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May 23, 2012

NAESB MONTHLY UPDATE CONFERENCE CALL

UPDATE ON GAS-ELECTRIC HARMONIZATION: Ms. Crockett provided the update. In April, the Gas-Electric Harmonization Committee completed a survey on four Core Issues and Observations. These are: 1) Scheduling and other inconsistencies in the interactions of the two markets impact the effectiveness of providing gas and electric service; 2) Capacity issues including the availability and determination to use firm and interruptible capacity to support load requirements is a core issue in the interdependencies of the two markets, for both the day of and the day ahead markets; 3) Curtailment policies and practices are components of the interdependency of the two markets that impacts harmonization; and 4) Additional and more formal structure for communications of the parties in the gas and electric markets is needed, particularly for unanticipated demand situations.

UPDATE ON DSM-EE EFFORTS: Mr. Winkler provided the update. The Retail Energy Efficiency work group met on April 19, 2012 and voted to approve a recommendation for model business practices. During the meeting, comments submitted by Southern Company and on behalf of ASE, EVO, DOE, and NEEP were reviewed and the work group incorporated changes to the recommendation to address the issues. The main area of discussion was the discussion and agreement on the definition of terms. The model business practices reference four high-level International Performance Measurement and Verification Protocols (IPMVP) but the names and definitions differ from IPMVP and were developed to more narrowly tailor the methodologies and be consistent with the WEQ Business Practice Standards. There was consensus to address the consistency issue between the NAESB Business Practice Standards and the IPMVP as part of Phase 2. A meeting of the DSM-EE Subcommittee has been scheduled for May 30 to consider the recommendation. Ms. McQuade stated that the FERC issued a Notice of Proposed Rulemaking (NOPR) on the WEQ Energy Efficiency and Demand Response Measurement and Verification Standards on April 19, 2012. Comments on the NOPR are due on June 25, 2012.

UPDATE ON SMART GRID ACTIVITIES: Mr. Booe provided the update. The Smart Grid Standards subcommittee on Priority Action Plan (PAP) 10 is in the process of discussing revisions to the Energy Usage Information Model. These revisions are being considered to reflect modifications made to the International Electrotechnical Commission (IEC) Common Information Model (CIM) (61968), Smart Energy Profile 2.0, the NAESB Energy Service Providers Interface (ESPI) standard and the related efforts of ASHRAE. On April 27, 2012, the subcommittee reviewed several proposed updates to the models and moved forward with the recommendation that both the WEQ and REQ Executive Committees support these proposed modifications.

UPDATE ON PARALLEL FLOW VISUALIZATION: Mr. Skiba provided the update. NERC and NAESB have been working closely together to create a more efficient and transparent approach for managing transmission congestion in the Eastern Interconnection. The task before the WEQ Business Practices Subcommittee (BPS) involves both identifying firm and non-firm flows and assigning curtailment priorities to these flows. Having completed an interim solution to permit full staffing through a NERC test, the BPS has been continuing its work on developing a lasting set of standards. The interim solution has not been implemented as the NERC test was never completed. The process under development requires a Balancing Area to identify and submit the transmission service priority for all energy produced by generators located in its footprint and modeled in the Interchange Distribution Calculator (IDC). The subcommittee's efforts have focused on identifying and addressing key conceptual issues prior to undertaking the task of writing draft standards that would be used to implement the methodology.

UPDATE ON OASIS/ADOPTION OF THE NETWORK INTEGRATION SERVICES STANDARDS: Mr. Wood provided the update. For several years, the WEQ OASIS subcommittee has been working diligently to establish standards permitting OASIS to accommodate network integration transmission service (NITS), as mandated by FERC in Order No. 890. The subcommittee has completed draft standards that will be included in WEQ-000, the glossary and list of acronyms, WEQ-001, OASIS Business Practice Standards, WEQ-002, OASIS Standards and Communication Protocols (S&CP), WEQ-003, OASIS Data Dictionary, and WEQ-013, OASIS Implementation Guide. A draft version of the entire NITS suite of standards was sent out for an informal industry



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comment period ending July 29, 2011. During the December 1, 2011 meeting the subcommittee unanimously voted to approve the recommendation and post it for a 75-day formal comment period ending on February 27, 2012. Although formal comment periods generally last 30 days, the WEQ EC decided that the volume of material generated by the NITS project is more conducive to an extended review. On May 1, 2012, the WEQ Executive Committee voted to approve the recommendation with modifications recommended by the subcommittee, as well as those made during the meeting. The standards were included as part of WEQ Version 003, published as on July 31, 2012.

UPDATE ON THE ELECTRIC INDUSTRY REGISTRY: Mr. Anderson and Mr. Booe provided the update. The NAESB office continues to work with both OATI and NERC on the transition from the NERC TSIN Registry to the NAESB Electric Industry Registry. A parallel operation of the TSIN and Electric Industry Registry is scheduled to begin May 14, 2012 and will run for as long as necessary. It is anticipated that the parallel test may last up to six months.

UPDATE ON PKI/CERTIFICATION: Mr. Buccigross provided the update. The WEQ Public Key Infrastructure Subcommittee is continue to work on its efforts to develop the Authorized Certificate Authority Accreditation document. The next meeting is scheduled for June 14, 2012, during which the subcommittee anticipates voting out a recommendation.

UPDATE ON WGQ INTERPRETATION STATUS: Mr. Buccigross provided the update. The WGQ is undertaking an effort to review the WGQ Interpretations that have been developed and revise its standards to provide additional clarity within the standards language. This effort has been initiated based on past FERC action that has acknowledged the interpretations but not adopted them as part of regulations as part of the incorporation by reference process.

UPDATE ON NATURAL GAS LIQUIDS CONTRACT: Mr. Sappenfield provided the update. In March, the WGQ Contracts Subcommittee began development of a strawman that will serve as the first draft of the NAESB NGL Master Agreement Natural Gas Liquids (NGLs). The subcommittee anticipates completion of the recommendation before the October 2012 WGQ Executive Committee meeting.

OTHER BUSINESS: There was no other business discussed.

NEXT CONFERENCE CALL: The next Monthly Update conference call is scheduled for June 27, 2012 from 1:00 PM - 2:00 PM Central. The agenda and any work papers will be posted on the Monthly Update page of the NAESB website, accessible at the following link: http://www.naesb.org/monthly_update.asp. We hope you can join us. If there are particular topics you would like to see covered or if you would like to receive additional information, please contact the NAESB Office by phone at (713) 356-0060 or email at naesb@naesb.org.



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Jeff Anderson	OATI	
Clint Aymond	Entergy	
Rebecca Berdahl	BPA	
Jonathan Booe	NAESB	
Jim Buccigross	8760	
Kathryn Burch	Spectra	
Scott Butler	Consolidated Edison	
Ernie Cardone	NYISO	
Pete Connor	AGA	
Chuck Cook	Chevron	
Valerie Crockett	TVA	
Mike Dionisio	Devon Energy	
Geoff Embree	Northeast Utilities	
Doug Field	Southern Star	
Brian Fields	Calpine	
Blair Fink	Georgia Public Service Commission	
Marilyn Franz	NV Energy	
Steve Gabel	Honeywell	
Michael Gildea	NERC	
Paramy Graff	Apache Corporation	
Bob Harshbarger	Puget Sound Energy	
Joe Hartsoe	AEP	
Linda Horn	We Energies	
Samara Jaffe	National Grid	
John Kaduke	Georgia PSC Staff	
Wayne Lewis	Progress Energy	
Elizabeth Mallett	NAESB	
Annunciata Marion	Pennsylvania PUC Staff	



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Name	Organization	
Patrick McGovern	GTC	
Rae McQuade	NAESB	
Elizabeth Peters	Sempra	
Ray Phillips	Alabama Municipal Electric Authority	
Lori Lynn Pennock	SRP	
Alan Pritchard	Duke Energy	
Judy Ray	Alabama Power	
Keith Sappenfield	Encana	
Richard Siegel	AGL Resources	
Ed Skiba	MISO	
Karl Stanley	NiSource	
Caroline Trum	NAESB	
Velma Whittier	Central Maine Power Company	
Craig Williams	WECC	
JT Wood	Southern Company	
Kathy York	TVA	