North American Energy Standards Board

Background Materials

March 2004

NORTH AMERICAN ENERGY STANDARDS BOARD
BACKGROUND MATERIALS
MARCH 2004

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MEMBERSHIP

NORTH AMERICAN ENERGY STANDARDS BOARD

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2003-2004 Advisory Council

Bruce Ellsworth	Chairman, NAESB Advisory Council & Former Commissioner, N.H. Public Utilities Commission & Former Chairman, NARUC
Charles Acquard	Executive Director, NASUCA
Diane Barney	New York State Department of Public Service
John Bulger	Member, National Energy Board
Laura Chappelle	Commissioner, Michigan Public Service Commission
Steve Chesebro'	Chairman, Harvest Natural Resources & Founding and First Chairman, Gas Industry Standards Board and North American Energy Stds. Board
Bill Cooper	Majority Counsel, House Committee on Energy and Commerce
Alex DeBoissiere	Vice President, Government Regulations, Midwest ISO
David Eichenlaub	Virginia Corporation Commission
Christopher Freitas	Program Manager, U.S. Department of Energy
Charles Gray	Executive Director, NARUC
Craig Goodman	Executive Director, NEM
Sheila Hollis	Partner, Duane, Morris & Heckscher
Robert Keating	Commissioner, Massachusetts Department of Public Utilities
Rebecca Klein	Chair, Texas Public Utility Commissioner
Jerry Langdon	Executive V.P. and Chief Administrative Officer, Reliant Resources and Former FERC Commissioner
Dan Larcamp	Director, FERC
Don Mason	Commissioner, Ohio Public Utilities Commission
Charles Matthews	Commissioner, Texas Railroad Commission
John McCarthy	Acting Chief Operating Officer, National Energy Board
Raul Monteforte	Comisionado, Comision Reguladora de Energia
Dave Nevius	Vice President, NERC
Dick O'Neill	Chief Economic Advisor, FERC
Tom Pearce	Ohio Public Utilities Commission
Phil Peters	Legal Attorney Advisor, FERC
Roland Priddle	Former Chairman, National Energy Board
Bob Rowe	Chairman, Montana Public Service Commission
Howard Shafferman	Partner, Ballard Spahr Andrews and Ingersoll
Veronica Smith	Executive Director, Pennsylvania Public Utility Commission
Lou Ann Westerfield	Idaho Public Utility Commission

NAESB Membership List – Statistics

as of February 24, 2004

Quadrant/Segment Membership Analysis		Number of Members
WGQ Segments	Total	122
	End Users	20
	Distributors	23
	Pipelines	37
	Producers	13
	Services	29
REQ Segments	TOTAL	40
	End Users	4
	Distributors	20
	Services	9
	Suppliers	7
RGQ Segments	TOTAL	39
	End Users	4
	Distributors	17
	Services	9
	Suppliers	9
WEQ Segments	TOTAL	151
	End Users	12
	Distributors	25
	Transmission	43
	Generation	34
	Marketers	32
	None Specified	5

North American Energy Standards Board Membership List as of February 24, 2004

Quadrant		Organization	Segment	Contact	Sub-Segment
Retail Electric Quadrant:	1	8760	Service Provider	John S. Williams	
	2	Alabama Power	Distributor	John Russom	
	3	Ameren Services Company	Distributor	Patrick Eynon, Peggy Ladd	
	4	American Electric Power	Distributor	Thomas J. Ringenbach	
	5	Baltimore Gas & Electric Co.	Distributor	Ruth Kiselewich	
	6	Calpine Energy Services, LP	Supplier	Janet Dixon	
	7	Cinergy Services, Inc.	Distributor	Paul K. Jett	
	8	Consolidated Edison Company of NY	Distributor	Richard G. Muzikar	
	9	Defense Energy Support Center	End User	Lisa Robert	
	10	Detroit Edison Company	Distributor	William J. Newbold, Jr.	
	11	Distribution Control Systems, Inc.	Service Provider	H. Ward Camp	
	12	Dominion Retail	Supplier	William Barkas	
	13	Dominion Virginia Power	Distributor	David F. Koogler	
	14	Duke Power	Distributor	N.E. (Ed) Tucker	
	15	EC Power International	Service Provider	Judy Bailey	
	16	Electric America	Supplier	Joseph C. Macek III	
	17	Electric Reliability Council of Texas (ERCOT)	Service Provider	Sam R. Jones	
	18	Energy East Management Corporation	Distributor	Eric Wilen	
	19	Exelon Energy Delivery	Distributor	Charles Tenorio	
	20	Foley & Lardner	Service Provider	Bryan S. Anderson	
	21	Georgia Power Company	Distributor	Michael Garrett	
	22	Green Mountain Energy Co.	Supplier	David McMillan	
	23	Gulf Power Company	Distributor	Joel Thomas Kilgore	
	24	MidAmerican Energy	Distributor	James E. Wilson	
	25	Mississippi Power Company	Distributor	Dorman Davis	
	26	Office of Public Advocate, State of Maine	End User	Barbara Alexander	
	27	Ohio Consumers Council	End User	Randy Corbin	
	28	Pennsylvania Office Of Consumer Advocate	End User	Tanya J. McCloskey	
	29	PPLSolutions, LLC	Service Provider	James M. Minneman	
	30	Public Service Electric & Gas	Distributor	Terrence Moran	
	31	Reliant Energy Retail Services, LLC	Supplier	Barbara Penkala	
	32	Savannah Electric and Power Company	Distributor	Karen L. Prentice	
	33	SchlumbergerSema	Service Provider	George C. Roberts	
	34	Southern California Edison	Distributor	Gail Higashi	
	35	Southern Company Services	Service Provider	Mark S. Jarrett	
	36	Structure Group	Service Provider	Stacey Park	
	37	Tractebel Energy Services, Inc.	Supplier	Jason R. Wooward	
	38	TXU Energy Retail	Supplier	Felecia Lokey	
	39	Wisconsin Electric	Distributor		
	40	Wisconsin Public Service Corporation	Distributor	William L. Bourbonnais	
Wholesale Gas Quadrant:	1	8760	Services	John Williams, Jim Buccigross	
	2	AEP Energy Services, Inc.	Services	Cathy Szasz	
	3	AIG Energy Trading	Services	Carl Peterson	
	4	Ameren Corporation	LDC	Scott Glaeser	
	5	Apache Corporation	Producers	Michele Markey	
	6	Aquila Energy	Services	Scott Eckerman	
	7	Arizona Public Service Company	End Users	Gary Duede, Kelly Daly	
	8	Ballard Natural Gas, LLC	Services	Susan Thibodeaux	
	9	Baltimore Gas & Electric Co.	LDC	Steve Zavodnick	

Quadrant		Organization	Segment	Contact	Sub-Segment
	10	BG LNG Services, LLC	Services	Martha Braddy	
	11	Boeing Co.	End Users	Tina Patton	
	12	BP Energy	Producers	Bill Benham	
	13	Bridgeline Gas Marketing	Pipelines	Georgia Blanchard	
	14	Burlington Resources	Producers	Paul Keeler	
	15	Calpine Energy Services, LP	End Users	Janet Dixon, Craig Chancellor	
	16	Cargill Incorporated	Services	Kathy Gerken	
	17	Cascade Natural Gas Corporation	LDC	Mark Sellers-Vaughn	
	18	CenterPoint Energy Gas Resources Corp.	Services	James G. Beste	
	19	CenterPoint Energy Gas Transmission Company	Pipelines	Larry Thomas	
	20	CenterPoint Energy Mississippi River Transmission Corporation	Pipelines	Robert Trost	
	21	Chevron/Texaco	Producers	Randy Mills	
	22	Cinergy	End Users	John Procario	
	23	Cinergy Marketing and Trading	Services	Randy Bevis	
	24	CMS Panhandle Eastern Pipe Line Co.	Pipelines	William Grygar, Kim Van Pelt	
	25	Columbia Gas Transmission	Pipelines	Steve Melton	
	26	Columbia Gulf Transmission Co.	Pipelines	Chris Maturo	
	27	Comprehensive Energy Services	End Users	Jim Templeton	
	28	ConocoPhillips Gas and Power	Producers	Peter Frost	
	29	Consolidated Edison Company of NY	LDC	Mary Jane McCartney	
	30	Dauphin Island Gathering Partners	Pipelines	Katie Rice	
	31	Defense Energy Support Center	End Users	Veronica Jones, Jacob Moser	
	32	Department of Energy	End Users	Christopher Freitas	
	33	Dominion Exploration and Production, Inc.	Producers	David Ogden	
	34	Dominion Resources (Previously CNG)	LDC	William Boswell	
	35	Dominion Transmission, Inc.	Pipelines	Gary Sypolt	
	36	DTE Energy Trading, Inc	Services	Marcia Hissong	
	37	Duke Energy Gas Transmission - Texas Eastern	Pipelines	Richard Kruse	
	38	Edison Mission Marketing and Trade	End Users	Christian Hnat, William Roberts	
	39	El Paso East Pipeline	Pipelines	Larry Smith	
	40	El Paso Natural Gas	Pipelines	John Somerhalder	
	41	El Paso Oil and Gas	Producers	Art Slagle	
	42	Elite Computer Consultants	Services	Wayne Holtkamp	
	43	Enbridge Pipelines	Pipelines	Joan Schnepp	
	44	EnCana Marketing (USA) Inc.	Services	Keith Sappenfield	
	45	EnCana Corporation	Producers	Keith Sappenfield	
	46	The Energy Authority, Inc.	Services	Marsha Sebert	
	47	Energy East Management Corporation	LDC	Marjorie Perlman	
	48	Energy Velocity	Services	Konni Keuter	
	49	Entergy Services, Inc.	End Users	Arlynn Kelleher, Terry Shields	
	50	Equitable Gas Company	LDC	Steve Rafferty	
	51	Equitrans, L.P.	Pipelines	Mina Speicher	
	52	ExxonMobil Gas Marketing	Producers	Richard Smith	
	53	Florida Power & Light Company	End Users	Dona Gussow, Joe Stepenovitch	
	54	Great Lakes Gas Transmission	Pipelines	Gene Fava	
	55	Gulf South Pipeline	Pipelines	Claire Burum	
	56	H S Resources Inc.	Pipelines	Carol Hall	
	57	Hatch Associates Limited	Services	Dan McEvoy	
	58	Imperial Irrigation District	End Users	Javier Esparza	
	59	Iroquois Gas Transmission System	Pipelines	Tom Gwilliam	
	60	Kern River Gas Transmission Company	Pipelines	Janie Nielsen	
	61	Key Span Energy	LDC	Dolores Chezar	
	62	Laclede Gas Co.	LDC	Kenneth Neises	

Quadrant		Organization	Segment	Contact	Sub-Segment
	63	Latitude Technologies	Services	Leigh Spangler	
	64	Louis Dreyfus Energy Services L.P.	Services	Mary Ellen Bell	
	65	Lower Colorado River Authority	End Users	Mickey Bell	
	66	Marathon Oil Company	Producers	Robin Perrine	
	67	Mewbourne Oil Company	Producers	Michael F. Shepard	
	68	Midland Cogeneration Venture	End Users	Lee Smith	
	69	National Fuel Gas Distribution	LDC	Michael Novak	
	70	National Fuel Gas Supply Corp.	Pipelines	Dave Reitz	
	71	Natural Gas Pipeline Co of America	Pipelines	Paul Love	
	72	Niagra Mohawk Power Corporation	LDC	Bruce Garcy	
	73	Nicor Gas	LDC	Nancy Brucher	
	74	NiSource Inc.	LDC	M. Christopher Maturo	
	75	Northern Natural Gas	Pipelines	Mary Darveaux	
	76	Northwest Natural Gas Company	LDC	Randolph Friedman	
	77	NOVA Gas Transmission Ltd.	Pipelines	Doug Miller	
	78	Occidental Energy Marketing Inc. (OEMI)	Producers	Carol Wilson	
	79	Ocean Energy Inc.	Producers	Veronica L. Cavazos	
	80	Pacific Gas & Electric	LDC	John Breen	
	81	PECO Energy Co.	LDC	Reed Horting	
	82	Pemex Gas Y Petroquimica Basica	Services	Juan Enrique Gonzalez Azuara	
	83	Peoples Gas Light & Coke Co.	LDC	Raulando de Lara	
	84	PG&E Energy Trading	Services	Lyn Maddox	
	85	PG&E Gas Transmission	Pipelines	Jay Story	
	86	Platts	Services	Bill Murphy	
	87	Portland Natural Gas Transmission System	Pipelines	David Morgan	
	88	PPL EnergyPlus, LLC	End Users	Anne Lovett	
	89	PPM Inc.	End Users	Scott Hannigan	
	90	Public Service Electric & Gas	LDC	David Wohlfarth	
	91	Questar Pipeline Co.	Pipelines	Scott Hansen	
	92	Quorum Business Solutions Inc.	Services	Douglas Allen	
	93	Reliant Energy Services, Inc.	End Users	Gary Hinners, John Orr	
	94	Sabine Pipe Line LLC	Pipelines	Jan Rogers	
	95	Salt River Project Agricultural Improvement & Power District	End Users	Diane McVicker	
	96	SCANA Corporation	Pipelines	Jacquelyn Gettle	
	97	Sempra Energy - Southern California Gas Co.	LDC	Lee Stewart	
	98	Sequent Energy Management, L.P.	Services	Pat Metteauer	
	99	Shell Gas Transmission, LLC	Pipelines	Chuck Cook	
	100	Southern California Edison Company	End Users	Roman Bakke	
	101	Southern Company	End Users	Carl Haga	
	102	Southern Natural Gas Co.	Pipelines	Prince McDougal	
	103	Southern Star Central Gas Pipeline	Pipelines	James L. Harder	
	104	Southwest Gas Corporation	LDC	Larry Black	
	105	SunGard Energy Systems	Services	Maria Onufrow, Jennifer Chen	
	106	Telvent USA, Inc.	Services	Glenn Irwin	
	107	Tennessee Valley Authority	End Users	Valerie Crockett	
	108	Texas Gas Transmission, LLC	Pipelines	Jeff Bittel	
	109	Tiger Natural Gas	Services	Tracy Phillips	
	110	Tractebel Energy Marketing, Inc.	Services	Mark Hodges	
	111	TransCanada Pipelines	Pipelines	Doug Miller	
	112	Transwestern Pipeline Co.	Pipelines	Donna Scott	
	113	Trinity Apex Systems	Services	Matt Armstrong	
	114	TXU Energy Trading Co.	Services	Ellen Dailey, Brad Jones	
	115	TXU Lone Star Pipeline Company	Pipelines	Steve Easley	

Quadrant		Organization	Segment	Contact	Sub-Segment
	116	UBS Warburg Energy	Services	Suzanne Calcagno	
	117	Vector Pipeline L.P.	Pipelines	Amy Bruhn	
	118	Washington Gas Light Co.	LDC	Tim Sherwood	
	119	Westfield Gas & Electric Light Dept.	LDC	Joyce Bodak	
	120	Williams Gas Pipeline	Pipelines	Dale Davis	
	121	Williston Basin Interstate Pipeline	Pipelines	Keith Tiggelaar	
	122	Wisconsin Public Service Corporation	LDC	Patrick Fox	
Wholesale Electric Quadrant:	1	ACES Power Marketing LLC	Marketer/Broker	Roy J. True	Municipality/Coop
	2	Alabama Electric Cooperative, Inc.	Distribution	Kenneth J. Skroback	Municipality/Coop
	3	American Electric Power Marketing, Inc.	Marketer/Broker	Barbara Radous	IOU
	4	American Electric Power Service Corp.	Distribution	Thomas Ringenbach	IOU
	5	American Electric Power Service Corp.	Transmission	John Stough	IOU
	6	American Municipal Power - Ohio, Inc.	Distribution	Pat Frazier, Chris Norton	Municipality/Coop
	7	American Transmission Company LLC	Transmission	Dale Landgren, Julie Voeck	ITC
	8	Arizona Public Service Company	Transmission	Mark W. Hackney	
	9	Arkansas Electric Cooperative Corporation	Generation	Ricky Bittle	Municipality/Coop
	10	Avista Corp.	Transmission	Scott A. Waples	
	11	Baltimore Gas & Electric Company	Transmission	John J. Moraski, Ralph Bourquin	IOU
	12	Basin Electric Power Cooperative	Transmission	Dan Klempel	Municipality/Coop
	13	Basin Electric Power Cooperative	Marketer/Broker	David Raatz	*Not Declared*
	14	Basin Electric Power Cooperative	Generation	Jason Doerr	Municipality/Coop
	15	Basin Electric Power Cooperative	Distribution	Ted Humann	Municipality/Coop
	16	Boeing Company	End Users	Steve LaFond	Large Industrial
	17	Bonneville Power Administration	Distribution	Sydney D. Berwager	Other
	18	Bonneville Power Administration	Generation	Fran Halpin	Fed./State/Prov.
	19	Bonneville Power Administration	Marketer/Broker	Brenda Anderson	Fed./State/Prov.
	20	Bonneville Power Administration	Transmission	Barbara Rehman	Fed./State/Prov.
	21	BP America Inc.	End Users	Jeanne Zaiontz	Large Industrial
	22	BP Energy Company	Marketer/Broker	Jeanne Zaiontz	
	23	Buckeye Power, Inc.	Distribution	Peter H. Buros	*Not Declared*
	24	Calpine Corporation	Generation	William Taylor	Merchant
	25	Cap Gemini Ernst and Young	Marketer/Broker	Stephen A. Behrens	Not IOU Affiliated
	26	Central Electric Power Cooperative	Distribution	C. Pinckney Roberts, Arthur Fusco	Municipality/Coop
	27	ChevronTexaco Energy Research and Technology	End Users	Carol Guthrie	Small Generator
	28	Cinergy	Generation	Walt Yeager	IOU
	29	Cinergy	Marketer/Broker	Walt Yeager	IOU
	30	Cleco Power, LLC	Transmission	Keith Comeaux	IOU
	31	Columbus Southern Power Company	Generation	Barbara Radous	Merchant
	32	Comprehensive Energy Services	End Users	Jim Templeton	End User
	33	Conectiv Energy Supply, Inc.	Generation	Gloria Ogenyi	Merchant
	34	Conectiv Energy Supply, Inc.	Marketer/Broker	Gloria Ogenyi	IOU
	35	Conectiv Power Delivery	Transmission	Ken Gates	IOU
	36	Constellation NewEnergy, inc.	Distribution	Sara O'Neill	comp ret
	37	Consumers Energy Company	Distribution	Steven L. Gaarde	IOU
	38	Consumers Energy Company	Generation	Steven L. Gaarde	IOU
	39	Dairyland Power Cooperative	Transmission	Bruce Staples	Municipality/Coop
	40	Department of the Interior, Bureau of Reclamation	Generation	Deborah M. Linke	Fed./State/Prov.
	41	Detroit Edison	Distribution	David G. Nick	IOU
	42	Dominion Energy Marketing, Inc.	Generation	Lou Oberski	IOU
	43	Duke Energy Corp.	Distribution	Ollie Frazier	IOU
	44	Duke Energy North America	Generation	Bill Blevins	Merchant

Quadrant		Organization	Segment	Contact	Sub-Segment
	45	Duke Energy North America	Marketer/Broker	Lee Barrett	IOU
	46	Dynegy Marketing and Trade	Marketer/Broker	Jason Cox	Not IOU Affiliated
	47	Edison Electric Institute	*Not Applicable*	David Owens, Dave Dworzak	*Not Applicable*
	48	El Paso Corporation	Generation	Dennis M. Price	Merchant
	49	El Paso Merchant Energy	Marketer/Broker	Sam Beason	Not IOU Affiliated
	50	Electric Reliability Council of Texas (ERCOT)	*Not Applicable*	Sam R. Jones	*Not Applicable*
	51	Electricity Consumers Resource Council (ELCON)	End Users	John Anderson	Large Industrial
	52	Empire District Electric Company, The	Transmission	Bary K. Warren	
	53	Energy East Management Corporation	Transmission	Marjorie Perlman	IOU
	54	Entergy Services, Inc.	Transmission	Edward J. Davis	IOU
	55	Entergy Services, Inc.	Marketer/Broker	F. Jay Poche	IOU
	56	Exelon Corporation - PECO Energy	Distribution	John F. Leonard, Jr.	IOU
	57	Exelon Generation - Power Team	Marketer/Broker	Linda Clarke	IOU
	58	Exelon Generation Company LLC	Generation	Regina Carrado	IOU
	59	ExxonMobil Gas Marketing	End Users	Steve Sayuk	Small Generator
	60	Florida Municipal Power Agency	Generation	Rick Casey	Municipality/Coop
	61	Florida Municipal Power Agency	Distribution	Steven H. McElhaney	Municipality/Coop
	62	Florida Power & Light Company	Marketer/Broker	Joe Stepenovitch	IOU
	63	Florida Power & Light Company	Transmission	Marty Mennes	IOU
	64	Georgia Transmission Corporation	Transmission	Carol Hester	Municipality/Coop
	65	Hydro One Networks	Transmission	Dave Barrie	ITC
	66	Hydro – Quebec Transenergie	Transmission	Victor Bissonnette	
	67	Indiana Muncipal Power Agency	Generation	Dick Foltz	Municipality/Coop
	68	International Transmission Company	Transmission	Jim D. Cyrulewski	
	69	Maryland Peoples Counsel	End Users	Patricia Smith	Comm./Residential
	70	Michigan Electric Transmission Company LLC	Transmission	Charles V. Waits	ITC
	71	Michigan Public Power Agency	Distribution	James R. Nickel, Daniel E. Cooper	Municipality/Coop
	72	Midwest Independent Transmission System Operator+J96	*Not Applicable*	Bill Phillips	*Not Applicable*
	73	Mirant Corp.	Marketer/Broker	Susann D. Felton	Not IOU Affiliated
	74	Missouri River Energy Services	Distribution	Brian Zavesky	
	75	Modesto Irrigation District	Transmission	Roge Van Hoy	Municipality/Coop
	76	National Association of Regulatory Utility Commissioners	End Users	Lou Ann Westerfield	
	77	National Grid USA	Transmission	Masheed Rosenqvist	ITC
	78	National Rural Electric Cooperative Assoc.	*Not Applicable*	Barry Lawson	
	79	New York State Dept. of Public Service	End Users	William Heinrich	Regulator
	80	North Carolina Eastern Municipal Power Agency	Generation	Jessie C. Tilton III	Municipality/Coop
	81	North Carolina Electric Membership Corporation	Distribution	David Beam	Municipality/Coop
	82	North Carolina Electric Municipal Power Agency #1	Marketer/Broker	Clay A. Norris	Municipality/Coop
	83	North Carolina Electric Municipal Power Agency #1	Distribution	Andrew Fusco	Municipality/Coop
	84	Northeast Utilities Service Company	Transmission	David Boguslawski, William P. McKinnon	IOU
	85	NRG Power Marketing, Inc.	Generation	Steve Corneli	Merchant
	86	Oglethorpe Power Corporation	Generation	Billy Ussery	Municipality/Coop
	87	Ohio Consumers' Counsel	End Users	John Smart, Randy Corbin	Comm./Residential
	88	Old Dominion Electric Cooperative	Generation	James N. Kimball	Municipality/Coop
	89	Oncor	Transmission	Ellis Rankin	IOU
	90	Ontario Power Generation	Generation	Barry Green	Merchant
	91	Ontario Power Generation	Marketer/Broker	Dowell Hudson, JoAnne Magnante	Not IOU Affiliated
	92	Open Access Technology International, Inc.	End Users	Kevin Burns	
	93	PacifiCorp	Distribution	Alec Burden	IOU
	94	PacifiCorp	Marketer/Broker	Edison G. Elizeh	IOU
	95	PacifiCorp	Generation	Greg Maxfield	IOU
	96	PacifiCorp	Transmission	Jim Hicks	IOU
	97	PacifiCorp Power Marketing, Inc.	Generation	Don Winslow	Merchant

Quadrant		Organization	Segment	Contact	Sub-Segment
	98	PacifiCorp Power Marketing, Inc.	Marketer/Broker	Don Winslow	IOU
	99	PG&E National Energy Group	Marketer/Broker	Dede Hapner	IOU
	100	Platte River Power Authority	Transmission	Terry L. Baker	
	101	PPL Electric Utilities Corporation	Transmission	Ray Mammarella	IOU
	102	Portland General Electric	Marketer/Broker	Terri Peschka	IOU
	103	Portland General Electric	Transmission	Frank Afranji	IOU
	104	Praxair, Inc.	End Users	James B. Rouse	Large Industrial
	105	Progress Energy	Distribution	Benjamin Crisp	IOU
	106	Progress Energy	Generation	Philip Lewis	IOU
	107	Progress Energy	Marketer/Broker	Micheal Settlage	IOU
	108	Progress Energy	Transmission	Verne Ingersoll	IOU
	109	PSEG Energy Resources and Trade LLC	Marketer/Broker	James D. Hebson	IOU
	110	PSEG Power LLC	Generation	Grgory Eisenstark	Merchant
	111	Public Service Electric and Gas Company	Distribution	Colin J. Loxley	*Not Declared*
	112	Public Service Electric and Gas Company	Transmission	Jeffrey C. Mueller	*Not Declared*
	113	Public Utility District No. 1 of Chelan County	Marketer/Broker	Doug Frazier	
	114	Puget Sound Energy, Inc.	Transmission	George Marshall, Bob Harshbarger	Not IOU Affiliated
	115	Reliant Energy HL&P	Transmission	Paul Rocha	IOU
	116	Reliant Energy Services, Inc.	Marketer/Broker	Charles Yeung	Not IOU Affiliated
	117	Sacramento Municipal Utility District	Generation	Thomas Ingwers	Municipality/Coop
	118	Salt River Project Agricultural Improvement and Power District	Distribution	Wendy Weathers	Other
	119	Salt River Project Agricultural Improvement and Power District	Transmission	Steve Cobb	Fed./State/Prov.
	120	Seminole Electric Cooperative, Inc.	Generation	Lane Mahaffey	Municipality/Coop
	121	Seminole Electric Cooperative, Inc.	Transmission	Glenn Spurlock	Municipality/Coop
	122	Southeastern Power Administration	Generation	Bob Goss	Fed./State/Prov.
	123	Southern California Edison	Transmission	Ronald D. Nunnally	IOU
	124	Southern Company Services, Inc.	Distribution	Garey Rozier	IOU
	125	Southern Company Services, Inc.	Generation	Tony A. Reed	IOU
	126	Southern Company Services, Inc.	Marketer/Broker	Joel Dison	IOU
	127	Southern Company Services, Inc.	Transmission	R.D. (Dean) Ulch	IOU
	129	Southwest Transmission Cooperative, Inc.	Transmission	Larry D. Huff	Municipality/Coop
	129	Southwest Power Pool	*Not Applicable*	Carl Monroe	*Not Applicable*
	130	Southwestern Power Administration	Generation	Forrest E. Reeves	Fed./State/Prov.
	131	Southwestern Power Administration	Transmission	Stanley L. Mason	Fed./State/Prov.
	132	Sunflower Electric Power Corporation	Transmission	L. Christian Hauck, Carroll Waggoner	Municipality/Coop
	133	Tenaska, Inc.	Generation	Scott Helyer	
	134	Tennessee Valley Authority	Distribution	Ron L. Owens	Other
	135	Tennessee Valley Authority	Generation	William F. Irish	Fed./State/Prov.
	136	Tennessee Valley Authority	Marketer/Broker	Gary L. Jackson	Fed./State/Prov.
	137	Tennessee Valley Authority	Transmission	Mitchell Needham	Fed./State/Prov.
	138	TRANS-ELECT, INC.	Transmission	Paul D. McCoy	
	139	TRANSlink Development Company LLC	Transmission	Audrey Zibelman	ITC
	140	Tri-State Generation and Transmission Association, Inc.	Transmission	Bruce Sembrick	Municipality/Coop
	141	Tri-State Generation and Transmission Association, Inc.	Marketer/Broker	Thomas A. Smith	Municipality/Coop
	142	TXU Energy Trading	Marketer/Broker	Brad Jones, Jeff Shorter	IOU
	143	UBS Warburg Energy	Marketer/Broker	Suzanne Calcagno	Not IOU Affiliated
	144	Vermont Public Power Supply Authority	Generation	William J. Gallagher	Municipality/Coop
	145	Western Area Power Administration	Transmission	Mark Fidrych	Fed./State/Prov.
	146	Western Area Power Administration	Marketer/Broker	Jeffrey Ackerman	Fed./State/Prov.
	147	We Energies	Distribution	Linda Horn	IOU
	148	We Energies	Generation	James R. Keller	IOU
	149	Wisconsin Public Power Inc.	Distribution	Mike Stuart	Municipality/Coop
	150	Wisconsin Public Service Corporation	Generation	William Bourbonnais	IOU

Quadrant		Organization	Segment	Contact	Sub-Segment
	151	Xcel Energy Inc.	Marketer/Broker	Steven J. Beuning, Steve Peluso	IOU
Retail Gas Quadrant:	1	AGL Resources Inc.	Distributors	Tina Weatherman	
	2	Amerada Hess Corporation	Supplier	Randy Magnani	
	3	Baltimore Gas & Electric Company	Distributors	Steve Zavodnick	
	4	CapacityCenter.com	Services	Greg Lander	
	5	Center Point Energy Minnegasco	Supplier	Andrea Newman	
	6	Consolidated Edison Co, of New York, Inc.	Distributors	Michele Doyle	
	7	Dominion Retail, Inc.	Supplier	Richard A. Zollars	
	8	Duke Energy Gas Transmission, LLP	Supplier	Richard Kruse	
	9	Energy East Management Corporation	Distributors	Eric Wilen	
	10	Energy Services Group, Inc.	Services	George Behr	
	11	EnForm Consulting, L.P.	Services	David F. Pfeifer	
	12	Exelon Energy	Supplier	Barb Fatina	
	13	Indiana Office of Utility Consumer Counselor	End Users	Matthew Parsell	
	14	KeySpan Energy Delivery	Distributors	Nancy Cianflone	
	15	Latitude Technologies	Services	Leigh Spangler	
	16	National Fuel Gas Distribution Corporation	Distributors	Walter DeForest	
	17	New Science Partners	Services	Rod Sipe	
	18	Niagara Mohawk	Distributors	James Dillon, Janice Bailey	
	19	NiSource Inc.	Distributors	Dorothy Hawkins, Mark T. Maassel	
	20	Northwest Industrial gas Users	End Users	Paula E. Pyron	
	21	Ohio Consumers' Counsel	End Users	Dirken D. Winkler, John Smart, Bruce M. Hayes	
	22	Pennsylvania Office of Consumer Advocate	End Users	Tanya J. McCloskey, Stephen Keene	
	23	Peoples Gas System	Distributors	Rachel Gebhardt	
	24	Philadelphia Gas Works	Distributors	Bob Cave, Joe Stengel	
	25	PMO Link, Inc.	Services	Geoffrey Hingle	
	26	Public Service Electric & Gas Company	Distributors	Mike Coyle	
	27	R. J. Rudden Associates	Services	John Charbonneau, Richard J. Rudden	
	28	Shell Energy Services	Supplier	Harry Kingerski	
	29	Southwest Gas Corporation	Distributors	Ed Gieseking	
	30	Stand Energy Corporation	Supplier	John M. Dosker	
	31	Sweet Strategies	Services	David Sweet	
	32	Systrends	Services	Dave Darnell	
	33	TXU Energy Retail	Supplier	Felecia Lokey	
	34	UBS Warburg Energy	Supplier	Suzanne Calcagno	
	35	UGI Utilities, Inc.	Distributors	Paul Szykman	
	36	Union Gas	Distributors	Dave Arnot	
	37	Washington Gas Light Company	Distributors	Adrian P. Chapman, Kenneth W. Yagelski, Samiah Bahhur	
	38	Wisconsin Public Service Corporation	Distributors	William Bourbonnais, Glen R. Schwalbach	
	39	Xcel Energy	Distributors	Don Basler	

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Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
REQ	s		8760	John S. Williams	AL
WGQ	s		8760	John Williams, Jim Buccigross	AL
WEQ	d	muni	Alabama Electric Cooperative, Inc.	Kenneth J. Skroback	AL
REQ	d		Alabama Power	Judy W. Ray, Yvette Camp	AL
WGQ	pl		Southern Natural Gas Co.	Prince McDougal	AL
WGQ	pr		EnCana Corporation	Keith Sappenfield	ALB
WGQ	pl		NOVA Gas Transmission Ltd.	Doug Miller	ALB
WGQ	s		Telvent USA, Inc.	Glenn Irwin	ALB
WGQ	pl		TransCanada Pipelines	Doug Miller	ALB
WEQ	g	muni	Arkansas Electric Cooperative Corporation	Ricky Bittle	AR
WEQ	n	n	Southwest Power Pool	Carl Monroe	AR
WEQ	t	muni	Southwest Transmission Cooperative, Inc.	Larry D. Huff	AR
WEQ	t		Arizona Public Service Company	Mark W. Hackney	AZ
WGQ	e		Arizona Public Service Company	Gary Duede, Kelly Daly, Curt Brechtel	AZ
WGQ	e		Salt River Project Agricultural Improvement & Power District	Diane McVicker	AZ
WEQ	d	other	Salt River Project Agricultural Improvement and Power Distri	Wendy Weathers, Mark B. Bonsall	AZ
WEQ	t	fed	Salt River Project Agricultural Improvement and Power Distri	Steve Cobb	AZ
RGQ	s		Systrends	Dave Darnell	AZ
REQ	su		Electric America	Joseph C. Macek	CA
WGQ	e		Imperial Irrigation District	William Rapp	CA
WEQ	t	muni	Modesto Irrigation District	Roge Van Hoy	CA
WGQ	l		Pacific Gas & Electric	John Breen	CA
WEQ	g	muni	Sacramento Municipal Utility District	Thomas Ingwers	CA
WGQ	l		Sempra Energy - Southern California Gas Co.	Lee Stewart, Rodger Schwecke	CA
REQ	d		Southern California Edison	Gail Higashi	CA
WEQ	t	iou	Southern California Edison	Ronald D. Nunnally	CA
WGQ	e		Southern California Edison Company	Roman Bakke	CA
WGQ	pl		Dauphin Island Gathering Partners	Katie Rice	CO
WGQ	s		EnCana Marketing (USA) Inc.	Keith Sappenfield	CO
WGQ	s		Energy Velocity	Konni Keuter	CO
WGQ	pl		H S Resources Inc.	Carol Hall	CO

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	t		Platte River Power Authority	Terry L. Baker	CO
WGQ	s		Platts	Bill Murphy	CO
WEQ	t	muni	Tri-State Generation and Transmission Association, Inc.	Bruce Sembrick	CO
WEQ	m	muni	Tri-State Generation and Transmission Association, Inc.	Thomas A. Smith	CO
WEQ	t	fed	Western Area Power Administration	Mark Fidrych	CO
WEQ	m	fed	Western Area Power Administration	Jeffrey Ackerman	CO
WGQ	l		Westfield Gas & Electric Light Dept.	Joyce Bodak	CO
RGQ	d		Xcel Energy	Don Basler	CO
WEQ	m	iou	Xcel Energy Inc.	Steven J. Beuning	CO
WGQ	s		AIG Energy Trading	Carl Peterson	CT
WGQ	pl		Iroquois Gas Transmission System	Tom Gwilliam	CT
WGQ	s		Louis Dreyfus Energy Services L.P.	Mary Ellen Bell, Ruby Melton	CT
WEQ	t	iou	Northeast Utilities Service Company	David Boguslawski, William P. McKinnon	CT
WEQ	e	lind	Praxair, Inc.	James B. Rouse, David Meade	CT
RGQ	su		UBS Warburg Energy	Suzanne Calcagno	CT
WEQ	m	niou	UBS Warburg Energy	Suzanne Calcagno	CT
WGQ	s		UBS Warburg Energy	Suzanne Calcagno	CT
WGQ	e		Department of Energy	Christopher Freitas	DC
WEQ	g	fed	Department of the Interior, Bureau of Reclamation	Deborah M. Linke	DC
WEQ	n	n	Edison Electric Institute	David Owens, Dave Dworzak	DC
WEQ	e	lind	Electricity Consumers Resource Council (ELCON)	John Anderson, John Hughes	DC
WEQ	e	reg	National Association of Regulatory Utility Commissioners	Lou Ann Westerfield	DC
RGQ	s		Sweet Strategies	David Sweet	DC
WGQ	l		Washington Gas Light Co.	Adrian Chapman ,Jennifer Deegan	DC
RGQ	d		Washington Gas Light Company	Adrian P. Chapman, Kenneth W. Yagelski, Samiah Bahhur	DC
WEQ	g	merc	Conectiv Energy Supply, Inc.	Gloria Ogenyi	DE
WEQ	m	iou	Conectiv Energy Supply, Inc.	Gloria Ogenyi	DE
WEQ	t	iou	Conectiv Power Delivery	Ken Gates	DE
WEQ	g	muni	Florida Municipal Power Agency	Rick Casey	FL
WEQ	d	muni	Florida Municipal Power Agency	Steven H. McElhaney	FL
WEQ	m	iou	Florida Power & Light Company	Joe Stepenovitch	FL

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	t	iou	Florida Power & Light Company	Marty Mennes	FL
WGQ	e		Florida Power & Light Company	Dona Gussow, Joe Stepenovitch	FL
REQ	d		Gulf Power Company	Joel Thomas Kilgore	FL
RGQ	d		Peoples Gas System	Rachel Gebhardt	FL
WEQ	g	muni	Seminole Electric Cooperative, Inc.	Lane Mahaffey	FL
WEQ	t	muni	Seminole Electric Cooperative, Inc.	Glenn Spurlock	FL
RGQ	d		AGL Resources Inc.	Tina Weatherman	GA
REQ	d		Georgia Power Company	Michael Garrett, Yvette Camp	GA
WEQ	t	muni	Georgia Transmission Corporation	Carol Hester	GA
WEQ	m	niou	Mirant Corp.	Susann D. Felton, Alan Johnson	GA
WEQ	g	muni	Oglethorpe Power Corporation	Billy Ussery	GA
REQ	d		Savannah Electric and Power Company	Karen L. Prentice	GA
REQ	s		SchlumbergerSema	George C. Roberts	GA
WEQ	g	fed	Southeastern Power Administration	Bob Goss	GA
WGQ	e		Southern Company	Carl Haga	GA
REQ	s		Southern Company Services	Mark S. Jarrett, Yvette Camp	GA
WEQ	d	iou	Southern Company Services, Inc.	Gary Rozier, Jim Miller, Greg Butrus	GA
WEQ	g	iou	Southern Company Services, Inc.	Tony A. Reed	GA
WEQ	m	iou	Southern Company Services, Inc.	Joel Dison	GA
WEQ	t	iou	Southern Company Services, Inc.	R.D. (Dean) Ulch, John Lucas	GA
REQ	d		MidAmerican Energy	James E. Wilson	IA
WEQ	d	iou	Exelon Corporation - PECO Energy	John F. Leonard, Jr.	IL
RGQ	su		Exelon Energy	Barb Fatina	IL
REQ	d		Exelon Energy Delivery	Charles Tenorio	IL
WEQ	m	iou	Exelon Generation - Power Team	Regina Carrado	IL
WEQ	g	iou	Exelon Generation Company LLC	Regina Carrado	IL
REQ	s		Foley & Lardner	Bryan S. Anderson	IL
WGQ	l		Nicor Gas	Nancy Brucher	IL
WGQ	l		Peoples Gas Light & Coke Co.	Raulando de Lara	IL
WEQ	t		TRANS-ELECT, INC.	Paul D. McCoy	IL
WEQ	m	muni	ACES Power Marketing LLC	Roy J. True	IN

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	g	muni	Indiana Muncipal Power Agency	Dick Foltz	IN
RGQ	e		Indiana Office of Utility Consumer Counselor	Matthew Parsell	IN
WEQ	n	n	Midwest Independent Transmission System Operator	Bill Phillips	IN
RGQ	d		NiSource Inc.	Mark T. Maassel	IN
WGQ	l		NiSource Inc.	M. Christopher Maturo	IN
WEQ	t	muni	Sunflower Electric Power Corporation	L. Christian Hauck, Carroll Waggoner	KS
WGQ	pl		Southern Star Central Gas Pipeline	James L. Harder	KY
WEQ	t	iou	Cleco Power, LLC	Keith Comeaux	LA
WEQ	t	iou	Entergy Services, Inc.	Edward J. Davis, John H. Zemanek	LA
WEQ	m	iou	Entergy Services, Inc.	F. Jay Poche	LA
WGQ	e		Entergy Services, Inc.	Arlynn Kelleher, Terry Shields	LA
RGQ	s		PMO Link, Inc.	Geoffrey Hingle	LA
RGQ	s		CapacityCenter.com	Greg Lander	MA
WGQ	e		Edison Mission Marketing and Trade	Christian Hnat, William Roberts	MA
RGQ	s		Energy Services Group, Inc.	George Behr	MA
WEQ	t	itc	National Grid USA	Masheed Rosenqvist	MA
REQ	d		Baltimore Gas & Electric Co.	Ruth Kiselewich, Johnny Magwood	MD
WGQ	l		Baltimore Gas & Electric Co.	Steve Zavodnick	MD
RGQ	d		Baltimore Gas & Electric Company	Steve Zavodnick	MD
WEQ	t	iou	Baltimore Gas & Electric Company	John J. Moraski, Ralph Bourquin	MD
WEQ	d	comp ret	Constellation NewEnergy, Inc.	Sara O'Neill	MD
WEQ	e	comres	Maryland Peoples Counsel	Patricia Smith	MD
REQ	e		Office of Public Advocate, State of Maine	Barbara Alexander	ME
WGQ	s		Pemex Gas Y Petroquimica Basica	Juan Enrique Gonzales Azuara	Mexico
WEQ	d	iou	Consumers Energy Company	Andrew C. Dotterweich, Frank Johnson	MI
WEQ	g	iou	Consumers Energy Company	Steven L. Gaarde, Andrew C. Dotterweich, John J. Dellas	MI
WEQ	d	iou	Detroit Edison	David G. Nick	MI
REQ	d		Detroit Edison Company	William J. Newbold, Jr.	MI
WGQ	s		DTE Energy Trading, Inc	Marcia Hissong	MI
WGQ	pl		Great Lakes Gas Transmission	Gene Fava	MI
WEQ	t		International Transmission Company	Jim D. Cyrulewski	MI

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	t	itc	Michigan Electric Transmission Company LLC	Charles V. Waits	MI
WEQ	d	muni	Michigan Public Power Agency	James R. Nickel, Daniel E. Cooper	MI
WGQ	e		Midland Cogeneration Venture	Lee Smith	MI
WGQ	pl		Vector Pipeline L.P.	Amy Bruhn	MI
WGQ	s		Cargill Incorporated	Kathy Gerken	MN
RGQ	su		Center Point Energy Minnegasco	Andrea Newman	MN
WEQ	g	merc	NRG Power Marketing, Inc.	Steve Corneli	MN
WEQ	e		Open Access Technology International, Inc.	Kevin Burns	MN
WEQ	t	itc	TRANSlink Development Company LLC	Audrey Zibelman	MN
WGQ	l		Ameren Corporation	Scott Glaeser	MO
REQ	d		Ameren Services Company	Patrick Eynon	MO
WGQ	s		Aquila Energy		MO
REQ	s		Distribution Control Systems, Inc.	H. Ward Camp	MO
WEQ	t		Empire District Electric Company, The	Bary K. Warren	MO
WGQ	l		Laclede Gas Co.	Kenneth Neises	MO
WEQ	d		Missouri River Energy Services	Brian Zavesky	MO
REQ	d		Mississippi Power Company	Dorman Davis	MS
WEQ	d	iou	Duke Energy Corp.	Ollie Frazier	NC
WGQ	pl		Duke Energy Gas Transmission - Texas Eastern	Richard Kruse	NC
RGQ	su		Duke Energy Gas Transmission, LLP	Richard Kruse	NC
WEQ	g	merc	Duke Energy North America	Bill D. Blevins	NC
WEQ	m	iou	Duke Energy North America	Lee Barrett	NC
REQ	d		Duke Power	N.E. (Ed) Tucker	NC
WEQ	g	muni	North Carolina Eastern Municipal Power Agency	Gregory Locke	NC
WEQ	d	muni	North Carolina Electric Membership Corporation	David Beam	NC
WEQ	m	muni	North Carolina Electric Municipal Power Agency #1	Clay A. Norris	NC
WEQ	d	muni	North Carolina Electric Municipal Power Agency #1	Andrew Fusco	NC
WEQ	d	iou	Progress Energy	Benjamin Crisp	NC
WEQ	g	iou	Progress Energy	Philip Lewis	NC
WEQ	m	iou	Progress Energy	Micheal Settlage	NC
WEQ	t	iou	Progress Energy	Verne Ingersoll	NC

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WGQ	s		Prospect Energy	Lyn Maddox	NC
WEQ	t	muni	Basin Electric Power Cooperative	Dan Klempel	ND
WEQ	m	nd	Basin Electric Power Cooperative	David Raatz	ND
WEQ	g	muni	Basin Electric Power Cooperative	Jason Doerr	ND
WEQ	d	muni	Basin Electric Power Cooperative	Ted Humann	ND
WGQ	pl		Williston Basin Interstate Pipeline	Keith Tiggelaar	ND
WGQ	pl		Northern Natural Gas	Mary Darveaux	NE
WEQ	g		Tenaska, Inc.	Scott Helyer	NE
WGQ	s		The Energy Authority, Inc.	Marsha Sebert	NE
WEQ	m	iou	PG&E National Energy Group		NJ
WEQ	m	iou	PSEG Energy Resources and Trade LLC	James D. Hebson	NJ
WEQ	g	merc	PSEG Power LLC	Grgory Eisenstark	NJ
REQ	d		Public Service Electric & Gas	Terrence Moran	NJ
WGQ	l		Public Service Electric & Gas	David Wohlfarth	NJ
RGQ	d		Public Service Electric & Gas Company	Mike Coyle	NJ
WEQ	d	nd	Public Service Electric and Gas Company	Colin J. Loxley	NJ
WEQ	t	nd	Public Service Electric and Gas Company	Jeffrey C. Mueller	NJ
RGQ	s		R. J. Rudden Associates	John Charbonneau, Richard J. Rudden, Don Sytsma	NJ
RGQ	d		Southwest Gas Corporation	Ed Gieseking	NV
WGQ	l		Southwest Gas Corporation	Larry Black	NV
RGQ	su		Amerada Hess Corporation	Randy Magnani	NY
WEQ	m	niou	Cap Gemini Ernst and Young	Stephen A. Behrens	NY
RGQ	d		Consolidated Edison Co, of New York, Inc.	Michele Doyle	NY
REQ	d		Consolidated Edison Company of NY	Hollis Krieger	NY
WGQ	l		Consolidated Edison Company of NY	Mary Jane McCartney, Steve Sullivan	NY
REQ	d		Energy East Management Corporation	Eric Wilen	NY
RGQ	d		Energy East Management Corporation	Eric Wilen	NY
WEQ	t	iou	Energy East Management Corporation	Marjorie Perlman	NY
WGQ	l		Energy East Management Corporation	Marjorie Perlman	NY
WGQ	l		KeySpan Energy	Dolores Chezar	NY
RGQ	d		KeySpan Energy Delivery	Nancy Cianflone	NY

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WGQ	l		National Fuel Gas Distribution	Michael Novak, Walt DeForest	NY
RGQ	d		National Fuel Gas Distribution Corporation	Walter DeForest, Mike Novak	NY
WGQ	pl		National Fuel Gas Supply Corp.	Dave Reitz	NY
WEQ	e	reg	New York State Dept. of Public Service	William Heinrich	NY
RGQ	d		Niagara Mohawk	James Dillon	NY
WGQ	l		Niagara Mohawk Power Corporation	Bruce Garcy	NY
WGQ	s		AEP Energy Services, Inc.	Cathy Szasz	OH
REQ	d		American Electric Power	Thomas J. Ringenbach	OH
WEQ	m	iou	American Electric Power Marketing, Inc.	Barbara Radous, Joseph Hartsoe	OH
WEQ	d	iou	American Electric Power Service Corp.	Thomas Ringenbach	OH
WEQ	t	iou	American Electric Power Service Corp.	John Stough, Michael Desselle	OH
WEQ	d	muni	American Municipal Power - Ohio, Inc.	Pat Frazier, Chris Norton	OH
WEQ	d	nd	Buckeye Power, Inc.	Peter H. Buros	OH
WEQ	g	iou	Cinergy	Walt Yeager, Ron Jackups	OH
WEQ	m	iou	Cinergy	Walt Yeager, Ron Jackups	OH
WGQ	e		Cinergy	John Procario	OH
REQ	d		Cinergy Services, Inc.	Paul K. Jett	OH
WEQ	g	merc	Columbus Southern Power Company	Barbara Radous	OH
REQ	e		Ohio Consumers Council	Randy Corbin	OH
RGQ	e		Ohio Consumers Council	Dirken D. Winkler, John Smart, Bruce M. Hayes	OH
WEQ	e	comres	Ohio Consumers Council	John Smart, Randy Corbin	OH
RGQ	su		Stand Energy Corporation	John M. Dosker	OH
WEQ	g	fed	Southwestern Power Administration	Forrest E. Reeves	OK
WEQ	t	fed	Southwestern Power Administration	Stanley L. Mason	OK
WGQ	s		Tiger Natural Gas	Tracy Phillips	OK
WGQ	s		Hatch Associates Limited	Dan McEvoy	ONT
WEQ	t	itc	Hydro One Networks	Dave Barrie	ONT
WEQ	g	merc	Ontario Power Generation	Barry Green	ONT
WEQ	m	niou	Ontario Power Generation	Ron Robinson	ONT
RGQ	d		Union Gas	Dave Arnot	ONT
WEQ	d	other	Bonneville Power Administration	Sydney D. Berwager	OR

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	g	fed	Bonneville Power Administration	Fran Halpin	OR
WEQ	m	fed	Bonneville Power Administration	Brenda Anderson	OR
WEQ	t	fed	Bonneville Power Administration	Barbara Rehman	OR
WGQ	pl		Gas Transmission Northwest Corporation	Jay Story	OR
RGQ	e		Northwest Industrial Gas Users	Paula E. Pyron	OR
WGQ	l		Northwest Natural Gas Company	Randolph Friedman	OR
WEQ	d	iou	PacifiCorp	Alec Burden	OR
WEQ	m	iou	PacifiCorp	Edison G. Elizeh	OR
WEQ	g	iou	PacifiCorp	Greg Maxfield	OR
WEQ	t	iou	PacifiCorp	Jim Hicks, Darrell Gerrard	OR
WEQ	m	iou	Portland General Electric	Terri Peschka	OR
WEQ	t	iou	Portland General Electric	Frank Afranji	OR
WGQ	pl		Portland Natural Gas Transmission System	David Morgan	OR
WEQ	g	merc	PPM Energy, Inc.	Don Winslow	OR
WEQ	m	iou	PPM Energy, Inc.	Don Winslow	OR
WGQ	e		PPM Energy, Inc.	Scott Hannigan	OR
WGQ	l		Equitable Gas Company	Steve Rafferty	PA
WGQ	pl		Equitrans, L.P.	Mina Speicher	PA
REQ	e		Pennsylvania Office Of Consumer Advocate	Tanya J. McCloskey, Irwin Popowsky	PA
RGQ	e		Pennsylvania Office of Consumer Advocate	Tanya J. McCloskey, Stephen Keene	PA
RGQ	d		Philadelphia Gas Works	Bob Cave, Joe Stengel	PA
WEQ	t	iou	PPL Electric Utilities Corporation	Ray Mammarella	PA
WGQ	e		PPL EnergyPlus, LLC	Anne Lovett	PA
REQ	s		PPL Solutions, LLC	James M. Minneman	PA
RGQ	d		UGI Utilities, Inc.	Paul Szykman	PA
WEQ	t	fed	Hydro - Quebec Transenergie	Victor Bissonnette	QUE
WEQ	d	muni	Central Electric Power Cooperative	Arthur Fusco	SC
WGQ	pl		SCANA Corporation	Jacquelyn Gettle	SC
WEQ	d	other	Tennessee Valley Authority	Ron L. Owens	TN
WEQ	g	fed	Tennessee Valley Authority	William F. Irish	TN
WEQ	m	fed	Tennessee Valley Authority	Gary L. Jackson	TN

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	t	fed	Tennessee Valley Authority	Mitchell Needham, W. Terry Boston	TN
WGQ	e		Tennessee Valley Authority	Valerie Crockett	TN
WGQ	pr		Apache Corporation	Michele Markey	TX
WGQ	s		Ballard Natural Gas, LLC	Susan Thibodeaux	TX
WGQ	s		BG LNG Services, LLC	Martha Braddy	TX
WEQ	e	lind	BP America Inc.	Jeanne Zaiontz	TX
WGQ	pr		BP Energy	Bill Benham, Lauren Kaestner	TX
WEQ	m		BP Energy Company	Jeanne Zaiontz	TX
WGQ	pl		Bridgeline Gas Marketing	Georgia Blanchard	TX
WGQ	pr		Burlington Resources	Paul Keeler	TX
WEQ	g	merc	Calpine Corporation	William Taylor, Jim Stanton	TX
REQ	su		Calpine Energy Services, LP	Janet Dixon	TX
WGQ	e		Calpine Energy Services, LP	Janet Dixon, Craig Chancellor	TX
WEQ	t	iou	CenterPoint Energy	Paul Rocha	TX
WGQ	s		CenterPoint Energy Gas Services, Inc.	James G. Beste	TX
WGQ	pl		CenterPoint Energy Gas Transmission Company	Larry Thomas	TX
WGQ	pl		CenterPoint Energy Mississippi River Transmission Corp.	Robert Trost	TX
WGQ	pr		Chevron/Texaco	Randy Mills	TX
WEQ	e	sgen	ChevronTexaco Energy Research and Technology	Carol Guthrie	TX
WGQ	s		Cinergy Marketing and Trading	Randy Bevis	TX
WGQ	pl		CMS Panhandle Eastern Pipe Line Co.	William Grygar, Kim Van Pelt	TX
WEQ	e	enduse	Comprehensive Energy Services	Jim Templeton	TX
WGQ	e		Comprehensive Energy Services	Jim Templeton	TX
WGQ	pr		ConocoPhillips Gas and Power	Peter Frost	TX
WEQ	m	niou	Dynegy Marketing and Trade	Jason Cox	TX
REQ	s		EC Power International	Judy Bailey, J. Cade Burks	TX
WGQ	s		ECOM Elite Computer Consultants	Wayne Holtkamp	TX
WEQ	g	merc	El Paso Corporation	Dennis M. Price	TX
WGQ	pl		El Paso Eastern Pipelines	Larry Smith, Mark Gracey	TX
WEQ	m	niou	El Paso Merchant Energy	Sam Beason	TX
WGQ	pl		El Paso Natural Gas	William Griffith	TX

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WGQ	pr		El Paso Oil and Gas	Art Slagle	TX
REQ	s		Electric Reliability Council of Texas (ERCOT)	Sam R. Jones, Rob Connell	TX
WEQ	n	n	Electric Reliability Council of Texas (ERCOT)	Sam R. Jones	TX
WGQ	pl		Enbridge Pipelines	Terry McGill	TX
RGQ	s		EnForm Consulting, L.P.	David F. Pfeifer	TX
WEQ	e	sgen	ExxonMobil Gas Marketing	Steve Sayuk	TX
WGQ	pr		ExxonMobil Gas Marketing	Richard Smith	TX
REQ	su		Green Mountain Energy Co.	David McMillan	TX
WGQ	pl		Gulf South Pipeline	Claire Burum, Randy Young	TX
RGQ	s		Latitude Technologies	Leigh Spangler	TX
WGQ	s		Latitude Technologies	Leigh Spangler	TX
WGQ	e		Lower Colorado River Authority	Mickey Bell	TX
WGQ	pr		Marathon Oil Company	Robin Perrine	TX
WGQ	pr		Mewbourne Oil Company	Michael F. Shepard	TX
WGQ	pl		Natural Gas Pipeline Co of America	Paul Love	TX
RGQ	s		New Science Partners	Rod Sipe	TX
WGQ	pr		Occidental Energy Marketing Inc. (OEMI)	Carol Wilson	TX
WGQ	pr		Ocean Energy Inc.	Veronica L. Cavazos	TX
WEQ	t	iou	Oncor	Ellis Rankin	TX
WGQ	l		PECO Energy Co.	Felecia Lokey	TX
WGQ	s		Quorum Business Solutions Inc.	Douglas Allen	TX
REQ	su		Reliant Energy Retail Services, LLC	Barb Penkala	TX
WEQ	m	niou	Reliant Energy Services, Inc.	Charles Yeung	TX
WGQ	e		Reliant Energy Services, Inc.	Gary Hinners, John Orr, Janie Mitcham	TX
WGQ	pl		Sabine Pipe Line LLC	Jan Rogers	TX
WGQ	s		Sequent Energy Management, L.P.	Pat Metteauer	TX
RGQ	su		Shell Energy Services	Harry Kingerski	TX
WGQ	pl		Shell Gas Transmission, LLC	Chuck Cook	TX
REQ	s		Structure Group	Stacey Wood	TX
WGQ	s		SunGard Energy Systems	Maria Onufrow, Jennifer Chen	TX
WGQ	pl		Texas Gas Transmission, LLC	Jeff Bittel	TX

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WGQ	s		Tractebel Energy Marketing, Inc.	Mark Hodges	TX
REQ	su		Tractebel Energy Services, Inc.	Jason R. Woodward	TX
WGQ	pl		Transwestern Pipeline Co.	Donna Scott	TX
WGQ	s		Trinity Apex Systems	Matt Armstrong	TX
REQ	su		TXU Energy Retail	Felecia Lokey	TX
RGQ	su		TXU Energy Retail	Felecia Lokey	TX
WEQ	m	iou	TXU Energy Trading	Brad Jones, Jeff Shorter	TX
WGQ	s		TXU Energy Trading Co.	Ellen Dailey, Brad Jones	TX
WGQ	pl		TXU Lone Star Pipeline Company	Steve Easley	TX
WGQ	pl		Williams Gas Pipeline	Dale Davis, Ron Mucci	TX
WGQ	pl		Kern River Gas Transmission Company	Janie Nielsen	UT
WGQ	pl		Questar Pipeline Co.	Scott Hansen	UT
WGQ	pl		Columbia Gas Transmission	Steve Melton	VA
WGQ	pl		Columbia Gulf Transmission Co.	M. Christopher Maturo	VA
REQ	e		Defense Energy Support Center	Lisa Robert	VA
WGQ	e		Defense Energy Support Center	Veronica Jones, Jacob Moser	VA
WEQ	g	iou	Dominion Energy Marketing, Inc.	Lou Oberski	VA
WGQ	pr		Dominion Exploration and Production, Inc.	David Ogden, Sheri Heslington	VA
WGQ	l		Dominion Resources (Previously CNG)	Craig Columbo	VA
REQ	su		Dominion Retail	William Barkas, Richard Zelenko	VA
RGQ	su		Dominion Retail, Inc.	Richard A. Zollars	VA
WGQ	pl		Dominion Transmission, Inc.	Gary Sypolt, Iris King	VA
REQ	d		Dominion Virginia Power	David F. Koogler	VA
WEQ	n		National Rural Electric Cooperative Assoc.	Barry Lawson	VA
WEQ	g	muni	Old Dominion Electric Cooperative	James N. Kimball	VA
WEQ	g	muni	Vermont Public Power Supply Authority	William J. Gallagher	VT
WEQ	t		Avista Corp.	Scott A. Waples	WA
WEQ	e	lind	Boeing Company	Steve LaFond	WA
WGQ	e		Boeing Company	Tina Burnett	WA
WGQ	l		Cascade Natural Gas Corporation	Mark Sellers-Vaughn	WA
WEQ	m		Public Utility District No. 1 of Chelan County	Doug Frazier	WA

Quadrant	Segment	Sub-Segment	Member Company	Contact	State / Province
WEQ	t	niou	Puget Sound Energy, Inc.	George Marshall, Bob Harshbarger	WA
WEQ	t	itc	American Transmission Company LLC	Julie Voeck	WI
WEQ	t	muni	Dairyland Power Cooperative	Bruce Staples	WI
WEQ	d	iou	We Energies	Linda Horn	WI
WEQ	g	iou	We Energies	James R. Keller	WI
REQ	d		Wisconsin Electric		WI
WEQ	d	muni	Wisconsin Public Power Inc.	Mike Stuart	WI
REQ	d		Wisconsin Public Service Corporation	William L. Bourbonnais, Les Nishida	WI
RGQ	d		Wisconsin Public Service Corporation	William Bourbonnais, Glen R. Schwalbach	WI
WEQ	g	iou	Wisconsin Public Service Corporation	William Bourbonnais, Charles W. Severance	WI
WGQ	l		Wisconsin Public Service Corporation	Patrick Fox	WI

North American Energy Standards Board

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Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD
2004 BOARD TERMS – Wholesale Gas Quadrant

END USER SEGMENT		**TERM END:**
Jim Downs	Manager of Gas and Regulatory and Federal Compliance, Calpine Corp.	Dec 31, 2004
Joe Stepenovitch	Vice President, Energy Marketing & Trading, Florida P&L	Dec 31, 2004
John Procario	Vice President & COO, Cinergy	Dec 31, 2004
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	Dec 31, 2005
Jim Templeton	Principal, Comprehensive Energy Services	Dec 31, 2005
LDC SEGMENT		**TERM END:**
Tim Kelley	Vice President Energy Services and Regulation, Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company	Dec 31, 2004
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	Dec 31, 2004
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Dec 31, 2004
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	Dec 31, 2005
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co	Dec 31, 2005
PIPELINE SEGMENT		**TERM END:**
Terry McGill	Executive Vice President, Enbridge Energy	Dec 31, 2004
John Somerhalder	President, El Paso Energy Pipeline Group	Dec 31, 2004
Shelley Corman	Senior Vice President & Chief Commercial Officer - Transwestern Pipeline, Enron Transportation Services Company	Dec 31, 2004
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Dec 31, 2005
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission	Dec 31, 2005
PRODUCER SEGMENT		**TERM END:**
Randy Mills	Regulatory Manager, ChevronTexaco	Dec 31, 2004
William T. Benham	Vice President – Regulatory Affairs, BP Energy Company	Dec 31, 2005
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	Dec 31, 2005
VACANCY	VACANCY	Dec 31, 2004
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Dec 31, 2005
SERVICES SEGMENT		**TERM END:**
VACANCY	VACANCY	Dec 31, 2004
VACANCY	VACANCY	Dec 31, 2004
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	Dec 31, 2005
Lyn Maddox	President & CEO, Prospect Energy	Dec 31, 2005
G. William Hebenstreit	Vice President Contract Services, El Paso Merchant Energy	Dec 31, 2005

OFFICERS: Leonard Haynes is CEO and 2003 chairman of the Board of Directors. Rae McQuade as Executive Director serves as Secretary and COO. Michael Desselle is the WEQ Vice Chairman. Mark Maassel is the RGQ Vice Chairman. Joe Stepenovitch is the WGQ Vice Chairman.

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 BOARD TERMS – Retail Electric Quadrant

DISTRIBUTOR SEGMENT		**TERM END:**
Dave Koogler	Director – Regulation & Competition, Dominion Virginia Power (SERC NERC Region).	Dec 31, 2005
Bill Bourbonnais	Assistant Vice President - Transmission, WPS Resources Corporation (MAIN NERC Region)	Dec 31, 2005
Johnny Magwood	Vice President Customer Services, Baltimore Gas and Electric Company	Dec 31, 2004
Leonard Haynes	Executive Vice President and Chief Marketing Officer, Southern Company Services (SERC NERC Region)	Dec 31, 2004
END USER SEGMENT		**TERM END:**
Sonny Popowsky	Pennsylvania Office of Consumer Advocate	Dec 31, 2005
Bryan Anderson	Capital Partner, Foley & Lardner	Dec 31, 2005
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2004
SERVICES SEGMENT		**TERM END:**
H. Ward Camp	Vice President Regulatory and Strategic Alliances, Distribution Control Systems, Inc.	Dec 31, 2005
Stacey Wood	Director, The Structure Group	Dec 31, 2005
J Cade Burks	President, EC Power	Dec 31, 2004
John Williams	Chief Executive Officer and Co-founder, 8760.	Dec 31, 2004
SUPPLIER SEGMENT		**TERM END:**
Brian Landrum	President, Reliant Energy Retail Services	Dec 31, 2005
Jason Woodward	Director of Business Services, Tractebel Energy Services, Inc.	Dec 31, 2005
David McMillan	Vice President of Government and Regulatory Affairs, Green Mountain Energy	Dec 31, 2004
Richard Zelenko	General Manager, Dominion Retail Inc.	Dec 31, 2004

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 BOARD TERMS – Wholesale Electric Quadrant

END USER SEGMENT		**TERM END:**
John A. Anderson	Executive Director, Electricity Consumers Resource Council (ELCON)	Dec 31, 2005
V A C A N C Y	To be filled from the Large Industrials Sub-Segment	Dec 31, 2004
Carol Guthrie	General Manager, Electric Market Strategies, ChevronTexaco Energy Research and Technology Company	Dec 31, 2004
Patricia Smith	People's Counsel, Maryland People's Counsel	Dec 31, 2005
Ron Jackups	Vice President, Electric System Operations, Cinergy	Dec 31, 2005
Thomas Dunleavy	Commissioner, New York Public Service Commission	Dec 31, 2004
LDC SEGMENT		**TERM END:**
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	Dec 31, 2005
Jim Miller	Vice President & General Counsel, Southern Company Services Inc.	Dec 31, 2004
V A C A N C Y	To be filled from the Muni/Coop Sub-Segment	Dec 31, 2005
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Dec 31, 2004
Mark B. Bonsall	Chief Financial Executive/Associate General Manager, Salt River Project	Dec 31, 2005
V A C A N C Y	To be filled from the Competitive Retailer Sub-Segment	Dec 31, 2004
GENERATION SEGMENT		**TERM END:**
Forrest E. Reeves	Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration	Dec 31, 2004
Charles W. Severance	Director Bulk Power, Wisconsin Public Service Corporation	Dec 31, 2005
John J. Dellas	Executive Director Electric Restructuring, Consumers Energy	Dec 31, 2004
Dennis Sobieski	Managing Director – Business Development, PSEG Power	Dec 31, 2005
Thomas Ingwers	Director, Energy Trading and Contracts, Sacramento Municipal Utility District	Dec 31, 2005
Gloria Ogenyi	Director Energy and Market Policy, Conectiv Energy Supply, Inc.	Dec 31, 2004
TRANSMISSION SEGMENT		**TERM END:**
W Terry Boston	Executive Vice President – Transmission/Power Supply Group, Tennessee Valley Authority	Dec 31, 2004
Peter Flynn	Vice President Transmission Strategy and Policy, National Grid USA	Dec 31, 2005
Paul McCoy	Executive Vice President of Transmission System Operations, Trans-Elect	Dec 31, 2004
Carroll Waggoner	Sr. Manager Transmission Policy, Sunflower Electric Power Corporation	Dec 31, 2005
John H. Zemanek	Vice President Transmission, Entergy Services, Inc.	Dec 31, 2004
Michael Desselle	Director Public Policy, American Electric Power	Dec 31, 2005

MARKETER/BROKER SEGMENT		TERM END:
Steve Oliver	Vice President of Bulk Power Marketing Transmission Services, Bonneville Power Administration/Power Business Line	Dec 31, 2005
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	Dec 31, 2005
Thomas A. Smith	Manager of Power Marketing, Tri-State Generation & Transmission Association, Inc.	Dec 31, 2004
John Meyer	Vice President – Asset Commercialization, Reliant Energy	Dec 31, 2005
Michael Grim	Director of North American Market Development – Public Policy Division, TXU Energy	Dec 31, 2004
Joseph Hartsoe	Vice President and Associate General Counsel, American Electric Power Marketing Inc.	Dec 31, 2004

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 BOARD TERMS – Retail Gas Quadrant

DISTRIBUTORS SEGMENT		**TERM END:**
Craig White	Acting Chief Operating Officer, Philadelphia Gas Works	Dec 31, 2004
Glen R. Schwalbach	Assistant Vice President Corporate Planning, Wisconsin Public Service Corporation	Dec 31, 2005
Mark T. Maassel	President, Northern Indiana Public Service Company (NiSource, Inc.)	Dec 31, 2004
Paul J. Szykman	Manager - Rates & Strategic Planning, UGI Utilities, Inc.	Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2004
END USERS SEGMENT		**TERM END:**
Matthew G. Parsell	Assistant Director, Natural Gas Division, Indiana Office of Utility Consumer Counselor	Dec 31, 2004
Tina Burnett	Chair, Northwest Industrial Gas Users Association	Dec 31, 2004
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
SERVICE PROVIDERS SEGMENT		**TERM END:**
Leigh Spangler	President, Latitude Technologies Inc.	Dec 31, 2004
Dave Pfeifer	Vice President – Energy, EnForm Consulting, LP	Dec 31, 2004
Dave Darnell	President & CEO, Systrends Inc.	Dec 31, 2005
Greg Lander	Principal, CapacityCenter.com	Dec 31, 2005
Richard J. Rudden	President & CEO, R. J. Rudden Associates, Inc.	Dec 31, 2005
V A C A N C Y		Dec 31, 2004
SUPPLIER SEGMENT		
Randy Magnani	Director C&I Operations, Amerada Hess Corporation	Dec 31, 2004
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2004
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005
V A C A N C Y		Dec 31, 2005

NAESB Leadership Roster
As of March 1, 2004

NAESB Board of Directors & Board Committees					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
V A C A N C Y					
Managing Committee					
Leonard Haynes (REQ)	d	Southern Company Services	ljhaynes@southernco.com	404-506-0206	404-506-0207
Mark Maassel (RGQ)	d	NiSource	mtmaassel@nisource.com	219-647-6400	219-647-6430
Michael Desselle (WEQ)	t	American Electric Power	mddesselle@aep.com	214-777-1826	214-777-2929
Jim Templeton (WGQ)	e	Comprehensive Energy	jrtemplton@aol.com	713-759-6999	713-781-4966
Joe Stepenovitch (WGQ)	e	Florida Power & Light	joe_stepenovitch@fpl.com	561-691-7878	561-625-7759

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
Wholesale Gas Quadrant					
End User Segment					
Diane McVicker		Salt River Project	dbmcvick@srpnet.com	602-236-4315	602-236-4322
Gary Hinners		Reliant Energy Services, Inc.	ghinners@reliant.com	713-497-4321	713-497-1177
Kelly Daly		Stinson Morrison Hecker	kdaly@stinsonmoheck.com	202-785-9100	202-785-9163
Dona Gussow		Florida Power & Light Company	dgussow@fpl.com	561-691-7886	561-625-7567
Tina Burnett		The Boeing Company	tina.m.burnett@boeing.com	206-544-5752	206-544-5245
Distribution Segment					
Rodger Schwecke		Southern California Gas Company	rschwecke@semprautilities.com	213-244-5573	213-244-8449
Dolores Chezar		KeySpan Energy	dchezar@keyspanenergy.com	718-403-2987	718-246-2927
Chris Maturo		NiSource, Inc.	mcmaturo@nisource.com	219-647-4205	801-383-8262
Mike Novak		National Fuel Gas Distribution	novakm@natfuel.com	716-857-7884	716-8577254
Steve Sullivan		Consolidated Edison Company of NY	sullivans@coned.com	212-460-2733	212-420-8744
Pipeline Segment					
Mark Gracey		Tennessee Gas Pipeline	mark.gracey@elpaso.com	832-676-3803	832-676-1899
Bill Griffith		El Paso Natural Gas	william.griffith@elpaso.com	719-520-4334	719-520-4318
Dale Davis		Entergy Services, Inc.	edavis@entergy.com	504-310-5884	504-310-5877
Randy Young		Gulf South Pipeline Company, LP	randy.young@gulfsouthpl.com	713-544-4715	713-544-6257
Kim Van Pelt		CMS Panhandle Pipeline Companies	kvanpelt@panhandleenergy.com	713-989-7354	713-989-1121
Producer Segment					
Jim Busch		BP	buschjg@bp.com	281-366-3531	
Paul Keeler		Burlington Resources Trading, Inc.	pkeeler@br-inc.com	713-624-9268	713-624-9624
Sheri Heslington		Dominion Exploration & Production, Inc.	sheri_j_heslington@dom.com	801-463-1390	801-463-9443
Richard Smith		ExxonMobil Gas Marketing Company	richard.d.smith@exxonmobil.com	713-656-9790	713-656-2388
Mike Shepard		Mewbourne Oil Company	mshepard@mewbourne.com	903-561-2900	903-561-1515
Services Segment					
Suzanne Calcagno		UBS Warburg Energy	suzanne.calcagno@ubs.com	203-719-4599	203-719-7513
Matthew Armstrong		Trinity Apex Solutions, Inc.	matta@trinityapex.net	214-987-8900	214-987-8901

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
Leigh Spangler		Latitude Technologies, Inc.	lspangler@latitudetech.net	972-747-1983	972-747-8067
Jim Buccigross		8760 Inc.	jhb@8760.com	508-238-0345	508-238-0858
Keith Sappenfield		EnCana Energy Marketing (USA) Inc.	keith.sappenfield@EnCana.com	832-204-1247	713-952-3617
Retail Electric Quadrant					
Distribution Segment					
Ruth Kiselewich		Baltimore Gas & Electric Company	ruth.c.kiselewich@bge.com	410-265-4003	410-265-4899
Terry Moran		Public Service Electric & Gas Company	terrence.moran@pseg.com	973-430-7105	973-624-4107
William Newbold		Detroit Edison	newboldw@dteenergy.com	313-235-7895	313-235-0686
Jonathan Kubler		Georgia Power	jmkubler@southernco.com	404-506-6164	404-506-2174
End User Segment					
V A C A N C Y					
V A C A N C Y					
Barbara Alexander		Public Advocate State of Maine	barbalex@ctel.net	207-395-4143	207-395-4143
V A C A N C Y					
Services Segment					
Jim Minneman		PPL Solutions	jmminneman@pplweb.com	610-774-5774	610-774-7229
Dick Brooks		E-Commerce Consultant	dick@tech-comm.com	602-684-1484	240-352-0714
Rob Connell		Electric Reliability Council of Texas	rconnell@ercot.com	512-248-3963	512-248-3992
Mark S. Jarrett		Southern Company Services	msjarret@southernco.com	404-506-7274	404-506-4074
Supplier Segment					
Bill Barkas		Dominion Retail	William_L._Barkas@dom.com	412-690-1033	412-690-1550
Margarida Williamson		Calpine	margaridaw@calpine.com	713-830-8714	
V A C A N C Y					
V A C A N C Y					
Wholesale Electric Quadrant					
End User Segment					
John Hughes		Electricity Consumers Resource Council	jhughes@elcon.org	202-682-1390	202-289-6370
V A C A N C Y					
Steve Sayuk		ExxonMobil Power and Gas Services Inc.	steve.m.sayuk@exxonmobil.com	713-656-3203	713-656-7343

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
Randy Corbin		Ohio Consumers Counsel	corbin@occ.state.oh.us	614-466-9469	614-466-9475
Paul Jett		Cinergy Services Inc.	paul.jett@cinergy.com	513-419-5455	513-287-1344
Lou Ann Westerfield		Idaho Public Utility Commission	lwester@puc.state.id.us	208-334-0323	208-334-3762
Distribution/LSE Segment					
Thomas Ringenbach		American Electric Power	tjringenbach@AEP.com	614-223-2679	614-223-1905
Jack Leonard		Exelon Company-PECO Energy Company	jack.leonard@peco-energy.com	215-841-4879	215-841-4234
Patrick W. Frazier		American Municipal Power-Ohio,Inc.	pfrazier@amp-ohio.ort	614-337-6222	614-337-6234
Daniel E. Cooper		Michigan Public Power Agency	dcooper@mpower.org	517-323-8919 ext. 114	517-323-8373
Syd Berwager		Bonneville Power Administration	sdberwager@bpa.gov	503-230-5958	503-230-7463
Jansen Pollock		Constellation NewEnergy	jansen.pollock@constellation.com	312-704-1330	
Generation Segment					
Bob Goss		Southeastern Power Administration	bobg@sepa.doe.gov	706-213-3860	706-283-1787
Louis Oberski		Dominion Resources	lou_oberski@dom.com	804-787-5714	804-787-6473
Tony Reed		Southern Company Generation and Energy Marketing	tareed@southernco.com	205-257-7766	205-257-6824
Barry Green		Ontario Power Generation	barry.green@opg.com	416-592-7883	416-592-8519
Steven B. Corneli		NRG Power Marketing Inc.	steve.corneli@nrgenergy.com	612-313-8928	612-492-8301
William J. Gallagher		Vermont Public Power Supply Authority	bgallagher@vppsa.com	802-244-7678	802-244-6889
Marketer/Broker Segment					
Jim Ingraham		Tennessee Valley Authority	jaingrah@tva.gov		
Joel Dison		Southern Company Services	jjdison@southernco.com	205-257-6481	205-257-6824
Clay A. Norris		North Carolina Municipal Power Agency #1	clay.norris@electricities.com	919-760-6352	919-760-6050
Charles Yeung		Reliant Energy Plaza	cyeung@reliant.com	713-497-2935	713-207-9172
Alan Johnson		Mirant	alan.r.johnson@mirant.com	678-579-3108	678-579-7726
Mark Tallman		PacifiCorp			
Transmission Segment					
Steven C. Cobb		Salt River Project	sccobb@SRPnet.com	602-236-3965	602-236-3808
Darrell Gerrard		PacifiCorp	darrell.gerrard@pacificorp.com	503-813-6994	503-813-5767
John E. Lucas		Southern Company	jelucas@southernco.com	205-257-7200	205-257-6663

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
Mary Ellen Paravalos		US National Grid	mary.ellen.paravalos@us.ngrid.com	508-389-3233	508-389-3129
Dan Klempel		Basin Electric Power Cooperative	dklempel@bepc.com	701-355-5644	701-224-5332
Julie Voeck		American Transmission Company	jvoeck@atcllc.com	262-506-6846	262-506-6704
Retail Gas Quadrant					
DISTRIBUTORS SEGMENT					
Nancy Cianflone		KeySpan Energy Delivery	ncianflone@keyspanenergy.com	718-403-2505	718-596-7802
Mike Coyle		PSE&G	michael.coyle@pseg.com	973-430-6346	973-624-2891
Leslie H. Nishida		Wisconsin Public Service Corporation	lnishid@wpsr.com	920-433-1495	920-433-5734
Michael Novak		National Fuel Gas Distribution	novakm@natfuel.com	716-857-7884	716-8577254
V A C A N C Y					
Steven M. Zavodnick		Baltimore Gas & Electric	steven.m.zavodnick@bge.com	410-291-4908	410-291-5104
END USERS SEGMENT					
Bruce M. Hayes		Ohio Consumers Counsel	hayes@occ.state.oh.us	614-387-2964	614-466-9475
Tina Burnett		The Boeing Co	tina.m.burnett@boeing.com	206-544-5752	206-544-5245
V A C A N C Y					
V A C A N C Y					
V A C A N C Y					
V A C A N C Y					
SERVICE PROVIDERS SEGMENT					
Rod Sipe		New Science Partners	rsipe@houston.rr.com	713-504-6331	281-326-0104
Donald L. Sytsma		R. J. Rudden Associates	donsytsma@earthlink.net	713-779-2507	713-630-0018
George M. Behr		Energy Services Group	gbehr@EnergyServicesGroup.net	717-975-1927	717-580-5482
V A C A N C Y					
V A C A N C Y					
V A C A N C Y					
SUPPLIER SEGMENT					
Suzanne Calcagno		UBS Warburg Energy	suzanne.calcagno@ubs.com	203-719-4599	203-719-7513
Barbara A. Fatina		Exelon Energy Corporation	barb.fatina@exeloncorp.com	708-236-7900	708-236-7902
Marcy McCain		Duke Energy – Algonquin	mlmccain@duke-energy.com	713-627-4738	713-627-5947

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
Richard Zollars		Dominion Retail	Richard_A._Zollars@dom.com	412-473-4144	412-473-4175
V A C A N C Y					
John Dosker		Stand Energy Corporation	jdosker@stand-energy.com	513-621-1113	513-621-3773
Wholesale Gas Quadrant Alternates					
End User Segment					
Gary Duede		Arizona Public Service Company	GDUEDE@apsc.com	602-250-4350	602-250-3628
Curt Brechtel		Arizona Public Service Company	cbrecchte@aps.com	602-250-3579	
Joel Greene		Energy Advocates LLP	jlgreene@energyadvocates.com	202-371-9889	202-371-9025
Mike Robison		Florida Power & Light Company	michael_robison@fpl.com	561-691-7887	561-625-7567
Craig Chancellor		Calpine Corporation	craigc@calpine.com	713-335-4071	713-651-3059
Valerie Crockett		Tennessee Valley Authority	vjcrockett@tva.gov	423-751-6096	423-751-8702
Distribution Segment					
Craig Colombo		Dominion Resources	craig_c._colombo@dom.com	804-273-4339	804-273-4457
Jennifer Deegan		Energy Acquisitions - Washington Gas Light	jdeegan@washgas.com	703-750-5146	703-750-7945
Pete Connor		NiSource	pconnor@nisource.com	614-460-5974	614-460-6442
Rick Ishikawa		Southern California Gas Company	rishikawa@semprautilities.com	213-244-2844	213-244-8449
Marjorie Perlman		Energy East Management	marjorie_perlman@rge.com	585-771-4690	585-724-8818
Cheri Salmon					
Steve Zavodnick		Baltimore Gas & Electric	steven.m.zavodnick@bge.com	410-291-4908	410-291-5104
Pipeline Segment					
Bill Grygar		CMS Panhandle Eastern Pipe Line	wwgrygar@panhandleenergy.com	713-989-7660	713-989-1176
Scott Hansen		Questar Pipeline Co.	scotth@questar.com	801-324-2543	801-324-2578
Iris King		Dominion Transmission, Inc.	iris_g._king@dom.com	804-819-2809	804-819-2065
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Producer Segment					
Carla Johnson		Conoco	carla.j.johnson@usa.conoco.com	281-293-1788	281-293-6164
David Ogden		Dominion Exploration & Production, Inc.	David_W_Ogden@dom.com	281-873-1528	281-873-1547
Services Segment					
Jim Macredie		TXU Energy Trading Company	jmacredie@txuenergy.com	214-875-9266	214-875-9074

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
Name	**Seg**	**Company**	**Email**	**Phone**	**Fax**
Retail Electric Quadrant Alternates					
Distribution Segment					
Gwen Beadles		Dominion Virginia Power	gwen_beadles@dom.com	804-771-4658	
Keith P. Hock		Ameren Services Company		888-263-7361	
Richard Muzikar		Consolidated Edison Company of NY	MUZIKARR@coned.com	212-780-8646	212-780-8655
Jean M. Mason		Ameren Services Company	jmason@ameren.com	314-554-3153	314-206-0600
Charles Tenorio		Exelon Energy Delivery	charles.tenorio@exeloncorp.com	630-684-2802	630-684-2830
End User Segment					
Bruce Hayes		Ohio Consumers Counsel	hayes@occ.state.oh.us	614-387-2964	614-466-9475
Steve Ward		Maine Office of Public Advocate		207-287-2445	
Services Segment					
Lewis Evans		PMO Link	lewis.evans@pmolink.com	972-334-0147	
Supplier Segment					
Gwen Mizell					
Wholesale Electric Quadrant Alternates					
End User Segment					
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Distribution/LSE Segment					
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Wendy Weathers		SRP Transmission & Generation Dispatching	wdweathe@srpnet.com	602-236-4376	602-262-3808
Generation Segment					
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William F. Irish		Tennessee Valley Authority	wfirish@tva.gov	423-751-7994	
Brian Evans-Mongeon		Veromont Public Power Supply Authority	bemongeon@vppsa.com	802-244-7678 ext. 232	802-244-6889
Tony Petrella		Ontario Power Generation	tony.petrella@opg.com	416-592-3036	
Scott Corse		Vermont Public Power Supply Authority			

NAESB Leadership Roster
As of March 1, 2004

NAESB Executive Committee & Alternates					
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Transmission Segment					
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Retail Gas Quadrant Alternates					
DISTRIBUTORS SEGMENT					
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END USERS SEGMENT					
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SERVICE PROVIDERS SEGMENT					
SUPPLIER SEGMENT					

NAESB Leadership Roster
As of March 1, 2004

NAESB Gas Electric Coordination Task Force

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NAESB Leadership Roster
As of March 1, 2004

Name	Seg	Company	Email	Phone	Fax
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Tina Burnett	e	The Boeing Company	tina.m.burnett@boeing.com	206-544-5752	206-544-5245
Keith Sappenfield	s	EnCana Marketing (USA) Inc.	keith.sappenfield@encana.com	832-204-1247	713-952-3617
Sheri Heslington	p	Dominion Exploration & Production, Inc.	sheri_j_heslington@dom.com	801-463-1390	801-463-9443
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Jim Buccigross	s	8760 Inc.	jhb@8760.com	508-238-0345	508-238-0858
NONE LISTED	p				
Business Practices:					
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Contracts:					
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NAESB Leadership Roster
As of March 1, 2004

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Interpretations Subcommittee:					
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Triage:					
vacancy	su				
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NAESB Leadership Roster
As of March 1, 2004

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Glossary Subcommittee:					
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Triage:					
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NAESB Leadership Roster
As of March 1, 2004

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Business Practices Subcommittee:					
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Seams Subcommittee:					
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Electronic Scheduling Subcommittee:					
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Coordinate Interchange Business Practices Task Force:					
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Glossary Subcommittee:					
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NAESB Leadership Roster
As of March 1, 2004

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Alternates:					

NAESB Leadership Roster
As of March 1, 2004

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Customer Processes Subcommittee:					
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Supplier-Utility Interface Subcommittee:					
Suzanne Calcagno	su	UBS Warburg Energy, LLC	suzanne.calcagno@ubs.com	203-719-4599	
Technical Electronic Implementation Subcommittee:					
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Annual Plan Subcommittee:					
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Glossary Subcommittee:					
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TAB 2

WHOLESALE ELECTRIC QUADRANT REFERENCE MATERIALS

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 WEQ Annual Plan
Approved by the Board of Directors December 4, 2003
Modified by the WEQ Executive Committee – February 24, 2004

	Item Description	Completion[1]	Assignment
1	**Develop business practices standards as needed to complement reliability standards**		
	(a) Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs). Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		Standards Review Subcommittee (SRS)[2]
	i. Develop Inadvertent Interchange Payback Business Practices		BPS (IIPTF)
	ii. R03013 – Coordinate Interchange		ESS
	Status: Complete		SRS
	iii. R03014 – Coordinate Operations		SRS
	iv. R03017 -- Operate Within Limits		SRS
	v. Balance Resources and Demand		SRS
	vi. Facility Ratings		
	(b) Develop business practice standards applicable to the transition period from NERC policies to NERC reliability standards.		SRS/Various[3]
2	**Develop and Maintain Business Practice and Communication Standards for OASIS and Electronic Scheduling**		
	(a) Develop and/or maintain *business practice standards* as needed for OASIS and electronic scheduling including determining which, if any, ESC/OSC and other related industry groups' business practices and standards should be adopted as NAESB standards. Specific items to address include:		Electronic Scheduling Subcommittee (ESS)
	i. OASIS Phase IA (a) Adoption of business practices per FERC Order 638		ESS
	Status: Underway		

[1] Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

[2] The Standards Review Subcommittee scopes, identifies and defines the standards development work to be done to suppoer and complement NERC policies, SARs and NERC reliability standards. Once completed, the request, initial review document, scoping document and other work papers are transferred to the appropriate standards development subcommittee.

[3] The North American Electric Reliability Council Transition Team is responsible for establishing a plan to convert existing NERC policies to NERC reliability standards. Co-commitant with that conversion, NAESB will develop corresponding NAESB business practices. Michael Desselle, Rae McQuade and Charles Yeung are representatives of NAESB on the NERC Transition Team.

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 WEQ Annual Plan
Approved by the Board of Directors December 4, 2003
Modified by the WEQ Executive Committee – February 24, 2004

	Item Description	Completion[1]	Assignment
	ii. OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders 1. Adoption/maintenance of ESC use cases 2. Adoption/maintenance of Functional Requirements Document 3. Develop and Maintain business practices to support and implement the ESC use cases		ESS ITS ESS
	(b) Develop and/or maintain *standard communication protocols* and cybersecurity requirements as needed, including related industry standard communication protocols and cybersecurity requirements		Information Technology Subcommittee (ITS)
	(i) OASIS Phase IA Adoption of S&CP version 1.4 Status: Underway		
	(ii) OASIS Phase II per FERC ANOPR (Docket no. RM00-10-000) and subsequent orders Development of S&CP document		
	(iii) NERC PKI initiative		
3	**Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market**		
	(a) Develop business practice standards needed to complement or assist specific seams mitigation efforts initiated by or coordinated with the NERC, the IRC, RTOs or ISOs, or other regional entities.		Seams/Various[4]
4	**Determine the need for and develop, if necessary, standard(s) requests for electric or gas standards required to provide additional flexibility in generation scheduling (including gas nominations).** Status: Underway		Gas Electric Coordination Task Force[5]

PROVISIONAL ITEMS

1	Develop standards and model business practices in accordance with FERC orders and rules issued in the SMD docket (RM01-12-000), or pursuant to Order Nos. 888 or 2000, or otherwise directed by the FERC.		

[4] The Seams Subcommittee scopes, identifies and defines the standards development work to be done related to the seams catalog. After seams catalog items are assigned to NAESB by the Joint Interface Committee, and the Seams Sucommittee completes its review and analysis, the request, initial review document, scoping document and other work papers are transferred to the appropriate standards development subcommittee.

[5] The Gas Electric Coordination Subcommittee is an ad hoc subcommittee comprised of participation by all four quadrants of NAESB to address the issues outlined in request number R03031, submitted by TVA and amended on November 20, 2003.

North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 WEQ Annual Plan
Approved by the Board of Directors December 4, 2003
Modified by the WEQ Executive Committee – February 24, 2004

	Item Description	Completion[1]	Assignment
2	Respond to FERC inquiries pertaining to business practice standard development and keep FERC informed on the nature and effectiveness of coordination activities with other standards setting organizations.		
3	Develop business practice standards related to FERC's forthcoming generation interconnection orders (large and small generators), in Docket Nos. RM02-01-000 and RM02-12-000.		
4	FERC Reporting of Electricity Prices		
5	Develop business practice standards as requested by the regional and state advisory groups.		
6	Develop electric purchase and sales contract.		

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Appendix
Comments Accompanying the Action Items and Provisional Items
For the 2004 Annual Plan Adopted by the Executive Committee – October 7, 2003

ACTION ITEMS:

1a The original 1(a) from the 2003 plan is implied and 1(b) and 1(c) have been rewritten as a part of this plan: 1(a) Apply NERC/NAESB MOU provisions in reviewing proposed reliability standards for their business practice implications, 1(b) Review existing NERC reliability policies and standards for their business practice implications, 1(c) Review each of the SARs in light of the NERC/NAESB MOU.

1b This is a new item that reflects the recent NERC decision to create Transition team. NAESB has been asked to join the Transition Team which is led by Gerry Cauley. NAESB members on the team are Charles Yeung, Rae McQuade and Michael Desselle.

2a The Information Technology Subcommittee has been formed and is currently reviewing existing lists of enhancements for OASIS 1A and OASIS 2. A NAESB Electronic Scheduling Subcommittee was created but is inactive awaiting input from the existing ESC industry group

2b The PKI request R03007 has been assigned to the NAESB WEQ to be addressed which is a portion of this annual plan item.

This item also corresponds to the 2003 WEQ Annual Plan item 4(h) Review activities of NERC CIPAG in light of NERC-NAESB MOU regarding cyber security requirements for their business practice and system communication standards implications.

3a A seams catalog is under development now and will identify many of the items to be included under this action item. This item was originally numbered item 4 in the 2003 WEQ Annual Plan. Several items were deleted, and will be added back to the plan if they are requested through the comments or meetings on the plan and the requesters indicate a willingness to participate in the standards development effort or in the drafting effort. The items removed from the 2003 plan are: 4(a) Establish a standardized electric trading day; 4(b). Identify and develop business practices on the public dissemination of market information.

Other items from the 2003 WEQ Annual Plan were reordered and renamed such as: 4(d) Develop business standards as necessary to resolve seams issues between ISOs and RTOs; 4(c) Establish standard business practices relating to: i) Definition and treatment of firm/nonfirm power; ii) Definition and treatment of firm/nonfirm transmission; iii) Provision of reserves for transactions across multiple control areas, 4(e) Develop standards for data requirements, data exchange and scheduling of day-ahead and real-time bilateral markets; and 4(h) Review activities of NERC CIPAG in light of NERC-NAESB MOU regarding cyber security requirements for their business practice and system communication standards implications.

Some items on the 2003 WEQ Annual Plan were considered assumed in each of the action items, so they were not specifically highlighted as a separate action item, such as : 4(f) Examine business practices and definitions currently in use to determine applicability on a North American basis and 4(g) Catalogue, assess and prioritize existing “standards” that have significant business practice implications.

4 This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.

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For the 2004 Annual Plan Adopted by the Executive Committee – October 7, 2003

PROVISIONAL ITEMS:

1 These items (originally items 3 and 7 of the 2003 Annual Plan) were reclassified as provisional and will be acted upon as such FERC actions are taken.

4 This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.

5 This is a new item, not in the 2003 plan. It was added at the August 5 Executive Committee meeting.

6 There is industry interest, but there is neither consensus to move forward at this time nor may resources be available.

On August 5, several of the WEQ EC members discussed possibly preparing a request that would add an item to the 2004 annual plan to develop a master service agreement. The request was prepared but subsequently withdrawn by the submitter due to an expected lack of resources.

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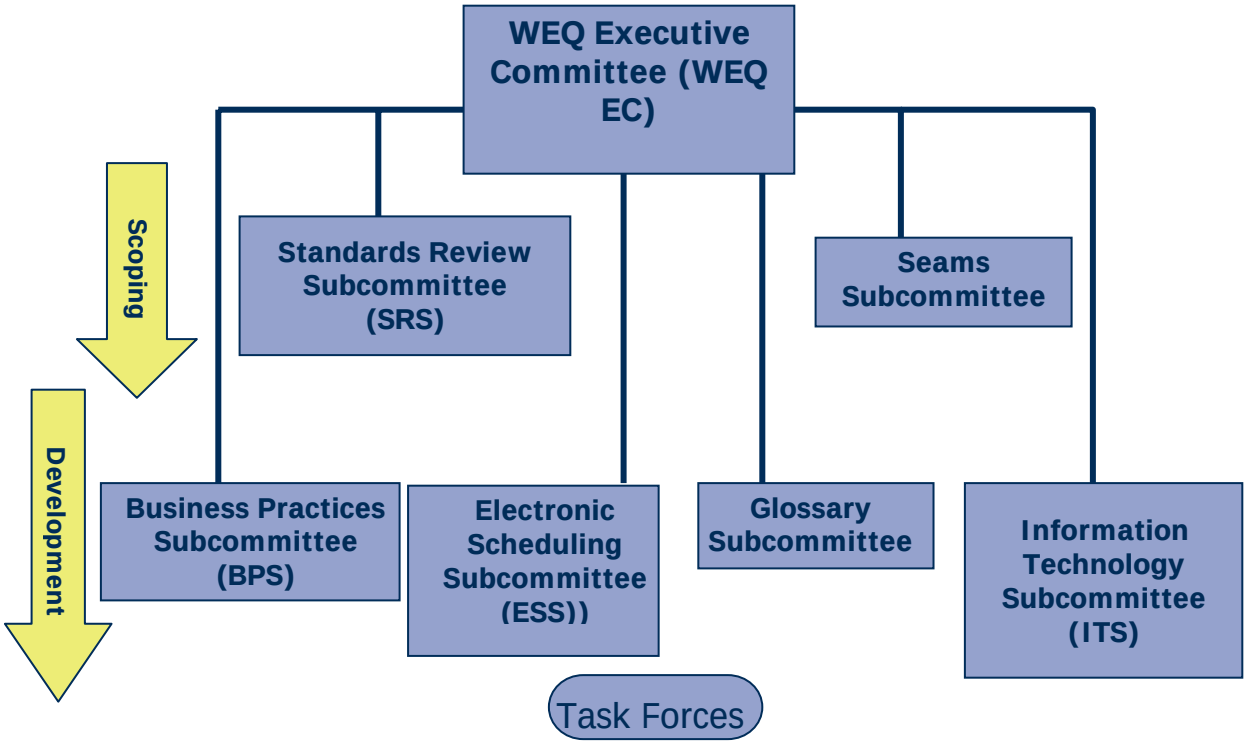
NAESB Wholesale Electric Quadrant Committee Structure



Subcommittee Leadership is:

Executive Committee: Lou Oberski (WEQ EC Chair) and Steve Cobb (WEQ EC Vice Chair)

Standards Review Subcommittee: Charles Yeung and Raj Rana
Seams Subcommittee: Steve Cobb and Joe Rossignoli
Business Practices Subcommittee: Bob Goss
Electronic Scheduling Subcommittee: Joel Dison, Andy Rodriguez and John Simonelli
Glossary Subcommittee: Tony Reed and Sherri Monteith
Information Technology Subcommittee: Monroe Landrum and Alan Johnson

Amended and Restated Memorandum of Understanding for the North American Energy Standards Board, North American Electric Reliability Council and the ISO/RTO Council

This Memorandum of Understanding ("MOU") is entered into this 15th day of May, 2003, among the North American Energy Standards Board ("NAESB"), the North American Electric Reliability Council ("NERC"), and the Independent System Operator/Regional Transmission Organization Council ("ISO/RTO Council") (collectively, "Parties").

Whereas NAESB is the primary industry forum for development and promotion of business practice and electronic communication standards in North American wholesale and retail natural gas and electricity markets and its stakeholder-based standards development process is well-suited for the resolution of issues that affect or implicate business practices;

Whereas NERC is the primary industry organization for developing reliability standards for the reliable operation and planning of the bulk electric systems serving North America and NERC as an organization is well-suited for addressing reliability issues related to such standards;

Whereas the ISO/RTO Council is a duly formed organization composed of ISO and RTO chief executive officers, and its Charter has been filed with the Federal Energy Regulatory Commission ("FERC") and other appropriate regulatory authorities in North America;

Whereas each of the Parties has duly authorized its representative to execute this MOU and bind the Organization to abide by the provisions set forth in this MOU;

Whereas the ISO/RTO Council is not a standards development organization, but may participate in standardization activities and existing standards development organizations, including preparing proposed standards for those organizations;

Whereas the Parties understand "policy" in the context of this MOU to mean a definite course of action selected from among alternatives that will guide and determine subsequent material decisions, and also understand "ISO and RTO policy" to mean major market and transmission tariff policies[1] that would normally be proposed and implemented by ISOs and RTOs and which require approval by the FERC or other appropriate regulatory authorities in North America;

[1] In Canada, the more common term for this is market rules.

Approved by NAESB Board of Directors, March 20, 2003
Approved by NERC Board of Trustees, March 25, 2003
Approved by ISO/RTO Council, April 24, 2003

Whereas NAESB is precluded by its Charter from setting industry policy, NERC is organized to set reliability policy, and individual RTOs and ISOs are organized to operate transmission systems and administer markets;

Whereas individual ISOs and RTOs must, in carrying out their responsibilities, develop ISO and RTO policy proposals and must also, subject to receiving all required and appropriate regulatory approvals, implement such policies;

Whereas the Parties agree that there is a need to develop and maintain standards to enhance electricity markets and maintain reliability throughout North America;

Whereas the Federal Energy Regulatory Commission ("FERC") has "strongly urged" the Parties to coordinate standards development efforts;

Whereas most electric industry standards have both business and reliability implications and range along a continuum from "predominantly reliability" in nature to "predominantly business" in nature;

Whereas the Parties agree that a coordination process should be developed among the Parties to ensure that the development of business practice and reliability standards is coordinated and harmonized with the development, approval and implementation of ISO and RTO policy and that every practicable effort is made to eliminate overlap and duplication of efforts;

Whereas, the FERC Commissioners and Staff have encouraged the Parties to bring the functions previously addressed by the Electronic Scheduling Collaborative ("ESC") and the Oasis Standards Collaborative ("OSC") into the functionally appropriate Party organization, and through that organization into a single process for coordinating standard-setting;

Whereas, the Parties agree that all the current activities of the ESC and OSC should be included in one or several of the Parties' organizations and thus brought into the single standard setting coordination process as defined in this Memorandum of Understanding;

Whereas, the Parties agree that the coordination that takes place under this MOU should not delay the development of standards or the implementation of ISO and RTO policy;

Whereas, the Parties shall not be obliged to change their existing standards approval processes, but the parties agree it would be beneficial to keep an open mind for future changes to be considered that would improve the processes and achieve the goals contained within this MOU; and,

Whereas, the Parties intend this MOU to be a living document and recognize that the coordination procedures detailed in this MOU are likely to require revision as the Parties gain experience working under these procedures,

Now therefore, the Parties agree as follows:

1. Purpose and Principles of Agreement

1.1 The Parties propose to establish a coordination process set forth in Section 2 of this MOU. The coordination process is intended to avoid overlap and duplication of effort in the activities of the three organizations by distinguishing the development, proposal and implementation of ISO and RTO policy from the setting of reliability standards or business practice standards. The coordination process will accomplish this primarily through the Joint Interface Committee ("JIC") comprised of representative members of NERC, NAESB and the ISO/RTO Council. The JIC is not intended to delay standards development or the implementation of ISO and RTO policy, but to facilitate efficient policy implementation and standards development and to avoid duplication of effort between and among the Parties.

1.2 The Parties recognize that many standards have implications that affect aspects of reliability, market administration and transmission system operation, and business standards and communication protocols. Accordingly, the JIC will evaluate each standards development proposal, as well as the annual plans[2] of each organization, in a two-stage process as described in section 2.5 before determining whether NAESB or NERC should develop the proposed standard.[3] [4]

1.3 The Parties intend to have the coordination process set forth in Section 2 of the MOU in full operation by June 1, 2003. The Parties may mutually agree to move the start date for the coordination process**.**

[2] The JIC is not limited to new standards or annual plan items, but can receive existing proposed standards or annual plan items referred to it by any Party.

[3] While the JIC will evaluate the disposition of standards with the recognition that most standards have both reliability and business standards and communication protocols implications, the intent of NERC and NAESB (through the JIC) is that the coordination process should work toward the development of "standards for the industry" and avoid characterizing standards, wherever possible.

2. Coordination Process

2.1 The Parties agree to establish a process, as set forth in this section, for coordinating the development of proposed standards, in accordance with the principles in Section 1 of this MOU.

2.2 The JIC shall be responsible for the coordination process. The JIC shall be composed of representatives from NERC holding one-third of the votes, representatives from NAESB WEQ holding one-third of the votes and representatives from the ISO/RTO Council holding one-third of the votes. Each Party will determine its representatives to the JIC, with every effort to have each segment or area represented. The quorum necessary for the transaction of business at meetings of the JIC shall require a majority of the representatives of each of any two Parties. Any or all members of the JIC may participate in a meeting, including being counted as part of the quorum, by means of a communication system by which all persons participating in the meeting are able to hear each other. Use of notational balloting or proxies will not be permitted. NERC, NAESB and the ISO/RTO Council will separately determine whether designated alternates will be permitted to participate in place of their absent JIC representatives. The JIC will have co-chairs, one representing NERC, one representing NAESB, and one representing the ISO/RTO Council chosen by each Party from among its JIC representatives.

2.3 Decisions of the JIC will be by a simple majority of all votes cast, with each NERC representative present at a meeting having a vote equal to 33.3% divided by the number of NERC representatives participating in the meeting, each NAESB representative having a vote equal to 33.3% divided by the number of NAESB representatives participating in the meeting, and each ISO/RTO Council representative having a vote equal to 33.3% divided by the number of ISO/RTO Council representatives participating in the meeting. In the event any Party fails to be represented by at least one representative and quorum requirements are met, the remaining two Parties shall each receive 50% of the vote, to be divided equally among the Party's representatives. In the event of a tie vote, the matter will be referred to the Chairmen of the Parties present for the tie vote [or their Board level designee(s)] for resolution. In the determinations made under Section 2.6, each Party may abstain from voting on any question in which it determines it does not have a material interest**.**

[4] The Parties expressly agree that reliability and business practice standards that are required for ISO/RTO Council activities would typically be developed by NERC and NAESB, consistent with this MOU.

2.4 The JIC will meet as necessary to review the annual plans of each organization. Additionally, the JIC will meet as necessary to review each Standards Authorization Request ("SAR") that the Standards Authorization Committee ("SAC") of NERC has approved for the drafting of a standard, each standard request that the NAESB Executive Committee ("EC") has assigned to the Wholesale Electric Quadrant ("WEQ") of NAESB and each ISO and RTO policy anticipated to be proposed or implemented by the ISO/RTO Council's constituent organizations that may affect business practice standards and reliability standards.

2.5 In the first stage of its process, the JIC will evaluate the annual plans of each Party. If the JIC determines that an annual plan item would establish or require substantial modification to ISO and RTO policy, then standard setting activities associated with the annual plan item would normally be deferred[5] until the FERC or other appropriate regulatory authorities in North America have exercised their authority to determine such policy issues. Once such ISO and RTO policy issues have been resolved, further standards development activity will be coordinated by the JIC according to this MOU. If the JIC does not determine that an annual plan item would establish or require substantial modification to ISO and RTO policy, then the item would continue through the standards development process. If the JIC determines that an aspect of the ISO/RTO Council's annual plans would alter or require new business practice standards, communication protocol standards or reliability standards, those standards development activities would be coordinated by the JIC according to this MOU. The JIC may also recommend that a particular item or aspect of an item in one Party's annual plan be removed from that Party's annual plan and added to another Party's annual plan in order to carry out the purposes of this agreement.

2.6 Once the JIC has made the determinations in section 2.5, the second stage of the process will take place. In this stage the JIC will consider the relationship of each specific standards proposal, including any standards proposals derived from ISO and RTO annual plan items, to the reliability responsibilities of NERC and the business standards and electronic communication protocol responsibilities of NAESB, and will refer the development of the standard as appropriate to the two organizations. In this stage, the JIC may also determine

[5] If the FERC or other appropriate regulatory authorities in North America have already assigned the item to the ISO/RTO Council's constituent organizations for development of a policy proposal, the Parties may await the policy

whether a specific standards request proposal would itself primarily establish or substantially modify ISO and RTO policy, in which case standards development may be deferred until the FERC or other appropriate regulatory authorities have determined the resolution of such policy issues. Once the JIC has assigned or referred the standards proposal for further development, the members and constituents of the other organizations are strongly encouraged to actively engage in the development process by participating in subcommittee, task force and working group deliberations as well as offering comments and recommendations on any and all aspects of the proposed standard or policy.

2.7 The JIC will make such determinations by the end of the month subsequent to the month in which the annual plan item, standards request proposal or proposed ISO and RTO policy is referred to the JIC. The JIC may prioritize submitted proposals if there are urgent reliability, business, or policy implications.

2.8 All interested individuals and entities are invited and encouraged to participate to the maximum extent possible consistent with membership or registration requirements in NERC, NAESB and the ISO/RTO Council standards development and policy development activity. None of the organizations places any membership or registration requirement on the submission of comments on draft proposed standards or policy development.

2.9 With respect to the provisions of section 2.6, either the determination of the JIC or the resolution reached in the event of a tie vote will become final after thirty days unless, within that thirty-day period, one of the Parties acts to withdraw a standards request proposal. In this event, the proposal may be redrafted and resubmitted to the JIC or the Parties shall meet to attempt to resolve the impasse. Should further consideration not result in a final determination, each of the parties may act consistent with its own standards development or policy definition process. Likewise, with respect to the provisions of section 2.5, a determination of the JIC or the resolution reached in the event of a tie vote will become final after thirty days unless, within that thirty-day period, one of the Parties disagrees with the determination. In this event, the annual plan item may be redrafted and resubmitted to the JIC or the Parties shall meet to attempt to further resolve the issue. Should further consideration not result in a final determination, each of

resolution. In the interim while awaiting the policy resolution, the Parties may identify specific standards activity needed to support any proposed policy resolution.

the parties may act consistent with its own standards development or policy development and implementation process.

2.10 Because the Parties' annual planning processes are iterative and are implemented through or otherwise affect the standards setting processes, the JIC may discuss coordination of ongoing annual plan development and implementation, and each Party, through its JIC members, may make recommendations regarding other Parties' annual plan development and implementation.

3. Filings With Governmental and Regulatory Authorities

3.1 Each Party shall be responsible for making filings with governmental and regulatory authorities as appropriate**.**

3.2 The Parties agree that all meetings of the JIC will be duly noticed, open and transcribed, and that the JIC's deliberations and all supporting documents, including any minority opinions, will be a matter of public record and may be provided by any Party or any of its members in any filing with governmental authorities of a standard or other issue which the JIC has acted upon.

4. Information Exchange

4.1 Each Party will inform each other party each year of its projected standards development, significant policy development and implementation activities for the coming year and of any additional planned activity as it arises. After exchange of this information, the JIC will meet to address any apparent areas of duplicate or inconsistent effort as soon as practical.

4.2 With respect to each particular initiative regarding an RTO or ISO policy activity, or request for a standard or standard development action, each Party will promptly inform the other Parties of the action, or the request in sufficient detail to convey the subject matter and timeline for resolution of such action or request.

5. Costs

5.1 Each Party shall bear its own costs.

Approved by NAESB Board of Directors, March 20, 2003
Approved by NERC Board of Trustees, March 25, 2003
Approved by ISO/RTO Council, April 24, 2003

6. Reevaluation

6.1 The Parties agree to meet annually during the anniversary month of the signing of this MOU to evaluate in good faith the effectiveness and efficiency of this MOU in meeting the goal of coordinating the standards and policy development-related activities of the three organizations and to make any appropriate revisions.

6.2 The Parties may also agree to revise this MOU, including the appendices, at any other time as mutually agreeable.

7. Termination

7.1 Each Party may withdraw from this MOU upon 60 days' written notice to the other Parties. Notification of such withdrawal should be provided to the FERC or other appropriate Provincial or state regulatory authorities in North America. Prior to the withdrawal becoming effective, the Parties agree to meet to discuss whether changes to this MOU would address the reasons prompting the withdrawal.

8. Miscellaneous

8.1 Each Party is legally authorized to execute this MOU and to exercise the rights and perform the obligations and responsibilities contained in it.

8.2 This MOU constitutes the entire agreement between the Parties with respect to establishing a coordination process intended to avoid overlap and duplication of effort in the activities of the three organizations by distinguishing ISO and RTO policy-making from the setting of reliability and business practice standards supporting energy markets.

8.3 This MOU may be executed in counterparts each of which shall be deemed an original and all of which together shall constitute one instrument.

8.4 None of the Parties shall be liable for any indirect, special, incidental or consequential damages arising in any way from any performance or failure to perform under this MOU.

8.5 The Parties agree that they will create a process whereby the notice of JIC activities and documents are posted on a web site for public access.

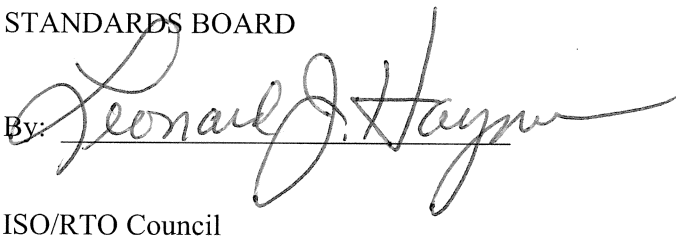
8.6 This is an Amendment and Restatement of the Agreement dated November 30, 2002 between NERC and NAESB.

8.7 Nothing in this Agreement is intended for the benefit of third parties, and no third party may claim for damages or otherwise to enforce any such benefit.

8.8 Nothing in this Agreement shall be construed as establishing a joint venture, agency relationship, any authority of any signatory or the JIC to bind another signatory, or as intending to violate the antitrust laws.

AGREED TO as of this 15thth day of May, 2003.

NORTH AMERICAN ENERGY STANDARDS BOARD

By: 

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

By:

ISO/RTO Council

By:

Approved by NAESB Board of Directors, March 20, 2003
Approved by NERC Board of Trustees, March 25, 2003
Approved by ISO/RTO Council, April 24, 2003

APPENDIX A

JIC Coordination Guidelines

The coordination guidelines for use by the JIC as a starting point, under section 2.6 of the MOU, are based in part upon NERC's Functional Model[6] and in part upon market criteria developed by NAESB. As the JIC gains more experience alternative coordination guidelines may be developed and used as the JIC sees fit.

In general, the functions identified in the functional model diagrams as "generator" (whether merchant or load-affiliated), "purchasing-selling entity," "load-serving entity," "market operator," "customer aggregator," and certain of the relationships and information flows of "transmission service provider," "transmission owner," and "transmission operator" are associated with how wholesale electric business practices and electronic communication protocols are developed for use by market participants. Additionally, market criteria such as product or service definitions, specifications, and compensation; prerequisites for participation in market and identification of costs and funding obligations; arrangements for product and service delivery to customers; creditworthiness requirements; market-related business practices; market settlement practices; and communication protocols in support of market criteria should be considered. Standards development proposals applicable to those functions and to the relationships and information flows among those functions normally would be assigned to NAESB, regardless of where the original request for the standard was filed.

In general, the functions identified in the functional model diagrams as "reliability authority," "balancing authority," "interchange authority," "compliance monitor," "NERC," and certain of the relationships and information flows of "transmission service provider," "transmission owner," and "transmission operator" are associated with the reliable operation of the bulk power system. Standards development proposals applicable to those functions and to the relationships and information flows among those functions normally would be assigned to NERC, regardless of where the original request for the standard was filed.

[6] A PowerPoint display of NERC's Functional Model may be downloaded at http://www.nerc.com/~filez/fmrtg.html. The Functional Model identifies and defines the functions, associated responsibilities, and the relationships and information flows among those functions, that are necessary for electric systems to operate reliably and for participants in wholesale electricity markets to transact business efficiently, independent of which entities perform which functions.

In general, the functions associated with ISO and RTO policy relate to proposals for and implementation of a definite course of action selected from among alternatives that will guide and determine subsequent material decisions for administering electricity markets and operating regional transmission systems, with the approval of the FERC or other appropriate regulatory authorities in North America. Such policy issues would normally be deferred until the FERC or other appropriate regulatory authorities in North America have exercised their authority to determine such policy issues.

Other factors that may be considered by the JIC in determining the assignment of a particular standards development request to NERC or NAESB include (but are not limited to):

a. Regulatory direction to one organization or the other;
b. The priority of the proposal and the ability of either organization to take on and complete the standard development in a timely manner, given its other workload; and
c. Whether the proposal includes a significant reliability compliance element.

Seams Issues Matrix

(As Adopted at JIC Meeting, Feb. 18-19, 2004)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
36	Congestion Management	Congestion Management Market Coordination	Coordinate Hedging Instruments at Market Interfaces	Coordination of market based congestion hedging instruments, such as FTRs, between adjacent RTOs with markets, especially for out and thru' transactions		National	Undecided	
132	Congestion Management	Congestion Management Market Coordination	Joint Re-Dispatch Agreements	Interaction with American Transmission Company; possible joint redispatch agreement among ATC-PJM-Generators on ATC's system		Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
115	Congestion Management	Congestion Management Market Coordination	Standardize Congestion Management Market Data Exchange	Congestion Management Procedures including reciprocal coordination agreement, exchange of data for real-time and projected operations, SCADA, EMS, Operations Planning and Planning information and models; better granularity, avoid double counting, use of state estimator and LMP to enable RTOs to accurately and consistently quantify flows/impacts outside of NERC IDC to enable RTO to RTO and market to market congestion management to achieve greater efficiencies without calling TLRs; MISO and PJM and expansions to use same methods.	Definition of AFC coordination process between RTOs.	Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
35	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Locational Marginal Prices (LMP) at borders of RTOs with markets (Price cap included)		National	Undecided	
68	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Market Design - Prior to Day Ahead. Secondary Market	To the extent that at a minimum congestion redispatch occurs in an RTO (i.e. a limited energy market), can a method be developed to produce consistent prices at the boundaries? If not, can price discontinuities be tolerated or managed? (Issue I.b.1)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
70	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Market Design - Day Ahead. Congestion Management Market	If models with identical levels of detail for the West are not used by all three RTOs, do the various simplifications for areas outside any given RTO create problems in achieving a uniform set of redispatch prices? (Issue I.b.3)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
72	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Market Design - Day Ahead. Model spatial granularity	To the extent that at a minimum congestion redispatch occurs in an RTO (i.e. a limited energy market), can a method be developed to produce consistent day ahead prices at the boundaries? (Issue I.b.5)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
80	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Market Design - Day Ahead. Other Scheduling Requirements	To the extent that at a minimum congestion redispatch occurs in an RTO (i.e. a limited energy market), can a method be developed to produce consistent prices at the boundaries that send the same signal to the market? If not, can price discontinuities be tolerated or managed? (Issue I.b.13)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group

Seams Issues Matrix

(As Adopted at JIC Meeting, Feb. 18-19, 2004)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
92	Congestion Management	Congestion Management Market Coordination	Standardize Prices at Market Interfaces	Market Design - Real Time. Model objective function	How much would a common dispatch interval mitigate against price discontinuities at boundaries? (Issue I.d.2)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
62	Congestion Management	Congestion Management Market Coordination		Market Design - Prior to Day Ahead. Financial or Physical	Must the offerings be identical? How can congestion management discontinuities be mitigated? (Issue I.a.3)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
63	Congestion Management	Congestion Management Market Coordination		Market Design - Prior to Day Ahead. Option or Obligation	Do different CM models create barriers to trade, and if so, how can these differences be mitigated? (Issue I.a.4)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
64	Congestion Management	Congestion Management Market Coordination		Market Design - Prior to Day Ahead. Revenue Stream/ or Offset CM Cost	Must the term of congestion offerings be identical? How can congestion management discontinuities be mitigated? (Issue I.a.5)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
129	Congestion Management	Congestion Management Market Coordination		Selection process for market/TLR coordinated flowgates; inclusion of flowgates in PJM FTR/ARR auctions; flowgates with and without effective control by markets; updates to flowgate list, phase-in; dispute resolution; let RTO calculate flows outside of IDC and TLR; audit rights; confidentiality of data; consideration of flowgates outside PJM and MISO	Standardized rules for determining flowgates impacted by an RTO.	Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
138	Congestion Management	Congestion Management Market Coordination		Coordination of congestion	Several regional efforts are underway. Coordinate practices and methods between areas with different market approaches.	National	NAESB	Yes
125	Congestion Management	Determining Control Area Boundaries		Retention of former CAs in the model	When expanding Control Area boundaries (i.e., merging Control Areas) is it necessary to retain "Historic" boundaries for use in NNL estimation or other reasons?	Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
73	Congestion Management	Operate Markets Within Transmission Limits		Market Design - Day Ahead. Model objective function	Who coordinates the scheduling constraints (i.e., security constrained dispatch) on paths that cross RTO boundaries to ensure that inter-RTO schedules do not exceed reliability standards? (Issue I.b.6)	Regional	Undecided	SSG-WI, CMA Work Group
130	Congestion Management	Operate Markets Within Transmission Limits		What happens when MISO and PJM and outside PJM/MISO firm and CBM exceed TTC - day ahead mechanism to reduce oversubscribed conditions		Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
43	Congestion Management	Standardize and Coordinate ATC Calculations	Contract Tie Capacity Sharing	Allow Sharing Contract Tie Capacity between Entities across Seams	Lack of Coordination and Sharing of Tie Capacity is an artificial market barrier	National	Undecided	Limited

Seams Issues Matrix

(As Adopted at JIC Meeting, Feb. 18-19, 2004)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
59	Congestion Management	Standardize and Coordinate ATC Calculations	Coordinate Hedging Instruments at Market Interfaces	Inter-control area congestion management / parallel flow management	Develop congestion hedges across control area boundaries.	Regional	NYISO/ISO-NE	Northeast ISO
44	Congestion Management	Standardize and Coordinate ATC Calculations	Standardize TRM and CBM Calculations	Calculation and Values of TRM and CBM consistent	Underutilization of Transmission Capacity	National	NERC	Limited
17	Congestion Management	Standardize and Coordinate ATC Calculations and Postings	Reconcile ATC Calculations Between Physical and Financial Transmission Markets	TTC-ATC calculation/posting	Interface between a financial market (no physical transmission arrangements) and physical transmission regions (selling transmission capacity through OASIS reservations): Problems of TTC-ATC calculations coordination. Counterparties include IMO, NYISO, and ISO-NE.	Regional	Undecided	No
61	Congestion Management	Standardize and Coordinate ATC Calculations and Postings	Reconcile ATC Calculations Between Physical and Financial Transmission Markets	Market Design - Prior to Day Ahead. Congestion Revenue Rights (CRRs) [Firm Transmission Rights (FTRs) in MD02, FTOs in RTO West]	Are all transmission rights both physical and financial required to be identical to mitigate the seams problems? (Issue #I.a.2)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
9	Congestion Management	Standardize and Coordinate ATC Calculations and Postings		Transmission Calculations	Transmission calculations are not consistent. Solution: Standardized ATC Calculations.	National	Undecided	Yes - SSG - WI
55	Congestion Management	Standardize and Coordinate ATC Calculations and Postings		Improved TTC/ATC posting	Monthly and yearly posting of TTC/ATC values to support transaction pre-scheduling. Clarify how the ATC values calculated by each ISO should be used to ascertain the ability of the interface to support transactions.	Regional	Undecided	Northeast ISO
109	Congestion Management	Standardize and Coordinate ATC Calculations and Postings		ATC Differences - Individual control areas determine ATC for jointly operated transmission interfaces. Differences in ATC calculations can confuse the marketplace, which may react by avoiding transactions that would otherwise be economic due to the uncertainty and perceived risk.		Regional	Undecided	In Northeast Power Markets Seams Action Plan
116	Congestion Management	Standardize and Coordinate ATC Calculations and Postings		ATC/AFC Coordination - MISO and PJM to coordinate with any external parties wishing to do so, respecting all significant flowgates external to their respective boundaries; availability and levels of service and curtailments for firm and non-firm, network and point to point.		Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
20	Congestion Management	Standardize TTC Calculations Across Interfaces		TTC coordination	Disagreement between two operators on the physical capability of an interconnection (line 7040 and Phase II). Counterparties are NYiso and ISO-NE.	National	NERC	Yes

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
69	Congestion Management	System Market Modeling Coordination	Standardize Prices at Market Interfaces	Market Design - Day Ahead. Energy Spot Market	In order to achieve a uniform set of redispatch prices, if that is necessary, do the network models have to be identical, with the exact system? Each time each one is used does it have to be synchronized with the other RTOs or is a single process required? In addition do the programs that use the models have to be identical in order to get the uniform set of redispatch prices? (Issue I.b.2)	Regional	Undecided	SSG-WI, CMA Work Group
47	Congestion Management	System Market Modeling Coordination		Operational Model Updates	Areas must have up to date models for operational use of other areas across the seam	National	NERC	Limited
75	Congestion Management	System Market Modeling Coordination		Market Design - Day Ahead. Model objective function	Does the use of both AC and DC OPFs introduce compatibility problems? (Issue I.b.8)	Regional	Undecided	SSG-WI, CMA Work Group
121	Congestion Management	System Market Modeling Coordination		Market flow data - reflect ISN and SDX data	Standardize inputs to estimation of power flows (i.e., GLDFs, outages, etc…).	Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
123	Congestion Management	System Market Modeling Coordination		GDLF calculation	Standardized methodology for determining distribution factors - standard OPF model for each interconnection?	Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
135	Congestion Management	System Market Modeling Coordination		Historic NNL values should not be reflected indefinitely in the future, and an appropriate mechanism to rationalize the historic flows to recognize eventual market conditions should be developed		Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
133	Congestion Management	Transmission Market Design	Redispatch of Generation	Define "RTO area wide dispatch"	AJR - This refers to centralized dispatch across a RTO Footprint, rather than within a CA Boundary.	Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
110	Congestion Management	Transmission Market Design	Transmission Market Manipulation	ATC Manipulation - Market participants schedule transactions day-ahead and beyond with no intent to deliver energy. Cancellation in real-time by a market participant results in unused ATC, ramp capability that cannot be used by other market participants. Valuable capability is left unused.		Regional	PJM/ NYISO/ ISO-NE	In Northeast Power Markets Seams Action Plan
53	Congestion Management	Transmission Market Design	Transmission Service Product Type Priority	CAISO ETC rights scheduling - Contract Reference Number	CAISO uses Contract Numbers to track ETC rights. This causes Phantom Congestion and does not allow ETC rights holders to sell and schedule their transmission	Regional	Western Interconnect SSG-WI	No
88	Congestion Management	Transmission Market Design	Transmission Service Product Type Priority	Market Design - Day Ahead. Centralized Unit Commitment.	Does a recallable physical right conflict with a redispatch set in a day-ahead clearing process? (Issue I.b.21)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group

Seams Issues Matrix

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
98	Market Design	Energy Market Design and Coordination	Demand Side Energy Market Coordination	Market Design - Post Real Time. Settlement stages	How does bidding or demand-side response between or among RTO's affect the scheduling and dispatch of obligations within the RTO's? Can these kinds of trades between RTOs be accommodated? Does trade of these services between RTOs have implications for either the exporting or importing RTOs ability to meet reliability criteria? (Title to power needs to be established) (Issue II).	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
90	Market Design	Energy Market Design and Coordination	Hour Ahead & Real-Time Energy Market Coordination Across Market Interfaces	Market Design - Hour Ahead. Timing	How does hour-ahead market integrate with neighbors who do not have hour-ahead process? (Issue I.c.2)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
91	Market Design	Energy Market Design and Coordination	Hour Ahead & Real-Time Energy Market Coordination Across Market Interfaces	Market Design - Hour Ahead. Energy Market, Congestion Management Market, and Ancillary Services Market	Is it necessary to align real time markets? If so, can a method be developed to produce consistent real-time prices at the boundaries? (avoid an price discontinuity due to separate calculation of prices with different information.) (Issue I.d.1)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
93	Market Design	Energy Market Design and Coordination	Hour Ahead & Real-Time Energy Market Coordination Across Market Interfaces	Market Design - Real Time. Dispatch interval	Can a method be developed to produce consistent real-time prices at the boundaries? (avoid an price discontinuity due to separate calculation of prices with different information.) If not, can discontinuities be tolerated or managed? [This may be more of a settlements issue than a consistency issue.] (Issue I.d.3)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
131	Market Design	Energy Market Design and Coordination		Express sunset provisions for implementation of Day 2 markets		Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
113	Market Design	Green Power Market		Green power attributes trading		National	Undecided	In Northeast Power Markets Seams Action Plan
96	Market Design	Market Settlement Systems	Energy Market Settlement Process at Market Interfaces	Market Design - Real Time. Penalties	Do settlement systems have to be common as long as price discontinuities at the boundaries are managed? (Issue I.e.1)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
97	Market Design	Market Settlement Systems	Energy Market Settlement Process at Market Interfaces	Market Design - Post Real Time. Settlement stages	How are inter-RTO settlements managed? (Includes the revenue adequacy issues related to achieving consistent prices.) (Issue I.e.2)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
86	Market Design	Transmission Ancillary Service Market Design and Coordination	Ancillary Service Auction Coordination	Market Design - Day Ahead. Ancillary Service Market	All three propose auctions: Do the auctions have be identical? Is it possible to use price exchange (say as imputed bids) in connection with interactive calculation to minimize the spread between the A/S auctions? (Issue I.b.19)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
81	Market Design	Transmission Ancillary Service Market Design and Coordination	Ancillary Service Prices at Market Interfaces	Market Design - Day Ahead. Congestion Prices.	Can a "best practice" model for definition and acquisition of ancillary services products be developed to produce consistent prices at the RTO boundaries? (Issue I.b.14)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
16	Market Design	Transmission Ancillary Service Market Design and Coordination	Reactive Power Compensation	Compensation for Reactive Power	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.	National	Undecided	Yes / IIPTF
85	Market Design	Transmission Ancillary Service Market Design and Coordination	Transmission Service Requirements for Ancillary Service Delivery	Market Design - Day Ahead. Ancillary Service Market	Does the RTO of the A/S seller recognize the transmission capacity reservation required to enable the reserves to respond for outages in the RTO of the buyer? (Issue I.b.18)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
74	Market Design	Transmission Ancillary Service Market Design and Coordination		Market Design - Day Ahead. Model objective function	What is the effect of linking energy and ancillary service markets in the optimizations on model coordination issues? (Issue I.b.7)	Regional	Undecided	SSG-WI, CMA Work Group
83	Market Design	Transmission Ancillary Service Market Design and Coordination		Market Design - Day Ahead. Ancillary Service Market	When ancillary services are provided from within one RTO for another RTO, does the providing RTO recognize them as obligations within the seller's RTO? (Issue I.b.16)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
84	Market Design	Transmission Ancillary Service Market Design and Coordination		Market Design - Day Ahead. Ancillary Service Market	How can AS bids be coordinated across three markets to avoid both double counting and inefficient limitations on bids? (Issue I.b.17)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
87	Market Design	Unit Commitment Procedure Standardization		Market Design - Day Ahead. Acquisition Mechanism	Does unit commitment need to be standardized? Is this an area where each RTO can have its own method, which matches its resource mix and system responsiveness? (Rapid response of hydro gen. versus lead time requirements for thermal gen.) (Issue I.b.20)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
13	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Compensation for Unscheduled Flows of Electricity	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.	National	Undecided	Yes / IIPTF

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
15	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Compensation for Loop Flow	Lack of compensation lessens incentives for operators to solve problems and for accountants to spend money on metering.	National	Undecided	Yes / IIPTF
29	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Allocation of transmission capacity on reciprocal flow gates amounts to transmission service without compensation. Legitimizes "parallel loop flow".		National	Undecided	
66	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Market Design - Prior to Day Ahead. Duration	How will rights for loop flows (non-contract flows) in other RTOs be allocated/acquired? (Issue I.a.7)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
134	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Compensation for parallel flows		National	NAESB	In PJM/MISO Congestion Management Proposal Whitepaper
142	Market Design	Unscheduled/Parallel Path Flow Management	Compensation for Unscheduled/Parallel Path Flow	Pricing for native load loop flow impacts		Regional	Multiple	No
77	Market Monitoring/ Compliance	Anti-Gaming Coordination		Market Design - Day Ahead. Schedule Components	Will different RTO congestion management systems enhance opportunities for gaming or affect generation dispatch efficiency? (Issue I.b.10)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
11	Market Monitoring/ Compliance	Market Monitoring Entity Requirements		Market Oversight	New and mature markets need oversight to ensure that existing rules are complied with and new rules are adequate in meeting the scenarios they were designed to govern. Solution: Independent Market Auditor or Monitor.	Regional	Multiple	Yes - SSG - WI
94	Market Monitoring/ Compliance	Penalty/Sanction Coordination		Market Design - Real Time. Imbalance Price	Do penalties need to be the same in each RTO? (Issue I.d.4)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
95	Market Monitoring/ Compliance	Penalty/Sanction Coordination		Market Design - Real Time. Penalties	Will inconsistent imbalance penalty practices hamper non-dispatchable resource sales across RTO boundaries? (Issue I.d.5)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
3	Market Standards	Energy Market Standard Product Definitions		Definition & treatment of Firm/nonfirm Power	Annual Plan Item 4ci moved from MOS	National	Undecided	No
10	Market Standards	Energy Market Standard Product Definitions		Energy Products	Entities have disagreements concerning the definitions of various energy products. Solution: Standardized Energy Products.	National	NAESB	Yes - WECC

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
25	Market Standards	Energy Market Standard Product Definitions		Need for common physical market and products - regional variations permitted		National	NAESB	No
34	Market Standards	Energy Market Standard Product Definitions		Clarification of Product Definitions	Complete/Standard definitions for Liquidated Damages (LD), "Into", etc.	National	NAESB	No
139	Market Standards	Energy Market Standard Product Definitions		Standard definition of energy products	Energy products and services have common attributes in all markets. Standards definitions will improve efficiencies in communicating and operating between areas with various market designs	National	NAESB	Yes
7	Market Standards	Market Standard Communication Protocols and Transparency		Market Price Information	Market pricing methodology not comprehensive, consistent or dependable. Solution: Standardized Indices, Independently Managed.	Regional	Western Interconnect	No
42	Market Standards	Market Standard Communication Protocols and Transparency		Data Visibility	Inability to view neighboring markets information through a common software such that this sometimes hinders Market Participants ability to complete business in a timely fashion.	National	NAESB	Yes
52	Market Standards	Market Standard Communication Protocols and Transparency		Confidentiality of Data and Information Shared	Standards of Confidentiality would enhance the capability to resolve data sharing and information posting	National	NAESB	Limited
71	Market Standards	Market Standard Communication Protocols and Transparency		Market Design - Day Ahead. Model spatial granularity	To what extent do RTOs need to see other RTOs' scheduling information? (Issue I.b.4)	Regional	Undecided	SSG-WI, CMA Work Group
140	Market Standards	Market Standard Communication Protocols and Transparency		Standard messaging protocols for market notifications	Market participants will benefit from common messaging protocols.	National	NAESB	No
1	Market Standards	Market Standard Operating Time		Non Standard Time Zone	The lack of a standard Time Zone causes Market Inefficiencies	National	NAESB	No
136	Market Standards	Market Standard Operating Time		Inconsistent Market Event Timelines	There is a disconnect between the timing of bids and offers in the Ontario market and the releasing of firm transmission in MISO for which schedules have not been submitted for use as non-firm transmission.	Regional	Undecided	No
137	Market Standards	Market Standard Operating Time		Inconsistent Market Event Timelines	Timing issues between bid based markets (one example only - not knowing whether your bid has been accepted in "sink" market before having to commit in the "source" market).	Regional	IMO/NYISO	No
14	Market Standards	Physical and/or Financial Resolution of Inadvertent Interchange		Compensation for Inadvertent Interchange	Lack of compensation lessens incentives for operators to solve problems. Explicit compensation for inadvertent interchange is necessary for appropriate definition of other products, in that such compensation ensures that the defined product is delivered.	National	NAESB	Yes / IIPTF

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
111	Market Standards	Transmission Ancillary Service Market Design and Coordination	ICAP Market Standardization	Capacity Market - Differences in ICAP definitions, requirements, deliverability, and recall procedures have hampered the ability of suppliers to sell ICAP between Northeast ISOs (include regional resource adequacy model, external 30-minute reserves participation, harmonize demand response programs)		Regional	PJM/ NYISO/ ISO-NE	In Northeast Power Markets Seams Action Plan
46	Planning	Transmission Expansion and Generator Interconnection Coordination	Generator Interconnection - Affected Systems	Generation Interconnection Studies	Generation Interconnections close to seam affects both areas	National	Undecided	Limited
57	Planning	Transmission Expansion and Generator Interconnection Coordination	Generator Interconnection Transmission Requirements	Transmission interconnection procedures	Need consistent approach to treating merchant generation interconnection procedures with transmission	Regional	Multiple	Northeast ISO
114	Planning	Transmission Expansion and Generator Interconnection Coordination	Interregional Transmission Planning Procedures	Coordination of interregional planning including transmission facilities and generator interconnection procedures		Regional	Undecided	In Northeast Power Markets Seams Action Plan
26	Planning	Transmission Expansion and Generator Interconnection Coordination	Transmission Expansion Cost and Construction Responsibilities	Transmission expansion planning - coordination between systems and determine who is obligated to build and pay for improvements	Being reviewed by PJM/MISO.	Regional	Multiple	Yes
48	System Reliability	Emergency Operations	Computer Failures	Communication of Computer Failures	Needed for reliable operations and emergency operations	National	NERC	Limited
49	System Reliability	Emergency Operations	Emergency Operating Procedures for Market Interfaces	Emergency Procedures	Emergency procedures require operations across seams	National	NERC	Limited
128	System Reliability	Emergency Operations	System Monitoring and Contingency Plans	Contingency plans; critical path analysis		National	NERC	In PJM/MISO Congestion Management Proposal Whitepaper
118	System Reliability	Emergency Operations	System Restoration Procedures	Emergency and Restoration Plans - operating procedures for Voltage Collapse and Stability		National	NERC	Included in Attachment A of MISO and PJM Reliability Plans
122	System Reliability	Functional Model		Control area - control zone responsibilities vs. market operator		National	NERC	In PJM/MISO Congestion Management Proposal Whitepaper
50	System Reliability	Generation-Load Balance	Interchange Schedule Ramping Requirements	Schedule Ramp Management	Ramping standard differences across the seams hinder business	National	Undecided	Limited

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
108	System Reliability	Generation-Load Balance	Interchange Schedule Ramping Requirements	Failure of Transactions due to Ramping of Control Area Interchange - Desirable transactions between control areas may be "blocked" from access to the grid due to insufficient dispatch capacity to absorb large schedule changes while maintaining energy/load balance within the control area.		Regional	Undecided	In Northeast Power Markets Seams Action Plan
51	System Reliability	Generation-Load Balance	Inter-Market Resource Requirements	Resource Adequacy	Parties in one area rely on resources in other areas. Validation of their reliance on the other area must be coordinated.	National	NERC	Limited
27	System Reliability	Inter-Market and Intra-Market Facility Outage and Maintenance Coordination		Outage Maintenance Coordination	Being reviewed by PJM/MISO. See PJM presentation "Status Report to FERC on July 31, 2002 Alliance Order" dated Jan 2003, page 6 as posted under NAESB WEQ Seams subcommittee July 8 date	National	NERC	Yes
45	System Reliability	Inter-Market and Intra-Market Facility Outage and Maintenance Coordination		Coordination of Transmission and Generation Outages	Both forced and planned outages	National	NERC	Limited
120	System Reliability	Inter-Market and Intra-Market Facility Outage and Maintenance Coordination		Facilities in close electrical proximity under different RTOs - outage maintenance coordination, access and expansion planning		Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
30	System Reliability	Operate Markets Within Transmission Limits		Market allocations over flow gates are approved without regard to flow gate capacity resulting in over subscription of flow gates.		National	NERC	
99	System Reliability	Operating Reserves/Resource Adequacy	Energy and Reactive Capacity Reserve Requirements	Demand Response Participation.	If there is an RTO capacity requirement for all RTOs, how will double-counting across RTOs be avoided? Note: RTO West and WestConnect are not currently proposing a resource adequacy requirement independent of the requirement for balanced schedules. (Issue X.1).	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
100	System Reliability	Operating Reserves/Resource Adequacy	Energy and Reactive Capacity Reserve Requirements	Resource Adequacy. Resource Adequacy Assessment.	If there is an RTO capacity requirement for all RTOs, do different resource adequacy approaches result in different penalty structures and if so, does this create problems, e.g., opportunities for arbitrage? Note: RTO West and WestConnect are not currently proposing a resource adequacy requirement independent of the requirement for balanced schedules. (Issue X.2).	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group

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119	System Reliability	Operating Reserves/Resource Adequacy	Energy and Reactive Capacity Reserve Requirements	NERC Regional Criteria and Reserve Sharing - define operating policy changes, waivers, or certifications that are needed to permit security-constrained dispatch over multiple existing control areas to allow flows not to be tagged; Joint Reliability Coordination - NERC Policies 5 and 9		National	NERC	In PJM/MISO Congestion Management Proposal Whitepaper
82	System Reliability	Operating Reserves/Resource Adequacy	Reliability Aspects of Inter-Market Scheduling of Ancillary Services	Market Design - Day Ahead. Ancillary Service Market	How does bidding of ancillary services between or among RTOs affect the scheduling and dispatch obligations within the RTOs? Can this kind of trade between RTOs be accommodated? Does trade of these services between RTOs have implications for either the "exporting" or "importing" RTO's ability to meet reliability criteria? (Issue I.b.15)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
107	System Reliability	Transaction Curtailments	Market Impacts of Transaction Curtailments for Reliability Reasons	Transaction Curtailment - Transaction curtailments for security may extend beyond the reliability need due to differences in market timing. Extended curtailments are disruptive to both the marketplace and the reliable operation of the grid.		Regional	PJM/ NYISO/ ISO-NE	In Northeast Power Markets Seams Action Plan
126	System Reliability	Unscheduled/Parallel Path Flow Management	Interchange Distribution Calculator Requirements	Definition of coordination between market entity (PJM or MISO) and the IDC; define necessary changes to IDC; updates of base cases and book of flowgates		Regional	Undecided	In PJM/MISO Congestion Management Proposal Whitepaper
127	System Reliability	Unscheduled/Parallel Path Flow Management	Interchange Distribution Calculator Requirements	Industry oversight and reporting of PJM and MISO impact calculations - IDC cost, cost allocation to reimburse NERC		Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
23	System Reliability	Unscheduled/Parallel Path Flow Management	Parallel Path/ Unscheduled Flow Monitoring and Operation	How different congestion management methodologies will interact to ensure parallel flows and impacts are recognized and controlled to ensure system reliability.	Being reviewed by PJM/MISO.	Regional	Undecided	Yes
24	System Reliability	Voltage Control		Voltage Operating Procedures	Being reviewed by PJM/MISO. See PJM presentation "Status Report to FERC on July 31, 2002 Alliance Order" dated Jan 2003, page 6 as posted under NAESB WEQ Seams subcommittee July 8 date	National	NERC	Yes
5	System Reliability	Operating Reserves/Resource Adequacy	Energy and Reactive Capacity Reserve Requirements	Provision of reserves across multiple control areas	Annual Plan Item 4cii moved from MOS	National	NERC	No
39	Transaction Scheduling	Controllable Line Scheduling		Controllable Line Scheduling	Concept of operations for general methodology to schedule controllable lines between RTOs. Being reviewed by NYISO	Regional	Undecided	Yes

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Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
58	Transaction Scheduling	Controllable Line Scheduling		Controllable line scheduling	Concept of Operations for general methodology to schedule controllable lines has been drafted. A multi-ISO stakeholder group (similar to JCAG) needs to be formed to review the draft Concept of Operations to provide stakeholder input.	Regional	NYISO/ISO-NE	Northeast ISO
60	Transaction Scheduling	Controllable Line Scheduling		Cross-border price convergence	The lack of price convergence at the control area boundaries may inhibit the desire of market participants to arbitrage between neighboring markets. This issue is being referred to the individual ISO Market Committees for further definition on the business issue that needs resolution.	Regional	NYISO/ISO-NE	Northeast ISO
12	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Develop Electronic Scheduling	Interchange/Intrachange Scheduling Data Exchange	Current E-Tagging process is inadequate for exchanging reliability and market data within the Western Interconnection. Solution: Electronic Scheduling	National	NAESB	Yes - WECC
41	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Inter-Market Ramping Requirements Standardization	Scheduling Coordination (including Ramp Rates)	RTOs have different ramp rates and scheduling requirements that require Market Participants to complete multiple submissions for the same transaction.	National	Undecided	Yes
79	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Standardize Inter-Market Scheduling Timelines	Market Design - Day Ahead. Other Scheduling Requirements	Should the time intervals and submission times be synchronized to mitigate obstacles to inter-RTO trade? (Issue I.b.12)	National	NAESB	SSG-WI, CMA Work Group
78	Transaction Scheduling	Interchange Scheduling Standardized Protocols	Tools and Procedures to Accommodate Inter-Market Interchange Scheduling Requirements	Market Design - Day Ahead. Schedule Components	Can tools be developed for scheduling submission that assist the user in meeting any differences in protocols between RTOs? (Issue I.b.11)	National	Undecided	SSG-WI, CMA Work Group
8	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Scheduling	Inconsistent procedures among entities. Solution: Western Interconnection Standardized Interchange Scheduling Protocols.	Regional	Multiple	Yes - SSG - WI
76	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Market Design - Day Ahead. Model objective function	Do differences in the scheduling requirements (e.g., requirements for balanced schedules) between RTOs create seams problems for inter-RTO schedules? If so, can these problems be mitigated? (Issue I.b.9)	Regional	Undecided	SSG-WI, CMA Work Group
104	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Transmission Checkout Failure - Operators curtail transactions due to mismatched tag data, different MW volumes, etc. The curtailment of transactions due to data incompatibility is disruptive to both the marketplace and the reliable operation of the grid.		National	NAESB	In Northeast Power Markets Seams Action Plan

Seams Issues Matrix

(As Adopted at JIC Meeting, Feb. 18-19, 2004)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
106	Transaction Scheduling	Interchange Scheduling Standardized Protocols		Transaction Scheduling - Inconsistent information and market timing rules lead to uncertainty and risk that discourage the scheduling of some inter-regional transactions.		National	NAESB	In Northeast Power Markets Seams Action Plan
32	Transmission Service	Transmission Market Design	Transmission Service Product Type Priority	MISO- PJM market allocation will give preference to the market as Network over PTP even though the Market allocation my be a non paying transmission customer.		Regional	PJM/MISO	
40	Transmission Service	Transmission Market Standard Product Definitions and Priorities	Multiple Proxy Bus Development	Multiple Proxy Buses for Free Flowing Interfaces	Development of multiple proxy buses between RTOs for scheduling and pricing.	Regional	NYISO/ISO-NE/PJM	Yes
4	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Definition & treatment of Firm/nonfirm Transmission	Annual Plan Item 4cii moved from MOS	National	Undecided	No
103	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Transmission Service - Market participants require consistent treatment of transmission products across multiple control areas to reduce perceived market risk, scheduling confusion and uncertainty.		National	NAESB	In Northeast Power Markets Seams Action Plan
124	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Wide area dispatch and network resources to network loads - resource deliverability if not a firm network load		Regional	PJM/MISO	In PJM/MISO Congestion Management Proposal Whitepaper
141	Transmission Service	Transmission Market Standard Product Definitions and Priorities		Replacement of contract path with flow-based transmission service		Regional	Multiple	No
54	Transmission Service	Transmission Service Pricing	Discounting of Market Interface Transmission ATC	Transmission service charge discounting	Ability for TOs to discount TSC rates on external interfaces to selectively reduce export charges and encourage use of ties. The software exists, however, there does not appear to be any business incentives to exercise discounts.	Regional	NYISO/ ISO-NE	Northeast ISO
22	Transmission Service	Transmission Service Pricing	Market Interface Transmission Service Pancaking	Rate pancaking elimination	Being reviewed by PJM/MISO.	Regional	PJM/MISO	Yes
38	Transmission Service	Transmission Service Pricing	Market Interface Transmission Service Pancaking	Rate Pancaking	Charges to Market Participants who conduct business over more than one RTO. Reciprocal agreements needed to eliminate these charges. NYISO and ISO NE	Regional	NYISO/ISO-NE	Yes
105	Transmission Service	Transmission Service Pricing	Market Interface Transmission Service Pancaking	Export Charges (Pancaking) - Control-area specific export charges remove incentives to transact business when transaction margins are of the same magnitude or less than the prevailing export charges. Such charges include transmission and ancillary service components.		Regional	PJM/ NYISO/ ISO-NE	In Northeast Power Markets Seams Action Plan

Seams Issues Matrix

(As Adopted at JIC Meeting, Feb. 18-19, 2004)

Orig #	Category	1ST Sub-Category	2ND Sub-Category	Description of Seam Issue	Comments	Issue Type	Resp Org JIC	Currently Being Addressed
117	Transmission Service	Transmission Service Procurement	Common Reservation System for Market Interface Transmission ATC	Contract Tie Capacity - One Stop Shopping		Regional	NAESB	No
6	Transmission Service	Transmission Service Procurement	Common Western Interconnection Wide OASIS	Transmission Access	No transmission market one stop shopping available for the Western Interconnection - entities can't find needed information to efficiently conduct business on a preschedule or real-time basis. Solution: Common OASIS Site needed.	Regional	Undecided	Yes - Various Transmission Providers
89	Transmission Service	Transmission Service Procurement	Hour Ahead Transmission Service Market Standardization	Market Design - Day Ahead. Release of Unused Transmission Capacity after Close of DA Markets	How are boundary prices to be synchronized between RTO's if only one RTO has a hour ahead process? Is it necessary to align hour ahead markets? (Issue I.c.1)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
33	Transmission Service	Transmission Service Procurement	Intra-Hour Transmission Service Procurement	Standard for Purchasing of Intra-Hour Transmission	The ability to purchase transmission after the top of the hour when the transmission service is predetermined as available in prior hour.	National	NAESB	No
65	Transmission Service	Transmission Service Procurement	Long-Term Transmission Service for New Construction	Market Design - Prior to Day Ahead. Duration	To the extent that longer term transmission rights are needed for new construction, can agreement be reached to issue long term rights? (Issue I.a.6)	Regional	Western Interconect SSG-WI	SSG-WI, CMA Work Group
67	Transmission Service	Transmission Service Procurement	Secondary Transmission Service Market Standardization	Market Design - Prior to Day Ahead. Primary Release Mechanism	There seems to be agreement here that a secondary market would be outside the RTO. If the resulting secondary market is not westwide, will coordination be needed? (Issue I.a.8)	Regional	Multiple	SSG-WI, CMA Work Group
112	Transmission Service	Transmission Service Procurement	Transmission Service for ICAP Market	Long-term Transmission Service Availability to Support ICAP Transactions - Firm transmission reservation requirements to establish "Deliverability" as a requirement to buy external ICAP results in an economic advantage for internal suppliers and a barrier to market entry for external suppliers.		Regional	PJM/ NYISO/ ISO-NE	In Northeast Power Markets Seams Action Plan
28	Transmission Service	Transmission Service Settlement	Consolidate Multiple Market Transmission Service Settlement Statements	Multiple transmission service charge invoicing	Being reviewed by PJM/MISO.	National	NAESB	Yes
56	Transmission Service	Transmission Service Settlement	Consolidate Multiple Market Transmission Service Settlement Statements	Multiple transmission service charge invoicing	Companies that conduct business across Control Area borders are faced with receiving a TSC bill from each TO. A single charge should be provided to each transaction to the appropriate parties and revenues allocated to the TOs according to the appropriate usage formulas.	Regional	NYISO/ISO-NE	Northeast ISO

#	Reference Paper or Supporting Document Provided
A	“Profit-Enhancing Seam Management: A White Paper on Pricing The Unscheduled Flows of Electricity Across the Seams Between Utilities Using A Geographically Differentiated Auction of Inadvertent Interchange”, released 2001 March 25 (Mark Lively - Lively Utility).
B	"WOLF: Wide Open Load Following," A presentation to the NERC Market Interface Committee, 2002 September 4-5, Houston, Texas (Mark Lively - Lively Utility).
C	E-Mail by Mark Lively to NAESB WEQ Seams Subcommittee of 9/4/2003 8:28:10 PM Eastern Standard Time (Mark Lively - Lively Utility).
D	See the PJM/MISO JOA dated 8/5/03 (Linda Horn - WE Energies).
E	MISO - PJM Managing Congestion to Address Seam Paper, April 28, 2003 (Dave Nick - DTE Energy) (Ed. note: white paper updated Aug. 4, 2003).
F	*Intentionally Left Blank.*
G	Northeast ISOs Seams Resolution Report: History of Seam Issues Resolution (Jan. 15, 2003); and Ongoing Northeast ISOs "Seams" Projects, 2003-2004 (Jan. 14, 2003) (Joe Rossignoli - National Grid).
H	In Northeast Power Markets Seams Action Plan - October 9, 2002 and July 14, 2003, and July 3, 2003 timeline update (Jeff Mueller - PSEG).
I	Attachement A of MISO and PJM Reliability Plans (Jeff Mueller - PSEG).
J	MISO compliance filings in FERC Docket No. EL03-35-004 and in Whitepaper "Managing Congestion to Address Seams" PJM and MISO May 16, 2003 (Jeff Mueller - PSEG).
K	ATC's Attachment K (Jeff Mueller - PSEG).
L	M. Lively, Forcing Reserves to Compete with a Physical Market (2002) (Lou Oberski -- Dominion Energy).

Column Headings:

A **Original Number** - The number originally assigned the seam issue. Used to track each issue as it was categorized and re-categorized.

B **Category** - Seam issues are grouped into one of 8 categories:

1. Congestion Management
2. Market Design
3. Market Monitoring / Compliance
4. Market Standards
5. Planning
6. System Reliability
7. Transaction Scheduling
8. Transmission Service

C **1st Sub-Category** - The seam issues categories are further delineated into 1st sub-categories.

D **2nd Sub-Category** - The seam issue 1st sub-categories are even further delineated into 2nd sub-categories.

E **Description Of Seam Issue** - Brief description of the seams issue.

F **Comments** - Additional comments providing background or further definition of the seam issue.

***** **Association / Notes** - Identification of associated seam issues based on their Original Number. (Ed. Note: this column was eliminated once seams issues were categorized).

***** **Seam Interface Type** - Each seam interface has 2 acting parties. Here the market status relationship between the 2 acting parties are identified, e.g., RTO Market to RTO Market, RTO Market to Non-RTO Market, Non-RTO Market to Non-RTO Market. (Ed. Note: this column was eliminated once seams issues were categorized).

G **Resp Org Cobb** - Recommended assignment by Steven Cobb, Salt River Project.

H **Resp Org IRC** - Recommendd assignment by Karl Tammar, NYISO, as representative of the IRC.

I **Resp Org Mueller** - Recommeded assignment by Ken Brown and Jeff Mueller, PSEG.

J **Issue Type** - Categorization of seams issue as either "national" or "regional" in scope.

K **Responsible Organization** - The recommended organization to be assigned a seam issue by the NERC / NAESB / IRC Joint Interface Committee (JIC).

L **Region 1** - The RTO, ISO, or Non-RTO Market Region that is the 1st acting party to the seam issue is identified here.

M **Region 2** - The RTO, ISO, or Non-RTO Market Region that is the 2nd acting party to the seam issue is identified here.

N **Priority** - The organization assigned a seam by the NERC / NAESB / IRC Joint Interface Committee (JIC) will use this column to prioritize their efforts.

O **Seam Impediment Type** - Identification of what causes the seam issue, e.g., market rule, business practice, physical barrier.

P **Currently Being Addressed** - Identification of another body that is currently working on the seam issue.

Q **Submitter** - The name of the person and organization providing the matrix information.

R **Reference Papers** - If reference papers are provided to support the information, a letter is assigned to the document. The index of reference papers appears at the end of the matrix.

TAB 3

RETAIL GAS AND RETAIL ELECTRIC QUADRANTS REFERENCE MATERIALS

North American Energy Standards Board
1301 Fanin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD
2004 ANNUAL PLAN – RETAIL GAS QUADRANT[1]

	Item Number & Description	Completion[2]	Subcommittee Assignment
1	Billing & Payment Datasets and Models Develop datasets and models to support the Billing & Payment model business practices. Status: Pending, Discussion Underway	1st Qtr 2004	Customer Processes
2	Market Participant Interactions Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders). Status: Pending, Discussion Underway	1st Qtr. 2004	Supplier-Utility Interface
3	Customer Information Develop practices for exchanging customer information necessary for interactions prior to enrollment and billing, i.e., customer authorization procedures identifying types of customer information necessary for pre-enrollment activities, and methodologies for exchanging information.	3rd Qtr. 2004	Customer Processes
4	Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.	2nd Qtr. 2004	Supplier-Utility Interface
5	Customer Enrollment, Switching & Dropping Develop practices for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.	4th Qtr. 2004	Customer Processes
6	Examine Wholesale Gas Quadrant Non-EDM Standards Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.	4th Qtr. 2004	Supplier-Utility Interface
7	Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	2005	Customer Processes
8	Supplier Licensing Develop practices for licensing Suppliers with state utility commissions.	2005	Supplier-Utility Interface

[1] As outlined in the NAESB Bylaws, the RGQ will also address requests submitted by members and assigned to the RGQ through the Triage Process.

[2] Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 ANNUAL PLAN – RETAIL GAS QUADRANT[1]

	Item Number & Description	Completion[2]	Subcommittee Assignment
	Retail Gas Business Practice Inventory Task Force		
9	Inventory Existing Natural Gas Practices within States[3] Conduct inventory of existing natural gas practices in various states. Status: Underway		Retail Gas Business Practice Inventory Task Force
	Technical Electronic Implementation Subcommittee[4]		
10	TEIS Subcommittee Process Establish a subcommittee process for the processing of standards released by other quadrant subcommittees, including interfaces with other subcommittees (e.g. CPS, SUIS, Information Requirements (IR), etc), receipt of standards, completion of required inputs (e.g. data dictionaries, etc), and identification of required outputs (e.g. X12 standards, QEDM book components, etc). Status: Pending, Discussion Underway	1st Qtr. 2004	Technical Electronic Implementation
11	Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of item 1	2nd Qtr. 2004	Technical Electronic Implementation
12	Electronic Transport Work jointly with the WGQ EDM subcommittee and the RGQ TEIS subcommittee to establish standards for the NAESB Internet Electronic Transport. Status: Pending, Discussion Underway	2nd Qtr. 2004	Technical Electronic Implementation
13	Quadrant EDM Work jointly with the WGQ and RGQ to establish a common format for Quadrant-specific EDM (QEDM) Books. Status: Pending, Discussion Underway	2nd Qtr. 2004	Technical Electronic Implementation
14	Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5	4th Qtr. 2004	Technical Electronic Implementation
15	Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 3	2005	Technical Electronic Implementation

[3] This is an ongoing item designed to serve as a resource to other RGQ subcommittees.

[4] The TEIS is assigned the completion of any technical work forwarded to them by the business development subcommittees ideally one quarter after receipt of forwarded work.

	Gas-Electric Scheduling Activities		
16	Status Report on Gas-Electric scheduling coordination issues.	2nd Qtr. 2004	Gas-Electric Coordination TF
	Provisional Activities		
	Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).		
	"Energy Day" Standard - including assessment of changes to existing NAESB standards.		
	Program of Standards Maintenance & Fully Staffed Standards Work[5]		
	Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
	Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
	Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
	Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis
	Ongoing Development and Maintenance of Definitions	Ongoing	Glossary Subcommittee

5 This work is considered routine maintenance and thus the items are not separately numbered.

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT[1]

	Item Number & Description	Completion[2]	Assignment
1	Billing & Payment Datasets and Models Develop datasets and models to support the Billing & Payment model business practices. Status: Pending, Discussion Underway	1st Qtr 2004	Customer Processes
2	Market Participant Interactions Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders). Status: Pending, Discussion Underway	1st Qtr. 2004	Supplier-Utility Interface
3	Customer Information Develop practices for exchanging customer information necessary for interactions prior to enrollment and billing, i.e., customer authorization procedures, identifying types of customer information necessary for pre-enrollment activities, and methodologies for exchanging information.	3rd Qtr. 2004	Customer Processes
4	Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.	2nd Qtr. 2004	Supplier-Utility Interface
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6	Examine Wholesale Gas Quadrant Non-EDM Standards Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.	4th Qtr. 2004	Supplier-Utility Interface
7	Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	2005	Customer Processes
8	Supplier Licensing Develop practices for licensing Suppliers with state utility commissions.	2005	Supplier-Utility Interface

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NORTH AMERICAN ENERGY STANDARDS BOARD
2004 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT[1]

	Item Number & Description	Completion[2]	Assignment
9	Retail Meter Data Validation, Editing & Estimating Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, load profiling, settlement, etc. Issues related to unbundled or competitive metering are not to be considered.	2005	Supplier-Utility Interface
10	Load Profiling Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.	2005	Supplier-Utility Interface
11	Settlement Process Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.	2005	Supplier-Utility Interface
	Technical Electronic Implementation Subcommittee[3]		
12	TEIS Subcommittee Process Establish a subcommittee process for the processing of standards released by other quadrant subcommittees, including interfaces with other subcommittees (e.g. CPS, SUIS, Information Requirements (IR), etc), receipt of standards, completion of required inputs (e.g. data dictionaries, etc), and identification of required outputs (e.g. X12 standards, QEDM book components, etc). Status: Pending, Discussion Underway	1st Qtr. 2004	Technical Electronic Implementation
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16	Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5	4th Qtr. 2004	Technical Electronic Implementation
17	Technical Electronic Implementation Standards – Metering Status: Dependent on completion of Item 9	2005	Technical Electronic Implementation

[3] The TEIS is assigned the completion of any technical work forwarded to them by the business development subcommittees ideally one quarter after receipt of forwarded work.

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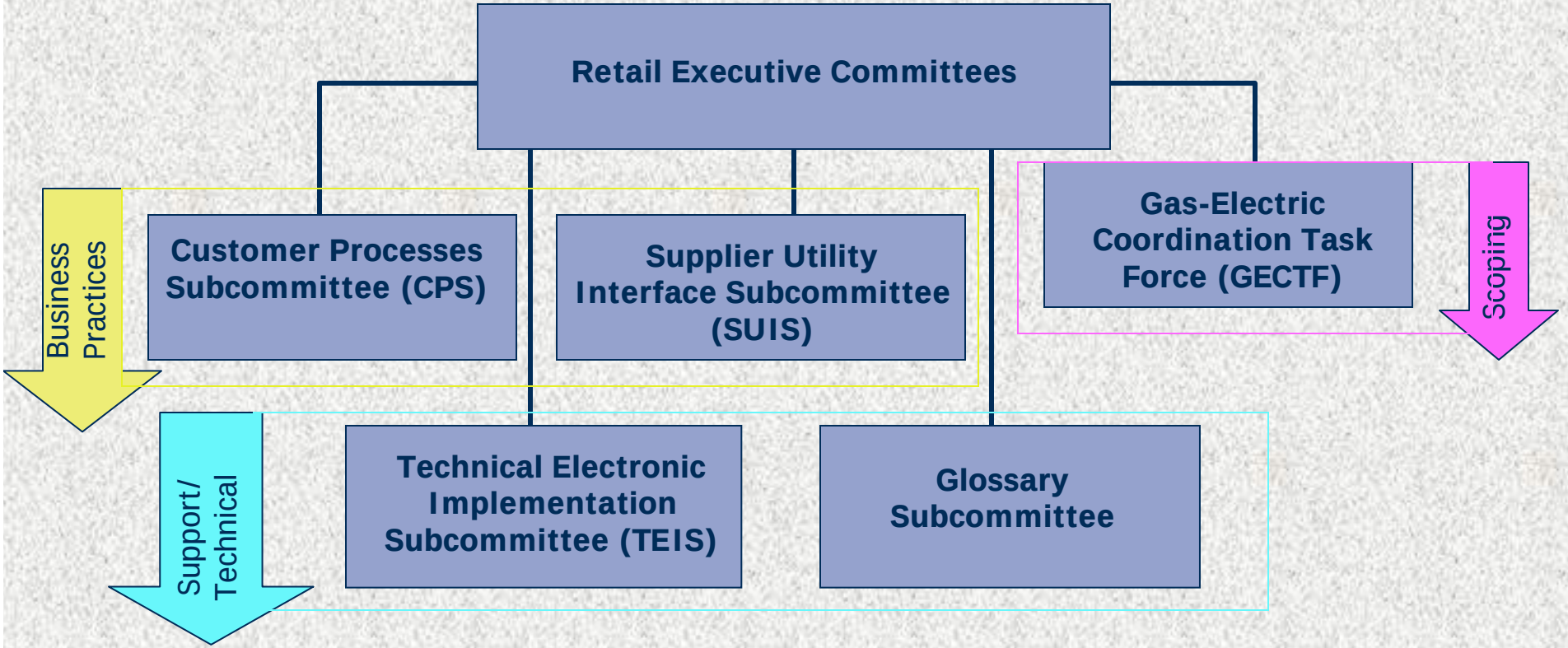
NORTH AMERICAN ENERGY STANDARDS BOARD
2004 ANNUAL PLAN – RETAIL ELECTRIC QUADRANT[1]

	Item Number & Description	Completion[2]	Assignment
18	Technical Electronic Implementation Standards – Load Profiling Status: Dependent on completion of Item 10	2005	Technical Electronic Implementation
19	Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 3	2005	Technical Electronic Implementation
	Gas-Electric Scheduling Activities		
20	Status Report on Gas-Electric scheduling coordination issues.	2nd Qtr. 2004	Gas-Electric Coordination TF
	Provisional Activities		
	Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).		
	"Energy Day" Standard - including assessment of changes to existing NAESB standards.		
	Program of Standards Maintenance & Fully Staffed Standards Work[4]		
	Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
	Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
	Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
	Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis
	Ongoing Development and Maintenance of Definitions	Ongoing	Glossary Subcommittee

4 This work is considered routine maintenance and thus the items are not separately numbered.

North American Energy Standards Board
Retail Quadrants Committee Structure

Subcommittee structure to address the workload identified in the annual plans:



TAB 4

PRESENTATION TO
NARUC GAS STAFF SUBCOMMITTEE
ON NEW RETAIL MODEL BUSINESS PRACTICES

North American Energy Standards Board

North American Energy Standards Board

NAESB Standards Development Activities

NARUC Gas Staff Subcommittee Presentation

March 2004

North American Energy Standards Board
NAESB Update

NAESB Update:

- A brief overview of our **organization profile**
- Our **retail annual plans** – the roadmaps for our activities, and where we are now on those plans for the retail markets
- **First ever model business practices** from the retail gas and retail electric quadrants – Creditworthiness and Supplier Billing & Payments

North American Energy Standards Board
Overview of the Wholesale Electric Quadrant

Organization Profile

Rae McQuade

NAESB Executive Director

North American Energy Standards Board
Quadrant Organization - Structure

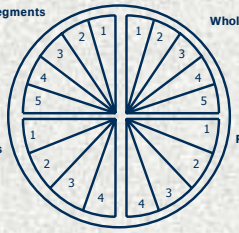
Organization by Quadrant and Segment

Wholesale Gas – 5 Segments

1. End Users
2. Local Distribution
3. Pipelines
4. Producers
5. Services

Wholesale Electric – 5 Segments

1. End Users
2. Distribution/LSE
3. Transmission
4. Generation
5. Marketers/Brokers



Retail Gas – 4 Segments

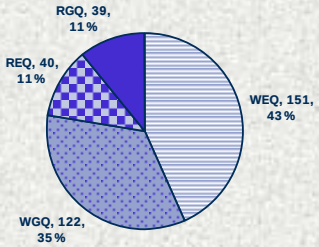
1. End Users
2. Distributors
3. Service Providers
4. Suppliers

Retail Electric – 4 Segments

1. End Users
2. Distributors
3. Service Providers
4. Suppliers

NAESB

North American Energy Standards Board
Membership Profile –2004



Membership Profile 2004

Total Membership

352

North American Energy Standards Board
Retail Annual Plans for 2004

Retail Annual Plans for 2004

Jim Buccigross

Chair, NAESB Executive Committee

North American Energy Standards Board
Standards Development and the Annual Plan

- What is an Annual Plan?
  - It is a roadmap of standards development activities for each quadrant to undertake
  - The annual plan includes high level topics for standards development and reflect requests from state and federal agencies
  - Quarterly progress is reported to the Board from the EC chair. This update is detailed in the Board minutes.
  - Each month, the annual plans and status of activities are reviewed by state commission staff and other government agency representatives in the monthly At A Glance calls

North American Energy Standards Board
Standards Development and the Annual Plan

- How does the Annual Plan Support Standards Development?
  - All standards development is based on an Annual Plan item
  - The committee structure supports the items within the annual plan
  - Any new requests for standards development must be considered with the annual plan. If the request is determined to be active, then it must be included on the annual plan.
  - The plan is thereby used as a resource management tool by the Board.

North American Energy Standards Board
Annual Plan Roadmap for Retail Quadrants – Joint Efforts

- Joint Activities
  - Almost all efforts for the retail gas and electric quadrants are performed jointly
  - The subcommittees meet jointly and indeed have the same structure
  - While it is feasible to have separate retail standards, so far the body of work has been developed jointly and is commodity neutral
  - The subcommittees used as their initial platform the work done by the Coalition of Uniform Business Rules
  - The retail annual plans are extensive and cover multi-year efforts

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2004 Items

- **Billing & Payment Datasets and Models**
  - Develop datasets and models to support the Billing & Payment model business practices.
- **Market Participant Interactions**
  - Develop model practices to support interactions between Distribution Companies and/or registration agents and Suppliers, such as supplier registration processes, governing documents, and roles and obligations of both Distribution Company and/or registration agent and Supplier (e.g. content and framework of governing documents or orders).

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2004 Items

- **Customer Usage Information**
  - Develop practices for exchanging and retaining customer usage information.
  - Develop practices for the release, collection, exchange and maintenance of customer information between and among market participants, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information.
  - Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2004 Items

- **Distribution Company – Supplier Disputes**
  - Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.
- **Customer Enrollment, Switching & Dropping**
  - Develop practices for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.
- **Examine Wholesale Gas Quadrant Non-EDM Standards**
  - Review NAESB Wholesale Gas Quadrant Non-EDM manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Quadrants.

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2004 Items

- **TEIS Subcommittee Process**
  - Establish a subcommittee process for the processing of standards released by other quadrant subcommittees, including interfaces with other subcommittees (e.g. CPS, SUIS, Information Requirements (IR), etc), receipt of standards, completion of required inputs (e.g. data dictionaries, etc), and identification of required outputs (e.g. X12 standards, QEDM book components, etc).
- **Technical Electronic Implementation Standards**
  - Billing & Payments
  - Customer Enrollment and Switching
  - Customer Information

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2004 Items

- **Quadrant EDM**
  - Work jointly with the retail quadrants and the wholesale gas quadrant to establish a common format for Quadrant-specific EDM (QEDM) Books.
- **Electronic Transport**
  - Work jointly with the WGQ EDM subcommittee and the RGQ TEIS subcommittee to establish standards for the NAESB Internet Electronic Transport

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2005 Items

- **Customer Inquiries**
  - Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.
- **Supplier Licensing**
  - Develop practices for licensing Suppliers with state utility commissions.
- **Retail Meter Data Validation, Editing & Estimating**
  - Develop procedures for insuring the integrity and validity of retail customer metering data that is needed by utilities and suppliers for billing, load profiling, settlement, etc. Issues related to unbundled or competitive metering are not to be considered.

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Annual Plan Roadmap for Retail Quadrants – 2005 Items

- **Load Profiling**
  - Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.
- **Settlement Process**
  - Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.
- **Technical Electronic Implementation Standards**
  - Metering
  - Load Profiling

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – Gas Only

- **Inventory Existing Natural Gas Practices within States**
  - Conduct inventory of existing natural gas practices in various states.
  - This is an ongoing effort and significant documentation has been compiled and used as business practices are drafted.
  - The inventory can be accessed from the NAESB web site.

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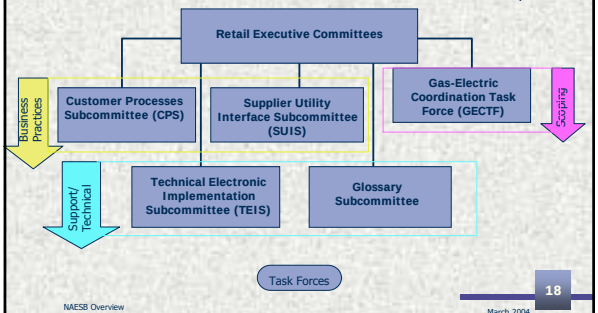
Retail Quadrants Committee Structure

Subcommittee structure to address the workload identified in the annual plans:



Retail Model Business Practices Characterization

Ruth Kiselewich

Chair, Retail Electric Quadrant EC

Mike Novak

Chair, Retail Gas Quadrant EC

- **Characterizing MBPs:**
  - These Model Business Practices are voluntary and do not address policy issues that are the subject of state legislation or regulatory decisions.
  - They have been adopted with the realization that as the industry evolves, additional and amended Model Business Practices may be necessary.
  - It is important to note that our industry is looking forward to gaining experience by using these model business practices and that they may change as we work within them.
  - As such, we consider them a "work in progress" and are a perfect fit for the voluntary nature of our work.
  - Creditworthiness, and Billing and Payment MBPs are commodity neutral.

- **Characterizing MBPs:**
  - **Any industry participant seeking additional or amended Model Business Practices (including principles, definitions, data elements, process descriptions, and technical implementation instructions) should submit a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the Model Business Practices.**
  - **The changes would be processed as described earlier in this presentation so that these practices can evolve to meet market demands.**
  - **Model Business Practices are guidelines that the industry will find helpful in their transactions.**

Retail Model Business Practices for Creditworthiness

First Retail MBP, Adopted Nov. 24, 2003

Ruth Kiselewich

Chair, Retail Electric Quadrant EC

The business purpose for the Creditworthiness Model Business Practices is:

- To facilitate the establishment of working relationships between Distribution Companies and Suppliers to enable them to serve retail access Customers.
- The practices do so by presenting a consistent process for establishing credit between the parties in the context of serving retail access Customers

- **The components of the Creditworthiness Model Business Practices are:**
  - Determination of Risk Exposure
  - Determination of Initial Credit Limit
  - Reconsideration of Determination of Credit Limit
  - Disqualification/Remedies
  - Security Instruments
  - Calling on Security
  - Confidentiality
- **44 Creditworthiness Model Business Practices in all.**

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Retail Model Business Practices - Creditworthiness

- The procedures and processes described in these Model Business Practices apply to credit risks existing between a Supplier and a Distribution Company in the course of serving retail access Customers, including one or more of the following:
- Risks associated with one party voluntarily (i.e., not when required by the Applicable Regulatory Authority) doing the billing and receiving payments for the other party when Consolidated Billing is utilized;
- Risks associated with the Supplier's purchase of distribution services for resale to its Customers under Single Retail Supplier Billing;
- Risks associated with the Distribution Company being the party that provides replacement energy when a Supplier defaults; and
- Risks associated with receiving payment for other services one party provides another.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- The Supplier Utility Interface Subcommittee met in fifteen separate meetings beginning on August 5, 2002 and concluding on August 11, 2003 to draft these model business practices.
- The meeting minutes, work papers, discussion and voting records of these meetings are posted on the NAESB web site.
- The Executive Committee voted on October 8 to support these model business practices with a unanimous vote in favor. The retail membership voted unanimously to ratify the model business practices.
- The meeting minutes, work papers, discussion and voting records of the Executive Committee meeting is posted on the NAESB web site, which includes the industry comments submitted regarding these practices. Transcripts of the meeting are also available

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Retail Model Business Practices - Creditworthiness

- **Principles**
  - Creditworthiness procedures should be efficient to minimize the time and effort required by the parties to start and/or maintain a working relationship.
  - General information concerning the evaluation process and methodology for determining credit limits and risk exposure should be reflected in one or more of the applicable Governing Documents.
  - The procedures and criteria used to perform a re-evaluation of creditworthiness should be the same as used for the initial determination.
  - The definition of a Business Day should be defined in the Governing Documents and should be made publicly available, as appropriate.

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Retail Model Business Practices - Creditworthiness

- **Definitions For:**

Applicable Regulatory Authority • Applicant • Billing Party • Business Day • Cash Deposit • Certificate of Authority • Challenge • Confidential Information •Consolidated Billing • Credit Application Form • Creditor • Cure Period • Customer • Distribution Company • Dual Billing • Event-driven Reconsideration • Governing Documents • Guarantor • Guaranty • Letter of Credit • Material Change • Non-Billing Party • Pay As You Get Paid • Prepayment • Security Interest in Collateral • Single Retail Supplier Billing • Supplier • Surety Bond • Switch Request

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Retail Model Business Practices - Creditworthiness

- **Overall Proposed Model Business Practices**
  - Either the Supplier or the Distribution Company may take on the role of Applicant or Creditor.
  - The Applicant should provide the Creditor with the telephone number, e-mail address, facsimile number and mailing address of up to two authorized representatives who are designated to receive creditworthiness communications. The Creditor should provide comparable information to the Applicant. Both the Applicant and the Creditor should promptly notify the other party of any changes in this information. Both parties should manage internal distribution of communications that are received.
  - General information concerning the evaluation process and methodology for calculating credit exposure for various risks should be publicly available so that Applicants have access to the requirements prior to making their application.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Determination of Risk Exposure**
  - The credit exposure should be based on the dollar amount determined to be at risk and the period of time during which it remains at risk.
  - The same criteria and methodology for calculating credit exposure should be used for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the risks associated with providing replacement energy when a Supplier defaults.
  - Specific methodologies should be developed, where applicable, for each of the major types of risks that incorporate the dollar amount at risk and the period of time it remains at risk. Issues are noted for risks associated with consolidated billing, with the Distribution Company providing replacement energy when a Supplier defaults, and for services one party provides to another.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Determination of Initial Credit Limit (13 model practices)**
  - The initial credit determination, including credit limits, should be established using the same criteria and methodology for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults. The Creditor may consider other exposure from the Applicant beyond the specific credit limit being requested.
  - Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy, or other Governing Documents, and may include both secured and unsecured components.
  - The Creditor should make available to all Applicants a Credit Application Form that includes a list of required supporting financial documents.
  - The Applicant should submit to the Creditor the completed Credit Application Form and one set of the required supporting financial documents.
  - The Applicant should submit the Credit Application Form and supporting documents using a method that verifies that delivery took place, such as requiring a signature or requesting a return receipt.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Determination of Initial Credit Limit - timelines**
  - Timelines for processing a creditworthiness evaluation should begin when the Credit Application Form, complete with all required supporting documents, is received by the Creditor.
  - The Creditor should evaluate the Applicant's Credit Application Form and all supporting financial documents for completeness and notify the Applicant of any missing elements within five (5) Business Days of receipt. Such notification should be in writing and specify the elements needed to complete the application. The notice should be delivered by overnight delivery, facsimile, or e-mail. The creditworthiness evaluation process timelines will be re-started when the Creditor receives the missing elements.
  - The Creditor should complete the creditworthiness evaluation within ten (10) Business Days of receipt of all required documents.
  - The Creditor should provide the results of the creditworthiness evaluation to the Applicant in writing within five (5) Business Days of completing the evaluation. The results should be delivered by overnight delivery, facsimile, or e-mail. The notice should include the rationale for the determination of the risk exposure and credit limits.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Determination of Initial Credit Limit – Information Lists**
  - Supporting financial documents may include: the two most recent annual reports;
  - Most recent SEC Form 10-K and 10-Q and any independent auditor's letter to management or, if SEC Form 10-K is unavailable, substitute audited annual financial information (including a balance sheet, income statement, cash flow statement with notes, and any independent auditor's letter to management);
  - Most recent quarterly or monthly financial information (including a balance sheet, income statement, and cash flow statement with notes) accompanied by all attestations required by the SEC that the information submitted is true, correct and a fair representation of Applicant's financial condition; and
  - For private companies the year-end financials should be independently audited by a licensed Certified Public Accountant and include any notes to the financial statements and debt schedules. These documents should be accompanied by an attestation by the chief executive officer, chief financial officer or the owner that the information submitted is true, correct and a fair representation of Applicant's current financial condition.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Determination of Initial Credit Limit – Guaranty**
  - There are also guidelines for information to be provided when the creditworthiness requirement is being met through a Guaranty.
  - PARENTAL GUARANTY: Certificate of Authority of the individual signing the contract and/or ancillary documents; and Board resolution or bylaws demonstrating that the Guarantor can guarantee this type of transaction for the Applicant.
  - THIRD PARTY GUARANTY: Certificate of Authority of the individual signing the contract and/or ancillary documents; Board resolution or bylaws demonstrating that the Guarantor can guarantee this type of transaction for the Applicant; and Agency agreement, acceptable to the Creditor, that ties the Guarantor to the Applicant.
  - FOREIGN GUARANTOR: Certificate of Authority of the individual signing the contract and/or ancillary documents; Board resolution, or equivalent (e.g., Articles of Association/Organization), with a copy of the bylaws demonstrating that the Guarantor has the authority to enter into such a Guaranty; and Legal opinion that states a judgment for the Creditor would be enforceable in the country of the Guarantor .

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Reconsideration of Determination of Credit Limit:**
  - An Applicant should be granted an opportunity to challenge a credit limit determination. The Challenge should be submitted within thirty (30) calendar days of receiving the written notification of the credit limit determination.
  - The Creditor should respond to a timely Challenge within five (5) Business Days of receipt by providing the rationale for its determination. The Creditor should also review with the Applicant the data used as input to ensure there were no errors or missing data that impacted the result. If there were material errors or omissions, the Creditor should re-evaluate the Applicant's creditworthiness within ten (10) Business Days of receipt of corrected information.
  - If the Applicant remains dissatisfied with the outcome of the creditworthiness evaluation by a Creditor who is regulated, it may elevate its Challenge to the Applicable Regulatory Authority.
  - An Applicant should notify the Creditor of any adverse Material Change in its financial condition within three (3) Business Days of such change.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Reconsideration of Determination of Credit Limit:**
  - A Creditor may periodically re-evaluate the creditworthiness of an Applicant and also when it becomes aware of an adverse Material Change in the Applicant's financial condition.
  - An Applicant may request an Event-Driven Reconsideration when there has been a favorable Material Change in its financial status, such as an upgrading by a major bond rating agency.
  - In addition to Event-Driven Reconsiderations, an Applicant may request a re-evaluation of its creditworthiness no more than once every twelve months

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Disqualification / Remedies**
  - Whenever the Creditor's risk exposure exceeds the amount covered by the Applicant's security arrangements, the Creditor may require additional security appropriate to the amount of additional risk exposure.
  - Whenever the Creditor's risk exposure becomes less than the amount covered by the Applicant's security arrangements, the Creditor should comply with the Applicant's request for a reduction in the security held, appropriate to the amount of risk exposure.
  - Requests for security, additional security or reduction of security should be in writing and delivered by overnight delivery, facsimile, or e-mail.
  - When the Applicant is a Supplier and it can partially, but not fully, meet a request for security in the time period specified in the appropriate Governing Documents, it can avoid disqualification by reducing the risk exposure it presents to the Distribution Company to an amount commensurate with the amount of security tendered.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Disqualification / Remedies**
  - When a Creditor requests security and the required security is not tendered within the period specified in the appropriate Governing Documents, the Creditor may begin taking actions to reduce its exposure, as allowed under the Governing Documents, including, but not limited to:
    - (If the Applicant is a Supplier) Cease processing any Switch Requests that add to the Customers served by the Applicant;
    - Moving any of the Applicant's Customers currently on Applicant Consolidated Billing to Dual Billing, effective on the Customer's next normally scheduled bill;
    - Reducing the sales of any other products or services the Creditor may have been making to the Applicant until the credit exposure no longer exceeds the Applicant's credit limit; and/or
    - Taking remedial action, including disqualification of the Applicant, as allowed by the Applicable Regulatory Authority.

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Retail Model Business Practices - Creditworthiness

- **Security Instruments**
  - Creditors should offer the option of one or more of the following forms of secured credit to those Applicants who do not qualify for sufficient unsecured credit for the risks that they present.
    - Cash Deposit
    - Guaranty
    - Letter of Credit
    - Prepayment
    - Security Interest in Collateral
    - Surety Bonds
  - Such forms of secured credit should be acceptable to the Creditor and the Creditor's acceptance should not be unreasonably withheld. The Creditor and Applicant may mutually agree that the Applicant will provide other forms of security.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Calling on Security**
  - The Creditor may call upon the security posted by the Applicant as specified in applicable agreements or tariffs, or after all of the following occur: Written notice of default is provided to the Applicant; and Payment or other action to cure the default is not made within the Cure Period.
  - The same criteria and methodology for establishing the appropriate length of the Cure Period should be used for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or an entity acting as the party that provides replacement energy when a Supplier defaults.
  - The Creditor may call upon the security posted by the Applicant without prior notice if the Applicant files a petition for bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Applicant).
  - A Distribution Company acting as the Creditor may immediately call upon the security posted by the Applicant (that is a Supplier) without prior notice if the Applicant for any reason ceases to provide energy service to all of its Customers within the Distribution Company's service territory (i.e. the Supplier has effectively withdrawn from the market).

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Confidentiality**
  - The Confidential Information provided to the Creditor in the creditworthiness evaluation process should be used only for the purpose of establishing the Applicant's financial status in order to enable the parties to enter into contracts for the products/services to be provided. The Confidential Information should not be publicly disclosed, except as required by the Applicable Regulatory Authority.
  - When entering into the creditworthiness evaluation process the Applicant and the Creditor should execute a non-disclosure agreement, if requested by the Applicant, unless non-disclosure is provided for within other Governing Documents.
  - Conditions under which a Creditor may disclose Confidential Information to a third party should be covered in a non-disclosure agreement or other Governing Documents.

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Retail Model Business Practices – Billing & Payments

Retail Model Business Practices for Supplier Billing and Payment

Second Retail MBP, Adopted March 1, 2004

Mike Novak

Chair, Retail Gas Quadrant EC

North American Energy Standards Board

Retail Model Business Practices – Billing & Payments

- **The model business practices for billing and payments in a retail access environment include:**
  - calculating billable charges;
  - printing and distributing the bill;
  - posting payments; and,
  - remittance practices.
- **Interactions include** the transfer of data necessary to accurately bill and process payments received from the Customer for energy, transmission/transportation and distribution related charges**.**
- In a business environment where best practices are voluntary, model business practices should be applied within the context of regulatory requirements and agreements between the parties documented in a **Billing Services Agreement.**

North American Energy Standards Board

Retail Model Business Practices – Billing & Payments

- The Customer Processes Subcommittee held 16 meetings to draft these model business practices for Supplier Billing and Payments beginning in August 2002 and concluding in October 2003 .
- The minutes, work papers, discussion and voting records from these meetings are posted on the NAESB web site.
- The Executive Committee met in December 2003 and unanimously voted to support the recommended model business practices. The practices were ratified by the retail membership on February 28, 2004.
- The transcripts of the Executive Committee meeting are available, and the minutes, voting record and work papers from the meeting are posted on the NAESB web site, which includes the comments forwarded from the industry comment period on these model business practices.

North American Energy Standards Board

Retail Model Business Practices - Billing & Payments

- **65 Billing and Payments Model Business Practices in all.**
- **There are three billing options:**
  - Dual Billing,
  - Consolidated Billing, and
  - Single Retail Supplier Billing**.**
- **Alternative payment processing methods exist for the Consolidated Billing option based upon various cash posting sequences. The two methods are :**
  - "Assumption of Receivables" and
  - "Pay As You Get Paid."

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Definitions for the Billing and Payments Model Business Practices include:**

Applicable Regulatory Authority • Assumption of Receivables • Bill Ready • Billing Party • Billing Services Agreement • Business Day • Consolidated Billing • Customer • Distribution Company • Dual Billing • Governing Documents • In Dispute • Non-Billing Party • Pay As You Get Paid • Rate Code • Rate Ready • Service Delivery Point • Single Retail Supplier Billing • Supplier • Uniform Electronic Transaction

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **General Model Business Practices:**

The Supplier may elect to offer its Customers one or more of the billing options that are available in the Distribution Company's territory.

Both Distribution Company and Supplier should be approved, certified or licensed, to the extent required by the Applicable Regulatory Authority and demonstrate the technical capability to exchange information electronically using Uniform Electronic Transactions and to meet the operational time frames which have been defined to support the billing options required.

The Supplier should provide adequate advance notice to the Distribution Company if it plans to implement another available, approved billing option. Such option should not become operational until proof of successful data interchange is demonstrated to the satisfaction of both parties and all requirements are met.

When making changes to its billing or payment systems that may affect electronic data interchange, the Supplier or Distribution Company making those changes should provide advance notice to the other party prior to implementation.

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **General Model Business Practices:**

Required metering data that are necessary to fulfill billing responsibilities should be made available to all appropriate party(s) via Uniform Electronic Transactions.

Applicable state and local taxes will be calculated, collected, and remitted in accordance with state statutes and local government ordinances.

The cancel and re-bill process should be clear and reproducible, and be communicated to all affected parties.

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Dual Billing Model Business Practices:**

The Distribution Company and the Supplier each acts as a Billing Party and should independently produce and render separate bills directly to the Customer in accordance with the requirements set by the Applicable Regulatory Authority.

The Customer should make two separate payments; one to the Distribution Company and one to the Supplier.

When meter usage is cancelled: usage for all applicable periods should be cancelled by metering period; and the usage sent in the cancellation transaction should match the usage sent in the original transaction.

When meter usage is restated: usage for all applicable periods should be restated by metering period; and unless there has been a product or rate change, the restated usage transaction should be sent at the same level of detail as the original usage transaction.

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Consolidated Billing Model Business Practices:**

Either the Distribution Company or Supplier should assume the role of either Billing Party or Non-Billing Party provided that applicable regulatory or legal criteria are met.

The Billing Party and Non-Billing Party should execute a Billing Services Agreement. The responsibilities of the parties, performance parameters, financial arrangements and other details associated with payment processing and remittance should be set forth in the Billing Services Agreement.

The Billing Party should render a consolidated bill in accordance with the requirements set by the Applicable Regulatory Authority and any agreements set forth in the Billing Services Agreement.

When the Supplier is the Billing Party it should be responsible for delivering to Customers bill enclosures or bill messages containing Non-Billing Party related information that is mandated by the Applicable Regulatory Authority.

When a consolidated bill is rendered there should be one Customer payment due date

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Consolidated Billing Model Business Practices for Bill Ready Practices:**

Model business practices are in place for bill ready billing including:

- How parties should receive the billing information including timelines
- How acknowledgements should be sent
- What happens if the information cannot be processed
- How the on-billing party information should be processed
- How rejections should be treated, including canceling a bill ready consolidated bill
- Who are the responsible parties for late charges
- How notification takes places for late payment charges

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Consolidated Billing Model Business Practices for Rate Ready Practices:**

Model business practices are in place for rate ready billing including:

- Establishment of new rate codes and price changes
- Notification to non-billing party that its customers have been billed
- Cancellation of rate ready consolidated bills
- Re-billing rate ready consolidated bills
- Calculation of late charges by the billing party on behalf of the non-billing party

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Single Retailer Supplier Billing Model Business Practices:**

Model business practices are in place for single retailer supplier billing including:

- Procedures for when meter usage is cancelled and restated
- Use of estimated readings when suppliers do not have actual meter readings.
- Information to be specified on the invoice
- Adjustments to the invoice due to estimated reads or errors
- Changes to the billing and payment practices by the supplier
- Treatment of charges other than usage-based charges

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Payment Processing :**

The model business practices for payments address:

- Payment Processing for consolidated billing including when payment is not received for undisputed charges, the timing for treatment of charges in dispute, payment when some of the charges are in dispute and others are not, and changes in billing parties.
- Assumption of receivables for consolidated billing including uncollectible revenues, creditworthiness criteria, remittance of funds, timing of payment for undisputed charges, rejection of enrollment transactions, conversion of customers, and treatment of payment of disputed charges.
- Payment Processing for consolidated payments for pay as you get paid include processing and posting of funds, remittance of funds, payment reversing and treatment of arrears.
- Payment processing for single retail supplier billing notifications for specific payments to be made, remittance of funds, notification of interest or fees for late payment of undisputed charges.

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **Billing Services Agreement:**
  - Outline is provided for billing Services Agreement for Consolidated Billing
  - The outline provides market participants with a framework from which to create a jurisdiction specific agreement based on structure, rules and Governing Documents of the jurisdiction.
  - This outline is not intended to be a formal, legal document that dictates the terms and conditions of the contractual relationship between the Distribution Company and the Supplier where one is the Billing Party and the other is the Non-Billing Party.
  - Terms of the executed Billing Services Agreement will be legally binding on the parties and will reflect the structure of a particular retail market.

North American Energy Standards Board
Summary

Summary

North American Energy Standards Board
Summary

- **We need your help to:**
  - Let your constituents know that these work products are available for use
  - Let us know if we have missed areas that should be addressed
  - Publicize that this is a work in progress – and it can be changed to address other market models
  - Urge your constituents to participate in our efforts to draft model business practices – the more participation we have, the better our work products will be.

How to Participate

- Join the distribution lists on the NAESB Web Site : www.naesb.org
- All meetings are open and accessible via telephone
- All materials are posted on the NAESB web site
- Your comments are welcome and will be posted on any NAESB standards issues
- If you are not a member, but are interested in membership, please call the NAESB Office: 713-356-0060

How to Find Out More Information

- Web Site : www.naesb.org
  - Quadrant Procedures, Bylaws, Certificate for NAESB
  - Calendar of Meetings, Agendas, Work Papers, Comments
  - Board minutes, EC Minutes, How to order Transcripts
  - Standards and Related Work Products
  - Membership Information
- Contact Information
  - Phone – 713-356-0060
  - Fax – 713-356-0067
  - Email – naesb@naesb.org
  - For further information on the organization, please contact Veronica Thomason (713-356-0060, naesb@naesb.org)

TAB 5

PRESENTATION TO
NARUC GAS COMMITTEE
ON NEW RETAIL MODEL BUSINESS PRACTICES

North American Energy Standards Board

North American Energy Standards Board

NAESB Standards Development Activities

March 2004

North American Energy Standards Board
NAESB Update

NAESB Update:

- A brief overview of our **organization profile**
- Highlights from **our process** for developing standards and model business practices
- Our **annual plans** – the roadmaps for our activities, and where we are now on those plans – concentrating more on the retail activities
- **First ever model business practices** from the retail gas and retail electric quadrants

North American Energy Standards Board
Overview of the Wholesale Electric Quadrant

Organization Profile

Leonard Haynes

Chair, NAESB Board of Directors

North American Energy Standards Board
Quadrant Organization - Structure

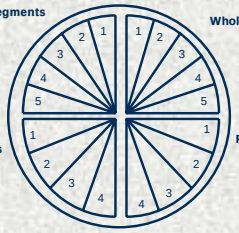
Organization by Quadrant and Segment

Wholesale Gas – 5 Segments

1. End Users
2. Local Distribution
3. Pipelines
4. Producers
5. Services

Wholesale Electric – 5 Segments

1. End Users
2. Distribution/LSE
3. Transmission
4. Generation
5. Marketers/Brokers



Retail Gas – 4 Segments

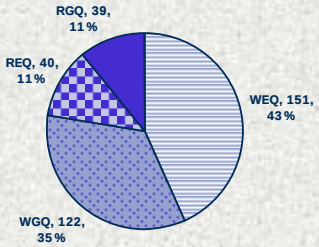
1. End Users
2. Distributors
3. Service Providers
4. Suppliers

Retail Electric – 4 Segments

1. End Users
2. Distributors
3. Service Providers
4. Suppliers

NAESB

North American Energy Standards Board
Membership Profile –2004



Membership Profile 2004

Total Membership

352

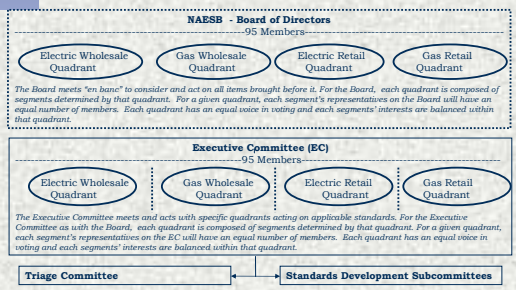
North American Energy Standards Board
Governing Bodies

Two Governing Bodies with identical structures –

Board of Directors – strategic direction, financial well being, annual planning for standards development, coordination of activities with other groups

Executive Committee – Carries out the annual plan, develops and maintains the standards and business practices through its subcommittees and task forces

North American Energy Standards Board
Structure



North American Energy Standards Board
Governance and Autonomy of Quadrants

Whole Organization

- Follows founding principles
- Follows Voting Requirements
- Process for Developing Standards

Quadrant Specific Governance

- Determines Segment Makeup
- Sets own pace for standards development
- Determines which standards apply to them

North American Energy Standards Board
Standards and Model Business Practices Development

Process for Developing Standards and Model Business Practices

North American Energy Standards Board

Standards and Model Business Practices Development

Standards Development Process

- The process begins with a request – which can come from a member, an interested industry participant, a government agency or commission, an ISO or RTO, or a NAESB subcommittee.
- The process followed is ANSI accredited -- ANSI accredits organizations as Standards Development Organizations ("SDO") based on their adherence to ANSI's cardinal principles of standards-setting.
- The process is open and any interested party can participate and contribute to the standards development regardless of membership in NAESB.

North American Energy Standards Board

Standards and Model Business Practices Development

ANSI Principles of Standards Development

- Open. Any materially affected and interested party has the ability to participate.
- Balance and Lack of Dominance. The consensus body shall be balanced and shall not be dominated by any single interest category or organization.
- Due Process. All objections shall have an attempt made towards their resolution. Interests who believe they have been treated unfairly shall have a right to appeal.
- Consensus. More than a majority but not necessarily unanimity.
- Voluntary. Standards are not binding unless adopted by a governmental entity as part of a code or set of regulations.

North American Energy Standards Board

Standards and Model Business Practices Development

Voluntary Standards

- From the organization's perspective, all standards are voluntary and may be provided to regulatory agencies as status reports as they are published.
- Regulatory agencies may choose to adopt standards or model business practices, but NAESB will not advocate such action.
- The organization will not monitor for compliance, provide performance measures for compliance, nor will it define sanctions for non-compliance.
- The organization will not advocate before any regulatory body.

North American Energy Standards Board

Standards and Model Business Practices Development

- **Relationship of NAESB Standards and Model Business Practices to Policy**
  - NAESB does not set policy.
  - We defer to state and federal agencies in determining policy.
  - Our work products are intended to focus on the implementation of policy decisions by providing a road map for the interactions between the various parties.
  - Our standards and model business practices recommend practices for alternative regulatory models but leave the decision as to the appropriate policy or model to the regulators.

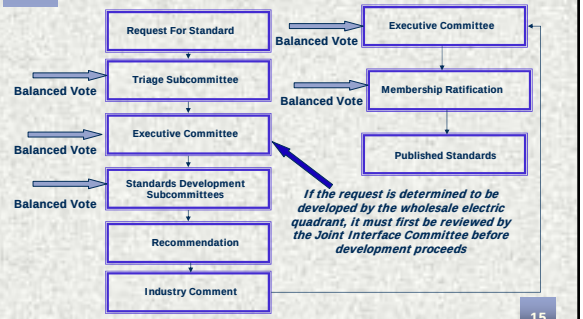
North American Energy Standards Board

Standards and Model Business Practices Development

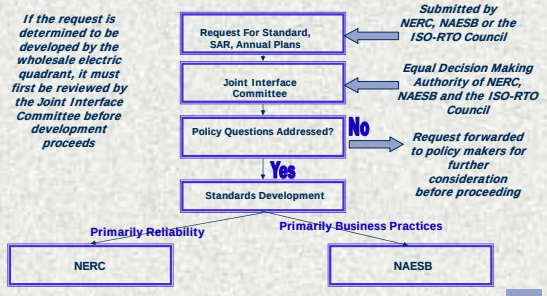
- **Scope of work that we can undertake to develop standards and model business practices**
  - NAESB's scope is cited in the NAESB Certificate (Article 2, section 1):
  - "The objects and purposes of NAESB are to propose and adopt voluntary standards and model business practices designed to promote 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."

North American Energy Standards Board

A "Day in the Life" of a Standard



North American Energy Standards Board
Wholesale Electric Quadrant - The Joint Interface Committee



North American Energy Standards Board
Standards and Model Business Practices Development

Annual Plans for 2004 and where we are in the efforts

Rae McQuade

NAESB Executive Director

North American Energy Standards Board
Standards Development and the Annual Plan

- What is an Annual Plan?
  - It is a roadmap of standards development activities for each quadrant to undertake
  - The four plans (one for each quadrant) include high level topics for standards development and reflect requests from state and federal agencies
  - Quarterly progress is reported to the Board from the EC chair. This update is detailed in the Board minutes.
  - Each month, the annual plans and status of activities are reviewed by state commission staff and other government agency representatives in the monthly At A Glance calls

North American Energy Standards Board

Standards Development and the Annual Plan

- How does the Annual Plan Support Standards Development?
  - All standards development is based on an Annual Plan item
  - The committee structure supports the items within the annual plan
  - Any new requests for standards development must be considered with the annual plan. If the request is determined to be active, then it must be included on the annual plan.
  - The plan is thereby used as a resource management tool by the Board.

North American Energy Standards Board

Annual Plan Roadmap for Wholesale Electric Quadrant

Wholesale Electric Annual Plan for 2004

4 Major Areas of Development

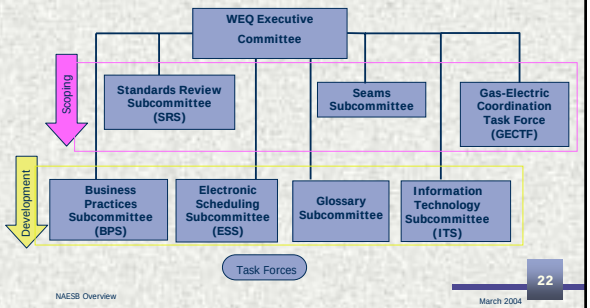
North American Energy Standards Board

Annual Plan Roadmap for Wholesale Electric Quadrant

- **Area 1:** We are proceeding to evaluate and scope possible business practices standards as needed to complement new reliability standards.
- **Area 2:** We are also evaluating and developing business practices standards for OASIS and Electronic Scheduling
- **Area 3:** Develop business practices standards to Improve the Current Operation of the Wholesale Electric Market
- **Area 4:** Work with the Wholesale Gas Quadrant to investigate more flexible and additional intraday nomination periods to better support the electric industry

North American Energy Standards Board
Wholesale Electric Quadrant Committee Structure

Subcommittee structure to address the workload identified in the annual plan:



North American Energy Standards Board
Annual Plan Roadmap for Wholesale Gas Quadrant

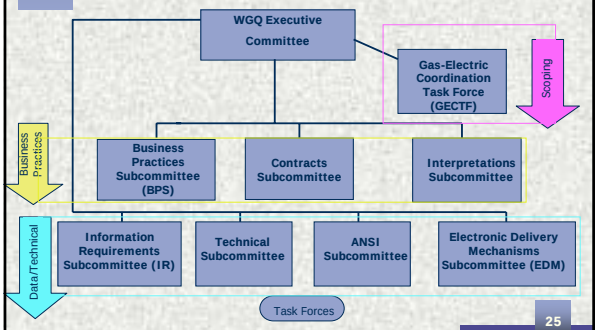
Wholesale Gas Annual Plan for 2004

Primarily Maintenance and Technical Activities

North American Energy Standards Board
Annual Plan Roadmap for Wholesale Gas Quadrant

- **Area 1: Status Report on Gas-Electric Scheduling Coordination Issues**
- **Area 2: Review and develop necessary standards for FERC Order 2004 (Affiliate Order).**
- **Area 3: Electronic Delivery Mechanisms and Related Activities**
- **Gas Quality Standards?**
  - There are no areas of standards development in the WGQ 2004 Annual Plan regarding gas quality.
  - We have recently reviewed a request from Florida Power and Light regarding gas quality standards.
  - The request has three parts: standards for gas quality reporting, explanations of assumptions in calculations, and determination whether gas quality specifications are needed
  - The request covers land based gas, gulf gas and LNG
  - The request was found in scope, and the Board later this month will determine which parts if any will be added to the WGQ annual plan for 2004 and what level of priority will be given should it be added.

North American Energy Standards Board
Wholesale Gas Quadrant Committee Structure



North American Energy Standards Board
Annual Plan Roadmap for Retail Quadrants

Retail Annual Plans for 2004

North American Energy Standards Board
Annual Plan Roadmap for Retail Quadrants – Joint Efforts

- **Joint Activities**
  - Almost all efforts for the retail gas and electric quadrants are performed jointly
  - The subcommittees meet jointly and indeed have the same structure
  - While it is feasible to have separate retail standards, so far the body of work has been developed jointly and is commodity neutral
  - The subcommittees used as their initial platform the work done by the Coalition of Uniform Business Rules
  - The retail annual plans are extensive and cover multi-year efforts

North American Energy Standards Board

Annual Plan Roadmap for Retail Quadrants – 2004 Items

- **Items for 2004:**
  - Billing & Payment Datasets and Models
  - Market Participant Interactions
  - Customer Information
  - Distribution Company – Supplier Disputes
  - Customer Enrollment, Switching & Dropping
  - Examine Wholesale Gas Quadrant Non-EDM Standards
  - TEIS Subcommittee Process
  - Technical Electronic Implementation Standards
  - Quadrant EDM
  - Electronic Transport

North American Energy Standards Board

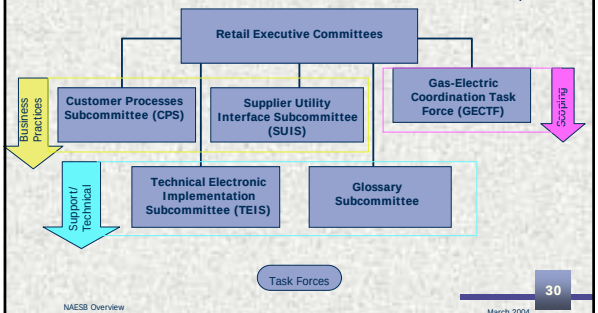
Annual Plan Roadmap for Retail Quadrants – 2005 Items

- **2005 Items:**
  - Customer Inquiries
  - Supplier Licensing
  - Retail Meter Data Validation, Editing & Estimating
  - Load Profiling
  - Settlement Process
  - More Technical Electronic Implementation Standards
- **Gas Only:**
  - Inventory Existing Natural Gas Practices within States

North American Energy Standards Board

Retail Quadrants Committee Structure

Subcommittee structure to address the workload identified in the annual plans:



North American Energy Standards Board
Retail Model Business Practices

Retail Model Business Practices Characterization

Jim Buccigross

Chair, NAESB Executive Committee

North American Energy Standards Board
Retail Model Business Practices

- **Characterizing MBPs:**
  - These Model Business Practices are voluntary and do not address policy issues that are the subject of state legislation or regulatory decisions.
  - They have been adopted with the realization that as the industry evolves, additional and amended Model Business Practices may be necessary.
  - It is important to note that our industry is looking forward to gaining experience by using these model business practices and that they may change as we work within them.
  - As such, we consider them a "work in progress" and are a perfect fit for the voluntary nature of our work.
  - Creditworthiness, and Billing and Payment MBPs are commodity neutral.

North American Energy Standards Board
Retail Model Business Practices

- **Characterizing MBPs:**
  - Any industry participant seeking additional or amended Model Business Practices (including principles, definitions, data elements, process descriptions, and technical implementation instructions) should submit a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the Model Business Practices.
  - The changes would be processed as described earlier in this presentation so that these practices can evolve to meet market demands.
  - Model Business Practices are guidelines that the industry will find helpful in their transactions.
  - Retail Model Business Practices provide voluntary guidance on the implementation of various state policy decisions or models of retail competition. They do not make choices about which models should be adopted – such as consolidated billing versus dual billing.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

Retail Model Business Practices for Creditworthiness

First Retail MBP, Adopted Nov. 24, 2003

Jim Buccigross

Chair, Executive Committee

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

The business purpose for the Creditworthiness Model Business Practices is:

- To facilitate the establishment of working relationships between Distribution Companies and Suppliers to enable them to serve retail access Customers.
- The practices do so by presenting a consistent process for establishing credit between the parties in the context of serving retail access Customers

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **The components of the Creditworthiness Model Business Practices are:**
  - Determination of Risk Exposure
  - Determination of Initial Credit Limit
  - Reconsideration of Determination of Credit Limit
  - Disqualification/Remedies
  - Security Instruments
  - Calling on Security
  - Confidentiality
- **44 Creditworthiness Model Business Practices in all.**

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **The procedures and processes described in these Model Business Practices apply to credit risks existing between a Supplier and a Distribution Company in the course of serving retail access Customers, including one or more of the following:**
- Risks associated with one party voluntarily (i.e., not when required by the Applicable Regulatory Authority) doing the billing and receiving payments for the other party when Consolidated Billing is utilized;
- Risks associated with the Supplier's purchase of distribution services for resale to its Customers under Single Retail Supplier Billing;
- Risks associated with the Distribution Company being the party that provides replacement energy when a Supplier defaults; and
- Risks associated with receiving payment for other services one party provides another.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Principles**
  - Creditworthiness procedures should be efficient to minimize the time and effort required by the parties to start and/or maintain a working relationship.
  - General information concerning the evaluation process and methodology for determining credit limits and risk exposure should be reflected in one or more of the applicable Governing Documents.
  - The procedures and criteria used to perform a re-evaluation of creditworthiness should be the same as used for the initial determination.
  - The definition of a Business Day should be defined in the Governing Documents and should be made publicly available, as appropriate.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **Overall Proposed Model Business Practices**
  - Either the Supplier or the Distribution Company may take on the role of Applicant or Creditor.
  - The Applicant should provide the Creditor with the telephone number, e-mail address, facsimile number and mailing address of up to two authorized representatives who are designated to receive creditworthiness communications. The Creditor should provide comparable information to the Applicant. Both the Applicant and the Creditor should promptly notify the other party of any changes in this information. Both parties should manage internal distribution of communications that are received.
  - General information concerning the evaluation process and methodology for calculating credit exposure for various risks should be publicly available so that Applicants have access to the requirements prior to making their application.

North American Energy Standards Board

Retail Model Business Practices - Creditworthiness

- **The Model Business Practices also address:**
  - Determination of Risk Exposure
  - Determination of Initial Credit Limit
  - Reconsideration of Determination of Credit Limit
  - Disqualification/Remedies Security Instruments
  - Calling on Security
  - Confidentiality

North American Energy Standards Board

Retail Model Business Practices – Billing & Payments

Retail Model Business Practices for Supplier Billing and Payment

Second Retail MBP, Adopted March 1, 2004

Jim Buccigross

Chair, Executive Committee

North American Energy Standards Board

Retail Model Business Practices – Billing & Payments

- **Addressed in the model business practices for billing and payments in a retail access environment are:**
  - calculating billable charges;
  - printing and distributing the bill;
  - posting payments; and,
  - remittance practices.
- **Interactions include the transfer of data necessary to accurately bill and process payments received from the Customer for energy, transmission/transportation and distribution related charges.**
- **In a business environment where best practices are voluntary, model business practices should be applied within the context of regulatory requirements and agreements between the parties documented in a Billing Services Agreement.**

North American Energy Standards Board

Retail Model Business Practices - Billing & Payments

- **65 Billing and Payments Model Business Practices in all.**
- **There are three billing options:**
  - Dual Billing,
  - Consolidated Billing, and
  - Single Retail Supplier Billing**.**
- **Alternative payment processing methods exist for the Consolidated Billing option based upon various cash posting sequences. The two methods are :**
  - "Assumption of Receivables" and
  - "Pay As You Get Paid."

North American Energy Standards Board

Retail Model Business Practices - Billing & Payments

- **General Model Business Practices:**

The Supplier may elect to offer its Customers one or more of the billing options that are available in the Distribution Company's territory.

Both Distribution Company and Supplier should be approved, certified or licensed, to the extent required by the Applicable Regulatory Authority and demonstrate the technical capability to exchange information electronically using Uniform Electronic Transactions and to meet the operational time frames which have been defined to support the billing options required.

The Supplier should provide adequate advance notice to the Distribution Company if it plans to implement another available, approved billing option. Such option should not become operational until proof of successful data interchange is demonstrated to the satisfaction of both parties and all requirements are met.

When making changes to its billing or payment systems that may affect electronic data interchange, the Supplier or Distribution Company making those changes should provide advance notice to the other party prior to implementation.

North American Energy Standards Board

Retail Model Business Practices - Billing & Payments

- **General Model Business Practices:**

Required metering data that are necessary to fulfill billing responsibilities should be made available to all appropriate party(s) via Uniform Electronic Transactions.

Applicable state and local taxes will be calculated, collected, and remitted in accordance with state statutes and local government ordinances.

The cancel and re-bill process should be clear and reproducible, and be communicated to all affected parties.

North American Energy Standards Board
Retail Model Business Practices - Billing & Payments

- **The Model Business Practices address:**
  - Dual Billing Model Business Practices
  - Consolidated Billing Model Business Practices
  - Consolidated Billing Model Business Practices for Bill Ready Practices
  - Consolidated Billing Model Business Practices for Rate Ready Practices
  - Single Retailer Supplier Billing Model Business Practices
  - Payment Processing
  - Outline for a Billing Services Agreement

North American Energy Standards Board
Summary

Summary

North American Energy Standards Board
Summary

- **We need your help to:**
  - Let your constituents know that these work products are available for use
  - Let us know if we have missed areas that should be addressed
  - Publicize that this is a work in progress – and it can be changed to address other market models
  - Urge your constituents to participate in our efforts to draft model business practices – the more participation we have, the better our work products will be.

How to Participate

- Join the distribution lists on the NAESB Web Site : www.naesb.org
- All meetings are open and accessible via telephone
- All materials are posted on the NAESB web site
- Your comments are welcome and will be posted on any NAESB standards issues
- If you are not a member, but are interested in membership, please call the NAESB Office: 713-356-0060

How to Find Out More Information

- Web Site : www.naesb.org
  - Quadrant Procedures, Bylaws, Certificate for NAESB
  - Calendar of Meetings, Agendas, Work Papers, Comments
  - Board minutes, EC Minutes, How to order Transcripts
  - Standards and Related Work Products
  - Membership Information
- Contact Information
  - Phone – 713-356-0060
  - Fax – 713-356-0067
  - Email – naesb@naesb.org
  - For further information on the organization, please contact Veronica Thomason (713-356-0060, naesb@naesb.org)

TAB 6

RETAIL MODEL BUSINESS PRACTICES

CREDITWORTHINESS

TAB 1 Version Notes

Contains a summary of changes to this version and all preceding versions.

TAB 2 Introduction

The North American Energy Standards Board (NAESB) is a voluntary non-profit organization comprised of members from all aspects of the natural gas and electric industries. Within NAESB, the Retail Electric Quadrant (REQ) focuses on issues impacting the retail sale of energy to end-use Customers. REQ Model Business Practices are intended to provide guidance to Distribution Companies, Suppliers, and other Market Participants involved in providing competitive energy service to end-use Customers. The focus of these Model Business Practices is the process for establishing the credit relationship between Distribution Companies and Suppliers to enable them to work together to serve retail access Customers.

These Model Business Practices are voluntary and do not address policy issues that are the subject of state legislation or regulatory decisions. These Model Business Practices have been adopted ~~in~~ with the realization that as the industry evolves, additional and amended Model Business Practices may be necessary. Any industry participant seeking additional or amended Model Business Practices (including principles, definitions, data elements, process descriptions, and technical implementation instructions) should submit a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the Model Business Practices.

TAB 3 Executive Summary

Industry Overview

Successful development and operation of competitive energy markets require that all Market Participants have a clear understanding of their roles and obligations related to interactions between Distribution Companies and Suppliers. Role definition incorporates not only the processes and functions to be performed, but also describes interactions and communications necessary between Distribution Companies and Suppliers to enable the market to function efficiently.

Expectations and the obligations associated with the roles will be defined by the Governing Documents. Where the roles and responsibilities of the Distribution Companies and Suppliers create financial risks and/or obligations, the establishment of creditworthiness requirements between the parties may be appropriate.

Specific documents and performance standards will vary depending on the jurisdiction, but following the stated Model Business Practices should ensure that key elements are in place so that all parties are aware of their responsibilities.

The Creditworthiness Evaluation Process

The focus of these Model Business Practices is the process ~~of~~ for establishing the credit relationship between Distribution Companies and Suppliers to enable them to work together to serve retail access Customers. The components of the Creditworthiness Model Business Practices are:

Determination of Risk Exposure
Determination of Initial Credit Limit
Reconsideration of Determination of Credit Limit
Disqualification/Remedies
Security Instruments
Calling on Security
Confidentiality

Diagrams for the components where there is significant interaction between the parties are contained within the Model Business Practices.

TAB 4 Business Process & Practices

(Provides a brief overview of the business process and the NAESB REQ approved principles, definitions, Model Business Practices and interpretations related to the business process covered by this guide—the ratified Model Business Practices go here).

TAB 5 Related Model Business Practices

(Provides a reference to any related Model Business Practices, including Model Business Practices and standards from other organizations, that were used in development of this set of

Model Business Practices or that relate to implementation of these NAESB REQ Model Business Practices. Related Standards that would be referenced would go under this Tab, most likely there are none for Creditworthiness.)

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester: **Request No.: 2002-2003 Annual Plan Item 2**

Date: Revised by the NAESB REQ Executive Committee October 8, 2003

1. Recommended Action:

_X_ Accept as requested
___ Accept as modified below
___ Decline

Effect of EC Vote to Accept Recommended Action:

_X_ Change to Existing Practice
___ Status Quo

2. TYPE OF MAINTENANCE

Per Request:

___ Initiation
___ Modification
___ Interpretation
___ Withdrawal

___ Principle
___ Definition
___ Model Business Practice
___ Document
___ Data Element
___ Code Value
___ X12 Implementation Guide
___ Business Process Documentation

Per Recommendation:

_X_ Initiation
___ Modification
___ Interpretation
___ Withdrawal

_X_ Principle
_X_ Definition
_X_ Model Business Practice
___ Document
___ Data Element
___ Code Value
___ X12 Implementation Guide
___ Business Process Documentation

3. RECOMMENDATION

SUMMARY:

Add proposed NAESB REQ Model Business Practices 1.1.1.1, 1.1.1.2, 1.1.1.3, 1.2.1.1, 1.2.1.2, 1.2.1.3, 1.3.1.1, 1.3.1.2, 1.3.1.3, 1.3.1.4, 1.3.1.5, 1.3.1.6, 1.3.1.7, 1.3.1.8, 1.3.1.9, 1.3.1.10, 1.3.1.11, 1.3.1.12, 1.3.1.13, 1.4.1.1, 1.4.1.2, 1.4.1.3, 1.4.1.4, 1.4.1.5, 1.4.1.6, 1.4.1.7, 1.5.1.1, 1.5.1.2, 1.5.1.3, 1.5.1.4, 1.5.1.5, 1.6.1.1, 1.7.1.1, 1.7.1.2, 1.7.1.3, 1.7.1.4, 1.8.1.1, 1.8.1.2, 1.8.1.3; and related Scope statement, Principles, and Definitions.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester: **Request No.: 2002-2003 Annual Plan Item 2**

Date: Revised by the NAESB REQ Executive Committee October 8, 2003

PROPOSED STANDARDS LANGUAGE:

Business Process and Practices

A. Overview

Scope:

The procedures and processes described in these Model Business Practices apply to credit risks existing between a Supplier and a Distribution Company in the course of serving retail access Customers, including one or more of the following:

- Risks associated with one party voluntarily (i.e., not when required by the Applicable Regulatory Authority) doing the billing and receiving payments for the other party when Consolidated Billing is utilized;
- Risks associated with the Supplier's purchase of distribution services for resale to its Customers under Single Retail Supplier Billing;
- Risks associated with the Distribution Company being the party that provides replacement energy when a Supplier defaults; and
- Risks associated with receiving payment for other services one party provides another.

Principles

Creditworthiness procedures should be efficient to minimize the time and effort required by the parties to start and/or maintain a working relationship.

General information concerning the evaluation process and methodology for determining credit limits and risk exposure should be reflected in one or more of the applicable Governing Documents.

The procedures and criteria used to perform a re-evaluation of creditworthiness should be the same as used for the initial determination.

The definition of a Business Day should be defined in the Governing Documents and should be made publicly available, as appropriate.

Definitions

Applicable Regulatory Authority: The state regulatory agency or other local governing body that provides oversight, policy guidance, and direction to any parties involved in the process of providing energy to retail access Customers through regulations and orders.

Applicant: The party seeking credit from another party.

Billing Party: The party performing billing services for one or more parties.

Business Day: As defined in the Governing Documents.

Cash Deposit: Money provided by one party to the other to secure performance of an agreement or compensate for possible loss or damage.

Certificate of Authority: A document attesting to the name(s) and signature(s) of the officer(s) authorized to execute a particular instrument.

Challenge: The Applicant's request for a review of the Creditor's creditworthiness determination made shortly after that determination.

Confidential Information: Nonpublic information concerning the financial condition of the Applicant, or any of the Applicant's affiliates, that is disclosed to the Creditor by or on behalf of the Applicant or Applicant's affiliates.

Consolidated Billing: The billing option in which the Distribution Company or Supplier renders a Customer bill consolidating the energy, transmission / transportation and distribution charges of the Distribution Company and the Supplier, for which a single payment from the Customer is expected.

Credit Application Form: The Creditor's form for obtaining identification and financial data about an Applicant.

Creditor: The party granting credit to another party.

Cure Period: A period of time specified in a contract allowing a defaulting party to rectify the default, during which time the Creditor would not be allowed to exercise its remedies.

Customer: Any entity that takes gas and/or electric service for its own consumption.

Distribution Company: A regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area.

Dual Billing: The billing option in which the Distribution Company and the Supplier, each assuming the role of a Billing Party, render separate Customer bills, each containing charges for the energy, transmission/transportation or distribution services provided by that party, for which separate payments from the Customer are expected.

Event-driven Reconsideration: A re-evaluation of an Applicant's creditworthiness performed in response to a Material Change in its credit rating or financial condition.

Governing Documents: Documents that determine the interactions among parties, including, but not limited to, regulatory documents (e.g., tariffs, rules, regulations), contractual agreements, and Distribution Company operational manuals.

Guarantor: The issuer of a Guaranty.

Guaranty: An obligation to pay the unpaid obligations of a third party Applicant to a Creditor upon certain conditions being met.

Letter of Credit: A letter issued by a bank authorizing the beneficiary to draw up to a stated amount of money from the issuing bank, its branches, or other associated banks or agencies, provided that the drawing conditions of the letter are met.

Material Change: Any change in the Applicant's (or Guarantor's) financial or other condition that might reasonably affect the amount of credit extended to that Applicant or may impact the Applicant's ability to perform on its obligations.

Non-Billing Party: The party whose charges are being combined into a statement (or invoice) prepared and rendered by another party.

Pay As You Get Paid: The payment processing method in which the Billing Party forwards payment to the Non-Billing Party for the Non-Billing Party charges only after receiving payment.

Prepayment: Money provided by one party to the other to pay for goods or services not yet rendered.

Security Interest in Collateral: A right, title, claim, or share in assets that exists by contract as security for payment or performance of an obligation that is acceptable to the creditor.

Single Retail Supplier Billing: The billing option in which the Supplier renders a Customer bill for all energy, transmission/transportation, and distribution related charges. The Supplier purchases or otherwise acquires energy, transmission/ transportation and distribution services, and therefore all charges on the bill are Supplier charges. A single payment from the Customer is expected.

Supplier: Persons engaged in the competitive sale of energy to end-users.

Surety Bond: An obligation of a third party that covers payments to the Creditor in the event that the Applicant fails to meet its obligations.

Switch Request: A request from a Supplier to switch a Customer to begin receiving service from that Supplier.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester: **Request No.: 2002-2003 Annual Plan Item 2**

Date: Revised by the NAESB REQ Executive Committee October 8, 2003

Proposed Model Business Practices

1.1 Overall

1.1.1 Proposed Model Business Practices

1.1.1.1 Either the Supplier or the Distribution Company may take on the role of Applicant or Creditor.

1.1.1.2 The Applicant should provide the Creditor with the telephone number, e-mail address, facsimile number and mailing address of up to two authorized representatives who are designated to receive creditworthiness communications. The Creditor should provide comparable information to the Applicant. Both the Applicant and the Creditor should promptly notify the other party of any changes in this information. Both parties should manage internal distribution of communications that are received.

1.1.1.3 General information concerning the evaluation process and methodology for calculating credit exposure for various risks should be publicly available so that Applicants have access to the requirements prior to making their application.

1.2 Determination of Risk Exposure

1.2.1 Proposed Model Business Practices

1.2.1.1 The credit exposure should be based on the dollar amount determined to be at risk and the period of time during which it remains at risk.

1.2.1.2 The same criteria and methodology for calculating credit exposure should be used for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the risks associated with providing replacement energy when a Supplier defaults.

1.2.1.3 Specific methodologies should be developed, where applicable, for each of the major types of risks that incorporate the dollar amount at risk and the period of time it remains at risk.

For Consolidated Billing, issues may include, but are not limited to:

- Total dollar amount billed;
- Whether the Billing Party assumes the Non-Billing Party's receivables or the Pay As You Get Paid method is employed; and
- When assuming receivables, typical Customer payment behavior (dollars past due, percent late, percent uncollectable, etc.).

For risks associated with the Distribution Company providing replacement energy when a Supplier defaults, issues may include, but are not limited to:

- Responsibilities if a Supplier defaults;
- Amount of load served by the defaulting Supplier; and
- Cost of replacement energy.

For services one party provides to another, issues may include, but are not limited to:

- Total dollar amount for such services ; and
- Payment terms.

1.3 Determination of Initial Credit Limit

1.3.1 Proposed Model Business Practices

1.3.1.1 The initial credit determination, including credit limits, should be established using the same criteria and methodology for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults. The Creditor may consider other exposure from the Applicant beyond the specific credit limit being requested.

1.3.1.2 Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy, or other Governing Documents, and may include both secured and unsecured components.

1.3.1.3 The Creditor should make available to all Applicants a Credit Application Form that includes a list of required supporting financial documents.

1.3.1.4 The Applicant should submit to the Creditor the completed Credit Application Form and one set of the required supporting financial documents.

1.3.1.5 The Applicant should submit the Credit Application Form and supporting documents using a method that verifies that delivery took place, such as requiring a signature or requesting a return receipt.

1.3.1.6 The Creditor should evaluate the Applicant's Credit Application Form and all supporting financial documents for completeness and notify the Applicant of any missing elements within five (5) Business Days of receipt. Such notification should be in writing and specify the elements needed to complete the application. The notice should be delivered by overnight delivery, facsimile, or e-mail.

1.3.1.7 Timelines for processing a creditworthiness evaluation should begin when the Credit Application Form, complete with all required supporting documents, is received by the Creditor.

1.3.1.8 The supporting financial documents submitted with the Credit Application Form should cover a two-year period and include the most recent quarter for which financial data is available.

1.3.1.9 The Applicant may present evidence of its rating level from a recognized rating agency(ies).

1.3.1.10 Supporting financial documents may include:

- Two most recent annual reports;
- Most recent SEC Form 10-K and 10-Q and any independent auditor's letter to management or, if SEC Form 10-K is unavailable, substitute audited annual financial information (including a balance sheet, income statement, cash flow statement with notes, and any independent auditor's letter to management);
- Most recent quarterly or monthly financial information (including a balance sheet, income statement, and cash flow statement with notes) accompanied by all attestations required by the SEC that the information submitted is true, correct and a fair representation of Applicant's financial condition; and
- For private companies the year-end financials should be independently audited by a licensed Certified Public Accountant and include any notes to the financial statements and debt schedules. These documents should be accompanied by an attestation by the chief executive officer, chief financial officer or the owner that the information submitted is true, correct and a fair representation of Applicant's current financial condition.

1.3.1.11 When the creditworthiness requirement is being met through a Guaranty, the creditworthiness requirements that apply to the Applicant also apply to the Guarantor. In addition to submitting supporting financial documents, the Guarantor should provide documentation of the Guaranty, as applicable.

For a Parental Guaranty:

- Certificate of Authority of the individual signing the contract and/or ancillary documents; and
- Board resolution or bylaws demonstrating that the Guarantor can guarantee this type of transaction for the Applicant.

For a Third-Party Guaranty:

- Certificate of Authority of the individual signing the contract and/or ancillary documents;
- Board resolution or bylaws demonstrating that the Guarantor can guarantee this type of transaction for the Applicant; and
- Agency agreement, acceptable to the Creditor, that ties the Guarantor to the Applicant.

For a Foreign Guarantor:

- Certificate of Authority of the individual signing the contract and/or ancillary documents;
- Board resolution, or equivalent (e.g., Articles of Association/Organization), with a copy of the bylaws demonstrating that the Guarantor has the authority to enter into such a Guaranty; and
- Legal opinion that states a judgment for the Creditor would be enforceable in the country of the Guarantor.

1.3.1.12 The Creditor should complete the creditworthiness evaluation within ten (10) Business Days of receipt of all required documents.

1.3.1.13 The Creditor should provide the results of the creditworthiness evaluation to the Applicant in writing within five (5) Business Days of completing the evaluation. The results should be delivered by overnight delivery, facsimile, or e-mail. The notice should include the rationale for the determination of the risk exposure and credit limits.

1.4 Reconsideration of Determination of Credit Limit

1.4.1 Proposed Model Business Practices

1.4.1.1 An Applicant should be granted an opportunity to challenge a credit limit determination. The Challenge should be submitted within thirty (30) calendar days of receiving the written notification of the credit limit determination.

1.4.1.2 The Creditor should respond to a timely Challenge within five (5) Business Days of receipt by providing rationale for its determination. The Creditor should also review with the Applicant the data used as input to ensure there were no errors or missing data that impacted the result. If there were material errors or omissions, the Creditor

should re-evaluate the Applicant's creditworthiness within ten (10) Business Days of receipt of corrected information. The Creditor should provide the results of the creditworthiness re-evaluation to the Applicant in writing within five (5) Business Days of completing the re-evaluation. The results should be delivered by overnight delivery, facsimile, or e-mail. The notice should include the rationale for the determination of the risk exposure and credit limits.

1.4.1.3 If the Applicant remains dissatisfied with the outcome of the creditworthiness evaluation by a Creditor who is regulated, it may elevate its Challenge to the Applicable Regulatory Authority, as applicable.

1.4.1.4 An Applicant should notify the Creditor of any adverse Material Change in its financial condition within three (3) Business Days of such change.

1.4.1.5 A Creditor may periodically re-evaluate the creditworthiness of an Applicant and also when it becomes aware of an adverse Material Change in the Applicant's financial condition.

1.4.1.6 An Applicant may request an Event-Driven Reconsideration when there has been a favorable Material Change in its financial status, such as an upgrading by a major bond rating agency. Such reconsideration will be treated as a new credit application.

1.4.1.7 In addition to Event-Driven Reconsiderations, an Applicant may request a re-evaluation of its creditworthiness no more than once every twelve months. Such re-evaluation will be treated as a new credit application.

1.5 Disqualification/Remedies

1.5.1 Proposed Model Business Practices

1.5.1.1 Whenever the Creditor's risk exposure exceeds the amount covered by the Applicant's security arrangements, the Creditor may require additional security appropriate to the amount of additional risk exposure.

1.5.1.2 Whenever the Creditor's risk exposure becomes less than the amount covered by the Applicant's security arrangements, the Creditor should comply with the Applicant's request for a reduction in the security held, appropriate to the amount of risk exposure.

1.5.1.3 Requests for security, additional security or reduction of security should be in writing and delivered by overnight delivery, facsimile, or e-mail.

1.5.1.4 When a Creditor requests security and the required security is not tendered within the period specified in the appropriate Governing Documents, the Creditor may begin

taking actions to reduce its exposure, as allowed under the Governing Documents, including, but not limited to:

- (If the Applicant is a Supplier) Cease processing any Switch Requests that add to the Customers served by the Applicant;
- Moving any of the Applicant's Customers currently on Applicant Consolidated Billing to Dual Billing, effective on the Customer's next normally scheduled bill;
- Reducing the sales of any other products or services the Creditor may have been making to the Applicant until the credit exposure no longer exceeds the Applicant's credit limit; and/or
- Taking remedial action, including disqualification of the Applicant, as allowed by the Applicable Regulatory Authority.

1.5.1.5 When the Applicant is a Supplier and it can partially, but not fully, meet a request for security in the time period specified in the appropriate Governing Documents, it can avoid disqualification by reducing the risk exposure it presents to the Distribution Company to an amount commensurate with the amount of security tendered.

1.6 Security Instruments

1.6.1 Proposed Model Business Practices

1.6.1.1 Creditors should offer the option of one or more of the following forms of secured credit to those Applicants who do not qualify for sufficient unsecured credit for the risks that they present.

- Cash Deposit
- Guaranty
- Letter of Credit
- Prepayment
- Security Interest in Collateral
- Surety Bonds

Such forms of secured credit should be acceptable to the Creditor and the Creditor's acceptance should not be unreasonably withheld. The Creditor and Applicant may mutually agree that the Applicant will provide other forms of security.

1.7 Calling on Security

1.7.1 Proposed Model Business Practices

1.7.1.1 The Creditor may call upon the security posted by the Applicant as specified in applicable agreements or tariffs, or after all of the following occur:

- Written notice of default is provided to the Applicant; and
- Payment or other action to cure the default is not made within the Cure Period.

1.7.1.2 The same criteria and methodology for establishing the appropriate length of the Cure Period should be used for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or an entity acting as the party that provides replacement energy when a Supplier defaults.

1.7.1.3 The Creditor may call upon the security posted by the Applicant without prior notice if the Applicant files a petition for bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Applicant).

1.7.1.4 A Distribution Company acting as the Creditor may immediately call upon the security posted by the Applicant (that is a Supplier) without prior notice if the Applicant for any reason ceases to provide energy service to all of its Customers within the Distribution Company's service territory (i.e. the Supplier has effectively withdrawn from the market).

1.8 Confidentiality

1.8.1 Proposed Model Business Practices

1.8.1.1 The Confidential Information provided to the Creditor in the creditworthiness evaluation process should be used only for the purpose of establishing the Applicant's financial status in order to enable the parties to enter into contracts for the products/services to be provided. The Confidential Information should not be publicly disclosed, except as required by the Applicable Regulatory Authority.

1.8.1.2 When entering into the creditworthiness evaluation process the Applicant and the Creditor should execute a non-disclosure agreement, if requested by the Applicant, unless non-disclosure is provided for within other Governing Documents.

1.8.1.3 Conditions under which a Creditor may disclose Confidential Information to a third party should be covered in a non-disclosure agreement or other Governing Documents.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

2003-2003 Annual Plan Item 2 - Develop practices for extending commercial credit by Distributors to Supplier to cover financial risk.

b. Description of Recommendation:

Supplier-Utility Interface Subcommittee

The proposed Model Business Practices are the result of a series of meetings and conference calls held by the Retail Electric Quadrant's Supplier-Utility Interface Subcommittee begun in the Fall of 2002 and culminating with a vote to recommend the proposed practices to the Executive Committee in an August 11, 2003 conference call.

See the Supplier-Utility Interface Subcommittee (SUIS) meeting minutes, attachments, and transcripts for the supporting documentation, discussion, and voting records for the following dates:

August 5, 2002
August 9, 2002
September 18-19, 2002
October 21, 2002
November 8, 2002
January 8, 2003
February 14, 2003
February 25, 2003
April 3, 2003
April 30, 2003
May 15, 2003
June 19, 2003
July 15-16, 2003
July 31, 2003
August 11, 2003

c. Business Purpose:

The business purpose for the proposed Model Business Practices is to facilitate the establishment of working relationships between Distribution Companies and Suppliers to enable them to serve retail access Customers. The practices do so by presenting a consistent process for establishing credit between the parties in the context of serving retail access Customers.

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester: **Request No.: 2002-2003 Annual Plan Item 2**

Date: Revised by the NAESB REQ Executive Committee October 8, 2003

The proposed Model Business Practices were developed in a consensus-oriented process with active participation from all four REQ Segments: Distributors, Suppliers, Services, and End-Users. That a degree of consensus was reached in evidenced by the passage of a series of motions during the August 11, 2003 conference call to recommend all of the proposed Model Business Practice under consideration to the Executive Committee. The Distributor and Supplier Segments of REQ were represented at the August 11, 2003 conference call.

The voting record of August 11, 2003 follows:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester: **Request No.: 2002-2003 Annual Plan Item 2**

Date: Revised by the NAESB REQ Executive Committee October 8, 2003

Joint REQ/RGQ SUIS Conference Call - August 11, 2003
Detailed Voting Results on Proposed Model Business Practices

Motion # 1 Date: 8/11/2003

Motion: Move to adopt Definitions with revised "Business Day" and Sections 1.1, 1.4, 1.6, 1.8 as presented in working document

Moved: Mike Novak Seconded: Rick Zollars

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	15	0	15	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	18	**0**	**18**	**0**	4	**4.00**	**0.00**	4	**PASS**

Motion # 2 Date: 8/11/2003

Motion: Move to adopt Overview Section as amended, deleting all text below fourth bullet, so that the Overview states what is in scope and doesn't state what is out of scope.

Moved: Mike Novak Seconded: Pete Conner

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	15	0	15	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	18	**0**	**18**	**0**	4	**4.00**	**0.00**	4	**PASS**

Motion # 3 Date: 8/11/2003

Motion: Move to accept the Principles as modified (4th added and 2nd with revised language).

Moved: Ruth Kiselewich Seconded: Rick Zollars

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	15	0	15	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	18	**0**	**18**	**0**	4	**4.00**	**0.00**	4	**PASS**

Motion # 4 Date: 8/11/2003

Motion: Move to accept section 1.2 as modified

Moved: Ruth Kiselewich Seconded: Robert Krauss

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	14	0	14	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	17	**0**	**17**	**0**	4	**4.00**	**0.00**	4	**PASS**

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester: **Request No.: 2002-2003 Annual Plan Item 2**

Date: Revised by the NAESB REQ Executive Committee October 8, 2003

Joint REQ/RGQ SUIS Conference Call - August 11, 2003
Detailed Voting Results on Proposed Model Business Practices

Motion # 5 Date: 8/11/2003

Motion: Move to accept section 1.3 as modified

Moved: Mary Edwards Seconded: Rick Zollars

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	13	1	14	0	2	1.86	0.14	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	16	**1**	**17**	**0**	4	**3.86**	**0.14**	4	**PASS**

Motion # 6 Date: 8/11/2003

Motion: Move to accept section 1.5 as modified.

Moved: Judy Ray Seconded: Mary Edwards

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	12	0	12	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	15	**0**	**15**	**0**	4	**4.00**	**0.00**	4	**PASS**

Motion # 7 Date: 8/11/2003

Motion: Move to accept section 1.7 as modified

Moved: Mike Novak Seconded: Robert Krauss

	Raw Votes				Balanced Votes				Motion
	For	Against	Total	Abstain	Total Wt	For	Against	Total	Status
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	11	1	12	0	2	1.83	0.17	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	14	**1**	**15**	**0**	4	**3.83**	**0.17**	4	**PASS**

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

1. Recommended Action:

_x__Accept as requested
___Accept as modified below
___Decline

Effect of EC Vote to Accept Recommended Action:

__x_Change to Existing Practice
___Status Quo

2. TYPE OF MAINTENANCE

Per Request:	**Per Recommendation:**
_x__Initiation	_x__Initiation
___Modification	___Modification
___Interpretation	___Interpretation
___Withdrawal	___Withdrawal
___Principle (x.1.z)	___Principle (x.1.z)
___Definition (x.2.z)	___Definition (x.2.z)
_x__Business Practice Standard (x.3.z)	_x__Business Practice Standard (x.3.z)
___Document (x.4.z)	___Document (x.4.z)
____Data Element (x.4.z)	___Data Element (x.4.z)
____Code Value (x.4.z)	___Code Value (x.4.z)
____X12 Implementation Guide	___X12 Implementation Guide
____Business Process Documentation	___Business Process Documentation

3. RECOMMENDATION

SUMMARY: Adopt the Business Process and Practices document and attached Outline for Model Billing Services Agreement (to be inserted in section 2.3.3) for Billing and Payment to be used in a retail access environment.

TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

Description of Change: Executive Committee to approve the Business Process and Practices document for Billing and Payment and hold until Outline for Billing Services Agreement, Datasets, and Models are developed, submitted, and approved by the Executive Committee.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

4. SUPPORTING DOCUMENTATION

Description of Request: REQ Annual Plan Item #1 and RGQ Annual Plan Item #6.
Customer Processes Subcommittee to develop model business practices for Billing and Payment.

b. Description of Recommendation:

Business Process and Practices

A Overview

This section presents business practices for billing and payments in a retail access environment. Billing and payment processing encompass a variety of steps and interactions between the Billing Party and the Non-Billing Party beginning with the receipt of billable units. Steps include calculating billable charges; printing and distributing the bill; posting payments; and, remittance practices. Interactions include the transfer of data necessary to accurately bill and process payments received from the Customer for energy, transmission/transportation and distribution related charges. In a business environment where best practices are voluntary, model business practices should be applied within the context of regulatory requirements and agreements between the parties documented in a Billing Services Agreement.

There are three billing options: Dual Billing, Consolidated Billing, and Single Retail Supplier Billing.

Alternative payment processing methods exist for the Consolidated Billing option based upon various cash posting sequences. The two methods are “Assumption of Receivables” and “Pay As You Get Paid.”

Principles

Reserved for future use.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

Definitions

Applicable Regulatory Authority: The state regulatory agency or other local governing body that provides oversight, policy guidance, and direction to any parties involved in the process of providing energy to retail access Customers through regulations and orders.

Assumption of Receivables: The payment processing method in which the Billing Party assumes the Non-Billing Party's receivables and sends the Non-Billing Party payment at predetermined intervals for all Non-Billing Party amounts that are billed, payable to the Non-Billing Party, and do not have a status of In Dispute, in accordance with the tariff, Billing Services Agreement or other Governing Document regardless of when (or whether) the Customer pays the Billing Party.

Bill Ready: A Consolidated Billing practice in which the Billing Party receives the calculated charge amount(s) directly from the Non-Billing Party in lieu of the Billing Party calculating it directly from the rate.

Billing Party: The party performing billing services for one or more parties.

Billing Services Agreement: A legally binding document between the Distribution Company and the Supplier used when one of the parties is performing Consolidated Billing for the other party. Such document sets forth the expectations and responsibilities of each party.

Business Day: As defined in the Governing Documents.

Consolidated Billing: The billing option in which the Distribution Company or Supplier renders a Customer bill consolidating the energy, transmission / transportation and distribution charges of the Distribution Company and the Supplier, for which a single payment from the Customer is expected.

Customer: Any entity that takes gas and/or electric service for its own consumption.

Distribution Company: A regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area.

Dual Billing: The billing option in which the Distribution Company and Supplier render separate Customer bills for the products and services each provides.

Governing Documents: Documents that determine the interactions among parties, including but not limited to: regulatory documents (e.g., tariffs, rules, regulations), contractual agreements, and Distribution Company operational manuals.

In Dispute: A bill status that prevents collection action from being taken on the disputed amount.

Non-Billing Party: The party whose charges are being combined into a statement (or invoice) prepared and rendered by another party.

Pay As You Get Paid: The payment processing method in which the Billing Party forwards payment to the Non-Billing Party for the Non-Billing Party charges only after receiving payment.

Rate Code: A product identifier used in a billing system which contains all information, such as description and price, needed to bill for that product. One or more Rate Codes may be billed on a single account.

Rate Ready: Refers to the practice in which the Non-Billing Party provides rate information to the Billing Party sufficient to calculate the Non-Billing Party's charges.

Service Delivery Point: A physical metered and/or unmetered service location supplying energy to a Customer premise.

Single Retail Supplier Billing: The billing option in which the Supplier renders a Customer bill for all energy, transmission/transportation, and distribution related charges. The Supplier purchases or otherwise acquires energy, transmission/transportation and distribution services, and therefore all charges on the bill are Supplier charges. A single payment from the Customer is expected.

Supplier: Persons engaged in the competitive sale of energy to end-users.

Uniform Electronic Transaction: Standard data arrangements for trading information, making business requests and exchanging other information, encompassing a number of electronic media and utilizing specified transport protocols.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

B Model Business Practices

2.1 General Billing and Payment

2.1.1 Model Business Practices

2.1.1.1 The Supplier may elect to offer its Customers one or more of the billing options that are available in the Distribution Company's territory.

2.1.1.2 Both Distribution Company and Supplier should be approved, certified or licensed, to the extent required by the Applicable Regulatory Authority and demonstrate the technical capability to exchange information electronically using Uniform Electronic Transactions and to meet the operational time frames which have been defined to support the billing options required.

2.1.1.3 The Supplier should provide adequate advance notice to the Distribution Company if it plans to implement another available, approved billing option. Such option should not become operational until proof of successful data interchange is demonstrated to the satisfaction of both parties and all requirements are met.

2.1.1.4 When making changes to its billing or payment systems that may affect electronic data interchange, the Supplier or Distribution Company making those changes should provide advance notice to the other party prior to implementation.

2.1.1.5 Required metering data that are necessary to fulfill billing responsibilities should be made available to all appropriate party(s) via Uniform Electronic Transactions.

2.1.1.6 Applicable state and local taxes will be calculated, collected, and remitted in accordance with state statutes and local government ordinances.

2.1.1.7 The cancel and re-bill process should be clear and reproducible, and be communicated to all affected parties.

2.1.2 Datasets

Reserved for future use.

2.1.3 Models

Reserved for future use.

2.2 Dual Billing

2.2.1 Model Business Practices

2.2.1.1 The Distribution Company and the Supplier each acts as a Billing Party and should independently produce and render separate bills directly to the Customer in accordance with the requirements set by the Applicable Regulatory Authority.

2.2.1.2 The Customer should make two separate payments; one to the Distribution Company and one to the Supplier.

2.2.1.3 When meter usage is cancelled:

- Usage for all applicable periods should be cancelled by metering period; and
- The usage sent in the cancellation transaction should match the usage sent in the original transaction.

2.2.1.4 When meter usage is restated:

- Usage for all applicable periods should be restated by metering period; and
- Unless there has been a product or rate change, the restated usage transaction should be sent at the same level of detail as the original usage transaction.

2.2.2 Datasets

Reserved for future use.

2.2.3 Models

Reserved for future use.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

2.3 Consolidated Billing - General

2.3.1 Model Business Practices

2.3.1.1 Either the Distribution Company or the Supplier should assume the role of either Billing Party or Non-Billing Party provided that applicable regulatory or legal criteria are met.

2.3.1.2 The Billing Party and Non-Billing Party should execute a Billing Services Agreement. The responsibilities of the parties, performance parameters, financial arrangements and other details associated with payment processing and remittance should be set forth in the Billing Services Agreement.

2.3.1.3 The Billing Party should render a consolidated bill in accordance with the requirements set by the Applicable Regulatory Authority and any agreements set forth in the Billing Services Agreement.

2.3.1.4 When the Supplier is the Billing Party it should be responsible for delivering to Customers bill enclosures or bill messages containing Non-Billing Party related information that is mandated by the Applicable Regulatory Authority.

2.3.1.5 When a consolidated bill is rendered there should be one Customer payment due date.

2.3.2 Datasets

Reserved for future use.

2.3.3 Models

See attached Outline for Model Billing Services Agreement.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

2.4 Consolidated Billing - Bill Ready Billing

2.4.1 Model Business Practices

2.4.1.1 The Billing Party should receive the Non-Billing Party's billing information via Uniform Electronic Transaction within two (2) Business Days following the meter reading entity's transmission of valid usage information.

2.4.1.2 When the Non-Billing Party files are received, the Billing Party should acknowledge receipt of a file via Uniform Electronic Transaction within one (1) Business Day of receipt of the file.

2.4.1.3 If, upon examination, it is determined that the Non-Billing Party's file cannot be processed then the Billing Party should reject it. Rejection, accompanied by appropriate uniform error code(s), should be communicated via the appropriate Uniform Electronic Transaction within one (1) Business Day of receipt of the file.

2.4.1.4 If the Non-Billing Party's transaction is accepted, the Billing Party should bill the Customer(s) within two (2) Business Days of receipt of such transaction.

2.4.1.5 When the Billing Party is able to process the Non-Billing Party's transactions but is unable to render a significant number of Customer bills within two (2) Business Days of receipt of the Non-Billing Party's charges, the Billing Party should promptly notify the Non-Billing Party.

2.4.1.6 If the Non-Billing Party's transactions are received within the appropriate time frame and a transaction is rejected, then the Billing Party should notify the Non-Billing Party of the rejection accompanied by appropriate uniform error code(s), via Uniform Electronic Transaction within one (1) Business Day of receipt of such transaction. The Non-Billing Party may, if time permits, submit a file containing corrected transactions for inclusion in the current bill.

2.4.1.7 If the Non-Billing Party's transactions are sent to the Billing Party outside the appropriate time frame such that charges could not be included on the bill, then, as specified in the Billing Services Agreement, the Billing Party should do one of the following:

- Reject the transaction and notify the Non-Billing Party within two (2) Business Days via Uniform Electronic Transaction that the charges were not billed. In this scenario, the Non-Billing Party should resubmit its charges in the following billing period in accordance with the time requirements, or

- Hold the transaction for processing on the next bill and notify the Non-Billing Party that charges were received late and will be reflected on the next bill.

2.4.1.8 If the Billing Party's errors cause the Non-Billing Party's charges to miss the billing window and the bill has been issued, the Billing Party should cancel and reissue the bill as soon as practicable, unless the Billing Party and Non-Billing Party arrange a mutually agreeable alternative bill correction process.

2.4.1.9 When a Bill Ready consolidated bill is to be cancelled:

- Usage for all applicable periods should be cancelled by metering period; and
- The usage sent in the cancellation transaction should match the usage sent in the original transaction.

2.4.1.10 When a cancelled Bill Ready consolidated bill is to be re-billed:

- Usage for all applicable periods should be restated by metering period. Unless there has been a product or rate change, the restated usage transaction should be sent at the same level of detail as the original usage transaction; and
- The Billing Party should receive the Non-Billing Party's restated billing information within two (2) Business Days following the transmission of valid restated usage information.

2.4.1.11 Both the Billing Party and the Non-Billing Party should be responsible for the calculation of their late payment charges, if applicable, unless directed otherwise by the Applicable Regulatory Authority or as specified in the Billing Services Agreement. The Billing Party should be responsible for placing these charges on the bill.

2.4.1.12 When the Non-Billing Party calculates and assesses late payment charges it should send notification of such charges to the Billing Party via Uniform Electronic Transaction.

2.4.2 Datasets

Reserved for future use.

2.4.3 Models

Reserved for future use.

2.5 Consolidated Billing - Rate Ready Billing

2.5.1 Model Business Practices

2.5.1.1 At least thirty (30) calendar days prior to using a new Rate Code, or as otherwise provided in the Billing Services Agreement, the Non-Billing Party should provide to the Billing Party information needed to establish the new Rate Code.

2.5.1.2 Where the Billing Party's system can accommodate a price change to an existing Rate Code the Non-Billing Party should provide the new price and the requested effective date to the Billing Party at least ten (10) Business Days prior to the next billing date, or a lesser period of time as provided in the Billing Services Agreement, to allow sufficient time for the Billing Party to implement the change.

2.5.1.3 The Billing Party will send a Uniform Electronic Transaction when accounts of the Non-Billing Party are billed thus notifying the Non-Billing Party that its Customers have been billed and indicating the usage and amount so billed for each Customer account.

2.5.1.4 When a Rate Ready consolidated bill is to be cancelled:

- Usage for all applicable periods should be cancelled by metering period; and
- The usage sent in the cancellation transaction should match the usage sent in the original transaction.

2.5.1.5 When a cancelled Rate Ready consolidated bill is to be re-billed:

- Usage for all applicable periods should be restated by metering period. Unless there has been a product or rate change, the restated usage transaction should be sent at the same level of detail as the original usage transaction;

- The Billing Party should re-bill the Customer by applying the proper usage and proper Billing and Non-Billing Party Rate Code(s) as necessary to correct the previously rendered bill; and

- After the cancel/re-bill event has taken place, the Billing Party should transmit notice of restated usage and the credit, debit, or the net amount, to the Non-Billing Party so that the accounts receivable of the Customer will be properly stated.

2.5.1.6 The Billing Party should calculate late payment charges on behalf of the Non-Billing Party, if applicable, using the same methodology used to calculate its own late payment charges, unless directed otherwise by the Applicable Regulatory Authority or as specified in the Billing Services Agreement. The Billing Party should be responsible for placing these charges on the bill.

2.5.2 Datasets

Reserved for future use.

2.5.3 Models

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

Reserved for future use.

2.6 Single Retail Supplier Billing

2.6.1 Model Business Practices

2.6.1.1 The Supplier should render its bill in accordance with the requirements set by the Applicable Regulatory Authority.

2.6.1.2 When meter usage is cancelled:

- Usage for all applicable periods should be cancelled by metering period; and
- The usage sent in the cancellation transaction should match the usage sent in the original transaction.

2.6.1.3 When meter usage is restated:

- Usage for all applicable periods should be restated by metering period; and
- Unless there has been a product or rate change, the restated usage transaction should be sent at the same level of detail as the original usage transaction.

2.6.1.4 If the Supplier does not receive actual meter reading data on a timely basis, the Supplier may issue a bill based on an estimated reading.

2.6.1.5 After the meter(s) is read or the usage is otherwise determined, the Distribution Company should render an invoice that separately identifies the delivery system charges and billing determinants for each Service Delivery Point or Customer account served by the Supplier. Invoices should be transmitted via Uniform Electronic Transaction.

2.6.1.6 Distribution Company invoices are subject to adjustment due to estimated reads or errors including, but not limited to, arithmetic errors, computational errors, and meter reading errors. The Distribution Company should cancel and re-bill the original invoice that was incorrect.

2.6.1.7 Having assumed the obligation to pay the Distribution Company within the acceptable time frame for amounts owed the Distribution Company, the Supplier should have the flexibility to change billing and payment practices subject only to applicable laws, regulatory requirements, or as otherwise allowed in any agreement between the parties regarding terms and conditions for energy delivery.

2.6.1.8 The Supplier may elect either to accept charges other than usage-based charges or to have the Distribution Company bill those charges directly to the Customer.

2.6.2 Datasets

Reserved for future use.

2.6.3 Models

Reserved for future use.

2.7 Payment Processing – Consolidated Billing – General

2.7.1 Model Business Practices

2.7.1.1 If the Non-Billing Party does not receive payment for undisputed charges from the Billing Party within the appropriate time frame, then the Non-Billing Party should send notification to the Billing Party of the interest and/or fees, if any, applicable to the un-remitted amount. Such notification should be sent via Uniform Electronic Transaction and in accordance with the terms and conditions of the Billing Services Agreement or pursuant to the requirements of the Applicable Regulatory Authority. Remittance of interest and/or fees, if any, should be made by electronic means to a financial institution designated by the Non-Billing Party.

2.7.1.2 The Billing Party, upon placing the Non-Billing Party's charges In Dispute, should, within one (1) Business Day, notify the Non-Billing Party of the subject and amount In Dispute, in a manner specified in the Billing Services Agreement.

2.7.1.3 The Non-Billing Party, upon placing its charges In Dispute, should, within one (1) Business Day, notify the Billing Party of the subject and amount In Dispute, in a manner specified in the Billing Services Agreement.

2.7.1.4 Once a dispute is resolved and the charges are no longer In Dispute, the party resolving the dispute should notify the other party of the resolution, in a manner specified in the Billing Services Agreement.

2.7.1.5 Where charges have been placed In Dispute, payments should be applied against charges that are not In Dispute first unless otherwise directed by the Applicable Regulatory Authority.

2.7.1.6 When there is a change in Billing Party, the Non-Billing Party's balance should not be transferred to the new Billing Party unless mutually agreed upon by all of the affected Billing Parties and Non-Billing Parties.

2.7.1.7 If a Customer enters into a multi-month payment arrangement for all or a portion of the bill, it is the responsibility of the party entering into such agreement with the Customer to maintain proper accounting for such transaction. Neither the Billing Party nor the Non-Billing Party should enter into such an agreement for amounts owed to the other party, unless otherwise directed by the Applicable Regulatory Authority or specified in the Billing Services Agreement.

2.7.2 Datasets

Reserved for future use.

2.7.3 Models

Reserved for future use.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

2.8 Payment Processing – Consolidated Billing – Assumption of Receivables

2.8.1 Model Business Practices

2.8.1.1 The Billing Services Agreement should specify any level of uncollectible revenues to be reflected in the amount due to the Non-Billing Party.

2.8.1.2 The Billing Services Agreement should specify any creditworthiness criteria that the Non-Billing Party's Customers would have to satisfy to be eligible for a consolidated bill.

2.8.1.3 On or before the date the payment is due to the Non-Billing Party, the Billing Party should send a Uniform Electronic Transaction notifying the Non-Billing Party of account-specific payments to be made. By mutual agreement, the Billing Party may send account-specific information along with the remittance of funds in an electronic certification to the bank in lieu of, or in addition to, direct notification to the Non-Billing Party.

2.8.1.4 The Billing Party forwards payment for all undisputed charges to the Non-Billing Party within five (5) Business Days of the due date stated on the Customer's bill or as specified in the Billing Services Agreement.

2.8.1.5 The Billing Party remittance of funds should be made by electronic means to a bank designated by the Non-Billing Party.

2.8.1.6 In the circumstance where the Distribution Company is the Billing Party, it can reject an enrollment transaction that specifies Consolidated Billing if the Customer does not satisfy the creditworthiness criteria specified in the appropriate Governing Documents. The ability to reject an enrollment transaction may be subject to the requirements of the Applicable Regulatory Authority. If the enrollment is rejected for these reasons, the Non-Billing Party may resubmit the enrollment transaction and specify Dual Billing.

2.8.1.7 When the Distribution Company is the Billing Party it may initiate conversion of a Customer to Dual Billing or to the applicable regulated energy supply service, in accordance with the Billing Services Agreement and the requirements of the Applicable Regulatory Authority, when a threshold of overdue payments or delinquencies is reached. The following practices should be used:

- Prior to conversion, the Billing Party may notify the Non-Billing Party of the status of overdue payments or delinquencies; and
- In addition to any notice that may be required to be sent to the Customer, the Billing Party should notify the Non-Billing Party, via Uniform Electronic Transaction, of the effective date of the conversion.

2.8.1.8 Return of the Customer to Consolidated Billing should be at the discretion of the Billing Party and subject to the creditworthiness criteria set forth in the Billing Services Agreement.

2.8.1.9 When Non-Billing Party charges are placed In Dispute under the Assumption of Receivables payment processing method:

- The Billing Party should withhold payment to the Non-Billing Party of the amount In Dispute; or

- If the Billing Party has made payment of the disputed charges, the Billing Party should initiate a Uniform Electronic Transaction to reverse the payment of the disputed charges. The process for addressing negative transactions resulting from the reversal of payments of disputed charges should be specified in the BSA.

2.8.2 Datasets

Reserved for future use.

2.8.3 Models

Reserved for future use.

2.9 Payment Processing – Consolidated Billing – Pay as You Get Paid

2.9.1 Model Business Practices

2.9.1.1 Each Business Day the Billing Party should process and post funds received.

2.9.1.2 The Billing Party should process payments in accordance with a predetermined payment posting order as established by the Applicable Regulatory Authority or as agreed to in the Billing Services Agreement.

2.9.1.3 Within one (1) Business Day after posting a payment to the Customer's account, the Billing Party should send a Uniform Electronic Transaction notifying the Non-Billing Party of account-specific payments due to be remitted to the Non-Billing Party.

2.9.1.4 The Billing Party should remit to the Non-Billing Party funds associated with Customer payments posted for all undisputed Non-Billing Party charges within two (2) Business Days or as specified within the rules established by the Applicable Regulatory Authority or as agreed to in the Billing Services Agreement. Remittance of funds should be made by electronic means to a financial institution designated by the Non-Billing Party. By mutual agreement between the parties, the Billing Party may send account-specific information with the remittance of funds in an electronic transaction to the financial institution in lieu of, or in addition to, direct notification to the Non-Billing Party.

2.9.1.5 When a Customer's payment that was previously transmitted to the Non-Billing Party is reversed or adjusted by the Billing Party, the Billing Party should adjust the Customer's account accordingly and send notification of the adjustment to the Non-Billing Party via Uniform Electronic Transaction within one (1) Business Day.

2.9.1.6 The Billing Party should maintain a current and past due balance for each active account of the Non-Billing Party.

2.9.1.7 The Billing Party should carry forward any inactive Non-Billing Party arrears on a bill, consistent with requirements of the Applicable Regulatory Authority, or as outlined in the Billing Services Agreement. If amounts remain unpaid, the Billing Party should forward a Uniform Electronic Transaction to the Non-Billing Party to return any outstanding arrears as specified in the Billing Services Agreement or as required by the Applicable Regulatory Authority.

2.9.2 Datasets

Reserved for future use.

2.9.3 Models

Reserved for future use.

2.10 Payment Processing – Single Retail Supplier Billing

2.10.1 Model Business Practices

2.10.1.1 On or before the date the payment is due to the Distribution Company, the Supplier should send a Uniform Electronic Transaction notifying the Distribution Company of account-specific payments to be made. By mutual agreement, the Supplier may send account-specific information along with the remittance of funds in an electronic certification to the bank in lieu of, or in addition to, direct notification to the Distribution Company.

2.10.1.2 The Supplier remittance of funds should be made by electronic means to a bank designated by the Distribution Company.

2.10.1.3 If the Distribution Company does not receive payment for undisputed charges from the Supplier within the appropriate time frame, then the Distribution Company should send notification to the Supplier of the interest and/or fees, if any, applicable to the un-remitted amount. Such notification should be sent via Uniform Electronic Transaction and in accordance with the terms and conditions of the Billing Services Agreement or pursuant to the requirements of the Applicable Regulatory Authority. Remittance of interest and/or fees, if any, should be made by electronic means to a financial institution designated by the Distribution Company.

2.10.1.4 When there is a change in Supplier, the Customer's balance should not be transferred to the new Supplier.

2.10.2 Datasets

Reserved for future use.

2.10.3 Models

Reserved for future use.

Outline for Model

Billing Services Agreement
For Consolidated Billing

This Billing Services Agreement outline provides market participants with a framework from which to create a jurisdiction specific agreement based on structure, rules and Governing Documents of the jurisdiction. This outline is not intended to be a formal, legal document that dictates the terms and conditions of the contractual relationship between the Distribution Company and the Supplier where one is the Billing Party and the other is the Non-Billing Party. Terms of the executed Billing Services Agreement will be legally binding on the parties and will reflect the structure of a particular retail market.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

BILLING SERVICES AGREEMENT OUTLINE

PREFACE

General description of the Billing Services Agreement.

Scope and relationships with other Governing Documents.

Identification of the parties to the Billing Services Agreement.

Effective date and term of the Billing Services Agreement.

Conditions precedent to the execution of the Billing Services Agreement (e.g. data exchange protocols, licensing, creditworthiness, and billing system capability).

KEY COMPONENTS

Identification of Billing Party [Supplier or Distribution Company].

Identification of the Consolidated Billing option(s) [Bill Ready and / or Rate Ready].

Type of payment processing option(s) selected by the Billing Party [Assumption of Receivables or Pay As You Get Paid].

Definition of terms used in the Billing Services Agreement.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
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Date: October 14, 2003

BILLING OBLIGATIONS AND OPTIONS

Specify relevant responsibilities, terms and conditions between the parties for the Consolidated Billing option(s) selected including: performance parameters, financial arrangements, and other details (e.g. bill format, bill insert requirements, timing for receiving Non-Billing Party charges, lead time for price changes, responsibility for calculating late payment charges, fees for billing services, accuracy of Non-Billing Party charges).

Specify any creditworthiness criteria that the Non-Billing Party's Customers would have to satisfy to be eligible for Consolidated Billing.

Specify responsibilities for non-standard billing arrangements to be provided to the Non-Billing Party by the Billing Party for selected Customers (e.g., issue bills on non-standard cycle, non-standard pricing).

Specify responsibilities for non-energy charges (e.g., billing for energy management services).

Specify responsibilities for billing features that affect both parties (e.g., budget billing).

Specify responsibilities for the usage cancellation or re-statement process.

Specify responsibilities for the bill cancellation and re-bill process.

PAYMENT OBLIGATIONS AND OPTIONS

Specify responsibilities, terms and conditions for payments due to the Non-Billing Party from the Billing Party related to their Consolidated Billing of Customers, including performance parameters, financial arrangements, creditworthiness, notification of Customer bills In Dispute, and other details (e.g., method of payment, timing of payment, payment advice timing, payment posting order).

Specify responsibilities, terms and conditions for payments due to the Billing Party from the Non-Billing Party related to their Consolidated Billing of Customers including fees for billing services (e.g., method of payment, timing of payment, charges for late payments).

Specify the level of discount (to include uncollectibles, arrearages, and the time value of money, etc.) to be reflected in the amount due for Assumption of Receivables method, if applicable.

Specify the conditions to change the level of uncollectibles to be reflected in the amount due for Assumption of Receivables method, is applicable.

Specify responsibilities, terms and conditions when the Billing Party provides payment arrangements to a Customer on behalf of the Non-Billing Party (e.g., terms for payment by the Customers in arrears).

COLLECTION OBLIGATIONS AND OPTIONS

Specify activities related to the collection actions to be taken by each party (e.g., collection of late payment charges, Customer notification).

Specify responsibilities, terms and conditions for the Billing Party to carry forward arrears on a Customer's account no longer served by the Non-Billing Party (e.g., Billing Party will carry charges for the Non-Billing Party on the bill for a specified period of time, returning outstanding arrears to the Non-Billing Party).

Specify the threshold for overdue payments and identified delinquencies that can result in the conversion of a Customer to Dual Billing or to regulated energy supply service (e.g., timing of conversion).

Specify the terms and conditions a customer must satisfy to be eligible for return to Consolidated Billing.

When the Distribution Company is not the Billing Party, specify the responsibilities, terms and conditions for providing the Distribution Company with access to real-time Billing Party payment information for specific Customer accounts in order for the Distribution Company to take appropriate collection action.

Identify special handling arrangements for collection of funds for specific Customer accounts.

Specify the terms and conditions regarding customer dispute resolution practices.

SERVICE LEVEL AND REMEDIES

Specify expectations for performance and responsibilities of each party, including remedies for failure to meet obligations (e.g., Non-Billing Party calls for change due to Billing Party performance).

Specify terms and conditions for the Billing Party to pay interest to the Non-Billing Party when payment for undisputed charges is not made to the Non-Billing Party within the appropriate time frame.

Specify terms and conditions for the Non-Billing Party to pay interest to the Billing Party when payment for billing services rendered is not made to the Billing Party within the appropriate time frame.

Specify the provisions for reviewing and auditing Billing Party activities on behalf of the Non-Billing Party.

Specify the terms of the Non-Billing Party's payment for billing services rendered by the Billing Party on behalf of the Non-Billing Party (e.g., timing and method of payment).

c. Business Purpose: To standardize how Distributors and Suppliers operate in a retail business environment.

RECOMMENDATION TO NAESB REQ EXECUTIVE COMMITTEE

Requester: REQ Customer Processes Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Date: October 14, 2003

d. Commentary/rationale of Subcommittee:

TAB 7

WHOLESALE GAS QUADRANT REFERENCE MATERIALS

North American Energy Standards Board
1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

NORTH AMERICAN ENERGY STANDARDS BOARD

2004 WGQ Annual Plan Approved by the Board of Directors – December 4, 2003

Reviewed by the Executive Committee – February 26, 2004

	Item Description	Completion[1]	Assignment
Gas-Electric Scheduling Activities			
1	Status Report on Gas-Electric scheduling coordination issues.	2nd Qtr 2004	Gas-Electric Coordination TF
Standards Implementation			
2	Review and develop necessary standards for FERC Order 2003 (Affiliate Order).	2nd Qtr 2004	Business Practices Subcommittee
Electronic Delivery Mechanisms and Related Activities			
3	Preparation of documents and submission of EDM standards to ANSI for approval as ANSI standards.	3rd Qtr 2004	EDM Subcommittee
4	Explore additional possibilities for partnership with the Department of Energy. Sandia Review of security and reliability of version 1.7. Status: Pending, Discussion Underway	3rd Qtr 2004	EC Officers
5	Review and enhance security standards as required by technological changes. Review security standards as may be deemed necessary, e.g. Public Key Infrastructure (PKI). Status:	2nd Qtr 2004	EDM Subcommittee
6	Review of minimum technical characteristics in Appendices C, D, and E of the EDM Manual. Status:	4th Qtr 2004	EDM Subcommittee
7	Prepare a common NAESB Electronic Transport (ET) and WGQ Quadrant Electronic Delivery Mechanism (WGQ QEDM) manuals using the version 1.6 NAESB WGQ EDM tab 6 and applicable 4.x.x standards as a base.	2nd Qtr 2004	EDM Subcommittee

[1] Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed so as to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

Provisional Activities[2]

Subsequent FERC orders – Docket No. RM 96-1 (Creditworthiness)

Review of ISDA Gas Annex.

Program of Standards Maintenance & Fully Staffed Standards Work[3]

Business Practice Requests	Ongoing	Assigned by the EC on a request by request basis
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI (X12) Subcommittee
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC on a request by request basis
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC on a request by request basis
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC on a request by request basis

Notes: (a) Priority is given to action items that are carry-overs from the 2003 Annual Plan.

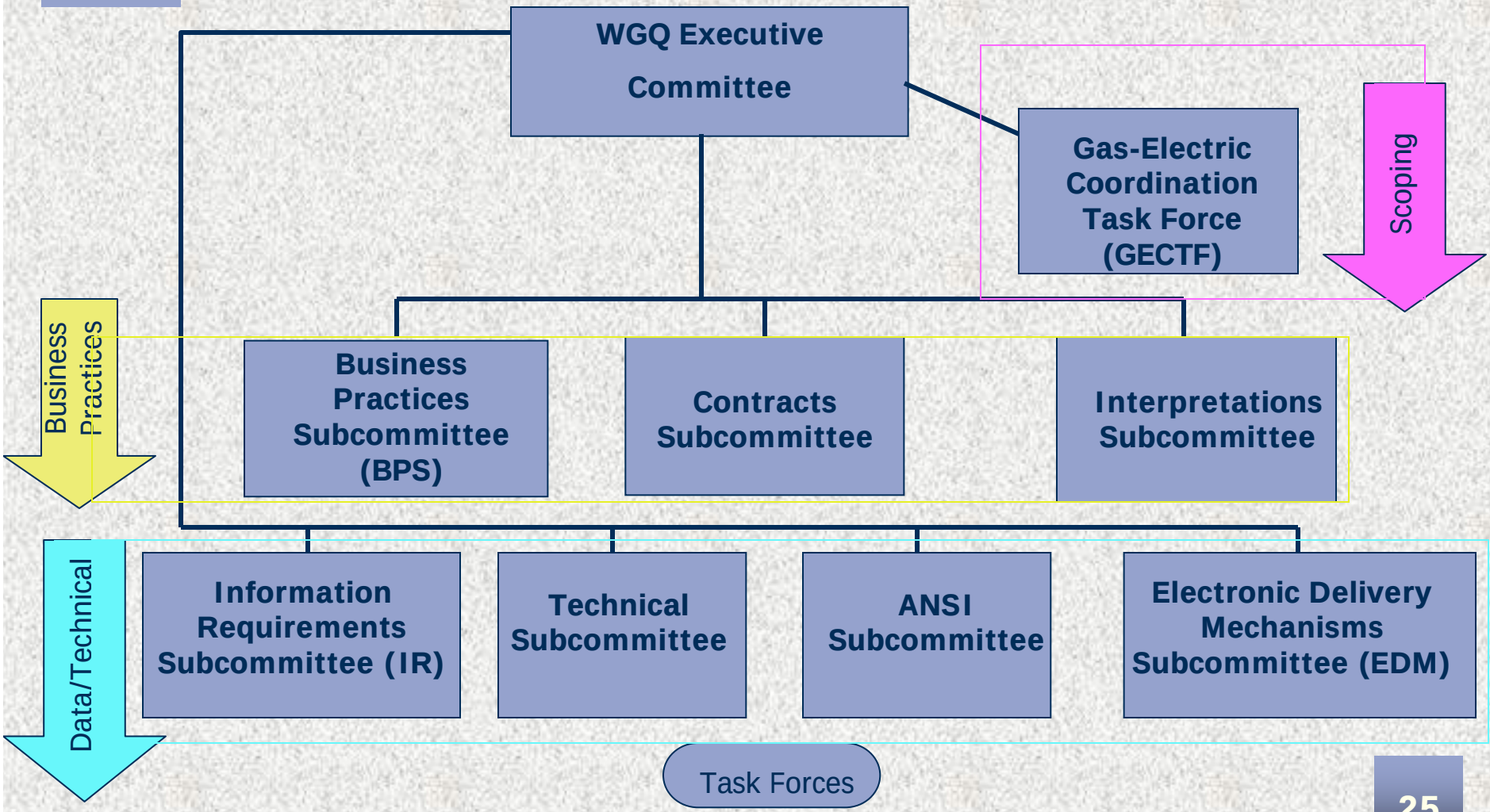
(b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.

[2] To the extent that it is determined that any of the provisional activities should be worked upon during the year as a result of a specific request for standards development or a FERC action, the Board has the discretion to modify the annual plan. Additionally, provisional activities will remain on the Annual Plan for one year pending the filing of a formal request or a decision to add them to the plan as active items.

[3] This work is considered routine maintenance and thus the items are not separately numbered.

North American Energy Standards Board

Wholesale Gas Quadrant Committee Structure



UNITED STATES OF AMERICA106 FERC ¶ 61,123
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 284

[Docket No. RM04-4-000]

Creditworthiness Standards for Interstate Natural Gas Pipelines

(February 12, 2004)

AGENCY: Federal Energy Regulatory Commission

ACTION: Notice of Proposed Rulemaking

SUMMARY: The Federal Energy Regulatory Commission is proposing to amend its regulations to require interstate natural gas pipelines to follow standardized procedures for determining the creditworthiness of their shippers. The proposed regulations are intended to promote consistent practices among interstate pipelines and provide shippers with an objective and transparent creditworthiness evaluation. In addition, the Commission is proposing to incorporate by reference standards promulgated by the Wholesale Gas Quadrant of the North American Energy Standards Board (NAESB) dealing with creditworthiness requirements for pipeline service. These standards can be obtained from NAESB at 1301 Fannin, Suite 2350, Houston, Texas 77002, (713) 356-0060, http://www.naesb.org.

DATES: Comments on the proposed rule are due [**INSERT DATE, 30 days after publication in the FEDERAL REGISTER**].

ADDRESSES: Comments may be filed electronically via the eFiling link on the Commission's web site at http://www.ferc.gov. Commenters unable to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE, Washington, DC, 20426. Refer to the Comment Procedures section of the preamble for additional information on how to file comments.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Creditworthiness Standards for Interstate Natural Gas Pipelines	Docket No. RM04-4-000

NOTICE OF PROPOSED RULEMAKING

(February 12, 2004)

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Creditworthiness Standards for Interstate Natural Gas Pipelines	Docket No. RM04-4-000

NOTICE OF PROPOSED RULEMAKING

(February 12, 2004)

1. The Federal Energy Regulatory Commission (Commission) proposes to amend § § 284.8 and 284.12 (18 CFR 284.8 and 284.12 (2003)) of its open access regulations governing capacity release and standards for business practices and electronic communications with interstate natural gas pipelines. The Commission is proposing to incorporate by reference ten creditworthiness standards promulgated by the North American Energy Standards Board (NAESB) and adopt additional regulations related to the creditworthiness of shippers on interstate natural gas pipelines. These regulations are intended to benefit customers of the pipelines by establishing standardized processes for determining creditworthiness across all interstate pipelines.

I. BACKGROUND

2. Since Order Nos. 436[1] and 636[2], the Commission has established terms and conditions relating to the credit requirements for obtaining open access service on interstate pipelines in individual proceedings. Recently, a number of interstate natural gas pipelines have made filings before the Commission to revise the creditworthiness provisions in their tariffs. These pipelines claimed that, due to increased credit rating downgrades to many energy companies, industry attention has focused on issues relating to a pipeline's risk profile and its credit exposure. As a result, the pipelines have argued that tariff revisions are needed to strengthen creditworthiness provisions and minimize the potential exposure to the pipeline and its other shippers in the event that a shipper defaults on its obligations.

3. In September 2002, the Commission issued orders that began to examine and investigate issues relating to a pipeline's ability to determine the creditworthiness of its shippers.[3] Several parties in these proceedings requested that the Commission develop uniform guidelines for pipeline creditworthiness provisions. The parties claimed that the issuance of creditworthiness guidelines would require the pipelines to make good-faith determinations using transparent and commercially reasonable methods to assess the credit risks borne by the pipeline. The parties further argued that generic guidelines

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[1] Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, Order No. 436, FERC Stats. and Regs., Regulations Preambles (1982 – 1985) ¶ 30,665, at 31,505 (1985).

[2] Pipeline Service Obligations and Revisions to Regulations Governing Self-Implementing Transportation; and Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, Order No. 636, 57 Fed. Reg. 13,267 (April 16, 1992), FERC Stats. and Regs., Regulations Preambles (January 1991 - June 1996) ¶ 30,939 at 30,446-48 (April 8, 1992); order on reh'g, Order No. 636-A, 57 Fed. Reg. 36,128 (August 12, 1992), FERC Stats. and Regs., Regulations Preambles (January 1991 - June 1996) ¶ 30,950 (August 3, 1992); order on reh'g, Order No. 636-B, 57 Fed. Reg. 57,911 (December 8, 1992), 61 FERC ¶ 61,272 (1992); reh'g denied, 62 FERC ¶ 61,007 (1993); aff'd in part and remanded in part, United Distribution Companies v. FERC, 88 F.3d 1105 (D.C. Cir. 1996); order on remand, Order No. 636-C, 78 FERC ¶ 61,186 (1997).

[3] See Tennessee Gas Pipeline Co., 100 FERC ¶ 61,268 (2002), Northern Natural Gas Co., 100 FERC ¶ 61,278 (2002), and Natural Gas Pipeline Co. of America, 101 FERC ¶ 61,269 (2002).

would reduce the potential burden faced by customers who otherwise would need to comply with inconsistent and overly burdensome credit requirements.

4. The Commission agreed that it could be valuable to develop a generic standard for creditworthiness determinations since shippers would be able to provide the same documents to every pipeline to obtain capacity. The Commission therefore encouraged the parties to initiate the standards development process at the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) to see whether a consensus standard could be developed for creditworthiness determinations. In addition, the Commission requested that NAESB file a report with the Commission by June 2003 indicating whether standards had been adopted, or if consensus could not be reached, an account of its deliberations, the standards considered, the voting records, and the reasons for the inability to reach consensus, so the Commission could determine if further action is necessary.

5. On November 6, 2002, the WGQ Business Practices Subcommittee (BPS) initiated the standards development process and eventually prepared a recommendation of 24 proposed standards to the Wholesale Gas Quadrant's Executive Committee of NAESB (WGQ EC).[4] The WGQ EC, however, was unable to reach consensus on the "package" of 24 creditworthiness standards and adopted only ten of the BPS's proposed standards. Subsequently, on June 16, 2003, as supplemented on June 25, 2003, NAESB filed a progress report with the Commission in Docket No. RM96-1-000 containing the approved standards, the voting record, and comments from WGQ EC members describing the reasons for their opposition to some of the proposed standards, or their abstention. A number of parties also filed comments with the Commission after NAESB filed its report.[5] Many of these comments focused on issues relating to creditworthiness requirements for capacity release.

II. DISCUSSION

6. The Commission is proposing to incorporate by reference the creditworthiness standards adopted by NAESB. In addition, the Commission is proposing to amend its

[4] A complete list of the 24 proposed standards voted on by the WGQ EC, along with the voting record, can be found at: http://www.naesb.org/pdf/wgq_ec060503a1.pdf

[5] Parties filing comments in Docket No. RM96-1-000 include the American Gas Ass'n; Consolidated Edison Co. of New York, Inc. and Orange and Rockland Utilities, Inc.; Encana Marketing (USA) Inc.; KeySpan Delivery Companies; Interstate Natural Gas Ass'n of America; Midland Cogeneration Venture, LP; National Fuel Gas Distribution Corp.; Reliant Energy Services, Inc.; and Stand Energy Corp.

regulations to include its own creditworthiness standards as well as creditworthiness requirements for capacity release. These standards are intended to promote greater efficiency on the national pipeline grid by creating uniform rules under which shippers acquire and maintain service on interstate pipelines.

7. In implementing Order Nos. 436 and 636, the Commission sought to establish policies regarding credit standards for obtaining open access service. However, as became clear after reviewing pipeline tariffs in the recent creditworthiness cases, the Commission's policies have at times conflicted with each other, or have not been applied consistently, resulting in pipeline tariff provisions on creditworthiness that are neither consistent nor uniform.

8. The goal of the Commission in Order Nos. 436 and 636 was to create a seamless and integrated pipeline grid that promotes competition by enabling shippers to move gas from the most competitive supply areas, across multiple pipelines, to the burner tip. Varying and overly burdensome credit and collateral requirements on pipelines can defeat this goal. If shippers face a myriad of different requirements for obtaining or retaining service on individual pipelines, they may be unable to easily and efficiently transport gas across the pipeline grid. In the past, lack of uniform tariff creditworthiness provisions may not have been as critical since the number of pipeline customers facing credit issues was small. However, in the current environment in which credit is an issue for a number of pipeline customers, standards are important to ensuring non-discriminatory and open access service. The Commission believes that customers, and pipelines, should be able to rely upon common, and reasonable practices and procedures for obtaining such open access service.

9. The ten adopted WGQ standards provide procedural rules by which pipelines should deal with their customers with respect to credit issues, such as providing shippers with reasons for requesting credit information, procedures for communications between pipelines and customers, and the timeline for providing responses to requests for credit reevaluation. But the WGQ EC was unable to reach agreement on a number of important substantive policy questions relating to creditworthiness.

10. While the WGQ consensus standards process has been invaluable in creating business practice and communication standards that have benefited the natural gas industry, the Commission recognizes that a standards organization composed of representatives from every facet of the gas industry may be unable to reach consensus on policy issues that have disparate effects on each of the industry segments. In the past when the WGQ has been unable to reach consensus on issues concerning Commission

policy, the Commission has endeavored to resolve the policy disputes when standardization is necessary to create a more efficient interstate grid.[6]

11. The Commission is therefore proposing regulations governing a range of creditworthiness issues to create a uniform and standardized policy. These include standards for the information shippers can be required to provide pipelines to establish creditworthiness, and a requirement that pipelines' creditworthiness determinations be made on the basis of objective and transparent criteria, collateral requirements for service on existing facilities as well as service obtained through pipeline construction, timelines for suspension and termination of service, and standards governing credit requirements for capacity release transactions. These proposals seek to balance the interests of the pipelines in obtaining reasonable assurances of creditworthiness against the need to ensure that open access services are reasonably available to all shippers. Like other Commission standards, the standards proposed here establish the minimum requirements that pipelines need to meet; pipelines can still choose to propose tariff provisions that are more lenient than the requirements contained in the standards.

A. Adoption of WGQ Standards

12. The Commission proposes to incorporate by reference the ten consensus standards[7] that were passed by the WGQ.[8] Among the consensus standards, a pipeline would be required to state the reason it is requesting credit evaluation information from existing shippers. Additionally, shippers would be required to acknowledge the receipt of a pipeline's request for information for creditworthiness evaluation, and the pipeline

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[6] Standards for Business Practices of Interstate Natural Gas Pipelines, Order No. 587-G, 68 Fed. Reg. 20,072 (Apr. 23, 1998), FERC Stats. & Regs., Regulations Preambles (July 1996 – December 2000) ¶ 31,062 at 20,668-72 (Apr. 16, 1998) (resolving disputes over the bumping of interruptible service by firm service).

[7] Standards 0.3.zB, 0.3.zC, 0.3.zD, 0.3.zE, 0.3.zF, 0.3.zK, 0.3.zL, 0.3.zQ, 5.3.zD, and 5.3.zF. Request No.: 2003 Annual Plan Item 6 (July 28, 2003).

[8] Pursuant to the regulations regarding incorporation by reference, copies of the creditworthiness standards are available from NAESB. The standards can be found in the Final Actions portion of the WGQ web site, http://www.naesb.org/wgq/final.asp. They can also be viewed, but not copied, in the Commission's Public Reference Room. 5 U.S.C. § 552 (a)(1); 1 CFR § 51 (2001).

would be required to acknowledge to the shipper when it received that requested information.[9]

13. The WGQ approved the standards under its consensus procedures.[10] As the Commission found in Order No. 587, adoption of consensus standards is appropriate because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of all segments of the industry. Moreover, since the industry itself has to conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support. In § 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTT&AA), Congress affirmatively requires Federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB's WGQ, as means to carry out policy objectives or activities.[11]

B. Criteria for Determining Creditworthiness

14. In the recent orders on credit requirements, the Commission has found that pipelines must establish clear criteria governing the financial data and information shippers must provide to establish their creditworthiness as well as use objective criteria for determining creditworthiness.[12] Standardizing the types of information shippers have to provide to the pipeline to establish their credit should increase a shipper's ability to obtain and retain service on multiple pipelines by ensuring that the shipper would not have to assemble different packages of documentation for each pipeline. Such standards also could benefit pipelines because shippers will be able to more quickly respond to credit inquiries by the pipelines.

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[9] The Commission is also proposing technical corrections to its regulations, including revising the regulations to reflect NAESB's name change and its recent change of address, and to correct an incorrect cross reference.

[10] NAESB's voting process first requires a super-majority vote of 17 out of 25 members of the WGQ's Executive Committee with support from at least two members from each of the five industry segments -- pipelines, local distribution companies, gas producers, end-users, and services (including marketers and computer service providers). For final approval, 67% of the WGQ's general membership must ratify the standards.

[11] Pub L. No. 104-113, § 12(d), 110 Stat. 775 (1996), 15 U.S.C. 272 note (1997).

[12] See Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 41, order on rehearing, 103 FERC ¶ 61,275 at P 40-41 (2003), PG&E Gas Transmission, Northwest Corp., 103 FERC ¶ 61,137 at P 67 (2003).

15. The WGQ EC considered, but did not pass, a proposed standard (0.3z.A) which would have established a uniform set of documents that shippers would have to provide to pipelines, distinguishing between the various customer groups that use pipeline services. This standard was supported by a majority of voting members on the Executive Committee, but failed principally because it did not obtain the required two votes from each of the five sectors.[13] The list of information under this standard is as follows:

a. Audited Financial Statements;

b. Annual Report;

c. List of Affiliates, Parent Companies, and Subsidiaries;

d. Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;

e. Private Credit Ratings, if obtained by the shipper;

f. Bank References;

g. Trade References;

h. Statement of Legal Composition;

i. Statement of Length of Time Business has been in Operation;

j. Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or such other publicly available information;

k. For public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller, or equivalent (CFO) that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;

[13] The vote on this proposed standard was 15 Yes, 3 No, and 3 Abstentions. To pass, a standard must secure a super-majority of 17 votes, with at least two votes from each segment. Three members of the Producers segment were not present at the meeting. While the "Yes" votes were two votes short of the required 17, the Committee did not poll the missing members, because the proposal failed to secure the requisite two votes from the Distribution segment.

l. For non-public entities, including those that are state-regulated utilities:

   i. the most recent available interim financial statements, with an attestation by its CFO that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with GAAP or equivalent;

   ii. an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing the shipper's current financial condition;

m. For state-regulated utility local distribution companies, documentation from their respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;

n. Such other information as may be mutually agreed to by the parties;

o. Such other information as the pipeline may receive approval to include in its tariff or general terms and conditions.

16. After reviewing this proposed standard, the Commission considers that, with the exception of item "o", this is a uniform list of reasonable information, which should provide pipelines with sufficient data to make creditworthiness evaluations. However, item "o" would permit pipelines to require non-uniform information and defeat the goal of standardization. In order to ensure that the same information can be used to establish credit across the pipeline grid, the Commission is proposing to require that this list, without item "o", constitute the complete list of information that pipelines can require shippers to provide.[14]

17. Process Gas Consumers Group and the American Forest & Paper Association filed comments included with NAESB's report stating that while they support a standard list of creditworthiness information, their support is conditioned on the premise that shippers will not be required to unnecessarily provide all the information included on the list. The

[14] Several members of the Distribution segment (the segment failing to receive two positive votes), objected to the proposed standard because item "o" would have permitted pipelines to include different requirements in their tariffs. See comments by KeySpan Energy and other members of the Distribution segment. The Commission's proposal addresses this concern by removing item "o" from the list of information pipelines may require.

Commission recognizes that not all items on the list are applicable to all shippers and is proposing that the pipelines can require shippers to provide information from the list only where applicable to that shipper.

18. With respect to the criteria to be used to evaluate a shipper's status, the Commission is proposing to require that each pipeline's tariff disclose the objective criteria to be used in evaluating a shipper's creditworthiness. Requiring the disclosure of the criteria in the tariff is necessary to ensure that shippers will know the basic standards that a pipeline will apply in determining its creditworthiness status. The Commission is also proposing to require a pipeline to provide the shipper within five days of a determination that a shipper is not creditworthy, upon request, a written explanation of such determination.[15]

19. Encana Marketing (USA) Inc. submits that rigid creditworthiness criteria and "hard triggers" should not be included in pipeline tariffs because the inclusion of such provisions may prevent the pipeline from considering all factors that may be relevant when evaluating a shipper's creditworthiness. The Commission is not proposing a defined set of criteria for evaluating creditworthiness. There may not be a defined set of criteria for evaluating each shipper, and the pipelines need to take into account the individual circumstances of a shipper in making their determinations. The proposed requirement to set forth objective criteria in the pipeline's tariff along with the requirement to inform the shipper in writing of any adverse determination should permit the shipper to protest any such decision to the Commission. The Commission, however, seeks comment on whether it should adopt a defined set of criteria for determining creditworthiness. Those supporting the development of such criteria should include in their comments proposals as to the criteria that they believe should be used.

C. Collateral Requirements for Non-Creditworthy Shippers

20. Since Order Nos. 436 and 636, the Commission's general policy has been to permit pipelines to require shippers that fail to meet the pipeline's creditworthiness requirements for pipeline service to put up collateral equal to three months' worth of reservation charges.[16] The Commission also recognized that in cases of new

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[15] See Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 46, order on rehearing 105 FERC ¶ 61,120 at P 28 (2003) (explanation need be provided only upon a shipper's request); Gulf South Pipeline Co., LP, 103 FERC ¶ 61,129 at P 21 (2003); Northern Natural Gas Co., 103 FERC ¶ 61,276 at P 43 (2003).

[16] See Florida Gas Transmission Co., 66 FERC ¶ 61,140 at 61,261 n.5&6, order vacating prior order, 66 FERC ¶ 61,376 at 62,257 (1994); Southern Natural Gas Co., (continued)

construction, particularly project-financed pipelines,[17] pipelines and their lenders could require larger collateral requirements from initial shippers before committing funds to the construction project.[18] However, in approving these larger collateral requirements the Commission would often permit the pipeline to include these collateral requirements in the pipeline's tariff so that even after the lending or other agreement had expired, the larger collateral requirements would continue for shippers taking service on the pipeline. Indeed, in one case, the Commission approved a tariff provision which provided for "security acceptable to [the pipeline's] lenders."[19] This tariff provision then continued even after the pipeline had refinanced the original lending agreement (requiring such collateral), and the succeeding lending agreements contained no such provision. As a result of these and possibly other determinations (such as acceptance of uncontested tariff

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62 FERC ¶ 61,136 at 61,954 (1993); Valero Interstate Transmission Co., 62 FERC ¶ 61,197 at 62,397 (1993); Texas Eastern Transmission Corp., 41 FERC ¶ 61,373 at 62,017 (1987); Williams Natural Gas Co., 43 FERC ¶ 61,227 at 61,596 (1988); Pacific Gas Transmission Co., 40 FERC ¶ 61,193 at 61,622 (1987); Tennessee Gas Pipeline Co., 40 FERC ¶ 61,194 at 61,636 (1987); Natural Gas Pipeline Co. of America, 41 FERC ¶ 61,164 at 61,409, n.4 (1987); Northern Natural Gas Co., 37 FERC ¶ 61,272 at 61,822 (1986).

[17] Project-financed pipelines are projects in which the lender secures its loans to the pipeline by the service agreements negotiated with the contract shippers. See Kern River Gas Transmission Co., 50 FERC ¶ 61,069 at 61,145 (1990).

[18] Calpine Energy Services, L.P. v. Southern Natural Gas Co., 103 FERC ¶ 61,273, reh'g denied, 105 FERC ¶ 61,033 (2003) (30 months' worth of reservation charges found to be reasonable for an expansion project); North Baja Pipeline, LLC, 102 FERC ¶ 61,239 at P 15 (2003) (approving 12 months' worth of reservation charges as collateral for initial shippers on new pipeline); Maritimes & Northeast Pipeline, L.L.C., 87 FERC ¶ 61,061 at 61,263 (1999) (12 months prepayment); Alliance Pipeline L.P., 84 FERC ¶ 61,239 at 62,214 (1998); Kern River Gas Transmission Co., 64 FERC ¶ 61,049 at 61,428 (1993) (stringent creditworthiness requirements required by lenders); Mojave Pipeline Co., 58 FERC ¶ 61,097 at 61,352 (1992) (creditworthiness provisions required by lender); Northern Border Pipeline Co., 51 FERC ¶ 61,261 at 61,769 (1990) (12 months' worth of collateral for new project).

[19] e prime, inc. v. PG&E Gas Transmission, 102 FERC ¶ 61,062 at P 26, order on rehearing and compliance, 102 FERC ¶ 61,289 (2003).

filings), there appears significant variance in pipeline tariff provisions establishing collateral for non-creditworthy shippers.[20]

21. The Commission is proposing here to standardize the collateral requirements applicable to shippers who fail to meet the creditworthiness standards of the pipeline's tariff.[21] This proposal is intended to ensure that shippers using multiple pipelines will not be exposed to disparate collateral requirements depending on which pipelines they choose to use.

1. Collateral for Service on Existing Facilities

22. For shippers seeking service on existing pipeline facilities, the Commission proposes to continue its traditional policy of requiring no more than the equivalent of three months' worth of reservation charges. The three months of reservation charges reasonably balances the risks to the pipeline from potential contract default against the need under open access service to ensure that existing pipeline services are reasonably available to all shippers. The three months corresponds to the length of time it takes a pipeline to terminate a shipper in default and be in a position to remarket the capacity.[22] Three months' worth of collateral therefore protects the pipeline against revenue loss while it completes the termination process and puts the pipeline in a position to remarket

[20] See Northwest Pipeline Corp., FERC Gas Tariff, Third Revised Volume No. 1, Fourth Revised Sheet No. 212 (proof of ability to pay, satisfactory to Transporter, including advance deposits); Questar Pipeline Co., First Revised Volume No. 1, Second Revised Sheet No. 70 (payment for six months' service); Centerpoint Energy Gas Transmission Co., Sixth Volume No 1, Original Sheet No. 475 (six months' contract demand).

[21] The Commission is not proposing any changes in alternative methods of satisfying creditworthiness standards, such as parental or third-party guarantees of payment.

[22] The three months for termination are as follows. The first month's collateral reflects the practice of billing shippers after the close of the prior month. See 18 CFR § 284.12 (a)(1)(iiii), Standard 3.3.14 (billing by the 9th business day after the end of the production month). The second month accounts for the time period given the shipper to pay, and an opportunity to cure a default. The third month reflects the requirement that the pipeline provide 30 days notice prior to termination. See Northern Natural Gas Co., 102 FERC ¶ 61,076 at P 49, n.10; 18 CFR §154.602 (2003).

the capacity. The Commission views the risk of remarketing capacity as a business risk of the pipeline which is reflected in its rate of return on equity.[23]

23. The Commission requests comment on whether, as a variant of this approach, pipelines should be permitted to require a non-creditworthy shipper to provide an advance payment for one month of service.[24] The pipeline could then require the shipper to post collateral to cover the additional two months necessary to terminate the shipper's contract. Such an approach would recognize that non-creditworthy customers in other industries are frequently required to provide advance payment for services.

24. The Commission also requests comment on whether it should permit pipelines to take a shipper's creditworthiness and the extent of its collateral into account when the pipeline is allocating available firm capacity among various bidders. The Commission has allowed pipelines to allocate available capacity based on the highest valued bid for the capacity, without distinction as to customer class.[25] A bid by a creditworthy customer, or one that is willing to put up a larger amount of collateral, would ordinarily appear to be of more value than a bid by a non-creditworthy customer, or one willing to put up only the required three months' worth of collateral. For instance, a ten-year bid by a creditworthy customer could well be considered more valuable than a 25-year bid by a non-creditworthy customer. The Commission, therefore, requests comment on whether it should permit the pipelines to implement a non-discriminatory method of considering credit status as part of a bidding mechanism. Under such an approach, there would be two standards for collateral: (1) the traditional three-month collateral requirement for interruptible service and for an existing shipper to retain service after a change in credit

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[23] See Ozark Gas Transmission Co., 68 FERC ¶ 61,032 at 61,107-108 (1994) (business and financial risk determine where the pipeline should be placed within the zone of reasonableness); Williston Basin Interstate Pipeline Co., 67 FERC ¶ 61,137 at 61,360 (1994) ("Bad debts are a risk of doing business that is compensated through the pipeline's rate of return").

[24] See Trailblazer Pipeline Co., 103 FERC ¶ 61,225 at P 42 (2003).

[25] See Tennessee Gas Pipeline Co., 76 FERC ¶ 61,101 at 61,518 (1996) (accepting NPV formula for allocating capacity, aff'd, Process Gas Consumers Group v. FERC, 292 F.3d 831 (D.C. Cir. 2002) (affirming no length of contract cap for NPV bids); Texas Eastern Transmission Corp., 79 FERC ¶ 61,258 (1997), aff'd on rehearing, 80 FERC ¶ 61,270 (1997) (use of net present value to allocate capacity), aff'd, Municipal Defense Group v. FERC, 170 F.3d 197 (D.C. Cir. 1999) (finding use of NPV allocation method not unduly discriminatory when applied to small customers seeking to expand service).

status; and (2) a potentially larger collateral requirement that can be applied when there are bids for new service.[26]

25. The comments on this issue should address whether such a proposal is consistent with open access service and practical methods by which pipelines could apply non-discriminatory criteria in seeking to value a shipper's credit position, including whether pipelines should be permitted to require bidders to increase their collateral offerings when competing for available capacity with creditworthy shippers and what outside limits (e.g., six months or one year of reservation charges) should be placed on collateral requirements before considering bids equal in value.

2. Collateral for Construction Projects

26. For construction projects, the Commission proposes to continue its policy of permitting larger collateral requirements. Section 7 of the Natural Gas Act does not obligate pipelines to build new facilities for shippers.[27] If pipelines are prevented from requiring collateral from initial subscribers sufficient to protect their investments in new capacity requested by shippers, the result may be that pipelines would decide not to construct needed facilities, or that the cost of capital for the pipeline itself would increase, raising rates to other shippers. Pipelines, as well as their lenders, therefore have a legitimate interest in ensuring a reasonable amount of collateral from the initial shippers supporting the project to ensure, prior to the investment of significant resources in the project, that they can protect that investment in the event of a potential shipper default.[28] Construction projects can be of two types, mainline construction, and lateral line construction, and different collateral requirements are proposed for each type.

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[26] Different standards for retention and acquisition of capacity may well be justified given the statutory protections against abandonment of service, and the lack of already established, entrenched interests when shippers are in competition for available service. See Process Gas Consumers Group v. FERC, 292 F.3d 831, 838 (D.C. Cir. 2002), (affirming; Tennessee Gas Pipeline Co., 94 FERC ¶ 61,097 at 61,400 (2001)).

[27] Panhandle Eastern Pipe Line Co. v. FERC, 204 F.2d 675 (3rd Cir. 1953); Panhandle Eastern Pipe Line Co., 91 FERC ¶ 61,037 at 61,141-42 (2000).

[28] See PG&E Gas Transmission, Northwest Corp., 103 FERC ¶ 61,137 at P 33 (2003).

a. Mainline Construction

27. The Commission has found that pipelines and their shippers should negotiate appropriate risk sharing agreements with respect to collateral requirements for mainline construction projects in their precedent agreements, so that any disputes over the collateral requirements can be resolved in the pipeline's certificate proceeding, rather than after the pipeline has committed the funds and the project is built.[29] For mainline construction, the Commission is proposing that the pipeline's collateral requirement must reasonably reflect the reasonable risk of the project, particularly the risk to the pipeline of remarketing the capacity should the initial shipper default.[30] However, under no circumstance, should the collateral exceed the shipper's proportionate share of the project's cost.

28. The collateral requirements would apply only to the initial shippers on the project, because it is their contracts that support the construction. The collateral requirements would continue to apply to these initial shippers even after the project goes into service, since the collateral is designed to ensure payment of their reservation charges. The specifics of the pipeline's and shipper's risk sharing agreement are more appropriately negotiated and agreed to in the context of precedent agreements that may be reviewed in a certificate proceeding. The Commission is therefore proposing to require that all collateral agreements for construction be determined before the project is started. Requiring advance agreement as to the collateral for construction projects ensures that if there are disputes over the extent of collateral, they can be brought to the Commission's attention before the pipeline invests the funds to initiate construction.[31] In the absence of any specified collateral requirement, the pipeline's standard creditworthiness provisions would apply once the facilities go into service.

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[29] See Calpine Energy Services, L.P. v. Southern Natural Gas Co., 103 FERC ¶ 61,273 at P 30-34 and n.21 (2003).

[30] See Calpine Energy Services, L.P. v. Southern Natural Gas Co., 103 FERC ¶ 61,273 at P 31 (2003) (approving 30 month collateral requirement based on the risks faced by the pipeline).

[31] See Calpine Energy Services, L.P. v. Southern Natural Gas Co., 105 FERC ¶ 61,033 at P 24 (changes in collateral requirements need to be known prior to the start of the construction project).

29. The pipeline would also be required to reduce the amount of collateral it holds as the shipper's contract term is reduced.[32] Once the contractual obligation is retired, the standard creditworthiness provisions of the pipeline's tariff would apply. In addition, in the event of a default by an initial shipper, the pipeline will be required to reduce the collateral it retains by mitigating damages.[33]

30. Further, since the collateral requirements for mainline construction relate to the collateral from the initial subscribers to a project, the Commission will no longer permit pipelines to place these requirements in the pipeline's tariff to be applied generally to shippers seeking service.[34] Once the facilities go into service, any subsequent shippers seeking service using these facilities will have the standard three-month collateral requirement applied to their request for service. For example, if an initial shipper on a project defaults, the pipeline faces its usual risk of remarketing that capacity. The subsequent shippers seeking to buy the now-available capacity should, therefore, be treated no differently than shippers seeking to purchase available, non-expansion capacity.

b. Lateral Line Construction

31. For lateral line construction,[35] the Commission proposes, consistent with its current policy, to allow pipelines to require collateral up to the full cost of the project.[36]

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[32] See Natural Gas Pipeline Co. of America, 102 FERC ¶ 61,355 at P 80-85; PG&E Northwest Corp., 103 FERC ¶ 61,137 at P 33, n.18, order on rehearing, 105 FERC ¶ 61,382 at P 64 (2003).

[33] One method of mitigation would be for the pipeline to determine its damages by taking the difference between the highest net present value bid for the capacity and the net present value of the remaining terms of the shipper's contract. The pipeline could then retain as much of the collateral as necessary to cover the damages. Pipelines could also develop alternative measures for determining mitigation.

[34] See North Baja Pipeline, LLC, 102 FERC ¶ 61,239 at P 15 (2003).

[35] A lateral line includes facilities as defined in 18 CFR § 154.109(b) and 18 CFR § 157.202 (2003).

[36] See Natural Gas Pipeline Co. of America, 102 FERC ¶ 61,355 at P 80-85 (2003) (allowing pipeline to request security in an amount up to the cost of the new facilities from its customers prior to commencing construction of new interconnecting facilities). See also Panhandle Eastern Pipe Line Co., 91 FERC ¶ 61,037 at 61,141 (2000).

Unlike mainline expansions, lateral lines are built to connect one or perhaps a few shippers, and the facilities will not be of significant use to other potential shippers. The likelihood of the pipeline remarketing that capacity in the event of a default by the shipper, therefore, is far less than for mainline construction. Because lateral line construction policies are part of a pipeline's tariff, collateral requirements for such projects should be included in the pipeline's tariff.

3. Collateral for Loaned Gas

32. In three recent orders, the Commission permitted pipelines to impose collateral requirements with respect to gas that shippers borrow from the pipeline, either through imbalances[37] or the use of lending services such as park and loan services,[38] to protect itself from the risk that the loaned gas might not be returned. Including the value of loaned gas in the collateral protects pipelines and their customers against the risk of a shipper withdrawing gas from the system without replacing or paying for it, and the Commission has found that a pipeline's desire to cover the value of its gas is reasonable. The Commission requests comment on whether it should adopt standards governing collateral for loaned gas with respect to imbalances as well as with respect to services permitting the borrowing of gas, such as park and loan services.

a. Imbalances

33. In Gulf South the Commission allowed the pipeline to use a non-creditworthy shipper's highest monthly imbalance over the most recent 12-month period on which to base the amount of collateral it could require for gas that is loaned to the shipper through imbalances. For new shippers, the valuation would be based on ten percent of a shipper's estimated monthly usage multiplied by the estimated imbalance rate. Gulf South explained that it proposed ten percent of a projected month's volume as an imbalance surrogate for new shippers because its customers can incur up to a ten percent imbalance without incurring imbalance penalties.[39]

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[37] See Gulf South Pipeline Co., LP, 103 FERC ¶ 61,129 at P 45-46 (2003) (Gulf South).

[38] See North Baja Pipeline, LLC, 102 FERC ¶ 61,239 at P 11, order on reh'g, 105 FERC ¶ 61,374 at P 36-37 (2003) (North Baja); and PG&E Gas Transmission, Northwest Corp., 103 FERC ¶ 61,137 at P 42-44, order on reh'g, 105 FERC ¶ 61,382 at P 65-70 (2003) (GTN).

[39] Gulf South at P 44.

34. The Commission requests comment on whether to adopt as a general standard the one-month collateral requirement for imbalances by non-creditworthy shippers, or whether, due to variations in imbalance provisions, such determinations should be made on a case-by-case basis. Comments should address the method of calculating the imbalance (e.g., the highest monthly imbalance over the last twelve months), and how collateral should be determined for new shippers without an imbalance history. For instance, should imbalances for new shippers be based on estimates of usage and tolerance levels, as in Gulf South, or an amount that may vary as the shipper accumulates imbalances? For example, a shipper could be required to provide no collateral for the first month, and then be required to provide collateral based on its first month's imbalance in the second month. After that, the amount of collateral could be updated as a track record is developed. Comments also should address the gas or index price that would be used to determine the collateral and how frequently collateral should change as a result of changes in the gas or index price.

b. Lending Services

35. With regard to park and loan (PAL) service, the Commission's decisions in North Baja and GTN permitted these pipelines to require collateral for any gas it loans to shippers under its PAL service. In these cases, the Commission allowed the pipelines to require collateral up to the shipper's maximum contract quantity multiplied by a reported per unit price. The Commission noted, however, that these PAL services may be different from PAL services offered by other pipelines in that they specify a total contract quantity rather than a maximum daily quantity.[40]

36. The Commission requests comments on how to establish collateral requirements for PAL and other lending services. In particular, comments should address whether non-creditworthy shippers should be permitted to provide a certain amount of collateral and be able to borrow gas only up to the amount of the collateral. This is similar to a provision that was adopted in PJM, whereby PJM would be permitted to limit a market participant's ability to submit a bid that exceeds that participant's credit exposure.[41] Similarly, the Commission accepted a proposal from PG&E allowing its interruptible transportation shippers to place a cash deposit with the pipeline and then have service up

[40] North Baja, 105 FERC ¶ 61,374 at P 37.

[41] PJM Interconnection, L.L.C., 104 FERC ¶ 61,309 (2003) (PJM) (permitting PJM to require sufficient collateral to cover the level of financial risk that may be incurred when a market participant places a virtual bid in PJM's day-ahead energy market.)

to the exhaustion of the defined balance account. Under this provision, unless the account is replenished by the shipper, service terminates when the balance becomes zero.[42] In this regard, comments should address, as discussed above, the gas index price that would be used to determine the collateral and how frequently collateral should change as a result of changes in the gas or index price, as well as the issue of when collateral should be returned to a non-creditworthy shipper that no longer borrows gas.

37. The Commission also requests comment on whether there may be other lending services for which collateral could be appropriate and whether, given the distinctions among PAL services, collateral determinations would be better addressed in individual cases where the Commission can consider the nature of the service being provided.

4. Interest on Collateral

38. The Commission proposes to require pipelines to offer shippers the opportunity to earn interest on collateral payments. Pipelines could satisfy this requirement either by holding the collateral itself or allowing the shipper to establish an interest-bearing escrow account where the principal can be accessed by the pipeline, but from which interest is paid to the shipper.[43] If the pipeline holds the collateral, it would pay interest based on the Commission's interest rate.[44]

D. Timeline for Suspension and Termination of Service

39. Since the advent of open-access service with pre-granted abandonment, the Commission has permitted pipelines to suspend and terminate service when shippers default on contractual obligations. Although pipeline tariffs are not always clear on this point, suspension of service refers to the stoppage of transportation service, while termination of service reflects the pipeline's ability to cancel the contractual obligation

[42] See GTN, 105 FERC ¶ 61,382 at P 14.

[43] See Northern Natural Gas Co., 102 FERC ¶ 61,076 at P 38-39, order on compliance and rehearing, 103 FERC ¶ 61,276 at P 46-47 (2003).

[44] 18 CFR § 154.501(d). See Tennessee Gas Pipeline Co., 103 FERC ¶ 61,275 at P 21 (2003).

with the shipper.[45] In some cases, for instance, the Commission has required pipelines to provide 30 days notice prior to suspension of service.[46]

40. In the recent orders on creditworthiness, the Commission has sought to revise its policies and the timeline applicable to termination and suspension of service to take into account both the needs of the pipelines to be able to avoid future losses from defaulting or non-creditworthy shippers as well as the needs of the shippers to be able to have a reasonable time period in which to obtain the needed collateral.[47] The Commission, for instance, accepted tariff provisions that would permit pipelines to suspend or terminate service for failure to post required collateral.[48]

41. Under the proposed regulation, a pipeline may suspend the provision of service upon a shipper's default on its obligations or upon a finding that a shipper is no longer creditworthy. When a shipper is no longer creditworthy, the pipeline may not terminate or suspend the shipper's service without providing the shipper with an opportunity to satisfy the collateral requirements. In this circumstance, the shipper must be given at least five business days within which to provide advance payment for one month's service, and must satisfy the collateral requirements within 30 days. Upon default, where the shipper is permitted under the pipeline's tariff to continue service if it posts the required collateral,[49] the same timetable must be applied (a minimum of five business

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[45] See Northern Natural Gas Co., 103 FERC ¶ 61,276 at P 51-56 (2003); Kinder Morgan Interstate Gas Transmission LLC, 102 FERC ¶ 61,230 at P 8 (2003); Columbia Gulf Transmission Corp., 79 FERC ¶ 61,087 at 61,408 (1997).

[46] See Columbia Gas Transmission Corp., 64 FERC ¶ 61,060 at 61,556 (1993); Panhandle Eastern Pipe Line Co., 61 FERC ¶ 61,076 (1992).

[47] Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 18 (2003), Northern Natural Gas Co., 102 FERC ¶ 61,076 at P 43-50 (2003), Natural Gas Pipeline Co. of America, 102 FERC ¶ 61,355 at P 52 (2003), Gulf South Pipeline Co., LP, 103 FERC ¶ 61,129 at P 49-52 (2003).

[48] Northern Natural Gas Co., 102 FERC ¶ 61,076 at P 43 (2003) (permitting pipeline to add provision for suspension or termination for failure to provide collateral); Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 16-19 (2003) (permitting provision for suspension or termination for failure to provide collateral).

[49] See, e.g., Natural Gas Pipeline Co. of America, 102 FERC ¶ 61,355 at P 36-40 (2003) (Providing that pipeline may determine to suspend service to a defaulting shipper upon providing 15 days of notice. If defaulting shipper commits a subsequent default

(continued)

days to provide one month's advance payment, and 30 days to satisfy the creditworthiness requirements). If the shipper fails to satisfy these requirements, service may be suspended immediately.

42. Under the proposed regulation, after a shipper either defaults or fails to provide the required collateral, pipelines would need to provide the shipper and the Commission with 30 days notice prior to terminating the shipper's contract.[50] This approach provides an appropriate balance between the shipper's ability to obtain required collateral and the pipeline's need for protection against the possibility of default by a non-creditworthy shipper.

43. Consistent with its recent orders, the Commission's policy will not allow a pipeline to bill a firm shipper for transportation charges while service is suspended.[51] As the Commission explained in these cases, the non-breaching party to a contract must elect whether to continue the contract or suspend the contract, but it cannot suspend its performance while requiring performance by the other party. The pipelines retain full control of the shipper's obligation to pay. The pipeline can elect to suspend service or continue to provide service and sue the shipper for consequential, unmitigated damages caused by its contractual breach. When pipelines terminate service, they no longer can bill monthly reservation charges, and there appears no reason to treat suspension of service differently.

44. The Commission is proposing here to permit pipelines the added remedy of suspension of service on shorter notice than termination of service. But the provision of such added protection does not warrant providing the pipeline with the right to charge for service during suspension when it would not have that right if service is terminated. For instance, a shipper's contractual breach may consist only of failing to post required collateral due to a change in its creditworthiness evaluation. In this situation, the pipeline may deem the loss of creditworthiness sufficient to suspend service on short notice in order to protect against the incurrence of additional obligations. But the pipeline should not be given added incentive to suspend service by being protected against financial loss in the meantime. It must decide which remedy to elect: suspension of service or continuation of the contract and the shipper's obligation to pay.

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within six months after the initial default, pipeline may suspend service upon a shorter notice period.)

[50] See 18 CFR § 154.602 (2003) (requiring 30 days of advance notice to the customer and the Commission prior to contract termination).

[51] Tennessee Gas Pipeline Co., 105 FERC ¶ 61,120 at P 10-14 (2003).

E. Capacity Release

45. Since Order No. 636, the Commission has held that in capacity release situations, both the releasing and replacement shippers must satisfy a pipeline's creditworthiness requirements.[52] The Commission further found that releasing shippers could not establish creditworthiness provisions for released capacity different from those in the pipeline's tariff.[53] As the Commission explained, the same criteria should be applied to released capacity and pipeline capacity in order to ensure that all capacity, including released capacity, is available on an open access, non-discriminatory basis to all shippers.[54] However, these requirements were not included in the capacity release regulations.

46. In the recent creditworthiness cases, and in the WGQ discussion, additional issues regarding creditworthiness conditions with respect to capacity release have been raised. These issues have included: (1) the effect on replacement shippers of a termination of a releasing shipper's contract;[55] (2) the provision of notice to releasing shippers of a change

[52] See Pipeline Service Obligations and Revisions to Regulations Governing Self-Implementing Transportation; and Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, Order No. 636-A, FERC Statutes and Regulations, Regulations Preambles, January 1991-June 1996 ¶ 30,950 at 30,588 (1992). Under the capacity release regulations, 18 CFR § 284.8(f) (2003), the releasing shipper remains obligated under its contract to the pipeline, and must, therefore, satisfy the creditworthiness and other obligations associated with that contract, regardless of how many subordinate releases take place. For example, even if a replacement shipper is creditworthy, it may default and the releasing shipper would be responsible for payment. Moreover, given the ability of releasing shippers to recall and segment releases, both the releasing and replacement shippers need to be creditworthy to ensure their respective obligations.

[53] See El Paso Natural Gas Co., 61 FERC ¶ 61,333 at 62,299 (1992); Panhandle Eastern Pipe Line Co., 61 FERC ¶ 61,357 at 62,417 (1992); Texas Eastern Transmission Corp., 62 FERC ¶ 61,015 at 61,098 (1993); and CNG Transmission Corp., 64 FERC ¶ 61,303 at 63,225 (1993).

[54] See Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 62 (2003) (a releasing shipper cannot impose creditworthiness conditions on a replacement shipper that are different from the creditworthiness conditions imposed by the pipeline.)

[55] Tenaska Marketing Ventures v. Northern Border Pipeline Co., 99 FERC ¶ 61,182 (2002). See Texas Eastern Transmission, L.P., 101 FERC ¶ 61,071 at P 6 (2002); Trailblazer Pipeline Co., 101 FERC ¶ 61,405 at P 32 (2002); Northern Border Pipeline Co., 100 FERC ¶ 61,125 (2002); Natural Gas Pipeline Co. of America,

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in the creditworthiness status of the replacement shipper;[56] (3) the timing of a non-creditworthy replacement shipper's obligation to provide collateral in order to bid on pipeline capacity;[57] (4) the timing of notice provided to releasing shippers of changes to a replacement shipper's credit status; and (5) creditworthiness standards for replacement shippers under permanent capacity releases. In order to assure uniformity across pipelines, the Commission proposes to amend its capacity release regulations in each of the first three areas. The Commission, however, will not propose a regulation to specify the timing of notice to releasing shippers of changes in a replacement shipper's credit status since an adequate consensus standard was passed by the WGQ. Additionally, the Commission is not proposing to amend its regulations regarding creditworthiness standards applicable to permanent capacity releases.

1. Creditworthiness Requirements for Replacement Shippers

47. The Commission is proposing to include a regulation establishing its existing policy that a pipeline must apply the same creditworthiness requirements to a replacement shipper as it would if that shipper were applying for comparable capacity with the pipeline outside of the capacity release process. This regulation would ensure that a releasing shipper could not impose creditworthiness standards on a replacement shipper that are different from the creditworthiness standards imposed by the pipeline. Since the replacement shipper has obligations to the pipeline (usage charges, penalties, imbalance cashouts, etc.) that are not covered by the releasing shipper's underlying contract, the pipeline does have a legitimate interest in assuring sufficient creditworthiness (or collateral) to cover the replacement shipper's obligations. In addition, the application of creditworthiness requirements to replacement shippers protects releasing shippers, since it provides them with some assurance of payment for the release in the event the replacement shipper defaults.[58]

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100 FERC ¶ 61,269 at P 7-19 (2002); Canyon Creek Compression Co., 100 FERC ¶ 61,283 (2002); Kinder Morgan Interstate Gas Transmission LLC, 100 FERC ¶ 61,366 (2002).

[56] Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 78 (2003).

[57] Dominion Cove Point LNG, LP, 104 FERC ¶ 61,184 at P 7-8, order on compliance, 105 FERC ¶ 61,225 (2003).

[58] In the event of a default by a replacement shipper, pipelines would be required to credit to a releasing shipper any collateral from the replacement shipper that is not used to defray the replacement shipper's obligation to the pipeline.

2. Rights of Replacement Shipper on Termination of Releasing Shipper's Contract

48. The Commission proposes to permit a pipeline to terminate a release of capacity to the replacement shipper if the releasing shipper's service agreement is terminated, provided that the pipeline provides the replacement shipper with an opportunity to continue receiving service if it agrees to pay, for the remaining term of the replacement shipper's contract, the lesser of: (1) the releasing shipper's contract rate; (2) the maximum tariff rate applicable to the releasing shipper's capacity; or (3) some other rate that is acceptable to the pipeline.

49. This provision establishes a reasonable balance between the pipeline and replacement shippers in the event a releasing shipper's contract is terminated. Although the replacement shipper has a contract with the pipeline, the releasing shipper, not the pipeline, has established the rate for the release. Under a release transaction, the contract of the releasing shipper serves to guarantee that the pipeline receives the original contract price for the capacity. Once the releasing shipper's contract has been terminated, the pipeline may no longer wish to continue service to the replacement shipper at a lower rate, and should have the opportunity to remarket the capacity to obtain a higher rate.[59] On the other hand, the replacement shipper also has an investment in the use of the capacity, and should, therefore, have first call on retaining the capacity if it is willing to provide the pipeline with the same revenue as the releasing shipper. Under this proposal, therefore, the replacement shipper is given the opportunity to retain the capacity by paying the releasing shipper's contract rate or the maximum rate for the remaining term of the contract.

50. With respect to segmented releases, the Commission proposes to apply the same general policy. A replacement shipper would have the right to continue service if it

[59] The pipeline is not required to terminate the replacement shipper's contract. It could decide to continue to provide service under that contract at the rate prescribed in the release. In that event, the replacement shipper would not have the right to terminate its contractual obligation since it is receiving the full service for which it contracted. See Tenaska Marketing Ventures v. Northern Border Pipeline Co., 99 FERC ¶ 61,182 (2002) (replacement shipper could not cancel release contract upon bankruptcy of releasing shipper).

agreed to take the full contract path of the releasing shipper at the rate paid by the releasing shipper. As the Commission found in National Fuel:

> [W]e do not agree with DETM that the replacement shipper holding a geographically-segmented portion of the defaulted releasing shipper's capacity should be able to retain that geographic segment of capacity. The pipeline did not negotiate the release of the segment and should not be held to that segmented release agreement once the releasing shipper's contract terminates. The replacement shipper in that instance should be required to pay for the full capacity path of the defaulted shipper at the lower of the rate the defaulted shipper paid or the maximum rate applicable to the defaulted shipper's full capacity path.[60]

In the case of multiple replacement shippers with geographically segmented releases, a pipeline would have to propose a reasonable method of allocating capacity among them if they each matched the releasing shipper's rate for the full rate.[61]

3. Time for Proffering Collateral for Biddable Releases

51. The Commission proposes to require pipelines to establish procedures that allow releasing shippers to require potential replacement shippers to post any necessary collateral prior to the awarding of capacity. In Order No. 637, the Commission required pipelines to provide for scheduling equality between released capacity and pipeline capacity.[62] As part of establishing such equality, the Commission encouraged pipelines

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[60] National Fuel Gas Supply Corp., 101 FERC ¶ 61,063 at P12 (2002).

[61] In the event of such multiple bids by replacement shippers, regardless of the allocation method used by the pipeline, the shippers should be able to replicate their geographically segmented capacity by releasing segments of capacity to each other.

[62] Regulation of Short-Term Natural Gas Transportation Services and Regulation of Interstate Natural Gas Transportation Services, FERC Stats. & Regs., Regulations Preambles (July 1996 - December 2000) ¶ 31,091 at 31,297 (Feb. 9, 2000); order on rehearing, Order No. 637-A, FERC Stats. & Regs., Regulations Preambles (July 1996 - December 2000) ¶ 31,099 (May 19, 2000); order on rehearing, Order No. 637-B, 92 FERC ¶ 61,062 (July 26, 2000); aff'd in part and remanded in part, Interstate Natural Gas Ass'n of America v. FERC, 285 F.3d 18, (D.C. Cir. Apr. 5, 2002); order on remand, 101 FERC ¶ 61,127 (2002).

to establish procedures by which replacement shippers could obtain pre-approval of creditworthiness.[63] The Commission found that the releasing shipper should have the option whether to: (1) require bidders for its released capacity to pre-qualify under the pipeline's creditworthiness standards, or (2) waive the prequalification requirement and post a bond or assume liability for the usage charge in the event of the replacement shipper's default.[64]

52. But the Commission did not address how a non-creditworthy replacement shipper could pre-qualify to bid on releases in the event it would have to post collateral in order to satisfy the pipeline's creditworthiness standards. Although shippers easily can pre-qualify by meeting the pipeline's creditworthiness requirements, providing collateral on an ongoing basis is more difficult. For example, the amount of capacity posted for bid on each pipeline will change over time, and the replacement shipper, therefore, would not be able to determine how much collateral to maintain on an ongoing basis on any pipeline. Moreover, if the replacement shipper seeks to obtain capacity on multiple pipelines, maintaining collateral on each pipeline on an ongoing basis to cover any potential bids could be financially impractical.

53. By the same token, the Commission did not address when non-creditworthy shippers should be required to post collateral and how capacity would be allocated in a bidding situation when the replacement shipper is not creditworthy. Allowing the replacement shipper winning the bid to post collateral after the award of capacity could compromise the speed and certainty of capacity release transactions the Commission sought to achieve in Order No. 637. Under the capacity release standards of the WGQ, releases of less than one year, subject to bid, are only posted once a day, at 12 P.M. CCT[65], with the award of capacity communicated by 2:00 P.M., unless there is a match involved, in which case the award is posted by 3 P.M.[66] If the replacement shipper were permitted to post collateral after the final award, and it was unable to do so quickly, the

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[63] In order to be "pre-qualified" the pipeline would have determined that the shipper bidding on the release offer is either: (1) creditworthy as defined in the pipeline's tariff; or (2) sufficiently collateralized (i.e., the shipper has posted a level of collateral, at the time it submits its bid, that would cover the amount of capacity on which it is bidding, up to a maximum of three months' worth of reservation charges.)

[64] See Dominion Cove Point LNG, LP, 104 FERC ¶ 61,184 at P 7-8 (2003).

[65] CCT refers to central clock time (which takes daylight savings into account).

[66] 18 CFR § 284.12 (a) (1)(v), Capacity Release Related Standards 5.3.2 (Version 1.6).

capacity release would not take place, because the releasing shipper would be unable to repost the capacity until the next day. Thus, other shippers would lose the ability to obtain that capacity and the releasing shipper would lose at least one day of release revenues. In some cases, however, the releasing shipper might decide to waive the prequalification requirement, for example, if it thought that doing so would enlarge the number of potential bidders.[67]

54. Among the NAESB standards that were passed, Standard 5.3zD provides that a pipeline should not award a release to a replacement shipper until and unless that shipper meets the pipeline's creditworthiness requirements. While this standard comports with basic Commission policy, it does not appear sufficient to resolve the issue of non-creditworthy bidders. The standard does not specify when a non-creditworthy shipper must post collateral to have its bid considered, nor does it address what happens to the allocation of capacity in a bidding situation where the winning bidder is non-creditworthy, but other bidders are creditworthy.

55. The Commission, therefore, proposes to supplement the WGQ standard by allowing the releasing shipper to determine whether it wants all bidders to be qualified prior to having their bids considered.[68] If the releasing shipper insists on pre-qualification, all potential non-creditworthy replacement shippers would be required to post collateral prior to the award of capacity at 2 P.M. This approach ensures that a potential non-creditworthy replacement shipper will not be required to maintain collateral on an ongoing basis with multiple pipelines.[69] Although the Commission recognizes that this approach does not provide potential non-creditworthy replacement shippers with a surfeit of time to obtain collateral, it appears as the only workable method of ensuring that capacity release transactions can be consummated quickly, as required by Order No. 637, while protecting the releasing shipper against losing its release revenue in the event the replacement shipper fails to post collateral. The Commission is also proposing to require pipelines to return any collateral or security posted by potential replacement

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[67] If the releasing shipper waived the prequalification requirement, the pipeline would not have to flow gas for the replacement shipper until the replacement shipper satisfied the creditworthiness requirement.

[68] Pipelines could insert a default provision in their tariffs, but would have to provide the releasing shipper an option to waive that provision. See Dominion Cove Point LNG, LP, 105 FERC ¶ 61,225.

[69] See Dominion Cove Point LNG, LP, 105 FERC ¶ 61,225 at P 18 (rejecting a pipeline's tariff requiring the replacement shipper to maintain collateral on a "continuing basis.")

shippers prior to the next nomination opportunity.[70] This will ensure that the replacement shipper has the collateral or security available to acquire released capacity through a pre-arranged deal on the same or another pipeline.

56. There also appear to be ways a potential non-creditworthy replacement shipper can avoid the need to obtain collateral quickly. For instance, the potential non-creditworthy replacement shipper could obtain a standing letter of credit from a financial institution that it could apply to any pipeline as it bids on releases. If its bid did not prevail, the letter of credit would then be available for use on subsequent bids.

57. In its comments, Reliant Energy Services, Inc. (Reliant) states there is much confusion among the pipelines as to when a non-creditworthy shipper must provide collateral in connection with a bid. Some pipelines, it asserts, want the shipper to maintain collateral prior to making a bid, while others require that collateral be posted at the time of the bid, or even at the time of the award. Instead, Reliant submits that it would not be unreasonable to permit a winning bidder with some amount of time, after notification of an award, to arrange for the necessary collateral. Reliant contends that providing a substantial amount of collateral at the time of the award (or earlier) can be problematic, especially if the shipper is making bids over multiple pipelines. Moreover, Reliant argues that a shipper should not have to provide collateral prior to being awarded the capacity since no service had yet been rendered.

58. Reliant's proposal, however, would not ensure that capacity releases can take place quickly, as required by Order No. 637, nor does it does address the potential revenue loss to the releasing shipper. The Commission's proposal appears to better meet the scheduling requirements of Order No. 637 and protect releasing shippers against a potential loss of revenue, while also providing a means by which non-creditworthy shippers can arrange for collateral prior to the award of capacity.

4. Notice to Releasing Shippers

59. In several of the creditworthiness orders, the Commission required pipelines to provide simultaneous notice to a releasing shipper and a replacement shipper upon determining that a replacement shipper is not creditworthy.[71] The Commission, however, finds no need to propose such a regulation since the membership of NAESB's WGQ

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[70] Under the WGQ nomination timeline, the collateral or security would have to be returned prior to the Evening Nomination cycle at 6:00 PM CCT.

[71] See, e.g., Tennessee Gas Pipeline Co., 102 FERC ¶ 61,075 at P 78 (2003), Northern Natural Gas Co., 103 FERC ¶ 61,276 at P 43 (2003).

passed a consensus standard (Standard 5.3.zF) that appears to adequately address this issue. Standard 5.3.zF, which we propose to incorporate by reference into the Commission's regulations, provides that a pipeline should provide notice to the original releasing shipper reasonably proximate in time to when it gives notice to the releasing shipper's replacement shipper(s) of an event pertaining to the replacement shipper(s) creditworthiness. Such events include when a replacement shipper is: (1) past due or in default of the pipeline's tariff; (2) having its service suspended or its contract terminated for cause; and (3) no longer creditworthy and has not provided credit alternative(s) pursuant to the pipeline's tariff.

5. Creditworthiness Requirements for Permanent Releases

60. The WGQ EC considered a proposed standard (5.3.zE) that would have required pipelines to relieve releasing shippers from any liability arising from their transportation contracts if they permanently released capacity to a replacement shipper that meets the pipeline's creditworthiness provisions. This proposed standard failed as a result of the Pipelines segment's opposition to the language.

61. Many parties filed comments in support of or opposition to the proposed standard. However, some of the comments appear to confuse the basic definition of a "permanent release."[72] Under the Commission's policy, a permanent release occurs when a pipeline relieves a releasing shipper from all of its obligations to the pipeline under its service agreement upon the assignment of such obligations to a replacement shipper on a permanent basis (i.e., for the remainder of the contact term).[73]

62. The Pipelines segment contends that the proposed standard would require pipelines to relieve shippers of their obligations, even when the creditworthiness of the replacement shipper does not warrant such relief. Similarly, the Interstate Natural Gas Association of America (INGAA) fears such a standard would strip the pipeline of the ability to employ reasonable business judgment in assessing whether a shipper that releases its capacity should be relieved of its contractual liability once the capacity is assigned. INGAA states that the capacity release program was never intended to be an easy loophole whereby an existing shipper can terminate contractual obligations by

[72] The Pipelines segment appears to argue that a permanent release means only the ability to release capacity for the full remaining term of the contract, with the releasing shipper remaining liable for the reservation charges. National Fuel Gas Distribution Corp. (National Fuel Distribution) maintains that a permanent release means that the releasing shipper's obligation under the contract is terminated.

[73] See El Paso Natural Gas Co., 61 FERC ¶ 61,333 at 62,312 (1992) (El Paso).

assigning its contract to a replacement shipper that meets only the minimum criteria set forth in the pipeline's tariff.

63. American Gas Association (AGA), however, argues that the proposed standard is consistent with the Commission's permanent release policy in El Paso, and as such AGA requests that the Commission clarify that permanent releases must be made to creditworthy shippers that otherwise meet pipeline tariff requirements. Similarly, National Fuel Distribution and KeySpan Delivery Companies (KeySpan) state that pipelines must be prevented from unreasonably holding the releasing shipper liable under an otherwise reasonable, full-term release of its capacity at the pipeline's maximum rate. KeySpan contends that in determining whether to allow a permanent release, pipelines must apply the same creditworthiness criteria as they would in a situation involving an equivalent request for new service, as any other result would be unduly discriminatory and unlawful.

64. The Commission is not proposing a standard for creditworthiness for permanent releases. The Commission's policy with respect to permanent releases is that a "pipeline may not unreasonably refuse to relieve a releasing shipper of liability under the contract where there is a permanent release of capacity."[74] If there is a dispute regarding the reasonableness of the pipeline's decision in allowing a permanent release, that dispute must be judged by the Commission on a case-by-case basis.[75] Because disputes as to permanent releases must be adjudged on a case-by-case basis, a regulation establishing a standard creditworthiness criteria does not appear appropriate.

III. NOTICE OF USE OF VOLUNTARY CONSENSUS STANDARDS

65. Office of Management and Budget Circular A-119 (§ 11) (February 10, 1998) provides that Federal Agencies should publish a request for comment in a NOPR when the agency is seeking to issue or revise a regulation proposing to adopt a voluntary consensus standard or a government-unique standard. In this NOPR, the Commission is proposing to incorporate by reference voluntary consensus standards developed by NAESB, in addition to proposing new regulations in areas where standards were not passed.

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[74] Id.

[75] See Texas Eastern Transmission Corp. 83 FERC ¶ 61,092 at 61,446 (1998) (permitting pipeline to refuse to permit a permanent release when the pipeline has a reasonable basis to conclude that it will not be financially indifferent to the release.)

IV. INFORMATION COLLECTION STATEMENT

66. The following collections of information contained in this proposed rule have been submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507(d). The Commission solicits comments on the Commission's need for this information, whether the information will have practical utility, the accuracy of the provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques. The following burden estimates include the costs to implement the WGQ's creditworthiness standards and the Commission's proposed creditworthiness regulations. The burden estimates are primarily related to start-up to implement these standards and regulations and will not result in on-going costs.

Data Collection	No. of Respondents	No. of Responses Per Respondent	Hours Per Response	Total No. of Hours
FERC-545	93	1	38	3,534
FERC-549C	93	1	924	85,932

Total Annual Hours for Collection
(Reporting and Recordkeeping, (if appropriate)) = 89,466

Information Collection Costs: The Commission seeks comments on the costs to comply with these requirements. It has projected the average annualized cost for all respondents to be the following:

	FERC-545	FERC-549C
Annualized Capital/Startup Costs	$182,111	$4,428,183
Annualized Costs (Operations & Maintenance)	$ 0	$ 0
Total Annualized Costs	$182,111	$4,428,183

67. OMB regulations[76] require OMB to approve certain information collection requirements imposed by agency rule. The Commission is submitting notification of this proposed rule to OMB.

Title: FERC-545, Gas Pipeline Rates: Rate Change (Non-Formal);

[76] 5 CFR § 1320.11.

FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines

Action: Proposed collections

OMB Control No.: 1902-0154, 1902-0174

Respondents: Business or other for profit, (Interstate natural gas pipelines (Not applicable to small business.))

Frequency of Responses: One-time implementation (business procedures, capital/start-up)

Necessity of Information: This proposed rule, if implemented, would upgrade the Commission's current business practice and communication standards to include the latest creditworthiness standards approved by the WGQ as well as promulgate Commission regulations governing creditworthiness. The implementation of these standards and regulations is necessary to increase the efficiency of the pipeline grid.

68. The information collection requirements of this proposed rule will be included in pipeline tariffs or reported directly to the industry users. The implementation of these data requirements will help the Commission carry out its responsibilities under the Natural Gas Act to monitor activities of the natural gas industry to ensure its competitiveness and to assure the improved efficiency of the industry's operations. The Commission's Office of Markets, Tariffs and Rates will use the data in rate proceedings to review rate and tariff changes by natural gas companies for the transportation of gas, for general industry oversight, and to supplement the documentation used during the Commission's audit process.

69. Internal Review: The Commission has reviewed the requirements pertaining to business practices and electronic communication with natural gas interstate pipelines and made a determination that the proposed revisions are necessary to establish a more efficient and integrated pipeline grid. Requiring such information ensures both a common means of communication and common business practices which provide participants engaged in transactions with interstate pipelines with timely information and uniform business procedures across multiple pipelines. These requirements conform to the Commission's plan for efficient information collection, communication, and management within the natural gas industry. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

70. Interested persons may obtain information on the reporting requirements by contacting the following:

Federal Energy Regulatory Commission,
Attn: Michael Miller, Office of the Executive Director
888 First Street, N.E.
Washington, DC 20426
Tel: (202) 502-8415 / Fax: (202) 273-0873
Email: michael.miller@ferc.gov

71. Comments concerning the collection of information(s) and the associated burden estimate(s), should be sent to the contact listed above and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202) 395-7856, fax: (202) 395-7285].

V. ENVIRONMENTAL ANALYSIS

72. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.[77] The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.[78] The actions proposed here fall within categorical exclusions in the Commission's regulations for rules that are clarifying, corrective, or procedural, for information gathering, analysis, and dissemination, and for sales, exchange, and transportation of natural gas that requires no construction of facilities.[79] Therefore, an environmental assessment is unnecessary and has not been prepared in this NOPR.

[77] Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 Fed. Reg. 47,897 (Dec. 17, 1987), FERC Stats. & Regs., Regulations Preambles, 1986-1990 ¶ 30,783 (1987).

[78] 18 CFR § 380.4 (2003).

[79] See 18 CFR § 380.4(a)(2)(ii), 380.4(a)(5), 380.4(a)(27) (2003).

VI. REGULATORY FLEXIBILITY ACT CERTIFICATION

73. The Regulatory Flexibility Act of 1980 (RFA)[80] generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The regulations proposed here impose requirements only on interstate pipelines, which are not small businesses, and, these requirements are, in fact, designed to benefit all customers, including small businesses. Accordingly, pursuant to § 605(b) of the RFA, the Commission hereby certifies that the regulations proposed herein will not have a significant adverse impact on a substantial number of small entities.

VII. COMMENT PROCEDURES

74. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due [**INSERT DATE, 30 days from publication in the FEDERAL REGISTER**]. Comments must refer to Docket No. RM04-4-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments. Comments may be filed either in electronic or paper format.

75. Comments may be filed electronically via the eFiling link on the Commission's web site at http://www.ferc.gov. The Commission accepts most standard word processing formats and commenters may attach additional files with supporting information in certain other file formats. Commenters filing electronically do not need to make a paper filing. Commenters that are not able to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street N.E., Washington, DC, 20426.

76. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

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[80] 5 U.S.C. § 601-612

VIII. DOCUMENT AVAILABILITY

77. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (http://www.ferc.gov) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington, DC 20426.

78. From FERC's Home Page on the Internet, this information is available in the eLibrary. The full text of this document is available in the eLibrary both in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

79. User assistance is available for eLibrary and the FERC's website during our normal business hours. For assistance contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or for TTY, contact (202)502-8659.

List of subjects in 18 CFR Part 284

Continental shelf, Incorporation by reference, Natural gas, Reporting and recordkeeping requirements

By direction of the Commission.

Linda Mitry,
Acting Secretary.

North American Energy Standards Board

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 Transaction

Date of Request: December 11, 2003

1. Submitting Entity & Address:

Florida Power & Light Company
700 University Boulevard, EMT/JB
Juno Beach, FL 33058

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Dona Gussow
Title : Contracts Coordinator
Phone : 561-691-7886
Cell: 561-301-8598
Fax : 561-625-7567
E-mail : dgussow@fpl.com

3. Description of Proposed Standard or Enhancement:

Establish standards relating to gas quality specifications and measurement, as follows:

A. Establish web-based reports for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting.

B. Develop a uniform process, including the underlying assumptions and methodologies, for determining gas quality specifications from measured data.

C. Examine the need to establish gas quality specification standards taking into consideration, (i) the specification needs of end users and providers of service to end users, and (ii) sources of supply (e.g. land-based, the Gulf, LNG). Draft such standards as appropriate.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

   Development of the gas quality specification standards would assist end users by providing a means to determine fuel quality (needed for optimizing operation of gas powered electric power generation equipment), facilitate emissions reporting to regulatory agencies, and facilitate electric power generation planning.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

   The proposed standards would make standardized gas quality information, including the derivation of gas quality specifications, available to the industry.

   A multi-quadrant task force (assuming multi-quadrant assignment by the quadrant Executive Committees) can be formed to review the issues resulting from participating gas and electric representatives having a full understanding of the costs vs.the benefits of standardizing gas quality specifications.

   Given the realities in the marketplace and positive impact these standards would have on electricity generation, Florida Power & Light Company anticipates being actively involved on these issues.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

   Cannot be ascertained at this time.

7. Description of Any Specific Legal or Other Considerations:

   Cannot be ascertained at this time. However, standards produced could result in the need to modify pipeline tariffs.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

Not determined at this time.

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :

Not Applicable.

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

A comparison table of current gas quality specification calculations is attached.

R03035-Attachment

DRAFT COMPARISON OF PIPELINE NATURAL GAS QUALITY SPECIFICATIONS

[REVISED 12/15/03]

PIPELINE	HOW HV DETERMINED	HEAT VALUE (HV) [BTU/SCF]	WATER (H_2O) [lbs/million cf]	HYDROGEN SULFIDE (H_2S) [grains/100 cuft]	MERCAPTAN [grains/100 cuft]	TOTAL SULFUR (S) [grains/100 cuft]	OXYGEN (O) [% by volume]	NITROGEN (N) [% by volume]	CARBON DIOXIDE (CO_2) [% by volume]
A	Industry Practice	≥960	≤7	<1	No Spec	≤20 *NOTE 1.c*	No Spec	No Spec	No Spec
B	Standard Instrument	967-1200	≤7	≤¼ - Mainline ≤1 – SE & SW	No Spec	≤20 *NOTE 1.b & 1.d*	≤1	≤3	≤2
C	Not Defined	≥978	≤7	≤1	No Spec	≤20	≤1	4 less % by volume of CO_2	≤3
D	AGA Rpt#5 –or- Other	967-1100	≤7	≤1/4	No Spec	≤20	≤.2 *NOTE 2.a*	≤4 + *NOTE 2.a*	≤3 + *NOTE 2.a*
E	Continuous Sampling AGA Rpts	≥967	≤7	≤0.25	≤0.75	≤5 Includes all forms of sulfur	≤.2 *NOTE 2.b*	*NOTE 2.b*	≤2 + *NOTE 2.b*
F	GPA Std 2172	≤1000	≤7	≤1/4	No Spec	≤10	≤1/4	*NOTE 2.c*	*NOTE 2.c*
G	Continuous Sampling –or- Other	No Spec	≤7	≤0.25	No Spec	≤20	≤.2	*NOTE 2.c*	2 + *NOTE 2.c*
H	Standard Methods	1000-1075	≤7	≤1/4	No Spec	≤10 *NOTE 1.b & 1.d*	≤.25	*NOTE 2.c*	*NOTE 2.c*
I	AGA Rpt#3	950-1175	≤7	16 PPM	No Spec	320 PPM	≤.2	≤3	≤3
J	Not Defined	≥950	≤4	≤1	No Spec	≤20	≤.2	4 less % by volume of CO_2	≤3
K	Not Defined	≥950	≤7	≤1/4	≤1/4	≤1/2	10 PPM	≤3	≤2
L	Not Defined	≥950							

PIPELINE	HOW HV DETERMINED	HEAT VALUE (HV) [BTU/SCF]	WATER (H_2O) [lbs/million cf]	HYDROGEN SULFIDE (H_2S) [grains/100 cuft]	MERCAPTAN [grains/100 cuft]	TOTAL SULFUR (S) [grains/100 cuft]	OXYGEN (O) [% by volume]	NITROGEN (N) [% by volume]	CARBON DIOXIDE (CO_2) [% by volume]
M	Standard Instrument	≥970	≤7	≤1/4	≤1/4	≤5	≤.2	*NOTE 2.c*	*NOTE 2.c*
N	Not Defined	≥950	≤7	≤10	No Spec	200 total	≤1	3 total (combined with CO_2)	3 total (combined with N)
O	Not Defined	≥967	No Spec	≤0.25	No Spec	≤20	No Spec	No Spec	No Spec
P	Not Defined	≥967	≤7	≤.5 *-or-* 8PPM	No Spec	≤10	No Spec	4 less % by volume of CO_2	≤3
Q	Not Defined	≥967	≤7	≤1/4	No Spec	≤20	No Spec	4 less % by volume of CO_2	≤3
R	Not Defined	980-1100	≤7	≤.3	No Spec	≤20	No Spec	No Spec	No Spec
S	Not Defined	950-1100	≤7	≤1/4	1	≤5	≤.05	No Spec	≤2

NOTES:	
1	**Total Sulfur Content Notes** **1.a Total Sulfur content not specified.** **1.b Total Sulfur includes mercaptan.** **1.c Total Sulfur excludes mercaptan.** **1.d Total Sulfur includes H_2S.** **1.e Total Sulfur excludes H_2S.**
2	**Nonhydrocarbon Gases Notes** **2.a Gas shall not contain more than 5% by volume of nonhydrocarbon gases including, but not limited to, carbon dioxide, nitrogen, oxygen.** **2.b Gas shall not contain more than 3% by volume of nonhydrocarbon gases including, but not limited to, carbon dioxide, nitrogen, oxygen, helium.** **2.c Gas shall not contain more than 3% by volume of carbon dioxide + nitrogen..**
3	
4	
5	

North American Energy Standards Board
1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

Preliminary GECTF Issues List as of February 11, 2004 - noon

Flexibility/Planning:

3. Identify the impact of weather and other uncontrollable factors on generation and gas load swings.

9. Discuss ways to accommodate the natural gas requirements of new generation as it comes online in various regions.

   a. The impact on the gas infrastructure of new gas-fired generation facilities.

   b. The impact on the gas infrastructure of non-scheduled gas-fired generation coming on or going off without notice.

12. Identify differences in the factors driving dispatch priority between natural gas and power.

13. Distinguish between the need for changes to the NAESB WGQ Standards and the need to make adjustments to contract portfolios and/or infrastructure requirements. Additional incentives may be needed to encourage entities to diversify their contract portfolios to meet their market requirements.

18. The implications that changes allowing more flexibility to non-firm gas shippers might have on the service levels and contractual rights of existing / traditional firm shippers.

19. Identify Examples of the service characteristics that could meet the market needs for increased delivery flexibility.

21. Is there a need for more intraday flexibility in gas scheduling?

Timelines / Scheduling:

4. How does the NAESB WGQ standard gas day interact with the various power days? There is one NAESB WGQ standard gas day and there are many regional power days that create associated difficulties in cross-commodity standardization.

5. How do the NAESB WGQ standard nomination deadlines interact with the various power deadlines? Identify the impact of regional power timeline differences.

8. Identify notice requirements that are to be provided to pipelines and/or service providers by shippers regarding load and flow changes. Identify the need for increased and/or more formal communication protocols between natural gas and power operations / control room personnel.

15. Identify the impact of the timing of peaking requirement differences between natural gas markets and power markets.

20. Can the natural gas producers and marketers react to 'within the day' requirement changes?

Reliability:

11. Identify the impact of any contemplated changes on natural gas and power reliability.

23. Distinguish between coordination issues that are originated by 1) true reliability issues versus 2) those caused by trading risk management practices.

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Terminology:

22. Clarify the differences in terminology between natural gas and power (e.g., does "Firm" mean the same thing in both commodities?)

Note: Original numbering was maintained from the January 29-30, 2004 GECTF meeting.

TAB 8

MONTHLY UPDATE CALLS

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@naesb.org
Home Page: www.naesb.org

March 6, 2004

TO: All Interested Parties

FROM: Rae McQuade, NAESB Executive Director

RE: **Monthly Update Calls**

NORTH AMERICAN ENERGY STANDARDS BOARD MONTHLY UPDATE CALLS

Schedule of Calls in 2004

The purpose of these one hour updates is to provide a high level overview of the NAESB activities and plans. The calls should complete within one hour and will provide attendees with a general understanding of the organization's current activities and plans, with guidance on how to obtain additional detailed information if needed.

The remaining schedule for 2004 is as follows:

April 21, 2004	1:00-2:00pm Central
May 19, 2004	1:00-2:00pm Central
June 16, 2004	1:00-2:00pm Central
July 21, 2004	1:00-2:00pm Central
August 18, 2004	1:00-2:00pm Central
No call scheduled for September due to NAESB Third Annual Meeting	
October 20, 2004	1:00-2:00pm Central
No call scheduled for November due to NARUC Annual Meeting	
December 15, 2004	1:00-2:00pm Central

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).

To obtain the conference calling number, please contact the NAESB Office and ask to be placed on the "Monthly Update Distribution List." The calling numbers are distributed via e-mail prior to each call, or may be obtained by calling the NAESB Office at (713) 356-0060.

Work papers can be downloaded from the NAESB web site for this meeting at: http://www.naesb.org/monthly_update.htm. We look forward to you or your staff attending the call.

NORTH AMERICAN ENERGY STANDARDS BOARD
1301 Fannin, Suite 2350 • Houston, Texas 77002 • **Phone:** (713) 356-0060 • **Fax:** (713) 356-0067
email: naesb@naesb.org • **Web Site Address:** www.naesb.org

February 11, 2004

NAESB AT A GLANCE: MONTHLY UPDATE

GAS AND ELECTRIC COORDINATION TASK FORCE UPDATE: Lou Oberski, WEQ Chair and director electric market policy, Dominion Resources, summarized the Gas and Electric Coordination Task Force's (GECTF) first meeting in Washington, DC on Jan. 29 and 30. It was well attended with over 80 participants. The agenda consisted primarily of presentations from representatives of each industry explaining how they schedule delivery of their commodity and serve their customer's daily and hourly needs. The second meeting, on Feb. 10 and 11, in San Diego was also well attended with over 40 participants. The focus of this meeting was the development of an issues list containing a broad list of issues that may need to be addressed, including flexibility and planning, timelines and scheduling, reliability and terminology. Once completed, the issues list will guide the Task Force in determining whether amendments to existing NAESB standards or development of new standards will be required. The next meeting will be March 15 and 16 in Houston.

RETAIL MODEL BUSINESS PRACTICES ROLLOUT AT NARUC WINTER MEETING: Rae McQuade, executive director of NAESB, discussed plans to make several presentations at the NARUC Winter Meeting in Washington, DC the week of March 7. The presentations will introduce NAESB first ever retail business practices to the regulatory community and the companies in attendance. Between the creditworthiness and billing and payment model business practices, there are over 100 in all – and every single one was unanimously adopted! The presentations will also describe NAESB's transparent consensus process for the development of voluntary guidelines for the energy industry. The presentations are tentatively scheduled for Sunday afternoon (March 7) to the Gas Staff Subcommittee and Tuesday morning (March 9) to the Gas Committee. The Electric Staff Subcommittee and Electric Committee, whose meetings will often overlap, were unable to add these presentations to their agendas. Everyone attending, however, is encouraged to join in.

COORDINATION WITH NERC: COORDINATE INTERCHANGE BUSINESS PRACTICES TASK FORCE UPDATE: Roman Carter, Chair of the Coordinate Interchange Business Practices (CIBP) Task Force, and project manager market policy, Southern Company, related that this WEQ Task Force is in the process of drafting business practice standards that transition the market portions of NERC's Policy 3 to NAESB's umbrella. NERC is keeping the reliability portions of Policy 3. The goal is to make sure that every standard that is currently in Policy 3 will be maintained by either NERC or NAESB. Coordination with NERC is essential to their success. Ms. McQuade reported that these efforts are going very well, and will serve as a model for the organized transfer of other NERC market standards to NAESB. CIBP now has a list serv established that compliments the existing NAESB mailing list. If anyone is interested in joining the list serv, they should contact the NAESB Office.

UPCOMING DATES OF INTEREST: Ms. McQuade highlighted several upcoming dates of interest to NAESB, the energy industry, and the regulatory community. All NAESB meetings are open and will have conference call capability.

- Joint Interface Committee (JIC), Feb. 18 to 19, New Orleans, Louisiana. The JIC will be reviewing 3 new requests related to OASIS: a baseline standard based on FERC Orders 638, 889 and 635; OASIS 1A which contains amendments to the baseline standard; and OASIS II which is a more comprehensive effort. The JIC will also be reviewing the Seams Catalog and making assignments to NERC or NAESB if national in scope, or to various ISOs if regional in scope.
- FERC Conference on Gas Interchangeability, Feb. 18, Washington, DC. Ms. McQuade will be making a presentation on the NAESB process and how standards are developed. Florida Power & Light (FPL) has submitted a request R03035 on this topic which has already been considered by the Triage Subcommittee and Executive Committee.
- NAESB Executive Committee (EC) Meetings, Feb. 24 to 26, Houston, Texas. All four quadrant EC's will be meeting. OASIS requests and gas interchangeability will be important topics of discussion.
- NAESB Advisory Council Meeting, Saturday, March 6, Washington, DC. This is being held in conjunction with the NARUC Winter Meeting at the Renaissance Washington Hotel.
- NAESB Board Meeting, March 18, Houston, Texas. The FPL request R03035 will be among the items discussed.

NEXT CONFERENCE CALL: The next conference call is scheduled for Wednesday, April 21, 2004, at 2:00 pm Eastern. We hope you can join us. If there are particular topics you would like to see covered or would like to receive additional information, please contact the NAESB Office (713-356-0060, naesb@naesb.org).

North American Energy Standards Board
Monthly Update Conference Call
Participant List
February 11, 2004 -- 2:00 PM Eastern

	Name:		Organization:
1	Aster	Adams	Tennessee Regulatory Authority
2	Laura	Anson	Missouri Public Service Commission
3	Diane	Barney	New York Public Service Commission
4	Philip	Bedingfield	Georgia Public Service Commission
5	John	Bulger	National Energy Board of Canada
6	Dave	Eichenlaub	Virginia State Corporation Commission
7	Robert	Harding	Minnesota Public Utilities Commission
8	Richard	House	Arkansas Public Service Commission
9	Wanda	Jones	Michigan Public Service Commission
10	Shawn	Kelly	Indiana Utility Regulatory Commission
11	Carol	MacLennan	Maine Public Utility Commission
12	Philip	Riley	South Carolina Public Service Commission
13	Ken	Roth	Michigan Public Service Commission
14	Bob	Vandewater	Oklahoma Corporation Commission
15	Sheila	Ward	Alabama Public Service Commission
16	Louann	Westerfield	Idaho Public Utilities Commission

	Name:		Organization:
17	Tanzania	Adams	Georgia Power Co.
18	Brenda	Anderson	Bonneville Power Authority
19	Gregory	Barone	Niagara Mohawk Power Corp.
20	Don	Benjamin	NERC
21	Bill	Boswell	NAESB, McGuire Woods
22	Jim	Buccigross	Group 8760
23	Christopher	Burden	Williams Gas Pipeline
24	Yvette	Camp	Southern Company
25	James	Cargas	NAESB
26	Roman	Carter	Southern Company
27	Pete	Connor	NiSource
28	Ed	Davis	Entergy
29	Grace	Delos Reyes	NARUC
30	Andrew	Dotterweich	Consumers Energy
31	Mary	Edwards	Dominion Virginia Power
32	Gene	Fava	Great Lakes Gas
33	Alan	Flater	American Transmission Co.
34	Arthur	Fusco	Central Electric Power
35	Bruce	Garcy	Niagara Mohawk Power Corp.
36	Charles	Gray	NARUC
37	Dona	Gussow	Florida Power and Light Co.
38	Robert	Harshbarger	Puget Sound Energy
39	Shan	Harter	Systrends
40	Joe	Hartsoe	American Electric Power
41	Jim	Hartwell	NPCC
42	Jim	Hicks	Pacific Corp.
43	Gary	Hinners	Reliant Energy Services
44	Erin	Hogan	Nyserda
45	Ruth	Kiselewich	Baltimore Gas & Electric Co.

North American Energy Standards Board
Monthly Update Conference Call
Participant List
February 11, 2004 -- 2:00 PM Eastern

	Name:		Organization:
46	Melissa	Lauderdale	Edison Electric Institute
47	Roger	Maga	ERCOT
48	Terry	McGill	Enbridge
49	Rae	McQuade	NAESB
50	Carl	Monroe	Southwest Power Pool
51	Sandy	Murrey	We Energies
52	Janie	Nielsen	Kern River Gas Transmission Co.
53	Lou	Oberski	Dominion
54	Gloria	Ogenyi	Conectiv
55	Brad	Ranmsay	NARUC
56	Judy	Ray	Alabama Power Co.
57	Barbara	Rehman	Bonneville Power Authority
58	Matt	Rios	Bonneville Power Authority
59	Lisa	Robert	Defense Support Center
60	Robert	Sarmiento	LA of Department Water and Power
61	Karen	Shay	DPUC
62	William	Smith	Allegheny Power
63	Jim	Templeton	Comprehensive Energy
64	Carlos	Thillet	Peco Enegy
65	Keith	Tiggelaar	Williston Basin Pipeline Co.
66	Bob	Valdez	Florida Power and Light Co.
67	Lori	VanWest	Excel Energy
68	Wes	Williams	Southern California Edison
69	Stacey	Wood	Structure Group
70	Karl	Wunderich	USA Reclamation
71	Ken	Yagelski	Washington Gas
72	Rich	Zelenko	Dominion

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email: naesb@aol.com • **Web Site Address:** www.naesb.org

NAESB Third Annual Meeting

Tuesday, September 14,
and
Wednesday, September 15,
2004

at

The Driskill Hotel
604 Brazos
Austin, Texas 78701

Mark you calendars!

For Reservations at the NAESB Rate, please call the Driskill at (512) 474-5911.