June 9, 2020

**TO:** Parliamentary Committee Members

**FROM:** Rae McQuade, President and COO, Bill Boswell, NAESB General Counsel & Jonathan Booe, NAESB Executive Vice President & CAO, Elizabeth Mallett, Deputy Director

**RE:** NAESB Governance Documents 2.0 – NAESB Operating Practices Work Paper

This work paper has been prepared per the direction of the NAESB Parliamentary Committee and the NAESB Board of Directors to support the review and update of the NAESB Governance Documents (NAESB Certificate of Incorporation, NAESB Bylaws (the Bylaws), and the NAESB Operating Practices). Specifically, the work paper proposes modifications and poses questions to the Committee designed to support the alignment of the NAESB Operating Practices with the following goals identified by the Committee during its previous meeting.

1. The NAESB Operating Practices are consistent with Delaware corporate law
2. The NAESB Operating Practices are consistent with itself and the other Governance Documents

Once consensus has been reached on modifications that support the first two goals of the review, the NAESB Operating Practices will be reviewed to ensure consistency with goals 3, 4, and 5.

1. The language of the provisions and/or procedures included in the NAESB Operating Practices are consistent with the original intent of the adopted provision and/or procedure
2. The NAESB Operating Practices are consistent with, and incorporates where necessary, resolutions adopted by the NAESB Board of Directors
3. The NAESB Operating Practices are consistent with, and incorporate where necessary, undocumented practices and procedures of NAESB

As the NAESB Governance Documents are structured into a hierarchy, each document should be reviewed in a “top down” approach - (1) Certificate of Incorporation, (2) Bylaws, (3) NAESB Operating Practices.

This work paper separates each section of the NAESB Operating Practices and recommends specific redlines or offers questions that the Committee should discuss during the review.

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| **Section Name** | **Text of NAESB Operating Practices** | **Notes** |
| **I. Introduction** | The North American Energy Standards Board (NAESB), established in January 2002, is the successor to the Gas Industry Standards Board.[[1]](#footnote-1) NAESB supports all ~~three~~ markets ~~quadrants~~ of the gas and electric industries – wholesale gas, wholesale electricity, and retail markets – and recognizes the ongoing convergence of the gas and electric businesses by ensuring that its Standards~~standards~~ receive the input of all industry Quadrants~~quadrants~~ when appropriate.  NAESB is governed by its Board of Directors (Board) and officers. While government agencies often provide guidance to NAESB by requesting that Standards~~standards~~ be adopted, it is the industry itself that develops the Standards~~standards~~ the industry will implement. This relationship between NAESB and government agencies constitutes an effective public-private partnership that benefits both government and industry. | Q2: Should an En Dash instead of an Em Dash appear in the second sentence?  Q2: Should reference to “quadrant” be “markets” in the second sentence?  Q2: Should Wholesale Gas Quadrant be capitalized for consistency in Footnote 1?  Q2: Should the following terms that are defined in the Bylaws be capitalized in the NAESBOPs: “Balanced Voting”, “Board”, “Certificate”, “Director”, “EC Member”, “Members”, “Model Business Practices”, Quadrant”, “Reconsideration”, “Standard”, “Segment”, and Triage Process?  The terms “standards development” and “standards maintenance” have not been capitalized  Q2: Note: Bylaws define as “Operating Procedures” means the policies and rules that govern the behavior and operation of committees, subcommittees and task forces of NAESB, as established and maintained by the Parliamentary Committee of the Board, (as established in Section 7.8(c) of these Bylaws. They apply equally to all Quadrants and Segments.  Section 7.8(c) refers to this document as “Operating Procedures”, rather than “Operating Practices”. Article IV of the NAESBOPs defines “NAESBOPs” as Operating Procedures. Should this document be titled NAESB Operating Procedures and the hyperlink on the NAESB website be changed?  Should Board of Directors be changed to Board since the Bylaws define Board as the Board of Directors? |
| **II. Mission and Guiding Principles** | NAESB’s Certificate of Incorporation~~certificate of incorporation~~ (the Certificate) states, “[t]~~T~~he objects and purposes of NAESB are to propose, develop, and adopt voluntary standards and model business practices[[2]](#footnote-2) designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic ~~data interchange (“EDI”)~~ record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries.”[[3]](#footnote-3)  The following principles guide NAESB’s activities[[4]](#footnote-4):  *Independence.* NAESB is an independent body. While it may have informal liaisons with trade associations, other standards organizations, and government agencies, it is a separately incorporated, fully independent organization.  *Openness.* NAESB conducts its activities in the open. Openness applies to all aspects of its governance, elections, and Standards~~standards~~ development procedures, including work products and related meetings. Meetings, agendas, and items set for discussion and/or vote are publicly noticed, and interested parties, regardless of whether they are NAESB Members~~members~~, have the opportunity to participate.  *Voluntary.* Participation in NAESB is voluntary and adherence to its Standards~~standards~~, from NAESB’s perspective, is also voluntary. Membership in NAESB is not dependent on whether a company implements NAESB Standards~~standards~~, and NAESB does not have an enforcement mechanism.  *Balance of Interests.* Voting with respect to governance, Standards~~standards~~, and operating procedures provides for balance among industry Quadrant~~quadrant~~ and Segment~~segment~~ so that no interest group or groups have undue influence over any decision.  *Inclusivity.* All interested parties have the opportunity to participate in and join NAESB. All participants should be associated with a Segment~~segment~~ and Quadrant~~quadrant~~.  *Consensus-Based Decisions.* NAESB’s voting rules encourage consensus-based decisions. In addition, requirements that Standards~~standards~~ need supermajorities and minimum votes per Segment~~segment~~ in order to be passed ensure that Quadrant~~quadrant~~ and Segment~~segment~~ interests are protected.  *No Advocacy.* NAESB does not take advocacy positions on its Standards~~standards~~ as a party to any proceeding before a government agency. NAESB’s duly authorized representatives, however, are not precluded from communicating with or educating anyone about NAESB’s procedures and/or work products.  *Industry Driven.* NAESB is industry driven. Standards may be proposed by any interested party. Staff members have neither a vote nor a role with respect to conducting NAESB affairs other than to perform administrative functions.  *Develop Practices, Not Policy.* NAESB’s committees, subcommittees, and task forces avoid creating policy in their standards development activities absent a request by the Board.  *Incorporate Best Practices.* To the extent reasonable, NAESB Standards~~standards~~ reflect the best practices among existing and reasonably anticipated policies and procedures.  *Broad Applicability.* Standards are structured, to the extent reasonable, to be applicable to both the electric and the natural gas industries, and the industries work together to develop joint Standards~~standards~~ where appropriate. However, where operating requirements dictate the need for different approaches, Standards~~standards~~ are established separately by Quadrant~~quadrant~~(s).  *ANSI Accreditation.* NAESB is an accredited American National Standards Institute Standards Development Organization. | Q2: Should “develop” be added and “data interchange (EDI)” be deleted from the quoted language to incorporate the changes in Article II, Section 1 of the Certificate? Standards was not capitalized in the quote.  Q2: Should “members” be capitalized, where appropriate, throughout the document? |
| **III. Description of the Organization** | NAESB is organized by Quadrants~~quadrants~~ and, within Quadrants~~quadrants~~, by Segments~~segments~~. Each NAESB Member~~member~~ belongs to one or more of the three Quadrants~~quadrants~~: wholesale electric (WEQ), wholesale gas (WGQ), and retail markets (RMQ). Each Quadrant~~quadrant~~ determines the number and composition of its Segment~~segment~~ and how many representatives it will have on the Board ~~of Directors~~ and Executive Committee. |  |
|  | A. Board of Directors  The Board ~~of Directors~~ meets en banc throughout the year. It determines and approves the annual budget of NAESB and its Quadrants~~quadrant~~, sets the overall strategic direction of the organization, approves each Quadrant’s~~quadrant’s~~ annual plan for standards development and maintenance, and determines all governance issues.  The proceedings of all Board meetings are transcribed. All decisions by the Board are made en banc; at the Board level, the Quadrants~~quadrants~~ do not operate separately. Each Quadrant~~quadrant~~ represented on the Board has thirty-three and a third percent (~~twenty-five percent (25~~331/3%) ~~percent~~ of the decision-making authority, regardless of the actual number of Board Members~~members~~ that represent the Quadrant~~quadrant~~. For all decisions other than changes to the Certificate~~certificate~~ or the NAESB Bylaws~~bylaws~~ (the Bylaws), a simple majority is needed for passage. For approval of changes to the Certificate~~certificate~~ or Bylaws~~bylaws~~, there must be a seventy-five percent (75%) ~~percent~~ affirmative vote from each of the Quadrant~~quadrant~~s and a forty percent (40%) ~~percent~~ affirmative vote from each of the fully populated Segment~~segments~~ within the Quadrants~~quadrant~~. All Board votes are recorded and posted.  Board Members~~members~~ are selected in accordance with applicable Quadrant~~quadrant~~ and Segment~~segment~~ procedures. Generally, a Board Member~~member~~:  Must represent a Segment~~segment~~ and Quadrant~~quadrant~~.  Should have a broad understanding of the Segment~~segment~~ he or she represents and sufficient authority to make decisions on behalf of his or her organization. For example, a Director~~director~~ representing a corporate Members~~members~~ should be an officer of the corporation.  Must have a working knowledge of NAESB Board processes.  Must be willing to commit the time and resources necessary to fulfill the obligations of a Board Members~~members~~ and meet the minimum threshold of participation and attendance established in Section 9.7 (f) of the ~~NAESB Bylawsbylaws [Section 9.7 (f)]~~.  Board Members~~members~~ may be removed in accordance with Section 7.6 of the ~~NAESB~~Bylaws~~bylaws [Section 7.6]~~ through the following process:  Allegation(s) of conduct in violation of ~~bylaw~~ Section 7.6 of the Bylaws shall be presented to the Managing Committee by any Board Member~~board member~~ for preliminary review, and if the Managing Committee determines that there is a prima facie basis for the allegation(s) it shall promptly refer the matter to an ad hoc committee, consisting of Board~~board~~ Members~~members~~ from the Quadrant from which the charged Board~~board~~ Members~~members~~ was elected, to investigate the allegation(s). Preliminary review of the allegation(s) by the Managing Committee shall take place within ten ~~(10)~~ business days of their presentation.  The ad hoc committee shall investigate the matter and report its findings and recommendations to the Managing Committee within ten ~~(10)~~ business days of referral from the Managing Committee. If the ad hoc committee recommends removal of the Director~~director~~, the Managing Committee shall thereafter refer the matter to the full board for final action, either at a ~~board~~ Board meeting or by notational ballot. If the ad hoc committee does not recommend removal, the matter shall be considered closed.  Directors shall be removed by a simple majority of the Board.  The Board of Directors currently has two standing committees: the Managing Committee and the Parliamentary Committee. The Board may create ad hoc committees as needed. | Q2: Throughout the document, sometimes the section references are in brackets and sometimes they are included within the sentence. Should they be included in the sentence as they are in the Certificate and Bylaws?  Q2: Should “fully populated” be added for parallel construction to the Certificate and Bylaws?  Q2: Should the last sentence be modified to reflect current practices?  Q2: When referring to a certain number of days, should the number be spelled out to conform with changes to the Certificate and Bylaws? |
|  | B. Executive Committee  The Executive Committee (EC) has responsibility for implementing the NAESB annual plans; directing standards development and maintenance efforts and voting on standards development and maintenance; and directing standards interpretation efforts and voting on such interpretations.  The EC approves and may modify recommendations from the Triage Subcommittee on subcommittee assignments for standards development, including the relative urgency of the work; approves and may modify Standards~~standards~~ that have been recommended by the standards development subcommittees; and monitors subcommittee progress on standards development.  The proceedings of all EC meetings are transcribed. ~~Decisions by the EC may be~~ by Quadran~~quadrant if it is determined that the recommended standard applies to a specific~~Quadrant(s)~~quadrant or Quadrantquadrant rather than the organization as a whole. Each Quadrantquadrant represented on the EC has twenty-five percent (25%) percent of the decision-making authority, regardless of the actual number of EC Membersmembers~~ ~~that represent the Quadrantquadrant.~~ For all decisions, other than on standards issues, a simple majority of each Quadrant~~quadrant~~ is needed for passage. For approval of Standards~~standards~~ issues, there must be a sixty-seven percent (67%) ~~percent~~ affirmative vote from ~~each of~~ the ~~Quadrantquadrant~~EC members and a forty percent (40%) ~~percent~~ affirmative vote from each of the fully populated Segments~~segments~~ within the Quadrants~~quadrant~~. All EC votes are recorded and posted.  EC Members~~members~~ are selected in accordance with applicable Quadrant~~quadrant~~ and Segment~~egment~~ procedures. Generally, an EC Members~~members~~:  Must represent a Segment~~egment~~ and Quadrant~~quadrant~~.  Should have a broad understanding of the Segment~~segment~~ he or she represents and sufficient authority to make decisions on behalf of his or her organization.  Must have a working knowledge of NAESB standards development processes.  Must be willing to commit the time and resources necessary to fulfill the obligations of an EC Member~~member~~ and meet the minimum threshold of participation and attendance established in Section 10.4 (i) of the ~~NAESB~~ Bylaws~~bylaws [Section 10.4(j)]~~.  The EC has several standing subcommittees, including the Triage Subcommittee and the Annual Plan Subcommittees, as well as several standards development subcommittees and task forces. It may create ad hoc subcommittees as needed for tasks specific to standards development and standards maintenance.  The chart below illustrates the interaction of the Board ~~of Directors~~ and the EC. | Q2: The reference to Section 10.4(j) of the Bylaws in the bulleted list was changed to 10.4(i) of the Bylaws.  Q2: Should all reference to an “en banc” EC be removed for consistency with the Bylaws?  Q2 from Valerie: Stranded “by” in the third paragraph. |
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| **~~III~~IV. Standards Development Process** | NAESB is focused on proposing, considering, and adopting voluntary Standards~~standards~~ and Model~~model~~ Business~~business~~ Practices~~practices~~ that will have a significant and lasting impact on all aspects of the natural gas and electricity marketplaces. As a result of the Standards~~standards~~ NAESB adopts, it is expected that the industry will operate more efficiently and effectively, benefiting both the industry and its customers. At the same time, it must be acknowledged that NAESB Standards~~standards~~ may constitute a change in the way parties do business, with an accompanying effect on the use and allocation of resources.  NAESB’s policy is to move at a deliberate pace, consistent with its annual plan(s), thus permitting those affected by its Standards~~standards~~, especially those Standards~~standards~~ adopted as regulations by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies, to assimilate them as part of their business practices. To this end, NAESB will carefully consider whether proposed Standards~~standards~~ are both timely and necessary. In particular, it will try to avoid adopting and implementing new Standards~~standards~~, however beneficial, before the industry is able to reasonably make use of them.  The standards development process is governed by the annual plan, and items can be included in the plan or modified only with Board approval. The plan typically reflects requests from NAESB Members~~members~~, government agencies, and other interested parties. In approving the annual plan, the Board considers the availability of resources, including the NAESB budget and staff and the availability of industry volunteers. New requests received throughout the year are either considered part of the existing annual plan or as new items that require Board approval.  The standards development process begins with an annual plan item or a triaged and approved request. The Triage Process is ~~a process~~ used by ~~each~~all Quadrants~~quadrant of the EC~~ to determine whether a request is within scope, which Quadrant~~quadrant~~(s) it applies to, which subcommittee(s) it should be referred to, and what priority it should be assigned. Triage is carried out by EC Members~~members appointed by the EC chair~~. Triage recommendations are submitted to the ~~en banc~~ EC and require EC approval, and may also require Board approval if there are scope questions or if a modification of the annual plan is required.  If the Triage Process~~triage process~~ yields a request that is assigned to the WEQ, either solely or as part of a joint assignment, that request will be reviewed by NAESB and NERC executive management to determine if joint development is required as the development of both reliability standards and business practice standards is the expected outcome.  Once the Triage Process~~triage process~~ is completed, the subcommittees – more than one are normally involved in Standards~~standards~~ recommendations – review the request, compare it to existing standards, and prepare recommendations that may take the form of new or modified standards or interpretations. Participation in EC subcommittees is open to any interested party regardless of membership status. All subcommittee participants may vote; voting is balanced by Segment~~segment~~ and Quadrant~~quadrant~~. All votes are public.  When the recommendation is complete, it is made available for a thirty-day industry comment period. The recommendation and comments are then forwarded to the EC, which considers the recommendation, makes any changes it deems necessary, and takes a vote. As noted above, a recommendation must receive an affirmative vote of at least sixty-seven percent (67%) ~~percent~~ from each applicable ~~Quadrantquadrant~~ EC and forty percent (40%) ~~percent~~ from each of the fully populated Segments~~segments~~ of the applicable Quadrant~~quadrant(~~s~~)~~ in accordance with the requirements set forth in Article V of the ~~NAESB~~ Certificate ~~of Incorporation~~ and Article 2, Section 2.3 of the  ~~NAESB~~ Bylaws.  After passage by the EC, the recommendation must be ratified by the NAESB Members~~members~~. An affirmative vote of sixty-seven percent (67%) ~~percent~~ of the Members~~members~~ of the applicable Quadrant~~quadrant(~~s~~)~~ of the general membership voting is required for ratification. After ratification, standards and modifications are considered final actions and will be published in the next version of NAESB Standards~~standards~~.  The foregoing process has been followed by the WGQ since 1994 and has been used to develop ~~more than five~~ hundreds of Standards~~standards~~ that have been incorporated by reference into federal regulations. The Standards~~standards~~ that apply to electronic delivery mechanisms have been endorsed by several state regulatory bodies and have also been adopted by the automotive, insurance, and health care industries. | Q2: Should “of the general membership voting be added to conform with changes to Article 5 Section 4 of the Certificate?  Q2: To eliminate reference to the Triage Subcommittee of the “en banc” EC changes have been made.  Q2: Should reference to the joint development process by NERC and NAESB remain?  Q2: The reference to “500 standards” has been updated. |
|  | North American Energy Standards Board  Standards Development Process Flow Chart  Request For Standard is forwarded to the NAESB office~~Office~~ from any group. The request may include fully developed recommended standards**.**  Executive Committee (EC) approves triage disposition and specific Quadrant EC(s) to which the work is assigned, directs its work or directs work on the annual plan item \*\*  Triage Subcommittee considers request and prepares a triagedisposition  EC Subcommittees consider request or Annual Plan Item as directed by EC.  Executive Committee for approval of recommendation  Recommendations including new or modified standards are prepared by EC Subcommittees  Industry comment on EC Subcommittee(s) recommendations  Membership Ratification  Posting as Final Action, Publication of Standards, Filings with FERC  Board provides approved Annual Plan to the EC |  |
|  | **\*\* -- For those requests assigned to the WEQ, a separate process may be employed in addition to the one outlined here, for joint development with the North American Electric Reliability Corporation.** |  |
| **~~III~~IV. A** | A. Flexibility  NAESB recognizes that flexibility is necessary as Standards~~standards~~ are developed to address regional concerns or to incorporate variances to accommodate operational or structural differences. For example, as the WGQ drafted Standards~~standards~~ for nomination and scheduling of transportation, it realized that there were three models for transportation. Accordingly, the Standards~~standards~~ that address these models have three parts, with each specifying the Standard~~standard~~ for each model. This flexibility is also found in the associated information Standards~~standards~~, which note which data elements are needed for which model and whether these data elements are required or optional.  There is a high threshold for incorporating such variances in a Standard~~standard~~; the subcommittee(s) in drafting the Standards~~standards~~, the EC in approving the subcommittee recommendation, and the membership in approving the Standards~~standards~~ must all agree that such variance is necessary. Nonetheless, NAESB procedures are well suited to take into account operational and regional differences. |  |
| **~~III~~IV. B** | B. Transparency  All NAESB meetings are open for attendance and participation by any interested party, with the exception of executive sessions of the Board or Managing Committee for purposes of discussing personnel, compensation or legal issues. Meeting announcements and agendas are posted in advance to permit the widest possible participation. Conference-calling capability is available for all meetings. Those intending to attend a meeting in person or by telephone are asked to notify NAESB by a specific date to permit adequate meeting planning.  Transcripts are made of all Board ~~of Directors~~ and EC meetings, and may also be made of other meetings that are expected to be controversial. Transcripts are maintained in the NAESB office and are provided to regulatory agencies for their internal use. All other interested parties can purchase transcripts from the relevant transcription service. |  |
| **~~IV~~V. Operating Procedures of the North American Energy Standards Board** | These general operating procedures apply to all NAESB Quadrant~~quadrant~~ activities unless otherwise noted. The procedures complement the NAESB Certificate and Bylaws ~~NAESB Certificatecertificate and Bylawsbylaws~~ and are not inconsistent with either governing document. The NAESB Operating~~operating~~ Procedures~~procedures~~ (NAESBOPs) may be amended by the Board ~~of Directors~~.  The procedures that follow are:  A. Executive Committee Subcommittees  B. Balanced Voting Procedures for EC Subcommittees and Task Forces  C. Standards Development and Maintenance  D. Minor Clarifications and Corrections to Standards  E. Interpretation of Standards  F. Appeal Procedures  G. Standards Publication Cycle  H. Communicating with Regulatory and Other Government Agencies  I. Treatment of Executive Committee Abstentions |  |
| **~~IV~~V. A** | A. Executive Committee Subcommittees  The following are general procedures of NAESB EC subcommittees and are intended to guide the operations of such subcommittees. Where the EC, in coordination with the Parliamentary Committee, has approved specific procedures for a particular subcommittee, those procedures apply in lieu of these generally applicable procedures. |  |
| **~~IV~~V. A. 1** | 1. Establishment of Subcommittees  The EC ~~as a whole, as well as Quadrantquadrant ECs,~~ shall have the general authority to adopt resolutions establishing subcommittees and task forces within subcommittees for the specific purpose of developing and maintaining Standards~~standards~~ and Model Business Practices~~model business practices~~. After the establishment of a subcommittee by the EC ~~or Quadrantquadrant ECs,~~ the subcommittee may establish working groups as needed to address ad hoc issues. Subcommittees, task forces within the subcommittees, and working groups shall comply with the NAESBOPs in all respects.  In addition, the EC may request authorization of the Managing Committee of the Board to establish other subcommittees and task forces within subcommittees not covered by the preceding paragraph, and only upon such authorization being granted shall the said subcommittees and task forces within subcommittees come into existence. The Managing Committee may delegate the authority to develop additional subcommittees to the Parliamentary Committee of the Board.  Subject to the foregoing, subcommittees are voluntary committees set up at the pleasure of the EC ~~or Quadrantquadrant ECs~~ to perform various functions as set forth in the Bylaws~~bylaws~~ and as may be determined by the EC ~~or Quadrantquadrant ECs~~. The scope and activities of any subcommittee shall be determined by the EC ~~or Quadrantquadrant ECs~~.  When establishing a subcommittee, the EC ~~or Quadrantquadrant EC~~ shall prepare a written statement containing the name and the purpose of the subcommittee and the tasks it will accomplish. The EC ~~or Quadrantquadrant~~ EC shall also select one of its Members~~members~~ to serve as temporary chair of the subcommittee; the temporary chair shall serve only until the subcommittee is organized and elects its own chair.  The temporary chair of the subcommittee shall make arrangements through the office of the President~~Executive DirectorExecutive Director~~ for the initial meeting of the subcommittee, including drafting a notice of the meeting and the meeting agenda and determining the time and place of the meeting. The meeting notice should include:  The name and purpose statement of the new subcommittee  A public invitation to serve on the subcommittee  The procedure for selecting a subcommittee chair  The procedure for determining the need for a cochair or vice chair.  The notice of the initial meeting shall be provided in advance to the public, NAESB participants, and interested trade association staff for distribution to their members so that attendance is encouraged. Emergency meetings, however, may be called without the foregoing notice. | Q2: Should “Executive Director” be changed to “President” to match the Certificate?  Q2: To eliminate confusion regarding the “en banc” EC structure, changes have been made.  Q2 from Valerie: Cochair appears seven times in this document should it be hyphenated? Bylaws 1 instance is hyphenated and Certificate |
| **~~IV~~V. A. 2** | 2. Order of Business for Initial Subcommittee Meeting  At the initial meeting of a subcommittee:  The temporary chair should welcome participants, ask participants to identify themselves by Quadrant~~quadrant~~ and Segments~~segments~~, and give the antitrust advice.  The temporary chair should review the name, objectives, and task assignment(s) as directed by the EC~~or Quadrantquadrant EC~~.  The subcommittee should prepare a mission statement that should be approved by the subcommittee by a Balanced~~balanced~~ Vote~~vote~~ and then submitted to the EC ~~or Quadrantquadrant EC~~ for approval.  The subcommittee should determine, if necessary, the term of the chair and other subcommittee positions, as applicable, and elect the chair and vice chair or cochair as applicable pursuant to the voting process below. The chair, vice chair, and all cochairs must be Members~~members~~ of NAESB, and the chair, vice chair, or one of the cochairs must be a Member~~member~~ of the EC or Quadrant~~quadrant~~ EC. Subcommittees may select cochairs by Segments~~segments~~ if they so choose.  The subcommittee may conduct other organizational business as may be necessary to implement a subcommittee structure and the processes necessary to carry out the objectives of the EC ~~or Quadrantquadrant EC~~.  The subcommittee may take any other appropriate actions. | Q2: To eliminate confusion regarding the “en banc” EC structure, changes have been made |
| **~~IV~~V.A.3** | 3. Participation in Subcommittees  Subcommittee participation is open to all interested persons, provided, however, that for certain subcommittees, voting is limited to named Members~~members~~ or alternates. Participants may join as many subcommittees as they desire, and may do so at any time. |  |
| **~~IV~~V. A. 4** | 4. Subcommittee Working Groups  A subcommittee established by the EC or a Quadrant~~quadrant~~ EC may establish working groups to assist in the achievement of its objectives. A working group should report to its parent subcommittee on a regular basis, and the proposed actions and recommendations of the working group must be reviewed and ratified by the subcommittee before they are forwarded to the EC ~~or Quadrantquadrant EC~~. | Q2: To eliminate confusion regarding the “en banc” EC structure, changes have been made |
| **~~IV~~V. A. 5** | 5. Meetings of Subcommittees, Task Forces, and Working Groups  Meetings of subcommittees and of task forces and working groups within subcommittees shall be arranged and presided over by the subcommittee chair, vice chair, or cochair and shall be open to all NAESB Members~~members~~ and other interested persons. Meetings shall be held at times and in places reasonably selected for the convenience of subcommittee members. Notices of meetings shall be posted on the NAESB website. With prior notification, a cost-based meeting fee may be charged at the discretion of the President~~Executive Directorexecutive director~~ with approval of the Managing Committee.  Notice of in-person group meetings should be given at least two weeks in advance, although working groups may call meetings with less than two weeks’ notice. Notice of teleconference-only meetings should normally be given at the preceding meeting of the subcommittee, task force, or working group, and notice of such meetings should normally be posted on the NAESB website at least one week in advance.  Unless an exception has been granted in advance by the Managing Committee, all in-person meetings must provide for attendance by teleconference. With prior notification, such attendance by teleconference may be at the callers’ expense. At an in-person meeting, the chair of the group shall call the teleconference number by means of a speakerphone so as to admit the teleconference attendees and permit interaction between the in-person and teleconference attendees.  Agendas for all meetings should be prepared by the chair, vice chair, or cochair of the applicable subcommittee, task force, or working group and posted on the NAESB website sufficiently in advance of the meeting to allow those accessing the NAESB website to identify the issues to be discussed. |  |
| **~~IV~~V. B** | B. Balanced Voting Procedures for EC Subcommittees and Task Forces  For non-administrative motions, all EC subcommittees and task forces shall use Balanced~~balanced~~ Voting~~voting~~ procedures whereby each Segments~~segments~~ of a Quadrant~~quadrant~~ holds two votes to be apportioned equally to those participants of the Segments~~segments~~ present at the meeting either in person or by phone. No individual may have more than one vote apportioned to him or her. The votes or fractions of votes are totaled across Segments~~segments~~ to determine the outcome of the motion under consideration. No notational or proxy votes are permitted.  The foregoing procedures, however, do not apply to EC subcommittees and task forces in which the membership is restricted to named Members~~members~~. Such subcommittees and task forces are already balanced in that only the named Members~~members~~ vote, and the named Members~~members~~ represent a balance of the Segments~~segments~~ within the Quadrant~~quadrant~~. Notational votes are permitted in subcommittees and task forces with named Members~~members~~. |  |
| **~~IV~~V. B. 1** | 1. Examples of Balanced Voting for One Quadrant  At a meeting of the RMQ Customer Processes Subcommittee, there is a vote on a proposed Standard to be forwarded to the RMQ EC as a recommendation for consideration. At the meeting, both in person and on the phone, the Segments~~segments~~ are represented as follows: five retail electric service providers/suppliers, three retail electric utilities, one retail end users/public agencies, and six retail gas market interests. The Balanced~~balanced~~ Vote~~vote~~ is calculated as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Votes Cast | | Balanced Votes | | | Segment | Yes | No | Yes | No | | Retail Electric Service Providers/Suppliers | 3 | 2 | 1.2 | 0.8 | | Retail Electric Utilities | 3 |  | 2 |  | | Retail Electric End Users/Public Agencies |  | 1 |  | 1 | | Retail Gas Market Interests | 4 | 2 | 1.3 | 0.7 | | Total | 10 | 5 | 4.5 | 2.5 |   As the Balanced~~balanced~~ Vote~~vote~~ is 4.5 to 2.5, the motion passes. |  |
|  | Similarly, at a meeting of the RMQ Customer Processes Subcommittee, there is a vote on a proposed Standards~~standards~~ to be forwarded to the RMQ EC as a recommendation for consideration. At the meeting, both in person and on the phone, the Segments~~segments~~ are represented as follows: five retail electric service providers/suppliers, six retail electric utilities, two retail electric end users/public agencies, and six retail gas market interests. The Balanced~~balanced~~ Vote~~vote~~ is calculated as follows:   |  | Votes Cast | | Balanced Votes | | | --- | --- | --- | --- | --- | | Segment | Yes | No | Yes | No | | Retail Electric Service Providers/Suppliers | 3 | 2 | 1.2 | 0.8 | | Retail Electric Utilities | 4 | 2 | 1.33 | 0.66 | | Retail Electric End Users/Public Agencies |  | 2 |  | 2 | | Retail Gas Market Interests | 4 | 2 | 1.33 | 0.66 | | Total | 11 | 8 | 3.68 | 4.12 |   As the Balanced~~balanced~~ Vote~~vote~~ is 3.68 to 4.12, the motion fails. |  |
| **~~IV~~V. B.2** | 2. Example of Balanced Voting across Quadrants  In cases of joint- Quadrant~~quadrant~~ subcommittees, the representatives of each Quadrant~~quadrant~~ share an equal portion of the vote. For example, in a joint WGQ-WEQ subcommittee, the WGQ and WEQ each contribute fifty percent (50%) ~~percent~~ of the total vote. At a meeting of the WGQ-WEQ Customer Processes Subcommittee, there is a vote on a proposed Standard~~standard~~ to be forwarded to the Quadrant~~quadrant~~ ECs as a recommendation for consideration. At the meeting, both in person and on the phone, the WEQ Segments~~segments~~ are represented as follows: fourteen transmission representatives; six generation representatives; six marketer/brokers representatives; four distribution/load serving entities representatives; one end user representative; six independent grid operators/planners representatives; and three technology and service representatives. The Balanced~~balanced~~ Votes~~vote~~ for the WEQ is calculated as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Votes Cast | | Balanced Votes | | | Segment | Yes | No | Yes | No | | Transmission | 14 | 0 | 2 | 0 | | Generation | 5 | 1 | 1.66 | 0.33 | | Marketers/Brokers | *3* | 3 | *1* | 1 | | Distribution/Load Serving Entities | 3 | 1 | 1.5 | 0.5 | | End Users | 1 | 0 | 1 | 0 | | Independent Grid Operators/Planners | 3 | 3 | 1 | 1 | | Technology and Services | 2 | 1 | 1.33 | 0.66 | | Total | 26 | 14 | 9.49 | 3.49 |   At the meeting, both in person and on the phone, the WGQ Segments~~segments~~ are represented as follows: seven producer representatives; twelve pipeline representatives; six LDC representatives; four end user representatives; and one services representative. The Balanced~~balanced~~ Vote~~vote~~ for the WGQ is calculated as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | Votes Cast | | Balanced Votes | | | Segment | Yes | No | Yes | No | | Producer | 5 | 2 | 1.43 | 0.57 | | Pipeline | 6 | *6* | 1 | *1* | | LDC | *6* | 0 | *2* | 0 | | End User | 1 | 3 | 0.5 | 1.5 | | Service | 0 | 1 | 0 | 1 | | Total | 20 | 10 | 4.93 | 4.07 |   Both the WGQ and the WEQ contribute equally to the outcome. Under Balanced~~balanced~~ Voting~~voting~~, the WEQ contributes seventy-three percent (73%) ~~percent~~ in favor and twenty-seven percent (27%) ~~percent~~ opposed. The WGQ contributes fifty-five percent (55%) ~~percent~~ in favor and forty-five percent (45%) percent opposed. Using the Balanced~~balanced~~ Votes~~votes~~, the motion ~~fails~~passes (~~fails~~passes at WGQ, passes at WEQ). | Q2: Should Customers Processes Subcommittee be changed to “Business Practices Subcommittee” in these examples?  Q2: A correction was made to the results of the multiple Quadrant voting example. |
| **~~IV~~V. C** | C. Standards Development and Maintenance  Standards development and maintenance is a process by which a new Standard~~standard~~ is created or an existing Standard~~standard~~ is revised or deleted. The process is initiated either by the NAESB annual plan or by the submission of a request. Requests should be submitted electronically on the NAESB form Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction or Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transactions ~~Development~~ and forwarded to the President~~Executive Directorexecutive director~~ for consideration by the EC. In addition, the EC may itself initiate a standards development and maintenance action based on legislative or regulatory events. | Q2: The NAESB form, Request for Standards Development is referenced. Should we use the correct name for the form in this section or change the name of the form? |
| **~~IV~~V.C. 1** | 1. Action on Request  When a request for standards development or maintenance is submitted, the following takes place:  The NAESB office assigns a request number to the form and posts the request on the NAESB website.  The request is forwarded to the Triage Subcommittee for review at the next meeting of that subcommittee.  The Triage Subcommittee makes a recommendation as to whether the request is within scope of NAESB and, if so, to which Quadrant~~quadrant~~(s) it should be assigned. The members of the Triage Subcommittee representing the assigned Quadrant~~quadrant~~(s) then make a recommendation as to whether the request is within the scope of the Quadrant~~quadrant~~(s) and, if so, to which subcommittee or task force it should be assigned and what level of priority it should be given. The recommendations are then forwarded to the EC.  The EC approves, amends, or rejects the recommendation that the request is within the scope of NAESB. If the EC does not find the request in scope, the recommendation is forwarded to the Board ~~of Directors~~ for a final determination as to whether the request is in scope. If the EC finds the request within scope, it then forwards the request to the EC Members~~members~~ representing the Quadrant~~quadrant~~(s) to which the request has been assigned.  The EC Members~~members~~ consider whether the request is within the scope of the assigned Quadrant~~quadrant~~(s), whether the request has been assigned to the correct subcommittee or task force, and whether it has been given the correct priority. By a simple majority vote, the EC Members~~members~~ approve or amend the foregoing recommendations.  The results of the EC consideration are recorded in the minutes and posted on the NAESB website.  For the Wholesale Electric Quadrant (WEQ), the EC shall determine that the request has been assigned to the WEQ in all or in part, shall ensure that the request adequately describes the Standards~~standards~~ to be developed or modified. If executive management determines that the development requires coordination with the North American Electric Reliability Corporation (~~“~~NERC~~”~~), or NERC executive management requests such coordination, the joint development process developed by both NAESB and NERC will be employed in addition to the NAESB processes.  The subcommittee or task force completes the assigned task.  Where appropriate the subcommittee or task force may forward the request to other subcommittees or task forces to ensure that the work product is considered fully staffed.  Once complete, the subcommittee or task force submits a recommendation to the NAESB office based on the results of the group’s findings.  The recommendation is posted on the NAESB website for industry comment for thirty ~~30~~ days, although this period may be shortened by the EC.  To streamline joint Quadrant~~quadrant~~ consideration of proposed Standards~~standards~~, unless otherwise directed by the Board for annual plan items or the en banc EC for triaged proposed Standards~~standards~~, the following protocol shall apply to joint consideration of proposed Standards~~standards~~:  i. Any proposed Standards~~standards~~ that garners majority support of at least one affected Quadrant~~quadrant~~ at the subcommittee level shall be put out for industry comment and possible approval by that Quadrant~~quadrant~~, even if the proposed Standards~~standard~~ does not attract majority support of all affected Quadrants~~quadran~~ts at the subcommittee level.  ii. If a proposed Standard~~standard~~ garners majority support of at least one Quadrant~~quadrant~~ but does not have the support of all affected Quadrants~~quadrants~~ at the subcommittee level, the subcommittee shall submit a status report to the joint Quadrant~~quadrant~~ ECs, setting forth a recommendation whether joint consideration of the proposed Standard~~standard~~ should be terminated.  iii. Upon adoption of the subcommittee’s recommendation that joint consideration of a proposed Standard~~standard~~ be terminated, the EC of the Quadrant~~quadrant~~ whose subcommittee members supported the Standard~~standard~~ may proceed with a vote on adoption of the proposed Standard~~standard~~, provided it has been put out for industry comment.  For purposes of this provision, a “proposed Standard~~standard~~” refers to any Standard~~standard~~-setting activity that requires a super majority vote at the ~~Quadrantquadrant~~ EC level.  The assigned Quadrant~~quadrant~~(s) of the EC consider the recommendation, taking into consideration the request and industry comments. | Q2: The NAESB form, Request for Standards Development doesn’t exist. Should we use the correct name for the form in this section or change the name of the form?  Q2: In the NAESBOPs IV (C)(1)(g), the NERC/NAESB Joint Standards Development Process are referenced:  …  If executive management determines that the development requires coordination with the North American Electric Reliability Corporation (~~“~~NERC~~”~~), or NERC executive management requests such coordination, the joint development process developed by both NAESB and NERC will be employed in addition to the NAESB processes.  Looking at the [NERC/NAESB Joint Development Process](http://www.naesb.org/pdf3/nerc_naesb_joint_development_process.pdf), it says to follow Appendix A of the [Memorandum of Understanding for NAESB, NERC and the ISO/RTO Council - (Inactive)](http://www.naesb.org/pdf/memorandum_of_understanding.pdf).  Should the NERC/NAESB Joint Development Process be updated or, at least, should those references to Appendix A be deleted?  Q2: Since “proposed Standard” is defined in IV.C.l(iii), should it be capitalized throughout the document? |
| **~~IV~~V.C.2** | 2. Subcommittee and Task Force Procedures  Subcommittees and task forces developing or modifying Standards~~standards~~ shall follow these procedures:  Subcommittee and task force chairs are responsible for working with the NAESB office to prepare meeting notices and agendas, which are distributed by the NAESB office. Meeting notices should be issued so as to give adequate notice to attendees who must travel from out of town.  Meetings, including ad hoc meetings and those held by telephone, should be scheduled by first conferring with the NAESB office to ensure that meetings involving the same participants have not been scheduled for the same time.  All meetings are open and minutes are taken. All attendees should provide contact information identifying themselves as attendees to the meeting.  All votes should be recorded in the minutes. Balanced Voting~~voting~~ can be requested in any subcommittee meeting where the subcommittee is not already balanced by virtue of being a named-member subcommittee.  Minutes, working documents, meeting notices, agendas, and all other documents used in the meeting should be forwarded in electronic form to the NAESB office for posting on the NAESB website.  The group or representatives of the group should develop a recommendation to be submitted to the EC outlining the proposed standard or proposed modification to a Standard~~standard~~. |  |
| **~~IV~~V.C.3** | 3. Full Staffing  The NAESB practice of full staffing is to be employed when there are interdependencies in the development of Standards~~standards~~ that would require an iterative approach.  This process is applied when the technical Standards~~standards~~ developed to support business practices may require changes to the business practices, or it is impractical to implement the business practices without the supporting technical Standards~~standards~~ completed. The business practices are adopted by the ~~applicable Quadrantquadrant~~ EC~~(s)~~, but they are not ratified until the technical Standards~~standards~~ are complete. In this manner, there is an opportunity to change the business practices if needed, and an indication of industry support is attained through the EC vote on the business practices prior to undertaking the technical development.  Similarly, implementation of business practices that may be dependent on other organization’s or other Quadrant’s~~quadrant~~ work products can use the process of full staffing to approve the business practices yet begin the ratification process after the dependent activity is complete, thus providing an opportunity for the business practices to be modified to take into account the other organization’s or Quadrant’s~~quadrant~~ work products. By doing such, the standards development in NAESB may be more effectively coordinated and timed for release with other organization’s or Quadrant~~quadrant~~’s work products.  For the ~~applicable~~ EC~~(s)~~ to use the full staffing process, first there will be a simple majority vote to determine if full staffing is required, which would imply a delay of ratification until the interdependent development is completed. Following the full staffing vote, the Business Practice Standards~~business practice standard(s)~~ would be adopted pursuant to a super majority vote. Prior to ratification, should it be determined that additional change~~(~~s~~)~~ are required to the EC adopted Standards~~standards~~, the change(s) would follow the existing process for standards development. At any time, the ~~applicable~~ EC~~(s)~~ can determine to stop the full staffing process and begin the ratification process through a simple majority vote. |  |
| **~~IV~~V.C.4** | 4. Final Actions  The EC approves the recommendation as submitted, modifies the recommendation, returns the recommendation to the subcommittee or task force for further development, or rejects the recommendation. All Standards~~standards~~, additions to ~~s~~ Standards~~standards~~, or modifications to Standards~~standards~~ must be ratified by the NAESB membership. Member-ratified actions are posted on the NAESB website. Unless otherwise directed by the Board ~~of Directors~~, the final actions are published in the next ~~edition~~version of the NAESB Business Practice Standards~~standards~~ manual. |  |
| **~~IV~~V.D** | D. Minor Clarifications and Corrections to Standards  Minor clarifications and corrections to existing Standards~~standards~~ include: (a) clarifications or corrections made by a regulatory agency to standards that are of a jurisdictional nature, or by the American National Standards Institute or its successor; (b) clarifications or corrections to the format, appearance, or descriptions of Standards~~standards~~ in Standards~~standards~~ documentation; (c) clarifications or corrections to add code values to tables; and (d) clarifications and corrections that do not materially change a Standards~~standards~~.  Any request for a minor clarification or correction to an existing Standards~~standards~~ should be submitted in writing to the President~~Executive Directorexecutive director~~. This request shall include a description of the minor clarification or correction and the reason the clarification or correction should be implemented. | Q2: Should Minor Clarifications still be addressed here? |
| **~~IV~~V.D.1** | 1. Processing of Requests  The President~~Executive Directorexecutive director~~ shall promptly notify the EC and any appropriate subcommittee~~(~~s~~)~~ of the receipt of the request. The members of the applicable ~~Quadrantquadrant’s~~ EC shall promptly determine whether the request meets the definition of a minor clarification or correction. Through the decision of the vice chair of the ~~applicable~~ Quadrant~~quadrant~~, this determination may be delegated to one of the Quadrant’s~~quadrant~~ subcommittees, with the concurrence of the subcommittee chair, in which case the subcommittee shall make a prompt decision.  If the request is determined to meet the definition of minor clarification or correction, the applicable ~~Quadrant’squadrant~~ EC, with input from any subcommittee(s) to which the request has been forwarded, shall act on the request within one month of its receipt. A meeting to discuss the request is not required; the decision may be made by notational vote. A simple majority of the votes received shall determine the outcome. The members of the applicable ~~Quadrant’squadrant~~ EC shall be given at least three working days to consider and vote on the request. |  |
| **~~IV~~V.D.2** | 2. Public Notice  The results of the vote on the request for a minor clarification or correction shall be posted on the NAESB website and the members of the applicable Quadrant~~quadrant~~ shall be notified of the request by e-mail. If the request has been approved by the ~~applicable Quadrant’squadrant~~ EC, the notification shall include a brief description of the request, the contact name and number of the requester so that further information can be obtained, and the proposed effective date of the clarification or correction. Any interested party shall have an opportunity to comment on the request, and the comments shall be posted on the NAESB website. The comment period is two weeks. |  |
| **~~IV~~V.D.3** | 3. Final Disposition of Approved Requests  If no comments are received on an approved request, the Standard~~standard~~ shall be clarified or corrected, as specified in the approved request, on the effective date proposed. If comments are received, they shall be forwarded to the members of the ~~applicable Quadrant’squadrant~~ EC for consideration. Each comment requires a public written response from the ~~applicable Quadrantquadrant~~ EC. The ~~applicable Quadrant’squadrant’s~~ EC shall determine whether changes are necessary as a result of the comments. Members of the ~~applicable Quadrant’squadrant~~ EC shall be given three working days to consider the comments and determine the outcome, which shall be decided by a simple majority of the votes received. A meeting to discuss the request is not required; the decision may be made by notational vote. The Standard~~standard~~ shall be clarified or corrected in accordance with the outcome of the vote, effective with the completion of voting, and notice thereof shall be posted on the NAESB website. In the case of minor corrections which are discovered during the editorial review process of publication of a new version and are categorized as clarifications under (b) or (c) above, the proposed effective date may be (i) two weeks from the date of public notice, following simple majority approval by the applicable Quadrant(s) EC(s) of the shortened effective date, or (ii) one month from the date of the public notice. For all others, the proposed effective date of the minor clarification or correction shall normally be one month from the date of the public notice upon simple majority approval of the ~~applicable Quadrant(s)~~ EC~~(s)~~. |  |
| **~~IV~~V.E** | E. Interpretation of Standards  Interpretation of Standards~~standards~~ is a process by which an existing standard~~standard~~ is clarified as to its original intent or an existing interpretation is modified. Any person may seek an interpretation by submitting a request for clarification or interpretation electronically to the NAESB office. The NAESB office shall assign a number to the request and post it on the NAESB website. The request shall then be forwarded to the Interpretations Subcommittee(s) of the appropriate Quadrant~~quadrant~~(s); each Quadrant~~quadrant~~ is responsible for the interpretation of Standards~~standards~~ that are applicable to it.  The request for interpretation shall be considered in a meeting of the Interpretations Subcommittee~~(s)~~. The subcommittee~~(~~s~~)~~ shall prepare a draft interpretation and forward it to the NAESB office, which shall post it on the NAESB website for industry comment. The same procedures as outlined in Section IV.C of these NAESBOPs ~~NAESBOP D, “Standards Development and Maintenance,”~~ are then followed. | Q2: Should Interpretations subcommittees be made singular?  Q2: In the last section, should the reference to “NAESBOP D” be changed to “Section IV.C of these NAESBOPs” |
| **~~IV~~V.F** | F. Appeal Procedures |  |
| **~~IV~~V.F.1** | Standards Appeal Procedure  Any interested person with a direct and material interest who has been or may be adversely affected by a substantive or procedural action or inaction of the EC shall have the right to appeal, by resort to the procedures below. Section 1 applies to NAESB Standards and Section 2 applies to NAESB Standards that have been adopted by ANSI as ANSI Standards: |  |
| **~~IV~~V.F.1.a** | a. Such affected person may ask that any adopted NAESB Standards~~standards~~ or proposed Standards~~standards~~ be amended, rejected, or reconsidered. A request for an amendment to existing Standards~~standards~~ or Reconsiderationr~~econsideration~~ of a proposed Standard~~standard~~ that was not adopted may be designated as an appeal by the requesting party and filed with the NAESB office. Appeals of actions shall be taken within ~~30~~ thirty days after the date of notification of action by the EC; appeals of inactions may be taken at any time. The requesting party shall state in its appeal the reasons for its request and any proposed alternative language. Such requests shall be treated as requests for new Standards~~standards~~ and processed accordingly; or |  |
| **~~IV~~V.F.1.b** | b. Such affected person may appeal using the procedures set forth in Clause A.12 of the ANSI Procedures for Development and Coordination of American National Standards. |  |
| **~~IV~~V.F.2** | 2. Process Appeal Procedure  Any interested person with a direct and material interest who has been or reasonably may be adversely affected by a procedural action of the EC to adopt a Standard~~standard~~ shall have the right to appeal, by resort to the procedures below, within thirty ten ~~30 10~~ calendar days after the date of notification of action by the EC: | Q2: 30 days - |
| **~~IV~~V.F.2.a** | a. Such affected person carries the burden of presenting clear and convincing evidence that a standard adopted by the EC was invalidly adopted as a matter of process. Such evidence must overcome the rebuttable presumption that a Standards~~standards~~ adopted by the EC is valid and was validly adopted. |  |
| **~~IV~~V.F.2.b** | b. The complaining party must clearly identify the specific procedural defect~~(~~s~~)~~ alleged and how they relate to existing NAESB policy regarding the adoption of Standards~~standards~~ and to the Standard~~standard~~ in question. |  |
| **~~IV~~V.F.2.c** | c. All such complaints must be directed to the NAESB office~~Office~~ on a form specified by them. | Q2: Should the word “office” in NAESB office” be capitalized or lower case? The Bylaws use “NAESB office” and it doesn’t appear in the Certificate. |
| **~~IV~~V.F.2.d** | d. The NAESB Office shall first refer the matter to the NAESB General Counsel, who shall promptly review the complaint and advise the NAESB office~~Office~~ and the Managing Committee whether the complaint states a prima facie clear and valid cause for appeal. |  |
| **~~IV~~V.F.2.e** | e. If the Managing Committee determines that the complaint does not state a prima facie clear and valid cause for appeal then the NAESB office~~Office~~ will so advise the complaining party. The complaining party shall have ten~~10~~ calendar days from the NAESB office~~Office~~’s notification an opportunity to revise its complaint application. Following the reapplication, if the Managing Committee again determines that the complaint does not state a prima facie clear and valid cause for appeal then the NAESB Office shall advise the complaining party. A report shall be made to the Board as a matter of information only at the next meeting following its action. |  |
| **~~IV~~V.F.2.f** | f. If the Managing Committee determines that the complaint does state a prima facie clear and valid cause for appeal then the complaining party becomes the appealing party, the complaint becomes an appeal and the Managing Committee shall promptly refer the matter to the Parliamentary Committee for review and decision. The Parliamentary Committee may meet in person or otherwise, and may consider the matter based upon the written filing and may request supplemental information from the appealing party. It shall also request input from the EC leadership and shall review the record of EC proceedings as the Parliamentary Committee deems necessary. |  |
| **~~IV~~V.F.2.g** | g. The Parliamentary Committee thereafter shall promptly forward its decision to the Board through the Managing Committee. |  |
| **~~IV~~V.F.2.h** | h. If the Parliamentary Committee determines that the EC action was procedurally defective, the Parliamentary Committee shall promptly notify the NAESB office~~Office~~ and the NAESB office~~Office~~ shall promptly so advise the EC and direct the EC to take action to reconsider the standard. The action taken shall be in the form of a revote of the appealed Standards~~standards~~ using NAESB practices. |  |
| **~~IV~~V.F.2.i** | i. If the Parliamentary Committee determines that the EC action was not procedurally defective then the then the Parliamentary Committee shall promptly notify the office~~Office~~ and the office~~Office~~ shall promptly so advise the appealing party. |  |
| **~~IV~~V.F.2.j** | j. The Parliamentary Committee shall endeavor to complete its work, make its decision and communicate same to the Managing Committee within sixty~~60~~ calendar days of the Managing Committee’s referral of the matter to the Parliamentary Committee for review and decision. |  |
| **~~IV~~V.F.2.k** | k. At the next Board meeting following final action by the Parliamentary Committee with respect to the appeal, the Managing Committee shall report the Parliamentary Committee’s decision to the Board as a matter of information only. |  |
| **~~IV~~V.F.2.l** | l. Should the appealing party be a member of the Managing Committee or the Parliamentary Committee, to avoid conflict of interest, the appealing party is barred from voting on the appeal. |  |
| **~~IV~~V. G** | G. Standards Publication Cycle  NAESB Standards~~standards~~ shall be published every twenty-four months, beginning with the release of version 1.7 of the WGQ Standards~~standards~~ in the Summer~~summer~~ of 2003. Standards that are approved between the publication of one version ~~of the standards~~ and the next shall be available on the NAESB website and shall be referred to as final actions. If during any twenty-four-month publication cycle, extraordinary circumstances arise that warrant the interim publication of new or revised Standards~~standards~~ adopted since the previous version was published, the Board ~~of Directors~~ will authorize and direct the President~~Executive Directorexecutive director~~ to publish such Standards~~standards~~ as necessary during such interim period. |  |
| **~~IV~~V.H** | H. Communicating with Regulatory and Other Government Agencies  Should NAESB amend or issue an interpretation to an existing Standards~~standards~~ that has previously been adopted by FERC or another government agency, the President~~Executive Directorexecutive director~~ shall officially notify that government agency upon publication of the version of NAESB Standards~~standards~~ that contains the amended Standard~~standard~~ or interpretation, unless the NAESB Board ~~of Directors~~ or Managing Committee or said government agency requests that notification be provided at the time of the ratification of the amendment or interpretation of the Standard~~standard~~.  When NAESB adopts a new Standards~~standards~~, the President~~Executive Directorexecutive director~~ shall officially notify applicable government agencies upon publication of the version of NAESB Standards~~standards~~ that contains the Standard~~standard~~, unless the NAESB Board ~~of Directors~~ or Managing Committee or said government agencies request that notification be provided at the time the Standard~~standard~~ is ratified.  When NAESB adopts a new Standard~~standard~~ that directly relates to the use, action, or implementation of an existing NAESB standard that has been adopted by a government agency or agencies, the President~~Executive Directorexecutive director~~ shall officially notify applicable government agencies upon publication of the version of NAESB Standards~~standards~~ that includes the new Standard~~standard~~ and transmit the new Standard~~standard~~ to the government agency that has adopted the previous Standard~~standard~~, unless the NAESB Board ~~of Directors~~ or Managing Committee or said government agency requests that notification be provided at the time the Standard~~standard~~ is ratified.  New versions of NAESB Standards~~standards~~ and other publications shall be forwarded to any government agency requesting such publications. FERC and the National Association of Regulatory Utility Commissioners (NARUC), through NARUC’s President~~Executive Directorexecutive director~~, shall be provided with all publications, including Standards~~standards~~ developed by all Quadrants~~quadrant~~s. These publications, if copyrighted, shall be made available for (1) internal use and (2) placement in an agency’s public reference room and for submittal to the *Federal Register* for those publications with standards incorporated by reference into the FERC’s or other agency’s regulations, to the extent required by law and regulation, to permit incorporation by reference.  In the period between the publication of standards manuals, the following documents shall be made available, at no cost to the recipient, via the NAESB website or other agreed-upon method, to any government agency requesting such documents, including FERC and NARUC, through its President~~Executive Directorexecutive director~~:  Final standards actions and Member~~member~~ voting records  Final interpretations and Member~~member~~ voting records  Board and EC meeting minutes and voting records  Meeting materials supporting Board and EC meeting minutes and voting records  Transcripts of meetings for internal use by the government agency as requested  All written communications between NAESB and government agencies must be approved in advance by the Managing Committee. The EC may draft language pertaining to its standards development activities for forwarding to government agencies; those communications also require the approval of the Managing Committee before they are forwarded by the NAESB office.  It is recognized that the NAESB office, officers, and chairs of the Board and EC shall continue to follow the current convention of informal communications with senior officials of FERC and other government agencies. These informal communications are for informational purposes only and are not intended as a substitute for formal communications with such government agencies. The results of these informal communications shall be reported to the EC and Board. | Q2: Suggest deletion of phrase “if copyrighted” because copyright affixes at the time of creation. Alternatively, “if federally copyrighted” would also work. |
| **~~IV~~V.I** | I. Treatment of Executive Committee Abstentions  If a Member~~member~~ of the EC abstains from a vote such Member’s~~member’s~~ right to vote shall pass to the designated Segment~~segment~~ alternate to cast the vote. If the designated alternate abstains, the right to vote shall pass to the next designated Segment~~segment~~ alternate, in succession, until a vote is cast. No less than one business day prior to the EC action requiring a vote, each Segment shall inform the NAESB office in writing of the order in which its designated alternates shall vote in the case of abstentions; in the absence of such designation, the succession shall be upon the basis of seniority as an alternate. |  |

1. The Gas Industry Standards Board (GISB) was incorporated in September 1994 to develop Standards~~standards~~ for the wholesale natural gas market. When NAESB was established in January 2002, GISB became the Wholesale Gas Quadrant ~~wholesale gas quadrant~~ of the new organization and went out of existence as a separate entity. [↑](#footnote-ref-1)
2. For purposes of the discussion herein, “Standards~~standards~~” and “Model Business Practices~~model business practices~~” are used interchangeably. They are defined the same in Section 1.1 of the Bylaws. [↑](#footnote-ref-2)
3. NAESB Certificate of Incorporation (the Certificate), Article II, Section 1. [↑](#footnote-ref-3)
4. The explanation provided herein is intended to acquaint interested persons with how NAESB operates in a straightforward non-legalese way. In the event there is an inconsistency between the substance of what is stated herein and the Certificate~~certificate~~ and Bylaws~~bylaws of NAESB~~, the terms of the Certificate~~certificate~~ and Bylaws~~bylaws~~ control. [↑](#footnote-ref-4)