



NORTH AMERICAN ENERGY STANDARDS BOARD

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December 17, 2003

NAESB AT A GLANCE: MONTHLY UPDATE

RETAIL CREDITWORTHINESS, AND BILLING AND PAYMENT MODEL BUSINESS PRACTICES ROLLOUT: Rae McQuade, NAESB Executive Director, and James Cargas, NAESB Deputy Director, described plans for several status reports during the National Association of Regulatory Utility Commissioners' (NARUC) winter meeting in Washington, DC in March 2004. Since NAESB has recently produced its first sets of retail model business practices (MBPs) for the electric and natural gas retail industries (109 in all), it has offered to make status reports to commissioners, their staffs, and consumer advocates. The exact dates and times have not been set yet.

FINALIZATION OF SEAMS CATALOG BY WEQ EC: Steven Cobb, manager, transmission services, Salt River Project, and vice chair of the Wholesale Electric Quadrant (WEQ), reported that the WEQ Executive Committee (EC) approved the Seams Subcommittee's (Seams) catalog of seams issues at its December 9, 2003, meeting. There are 134 seams identified and organized into 8 general categories, and two sets of sub-categories. A copy can be found at the subcommittee's web page (http://www.naesb.org/weq/weq_seams.asp). The Subcommittee is now developing recommended assignments for each seam issue, which will be subject to a notational ballot by the EC, before being transmitted to the NAESB/NERC/IRC Joint Interface Committee (JIC) for assignment to either NERC or NAESB for standards development. Alternatively, the JIC could assign a seams issue to FERC or the IRC for further policy development, or not assign an issue to any organization (e.g., on-going efforts by SSG-WI in the West). The next Seams conference call is scheduled for January 7, 2004.

2004 ANNUAL PLAN UPDATES: The Board of Directors approved the 4 quadrants' 2004 annual plans at its December meeting. Representatives of each quadrant provided an overview and noted any changes from previous versions.

A. WHOLESALE ELECTRIC QUADRANT: Lou Oberski, director, electric market policy, Dominion Resources, and chair of the WEQ EC, highlighted a few items from the WEQ annual plan. The cataloging effort by Seams is only the first step. Once NAESB receives its assignments from the JIC, it will need to prioritize which seams issues to address first. The Standards Review Subcommittee (SRS), chaired by Charles Yeung, will continue working on complimentary business practice standards to NERC's reliability standards. With regards to OASIS efforts, Mr. Oberski noted that the leadership of the previous independent groups – ESC and OSC – has not changed since becoming the NAESB Electronic Scheduling Subcommittee (ESS). The issue of intra-day scheduling was elevated from a provisional item with the formation of a 4 quadrant task force, the Gas-Electric Coordination Task Force. The GECTF will meet for the first time in late January.

B. WHOLESALE GAS QUADRANT: Jim Buccigross, Vice President of 8760, Inc. and Executive Committee chairman, reviewed the WGQ annual plan. With the issuance of FERC Order 2003, this item was elevated from provisional to active. The Business Practices Subcommittee (BPS) has a second quarter 2004 target completion date for reviewing Order 2003 for determining whether it requires development of any new standards. Mr. Buccigross noted that besides the GECTF efforts, the balance of activity will involve electronic delivery mechanisms (EDM). The existing EDM standards will be updated for advances in technology, heightened security, and improvements to reliability. He also noted that Sandia National Lab will be conducting another review of the WGQ's standards. The last one, conducted on version 1.4, produced several excellent suggestions that were incorporated in later versions.

C. RETAIL GAS AND ELECTRIC QUADRANTS: Ruth Kiselewich, director of special projects and supplier services, Baltimore Gas & Electric, and chair of the REQ EC covered the 2004 annual plan items similar to both the REQ and RGQ. The Customer Processes Subcommittees (CPS) will be developing data sets to support the new billing and payment MBPs. CPS will also be examining the areas of customer usage information, customer inquiries, and customer enrollment, switching and dropping. The Supplier-Utility Interface Subcommittees (SUIS) will examine market participant interactions, dispute resolution between LDCs and suppliers, and supplier licensing. The Technical Electronic Implementation Subcommittee (TEIS) will develop the code necessary for the MBPs developed by other subcommittees, and work with WGQ to develop a common format for EDM books. TEIS has already begun work on internet electronic transport standards and is expected to complete this work shortly. Both the REQ and RGQ are participating in the GECTF.



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Michael Novak, assistant general manager for National Fuel Gas Distribution, and vice chair of RGQ EC, reviewed the areas where the two retail quadrants are developing commodity specific standards. The REQ's SUIs will be addressing load profiling, settlement process, and meter data validation, editing and estimating. The RGQ will be working with the WGQ on the use of XML. The RGQ is already underway on an inventory of existing natural gas practices within states.

CORRESPONDENCE FROM FERC CHAIRMAN PAT WOOD: Michael Desselle, director of public policy for AEP and a member of the NAESB Board of Directors serving as the Vice Chair of the WEQ, reviewed the November 14, 2003, letter to NAESB executive director Rae McQuade from FERC Chairman Pat Wood. The letter was a follow up to a meeting between the Chairman and NAESB leadership in which the Chairman was very supportive of NAESB's activities. The Chairman expressed his concerns over the contentiousness of the WGQ's creditworthiness standards. In his letter, the Chairman stressed the importance of LNG interchangeability, electric and gas intra-day nominations and coordination, and NAESB's support of NERC's reliability standards through the development of complementary business practices. The Chairman noted his interest in a standard power contract developed under the NAESB process. The opposition encountered in 2003 was explained to him during the meeting. Mr. Desselle concluded that whether Congress enacts new energy legislation, or FERC decides to exercise its own authority, NAESB will have a busy year developing business practice standards to complement reliability standards efforts.

NEXT CONFERENCE CALL: The next conference call is scheduled for January 21, 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).

**North American Energy Standards Board Participant List
December 17, 2003 1:00 PM CT**

Name:	Organization:
1 Julian Emanuel	National Energy Board
2 William Heinrich	New York Public Service Commission
3 Wanda Jones	Michigan Public Service Commission
4 Thomas Pearce	Public Utility Commission of Ohio
5 Karl Wunderlach	U.S. Bureau of Reclamation
Name:	Organization:
6 Marilyn Adusei-Poku	NiSource
7 Barbara Alexander	State of Maine Public Advocate
8 Heidi Arroyo	Southern California Edison
9 Donald Benjamin	NERC
10 Mike Bray	Shell Gas Transmission
11 Ken Brown	Public Service Electric & Gas Company
12 Jim Buccigross	Group 8760
13 Yvette Camp	Southern Company
14 James Cargas	NAESB
15 Steven Cobb	Salt River Project
16 Pete Connor	NiSource
17 Randy Corbin	Ohio Consumers Council
18 Valerie Crockett	Tennessee Valley Authority
19 Ed Davis	Entergy
20 Michael Desselle	American Electric Power
21 Jim Dillon	Niagra Mohawk
22 Dona Gussow	Florida Power & Light
23 Leonard Haynes	Southern Company
24 Cathy Heath	Georgia Power Company
25 Bill Hebenstreit	El Paso Merchant Energy
26 Jim Hicks	Pacific Corp
27 Berne Ingersoll	Progress Energy
28 Arlynn Kelleher	Entergy
29 Ruth Kiselewich	Baltimore Gas & Electric
30 Hollis Krieger	Consolidated Edison
31 Melissa Lauderdale	Edison Electric Institute
32 Rae McQuade	NAESB
33 James Minneman	PPL Solutions
34 Michael Novak	National Fuel Gas Distribution
35 Lou Oberski	Dominion Resources
36 Judy Ray	Alabama Power Company
37 Barbara Rehman	Bonneville Power Authority
38 Alexander Sarafin	NiSource
39 Lori Vanwest	Xcel Energy
40 Mark Ward	Los Angeles Department of Water & Power
41 Tina Weatherman	AGL Resources