

April 5, 2002

AIG Energy Trading Inc.
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North American Energy Standards Board
1100 Louisiana Suit 3625
Houston, TX 77002

To Whom It May Concern:

With regards to the industry comment period on order 637, we have the following comments.

- 1- Concerning NAESB transactional reporting – Capacity Release sheet. We recommend including both the negotiated and maximum rates for commodity.
- 2- Concerning NAESB transactional reporting – Interruptible transportation sheet. We recommend including the dates of flow for such service.

Thank you for your time and help in this matter.

Sincerely,

Carl Peterson
Vice President

Date: April 12, 2002

Dear Ms. McQuade and distinguished members of the NAESB Wholesale Gas Quadrant Executive Committee,

Recently, the Electronic Delivery Mechanism (EDM) subcommittee of the North American Energy Standards Board (NAESB) responded to three requests from Systrends in support of the Independent System Operator of the Electric Grid in the state of Texas, ERCOT. These requests were as follows:

- Request R01016; to add the IETF OpenPGP standard as an encryption option for NAESB EDM
- Request R01019; to add a message identifier, REFNUM, to each outbound NAESB EDM message for tracking and auditing purposes
- Request R01020; add "XML" to the list of choices for input-type in the NAESB EDM header to identify XML documents transmitted via NAESB EDM

We wish to commend the EDM Subcommittee for their debate and approval of requests R01016 and R01019. These improvements will enable ERCOT and other Energy industry organizations to standardize on a single delivery mechanism for ANSI X12 EDI data. Such standardization can significantly reduce transactional and operational costs and these savings benefit everyone in the Energy supply chain.

Request R01020, however, failed to reach the required consensus and was declined by the EDM Subcommittee.

As additional background, ERCOT, by law, must support two types of transaction syntax, X12 and XML. ERCOT's current FTP delivery mechanism, which ERCOT hopes to replace with NAESB EDM, can be used by all Market Participants to exchange XML or X12 EDI data. It is imperative that ERCOT continue to support the needs of all Market Participants, regardless of transaction syntax, and to do so in the most cost effective manner possible.

The failure of the EDM subcommittee to approve Request R01020 presents an unfortunate dilemma to ERCOT and Texas Market Participants. Without passage of R01020, ERCOT and Market Participants will be unable to use the NAESB EDM standard to exchange XML transactions. If this limitation remains unchanged it will require ERCOT and Market Participants to implement non-standard extensions to NAESB EDM or adopt another standard delivery mechanism that can support both X12 and XML. Neither of these alternatives is attractive.

It is our opinion that a header option for XML within the NAESB EDM standard via R01020 would benefit all quadrants of NAESB and the overall Energy industry. We are aware of several Energy-related initiatives employing XML that could directly benefit Energy companies alike if a header option for XML were added to NAESB EDM. For example:

- The New York Mercantile Exchange (NYMEX) is engaged in a project to automate the confirmation process in Energy Trading. NYMEX has created XML transaction specifications that replace an existing fax-back process used to confirm Energy trades. By adding a header option for XML to NAESB EDM, Energy companies could potentially take advantage of their existing NAESB EDM implementations to automate Energy Trading confirmations.
- The Chemical Industry Data Exchange members, with close ties to the Petroleum and Energy industries, have several initiatives underway, using XML, that will automate transaction processing. This organization will require a standard delivery mechanism and NAESB EDM could be a candidate for this role, if a header option for XML were included.

- The Ontario Energy Board has developed XML transaction standards to support the deregulation of Energy markets in the province of Ontario. Given NAESB's North American scope, NAESB EDM could serve as Ontario's standard delivery mechanism, if a header option for XML were added.
- The Utility Industry Group (UIG), which endorses NAESB EDM, is developing XML transaction standards.
- Pantellos and Emporium, two Procurement Marketplaces servicing the Energy industry, define purchase orders and other transactions using XML. NAESB EDM could be used as a standard delivery mechanism in this venue.
- The NAESB XML subcommittee in the Wholesale Gas Quadrant is responsible for a pilot project, currently idle, that requires the transport of XML transactions. Inclusion of an XML header option would enable this project to utilize the NAESB EDM standard.

We recognize, however, that not all segments of the energy industry are ready, or willing, to support XML transactions. As such, we would propose to modify Request R01020 as follows:

On page 2 of the Request, from:

Modify the EDM Manual (pdf page 50, Version 1.5) as follows:

Business Name	Definition	Format	Usage*	Condition
input-data	Descriptor of the data format used for the file transmitted	X12; FF; <u>XML</u> error	in Request; M	"X12", "FF", or other GISB standard format indicator used in file transmittal; "error" used in posting back any decryption - related errors. <u>Note: "XML" is not a GISB standard format. Trading Partners that exchange XML documents on a mutually agreeable basis should use "XML".</u>

To:

Modify the EDM Manual (pdf page 50, Version 1.5) as follows:

Business Name	Definition	Format	Usage*	Condition
input-data	Descriptor of the data format used for the file transmitted	X12; FF; <u>XML</u> ; error	in Request; M	"X12", "FF", or other GISB standard format indicator used in file transmittal; "error" used in posting back any decryption - related errors. <u>See Note 1.</u>

[TO BE INCLUDED AT THE BOTTOM OF PDF PAGE 50]

Note 1: The use of "XML" as an input data type, and the exchange of XML transaction sets between trading partners, is mutually agreeable. NAESB Quadrant-specific uses and formats for XML transactions are subject to the creation, testing and adoption of standard NAESB XML transaction sets by respective NAESB Quadrants.

In summary, we believe the Energy industry, and other industries with close ties to the Energy industry, would benefit from having a single, standard delivery mechanism that is capable of servicing all its needs. Adding a header option for XML to NAESB EDM version 1.6, by approving R01020, advances the capabilities of NAESB EDM to accommodate the needs of the broader Energy industry without requiring uninterested companies to support XML. The addition of a header option for XML in NAESB EDM would demonstrate NAESB's understanding that segments of the Energy industry evolve at varying rates and that Energy industry standards must adapt to accommodate each step of the evolution or face a proliferation of "delivery mechanism standards".

We respectfully ask the Executive Committee to consider these comments and this proposed revision in their review of R01020.

Respectfully,

Pete Whatley, Dynegy Global Technologies
Charles Dias, Dynegy Global Technologies
Mark Scheel, Dynegy Marketing and Trade
Leigh Spangler, Latitude Technologies
Dick Brooks, Systrends Inc.



April 11, 2002

Dear Ms. McQuade and Distinguished members of the Board of Directors for the North American Energy Standards Board,

I would like to thank the North American Energy Standards Board (NAESB) for accommodating two requests for enhancement to the NAESB EDM standard, R01019 and R01016, submitted on behalf of the Energy Reliability Council of Texas (ERCOT). These improvements will enable ERCOT to provide Market Participants in the Texas Electricity Market with a reliable, secure, standard delivery mechanism for ANSI X12 transactions. These enhancements significantly reduce operational costs by permitting the use of freely available software packages and improves ERCOT's ability to track data exchanges more efficiently.

One additional request, R01020, also submitted on behalf of ERCOT, requested formal support for XML transactions within the NAESB EDM standard. ERCOT issued this request in order to support the delivery of both XML and X12 transactions in the Texas market. Standard, formal support for XML within NAESB EDM is necessary in order for ERCOT to replace an existing FTP delivery mechanism with the NAESB EDM standard.

It is ERCOT's desire to service the Texas Electricity Market by ensuring fair and equal market access to all market participants in a most cost effective manner. The initiative to replace FTP with the NAESB EDM standard was a direct response to Market Participant requests for a more robust, reliable and standard delivery mechanism.

ERCOT is concerned that lack of formal support for XML within the NAESB EDM standard will exclude Texas Market Participants that currently use XML from using the NAESB EDM standard. The protocols for the Texas market require that ERCOT support XML and EDI. If this limitation of NAESB EDM is allowed to persist it will require ERCOT and others to implement non-standard software or implement multiple delivery mechanisms (one for X12 and another for XML). This would likely increase ERCOT's administrative and other operational costs, which impact everyone in the Energy supply chain from consumers to generators.

I respectfully request the assistance of NAESB's Board of Directors in adopting formal support for XML within version 1.6 of the NAESB EDM standard during the April 18th Executive Committee meeting. The addition of XML will allow ERCOT to replace the current FTP delivery mechanism with one, cost effective, Energy Industry standard delivery mechanism meeting the needs of Texas Market Participants.

Thank you,

Rob Connell
IT Development Manager

Sam Jones
COO

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Kinder Morgan Comments on Proposed NAESB Minimum Technical Guidelines

Kinder Morgan believes that the Proposed NAESB Minimum Technical Guidelines appendices “C - Minimum Technical Characteristics and Guidelines for the Developer and User of the Customer Activities Web Site” and “D - Minimum and Suggested Technical Characteristics and Guidelines for the Developer and User of the Informational Postings Web Site” should be made consistent in their minimum specification, especially concerning the issue of screen resolution. We believe that it is not in the best interest of the customer nor the TSP to have different “minimum” requirements for non-transactional and transactional activity.

Kinder Morgan takes this position because the minimum specifications for screen resolution serve as design criteria as well as a usage guideline. We feel it is unreasonable to have different design criteria and therefore usage guidelines for what are essentially different areas of the same site. Minimum screen resolution specifications have been specified by GISB as of version 1.4 (800x600 screen resolution) and the v1.4 specification is in fact consistent across non-transactional and transaction activities as we suggest for version 1.5. We support the move to a higher screen resolution of 1024x768 as specified for the “Customer Activities Website” and believe that it should also apply to the “Informational Postings Web Site”. These “two sites” are provided seamlessly to our customers as a single URL (as many, if not most TSP’s do) and therefore should have a consistent specification. Given the mainstream use of monitors supporting 1024x768 and greater resolution, we feel the specification of 1024x768 as a minimum is appropriate. This benefits both the TSP and the customer by having a consistent specification that allows for greater amounts of data to be formatted to fit on the users’ screen. Concerning color depth, we believe that a 16K color minimum standard is most appropriate given the current state of technology.

Kinder Morgan also believes that the Proposed NAESB Minimum Technical Guidelines appendices “C - Minimum Technical Characteristics and Guidelines for the Developer and User of the Customer Activities Web Site” should include “PDF” in the list of approved plug-ins. This is a mainstream plug-in across the “www” and in fact is the format for all NAESB documents on the NAESB website. This format is supported by freewares such as Adobe, Ghostware and others. The popularity, power and reliability of this format makes it a very useful tool for the emailing, downloading and printing of formatted information and therefore should be included as an “approved” plug-in.