



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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May 18, 2005

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON THE ENERGY DAY EFFORTS: Mr. Mike Novak, Assistant General Manager, National Fuel Distribution, and co-chair of the WGQ Business Practices Subcommittee; and Mr. Lou Oberski, Director Electric Market Policy, Dominion Resources Services, Inc., and WEQ Executive Committee Chair, provided the update on the joint committee on Energy Day. The committee has developed three definitions and eleven standards to establish communication between transportation service providers and gas fired generators. The recommendation is currently posted for industry comment, with comments due on May 25. The WEQ and WGQ Executive Committees will meet on May 26 to review the industry comments and vote on the recommendation. After adoption by both Executive Committees, the recommendation will be distributed to the WEQ and WGQ members for ratification. At the end of June, the standards will be submitted in a report to the FERC along with the report currently being drafted by the Gas-Electric Interdependency Committee.

GAS-ELECTRIC INTERDEPENDENCY COMMITTEE UPDATE: Mr. Rick Smead, Director of Navigant Consulting, Inc., and vice-chair of the Gas-Electric Interdependency Committee (GEIC), reviewed the work of the GEIC and the report the GEIC has drafted that identifies 12-13 issues that warrant industry attention, but may not be ripe for NAESB standards development. The committee has categorized the issues using the following five categories: (1) indicating policy direction and decisions from federal, state or provincial regulatory agencies or other groups, including issues between contractual parties, (2) appropriate for review for NAESB standards development, (3) appropriate to be forwarded to NERC for consideration for reliability standards development, (4) appropriate for review as regional issues, and (5) a national infrastructure concern. When the report is finalized, it will be forwarded to the full Board of Directors for review prior to the June 22 meeting. At the meeting, the Board will vote to approve the report which will be sent in conjunction with the Energy Day business practices.

FERC RULING ON WEQ AND WGQ BUSINESS PRACTICES: Mr. Jim Buccigross, Vice President, 8760, Inc., and NAESB Executive Committee Chairman, reviewed FERC Final Rule RM96-1-026, and Mr. Oberski reviewed the Notice Of Proposed Rulemaking RM05-05-000. Both were issued on May 9, 2005. The NOPR states that the FERC plans to incorporate the WEQ standards by reference which will make them applicable to all public utilities subject to the Commission's authority and any non-jurisdictional entities that follow FERC's regulations. The Commission proposed to adopt the WEQ standards with a few exceptions. The Standards of Conduct, Standards 9.7, 10.6, and those definitions and standards that are duplicative of current FERC regulations will not be adopted. The WEQ will submit a response to the NOPR within the 45 day comment period. For the WGQ, in Final Rule RM96-1-026, the Commission incorporated by reference the most recent version, Version 1.7, of the business practices ratified by the WGQ, the standards the WGQ ratified to implement Order No. 2004, the standards ratified to implement Order No. 2004-A, and the standards to implement the gas quality reporting requirements. The pipelines will be required to implement the standards by September 1, 2005.

RETAIL REQUESTS UNDER DEVELOPMENT: Ms. Kiselewich, Baltimore Electric & Gas Company, and Chair of the Retail Electric Quadrant Executive Committee, reviewed two requests that are under development in the Retail Quadrants. A request to standardize retail electric billing transactions and bill payment transactions between customers, suppliers, and utilities is under development by J.C.Penney. The request is seeking development of electronic billing for all retail customers, including those in states that do not participate in retail choice programs. Though the request has not been officially submitted to the NAESB office, Wal-Mart submitted a letter in support of the request. Energy Window submitted a request, Request No. R05013, to develop a model electric retail contract based on the NAESB Base Contract. The request will be assigned to a quadrant and subcommittee during the next meeting of the Triage Subcommittee.

WEQ REQUESTS UNDER DEVELOPMENT: Mr. Paul Sorenson, Manager of Central Markets Strategy OATI, and Co-chair of the WEQ Electronic Scheduling Subcommittee, reported on several requests to enhance e-tagging and OASIS 1A that have been assigned to the WEQ ESS/ITS. Request R03007 to implement a standardized security infrastructure based on PKI is on hold pending NERC action to define an audit and certification program. This request will be addressed by a working group made of NERC and NAESB participants: the Joint Interchange Scheduling Working Group (JISWG). Request R04006C1 was submitted to make technical changes to the OASIS standards to incorporate a new transaction type created by the Redirect standards. Request R04006D is the request to develop business practices for resales and transfers on the secondary market on OASIS between various transmission customers. The recommendation for this request will be posted for an informal comment period before the final recommendation is submitted to the WEQ



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Executive Committee. Request R04035 seeks to modify the existing business practices to make minor changes relating to the negotiations of service. Request R04036 is the request to revise the standards of conduct. The ESS/ITS has postponed further development of the recommendation for this request pending the comments and final rule on NOPR. Request R04037, which seeks alignment of the business practices for coordinate interchange with the NERC functional model has been postponed pending final work by NERC to modify terms within the functional model.

OTHER TOPICS: On future monthly update calls, NAESB will continue to report on the Energy Day efforts and the Gas-Electric Interdependency Committee.

NEXT CONFERENCE CALL: The next conference call is scheduled for **Wednesday, June 15, 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 May 18, 2005 -- 2:00 PM Eastern

	Name		Organization
1	Diane	Barney	New York PSC
2	Philip	Bedingfield	The Georgia Public Service Commission
3	William	Bokram	The Michigan Public Service Commission
4	Christopher	Freitas	US Department of Energy
5	Dave	Johnson	National Energy Board
6	Wanda	Jones	The Michigan Public Service Commission
7	Lou Ann	Westerfield	NARUC
8	Karl	Wunderlich	United States Bureau of Reclamation



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	Name		Organization
9	Barry	Anderson	Florida Power and Light
10	Roger	Austin	Allegheny Energy
11	Henry	Barth	Florida Power & Light
12	Victor	Bissonette	Hydro-Quebec France Energies
13	Bill	Boswell	NAESB
14	Curt	Brechtel	Arizona Public Service
15	Jim	Buccigross	Group 8760
16	Yvette	Camp	Southern Company
17	James	Cargas	NAESB
18	Bill	Casey	Portland General Electric
19	Jennifer	Chen	Sungard Energy Systems
20	Kelly	Daly	Arizona Public Service Company
21	Ed	Davis	Entergy
22	Edison	Elizeh	Pacific Corporation
23	Lynnda	Ell	Entergy
24	Mark	Fidrych	WAPA
25	Ollie	Frazier	Duke Power
26	Leonard	Haynes	Southern Company
27	Bill	Hebenstreit	El Paso Production Company
28	Reed	Horting	PECO Energy
29	Brenda	Horton	Kern River Gas
30	Laura	Kennedy	NAESB
31	Ruth	Kiselewich	Baltimore Gas and Electric
32	Rose	Lennon	Washington Gas
33	Cecilia	Liang-Nicol	Allegheny Power
34	Bill	Lohrman	NERC
35	Michelle	Manson	Conectiv
36	Mike	Mayer	PHI
37	Ron	McGinely	IESO
38	Rae	McQuade	NAESB
39	Leslie	Nishida	WI Public Service Corp
40	Clay	Norris	NCMPA #1
41	Michael	Novak	National Fuel
42	Lou	Oberski	Dominion
43	Pat	O'Connor	TVA
44	Marjorie	Perlman	Energy East
45	Alan	Pritchard	Duke Energy
46	Marv	Rosenberg	FERC
47	Rick	Smead	Navigant Consulting
48	Paul	Sorenson	OATI
49	Kim	Van Pelt	Panhandle Eastern Pipeline
50	Kathy	York	TVA