



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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July 20, 2005

NAESB AT A GLANCE: MONTHLY UPDATE

REPORT TO THE FERC ON THE EFFORTS OF THE GEIC – RM05-28-000: Mr. Rick Smead, Director of Navigant Consulting, Inc., and vice-chair of the Gas-Electric Interdependency Committee (GEIC), reviewed the status report submitted to the FERC on June 27, 2005 on the efforts of the NAESB GEIC and the Business Practices on Pipeline-Gas-Fired Generation Facilities. The report was approved by the NAESB Board of Directors at the June 22, 2005 Board meeting and filed under FERC Docket No. RM05-28-000. The report identifies thirteen major issues that either impair industry interaction and/or require resolution before NAESB can move forward on the outstanding Energy Day requests. The issues were categorized into 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. As the next step, the GEIC will develop a request for standards development that incorporates the intent of Requests R04016 (Develop a standard definition for Energy Day) and R04020 (Establish business standards relating to electric transaction scheduling and timelines) and that includes other aspects of gas-electric interdependency that are ripe for business practice development. At its meeting in September, the Board will approve this request before it is officially submitted to NAESB to ensure sufficient industry support exists to move forward with these issues.

WGQ AND WEQ COMMUNICATION STANDARDS: Ms. Kathy York, Specialist, Energy Markets and Policy for Tennessee Valley Authority, and WEQ Executive Committee member, reported on the communication standards for gas pipelines and gas-fired generation facilities drafted to address Request No. R04021. These standards were also included in the status report filed under FERC Docket No. RM05-28-000. This effort marks the first time business practices were developed jointly by both wholesale quadrants. After fourteen multi-day meetings between December 2004 and April 2005, facilitated by FERC facilitator, Mr. Rick Miles, the Energy Day Subcommittee drafted seven standards and three definitions to strengthen the daily communications between pipelines and gas-fired generators. The standards received unanimous support from both the WEQ and WGQ Executive Committees. The WEQ members ratified the standards on July 8, and the WGQ ratification ballot was distributed on July 15 with an August 15 due date. The WGQ postponed ratification of these standards so that the WGQ Technical and Information Requirements subcommittees could determine whether technical standards would be necessary for implementation. Once both quadrants have completed the ratification process, a supplemental report will be filed with the FERC.

LETTER TO CHAIRMAN KELLIHER ON THE OASIS II ANOPR: Mr. Paul Sorenson, Manager of Central Markets Strategy, OATI, and Co-chair of the WEQ Electronic Scheduling Subcommittee, reported that NAESB is drafting a letter and report that analyzes how current NAESB WEQ OASIS activities and planned activities address the FERC OASIS II ANOPR (Docket No. RM00-10-000). The letter and report were drafted as the result of a request from FERC Chairman Kelliher and states that NAESB is not seeking to develop OASIS II, but that the current activities will result in incremental modifications and enhancements to existing systems. The ANOPR requested proposals for communication protocols and business practice standards for electronic scheduling, dynamic notification, and generator run status information and to facilitate communications between customers and Transmission Providers. The ANOPR also stated that “business practices standards, in addition to communication standards and protocols are needed for the development of efficient markets and for the efficient use of the transmission grid.” Most of the efforts currently underway within the WEQ directly relate to this section of the ANOPR. The report also describes the draft request for standards development that NAESB staff is assisting Dynegy and Calpine to prepare that will further modify and improve OASIS. This letter and report will be forwarded to Chairman Kelliher on July 20, 2005 and will be posted on the NAESB website.

REQUEST R05016 FROM WAL-MART: Ms. Rae McQuade, NAESB President, stated that on June 17th, Wal-Mart submitted a request to develop model business practice standards for electronic retail billing transactions and bill payment between customers, suppliers, and utilities (Request No. R05016). Once developed, these business practices will apply to retail electric billing and payment for all retail customers, including those in states that do not participate in retail choice programs. Work on this request will not result in a change in the scope of the retail gas and retail electric quadrants, but will broaden the focus for development of model business practices that are applicable in states that are still fully regulated. The NAESB Board of Directors supported this new direction at its meeting in June. It is the expectation of the retail quadrant leadership that work on this request will result in increased participation in the end-



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user segment. Though any model business practices adopted by NAESB are voluntary, any voluntary adoption by the industry would help to reduce the costs of sending, receiving and paying monthly bills. The Retail Gas Quadrant Executive Committee and the Retail Electric Quadrant Executive Committee will discuss the implementation schedule for this request at their joint meeting on August 24 in Colorado Springs, Colorado.

OUTSTANDING WEQ STANDARDS DEVELOPMENT ITEMS: Ms. McQuade also reported on the current standards development activities in the WEQ. In addition to the work to enhance OASIS enumerated in the report to Chairman Kelliher, the WEQ is also working on standards development in other areas. The Business Practices Subcommittee (BPS) is completing Transmission Loading Relief business practices, and has begun making Version 1 changes including the removal of references of ERCOT (Request No. R05007). The BPS has also been assigned the requests to create the complementary business practice standards to support the Operate within Interconnection Reliability Operating Limits standard being developed by NERC (Request No. R03017). At the August 23 WEQ Executive Committee meeting, the Executive Committee will vote on the recommendation for Request R05009 to modify the Version 0 Transmission Loading Relief business practices to remain consistent with the NERC Version 0 reliability standards. The Joint Interchange Scheduling Working Group (JISWG) drafted and prioritized a list of e-Tag enhancements and will determine which items will be developed as NAESB standards requests and which items will be developed as NERC standards authorization requests. The JISWG is also drafting a recommendation for standards for Public Key Infrastructure (PKI) (Request No. R03007) and is drafting the Systems Requirement Document for a new Registry (Request No. R04037).

COMMENTS RECEIVED ON RM5-05-000: Ms. McQuade stated that the comment period for FERC NOPR RM5-05-000 ended on July 1, 2005. A number of organizations submitted comments, including NAESB, NERC, American Public Power Association, Bonneville Power Administration, and California ISO. Ms. McQuade noted that some of the comments called for incorporation of regional differences. Regional differences can and have been incorporated within NAESB standards. During the drafting process, the language can be drafted to accommodate regional differences, or a request can be submitted to modify an existing standard.

OTHER TOPICS: On future monthly update calls, NAESB will continue to report on the development of model business practice standards for electronic retail billing transactions and bill payment transactions (Request No. R05016).

NEXT CONFERENCE CALL: The next conference call is scheduled for **Wednesday, August 17, 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 July 20, 2005 -- 2:00 PM Eastern

	Name		Organization
1	Philip	Bedingfield	Georgia Public Service Commission
2	Jim	Ellars	West Virginia Public Service Commission
3	Bill	Heinrich	New York Public Service Commission
4	Dave	Johnson	National Energy Board
5	Wanda	Jones	Michigan Public Svc Commission
6	Linda	Kelly	Connecticut Department of Public Utility Control
7	Sheila	Ward	Alabama Public Service Commission
8	Laura	Wolfe	Public Service Commission of Missouri
9	Ken	Zimmerman	Oregon Public Utility Commission



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	Name		Organization
10	Mike	Anthony	Progress Energy
11	Dawn	Arnold	Tennessee Valley Authority
12	Roger	Austin	Allegheny Energy
13	Ken	Brown	Public Service Electric & Gas
14	Jim	Busbin	Southern Company
15	Marc	Butts	Southern Company
16	Yvette	Camp	Southern Company
17	James	Cargas	NAESB
18	Roman	Carter	Southern Company
19	Jennifer	Chen	Sungard
20	Chuck	Cook	Enbridge Offshore Pipelines
21	Valerie	Crockett	Tennessee Valley Authority
22	Dale	Davis	Williams Gas Pipeline
23	George	Dawe	Duke Energy
24	Andrew	Dotterweich	Consumers Energy
25	Mary	Edwards	Dominion Virginia Power
26	Gene	Fava	Great Lakes Gas
27	Ollie	Frazier	Duke Power
28	Ken	Gates	PHI
29	Bill	Griffith	El Paso Natural Gas
30	Dona	Gussow	FPL
31	Bill	Hebenstreit	El Paso Production Company
32	Linda	Horn	We Energies
33	Brenda	Horton	Kern River Gas
34	Laura	Kennedy	NAESB
35	Melissa	Lauderdale	Edison Electric Institute
36	Barry	Lawson	NRECA
37	Wayne	Lewis	Progress Energy
38	Michelle	Manson	Conectiv
39	Rae	McQuade	NAESB
40	Carl	Monroe	Southwest Power Pool
41	Alan	Pritchard	Duke Energy
42	Barbara	Rehman	BPA
43	Raj	Rana	American Electric Power
44	Lisa	Simpkins	Constellation
45	Rick	Smead	NCI
46	Paul	Sorenson	OATI
47	Carol	St Clair	Entergy
48	Dean	Ulch	Southern Company
49	Kathy	York	Tennessee Valley Authority