STANDARDS DEVELOPMENT

Parallel Flow Visualization - Transmission Loading Relief (PFV-TLR) Standards Development: NERC and NAESB have been working closely together to create a more efficient and transparent approach for managing transmission congestion in the Eastern Interconnection. The PFV–TLR project, known as the Generation to Load (GTL) project at NERC, addresses three issues: (1) the use of static data by the Interchange Distribution Calculator (IDC) in its curtailment calculations, (2) the lack of visualization as to the source and magnitude of parallel flows during congestion periods, and (3) the lack of visualization of generation-to-load priorities during firm curtailment.

At the request of the NERC Operating Reliability Subcommittee (ORS), the NERC field test, begun in November 2010, remains suspended. The WEQ Business Practices Subcommittee has continued to make significant progress toward the goal of supplying a permanent methodology for the purposes of this test. At its meeting in mid-May, attended by over 130 industry participants, the subcommittee chose the Hybrid Option over the Flowgate Allocation Option.

The Hybrid Option selected by the subcommittee to move forward requires the transmission service provider or selling entity to identify the transmission service priority for all energy produced by generators located in a Balancing Area (BA) and modeled in the IDC. Firm and non-firm transmission service priorities associated with generators would be submitted via the SDX or Intra-BA Transactions, with the default IDC transmission service priority level being firm. Each BA will be required to declare whether it will be using either the Tag All Non-Firm component, or the Generator Prioritization component for the calculation of non-firm impacts.

With the achievement of this significant milestone, the group’s efforts have refocused on identifying and addressing key conceptual issues prior to undertaking the task of writing draft standards that would be used to implement the Permanent Method. This ongoing effort continues to benefit greatly from the varied perspectives the many market, non-market, and cross-regional participants bring to the process.

Among other key topics, the group is discussing concerns relating to the governance of shared flowgates. The process currently under discussion involves the use of a two-tiered firm curtailment (2-TFC) methodology to encourage the formation of coordination agreements between neighbors. Under this proposed process, in a TLR Level 5 or higher context, all off-path firm transactions unaccounted for in a coordination agreement would be curtailed prior to any on-path firm transactions and/or off-path firm transactions addressed in a coordination agreement.

This 2-TFC methodology has generated divergent views as to whether it either constitute unauthorized policymaking on the part of the subcommittee, or whether it contravenes existing FERC policy. To this end, the subcommittee has decided to approach the WEQ Executive Committee (EC) for guidance, in the form of an objective summary of the proposal, accompanied by two papers addressing the policy question, one in favor, and one opposed.

Until this question is resolved, the subcommittee will continue to develop consensus-based solutions to several outstanding issues, among them whether a firm resource carries with it firm rights over an entire provider’s system, how credit for redispatch should be addressed, and to what extent NERC MOD standards address the sale of transmission service. The project is currently scheduled for completion by the BPS in 4Q 2011.

For more information, please go to (WEQ 2010 Annual Plan Item 1.a.1 Final Action, WEQ BPS Web Page, NERC Press Release, NERC Change Order 283, NAESB Comments to FERC, Permanent Solution White Paper, Two-Tier Firm Curtailment White Paper Summary), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.
Wholesale Electric Service Across Multiple Transmission Systems (SAMTS): Currently, a customer hoping to move energy across multiple provider systems could be left with a financial obligation to pay for committed capacity on one system without knowing whether capacity is available on the other provider systems needed to complete a transaction. In Order No. 890, the Commission required Transmission Providers to work through NAESB to develop standards addressing this quandary.

In broad terms, the proposed SAMTS process requires that each affected provider independently evaluate its portion of the linked request, with the opportunity for a true-up by the customer once all evaluations are completed. Thus, after submitting and monitoring requests on multiple systems, the customer would communicate true-up information to each of the affected providers. As network integration transmission service (NITS) on OASIS is still in the final stages of development, the SAMTS project focuses exclusively on the FERC-approved process in existence, namely for point-to-point transmission service. The network service portion of the SAMTS process will be included in the final draft NITS standards.

After beginning its work in only January, the WEQ OASIS Subcommittee has completed its SAMTS efforts, including the filing of late comments to the WEQ EC (responsive to the formal comments received). The final product contains 12 new definitions, a new appendix, 32 modified standards, and 51 new standards. The WEQ EC met on June 30 to review and vote on the SAMTS draft standards. At this meeting, 18 votes were cast in favor and 4 opposed; as the required threshold for approval was not reached, the recommendation will be sent out to EC members not present at the meeting for a notational ballot period.

NAESB would like to warmly thank each participant who volunteered during the 45 days worth of full meetings the subcommittee has held since January, the majority of which were focused on SAMTS development efforts. Thanks to this collective effort, NAESB remains on target to meet its commitment to deliver the standards to the Commission on an expedited basis.

For more information, please go to (SAMTS Progress Report filed with FERC, SAMTS Recommendation, SAMTS Formal Comments Page or contact Denise Rager (drager@naesb.org) for additional information.

NAESB REQ Data Privacy Task Force: The Retail Electric Quadrant created this Task Force in February, reporting to the Smart Grid Standards Development Subcommittee on priority action plan (PAP) 10 (Standard Energy Usage Information) to address request R10012. The request called for the development of model business practices to set forth standards for the release of consumer information to third parties and the privacy policies and practices those third parties should employ. This request was submitted by Reliant Energy, with the support of the National Association of Regulatory Utility Commissioners (NARUC), and garnered a great deal of attention from state utility commissions. The task force is co-chaired by Robin Lunt of NARUC and Christine Wright of the Texas Public Utility Commission. After meeting weekly since February, the Task Force has completed its work; the final product contains 8 new principles, 4 new definitions, and 105 new model business practices.

The task force’s effort carries no formal connection to the SGIP, but they and the Gridwise Architecture Council Business and Policy Domain Expert Working Group have been monitoring the task force’s activities. The task force work was undertaken with full recognition of customers’ privacy concerns about the use of information generated through emerging Smart Grid processes. The task force meetings were well-attended, averaging roughly 30 cross-spectrum participants, including staff members representing 14 different state and provincial government agencies.

The Task Force unanimously voted out a recommendation on May 19 for a formal comment period which ended on June 20. The Task Force has met to review the formal comments submitted and provided a set of late comments that will be reviewed by the REQ EC during a single topic review session on June 30 and voted on during a July 7 conference call. This effort was completed by the task force on a truncated timeline (only 4 months) at the request of NARUC and state commission staff members, who participated heavily. If approved, the recommendation would become a final action in early August.

For more information, please go to (Request R10012, R10012 Recommendation, REQ Data Privacy Webpage), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

Membership: As a result of the outreach made by the Board Resources Committee, chaired by Mr. R. Scott Brown of Exelon Corporation, NAESB has gained three new members. We would like to welcome the following new members:

- QEP Resources, Inc. (WGQ, Producer)
- Energy Solutions International Inc. (WGQ, Services)
- Marathon Petroleum Company LP (WGQ, End Users)

We want to thank the board members for their continued outreach to companies involved in demand side management (DSM), smart grid, wind and solar projects, as well as their colleagues who may not be NAESB members. Board members can forward contact information for prospective members to the NAESB office (Denise Rager at drager@naesb.org or 713-356-0060) for the distribution of membership information packets.

For more information, please go to (NAESB Members, Membership Information, or Membership Report) or contact Denise Rager (drager@naesb.org) for additional information.
Smart Grid Activities: The Smart Grid Interoperability Panel (SGIP), formed under the auspices of the National Institute of Standards and Technology (NIST), asked for NAESB’s assistance in developing four of the existing 17 priority action plans, or PAPs.

The NAESB staff has completed the draft report that will be filed with the FERC and provided to the National Association of Regulatory Utility Commissioners (NARUC) on the standards developed in response to PAP 03 (Common Specification for Price and Product Definition), PAP 04 (Common Schedule Communication Mechanism for Energy Transactions), PAP 09 (Standard DR and DER Signals), and PAP 10 (Standard Energy Usage Information). The report is currently being circulated among the Managing Committee and informally with FERC and NIST staff. It will be finalized in early July.

The OASIS standards setting organization is still in the process of drafting the specifications based upon our data requirements for PAPs 03, 04 and 09 and the Energy Usage Information Model developed in response to PAP 10 is being evaluated and voted upon by the Smart Grid Interoperability Panel for inclusion in the Catalog of Standards. The voting period closes on July 7; the next SGIP meeting is scheduled for July 12-14 in Montreal and will focus on international collaboration.

The Energy Services Provider Interface (ESPI) task force has continued to meet weekly over the last quarter to develop a recommendation in response to REQ AP Item 9.e (the standardization of the Open ADE specification – which is a specification that describes communications between utilities, customers and 3rd party service providers). The standards under development by the task force are an extension of the NAESB Energy Usage Information Model, related to PAP 10. Whereas that model addresses what information is communicated through smart meters, the ESPI work is directed at how that information is shared through the development of communication protocols. The communication specification will include model business practices, as well as data elements, process descriptions, and technical implementation instructions. The work is monitored by leadership within the SGIP for possible inclusion in its efforts.

The task force distributed a draft recommendation for an informal comment period that ended on June 13 and is currently in the process of reviewing the submitted comments and providing resolutions. The task force is working under an expedited schedule to meet its 2Q 2011 deadline and plans to vote the recommendation out during the first week of July.

For more information, please go to (PAP03, PAP04, PAP09, PAP10, WEQ PAP03 Final Action, WEQ PAP04 Final Action, WEQ PAP09 Final Action, WEQ PAP10 Final Action, WEQ PAPs 03/09 Master Data Elements Final Action, REQ PAP03 Final Action, REQ PAPs 03/09 Master Data Elements Final Action, Retail PAP04 Final Action, Retail PAP10 Final Action, ESP1 Draft Recommendation), or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

Network Integration Transmission Services (NITS) Standards Development: The OASIS systems that manage the electronic scheduling of wholesale electricity were initially designed to support point-to-point transmission services. For several years, the WEQ OASIS subcommittee has been working diligently to establish standards permitting OASIS to accommodate network integration transmission service, or NITS, as mandated by FERC in Order No. 890.

In addition to the sheer volume of work performed by the many industry volunteers, the quality of work found in the crafting of innovative solutions, to challenges both conceptual and technical, has been at the core of the emerging industry-wide consensus. Once this project is complete, it is hoped that the marketplace will benefit greatly from increased uniformity and transparency for transmission services.

Currently, the subcommittee has completed draft standards for WEQ-000, the glossary and list of acronyms, WEQ-001, the business practice standards, and WEQ-003, the data dictionary. Technical teams are working diligently to complete the draft standards for WEQ-002, the technical specifications, and WEQ-013, the implementation guide. As no conceptual issues remain unresolved, the subcommittee co-chair, JT Wood, of Southern Company, hopes that the entire NITS package, including WEQ-000, WEQ-001, WEQ-002, WEQ-003, and WEQ-013, will be sent for an informal comment period by the end of June.

Given the volume and complexity of these brand new standards, the subcommittee will provide a technical conference on June 19 to deepen the industry’s understanding of the NITS on OASIS project and facilitate parties’ submission of comments. Although a precise timeline is difficult to gauge until the volume and complexity of informal comments is assessed, after the subcommittee addresses all informal comments, the draft standards will be submitted for 30-day formal industry comment period prior to consideration by the WEQ EC. The entire NITS project is expected to be ready for presentation to the WEQ EC in early 4Q 2011.

For more information, please go to (WEQ OASIS Web Page, NITS Recommendation) or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

NAESB Calendar of Action Items: For an update on current action items please reference the Calendar of Action Items.
Demands-Side Management and Energy Efficiency: The Demand-Side Management efforts at NAESB are divided into two areas: Demand Response (DR) and Energy Efficiency (EE), each with a wholesale and retail electric component.

The WEQ EE recommendation was approved via notational ballot on April 18 and ratified by membership on May 13. NAESB filed the Wholesale Electric EE standards jointly with the Wholesale Electric DR standards (which had been previously ratified) at FERC on April 30. In that filing, NAESB informed the Commission that the DR standards had been developed with as much granularity without impacting the ISO/RTO stakeholder process, noting that further detail could not be included unless the Commission so indicated.

The WEQ EE standards support the measurement and verification characteristics of EE products and services administered for application in the wholesale market. The standards include 6 new definitions and 63 business practice standards. The purpose of the project was to create a standardized method for quantifying the energy reduction for energy efficiency measures, including lighting, appliances, industrial process improvements, and building management. The standards contain energy efficiency use criteria in wholesale markets, the general requirements for the structure of a measurement and verification (M&V) plan and detailed criteria for accepted M&V methodologies. The standards were built upon the current M&V manuals vetted by stakeholders in PJM and ISO New England, the Federal Energy Management Program M&V standards, the International Performance Measurement and Verification Protocol, and other state protocols.

Having completed the DR Phase 2 model business practices, the Retail DR work group has focused its efforts on R10002, which concerns enrollment in DR programs. Wendell Miyagi, of ComVerge, recently supplied the work group with a presentation of his organization’s enrollment process. The original requestor, James Tillett, of Endeavor Engineering, agreed that this process was a good starting point for the work group’s efforts. In response to that direction, Phil Precht, of Baltimore Gas and Electric, began the process of drafting proposed process flows for more general applicability. The effort to further develop and refine draft enrollment model business practices is ongoing. The request was generated because existing Smart Grid priority action plan (PAP) 09 enrollment standards had not addressed the situation wherein a third party acts either as an agent for the retail customer, or as an aggregator of several retail customers; PAP 09 addressed retail customer self-enrollment.

Current Retail EE work concerns estimating the directly-achieved electricity savings (peak and average kW and annual kWh) achieved by utility retail customers in ratepayer-funded programs. The Retail EE recommendation provides an overview of the Evaluation M&V (EM&V) process, a list of standard documents (EM&V Framework, Annual Portfolio EM&V Plan, detailed research plans); specific content and basic minimum principles are under development.

During the May Retail EC meeting, the co-chairs of the work group shared that a divergence of opinion existed as to whether the Retail EE recommendation was either too broad, or too narrow; in addition, they shared that concerns had been raised that NAESB’s efforts were overlapping the SEE Action effort led by the U.S. Department of Energy (DOE). A conference call was held recently between the DOE, the National Association of Regulatory Utility Commissioners (NARUC) and NAESB to address this concern. During that meeting, it became apparent that there was not redundancy in the two efforts. As a result, several participants volunteered to take the recommendation in its current form and complete a full set of model business practices. This effort will likely be complete in mid-July; a Retail EE work group meeting has been scheduled for July 18 to review that work product.

A full DSM-EE subcommittee conference call has been scheduled for July 27 to address any concerns and offer guidance to the Retail EE work group as they complete their work effort. The DOE and NARUC will be included in the review of the NAESB Retail EE model business practices, to ensure that the efforts remain complementary, but not duplicative.

For more information, please go to (FERC Final Rule - Order No. 676-6, Wholesale DR and EE FERC Filing, Retail DR M&V Phase 2 Final Action, Process Flow for Enrollment in a Retail DR Program), or contact Denise Rager (drager@naesb.org) to be added to the relevant distribution lists.

NAESB Primers and Training Courses:

July 13-14, 2011—WGQ Business Practice Standards: Updates and Changes Version 2.0 Course to be held in Houston, TX at the NAESB Offices, 801 Travis, Suite 1675, Houston, TX.

October 5-6, 2011—Understanding the NAESB WGQ Contracts Course to be held in Houston, TX at the NAESB Offices, 801 Travis, Suite 1675, Houston, TX.

Please monitor the NAESB Primers and Training Courses web page for additional information and scheduling of upcoming courses.
**Wholesale Gas Common Codes:** In a series of standards, which trace their heritage to FERC’s Common Codes Working Group, the Wholesale Gas Quadrant (WGQ) requires the use of common codes for shared pipeline metering locations. The IHS coding system permits the linkage of the many pipeline proprietary codes that may share a given location through the identification of 19 discrete data elements. Based on feedback from the industry, NAESB is reviewing whether abandon the use of these common location codes. It is, as yet, unclear whether the use of proprietary codes alone, as proposed, would continue to permit multiple parties at a single location point to be identified as sharing that location point.

Many of the participants in the WGQ Business Practices Subcommittee (BPS) discussions have indicated that a majority of shippers would prefer to only use a given pipeline’s proprietary location code, rather than both the common location codes and the pipeline proprietary codes. In addition, after several months of BPS meetings, there has been little opposition voiced against the elimination of the common code requirement. Comments provided propose that, in lieu of the common location code, transportation service providers should provide a download that includes detailed location information. To date, the BPS has reviewed affected standards and identified where references to common location codes would be deleted.

Before pursuing this proposed modification further, the industry is seeking input from FERC staff as to whether the Commission would support this change in the NAESB standards and whether the Commission would consider changing the federal regulations that refer to common location codes. A WGQ BPS meeting will be held in Washington, DC on July 7, 2011 before determining how to proceed.

_for more information, please go to (WGQ BPS Web Page, WGQ Interpretations Common Codes Work Paper, WGQ BPS Common Codes Work Paper, IHS / WGQ Contract), or contact Denise Rager (drager@naesb.org) to be added to the distribution list._

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**Certification for PKI:** The Certification Program Committee is charged with; 1) creating certification processes that provide certification for those parties in the marketplace whose services comport with the relevant NAESB standards; 2) evaluating the existing certification programs, determining their relevance to the market place, and making recommendations for improvements; and, 3) developing materials required for implementation of the new certifications programs.

In 2007, this group created a checklist for WEQ PKI Certificate Authorities (CAs) to ensure ongoing compliance with PKI standards. The existing process to become a CA is self-certification, achieved through the legal possession of WEQ 12, which is password-protected, and compliance with this checklist. Certified entities are listed on the NAESB web site and are entitled to affix the NAESB logo to their marketing materials.

The committee is currently reviewing the checklist requirements from a process and technical perspective. Work papers submitted by committee participants are being used as the basis for developing the new checklist. In addition, a schematic has been developed describing the relationships between NAESB, the CA, the third-party auditor, and the affected entity. This new checklist has been sent out for a round of informal industry comments, which are in the process of being incorporated into the work paper.

According to Leigh Spangler, of Latitude Technologies, the committee hopes to complete this project during 3Q 2011, after which it will be presented to the Board of Directors for approval.

_for more information, please go to (WEO 012 PKI Standards Version 2.1, Board Certification Program Committee Web Page), or contact Denise Rager (drager@naesb.org) to be added to the distribution list._

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**Electric Industry Registry:** In a joint decision, North American Electric Reliability Corporation (NERC) and NAESB decided to move the energy industry registry from NERC to NAESB, in recognition of the registry’s primary use in commercial contexts, as opposed to reliability contexts. NAESB has selected Open Access Technology International, Inc. (OATI) to provide this registry, which will serve as the central information repository required to support commercial, scheduling, and transmission management operations. OATI has created the webRegistry solution to perform the required registry functions. The webRegistry will replace the Transmission Site Information Network (TSIN) Registry and will include enhanced reporting functions in addition to the functions already provided in the TSIN Registry.

Following the review and approval of the webRegistry functional specification by NERC and NAESB, development on the webRegistry has commenced. Registration of entities in the webRegistry will occur in phases by organization type; it is expected that the existing participants in the TSIN Registry will have transitioned by 1Q 2012. As the registration phase of the transition to webRegistry approaches, announcements will be made to all affected parties addressing training and registration.

_for more information, please go to (NAESB Registry RFP), or contact Denise Rager (drager@naesb.org) to be added to the distribution list._
Retail Supplier Marketing Practices: The Retail Gas and Retail Electric Quadrants (Retail Quadrants) have been continuing to develop supplier marketing model business practices. These practices are applicable to deregulated states where multiple entities, or suppliers, compete to provide service to end users.

This work was undertaken in response to consumer requests for enhancements concerning marketing practices on the part of some suppliers in several states, among them Illinois, New York, and Pennsylvania. In developing the practices, the Retail Business Practices Subcommittee also drew upon existing laws and regulations from Ohio and Maryland. The group used existing legislative and regulatory efforts in these five states to develop a cross-jurisdictional perspective to assist both applicable regulatory authorities, and industry in addressing this important customer issue.

In the course of this effort, the subcommittee expanded the scope of its work from door-to-door marketing to include both telephone, and electronic marketing practices. The overall project is intended to reflect the current regulatory and legal landscape that a future policymaker might want to consider, while concurrently addressing the issues raised by consumer protection groups and industry stakeholders.

Draft model business practices, developed by cross-industry stakeholders, including both local distribution companies, and suppliers, will likely be sent out for a 30-day formal industry comment period during the month of July. The subcommittee would like to welcome interested industry participants to provide comment on the forthcoming recommendation.

For more information, please go to (Retail BPS Web Page, Retail Supplier Marketing Practices Draft MBPs), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

Streamlining the Standards: The Wholesale Gas Quadrant (WGQ), Retail Gas Quadrant (RGQ), and Retail Electric Quadrant (REQ) have each undertaken to refine their existing work products during the 2011 calendar year. This process reflects the ongoing maturation of the standards themselves. When standards are first developed, they are often developed piecemeal, in response to specific industry or regulatory requirements. In addition, certain standards may no longer be relevant, for varied reasons. The streamlining process will permit a concerted review of the entire body of standards in each quadrant, allowing for a careful review for internal consistency, ease of use, and continued relevance.

This streamlining effort in the Wholesale Gas Quadrant is quantified as several separate annual plan items. The work will focus on the reorganization and updating of existing standards. The review process is already underway in the Joint WGQ Information Requirements and Technical Subcommittees. As part of the WGQ refinement process, existing EBB code values, descriptions, and error messages will be reviewed and updated to simplify the postings requirements, while maintaining the same level and detail of information. As an example of the type of work being performed, the Sample Paper examples in the implementation manuals will be updated to ensure consistency with the related data dictionaries and code values dictionaries.

The streamlining project to be undertaken by the Joint REQ/RGQ Glossary and Business Practices subcommittees will, in part, focus on its continued relevance to gas and electric customer choice states. Phil Precht, of Baltimore Gas and Electric, stated that “the competitive energy marketplace has evolved since many of the model business practices were developed,” adding that in order to remain viable, “they must be reviewed periodically to ensure they reflect current conditions.” The work will also incorporate newly-developed aspects of the retail marketplace, including Energy Efficiency, Demand Response, and Smart Grid processes. Dan Jones, of Duke Energy, believes that the streamlined “model business practices will serve as the industry guideline as states develop rules and policies for the new technologies impacting the retail marketplace.”

For more information, please go to (Current 2011 WGQ Annual Plan, Current 2011 Retail Annual Plan), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

Parliamentary Committee: The Parliamentary Committee (PC) is currently considering a modification to the existing minor correction process which would expedite the process by which minor corrections submitted to NAESB during the editorial review period of a new publication are adopted. The goal of the process modification is to ensure that any non-substantive editorial corrections discovered during the publication review process are implemented quickly and avoid any unnecessary delay to the publication and to filings with regulatory agencies.

The PC is also considering additional modifications to the Executive Committee (EC) voting procedures concerning the manner in which abstentions are tabulated. The purpose of such a procedure would be to encourage EC members to be engaged and participate in issues that impact the market, but may not directly impact their organizations.

The PC also discussed the implementation of the “full staffing” approach employed by the Wholesale Gas Quadrant as a Wholesale Electric Quadrant approach to coordinate more effectively with NERC Field Tests and other NAESB activities that are coordinated with external groups.

If approved by the PC, these proposed changes would be submitted to the Board of Directors for approval. Depending on the type of change approved by the Board, the modification would be reflected in NAESB’s governing documents.

For more information, please go to (Parliamentary Committee Web Page), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.
**Dodd-Frank Legislation:** The Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank) was passed on July 21, 2010. The U.S. Commodity Futures Trading Commission (CFTC), through the Technical Advisory Committee, is in the process of developing rules to implement Dodd-Frank provisions. This committee has named a Data Standardization Subcommittee, which is looking for effective public-private solutions for creating standards for the description, communication, and storage of data concerning complex financial products. This subcommittee, for which FERC, the SEC, and the U.S. Treasury serve as observers, has begun its task.

The precise impacts to the electric and natural gas industries are uncertain, as the rulemaking process has only begun. However, the increased reporting requirements, regardless of form, will carry significant financial obligations to implement. The act requires swaps to be cleared and cash collateralized, but provides for an “end-user clearing exception” that applies to non-financial entities that use swaps to “hedge or mitigate commercial risk.” The draft rules would require such an end-user to file a real-time notification of all trades and provide certain information to the CFTC, including how it will meet its financial obligations associated with entering into non-cleared swaps (e.g. credit support, pledged assets, third-party guarantee, credit, cash flow from operations).

According to the CFTC, the final rules will be issued between July and November 2011, although those targets may be extended due to the extensive industry comments received. NAESB will continue to monitor developments and provide any assistance, as requested. NAESB hopes to share its experience in developing data standards, complex tracking mechanisms, regulatory frameworks, financial reporting, data format standardization, and common codes for unique entity, product, and transactional identifications; all of which could prove helpful to the implementation of the act, and would offer the industry a voice in the creation of reporting requirements.

For more information, please go to (Dodd-Frank Act (HR 4173), NAESB nomination submitted to CFTC, End-User Guide to CFTC Implementation of Dodd-Frank Act), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

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**Minor Correction FERC Filings:** When errata are discovered in standards, NAESB uses the minor correction process to achieve industry consensus on the need for modification. In contrast to the standards development process, requests identified as minor corrections follow an abbreviated process that permits industry consensus to form, yet bypasses the lengthier procedures designed to permit issues that carry the potential for controversy to be fully vetted. When a minor correction affects standards that have already been submitted to the Commission, NAESB submits the modifications to FERC in the form of an Errata Filing. In the case of a NAESB publication that has been adopted by the Commission, such as WGQ Version 1.9, the Commission may choose to hold a notice and comment rulemaking to incorporate the minor corrections. For publications submitted, yet not adopted, such as WGQ Version 2.0, there is no such rulemaking necessary, as the Commission may choose to act upon the revised set of standards.

The following three MCs, impacting standards and data elements found in either Version 1.9, Version 2.0, or both, were filed on behalf of the Wholesale Gas Quadrant: MC 11013 (modifying special terms relating to the Capacity Release data element); MC11014 (numerous minor errata, such as spelling or grammar); and MC11016 (changes to conform to FERC modifications to e-Tariff implementation guide).

The following six MCs, impacting standards in WEQ Version 2.1, were filed on behalf of the Wholesale Electric Quadrant: MC11011 (suspending the Time-error Correction standards); MC 10033 (clarifying definition of ANNULLED); MC 10032 (clarifying definitions for On-peak and Off-Peak; and, MCs 10019, 10041, 11016 (each containing changes to conform to FERC modifications to e-Tariff implementation guide).

Please access the links below for further detail concerning these filings.

For more information, please go to (WGQ Version 2.0 (with Minor Corrections applied through June 3, 2011), WGQ Minor Corrections Web Page, WEQ Minor Corrections Web Page, WEQ FERC Filing, WGQ FERC Filing), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

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**Copyright/NAESB Standards Access:** As everyone should be aware, NAESB copyrights its work products – a practice used by most standards organizations. The copyrights are considered a subset of intellectual property law, and NAESB retains the rights to publication, reproduction, display and distribution. NAESB members may obtain materials free of charge as part of their benefits, but these benefits do not extend to their agents, affiliates or subsidiaries without prior approval from the NAESB office. Damages for copyright infringement can be significant, including penalties of $100,000+, injunction, impounding of materials, seizure of property, and award of punitive damages. At the same time, NAESB is very liberal in its policies towards sharing information, and has granted waivers to regulators and educational institutions depending on the intended use. There is also a process by which anyone can request a three day waiver to review the work products, as they consider whether they should purchase them. NAESB’s control of copyrighted material provides a small revenue stream which offsets some of its standards development expenses and thus those of its members in the creation of the work products. More importantly, as entities must come to NAESB for its standards material, it assures that they will have access to the most current version.

For more information, please go to (Copyright, NAESB Material Order Form) or contact Denise Rager (drager@naesb.org) for additional information.
Publications: NAESB is pleased to announce a change in its publication options affecting each Quadrant. Currently, published standards are available as a unit, rather than broken into component subject matter sections, or books. In response to requests from the NAESB membership, WGQ Version 2.0, WEQ Version 002.2, Retail Version 1.3 and all future publications may be downloaded (for free) by members from the NAESB web site as individual books/sections, rather than as an entire publication with bookmarks to each book. Going forward, a member may also purchase a CD of an entire version publication for $150 per quadrant, or download (for free) any of the version publications from the NAESB web site. NAESB hopes that this new functionality will be of benefit to the membership and make it easier to locate specific standards of interest.

Non-members may purchase emailed copies of individual books for $100 each. Non-members may also purchase a CD of an entire version publication for $900 per quadrant. In addition, a 3-day limited waiver is available to non-members for the evaluation of NAESB work products, as outlined in the terms of the waiver.

The NAESB WGQ Business Practice Standards, Version 2.0 were released on November 30, 2010; Version 2.1 is scheduled for a July of 2012 publication. Version 1.3 of the NAESB REQ/RGQ Model Business Practices were released on March 31, 2011; Version 1.4 is currently scheduled for an April 2012 publication. In addition, the NAESB WEQ is scheduled to release Version 002.2 of the NAESB WEQ Business Practice Standards in September 2011.

For more information, please go to (NAESB Retail Model Business Practices, NAESB WEQ Business Practice Standards, NAESB WGQ Business Practice Standards, Retail Publication Schedule, WEQ Publication Schedule, WGO Publication Schedule, Non-member 3-day Limited Waiver, NAESB Material Order Form), or contact Denise Rager (drager@naesb.org) to be added to the distribution list.

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### NAESB Quadrant/Segment Membership Analysis:

<table>
<thead>
<tr>
<th>Quadrant/Segment</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholesale Gas Quadrant</strong></td>
<td>119</td>
</tr>
<tr>
<td>End Users Segment</td>
<td>17</td>
</tr>
<tr>
<td>Distributors Segment</td>
<td>16</td>
</tr>
<tr>
<td>Pipelines Segment</td>
<td>42</td>
</tr>
<tr>
<td>Producers Segment</td>
<td>12</td>
</tr>
<tr>
<td>Services Segment</td>
<td>32</td>
</tr>
<tr>
<td><strong>Retail Electric Quadrant</strong></td>
<td>24</td>
</tr>
<tr>
<td>End Users/Public Agencies Segment</td>
<td>9</td>
</tr>
<tr>
<td>Utilities Segment</td>
<td>7</td>
</tr>
<tr>
<td>Service Providers/Suppliers Segment</td>
<td>8</td>
</tr>
<tr>
<td><strong>Retail Gas Quadrant</strong></td>
<td>19</td>
</tr>
<tr>
<td>End Users/Public Agencies Segment</td>
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</tr>
<tr>
<td>Distributors Segment</td>
<td>6</td>
</tr>
<tr>
<td>Service Providers/Suppliers Segment</td>
<td>12</td>
</tr>
<tr>
<td><strong>Wholesale Electric Quadrant</strong></td>
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</tr>
<tr>
<td>End Users Segment</td>
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</tr>
<tr>
<td>Distributors Segment</td>
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</tr>
<tr>
<td>Transmission Segment</td>
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</tr>
<tr>
<td>Generation Segment</td>
<td>21</td>
</tr>
<tr>
<td>Marketers/Brokers Segment</td>
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</tr>
<tr>
<td>Non Specified</td>
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</tr>
<tr>
<td>Independent Grid Operators/Planners Segment</td>
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</tr>
<tr>
<td>Technology &amp; Services Segment</td>
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</tr>
<tr>
<td><strong>Total Membership</strong></td>
<td>296</td>
</tr>
</tbody>
</table>