments

	Description	Due	Comp.	Comments
✔	Review the need to develop business practice standards to support Operate Within Limits (R03017)	2nd Qtr	1st Qtr	
✔	Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS (R05026)	2008	1st Qtr	EC determined at February meeting that no additional work was required by the SRS.
✔	Review Market System Back-Up existing language and review of existing back-up language		3rd Qtr	SRS requested this item be moved from provisional items list.
✔	Provide complementary business practice standards to support Coordinate Operations Standards Authorization Request assigned to NERC (R03014)		3rd Qtr	Assigned to the SRS after the August EC Meeting
✔	Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply		3rd Qtr	SRS requested this item be moved from provisional items list.
✔	Investigate and review possible modifications to the WGQ Intraday Nominations, Confirmation Scheduling, and Gas Day standards, including possible standards for coordination of wholesale electric and wholesale gas scheduling. (R03031, R03031 revised, Interim Report, Final Report)		3rd Qtr	Assigned to the SRS after the August EC Meeting

Accomplishments

- Reviewed the NERC Reliability Standards Development Plan
  - Provided feedback to NERC on projects that should be coordinated with NAESB
  - Reviewed NERC Standards Development Plan and identified Annual Plan Item to be included in 2009 Annual Plan.
- Addressed requests from other Subcommittees to review NERC Standards
- Developed SRS Scope of Work Statement
- Created SRS Interactive List Serv
- Created the SRS NERC Activity Tracking Report

Submitted Comments on Recommendations

- WEQ-001 changes for Rebid of Partial Service, Preconfirmation Priority, and Group 2: Metrics; Redispatch Cost Posting
- ATC/TTC Narrative
- WEQ-001 changes for "ATC Information Link" on OASIS and TTC and ATC Methodologies and Values
- Ancillary Services Definitions
- Conditional Firm
- Existing Transmission Commitments
- Postbacks and Counterflows
- Time and Inadvertent Management
- Continuous Support of TLR Process

2009 - Objectives

- Review NERC Standards and Interpretations under development to determine if they have an impact to NAESB Business Practices
- Review NAESB recommendations posted for 30-day formal comments
- Review minor corrections posted for 2-week comment period
- Work with other subcommittees to resolve differences in NAESB definitions
- Provide input to 2010-2012 NERC Reliability Standards Development Plan
- Address WEQ 2009 Annual Plan items assigned to the SRS

Questions/Feedback

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	Item Description	Completion[1]	Assignment[2]
1	**Develop business practices standards as needed to complement reliability standards**		
	Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs) using the NERC/NAESB Coordination Joint Standards Development Process as appropriate. Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		
a)	Make version 2 changes to business practices as requested.		
i)	Make changes to business practices as related to inclusion of the NERC Reliability Functional Model functional model entities as NERC undertakes the same efforts. Status: No requests	As requested	BPS
ii)	Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in version 2 development.[3] Status: Ongoing as NERC makes changes The "Continuous Support of TLR Procedure in Alignment with NERC Efforts on Phase II and Phase III" recommendation was approved by the BPS to post for the formal comment period.	Ongoing	BPS[4]
b)	Develop business practices to support Coordinate Interchange – R05020 "Include a guideline for rounding schedules with partial mWh's in the coordinate interchange business practice WEQ BPS-002-000" Status: Underway	2008	JISWG
c)	Operate Within Limits (R03017) as coordinated with the NERC schedule on the same development for reliability standards		
i)	Review the need to develop business practice standards to support Operate Within Limits (R03017) Status: Completed	1st Q, 2008	SRS
ii)	Develop business practice standards to support Operate Within Limits (R03017) Status: Completed No standards are needed at this time	2nd Q, 2008	BPS
d)	Prepare recommendations for future path for TLR in concert with NERC, which may include alternative congestion management procedures[5] Status: Underway	4th Q, 2008	BPS[6]

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	Item Description	Completion[1]	Assignment[2]
e)	Conduct analysis as to whether standards can be developed which outline a standardized process for the coordination and execution of emergency energy schedules. These would be complementary standards to EOP-002-2 Requirements R4 and R6 (SRS Analysis of EOP-002-2 R4 & R6) Status: Not Started	TBD	JISWG
f)	Review Market System Back-Up existing language and review of existing back-up language Status: Completed Per the guidance from the WEQ Executive Committee after presenting the Request for Executive Committee Guidance on WEQ 2008 Provisional Item 5 the SRS developed and approved a "no action" recommendation to close out this annual plan item	4th Q, 2008	SRS
g)	Provide complementary business practice standards to support Coordinate Operations Standards Authorization Request assigned to NERC (R03014) Status: Completed Based on the SRS review of related documents and EC updates to the WEQ Annual Plan in May 2004 where R03014 was noted as completed the SRS approved a "no action" recommendation to close out this standards request.	3rd Q, 2008	SRS
2	**Develop business practice standards in support of the FERC RM05-25-000 and RM05-17-000 (OATT Reform)**		
a)	Develop version 2 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards would be based on recommendations from NERC's Long Term ATC/AFC Task Force and would involve revised procedures for the ATC calculation and/or revised protocols as determined by the final order. Status: Underway Development is using joint standards development process with NERC. Request R050004 was expanded to include the Order No. 890 (Docket Nos. RM05-25-000 and RM05-17-000) and Order No. 890-A (Docket Nos. RM05-17-001, 002 and RM05-25-001, 002), "Preventing Undue Discrimination and Preference in Transmission Services", issued April 11, 2007).		
i)	Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority		
1.	Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority S&CP Requirements Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	4th Q, 2007	ESS/ITS

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	Item Description	Completion[1]	Assignment[2]
2.	Conditional Firm Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	3rd Q, 2008	ESS/ITS
3.	Annotations For ATC Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	BPS, ESS/ITS
4.	Load Forecast And Actual Load Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	BPS, ESS/ITS
5.	Re-Bid Of Partial Service Business Practice Standards on a Single Transmission Provider's System associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	ESS/ITS
6.	Preconfirmation Priority Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	ESS/ITS
7.	OASIS Exemptions Appendix Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	4th Q, 2007	ESS/ITS

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	Item Description	Completion[1]	Assignment[2]
ii)	Group 2: Metrics; Redispatch Cost Posting		
1.	Metrics Related to Provision of Transmission Service (Paragraph 413 of Order 890) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	ESS/ITS
2.	Metrics Related to Performance of Transmission Studies (Paragraphs 1308 through 1317 of Order 890 Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	ESS/ITS
3.	Redispatch Cost Posting • Monthly average cost of redispatch • A high and low redispatch for the month Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	ESS/ITS
iii)	Group 3: Network Service On OASIS		
1.	Use of OASIS to Make Electronic Requests to Designate and Terminate Network Resource Status: Underway	1St Q, 2009	ESS/ITS
2.	Ability to Query Requests to Designate and Terminate Network Resources and Allow for Queries of All Information Provided with Designation Requests Status: Underway	1St Q, 2009	ESS/ITS
3.	Masking of Designated Network Resource Operating Restrictions and Generating Cost Information Status: Underway	1St Q, 2009	ESS/ITS
4.	Procedural Requirements for Submitting Designations over new OASIS Functionality Status: Underway	1St Q, 2009	ESS/ITS
5.	Specify How Designated Network Service Informational Postings are Posted on OASIS Status: Underway	1St Q, 2009	ESS/ITS

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		Item Description	Completion[1]	Assignment[2]
	6.	Set Forth the Treatment of OASIS Requests when the Customer Fails to Provide the Necessary Attestation Status: Underway	1St Q, 2009	ESS/ITS
	7.	Procedural Requirements for Submitting Both Temporary and Indefinite Terminations of Network Resources Status: Underway	1St Q, 2009	ESS/ITS
	8.	Procedures for Submitting and Processing Requests for Concomitant Evaluations of Transmission Requests and Temporary Terminations Status: Underway	1St Q, 2009	ESS/ITS
iv)		Group 4: Pre-Emption; Request No. R05019; and Revisions to Standard 9.7		
	1.	Pre-Emption Status: Not Started	2nd Q, 2009	ESS/ITS
	2.	Request No. R05019 Status: Not Started	2nd Q, 2009	ESS/ITS
	3.	Revisions to Standard 9.7 Status: Completed This item also addresses work in 2006 WEQ AP 3a(x).	3rd Q, 2008	ESS/ITS
	4.	Posting of Existing Transmission Commitments (ETC) (moved from Group 1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2nd Q, 2008	BPS, ESS/ITS
v)		Group 5: Paragraph 1377		
	1.	Paragraph 1377 Status: Not Started	2nd Q, 2009	ESS/ITS
	2.	Re-Bid Of Partial Service across Multiple Transmission Providers' Systems Status: Not Started	2nd Q, 2009	ESS/ITS
vi)		Group 6: Miscellaneous (Paragraphs 1390 and 1627 of Order 890)		
	1.	Paragraph 1390 of Order 890 Status: Not Started	2nd Q, 2009	ESS/ITS

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Item Description	Completion[1]	Assignment[2]
2. Paragraphs 1627 of Order 890 Status: Not Started	2nd Q, 2009	ESS/ITS
3. Redispatch Cost Posting to allow for posting of third party offers of planning redispatch services. Status: Not Started	2nd Q, 2009	ESS/ITS
4. Posting of **Existing Transmission Commitments (ETC)** (moved from Group 1) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2nd Q, 2008	ESS/ITS
vii) Group 7: Tagging for Conditional Firm Service		
1. Tagging for Conditional Firm Service Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2nd Q, 2008	ESS/ITS
b) Develop the needed business practices as companion to the NERC standards for ATC related efforts.[7]		
i) Develop standards to support existing Request No. R05004.		
1. The processing of transmission service requests, which use TTC/ATC/AFC, in coordination with NERC changes to MOD 001 where the allocation of flowgate capability based on historical Network Native Load impacts the evaluation of transmission service requests, requiring the posting of those allocation values in conjunction with queries of service offerings on OASIS Status: Underway	4th Q, 2008	ESS/ITS
2. Remaining requirements documented in R05004 and R05004A. Status: Completed	3rd Q, 2008	BPS, ESS/ITS

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	Item Description	Completion[1]	Assignment[2]
ii)	Develop Business Practice Standards for **Existing Transmission Commitments (ETC)**		
1.	Develop the Business Practice Standards complementary to NERC Reliability Standards for **Existing Transmission Commitments (ETC)** to create a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses", including the elements of ETC for full implementation of the NERC MOD-001 reliability standard. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2nd Q, 2008	BPS, ESS/ITS
2.	Business practice standards for accounting for counterflows. These standards will be included in the ATC business practice standards. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	June 1, 2008	BPS ESS/ITS
iii)	**Capacity Benefit Margin (CBM) Business Practices**		
1.	Determine if business practice standards are needed, and if so, develop them to set forth "how the CBM value shall be determined, allocated across transmission paths, and used" and how transmission providers will "reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service." The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed The NAESB subcommittees have determined the CBM requirements have been documented in the NERC MOD-004 to address this item, so no further action is required by NAESB. Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.	3rd Q 2008	BPS, ESS/ITS

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	Item Description	Completion[1]	Assignment[2]
	2. Business practice standards that include an OASIS mechanism to "allow for auditing of CBM usage." The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.	3rd Q 2008	BPS, ESS/ITS
	3. Any additional business practice standards needed to complement the NERC CBM reliability standards (MOD004) created as a result of this effort. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed The NAESB subcommittees have determined no further action is required by NAESB. Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.	3rd Q 2008	BPS, ESS/ITS
iv)	**Transmission Reliability Margin Business Practices:**		
	1. Transmission Reliability Margin (TRM): Business Practice Standards to complement the NERC reliability standards for TRM. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed The NAESB subcommittees have determined TRM requirements have been documented in previously submitted recommendations, so no further action is required by NAESB. .	April 8, 2008	BPS, ESS/ITS
	2. The business practice standards will include specification of the appropriate uses of TRM and when transmission providers may set aside TRM. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development Status: Completed The NAESB subcommittees have determined TRM requirements have been documented in previously submitted recommendations, so no further action is required by NAESB.	April 8, 2008	BPS, ESS/ITS

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	Item Description	Completion[1]	Assignment[2]
	3. Any additional business practice standards needed to complement the NERC TRM reliability standards (MOD008) created as a result of this effort. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed The NAESB subcommittees have determined TRM requirements have been documented in previously submitted recommendations, so no further action is required by NAESB.	April 8, 2008	BPS, ESS/ITS
v)	Business Practice Standards for ATC and AFC Calculation Methodologies to complement the NERC reliability standards created for ATC and AFC Methodologies (NERC MOD001 (Available Transfer Capability); NERC MOD028 (Network Response Available Transfer Capability); NERC MOD029 (Rated System Path Available Transfer Capability); and NERC MOD030 (Flowgate Network Response Available Transfer Capability)):		
	1. Business practice standards to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed The subcommittee determined no additional standards are required from what is already documented in the "ATC Information Link (2008 Annual Plan 2.b.vii)" recommendation and what is required for ATC postings under the previously ratified recommendation "Modifications to WEQ-001 to comply with modifications to 18 C.F.R. 37.6 and 37.7 within Order 890 with Minor Corrections applied on February 27, 2008."	April 23, 2008	BPS/ESS/ITS
	2. Business practice standards for data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Completed The NAESB subcommittees have determined the data exchange requirements have already been documented in the NERC standards, so no further action is required by NAESB.	1st Q, 2008	BPS/ESS/ITS

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NORTH AMERICAN ENERGY STANDARDS BOARD

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	Item Description	Completion[1]	Assignment[2]
	3. Business practice standards that will set forth how transmission providers will post "explanations of the reason for a change in monthly and yearly ATC values on a constrained path." The standards will include a requirement that that the transmission provider posts the reason for the change in a narrative form. The posted information will include "the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network)." The business practices developed to address this item will not require to coordination with the NERC Order 890 reliability standards development. Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1 Q, 2008	BPS/ESS/ITS
	4. Business practice standards for posting on OASIS of the "underlying load forecast assumptions for all ATC calculations". The business practices developed to address this item will not require to coordination with the NERC Order 890 reliability standards development Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	BPS/ESS/ITS
	5. Business practice standards for posting on OASIS of the "actual daily peak load for the prior day." The business practices developed to address this item will not require to coordination with the NERC Order 890 reliability standards development Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	BPS/ESS/ITS
vi)	Business practice standards to complement NERC reliability standards for Transfer Capability in response to new NERC Supplemental SAR: Revisions to Existing Standards MOD001-MOD009, FAC12-13 This item was added as a result of the Supplemental SAR NERC created in case additional business practices are needed as a result of the work on this SAR by NERC. It does not have a cite in Order 890. This item will require coordination with the NERC Order 890 reliability standards development. Status: Completed	May 1, 2008	BPS, ESS/ITS

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NORTH AMERICAN ENERGY STANDARDS BOARD

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		Item Description	Completion[1]	Assignment[2]
	vii)	Business practice standards to set forth the procedure for input on TTC and ATC methodologies and values. (During the Order 890 NERC and NAESB joint standards development effort, it was determined that the standards contained in MOD003 should be business practice standards instead of reliability standards. NERC has requested that NAESB adopt the standards as business practices via correspondence to Ms. McQuade, NAESB President.) This item will require coordination with the NERC Order 890 reliability standards development because the language to address this item is contained within a draft standards that addresses items that are dependent on NERC deliverables, i.e., the requirements to create an "ATC Information Link" on OASIS. There is no Order 890 cite for this item. Status: Completed Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if modifications to these standards are needed. To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	1st Q, 2008	BPS, ESS/ITS
c)		Develop version 1 business practice standards to support transparency reporting and related functions that may be required as a result of the final order. Status: Completed	3rd Q 2008	EC Task Force
3		**Develop business practices standards to improve the current operation of the wholesale electric market and develop and maintain business practice and communication standards for OASIS and Electronic Scheduling**		
a)		Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling. Specific items to address include:		
	i)	Develop OASIS S&CP changes to support OASIS business practices. Status: Completed Dependent on development of OASIS business practices	Ongoing	ESS/ITS
	ii)	Network Services: Determine and develop needed business practice standards or other support is needed to support use of OASIS for Network Service transactions (R04006E). (Related to AP 2(a)(iii)) Status: Underway	1st Q, 2009	ESS/ITS
	iii)	Registry (TSIN): Determine and develop needed business practice standards to support the registry functions currently supported by NERC (R04037, R06027). Status: Underway		
		1) Work with the NAESB counsel to develop a confidentiality agreement, (R07013)	4th Q 2008	JISWG
		2) Transition the TSIN Registry from NERC to NAESB.	4th Q 2008	JISWG

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		Item Description	Completion[1]	Assignment[2]
	3)	Review and correct the Coordinate interchange Business Practice Standard as noted during the development of the e-Tag 1.8 development process.	4th Q 2008	JISWG
v)		Document procedures used to implement the displacement/interruption terms of the Pro Forma tariff (R05019). Status: Not Started	4th Q, 2008	ESS/ITS
vi)		Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS (R05026). Scoping statement completed by SRS and assignments made to BPS, ESS/ITS and JISWG.		
	1)	Represent ALL pre-Order 888 ("grandfathered") transmission and ancillary services in current use in OASIS Status: Completed	3rd Q, 2008	BPS, ESS/ITS
	2)	Eliminate Masking of TSR tag source and sink when requested status is denied, withdrawn refused, displaced, invalid, declined, annulled or retracted Status: Not Started	2008 as determined	ESS/ITS
	3)	Initiate standard that requires ALL historical transmission service reservations to be available for review up to a number of years in the past. Status: Completed	2008 as determined	ESS/ITS
	4)	Initiate standard that eliminates the disparity of posting "sensitive" information. This standard should also include procedures of user certification that allows access to this class of information. Status: Underway	2008 as determined	JISWG
	5)	Enhance the TSR result postings to allow showing of (i) limiting transmission elements and (ii) available generation dispatch options that would allow acceptance of reservation request. Status: Not Started	2008 as determined	ESS/ITS
	6)	Standardize the availability of TSR study result postings, eliminating practice of some Transmission Owners that charge for viewing these documents. Status: Completed This item was completed with Recommendation (2008 AP Item 2.a.i.5, 2008 AP Item 2.a.i.6, and 2008 AP Items 2.a.ii.1-3) WEQ-001 Changes for Rebid of Partial Service, Preconfirmation Priority, and Group 2: Metrics; Redispatch Cost Posting.	1st Q, 2008	ESS/ITS

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		Item Description	Completion[1]	Assignment[2]
	vii)	Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order). Status: Completed Item was assigned to group 4, reference 2007 WEQ AP item 2(a)(iv)(3).	2nd Q, 2008	ESS/ITS
b)		Develop and/or maintain standard communication protocols and cyber-security business practices as needed.		
	i)	Address the surety assessment findings on NAESB PKI standards. Status: Completed Item will be provided as a response to the U.S. DoE upon completion by the WGQ for their response to the findings.	1st Q, 2008	JISWG
	ii)	Develop PKI standards for OASIS. Status: Not Started	3rd Q, 2008	ESS/ITS
	iii)	Develop PKI Standards for e-tagging. Status: Underway eTagging items are linked to the transition of the Registry from NERC to NAESB.	2008	JISWG
	iv)	Develop enhanced Electric Industry Registry (EIR), (R06027) Status: Underway The transition of the Registry from NERC to NAESB as part of this request should take place by yearend 2008.	2008	JISWG
c)		Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers. Status: Underway Common code usage is linked to the transition of the Registry from NERC to NAESB.	2008	NAESB Staff with WEQ support
4		**Review and develop business practices standards to support e-Tariff program**		
		Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. (Docket No RM05-1-000) Status: Completed To be published on Version 002, September 2008.	1st Q 2008	Joint WEQ/WGQ e-Tariff Subcommittee

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NORTH AMERICAN ENERGY STANDARDS BOARD

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	Item Description	Completion[1]	Assignment[2]
5	**Review and develop business practices standards to Demand Response, Demand Side Management and Energy Efficiency Programs** Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs. This effort will include demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program.		
a)	Develop matrix and business practice standards for measurement and verification for demand response programs in ISO/RTO footprint areas. Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
b)	Develop matrix and business practice standards for measurement and verification for demand response programs in non-ISO/RTO footprint areas. Status: Underway	TBD	Joint WEQ/Retail DSM-EE Subcommittee
c)	Develop preamble for business practice standards for measurement and verification for demand response and energy efficiency programs. Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
d)	Develop glossary for business practice standards Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
e)	Support retail development of matrix and model business practice standards for measurement and verification for demand response programs Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
f)	Develop business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard. Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
g)	Develop business practice standards to factor Demand Control and Energy Efficiency programs into reliability / supply decisions at the wholesale level for generation and transmission planning and operations. Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
h)	Develop business practice standards for cap and trade programs for green house gas Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
6	**Maintain existing body of Version 1 standards**		

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	Item Description	Completion[1]	Assignment[2]
a)	Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	2nd Q, 2008	BPS
b)	Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020) Status: Complete	3rd Q, 2008	BPS
c)	Make consistency changes to Version 1.0 standards as directed by the WEQ Leadership Committee on December 12, 2007 (R08001 – BPS, ESS/ITS, R08002 - ESS/ITS, R08003 - ESS/ITS - BPS, R08004, R08005 - ESS/ITS)		
	1) OASIS Consistency Changes (R08001, R08002, R08003, R08005) Status: Not Started	2009	ESS/ITS
	2) Gas / Electric Communication Consistency Changes (R08004) Status: Not Started	TBD	BPS
d)	Modify WEQ-001 to reflect in the definition of certain ancillary services that such ancillary services may be provided by non-generation resources such as demand resources. (http://www.naesb.org/pdf3/weq_ec051308w2.doc) Status: Completed To be published in Version 002, September 30, 2008 and forwarded to the FERC as part of the Version 002 filing, August 29, 2008.	July 2008	BPS, ESS/ITS
e)	Modify NAESB definitions to address internal inconsistencies and inconsistencies with the NERC glossary, (http://www.naesb.org/pdf3/weq_ec051308w3.doc)		
	i) Modify NAESB definitions related to OASIS Business Practices (001, 002, 003, and 013) Status: Underway	4th Q, 2008	ESS/ITS
	ii) Modify NAESB definitions related to Coordinated Interchange (004) and PKI Standards (012) Status: Underway	4th Q, 2008	JISWG
	iii) Modify NAESB definitions related to the remaining business practices Status: Underway	4th Q, 2008	BPS

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	Item Description	Completion[1]	Assignment[2]
f)	Review and evaluate whether to cutoff or put a size limit on the entities for which the standards apply Status: Completed After review of FERC Order 676, the subcommittee determined this annual plan item was outside of NAESB's scope. Waivers for standards based on an entity's size should be addressed by FERC rather than through standards at NAESB.	3rd Q, 2008	SRS
g)	Investigate and review possible modifications to the WGQ Intraday Nominations, Confirmation Scheduling, and Gas Day standards, including possible standards for coordination of wholesale electric and wholesale gas scheduling. (R03031, R03031 revised, Interim Report, Final Report) Status: Completed The subcommittee reviewed the standards request and documentation developed by the Gas Electric Coordination Task Force and determined no additional work was required. The subcommittee approved a "no action" recommendation to close out this standards request.	3rd Q 2008	SRS
h)	Develop standards to allow for registered Market Operators to request changes to the Market Level profile of Implemented Interchange (R06006) Status: Not Started This request may be more of a clean-up in nature as it was requested in May 2006 but has not been addressed or presented as completed with the requisite documentation.	TBD	JISWG
i)	Modify the timing chart for the Western Interconnection in WEQBPS-006 to an initiation of manual time error at +/-5 seconds. (R06010) Status: Completed The BPS developed a No Action recommendation for this request since the scope of the request had been addressed through a minor correction in 3rd Quarter 2006.	3rd Q, 2008	BPS
j)	Develop a standard mechanism to implement a "RECALL" of transmission capacity from an existing confirmed transmission service reservation/Specify the technical requirements for implementation of a new OASIS request type, RECALL. (R07001) Status: Completed This request was originally assigned to the ESS/ITS in February 2007.	3rd Q, 2008	ESS/ITS
k)	Clarify the S&CP implementation of the DEFERRAL request. (R07003) Status: Completed This request was originally assigned to the ESS/ITS in February 2007.	3rd Q, 2008	ESS/ITS

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	Item Description	Completion[1]	Assignment[2]
l)	Develop business practice and technical standards for assigning, tracking, and limiting rollover rights. (R07004) Status: Completed This Standards Request was assigned to the ESS/ITS in February 2007.	3rd Q, 2008	ESS/ITS
m)	Update the Timing Table to Reflect the Categories (On-time, Late, After-the-fact, and Pre-late) used in the latest E-Tag Specification with respect to receipt of an Arranged Interchange (RFI). (R07007) Status: Not Started An update should be provided to the WEQ EC at its November 2008 meeting.	TBD	JISWG
n)	Consistent with ¶51 of FERC Order No. 890-A, add AFC and TFC values to the "System_Attribute" data element of the NAESB Standard WEQ-003: OASIS S&CP Data Dictionaries. (R08011) Status: Not Started This Standards Request was assigned to the ESS/ITS in May 2008.	TBD	ESS/ITS
o)	Provide for Enhanced Granularity for Public Utilities in Identifying Critical Operational Flow Orders. (R08020) Status: Not Started. This Standards Request was assigned to the BPS in August 2008.	TBD	BPS jointly with WGQ BPS

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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan with proposed revisions from Executive Committee as of May 13, 2008 and Subcommittee Leadership as of June 3, 2008

PROVISIONAL ITEMS

1 Develop and or modify business practices related to support of NERC effort on the NERC Resources and Transmission Adequacy and Inadvertent Interchange Data Standards BAL-006 revisions.

Status: In review of the NERC development effort, Balancing Authority Controls (Project 2007-05), with Mr. Akens (TVA, NERC Drafting Team Leader) and Mr. Rodriquez (NERC Manager, Business Practice Coordination), it was determined that no changes would be required to NAESB standards. As such, NAESB leadership is not at this time determining if any development would be undertaken, which would then initiate a joint development effort. A letter to this effect was sent to NERC management. This assessment may however change as the NERC drafting team proceeds further in its development, so the provisional item remains on the 2008 WEQ Annual Plan.

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

3 Develop business practice standards as related to the Effectiveness Study of Competitive Wholesale Markets (Congressional Mandate), Electric Energy Market Competition Task Force, Docket No. AD05-17-000, issued by the FERC on October 13, 2005.

4 Develop and/or maintain business practice standards to support gas-electric interdependencies

- Respond to requests as received that are related to Docket No. RM05-28-000.
- Respond directives related to the conclusions of the NAESB reports submitted in FERC Order No. 698, Docket Nos. RM05-5-001 and RM96-1-027.

5 Develop business practices for allocating capacity among requests received during a submittal window Order 890-A (Docket Nos. RM05-17-001, 002 and RM05-25-001, 002 - Paragraph 805).

6 Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards.

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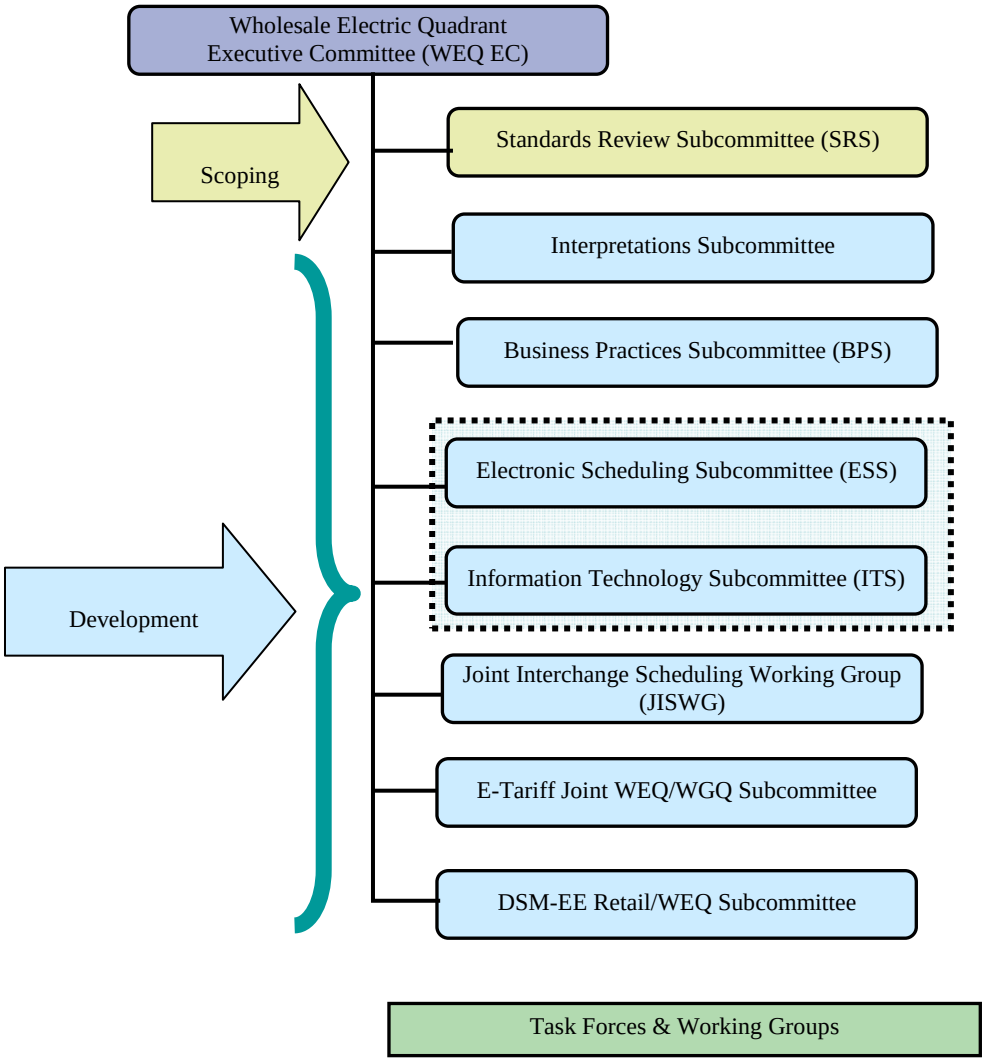

NAESB WEQ EC and Subcommittee Leadership:
Executive Committee: Kathy York (WEQ EC Chair) and Clay Norris (WEQ EC Vice Chair)
Standards Review Subcommittee: Narinder Saini, Ed Skiba
Interpretations Subcommittee: Robert Schwermann
Business Practices Subcommittee & Task Forces: Jim Busbin (TLR), Ed Skiba
Electronic Scheduling Subcommittee/Information Technology Subcommittee & Task Forces: Paul Sorenson, J.T. Wood, Marcie Otondo
Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger (NAESB), Jim Hansen (NERC)
e-Tariff Joint WEQ/WGQ Subcommittee (e-Tariff): Jane Daly (WEQ), Keith Sappenfield (WGQ)
DSM-EE Joint Retail/WEQ Subcommittee: Ruth Kiselewich and David Koogler (Retail), Roy True and Paul Wattles (WEQ)

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End Notes WEQ 2008 Annual Plan:

[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 to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

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

[3] For additional information, please see: http://www.naesb.org/pdf3/weq_bps100407w4.ppt for Phase II changes and http://www.naesb.org/pdf2/weq_bps070907w4.doc for Phase III changes.

[4] Joint Development Procedure is to be used by the NERC TLR Drafting Team and NAESB BPS.

[5] [5] For additional information, please see comments submitted by PJM and MISO for this Annual Plan Item: http://www.naesb.org/pdf3/weq_aplan102907w1.pdf.

[6] Joint Development Procedure is to be used by the NERC TLR Drafting Team and NAESB BPS.

[7] The June 1, 2008 dates included in this Annual Plan Item are assigned as a result of FERC extending deadlines to both NERC and NAESB on ATC related Order No. 890 items.

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October 1, 2008

TO: NAESB Membership
FROM: Michael Desselle, Chairman and Rae McQuade, President
RE: Recent Board Actions

Dear Members,

At our Board meeting last week, several actions were taken to improve the financial health of the organization, to increase the efficiency of standards development, and to address the issue of vacancies in segments as they impact Board and Executive Committee (EC) voting on items requiring super-majority votes.

First, the Board addressed the ongoing financial well being of the organization. Overall, in order to reach the desired degree of financial health and ability to respond to all appropriate challenges, the Board endorsed a three-prong approach, to fund some of the target through dues increases, some through increases in the prices for NAESB products for non-members, and some through aggressive growth targets in membership. As for the first prong, the Board unanimously endorsed an increase of the membership dues from $5000 to $6500, effective January 1, 2009. This action was taken to improve the financial well being of the organization with the recognition that NAESB continues to address standards development of an increasingly complex nature. Dues have not been raised since 1996; and to put this in perspective, the change in the dues amount represents a 1.9% increase over the years. Expenses will continue to be scrutinized to support the most cost effective means for standards development. In addressing the second prong and to reflect better the cycle cost of developing the standards, the fees for work products for non-members will see an increase as well, much more substantial in percentage terms. The costs to the non-members for these work products will still be subsidized by membership but not at the current level. In an effort to be more environmentally aware and to further reduce costs, the standards previously offered on paper media will now only be made available on electronic media instead. The third financial prong, membership, is being aggressively addressed by your Resources Committee, and ideally will be enhanced by expanded and increasingly sophisticated copyright protection for NAESB work product. The Board felt it was particularly important to follow these multiple avenues, rather than simply asking the existing membership to fund 100 percent of the target.

Second, the Board addressed a recommendation of a Board committee regarding the efficiency of standards development in NAESB. As we become more efficient, both the time spent developing standards and the related development cycle costs to NAESB and all of its volunteers will be reduced. The policy was unanimously endorsed by the Parliamentary Committee, the Managing Committee and the Board itself; and can be found at the following link: http://www.naesb.org/pdf3/bd092508a2.doc.

Third, the Board addressed the issue of Board or EC vacancies impacting the super majority voting provisions for standards adoption at the EC level and governance issues at the Board level. Changes were made to the NAESB Certificate and Bylaws and can be reviewed at the following links: certificate redlined changes (http://www.naesb.org/pdf3/parliamentary090908a1.doc) and bylaws redlined changes (http://www.naesb.org/pdf3/parliamentary090908a2.doc). The proposed changes were driven by unanimous recommendations of the Board Committee that proposed the standards efficiency proposals, and were unanimously endorsed by the Parliamentary Committee and the Managing Committee. The changes were also were unanimously supported by those Board members present or returning notational ballots. The notational balloting period is still open, but we have received no negative votes to date. After the notational balloting period concludes, should both the certificate and bylaws changes be approved, the certificate will require membership ratification before the changes can take effect.

As you can see, the September 25th Board meeting was important on many levels – offering changes to our governance documents to improve the timely decision making of both the Board and EC, improving the efficiency of the standards development process, and taking steps to secure the financial well being of our organization.

NAESB is a member-driven organization, and your participation and membership is crucial to our credibility and the applicability of our work products. We want to thank the Board for taking these steps to make us a stronger organization. As important, we thank you as our members for providing the foundation, and then the guidance from which to build standards helpful to the industry.

With Best Regards,

Michael D. Desselle
Chairman, NAESB

Rae McQuade
President, NAESB

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NAESB Policy on Efficient Standards Development

NAESB is an American National Standards Institute accredited member-driven organization who purpose is to develop voluntary standards through a consensus-based process. The organization encourages broad based participation in an open and balanced standards development process to ensure that the standards are applicable and representative of the industry.

While segment blocks[1] play an important role in protecting the interests of a market segment and protecting the interests of a minority position, it is the hope of the Board of Directors that segment blocks are rare, minimized and not a part of a routinely used strategy for voting. If a segment block is inevitable, it should be determined quickly and processed quickly. Where segment blocks may occur due to the controversial nature of the standards development that may indicate unresolved policy issues, steps should be taken to expedite the definitive determination of opposition and if progress could be made through a variety of actions. Should it be determined that consensus is not possible, then a decision can be made so that resources can be more effectively applied to other development efforts. Below are four actions that may be taken to increase standards development efficiency and to obtain decisions quickly when it may be difficult to achieve support from all segments in a given standards development project:

- For controversial and high visibility projects, the board may establish timelines at the outset for the entire project in more detail than just the date provided for the annual plan entry.
- For controversial or high visibility projects, EC leadership or the Executive Director may request of the Managing Committee, that facilitators be engaged at the onset to support the standards development process.
- When the Executive Committee leadership determines that a single segment block is expected and this is communicated to the Managing Committee or the board, all board members of the relevant quadrant will be contacted to determine if steps can be taken that would prevent a single segment block. The board may establish timelines to ensure the effective use of resources.
- FERC staff or other applicable regulatory staff assistance shall be requested only by the Managing Committee if needed to overcome technical questions that are impeding the progress of subcommittees in standards development efforts.

[1] Segment block refers to the inability of a segment of the EC to achieve the 40% affirmative vote for a standard action to be approved (see Article V, § 4 of the NAESB Certificate of Incorporation and Article 2, § 2.3 of the NAESB Bylaws).

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via posting and email

TO:	NAESB Wholesale Electric Quadrant (WEQ) Members
cc:	NAESB Managing Committee
FROM:	Rae McQuade
RE:	Results of Notational Ballot for WEQ Members Regarding Subsegment Designations for the Independent Grid Operator/Planner (IGO) Segment
DATE:	October 21, 2008

Dear NAESB WEQ Members:

On October 1, the WEQ Leadership Committee met, and by unanimous agreement determined that the IGO segment has fulfilled its requirement in addressing the establishment of subsegments. The notes of that meeting may be found at the following link: http://www.naesb.org/pdf3/weq_leadership100108notes.doc. The IGO segment members also unanimously supported the determination that no IGO subsegments will be established at this time. A ballot was sent out on October 3 to determine the support level of the WEQ membership.

In compliance with the procedures outlined in §2.4 of the NAESB WEQ Procedures[1], the IGO segment was unanimous in its support that no subsegments were needed at this time for the IGO segment, which exceeds the 75% affirmative vote threshold. To satisfy the second portion of §2.4, a ballot was sent to all WEQ members. Thirty-one ballots were returned, 100% of which were affirmative, which also exceeds the 67% affirmative vote threshold.

For context, the voting record of those in attendance at the WEQ Leadership meeting can be found on page 2. The WEQ members eligible to vote on this issue can be found on pages 3-7. Please feel free to call the NAESB office if you have any difficulty retrieving any of this information or need additional assistance.

Best Regards,

Rae McQuade

cc: Bill Boswell, General Counsel for NAESB

[1] §2.4 of the NAESB WEQ Procedures, which can be accessed from the following link - http://www.naesb.org/pdf/weq_quadrant_procedures.doc, notes that *"Changes to Sub-Segments require a 75% affirmative vote of the WEQ Membership from that Segment of which that Sub-Segment is a part and a 67% affirmative vote of the WEQ Membership as a whole. In both cases, the percentages are calculated based on those members who return ballots." As indicated, we have already gained the 75% affirmative vote from the IGO segment.*"

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Voting Record of the NAESB WEQ Leadership Meeting – October 1, 2008

Name	Organization	Vote
Jonathan Booe	NAESB	
Bill Boswell	NAESB General Counsel	
Jack Cashin	Electric Power Supply Association	Y
Jim Castle	New York Independent System Operator, Inc.	Y
Valerie Crockett	Tennessee Valley Authority	Y
Edward Davis	Entergy Services, Inc.	Y
Michael Desselle	Southwest Power Pool	Y
Bruce Ellsworth	New York State Reliability Council	Y
Cory Galik	NAESB	
Bill Gallagher	Vermont Public Power Supply Authority	Y
Kevin Kirby	ISO New England, Inc.	Y
John Lucas	Southern Company Transmission	Y
Paul Maquerly		
Robert Martinko	FirstEnergy Service Company	Y
Rae McQuade	NAESB	
Michelle Mizumori	Western Electricity Coordinating Council	Y
Lou Oberski	Dominion Resources Services, Inc.	Y
Bill Phillips	Midwest ISO	Y
Denise Rager	NAESB	
Henry Ren for Diana Pommen	Alberta Electric System Operator	
Andy Rodriquez	North American Electric Reliability Corporation	Y
Kent Saathoff	Electric Reliability Council of Texas	Y
Ed Skiba	Midwest ISO	Y
Jim Templeton	Comprehensive Energy Services	Y
Charles Yeung	Southwest Power Pool	Y
Kathy York	Tennessee Valley Authority	Y

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NAESB WEQ Members Eligible to Cast a Notational Ballot as of October 2, 2008

Vote	Organization	Contact[2]	Segment	Sub-Seg
	ACES Power Marketing LLC	Roy J. True	m	muni
Y	Alberta Electric System Operator	Diana Pommen	i	
	Ameren Services	Shawn Schukar	m	iou
	American Electric Power Service Corp.	B Radous, J Hartsoe, P Cox	d	iou
Y	American Municipal Power - Ohio, Inc.	Mack Thompson, Chris Norton	d	muni
	American Public Power Association	Allen Mosher	d	muni
	American Transmission Company LLC	Flora Flygt, Kati Janu	t	itc
Y	APS Marketing and Trading	Steve Norris	m	iou
Y	Arizona Public Service Company	Mark W. Hackney	t	iou
	Basin Electric Power Cooperative	Dan Klempel	t	muni
	Basin Electric Power Cooperative	David Raatz	m	muni
	Basin Electric Power Cooperative	Jason Doerr	g	muni
Y	Black Hills Corporation	Larry D. Williamson	t	iou
Y	Bonneville Power Administration	Sydney D. Berwager	d	other
Y	Bonneville Power Administration	Francis Halpin	g	fed
Y	Bonneville Power Administration	Brenda Anderson	m	fed
Y	Bonneville Power Administration	Barbara Rehman	t	fed
	BP America Inc.	Jeanne Zaiontz	e	lind
	British Columbia Transmission Corporation	Rohan Soulsby	t	fed
	California Department of Water Resources	William (Bill) Forsythe	g	fed
Y	California ISO	Yakout Mansour	i	
	Central Electric Power Cooperative	Arthur Fusco	d	muni
	Cleco Power, LLC	Cindy Guillot	t	iou
	Comprehensive Energy Services	Jim Templeton	e	end use
	Conectiv Energy Supply, Inc.	Gloria Ogenyi	g	merc
	Consolidated Edison Company of New York, Inc.	Scott Butler	t	iou
	Consumers Energy Company	Andrew C. Dotterweich, Frank Johnson	d	iou
	Dairyland Power Cooperative	Chuck Callies	t	muni
	Deseret Power Electric Co-op	Curt Winterfeld	g	muni
	Dominion Energy Marketing, Inc.	Lou Oberski, Jalal Babik	g	iou
	Duke Energy Americas, LLC (DEA)	Walt Yeager	g	iou
Y	Duke Energy Corp.	Alan Pritchard	d	iou
	Dynegy Power Marketing, Inc.	Barry Huddleston	g	merc
	Edison Electric Institute	D Owens, D Dworzak, J Fama	n	
	Edison Mission Marketing & Trading, Inc.	William Roberts	g	merc

[2] If more than one contact is provided for a given member company within a segment and sub-segment, only one of the contacts is permitted to cast a notational ballot.

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NAESB WEQ Members Eligible to Cast a Notational Ballot as of October 2, 2008

Vote	Organization	Contact[2]	Segment	Sub-Seg
	Electric Power Supply Association	Jack Cashin	m	at large
	Electric Reliability Council of Texas (ERCOT)	Bill Blevins	i	
	ElectriCities of North Carolina	Gregory Locke	g	muni
	Empire District Electric Company, The	Bary K. Warren	t	iou
	Energy East Management Corporation	Mark Marini	t	iou
	Entegra Power Group, LLC	Rebecca Turner	g	merc
Y	Entergy Services, Inc.	Edward J. Davis, Narinder Saini	t	iou
	Exelon Corporation - PECO Energy	John McCawley	d	iou
	Exelon Generation - Power Team	Jack Crowley	m	iou
	ExxonMobil Gas Marketing	Kerrie Anne Lanigan	e	sgen
	First Energy Service Company	Robert M. Martinko, Thomas C. Burgess	d	iou
	FirstEnergy Solutions Corp.	Mark Travaglianti	m	iou
	Florida Municipal Power Agency	Robert C. Williams	g	muni
	Florida Municipal Power Agency	Steven H. McElhaney	d	muni
	Florida Power & Light Company	Gerry Yupp, Tim Gerrish	m	iou
	Florida Power & Light Company	Marty Mennes	t	iou
	Georgia Transmission Corporation	Patrick McGovern	t	muni
	Hydro One Networks	Mark Graham	t	itc
	Hydro – Quebec Transenergie	Victor Bissonnette	t	fed
	Idaho Power Company	Tessia Park	t	iou
	Imperial Irrigation District	Kim M. Kiener, Frank M. Barbera	m	muni
Y	Independent Electricity System Operator (IESO)	Ron Falsetti, Biju Gopi	i	
	Indiana Municipal Power Agency	Dick Foltz	g	muni
Y	ISO New England, Inc.	Matthew F. Goldberg	i	
	Lincoln Electric System	Douglas Bantam	g	muni
	Luminant	Mike Grim	m	niou
	Michigan Public Power Agency	James R. Nickel, Daniel E. Cooper	d	muni
	MidAmerican Energy Company	Dennis Kimm	m	iou
Y	Midwest Independent Transmission System Operator	William (Bill) Phillips, Ed Skiba	i	
	Midwest Reliability Organization	Shel Berg	t	at large
	Missouri River Energy Services	Brian Zavesky	d	muni
	Modesto Irrigation District	Roger Van Hoy	t	muni
	NARUC	Lou Ann Westerfield	e	reg
	National Grid	Edward M. Kremzier	t	iou
	National Rural Electric Cooperative Assoc.	Barry Lawson	d	muni/coop
	Navigant Consulting, Inc.	Richard G. Smead	m	at large
Y	New York Independent System Operator (NYISO)	Rana Mukerji	i	

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Vote	Organization	Contact[2]	Segment	Sub-Seg
	New York State Dept. of Public Service	William Heinrich	e	reg
	New York State Reliability Council	P. Donald Raymond	d	at large
	North American Electric Reliability Corporation	D. Benjamin, Larry Kezele, Tom Vandervort	d	at large
	North Carolina Electric Membership Corporation	David Beam	d	muni
	North Carolina Electric Municipal Power Agency #1	Clay A. Norris	m	muni
	North Carolina Electric Municipal Power Agency #1	Matt Schull	d	muni
	Northeast Utilities Service Company	David Boguslawski, Calvin A. Bowie	t	iou
	Northwestern Corporation	Mike Cashell	t	iou
	NRG Energy, Inc.	Jennifer J. Vosburg, Alan Johnson	g	niou
	NV Energy	Sheryl Torrey	m	iou
	NV Energy, Inc.	Patricia Englin	t	iou
	Ontario Power Generation	Colin Anderson, David Barr	g	merc
Y	Open Access Technology International, Inc.	Michehl Gent	e	at large
Y	Open Access Technology International, Inc.	Paul R. Sorenson	t	at large
	Otter Tail Power Company	Daryl Hanson, Larry Larson	t	iou
Y	PacifiCorp	Edison G. Elizeh, John Apperson	m	iou
	PacifiCorp	Greg Maxfield	g	iou
	PacifiCorp	Shay Labray	t	iou
	PHI Power Delivery	Ken Gates	t	iou
Y	PJM Interconnection	Patrick Brown	i	
	Portland General Electric	John Jamieson	m	iou
	Portland General Electric	Frank Afranji	t	iou
	Powerex Corp	Michael L McWilliams, Sharole Tylor	m	fed
	PowerSouth Energy Cooperative	William Ronald Graham	d	muni
	PPL Electric Utilities Corporation	Ray Mammarella	t	iou
	Progress Energy (Regulated)	James Eckelkamp	m	iou
	Progress Energy	Phillip W. Lewis	t	iou
	PSEG Power LLC	Thomas M. Piascik	g	merc
	PSEG Energy Resources and Trade LLC	James D. Hebson	m	iou
	Public Power Council Inc.	Nancy Baker	d	muni
	Public Service Company of New Mexico	Steven Maestas	m	iou
	Public Service Electric and Gas Company	Jeffrey C. Mueller	d	iou
	Public Service Electric and Gas Company	Kenneth D. Brown	t	iou
Y	Puget Sound Energy, Inc.	George Marshall, Bob Harshbarger	t	iou
	Qualedi, Inc.	Stephen A. Morocco	g	at large
	Reliant Energy Services	Gary A. Hinners	g	merc
	Sacramento Municipal Utility District	W. Shannon Black	d	muni

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Vote	Organization	Contact[2]	Segment	Sub-Seg
Y	SRP Agricultural Improvement and Power District	Steve Cobb	t	fed
Y	SRP Agricultural improvement and Power District	Mark S. Mitchell	m	fed
	San Diego Gas & Electric Company	Patricia vanMidde	t	iou
	Santee Cooper	Tom Abrams	t	fed
	Seattle City Light	Marilynn Semro	d	muni
	Seminole Electric Cooperative, Inc.	Steve Wallace	m	muni
	Shell Energy America (US), L.P.	Robert Reilley, Paul Kerr	m	niou
	South Carolina Electric & Gas Company	S. Porcher Stoney	t	iou
	South Carolina Electric & Gas Company	Kevin Spitzform	m	iou
	Southeastern Power Administration	Bob Goss	g	fed
	Southern California Edison	Weston Williams	t	iou
	Southern California Edison Co.	Tracy Bibb	g	iou
	Southern Company Services, Inc.	Gary Rozier, Greg Butrus	d	iou
	Southern Company Services, Inc.	John Ciza	g	iou
	Southern Company Services, Inc.	Joel Dison	m	iou
	Southern Company Services, Inc.	R.D. Ulch, J Lucas, JT Wood, J. Busbin	t	iou
Y	Southwest Power Pool	Carl Monroe, Michael Desselle	i	
	Southwest Transmission Cooperative, Inc.	Larry D. Huff	t	muni
	Southwestern Power Administration	Tracey Stewart	t	fed
	SUEZ Energy Marketing NA, Inc.	Ken Lackey, Cesar Seymour	m	niou
	Sungard	Andrew Tritch	e	at large
	Tampa Electric Company	Gail M. McKaig	m	iou
	Tenaska, Inc.	Scott Helyer	g	merc
Y	Tennessee Valley Authority	Cindy Herron, Dianne H. Nunez	d	other
Y	Tennessee Valley Authority	Kathy York	g	fed
Y	Tennessee Valley Authority	Belinda Thornton	m	fed
Y	Tennessee Valley Authority	Chuck Feagans	t	fed
	TranServ International, Inc.	Kevin Burns	i	
	Tri-State Generation &Transmission Association, Inc.	Keith V. Carman	t	muni
	Tri-State G&T Association, Inc.	Lisa Tiffin	g	muni
	Tucson Electric Power Company	Raquel Aguilar, Judy Fregoso, Ed Beck	t	iou
Y	Vermont Public Power Supply Authority	William J. Gallagher	g	muni
Y	Westar Energy, Inc.	Shah Hossain	g	iou
	Western Area Power Administration	JB Hite	t	fed
	Western Area Power Administration	Jeffrey Ackerman	m	fed
Y	Western Electricity Coordinating Council	Michelle Mizumori, Louise McCarren	t	at large
	We Energies (Wisconsin Electric)	Linda Horn	d	iou
	We Energies (Wisconsin Electric)	James R. Keller	g	iou

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NAESB WEQ Members Eligible to Cast a Notational Ballot as of October 2, 2008

Vote	Organization	Contact[2]	Segment	Sub-Seg
	Wisconsin Public Power, Inc.	Mike Stuart	d	muni
	Wisconsin Public Service Corporation	T Webb, C Severance, N Balu	g	iou
	Xcel Energy Inc.	David Lemmons	m	iou

The subsegments noted in the above roster are:

- At-Large -- Regional reliability organizations, regional transmission organizations, consultants, service companies, information services and software companies, law firms, and other such organizations that are not specifically encompassed in the other subsegments for a given segment.
- Competitive Retailer (not available to MUNI/COOP, IOU or IOU affiliates)
- End Use (also in another segment)
- Federal/State/Provincial
- IOU – Investor Owned Utility or IOU Affiliated
- ITC – Independent Transmission Company
- Large Industrials (not in other segments)
- Merchant
- Muni/Coop – Municipals, Cooperatives
- Not IOU Affiliated
- OTHER -- (not available to MUNI/COOP, IOU or IOU affiliates)
- Regulator
- Residential/Commercial
- End Use (Self Generation)

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

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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on October 20, 2008

	Item Description	Completion[1]	Assignment[2]
Damage Reporting for Natural Gas Pipeline Facilities			
1	Review and develop standards as appropriate to support posting of information as noted in Docket No. RM06-18-000, Order No. 682 and Docket No. RM06-18-001, Order No. 682-A. Review transmission line damage reporting to identify commonality and apply as appropriate. Status: Underway	4th Q 2008	BPS
Electronic Delivery Mechanisms and Related Activities			
2	Develop or amend WGQ technical standards, as appropriate, to address to the DoE Sandia National Laboratories 2006 surety assessment findings and recommendations. Status: Completed	1st Q, 2008	BPS/EDM
Contracts Activities			
3	Update ISDA Gas Annex to correspond to the updated NAESB Base Contract for Sale and Purchase of Sale of Natural Gas, dated September 5, 2006. Status: Underway.	4th Q, 2008	Contracts
	a. Revise the Trading Partner Agreement TPA by removing the Exhibits from the agreement and relegate such information as contained in the Exhibits to operational worksheet(s), (R08015). Status: Not Started	1st Q, 2009	Joint Retail/WGQ Contracts
Gas-Electric Interdependency			
4	Respond to directives of FERC Order No. 698 issued 6-25-07, Docket Nos. RM05-5-001 and RM96-1-027 as related to the NAESB reports submitted in Docket No. RM05-28-000:		
	a. ¶ 56 of Order No. 698: "… Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently." (emphasis added)		
	i.) Develop business practice standards to address the threshold questions of ¶ 56 of Order No. 698: Status: Completed	2nd Q, 2008	BPS
	ii.) Prepare fully staffed recommendation Status: In Progress.	4th Q, 2008	BPS, IR/Tech
	b. ¶ 63 of Order No. 698: "The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility."(emphasis added)		

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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on October 20, 2008

		Item Description	Completion[1]	Assignment[2]
	i.)	Develop business practice standards to address the threshold questions of ¶ 63 of Order No. 698:	2nd Q, 2008	BPS
		Status: Completed		
	ii.)	Prepare fully staffed recommendation	2nd Q, 2008	BPS, IR/Tech
		Status: Completed		
c.		¶ 69 of Order No. 698: "As we stated in the NOPR, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations. However, within the confines of current Commission policy, NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers, and provide better provide for coordination between gas and electric scheduling. In addition, the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere..."(emphasis added)		
	i.)	Develop business practice standards to address the threshold questions of ¶ 69 of Order No. 698:	2nd Q, 2008	BPS
		Status: Completed		
	ii.)	Prepare fully staffed recommendation	2nd Q, 2008	BPS
		Status: Completed		
Capacity Release				
5		Review capacity release transactions upload and related responses to determine suitability for EDI.		
a.		Develop business practice standards	1st Q, 2009	BPS
		Status: Not Started		
b.		Prepare fully staffed recommendation	TBD	BPS, IR/Tech
		Status: Not Started		
Review and develop business practices standards to support e-Tariff program				
6		Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. (Docket No RM05-1-000)	1st Q, 2008	Joint WEQ/WGQ e-Tariff
		Status: Complete		
Customer Security Administration				
7		Review and develop standards as appropriate to support Customer Security Administration Standards (Comment Submittal, 10-29-07)	2009	BPS
		Status: Not started, action pending submittal of request and process for request assignment.		

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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on October 20, 2008

	Item Description	Completion[1]	Assignment[2]
Gas Quality Reporting			
8	Respond to directives of FERC Docket No. RP07-504-000: ¶ 10 "… develop a uniform set of standards regarding the posting of rapidly changing gas quality information applicable to those pipelines which are required by their tariffs to do so." (Docket No. RP07-504-000) Status: Underway	4th Q, 2008	BPS
Promotion of a More Efficient Capacity Release Market			
9	Review FERC Order No. 712 and modify NAESB standards (Docket No. RM08-1-000) Status: Underway.	1st Q, 2009	BPS
Program of Standards Maintenance & Fully Staffed Standards Work			
	Business Practice Requests	Ongoing	Assigned by the EC[3]
	Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI X12 Subcommittee
	Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC[4]
	Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC[4]
	Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC[4]
Provisional Activities			
	Respond to requests as received that are related to Docket No. AD06-11-000 (Market Transparency Reporting).		

Notes: (a) Priority is given to action items that are carry-overs from the 2007 Annual Plan.
(b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

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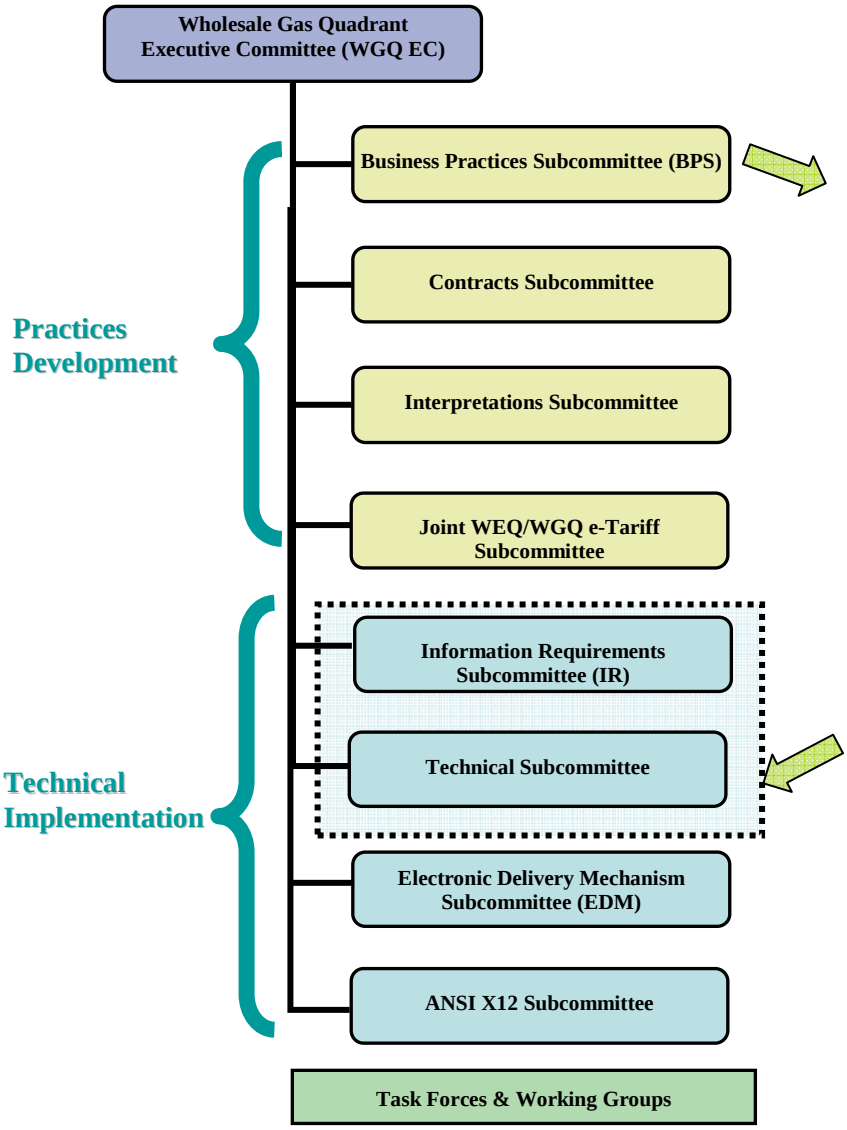

The translation of business practices to usable uniform business transactions is accomplished through the definition of information requirements for the data, and mapping of that data into specific electronic transactions. This translation is performed by IR and Technical subcommittees and completes the standards development process, often referred to as "full staffing." Both IR and Technical work in tandem to complete this crucial technical implementation activity. Until these steps have been completed, the process is incomplete, and in many cases, the business practices cannot be used.

NAESB 2008 WGQ EC and Subcommittee Leadership:

Executive Committee: Jim Buccigross, Chair and Mike Novak, Vice-Chair
Business Practices Subcommittee: Kim Van Pelt, Valerie Crockett, Dolores Chezar and Richard Smith
Information Requirements Subcommittee: Dale Davis
Technical Subcommittee: Kim Van Pelt
Contracts Subcommittee: Keith Sappenfield
Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden
Interpretations Subcommittee: Paul Love
Joint WEQ/WGQ e-Tariff Subcommittee: Keith Sappenfield, Jane Daly

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End Notes WGQ 2008 Annual Plan:

[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 to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

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

[3] The EC assigns maintenance of existing standards on a request-by-request basis.

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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS
Adopted by the NAESB Board of Directors on October 20, 2008

	Item Number & Description[1]	Completion[2]	Assignment[3]
1	Electronic Retail Billing.		
	Develop Technical Electronic Implementation Standards – Electronic Retail Billing	4th Q, 2008	TEIS
	Status: Underway		
2	Customer Enrollment, Drop and Account Information Change including Using a Registration Agent		
	a. Develop information requirements for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.	3rd Q, 2008	IR
	Status: Completed		
	b. Develop Technical Electronic Implementation Standards – Customer Enrollment, Drop and Account Information Change,	3rd Q, 2008	TEIS
	Status: Completed		
3	Customer Enrollment, Drop and Account Information Change Using a Registration Agent		
	Develop practices when using a Registration Agent for submitting and receiving, processing and fulfilling a Customer's request to enroll with or leave a Supplier (including Suppliers dropping Customers) and for maintaining current Customer account information, and for notifying affected parties.		
	i) Customer Enrollment	4th Q 2007	Texas Task Force/ BPS
	Status: Completed		
	ii) Customer Drop	1st Q 2008	Texas Task Force/ BPS
	Status: Completed		
	iii) Account Information Change	1st Q 2008	Texas Task Force/ BPS
	Status: Completed		
	iv) ESI ID Setup	4th Q 2008	Texas Task Force/ BPS
	Status: Underway		
	v) ESI ID Change	4th Q 2008	Texas Task Force/ BPS
	Status: Underway		
4	Review and Discuss application of any other existing model business practices for the Registration Agent model	3rd Q 2008	BPS
	Status: Completed		
5	Customer Inquiries		
	a. Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	4th Q 2008	Texas Task Force/BPS
	Status: Not Started		
6	Develop NAESB Certification checklist criteria for Retail Quadrants to be used in the	2009	TEIS

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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS
Adopted by the NAESB Board of Directors on October 20, 2008

	Item Number & Description[1]	Completion[2]	Assignment[3]
	NAESB Certification Program. Status: Not Started. Dependent upon publication of Version 1.1 at a minimum, but more dependent upon completion of Customer Choice efforts.		
7	Address issues raised in the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations. Status: Completed	1st Q 2008	TEIS
8	Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs. This effort will include demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program. Status: Underway	2008	Joint WEQ/Retail DSM Subcommittee
	a. Develop matrix and business practice standards for measurement and verification for demand response programs in ISO/RTO footprint areas. Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM Subcommittee
	b. Develop matrix and business practice standards for measurement and verification for demand response programs in non-ISO/RTO footprint areas. Status: Underway	TBD	Joint WEQ/Retail DSM Subcommittee
	c. Develop preamble for business practice standards for measurement and verification for demand response and energy efficiency programs. Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM Subcommittee
	d. Develop glossary for business practice standards Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM Subcommittee
	e. Support retail development of matrix and model business practice standards for measurement and verification for demand response programs Status: Underway	4th Q, 2008	Joint WEQ/Retail DSM Subcommittee
	f. Develop business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard. Status: Not Started	Phase 2	Joint WEQ/Retail DSM Subcommittee
	g. Develop business practice standards to factor Demand Control and Energy Efficiency programs into reliability / supply decisions at the wholesale level for generation and transmission planning and operations. Status: Not Started.	Phase 2	Joint WEQ/Retail DSM Subcommittee
	h. Develop business practice standards to support cap and trade programs for green house gas. Status: Not Started.	Phase 2	Joint WEQ/Retail DSM Subcommittee

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Item Number & Description[1]	Completion[2]	Assignment[3]
Program of Standards Maintenance & Fully Staffed Standards Work[4]		
Business Practice Requests	Ongoing	Assigned by the EC
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary

Provisional Activities

Joint Effort:

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

Modify TPA as necessary.

Review security standards as may be deemed necessary, such as Public Key Infrastructure (PKI).

Review existing body of model business practices for consistency and develop or modify model business practices as needed.

Retail Electric Quadrant Effort Only:

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

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

Retail Gas Quadrant Effort Only:

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

Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market.

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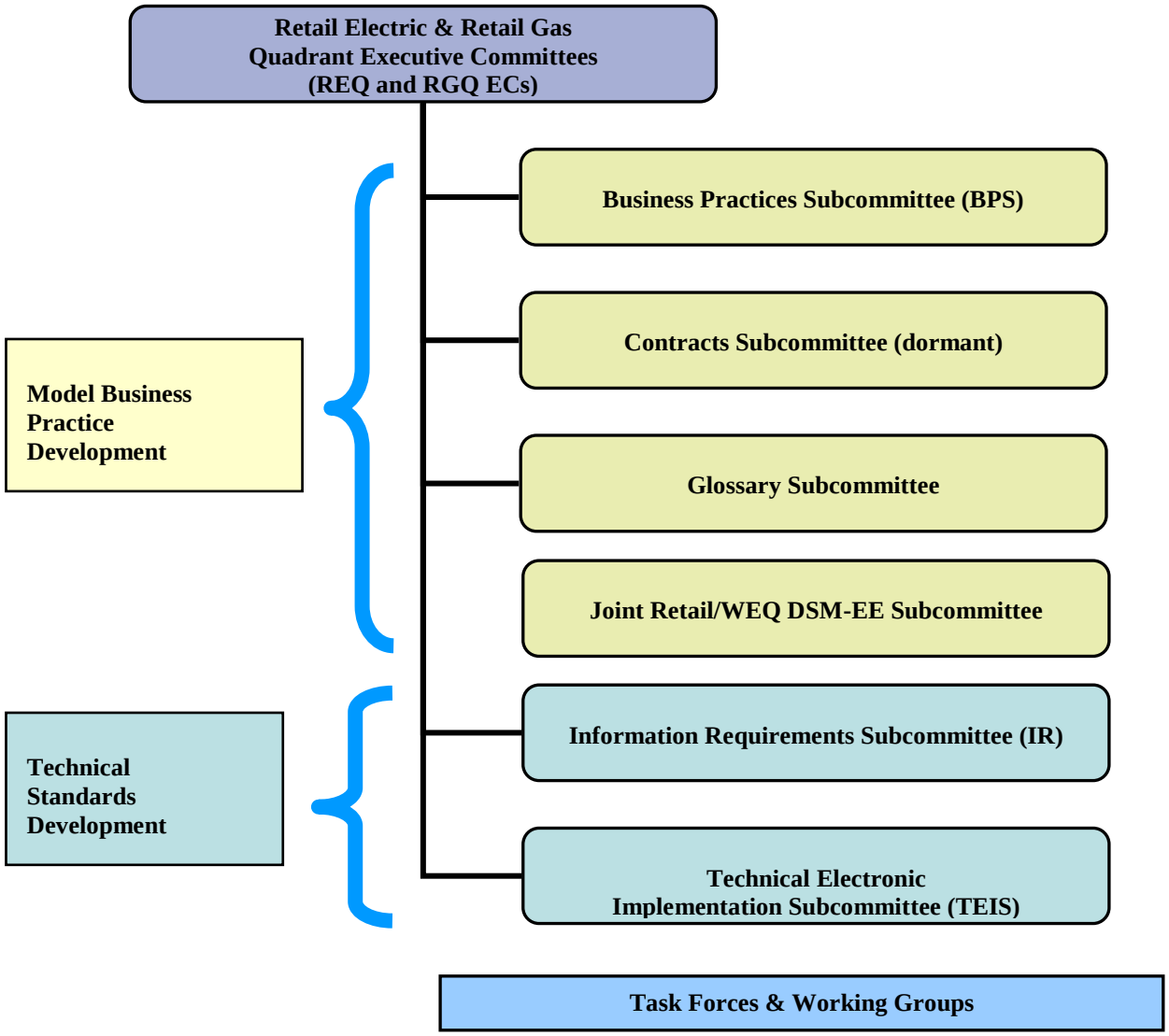

NAESB Retail Subcommittee Leadership: [5]

Executive Committee: Mike Novak, Chair (RGQ), Ruth Kiselewich, Chair (REQ)
Business Practices Subcommittee: Phil Precht (RGQ), Mary Edwards and Dan Jones (REQ)
Information Requirements Subcommittee: Jennifer Teel (REQ)
Technical Electronic Implementation Subcommittee: Dan Rothfuss (RGQ)
Glossary Subcommittee: Don Sytsma (RGQ), Mary Edwards and Patrick Eynon (REQ)
DSM-EE Subcommittee: Ruth Kiselewich, David Koogler (REQ), Roy True (WEQ), Paul Wattles (WEQ)

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End Notes Retail Plan:

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

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

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

[4] This work is considered routine maintenance and thus the items are not separately numbered. The REQ and RGQ ECs will assign maintenance efforts on a request-by-request basis.

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

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August 29, 2008
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20585

RE: Standards for Business Practices of Public Utilities (Docket No. RM 05-5 et al)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") herewith submits this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding NAESB's activities from October 2007 to August 2008 with respect to the adoption of Version 002 of the NAESB Wholesale Electric Quadrant ("WEQ") standards. The NAESB WEQ Version 002 standards have been approved by the WEQ Executive Committee and will be published on September 30, 2008 and are provided herein. A supplemental report will be submitted to complete the ratification section on September 30, 2008. An executive summary of the changes which resulted in Version 002 is included in the attached report, along with a list of the standards that were created or modified as part of Version 002. Two minor corrections are applied to Version 002 and are also included in this filing. The remainder of the NAESB business practices under development or planned in response to FERC Order No. 890 will be filed separately, in subsequent versions once complete. Reference to these standards development activities is included in the Version Summary.

The standards in this submittal include modifications of existing standards or new standards to support FERC Order No. 890, FERC Order No. 890-A and FERC Order No. 890-B, including the standards to support conditional firm service which have a deadline of August 29, 2008[1]. The NAESB business practices related to Available Transfer Capability ("ATC"), with the exception of the standards to support the North American Electric Reliability Corporation ("NERC") Capacity Benefit Margin ("CBM") standards and the ATC Information List standard, have a November 27, 2008[2] deadline and are included in this filing. The NAESB business practices related to the CBM standards will be submitted to the Commission on or before February 19, 2009, as requested in a recent issuance from FERC[3]. In addition, several of the FERC Order No. 890 non-deadline related standards, a maintenance item related to the Manual Time Error Corrections standards (WEQ-006), and an interpretation of the Gas/Electric Coordination standards (WEQ-011) are included in this submission.

The development efforts in NAESB reflect the work of multiple market interests. In addition, the NAESB WEQ has worked in close coordination with the North American Electric Reliability Corporation ("NERC") on business practice standards that are complementary to NERC reliability standards so that the standards for both organizations

[1] FERC Notice of Extension of Time to the North American Energy Standards Board (NAESB), Docket Nos. RM05-25-001, RM05-25-002, RM05-17-001 and RM05-17-002 (July 8, 2008).
[2] FERC Notice of Extension of Time to the North Electric Reliability Corporation (NERC), Docket Nos. RM05-25-000 and RM05-17-000 (April 29, 2008).
[3] *Id.*

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remain in lock-step for consistency in the wholesale electric industry. The intra-organization collaborations are not only permitted in the NAESB process, but strongly encouraged – to provide an environment in which standards development has a more diverse vetting in the industry and a resulting broader application.

Some of the standards development activity undertaken that produced Version 002 had considerable industry debate before an agreement was reached on the level of standardization needed and the actual text of the standards themselves. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move towards consensus.

All requests for new standards or modifications of existing standards and requests for interpretation are posted on the NAESB home page. All work papers and recommendations from subcommittees and task forces regarding the requests are also posted on the NAESB home page (www.naesb.org). Participation in the task forces and subcommittees, where requests are addressed and recommended standards are formulated, is open to any interested party regardless of membership. Should a participant be unable to attend a meeting where a request of interest is discussed, the party may prepare written comments, which will be posted as work papers for the subcommittee or task force.

The Executive Committee meetings where these standards were discussed and adopted took place from November 2007 to August 2008. The minutes of these meetings are provided as links, which include the voting records of the Executive Committee. The ratification ballots and member ratification voting record results are also included as links. All comments that were filed on the standards as part of the NAESB formal comment period are also included as links.

The cover letter, report and enclosures are being filed electronically as a single document in Adobe Acrobat® Print Document Format (.pdf), and each enclosure is bookmarked separately. The cover letter, report and enclosures are also provided in Microsoft Word 2003 format. The filing is 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 (www.naesb.org) should you have any questions or need additional information regarding the NAESB WEQ Version 002 standards.

Respectfully submitted,

Rae McQuade

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

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cc without enclosures: Chairman Joseph Kelliher, Federal Energy Regulatory Commission
Commissioner Suedeen Kelly, Federal Energy Regulatory Commission
Commissioner Philip D. Moeller, Federal Energy Regulatory Commission
Commissioner Marc Spitzer, Federal Energy Regulatory Commission
Commissioner Jon Wellinghoff, Federal Energy Regulatory Commission
Mr. Shelton Cannon, Director of Energy Market Regulations, Federal Energy Regulatory Commission
Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission
Ms. Cynthia Marlette, General Counsel of the Commission, Federal Energy Regulatory Commission
Mr. Ryan Irwin, Office of Energy Market Regulation, Federal Energy Regulatory Commission
Mr. W. Mason Emnett, Office of General Counsel - Energy Markets, Federal Energy Regulatory Commission

Mr. Michael Desselle, Chairman and CEO, North American Energy Standards Board
Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. David Cook, General Counsel, North American Electric Reliability Corporation
Mr. Andrew Rodriquez, North American Electric Reliability Corporation

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

Appendix A	Executive Committee Meeting Minutes, Comments and Voting Records Links
Appendix B	Ratification Ballots and Results Links
Appendix C	List of Available Meeting Transcripts
Appendix D	Cross Reference of Standards Adopted in Version 001 to FERC actions on those standards
Appendix E	NAESB Process for Standards Development
Appendix F	Order 890 Plan and Status of Items
Appendix G	WEQ Annual Plan

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Standards for Business Practices and	**)**	**Docket No. RM 05-17-000**
Communication Protocols for Public Utilities	**)**	**Docket No. RM 05-5-000**

REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report in accordance with the Commission's Order Nos. 890, No. 890-A and 890-B[4] in the above referenced docket, as well as Order 676[5]. The report includes a summary of the changes that resulted in Version 002 of the wholesale electric quadrant standards, along with a list of the standards that were created or modified as part of Version 002 -- cross–referenced both by request number and by version. The standards can be downloaded from the NAESB home page (www.naesb.org).

In January 2002, the Gas Industry Standards Board ("GISB") became the Wholesale Gas Quadrant (WGQ) of NAESB and three other quadrants were formed, the Wholesale Electric Quadrant (WEQ), the Retail Gas Quadrant, and Retail Electric Quadrant. NAESB WEQ Version 0 standards[6] were adopted by the WEQ and published on January 15, 2005. NAESB WEQ Version 1 standards[7] were adopted by the WEQ and published on October 31, 2007 and subsequently filed with the Commission on December 21, 2007.

There are seven enclosures supporting the report. Provided in appendix A is a list of the links to the minutes from the Executive Committee ("EC") meetings during which recommendations were considered that resulted in Version 002 of the NAESB WEQ standards. The EC minutes include discussion of recommendations from task forces and subcommittees, which ultimately resulted in the standards for Version 002. The EC voting records are attached as part of the minutes. Also included in appendix A is the list of links to all comments filed on the standards that were recommended for adoption to the EC. Provided in appendix B is the list of links to the NAESB membership ratification ballots, which include the EC adopted recommendations that are the basis for the Version 002 changes. Also provided in this appendix is the list of links to the ratification results. Provided in appendix C is the list of available transcripts. appendix D provides a cross reference of FERC actions on NAESB final actions that are now contained in Version 002. More information on any of these actions can be found on the NAESB home page, including all of the minutes and work papers for the subcommittees and task forces, all work papers submitted and all comments provided to subcommittees and task forces in informal comment periods. Provided in appendix E is an overview of the NAESB process by which the standards were adopted. Provided in appendix F is the Order No. 890 work plan and status. Lastly, appendix G contains the 2008 WEQ Annual Plan.

This report is intended solely as a status report from NAESB regarding Version 002 of its standards. NAESB does not advocate that the Commission take a particular position on any of the issues presented.

[4] Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, 72 FR 12,266 (March 15 2007), FERC Stats. & Regs. ¶31, 241 (2007) (Order No. 890), order on reh'g, Order 890-A, 73 FR 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶31,261 at P 592 (2007) (Order 890-A), order on reh'g, Order 890-B, --FR---, FERC Stats. & Regs. ¶---- (2008).
[5] FERC Order No. 676, 18 C.F.R. §35, §37, §38 (2006).
[6] NAESB Version 0 standards to FERC Order No. 890(insert docket numbers), *available at* http://www.naesb.org/member_login_form.asp?doc=ferc011805_report.pdf (submitted January 18, 2005). This document is password protected.
[7] NAESB Version 001 Standards in Response to FERC Order No. 890, Docket Nos. RM05-17-000 and RM05-25-000, *available at* http://www.naesb.org/member_login_form.asp?doc=ferc122107.pdf (submitted December 21, 2007). This document is password protected.

VERSION 002 SUMMARY

Presented here is a summary of the activities that led to the compilation of the NAESB Wholesale Electric Quadrant (WEQ) Standards Version 002. All references in this summary pertain only to the WEQ. Supporting documents can be found in appendices A, B, C, D, E, F and G as enclosures to this report. All Version 002 standards that were added or modified are contained in a table following this summary. The table cross references the standards to the related requests for development and the actions that were taken.

In response to FERC Order No. 890, NAESB leadership requested that the NAESB Electronic Scheduling Subcommittee/Information Technology ("ESS/ITS") and Business Practice Subcommittees ("BPS") coordinate efforts to address the ATC related issues from FERC Order No. 890. Since that time, the two subcommittees have met over 60 times to draft and modify the requested standards. The ESS/ITS and BPS worked in close coordination with the North American Electric Reliability Corporation ("NERC") on business practice standards that are complementary to NERC reliability standards so that the standards for both organizations are consistent. This work includes not only joint meetings of NERC drafting teams with NAESB subcommittees, but also joint NERC/NAESB subcommittees. Since April 5, 2006 the NERC ATC drafting team and the ESS/ITS and BPS have met 25 times to ensure the reliability standards and business practice standards remained coordinated and consistent through the development process. The NERC/NAESB Joint Interchange Scheduling Working Group ("JISWG") is a standing joint subcommittee made of both NERC and NAESB participants that worked on modifications to the coordinate interchange business practice standards and reliability standards in addition to work on the NERC Registry and other NERC reliability standards. The JISWG has met 53 times since it was organized in 2005 (7 times in 2005, 13 times in 2006, 28 times in 2007, and 5 times in 2008 to date). NERC staff also participates on the NAESB WEQ Executive Committee as a member of the Executive Committee with voting rights and privileges. This participation ensures that the work of both organizations remains closely coordinated. These intra-organization collaborations are not only permitted in the NAESB process, but also encouraged – to provide an environment in which standards development has a broader vetting in the industry and a resulting broader application. In addition to the joint work with the BPS, the ESS/ITS was assigned the task of addressing the FERC Order No. 890 issues not related to ATC, and to that end, have met 30 times.

Both NERC and NAESB are aware that the standards to complement the NERC reliability standards pertaining to ATC are being filed out of the sequence originally intended by the organizations. After much discussion with NERC, it was determined that this course of action was in the best interest of the wholesale electric industry. The ESS/ITS and BPS determined that certain items contained in the FERC Order No. 890 work plan[8] did not require coordination with the NERC ATC drafting team. Specifically, these items are the standards to support the posting of the available transfer capability and total transfer capability ("ATC/TTC") narratives and load forecast and actual load. The subcommittees took action to complete these items. All other ATC related items in the FERC Order No. 890 work plan were designated as items which required NERC/NAESB coordination. Although several of the ATC related standards include references to NERC reliability standards that have not yet been finalized through the NERC process, they are based on their current work product. The standards include placeholders for the NERC references, which will be updated to reflect the final work product once they are approved by NERC. Neither NERC nor NAESB expect that these NAESB standards will require significant rework once NERC adopts its related reliability standards. NAESB leadership will review the final NERC standards once adopted and will identify if any changes are needed to the standards that were included in Version 002. If changes are needed, a determination will be made whether the changes can be processed as minor actions, or for more substantive changes, the standards modification process will be used. If any modifications are necessary as a result of the finalized NERC standards, NAESB will submit a supplemental filing.

In response to the Commission's request, the NAESB WEQ leadership developed the FERC Order No. 890 work plan, which includes citations to the FERC Order Nos. 890, 890-A and 890-B and corresponds with the 2008 WEQ Annual Plan[9]. Included in the work plan are the scheduled completion dates of the two time sensitive ATC related items that have not yet been completed, the ATC information list standard, due November 27, 2008 and the capacity benefit margin ("CBM") standards, due February 19, 2009. These items will be included in subsequent

[8] NAESB Order 890 work plan, *available at* http://naesb.org/pdf3/order890_081908_naesb_workplan_clean.doc (August 26, 2008).
[9] NAESB 2008 WEQ Annual Plan, *available at* http://www.naesb.org/pdf3/weq_2008_annual_plan.doc (August 26, 2008).

Version 002 filings within the set deadlines. Other standards to be included in a subsequent filing that do not have a FERC Order No. 890 deadline, but are FERC Order no. 890 related include: network service on OASIS; pre-emption; procedures to implement displacement/interruption terms of the pro forma tariff; rollover rights for redirected transmission service; coordination of transmission requests across multiple transmission systems; rebid of partial service to allow a transmission customer to rebid a counteroffer of partial service; posting of curtailment information on OASIS; redispatch cost posting to allow third party offers of planning redispatch services and submittal windows. Also outstanding that may contribute new or modified standards is a review of WEQ standards as they relate to paragraph 1390 of FERC Order No. 890 to determine if modifications are required.

Some of the standards development activity undertaken that produced Version 002 had considerable industry debate before an agreement was reached on the level of standardization needed and the actual text of the standards themselves. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move towards consensus. Through this process, NAESB was able to produce new standards and modify existing standards for conditional firm service to meet the August 29, 2008 deadline[10]. NAESB worked independently of NERC to develop the following three ATC related standards due on November 27, 2008:, the ATC/TTC narratives standard; the load forecast and actual load standard[11]; and modifications to the current business practice standards (WEQ-001) to allow for transparency reporting and related functions. NAESB worked jointly with NERC to develop the ATC information link standards; the postbacks and counterflows standards and the existing transmission commitment (ETC) standards which are also due on November 27, 2008,[12] but are provided early in the this submittal. Non-deadline FERC Order 890 related standards developed by NAESB include: the Group 1 modifications to the OASIS standards and communication protocol ("S&CP"), the data dictionary and implementation guide to include annotations for ATC, load forecast and actual load, rebid of partial service, preconfirmation priority and conditional firm service; the Group 2 standards for metrics, redispatch cost posting and WEQ-001 changes for rebid of partial service and preconfirmation priority; and the modifications to the OASIS exemptions in appendix C of WEQ-001. Lastly, as non-FERC Order No. 890 related items, NAESB incorporated demand resources into certain ancillary services definitions as requested by the Commission Wellinghoff's concurring opinion[13] in FERC Order No. 890-A and as a maintenance item, NAESB revised the interconnection time monitor standards to allow for some slight variances for the interconnection time monitor.

The summary organized into six sections: completed FERC Order No. 890 ATC related standards with the August 29 deadline, completed FERC Order No. 890 ATC related standards with the November 2008 deadline, completed FERC Order No. 890 related OASIS standards without deadlines, completed standards not related to FERC Order No. 890, standards under development or planned related to FERC Order No. 890 that will be the subject of either versions 002.1 or 002.2, and FERC Order No. 890 items originally identified for NAESB standards development for which NAESB has decided needed no standards development as they were addressed in other NAESB or NERC efforts. Descriptions of each grouping are shown below:

FERC Order No. 890 ATC Related Standards with the August 29 Deadline

On August 8, 2008, the NAESB Executive Committee ("EC") adopted the business practice standards to support conditional firm service[14]. In paragraph 1078 of FERC Order No. 890[15], the Commission requested that transmission providers "assign short-term firm service to conditional firm customers as the service becomes available" and work with NAESB to "develop the appropriate communication protocols to implement this attribute of conditional firm service." The Commission also requested in paragraph 592 of FERC Order No. 890-A that transmission providers work through NAESB to "develop tracking capabilities and business practices for tagging for implementation of conditional firm service." These requests were addressed through two separate actions. First, the ESS/ITS made modifications to the OASIS S&CP (WEQ-002), the data dictionary (WEQ-003) and implementation guide (WEQ-013) to allow for the capabilities requested in paragraph 1078 of FERC Order No. 890. This work was

[10] FERC Notice of Extension of Time to NAESB, *supra* note 1.
[11] FERC Notice of Extension of Time to NERC, *supra* note 2.
[12] *Id*.
[13] FERC Commissioner Jon Wellinghoff, concurring opinion in response to Federal Power Act, 16 U.S.C. §791 (a) (2008), *available at* . http://www.naesb.org/pdf3/weq_atc_afc070808w24.pdf (issued April 21, 2008).
[14] NAESB 2008 WEQ Annual Plan Items 2(a)(i)(2), 2(a)(vii)(1), *available at* http://www.naesb.org/pdf3/weq_2008_annual_plan.doc (August 26, 2008).
[15] FERC Order No. 890, *supra* note 4, ¶1078.

completed as part of the Group 1 assignments contained in the FERC Order 890 work plan. The ESS/ITS met 10 times to address the assignment. The recommendation developed by the subcommittee passed a subcommittee vote on September 25, 2007 and was sent out for a thirty-day industry comment period on October 3, 2007. The WEQ EC adopted the recommendation via notational ballot on January 16, 2008 and the recommendation was ratified February 29, 2008 with minor corrections applied to the OASIS S&CP, data dictionary and implementation guide on February 27, 2008.

Subsequently, to address the tracking capabilities and business practices for tagging of conditional firm, the ESS/ITS completed Group 7 of the FERC Order 890 work plan[16]. In the process of addressing Group 7, modifications were made to the work previously completed in Group 1. The ESS/ITS met eight times and voted the standard out of subcommittee on June 24, 2008. The conditional firm standard created and modified standards in WEQ-001, WEQ-001 Appendix C, WEQ-002, WEQ-003, WEQ-008 and WEQ-013. Ratification by the membership is expected on September 25, 2008. This item is referenced separately from conditional firm service related items in Group 1 as they do not address the business practices for conditional firm service but address the technical aspects (OASIS S&CP, data dictionary, and implementation guides) of implementing the business practices.

FERC Order No. 890 ATC related standards with the November 2008 deadline

There are seven efforts due in November of 2008 related to FERC Order No. 890 that are provided in this report. They are described below.

First, business practices standards were drafted and modified to support the transparency reporting and related functions that are required by FERC Order No. 890[17]. These standards were added as modifications to WEQ-001. This annual plan item was completed without the coordination of NERC. The item was discussed at two separate ESS/ITS and BPS two day meetings and posted for an informal comment period. It was voted out of the subcommittee on August 17, 2007. The Executive Committee reviewed the recommendation and approved it on November 6, 2007. The modifications to WEQ-001 were ratified December 19, 2007 with minor corrections applied February 27, 2008.

Second, the business practice standards for the posting of ATC/TTC narratives were drafted to set forth how transmission providers will post "explanations of the reason for a change in monthly and yearly ATC values on a constrained path." The standards include a requirement that the transmission provider post the reason for the change in a narrative form. This item was referenced in paragraph 369 of FERC Order No. 890[18] and did not require coordination with the NERC reliability standards development. These standards affect WEQ-001, WEQ-002, WEQ-003 and WEQ-013, as well as Appendix A and B of WEQ-013. The ESS/ITS and BPS met 17 times to address the item and the standards were voted out on February 13, 2008. The EC approved the standards by notational ballot on April 14, 2008. The business practices standards were ratified May 16, 2008.

Third, the business practice standards that were drafted to set forth posting requirements on OASIS for the "underlying load forecast assumption for all ATC calculations" and "actual daily peak load for the prior day" did not require coordination with NERC. This standard was completed as annual plan item 2(b)(v)(4). The standards affect WEQ-001, WEQ-003 and WEQ-013 and were voted out of subcommittee on March 10, 2008, after the ESS/ITS and BPS met 6 times to address the item. The EC approved the standards via notational ballot on April 23, 2008 and the business practice standards were ratified July 23, 2008.

Next, the business practice standards that were drafted to set forth the procedure for input of TTC and ATC methodologies and values[19] were completed with the close coordination of the NERC ATC drafting team. During the NERC and NAESB joint standards development effort, it was determined that the standards contained in NERC MOD003 should be business practice standards instead of reliability standards. The result of the NERC MOD003 transition to a business practice is the ATC information link on OASIS, as it was developed by the ESS/ITS and BPS. These standards are intended to be included in WEQ-001. The ESS/ITS and BPS met 12 times to address this item, including 4 meetings with the NERC ATC drafting team. The standards were voted out of the subcommittee

[16] FERC Order No. 890, 18 C.F.R. § 35, §37, ¶592 (2007).
[17] NAESB 2008 WEQ Annual Plan Item 2(c), *supra* note 10.
[18] FERC Order No. 890, *supra* note 4, ¶369.
[19] NAESB 2008 WEQ Annual Plan Item 2(b)(vii), *supra* at note 10.

on March 13, 2008, and the EC approved the standards via notational ballot on May 2, 2008. The business practice standards were ratified June 27, 2008.

Following, the business practice standards drafted to address postbacks and counterflows[20] were approved by the EC on August 19, 2008. These standards were developed in close coordination with NERC in response to paragraph 213 of FERC Order No. 890[21]. In communications with the NERC leadership, it was determined that a business practice standard addressing counterflows was unnecessary as they have been addressed in the reliability standards. Therefore, the ESS/ITS and BPS limited the scope of their standards development to postbacks. In development of the postback standard, the NAESB ESS/ITS and BPS met 6 times independently and several times with the NERC ATC drafting team to ensure that the standards issues were properly addressed. The postback standards were voted out of subcommittee on May 15, 2008 and are currently out for membership ratification. Ratification of these standards should complete on September 22.

Lastly, the business practice standards to complement NERC reliability standards for existing transmission commitment (ETC) and to create a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses",[22] were developed. The standards created affected WEQ-001, WEQ-003 and WEQ-013 as well as the ATC information link standard. The NAESB ESS/ITS and BPS met on 4 occasions to complete the standards which were voted out of subcommittee on Jun 17, 2008. The NAESB EC approved the business practice standard on August 19, 2008. Ratification of these standards should complete on September 22.

FERC Order No. 890 related OASIS standards without deadlines

NAESB is submitting three FERC Order No. 890 related standards that do not have deadlines and are specified in the Order 890 work plan in groups 1 and 2. For group 1, standards supporting annotations for ATC; load forecast and actual peak load; rebid of partial service; preconfirmation priority and conditional firm are complete. For group 2, metrics redispatch cost posting and WEQ-001 changes for rebid of partial service and preconfirmation priority are complete. Thirdly, the standards supporting the OASIS exemptions in Appendix C of WEQ-001 are complete. The standards development efforts are described below.

NAESB modified the S&CP, data dictionary and implementation guide (WEQ-002, WEQ-003, WEQ-013) to include standards supportive of annotations for ATC; load forecast and actual load; re-bid of partial service; preconfirmation priority; and conditional firm service[23] as part of group 1 of the FERC Order No. 890 work plan. The standards were discussed at 10 meetings of the ESS/ITS subcommittee, after which the proposed recommended standards were approved by the subcommittee in a vote taken on September 25, 2007. The proposed standards were sent out for a thirty-day industry comment period on October 3, 2007. The WEQ EC adopted the recommendation via notational ballot on January 16, 2008 and the recommendation was ratified February 29, 2008 with minor corrections applied to the OASIS S&CP, data dictionary and implementation guide on February 27, 2008.

Next, the ESS/ITS drafted the OASIS Exemptions in Appendix C of WEQ-001 to provide a central location to identify those broad based exemptions provided to groups of WEQ members per FERC Orders and regulations[24]. The appendix is not intended to document individual organization tariff waivers or exemptions. In the event of conflicts between the NAESB OASIS business practices and an individual approved tariff, the standards indicate that the tariff shall prevail as documented in the introduction section of WEQ-013. The subcommittee met 5 times to draft the appendix, which passed a vote on December 17, 2007 and was sent out for a thirty-day industry comment period on December 19, 2007. The WEQ EC approved the recommendation on February 4, 2008 and it was ratified on March 3, 2008.

Finally, in paragraph 413 of FERC Order No. 890[25] the Commission requested NAESB to develop business practice standards to "post on OASIS metrics related to the provision of transmission service under the OATT" including the posting of "the number of affiliate versus non-affiliate requests for transmission service that have been

[20] *Id*. at 2(b)(ii)(2).
[21] FERC Order No. 890, *supra* note 4, ¶213.
[22] 2008 WEQ Annual Plan Items 2(a)(iv)(4), 2(a)(vi)(4), 2(b)(ii)(1) *supra* at note 10.
[23] 2008 WEQ Annual Plan Items 2(a)(i)(1-6), *supra* at note 10.
[24] *Id*. at 2(a)(i)(7).
[25] FERC Order No. 890, *supra* note 4, ¶413.

rejected" and "the number for affiliate versus non-affiliate requests for transmission service that have been made[26]." The standards also set forth the length of the service request and the type of the service requested. In paragraph 1318 of FERC Order No. 890[27] the Commission requested NAESB to develop OASIS business practice standards to implement the standard performance (planning study) metrics. In Paragraph 1162 of FERC Order No. 890[28] the Commission requested NAESB to develop business practices for redispatch posting. The posting of redispatch information includes the posting of each transmission provider's "monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability dispatch under the pro forma OATT." The business practice standards for redispatch cost posting also include functionality for transmission providers to post "a high and low redispatch for the month" each internal congested transmission facility or interface over which it provides dispatch service. In paragraph 1378 of FERC Order No. 890[29] the Commission requested NAESB to develop OASIS business practice standards to complement the OASIS S&CPs developed for rebid of partial service across a single Transmission Provider's system. In paragraphs 1392 and 1401 of FERC Order No. 890[30] the Commission requested NAESB to develop OASIS business practice standards to complement the OASIS S&CPs developed to prohibit "transmission customers from changing a request into a pre-confirmed request and requiring OASIS platforms to be accessible on non-Window/Explorer computers. NAESB also developed OASIS business practice standards and OASIS S&CPs so that "pre-confirmed non-firm point-to-point transmission service requests and short-term firm point-to-point transmission service requests" have priority though "longer duration requests for transmission service will continue to have priority over shorter duration requests for transmission service." Preconfirmation will serve as a tie-breaker when the requests are of equal duration. After 6 meetings, the recommendation passed the subcommittee on February 12, 2008 and went out for industry comment on February 20, 2008. The WEQ EC adopted the recommendation on May 13, 2008 and it was ratified on June 23, 2008.

Standards not related to FERC Order No. 890

There are four items included in this filing that are not related to FERC Order No. 890. The eTariff standards have previously been filed with the Commission and are mentioned here because NAESB is publishing them in Version 002, and Version 002 in total is the subject matter of this report. An interpretation for FERC Order No. 698, modifications to the interconnection time monitor standards and the incorporation of demand resources into certain ancillary services definitions are also included in this section.

First, NAESB developed business practices to support the eTariff program including submittal of tariffs and metadata[31]. The recommendation passed a subcommittee vote on January 25, 2008 and was sent out for a thirty-day industry comment period on January 29, 2008. The WEQ Executive Committee and the WGQ Executive Committee jointly approved the recommendation on March 4, 2008 via notational ballot and it was ratified on April 4, 2008[32]. It was filed with the FERC on April 15, 2008. The FERC issued its Notice of Proposed Rulemaking on April 17, 2008. These standards (WEQ-014) have a limited copyright waiver on record with the Commission[33].

Following, on June 25, 2007, in the proceedings for Docket Nos. RM96-1-027 and RM05-5-001[34] and Order No. 698, FERC adopted NAESB WEQ Standard 011-1.2. In its final rule, FERC included a requirement that pipelines and public utilities subject to the standards file a statement with FERC demonstrating compliance therewith on or before November 1, 2007. A question arose whether the WEQ Standard 011-1.2 applied to a generation facility that uses natural gas only as a start-up fuel, but not otherwise for operation (i.e. the units are not "natural gas-fired electric generating facilities", at least as the term normally is used). The WEQ Interpretation

[26] *Id.* at 2(a)(ii)(1-3) and 2(a)(i)(5-6).
[27] FERC Order No. 890, *supra* note 4, ¶1318.
[28] *Id.* at ¶1162.
[29] FERC Order No. 890, *supra* note 4,¶1378.
[30] *Id.* at ¶¶1392, 1401.
[31] NAESB 2008 WEQ Annual Plan Item 4, *supra* note 10.
[32] NAESB WGQ/WEQ eTariff Definitions and Business Practice Standards, *available* at http://naesb.org/member_login_form.asp?doc=fa_2007_weq_api5_2007_wgq_api8.doc (revised and adopted February 29, 2008). This document is password protected.
[33] NAESB Implementation Guide for Electronic Filing, in regards to Docket Nos. RM01-5-000, *available* at http://naesb.org/member_login_form.asp?doc=fa_2007_weq_api5_2007_wgq_api8_attach.doc (April 4, 2008). This document is password protected.
[34] http://www.naesb.org/member_login_form.asp?doc=ferc101906_M3.pdf

Subcommittee passed the interpretation on October 5, 2007. The interpretation was voted on by the Executive Committee on November 6, 2007 and ratified on December 19, 2007.

Next, in revisions to the NERC BAL-004 standard to remove inappropriate requirements on reliability coordinators who voluntarily agree to serve as Interconnection Time Monitors[35], the NAESB Standards Review Subcommittee requested that the NAESB Business Practice WEQ 006 (Manual Time Error Correction) be reviewed so that the NAESB standard remained complementary to the NERC standard. NAESB modified language in section WEQ-006-4 and 006-5 to allow for variances for the Interconnection Time Monitor to remain consistent wit changes made by NERC to BAL-004. This maintenance item was voted of the subcommittee on June 4, 2008. It passed an EC vote on August 19, 2008 and the ratification process will complete on September 22, 2008.

Lastly, on April 21, 2008 in Federal Energy Regulatory Commission Docket No. RM05-5-005 Commissioner Wellinghoff submitted a concurrence to the Commission's issuance of a Notice of Proposed Rulemaking[36]. In his concurrence, Commissioner Wellinghoff encouraged NAESB and its stakeholders to amend WEQ-001 to avoid any confusion between the FERC Order No. 890 *pro forma* OATT definitions of ancillary service and the WEQ-001 definitions of those same ancillary services[37]. FERC Order No. 890 revised the referenced ancillary service definitions in the *pro forma* OATT to specifically reflect the possible role of demand resources in the provision of the cited ancillary services. The NAESB ESS/ITS and BPS amended the ancillary services as cited in the concurrence which include: reactive supply and voltage control, regulation and frequency response, energy imbalances, spinning reserves, supplemental reserves, and generator imbalances. The amended ancillary services definitions contained in WEQ-001 reflect the definitions contained in the *Pro Forma* OATT as revised by FERC Order No. 890. These modifications included revisions to WEQ-001-2.5.2 through WEQ-001-2.5.7. The recommendation was approved by the WEQ EC on August 19, 2008 and the ratification process will complete on September 22, 2008.

Standards under development or planned related to FERC Order No. 890 that are not yet complete and will be the subject of either Version 002.1 or 002.2

There are seven items that are currently under development or planned related to FERC Order No. 890 that are not yet complete and will be the subject of either version 002.1 or 002.2. Of those, two have deadlines. Those items are the ATC information list which is due November 27, 2008 and CBM, which is due February 19, 2009. The other five items, network service on OASIS (included in group 3 of the Order 890 work plan), pre-emption, request R05019 and revisions to standard 9.7 (included in group 4 of the Order 890 work plan), paragraph 1377 of the 2008 WEQ Annual Plan Item 2(a)(v)(1) (included in group 5 of the Order 890 work plan), 2008 WEQ Annual Plan Item 2(a)(vi)(1) (included in group 6 of the Order 890 work plan) and submittal windows (included in group 7 of the Order 890 work plan) do not have deadlines – but are all in standards development or planned for standards development.

For the first deadline item, while working to develop additional business practice standards to support transparency reporting and related functions, the Joint ESS/ITS and BPS developed a list of the ATC information that would be made available as a result of the ATC standards[38]. The NERC ATC drafting team reviewed this list and provided feedback. After review of the work products, the WEQ EC created a task force to address the standards needed to support the ATC information list. The proposed standards were voted out of the WEQ EC task force on August 14, 2008 and were sent out for industry comment on August 18 with comments dues September 17, 2008. Once the comment period concludes, the WEQ EC will consider the comments and act on the recommendation.

The second deadline applies to business practice standards which set forth "how the CBM value shall be determined, allocated across transmission paths, and used" and how transmission providers will "reflect the set-aside

[35] *Id.* at 6(a).
[36] FERC Commissioner Jon Wellinghoff, concurring opinion in response to Federal Power Act, 16 U.S.C. §791 (a) (2008), *available at* . http://www.naesb.org/pdf3/weq_atc_afc070808w24.pdf (issued April 21, 2008).
[37] NAESB 2008 WEQ Annual Plan Item 6(d), *supra* note 10.
[38] *Id.* at 2(c).

of transfer capability as CBM in the development of the rate for point-to-point"[39]. The proposed CBM business practice standards were voted out of the NAESB Joint ESS/ITS and BPS on July 30, 2008, and is currently out for a formal comment period that ends September 5, 2008. Once the comment period concludes, the WEQ EC will consider the comments and act on the recommendation.

For the first non-deadline item, NAESB is developing OASIS business practice standards and the OASIS technical aspects for "transmission providers and network customers to use OASIS to request designation of new network resources and to terminate designation of network resources[40]." The standards under development will include the ability to electronically query requests to designate and terminate network resources. The OASIS templates under development will allow for queries of all information provided with designation requests; and the ability to mask information about "operating restrictions and generating costs on OASIS[41]." The proposed business practice standards are currently under development. For future status updates, please reference the 2008 WEQ Annual Plan[42] and Order 890 work plan[43]. These items relate to group 3 of the Order 890 work plan.

Not started yet, NAESB plans revisions to the OASIS business practice standards and OASIS S&CPs so that "a new confirmed request for transmission service would preempt a request of equal duration that has been accepted by the transmission provider but not yet confirmed by the transmission customer[44]." The business practice standards to be developed will be coordinated with work efforts related to NAESB Request No. R05019 to modify OASIS standards and OASIS S&CPs to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff. As part of the development, the NAESB ESS/ITS expects to modify OASIS standards and OASIS S&CPs to clearly document the procedures used to implement the displacement/interruption terms of the Pro Forma tariff. However, NAESB has begun the revisions for NAESB WEQ business practice standard WEQ 001-9.7 (which addresses rollover rights for Redirected transmission service) to be consistent with the Commission policies. For future status updates, please reference the 2008 WEQ Annual Plan[45] and Order No. 890 Work Plan[46]. These items relate to group 4 of the Order 890 work plan.

Following, NAESB will develop business practice standards to facilitate the coordination of requests across multiple transmission system using the principles set forth in Paragraph 1377 of FERC Order No. 890[47]. NAESB will also develop S&CPs related to coordination of request across multiple transmission systems. The target completion date as listed in the Order 890 work plan is 2nd quarter 2009. NAESB will develop business practice standards "to allow transmission customer to rebid a counteroffer of partial service so the transmission customer is allowed to take the same quantity of service across all linked transmission service requests." The effort to develop these business practices standards has not yet started. For future status updates, please reference the 2008 WEQ Annual Plan[48] and Order No. 890 Work Plan[49]. These items relate to group 5 of the Order 890 work plan.

Additionally, NAESB will review the existing business functions set forth in the NAESB WEQ standards to determine if standards should be created or modified as related to Paragraph 1390 of FERC Order No. 890[50]. NAESB expects to develop OASIS business practice standards and OASIS S&CPs for the "posting of additional curtailment information on OASIS" via a "detailed template for the posting of additional information on OASIS regarding firm transmission curtailments." NAESB will develop business practice standards for redispatch cost

[39] FERC Order No. 890, *supra* note 4, ¶¶257, 262.
[40] NAESB 2008 WEQ Annual Plan Item 2(a)(iii) *supra* note 10, FERC Order No. 890, *supra* note 4, ¶¶385, 1477, 1504, 1541, FERC Order No. 890-A, *supra* note 4, ¶919, FERC Order No. 890-B, *supra* note 4, ¶¶182-83, 188-89, 209.
[41] FERC Order No. 890, *supra* note 4, ¶¶1477
[42] NAESB 2008 WEQ Annual Plan Item, *supra* note 10,
[43] NAESB Order 890 work plan,, *supra* note 9.
[44] NAESB 2008 WEQ Annual Plan Item 2(a)(iv)(1), *supra* note 10, FERC Order No. 890, *supra* note 4, ¶1407, FERC Order No. 890-A, *supra* note 4, ¶¶697-99, 700-08, 814-819.
[45] NAESB 2008 WEQ Annual Plan Item, *supra* note 10,
[46] NAESB Order 890 work plan,, *supra* note 9.
[47] NAESB 2008 WEQ Annual Plan Item 2(a)(v)(1), *supra* note 10, FERC Order No. 890, *supra* note 4, ¶¶1377-78, FERC Order No. 890-A, *supra* note 4, ¶¶ 762, 766.
[48] NAESB 2008 WEQ Annual Plan, *supra note 10.*
[49] NAESB Order 890 work plan,, *supra* note 9
[50] NAESB 2008 WEQ Annual Plan Item 2(a)(vi)(1), *supra* note 10, FERC Order No. 890 *supra* note 4 at ¶243-44, 1005, 1390, 1627, FERC Order No. 890-A, *supra* note 4 at ¶¶568, 973, FERC Order No. 890-B, *supra* note 4 at¶131.

posting which will include OASIS S&CPs to allow for posting of third party offers of planning redispatch services. The business practice standards developed for redispatch cost posting may affect the existing NAESB business practice standards for Transmission Loading Relief (TLR). The proposed business practice standards highlighted here have not yet started. For future status updates, please reference the 2008 WEQ Annual Plan[51] and Order No. 890 Work Plan[52]. These items related to group 6 of the Order 890 work plan.

Lastly, NAESB will develop standardized practices for allocating capacity among requests received during the submittal window[53]. The proposed business practice standards highlighted here have not yet started. For future status updates, please reference the 2008 WEQ Annual Plan[54] and Order No. 890 Work Plan[55]. These items relate to group 7 of the Order 890 work plan.

FERC Order No. 890 Items That the Organization Decided Needed No Action As They Were Included in Other NAESB or NERC Efforts

Several of the FERC Order No. 890 items were deemed to require no standards development action by NAESB as they were included in other NAESB or NERC efforts. When a subcommittee determines that no action is to be taken on a particular item, that item is posted for a 30 day industry comment period. The EC reviews any comments submitted and the item must pass a simple majority vote. Items for which no action is required do not require membership ratification, as that process is reserved for creations of, modifications to or deletion of existing standards. There are six standards development items that required no action by NAESB: data exchange for ATC modeling, transmission reserve margin (TRM), ATC and AFC calculation methodologies, CPS to complement a NERC supplemental SAR and the remaining requirements documented in R05004 and R05004A.

First, possible business practice standards were discussed to address issues regarding data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange[56]. It was determined that NERC will define the data to be exchanged while NAESB will identify any new OASIS posting requirements or template query requirements which are needed in order to facilitate data exchange for ATC modeling. The NAESB ESS/ITS and BPS recommended no action for this proposed business practice standard as it is to be addressed in NERC standards. The EC approved the no action recommendation on May 13, 2008.

Second, possible business practice standards were discussed to complement the NERC reliability standards for TRM[57]. After review of the NERC reliability standards and the requirements of paragraphs 272 and 273 of FERC Order No. 890[58] the joint subcommittees recommended that no action was necessary because these items were addressed in the ATC Information Link & ESS/ITS's Group 1 (conditional firm service, annotations for ATC, load forecast and actual load, rebid of partial service, and preconfirmation priority). The WEQ approved the no action recommendation on August 19, 2009.

Third, possible business practice standards were discussed to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards[59]. After review of the NERC reliability standards and the requirements of paragraph 301 of FERC Order No. 890[60] the joint subcommittees recommended that no action was necessary because this item was addressed in the ATC information link and FERC Order No. 890 modifications to WEQ-008 (with minor corrections applied February 27, 2008). The NAESB Executive Committee (EC) accepted the recommendation for no action on August 19, 2008.

Next, possible business practice standards were discussed to complement NERC reliability standards for transfer capability in response to a NERC supplemental standards authorization request (SAR), revisions to existing

[51] NAESB 2008 WEQ Annual Plan, *supra note 10.*
[52] NAESB Order 890 work plan,, *supra* note 9.
[53] NAESB 2008 WEQ Annual Plan Item 2(a)(vii)(1) and Provisional Item 7, *supra* note 10, FERC Order No. 890-A, ¶¶592, 805.
[54] NAESB 2008 WEQ Annual Plan, *supra note 10.*
[55] NAESB Order 890 work plan,, *supra* note 9
[56] NAESB 2008 WEQ Annual Plan Item 2(b)(v)(2), *supra* note 10.
[57] NAESB 2008 WEQ Annual Plan Items 2(b)(iv)(1-3), *supra* note 10.
[58] FERC Order No. 890, *supra* note 4 at ¶¶272-73.
[59] NAESB 2008 WEQ Annual Plan Item 2(b)(v)(1), *supra* note 10.
[60] FERC Order No. 890 *supra* note 4, ¶301.

125 FERC ¶ 61,064
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 358

[Docket No. RM07-1-000; Order No. 717]

Standards of Conduct for Transmission Providers

(Issued October 16, 2008)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: The Federal Energy Regulatory Commission is amending its regulations adopted on an interim basis in Order No. 690, in order to make them clearer and to refocus the rules on the areas where there is the greatest potential for abuse. The Final Rule is designed to (1) foster compliance, (2) facilitate Commission enforcement, and (3) conform the Standards of Conduct to the decision of the U.S. Court of Appeals for the D.C. Circuit in National Fuel Gas Supply Corporation v. FERC, 468 F. 3d 831 (D.C. Cir. 2006). Specifically, the Final Rule eliminates the concept of energy affiliates and eliminates the corporate separation approach in favor of the employee functional approach used in Order Nos. 497 and 889.

EFFECTIVE DATE: This rule will become effective **[Insert_Date 30 days after publication in the FEDERAL REGISTER]**

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Standards of Conduct for Transmission Providers Docket No. RM07-1-000

ORDER NO. 717

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Standards of Conduct for Transmission Providers Docket No. RM07-1-000

ORDER NO. 717

FINAL RULE

(Issued October 16, 2008)

I. Introduction

1. This Final Rule amends the Standards of Conduct for Transmission Providers (the Standards of Conduct or the Standards) to make them clearer and to refocus the rules on the areas where there is the greatest potential for abuse. The Standards have substantially evolved over the twenty years since they were first adopted for the gas industry in 1988. During that time, the Commission added numerous exceptions and additions to the original regulations (and to the regulations adopted for the electric industry in 1996), including revisions made in Order No. 2004,[1] in which the Commission combined the

[1] Standards of Conduct for Transmission Providers, Order No. 2004, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,155 (2003), order on reh'g, Order No. 2004-A, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,161 (2004), order on reh'g, Order No. 2004-B, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,166 (2004), order on reh'g, Order No. 2004-C, FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,172 (2004), order on reh'g, Order No. 2004-D, 110 FERC ¶ 61,320 (2005), vacated and remanded as it applies to natural gas pipelines sub nom. Nat'l Fuel Gas Supply Corporation v. FERC, 468 F.3d 831 (D.C. Cir. 2006) (National Fuel).

separate Standards for the gas and electric industry, expanded the scope of the Standards to include the new concept of energy affiliates, and adopted a corporate separation approach to the relationship of transmission providers and their marketing arms. The cumulative effect of many of these changes rendered the Standards as a whole difficult for regulated entities to apply and for the Commission to enforce. Furthermore, on appeal of Order No. 2004, the U.S. Court of Appeals for the D.C. Circuit disapproved of the expansion of the Standards to include energy affiliates, and vacated Order No. 2004 as it applied to the gas industry.[2]

2. The reforms adopted in this Final Rule are designed to eliminate the elements that have rendered the Standards difficult to enforce and apply. They combine the best elements of Order No. 2004 (especially the integration of gas and electric Standards, an element not contested in National Fuel,) with those of the Standards originally adopted for the gas industry in Order No. 497[3] and for the electric industry in Order No. 889.[4]

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[2] National Fuel, 468 F. 3d at 845.

[3] Inquiry Into Alleged Anticompetitive Practices Related to Marketing Affiliates of Interstate Pipelines, Order No. 497, 53 FR 22139 (1988), FERC Stats. & Regs., Regulations Preambles 1986-1990 ¶ 30,820 (1988); Order No. 497-A, order on reh'g, 54 FR 52781 (1989), FERC Stats & Regs., Regulations Preambles 1986-1990 ¶ 30,868 (1989); Order No. 497-B, order extending sunset date, 55 FR 53291 (1990), FERC Stats. & Regs., Regulations Preambles 1986-1990 ¶ 30,908 (1990); Order No. 497-C, order extending sunset date, 57 FR 9 (1992), FERC Stats. & Regs., Regulations Preambles 1991-1996 ¶ 30,934 (1991), reh'g denied, 57 FR 5815 (1992), 58 FERC ¶ 61,139 (1992); aff'd in part and remanded in part sub nom. Tenneco Gas v. FERC, 969 F.2d 1187 (D.C. Cir. 1992) (collectively, Order No. 497) (Tenneco).

[4] Open Access Same-Time Information System (Formerly Real-Time Information Network) and Standards of Conduct, Order No. 889, 61 FR 21737 (May 10, 1996), FERC (continued)

Specifically, the Final Rule (i) eliminates the concept of energy affiliates and (ii) eliminates the corporate separation approach in favor of the employee functional approach used in Order Nos. 497 and 889. In addition, the reforms adopted here conform the Standards to the National Fuel opinion. At bottom, these reforms, by making the Standards clearer and by refocusing them on the areas where there is the greatest potential for affiliate abuse, will make compliance less elusive and subjective for regulated entities, and will facilitate enforcement of the Standards by the Commission.

II. Background

3. The Commission first adopted Standards of Conduct in 1988, in Order No. 497. These initial Standards prohibited interstate natural gas pipelines from giving their marketing affiliates or wholesale merchant functions undue preferences over non-affiliated customers. Citing demonstrated record abuses, the U.S. Court of Appeals for the D.C. Circuit upheld these Standards in 1992.[5] The Commission adopted similar Standards for the electric industry in 1996, in Order No. 889, prohibiting public utilities from giving undue preferences to their marketing affiliates or wholesale merchant functions. Both the electric and gas Standards sought to deter undue preferences by: (i) separating a transmission provider's employees engaged in transmission services from

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Stats. & Regs., Regulations Preambles January 1991- June 1996 ¶ 31,035 (1996); Order No. 889-A, order on reh'g, 62 FR 12484 (Mar. 14, 1997), FERC Stats. & Regs., Regulations Preambles July 1996 - December 2000 ¶ 31,049 (1997); Order No. 889-B, reh'g denied, 62 FR 64715 (Dec. 9, 1997), 81 FERC ¶ 61,253 (1997) (collectively, Order No. 889).

[5] Tenneco, 969 F. 2d at 1214.

those engaged in its marketing services, and (ii) requiring that all transmission customers, affiliated and non-affiliated, be treated on a non-discriminatory basis.

4. Changes in both the electric and gas industries, in particular the unbundling of sales from transportation in the gas industry and the increase in the number of power marketers in the electric industry, led the Commission in 2003 to issue Order No. 2004, which broadened the Standards to include a new category of affiliate, the energy affiliate.[6] The new Standards were made applicable to both the electric and gas industries, and provided that the transmission employees of a transmission provider[7] must function independently not only from the company's marketing affiliates but from its energy affiliates as well, and that transmission providers may not treat either their energy affiliates or their marketing affiliates on a preferential basis. Order No. 2004 also imposed requirements to publicly post information concerning a transmission provider's energy affiliates.

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[6] The new Standards defined an Energy Affiliate as an affiliate of a transmission provider that (1) engages in or is involved in transmission transactions in U.S. energy or transmission markets; (2) manages or controls transmission capacity of a transmission provider in U.S. energy or transmission markets; (3) buys, sells, trades or administers natural gas or electric energy in U.S. energy or transmission markets; or (4) engages in financial transactions relating to the sale or transmission of natural gas or electric energy in U.S. energy or transmission markets. 18 CFR 358.3(d). Certain categories of entities were excluded from this definition in following subsections of the regulations.

[7] A transmission provider was defined as (1) any public utility that owns, operates or controls facilities used for transmission of electric energy in interstate commerce; or (2) any interstate natural gas pipeline that transports gas for others pursuant to subpart A or part 157 or subparts B or G of part 284 of the same chapter of the regulations. 18 CFR 358.3(a).

5. On appeal by members of the natural gas industry, the U.S. Court of Appeals for the D.C. Circuit overturned the Standards as applicable to gas transmission providers, on the grounds that the evidence of energy affiliate abuse cited by the Commission was not in the record.[8] The court noted that the dissenting Commissioners in Order No. 2004 had expressed concern that the Order would diminish industry efficiencies without advancing the FERC policy of preventing unduly discriminatory behavior.[9]

6. The Commission issued an Interim Rule on January 9, 2007,[10] which repromulgated the portions of the Standards not challenged in National Fuel. The Commission then set about determining how to respond to the D.C. Circuit's order on a permanent basis. On January 18, 2007, the Commission issued its initial NOPR,[11] requesting comment on whether the concept of energy affiliates should be retained for the electric industry, proposing the creation of two new categories of employees denominated as Competitive Solicitation Employees and Planning Employees, carrying over the Interim Rule's new definition of marketing to cover asset managers, and making

[8] National Fuel, 468 F. 3d at 841.

[9] Id. at 838.

[10] Standards of Conduct for Transmission Providers, Order No. 690, 72 FR 2427 (Jan. 19, 2007); FERC Stats. & Regs. ¶ 31,237 (2007) (Interim Rule); clarified by, Standards of Conduct for transmission providers, Order No. 690-A, 72 FR 14235 (Mar. 27, 2007); FERC Stats. & Regs. ¶ 31,243 (2007) (Order on Clarification and Rehearing).

[11] Standards of Conduct for Transmission Providers, 72 FR 3958 (Jan. 29, 2007), FERC Stats. & Regs. ¶ 32,611 (2007) (initial NOPR).

numerous other proposals. The Commission received thousands of pages of both initial and reply comments from some 95 individuals, companies, and organizations.

7. Consideration of these comments, coupled with the Commission's own experience in administering the Standards, persuaded the Commission to modify the approach advanced in the initial NOPR. For that reason, the Commission issued a new NOPR on March 27, 2008,[12] and invited comment both on its general approach and on its specific provisions. In the NOPR, the Commission proposed to return to the approach of separating by function transmission personnel from marketing personnel, an approach that had been adopted in Order Nos. 497 and 889. The Commission also proposed to clarify and streamline the Standards in order to enhance compliance and enforcement, and to increase transparency in the area of transmission/affiliate interactions that would aid in the detection of any undue discrimination. Comments were received from 62 companies and organizations, which are listed in Appendix A.[13] The vast majority of the comments were laudatory both of the Commission's efforts to simplify and clarify the Standards, and of the general approaches taken by the Commission to achieve that goal.

8. Notwithstanding general agreement with the Commission's overall approach, many commenters submitted requests for clarification and modifications. In most instances, the modifications proposed were advanced with the stated goal either to make

[12] Standards of Conduct for Transmission Providers, 73 Fed. Reg. 16,228 (March 27, 2008), FERC Stats. & Regs. ¶ 32,630 (2008) (NOPR).

[13] The acronyms used throughout are defined in Appendix A.

the Standards even clearer, or to address matters which some entities believed had fallen between the cracks in the transition from the existing Standards to a more streamlined approach. The Commission has carefully considered these comments and agrees that in several areas, modifications to the regulatory text are needed. This Final Rule adopts the overall approach set forth in the NOPR, but modifies the regulatory text to better achieve the goals of clarity and enforceability. It also provides clarifications in several areas in order to aid regulated entities in applying the Standards.

III. Discussion

A. Overall Approach

1. Commission Proposal

9. The NOPR proposed to simplify and clarify the Standards, and in particular to: (i) eliminate the concept of energy affiliates, and (ii) eliminate the corporate separation approach to separating a transmission provider's transmission function employees from its marketing function employees, instead returning to the employee functional approach utilized in Order Nos. 497 and 889. The NOPR pointed out that the corporate separation approach had proven difficult to implement, as evidenced by the scores of waiver requests submitted to the Commission, and impeded legitimate integrated resource planning and competitive solicitations, as reflected in the concerns raised by the electric industry in particular and also by state commissions. The Commission also found that the existing Standards are too complex to facilitate compliance or support enforcement efforts, and have had the unintended effect of making it more difficult for transmission providers to reasonably manage their businesses.

2. Comments

10. The vast majority of commenters agreed with the Commission's goals of simplifying the Standards in order to achieve greater clarity, efficiencies of operation, and ease of compliance. They also applauded the proposed return to the employee functional approach, stating that it would better promote regulatory certainty than had the corporate separation approach.[14]

11. No commenters proposed that the corporate separation approach be continued, and no commenters requested continuation of the energy affiliate concept. The FTC, however, contended that behavioral rules, including the employee functional approach, cannot fully achieve independent functioning because such an approach remains vulnerable to subtle events of discrimination and preference that may be difficult to detect and document. [15] The FTC and ITC recommend instead that the Commission require vertically integrated firms to structurally unbundle transmission and place

[14] Most commenters expressly support the change in approach to the independent functioning rule from "corporate separation" to "employee functional," including ALCOA; Ameren; AGA; APPA; ATC; Arizona PSC; Bonneville; CenterPoint; Chandeleur; California PUC (particularly supporting the Commission's efforts to remove impediments to integrated resource planning); Destin; Dominion Resources; Duke; E.ON; EEI; El Paso; EPSA; Idaho Power; FirstEnergy; INGAA; Iroquois; Kinder Morgan; LPPC; MidAmerican; NARUC; National Grid; NGSA; New York PSC; Nisource; NCPA; PG&E; PSEG; Puget Sound; SMUD; Salt River; SCE; Southern Co. Services; Spectra; TAPS; TANC; TDU Systems; Vectren; WA UTC; Western Utilities Compliance Group; Wisconsin Electric; and Xcel.

[15] FTC at 6-7.

operation of the transmission function in the hands of the relevant Regional Transmission Organization (RTO) or Independent System Operator (ISO).[16]

3. Commission Determination

12. The overwhelming support from commenters on the NOPR's overall approach confirms the Commission's conviction that simplifying and clarifying the Standards in the manner proposed will best achieve the twin goals of compliance and enforcement. The Commission therefore adopts the employee functional approach, as set forth in the regulatory text, and eliminates the concept of energy affiliates. Specifics and definitions regarding the employee functional approach, as well as other matters, are discussed below. With respect to the comments of the FTC and ITC, there has been no demonstration that the proposed rules are inadequate to address the potential for undue preferences. Nor do we believe this proceeding is the proper forum to address issues as complex and far-reaching as those raised by the FTC and ITC.

B. Jurisdiction and Applicability of the Standards

1. Applicability to Pipelines Operating Under Part 157

a. Commission Proposal

13. In the NOPR, the Commission carried forward from the existing Standards the essence of the language in section 358.1 governing the applicability of the Standards to interstate natural gas pipelines. The proposed text reads in pertinent part: "This part applies to any interstate natural gas pipeline that transports gas for others pursuant to

[16] FTC at 9-10; ITC Reply at 4-5.

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September 3, 2008
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20585

RE: Standards for Business Practices for Interstate Natural Gas Pipelines (Docket No. RM96-1-027)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding the FERC Order No. 698 standards. The standards will be included in version 1.9 of the Wholesale Gas Quadrant ("WGQ") standards when published; and in the meantime, the individual standards can be accessed through the final actions as noted in this report. This NAESB report is submitted in response to Docket No. RM96-1-027. The report addresses two sets of standards adopted by NAESB to respond to issues raised in FERC Order No. 698 and also highlights action taken by the NAESB WGQ Executive Committee ("EC") in one area of development that concluded in no action. The NAESB standard to provide increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and the NAESB standards providing for index-based pricing for capacity release transactions were ratified by NAESB membership on August 25, 2008 and are now accessible as final actions. Also included in this report is a description of the industry effort that led to a no action determination concerning modifications to the intra-day nomination timeline.

We very much appreciate the time, knowledge and industry leadership provided by all participants, both members and non-members. The report is being filed electronically in Adobe Acrobat® Print Document Format (.pdf). 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 (www.naesb.org) should you have any questions or need additional information regarding the NAESB FERC Order No. 698 standards or any other NAESB work products.

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

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cc without enclosures: The Honorable Joseph Kelliher, Chairman, Federal Energy Regulatory Commission
The Honorable Suedeen Kelly, Commissioner, Federal Energy Regulatory Commission
The Honorable Philip D. Moeller, Commissioner, Federal Energy Regulatory Commission
The Honorable Marc Spitzer, Commissioner, Federal Energy Regulatory Commission
The Honorable Jon Wellinghoff, Commissioner, Federal Energy Regulatory Commission
Mr. Shelton Cannon, Director of Energy Market Regulations, Federal Energy Regulatory Commission
Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission
Ms. Cynthia Marlette, General Counsel of the Commission, Federal Energy Regulatory Commission

Mr. William P. Boswell, General Counsel of the North American Energy Standards Board
Mr. Michael Desselle, Chairman of the North American Energy Standards Board
Ms. Valerie Crockett, Vice Chairman Wholesale Gas Quadrant, North American Energy Standards Board

Enclosures (all documents noted in the appendices are available publicly on the NAESB web site – www.naesb.org):

Appendix A	List of Participants
Appendix B	Summary of Meetings and Related Events
Appendix C	Links to Executive Committee Meeting Minutes, Comments and Voting Records
Appendix D	Links to Ratification Ballots and Ratification Results
Appendix E	List of Available Transcripts
Appendix F	NAESB Process Summary
Appendix G	WGQ Annual Plan

September 3, 2008

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Standards for Business Practices and	**)**	**Docket No.** RM96-1-027
Communication Protocols for Public Utilities	**)**	

REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report in accordance with FERC Order No. 698[1] in the above referenced dockets.

In January 2002, the Gas Industry Standards Board ("GISB") became the Wholesale Gas Quadrant (WGQ) of NAESB and three other quadrants were formed, the Wholesale Electric Quadrant (WEQ), the Retail Gas Quadrant, and the Retail Electric Quadrant. NAESB serves as an industry forum for the development and promotion of standards, which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities.

Contained in this report are the business practice standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and index-based pricing for capacity releases. The technical implementation standards for index-based pricing for capacity releases will be filed subsequent to this submittal as they are still in the development process. The WGQ Executive Committee ("EC") approved the recommendation of the WGQ Business Practices Subcommittee ("BPS") to take no action concerning modifications to the intra-day nomination timeline; therefore, no standards are being submitted on this issue.

There are seven enclosures supporting this report. Provided in Appendix A is a list of the participants from all the meetings related to FERC Order No. 698. Appendix B provides a summary of the relevant meetings and related events. Provided in Appendix C are the links to the EC meeting minutes, comments and the voting records. Appendix D provides the links to ratification ballots and the ratification results. Provided in Appendix E is the list of available transcripts. Appendix F contains the American National Standards Institute accredited process by which NAESB develops standards. Lastly, Appendix G contains the current 2008 WGQ Annual Plan[2].

The NAESB WGQ BPS Order 698 meetings and EC meetings where these standards were drafted, discussed and adopted took place from June 2007 to July 2008. There were thirteen subcommittee meetings, many of them multi-day in duration, focused solely on FERC Order No. 698 issues. There were three EC meetings where the FERC Order No. 698 standards development effort was discussed as a key agenda topic. All meetings were open to all interested parties and were publicly noticed, and were available by phone and web cast for those unable to travel. The meetings were held in various locations, diverse geographically. Any interested party was encouraged to submit comments if their schedules would not permit them to participate either in person or over the phone/web cast. The minutes of these meetings are provided as links in appendices B and C, which include the voting records of the EC, and include all comments filed as part of the formal comment period for the FERC Order No. 698 standards. The ratification ballots and member ratification voting record results are also included as links in appendix D. An abbreviated review of the NAESB process by which the standards were drafted, considered and adopted is provided in appendix F. Provided in appendix G is the WGQ Annual Plan. More detailed process descriptions can be accessed from the NAESB web site.

[1] *Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698, 18 C.F.R. §38, 284, FERC Stats. & Regs., ¶ 31,251 (June 25, 2007), order on clarification and reh'g, Order No. 698-A, 121 FERC ¶ 61,264 (2007).
[2] NAESB 2008 WGQ Annual Plan, *available at* http://www.naesb.org/pdf3/wgq_2008_annual_plan.doc.

The development of the FERC Order No. 698 standards reflected multiple market interests and is the work product of the WGQ. While this was a WGQ standards effort since only WGQ standards were considered for change, all interested parties including the Wholesale Electric Quadrant ("WEQ") membership were asked to participate and make their perspectives known. All interested parties regardless of membership in NAESB were encouraged to participate, as they are in all NAESB meetings, to provide the broadest possible input from the industry, as work products are prepared. Appendix A provides a list of all who participated in the meetings related to FERC Order No. 698.

The standards development activity undertaken that produced the FERC Order No. 698 standards had considerable industry debate before an agreement was reached. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move toward consensus. As such, NAESB was able to produce and/or modify standards for business practices for index-based pricing for capacity release transactions and business practices to allow for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities. After much consideration, no action was recommended to modify the existing intra-day nomination timeline.

NAESB Standards for Indexed Based Pricing for Released Capacity (2008 WGQ Annual Plan Item 4a)

In FERC Order No. 698, the Commission requested NAESB to develop standards directing the releasing shipper to set out clearly the terms and conditions of indexed releases that would include the means for implementing the formula rate[3]. Over the course of ten meetings in seven months, the NAESB WGQ BPS modified three existing WGQ business practice standards, developed ten new WGQ business practice standards and two new WGQ definitions for index-based pricing for capacity release transactions. The recommendation was supported by the subcommittee on March 13, 2008. The recommendation was sent out for a thirty-day industry comment period on April 3, 2008 and one comment was received. The WGQ EC revised and approved all of the above on June 25, 2008 with a needed super-majority threshold of 67% overall, and a minimum of 40% affirmative vote from each segment. No negative votes were received. The standards were ratified on August 25, 2008.

During the development process, a concern was raised that the terms and conditions of licensing agreements offered by indices publishing companies could be an obstacle to the facilitation of index-based transactions between multiple parties. Specifically, issues regarding the expense of licensing and the ability to share indices data within a company and with third parties were noted. In response to those concerns, representatives from Platts attended the November 15, 2007 WGQ BPS meeting to respond to questions and provide a presentation. On June 25, 2008 at a WGQ EC meeting, presentations were given by SNL Energy ("SNL"), ICE Data ("ICE"), and Natural Gas Intelligence ("NGI"). Information can be found through the meeting minutes and presentations posted on the NAESB web site.

The translation of business practice standards to technical implementations of those standards is accomplished through the identification of the data required to support the transactions, definition of information requirements for the data, and mapping of that data into specific electronic transactions. This translation is performed by the Information Requirements ("IR") and Technical subcommittees and completes the standards development process, often referred to as full staffing. Both the IR and Technical subcommittees work in tandem to complete this crucial technical implementation activity. Although the business practice standards addressing index-based pricing for capacity release transactions have been ratified by the NAESB membership and are included in this filing, the standards have not completed the full staffing process. It is in progress now. NAESB considers a review of the implemental aspects of business practice standards an essential step in the standards development process, and therefore directed the IR and Technical subcommittees to designate the full staffing of the index-based capacity release standards as high priority. These standards are currently being addressed by the subcommittees and are expected to be fully staffed as early as fourth quarter 2008 but more probably during the first quarter 2009. This effort is being completed in conjunction with the subcommittees' response to FERC Order No. 712[4]. Upon completion of the technical implementation standards for index-based capacity release transactions, NAESB will submit a supplemental filing containing the complementary technical standards. The concept of full staffing is important to any industry standards organization, to ensure that implementers of the business practices are not required to design and build technical solutions for the business practices - once when the standards for technical

[3] FERC Order No. 698, *supra* note 1, ¶56.
[4] *Promotion of a More Efficient Capacity Release Market*, Order No. 712, 18 C.F.R. §284, 123 FERC ¶61,286 (June 19, 2008).

implementation do not exist, and again after they do. This duplication of effort can be time consuming and expensive, not to mention disruptive to the parties to the transactions.

NAESB Standards for Increased Receipt and Delivery Point Flexibility (2008 WGQ Annual Plan Item 4b)

In FERC Order No. 698[5], the Commission requested NAESB to consider developing standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities. Over the course of seven meetings in five months, the NAESB WGQ BPS developed one WGQ standard to address increased receipt and delivery point flexibility. The recommendation passed a subcommittee vote on January 9, 2008. The recommendation was sent out for a thirty-day industry comment period on April 3, 2008 and three comments were received. The WGQ EC approved the standard on May 15, 2008 with a needed super-majority threshold of 67% in total, with a minimum of 40% affirmative vote from each segment. No negative votes were received. The standard was ratified on August 25, 2008. After review, it was determined by the subcommittee that no technical implementation standards were needed to support redirects. As such, it is considered fully staffed.

NAESB Consideration of Changes to the Intra-day Nomination Schedules (2008 WGQ Annual Plan Item 4c)

In paragraph 69 of FERC Order No. 698,[6] the Commission requested NAESB staff to consider whether changes to existing intra-day nomination schedules would benefit all shippers, and provide for better coordination of gas and electric markets. Over the course of twelve meetings in the span of nine months, the WGQ BPS met to discuss the possibility of modifying the intra-day nomination timeline (NAESB WGQ Standard No. 1.3.2). A scoping issues document was prepared on August 30-31, 2007 by the subcommittee. After discussions began on several models to modify the intra-day nomination timeline, the subcommittee prepared a timeline design considerations work paper on March 12-13, 2008. It was modified on April 22-23, 2008 and applied to the models offered by participants for comparison purposes. A straw vote was taken by the subcommittee on April 23 to identify the models with the most support. The models with the most support were submitted by a pipeline collaborative, FPL Energy ("FPL") and Tennessee Valley Authority/Arizona Public Service ("TVA/APS")). These models were reconsidered at a May 19-20 meeting, and on May 20, 2008, the subcommittee was not able to reach a balanced simple majority vote to support any of the three models going forward as a recommendation.

The pipeline collaborative model received ten supporting votes and fifty votes in opposition, resulting in a balanced vote of 1.68 in favor to 8.32 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast one supporting vote and eighteen opposing votes. The local distribution companies ("LDCs") cast three supporting votes and nine opposing votes. The pipelines cast four supporting votes and twelve opposing votes. The producers did not cast any votes in favor and cast six votes in opposition. The services segment cast two votes in favor and five votes in opposition.

The FPL model received seven votes in favor and fifty-three votes in opposition resulting in a balanced vote of 1.25 in favor to 8.75 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast four votes in favor and fifteen votes in opposition. The LDCs cast one supporting vote and eleven opposing votes. The pipelines cast no votes in support and seventeen votes in opposition. The producer segment did not cast any supporting votes and six opposing votes. The services segment cast two votes in support and four votes in opposition.

The TVA/APS model received twenty votes in support and thirty-seven votes in opposition resulting in a balanced vote of 3.45 in favor to 6.52 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast eleven supporting votes and seven opposing votes. The LDCs cast five votes in support and four votes in opposition. The pipeline segment did not cast any votes in support and seventeen opposing votes. The producer segment did not cast any supporting votes and six opposing votes. The services segment cast four supporting votes and three opposing votes.

Each segment given the opportunity to voice their concerns on the issues that was important to them in making a final determination on whether or not to support a proposed model. The minutes of May 20 BPS meeting during which the voting took place can be reviewed along with comments and work papers to understand the breadth of interests expressed during the consideration of these models.

[5] FERC Order No. 698, *supra* note 1, ¶63.
[6] FERC Order No. 698, *supra* note 1, ¶69.

Participants from the end user segment, the LDC segment and the services segment all prepared written comments for consideration by the EC as it determined the disposition of the recommendation to take no action to develop standards for WGQ 2008 annual plan item 4c. Although the pipeline segment actively participated and provided leadership in the intra-day nomination timeline discussions, there were no formal comments submitted by pipeline representatives. Similarly, the producers segment also actively participated and provided leadership in discussions regarding the intra-day nomination timeline although no formal comments were submitted on their behalf. Details of the issues expressed by the participants can be found in the formal comments, discussion in the meeting minutes of both the BPS and the EC, and the EC transcripts related to 2008 WGQ Annual Plan Item 4(c)[7].

The recommendation to take no action was sent out for a thirty-day industry comment period on June 3, 2008 and seventeen comments were received. When a subcommittee determines that no action is to be taken on a particular request for standards development or for an annual plan standards development item, that item is posted for a 30-day industry comment period. The EC reviews the comments submitted and the item must pass a simple majority vote of the EC. Development items that are determined to need no action do not need to be sent out for membership ratification. On July 14, 2008, the WGQ EC voted to support the subcommittee's decision to not modify the current timeline. The vote to support no action to be taken passed with 15 in favor and 8 opposed.

[7] NAESB 2008 WGQ Annual Plan Item 4(c), 2007 WGQ Annual Plan Item 7(c), *supra* note 4.