



NORTH AMERICAN ENERGY STANDARDS BOARD

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December 15, 2004

NAESB AT A GLANCE: MONTHLY UPDATE

VERSION 0 UPDATE: Mr. Michael Desselle, Director of Public Policy for American Electric Power, and Chairman of NAESB, reported on the status of WEQ Version 0 standards. The WEQ Business Practices Subcommittee (BPS) has been working with NERC for six months to separate the business practices in NERC's existing operating policy, planning standards, and compliance templates from the reliability standards and adopt those business practices as NAESB standards. Version 0 consists of five sets of standards: Time Error Correction, Inadvertent Interchange, Area Control Error Equation Special Cases, Coordinate Interchange Business Practices, and Transmission Loading Relief Procedures. These business practices were unanimously adopted by the WEQ BPS and Executive Committee and are currently posted for WEQ member ratification until December 30, 2004. All of the standards except for Transmission Loading Relief Procedures will be part of a filing NAESB will submit to the FERC in January 2005. Ms. McQuade added that based on remarks made by Chairman Wood at the FERC Open Session on December 15th, the Version 0 filing will likely result in a notice of proposed rulemaking. Though the Transmission Loading Relief (TLR) Procedures are out for member ratification, they will not be included in the filing.

ENERGY DAY UPDATE: Mr. Jim Buccigross, Vice President, 8760, Inc., NAESB Board Member (WGQ), and Executive Committee Chairman, and Mr. Lou Oberski, Director of Electric Market Policy, Dominion Resource Services, Inc., and WEQ Executive Committee Chairman, provided an update on the Energy Day efforts. The Joint Subcommittee on Energy Day was formed from the Business Practices Subcommittees of the WEQ and the WGQ in response to NAESB Request Number R04016 submitted by KeySpan and Duke Energy to develop standards for a standard energy day. The meeting on December 1st and 2nd in Brooklyn was facilitated by Mr. Rick Miles of FERC, and consisted of educational and scoping efforts. The meeting resulted in a list of scoping questions, and options for the next steps. The committee will meet again on January 24th and 25th in Houston, with work papers due on January 12th. Mr. Oberski said Dominion and other companies are developing strawman proposals to be discussed at the meeting in January. Ms. McQuade added that Mr. Desselle received a letter from Pat Wood, III, Chairman of the FERC, applauding NAESB for its efforts to move forward to establish an energy day, and asking for an energy day filing on June 1, 2005. A filing in June would allow standards to be implemented by winter 2005-2006.

UPDATES ON BOARD COMMITTEES: Ms. Rae McQuade, NAESB Executive Director, reported on the four Board Committees. The Resources Committee, chaired by Ms. Gloria Ogenyi of Conectiv, has been reviewing membership and approaching potential members to join NAESB. The work of the Resources Committee has resulted in a net gain of three new members, an overhaul of the membership page on the NAESB website to include testimonials from members and regulators, a list of hot issues, and recent successes. The Gas-Electric Interdependency Committee, chaired by Mr. Jim Templeton of Comprehensive Energy Services, has had one meeting since September. This committee is engaged in high level review of what types of activities related to gas and electric interdependency could result in NAESB standards development. The Retail Awareness Committee, chaired by Mr. Cade Burks of EC Power, has been seeking input from interested state regulatory agencies and related associations so efforts to increase awareness of the retail quadrants' progress will be consistent with the needs of those groups. The NAESB Board of Directors created another Board Committee at its meeting on December 9th to evaluate the low levels of retail quadrant membership and determine what action, if any, should be taken to address this issue. The Committee will report to the Board of Directors at its December 2005 meeting.

UPDATE ON DUNS NUMBERING SYSTEM: Mr. Jim Cargas, Deputy Director of NAESB, explained the DUNS numbering system is currently incorporated within the WGQ standards to identify trading partners, and is also used in back office software by many NAESB members. Mr. Cargas said he had contacted DISA and ANSI regarding potential changes to use other identifiers, and while the two organizations have not made any changes, he will coordinate with them as other industries review the future use of this system. The health care industry has adopted a European based GLN Numbering system. Mr. Cargas stated NAESB will continue to monitor any changes that could affect the use of DUNS numbers by NAESB members and their trading partners.

UPDATE ON THE GECTF FILING: Ms. Rae McQuade, Executive Director of NAESB, stated NAESB filed the report from the Gas-Electric Coordination Task Force with the FERC at the end of November. This report included the list of discussion points that highlighted the areas where there may be a potential for standards development regarding coordination between gas and electric industries. The report also included the three requests that were submitted to



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NAESB related to the GECTF: (1) the request for a standard energy day, R04016, from Duke Energy and KeySpan, (2) the request to standardize electric market timelines, R04020, from TVA, and (3) R04021, the request from Natural Gas Pipeline Co. of America, CrossCountry Energy and Salt River Project to develop standards for daily operational communications between pipelines and power plants. Chairman Wood addressed the report in his letter to Mr. Desselle where he noted the January cold snap highlighted the need for coordination between natural gas and electric industries, including ISOs, RTOs, and gas fire generators. Chairman Wood commended those who met and drafted the GECTF Report and stated it provides a foundation from which to move forward on energy day and scheduling problems. In the FERC Open Session on December 15, 2004, Chairman Wood noted the three requests, the companies that submitted the requests, and stated he was looking forward to seeing NAESB work products regarding these requests.

DIRECTION OF STANDARDS DEVELOPMENT IN RXQ: Mr. Mike Novak, Assistant General Manager, National Fuel Gas Distribution, and member of the Board of Directors (WGQ) and Executive Committee (WGQ and RGQ) stated the retail quadrants had been working on standards for Market Participant Interactions, Procedures for Distribution Company/Supplier Dispute, and a Trading Partner Agreement based on the Wholesale Gas Trading Partner Agreement that is tailored for the retail market. In 2005, the retail quadrants will be reorganizing the subcommittee structure to imitate the WGQ and WEQ. The Customer Processes Subcommittee and Supplier User Interface Subcommittee will combine to be the Business Processes Subcommittee, and an Information Requirements Subcommittee will be created. The retail quadrants are working to publish the existing business practices by February 2005 in time for the NARUC meetings in March.

OTHER TOPICS: Ms. Gussow requested an update on the status of the gas quality standards and Natural Gas Council as agenda items for the next monthly update call. There were also requests for updates on Energy Day, and Version 1 progress to be discussed at the next call.

NEXT CONFERENCE CALL: The next conference call is scheduled for **Wednesday, January 19, 2005**, at 2:00 pm Eastern. We hope you can join us. If there are particular topics you would like to see covered or would like to receive additional information, please contact the NAESB Office (713-356-0060, naesb@naesb.org).

NAESB Monthly Update Conference Call, Participant List December 15, 2004 -- 2:00 PM Eastern

Name	Company
1 Diane Barney	New York PSC
2 Philip Bedingfield	Georgia Public Service Commission
3 Terry Bilke	Midwest ISO
4 Victor Bissonnette	Hydro Quebec Transenergie
5 William Bokram	Michigan Public Service Committee
6 Jim Buccigross	Group 8760
7 Scott Butler	Con Edison of New York
8 James Cargas	NAESB
9 Roman Carter	Southern Company
10 Kelly Daly	Arizona Public Service
11 Ed Davis	Entergy
12 Michael Desselle	AEP
13 David Dworzak	Edison Electric Institute
14 Mary Edwards	Dominion
15 David Eichenlaub	Virginia State Corporation Commission
16 Lynnnda Ell	Entergy



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	Name		Company
17	Chuck	Feagans	TVA
18	Ollie	Frazier	Duke Power
19	Terri	Grabiak	Allegheny Energy
20	Bill	Griffith	El Paso
21	Dona	Gussow	Florida Power & Light Company
22	James	Hartwell	NPCC
23	Bill	Hebenstreit	El Paso Production Company
24	Steve	Huhman	Mirant
25	Verne	Ingersol	Progress Energy
26	Wanda	Jones	The Michigan Public Service Commission
27	Barb	Kedrowski	WE Energies
28	Laura	Kennedy	NAESB
29	Ruth	Kiselewich	Baltimore Gas & Electric
30	Michael	Langston	Panhandle Energy
31	Melissa	Lauderdale	Edison Electric Institute
32	Cecilia	Liang-Nicol	Allegheny Power
33	Bill	Lohrman	NERC
34	Marcella	Matzeit	National Energy Board
35	Carol	McCrary	North Carolina Municipal Agency
36	Rae	McQuade	NAESB
37	Randy	Mills	Chevron Texaco
38	Elizabeth	Moynihan	Exelon
39	Bill	Newbold	Detroit Edison
40	Michael	Novak	National Fuel
41	Lou	Oberski	Dominion
42	Gloria	Ogenyi	Conectiv
43	Judy	Ray	Alabama Power Company
44	Janice	Rogers	Chandeleur Pipeline Company
45	Kim	Van Pelt	Panhandle Eastern Pipeline
46	Sheila	Ward	Alabama Public Service Commission
47	Karl	Wunderlich	United States Bureau of Reclamation
48	Kathy	York	TVA