

Subj: **Re: Triage Results - R03031 Assignment to all Quadrants Issue**
Date: 11/5/2003 3:09:23 PM Central Standard Time
From: Barbara Alexander
To: NAESB office

I certainly agree with this proposal to defer a decision and have a separate call on this Request on Nov. 20. As some of you know, I raised concerns about this recommendation after the Oct. 29 Triage Subcommittee meeting. There was such a significant change in the drafting and proposed assignment of this request at the Oct. 29 call (and most folks were not present for this call and had sent in votes based on the earlier draft of this request and its earlier recommended assignment), that I think that it would benefit from a wider group participation.

In addition to Bill Newbold's substantive concerns, I would also like to raise the obvious resource constraints in the current REQ and RGQ and point out that our annual plans for 2004 do not contemplate any tasks similar to those raised in this Request.

Barbara Alexander
Maine OPA
REQ End User

----- Original Message -----

From: Naesb1@aol.com

Sent: Wednesday, November 05, 2003 3:59 PM

Subject: Triage Results - R03031 Assignment to all Quadrants Issue

Dear EC Members -

As you know, the triage recommendations must be confirmed by the Executive Committee before proceeding and a notational vote is outstanding, which is due tomorrow. However, we have received several comments regarding the disposition of R03031. In talking to Jim Buccigross, because of the number of comments raised on this joint assignment, **we are going to hold the voting period open until November 20 for R03031, and hold a conference call on November 20 to discuss this item before the EC formally decides on the triage recommendation.** The agenda for tomorrow's EC call for the WGQ and RGQ quadrants will not discuss this issue either -- it will be postponed to the November 20 call with all quadrants.

In this manner, the issues surrounding R03031 can be discussed prior to counting the votes. One of the commenters, Mr. Newbold, prepared the following remarks (below in this email). Any of the other EC members can simply reply all to add points for this issue, forward working papers for the November 20 call, or discuss them on the call later this month. It should make for an interesting call on November 20. The triage results and the request in question are attached.

Thanks, Rae

Subj: **Triage Results from October 29, 2003 Conference Call**
Date: 11/5/2003 9:20:23 AM Central Standard Time
From: Bill Newbold
To: NAESB office

Rae, Todd:

In reviewing the results of the Triage Subcommittee's call of October 29, 2003, I am in agreement with the recommendations regarding scope and Quadrant assignment for requests R03028, R03029, R03030, and R03032.

In addition, I agree that request R03031 is within scope, but I disagree with the proposed Quadrant assignment. In my opinion, this request should be assigned to the Wholesale Gas Quadrant and the Wholesale Electric Quadrant, but not to either of the Retail Quadrants--for the following reasons:

1) I consider the delivery of a fuel (electricity or gas) to a distribution system to be a wholesale transaction--even if it is for just a single customer. Who the customer is, or how many there are using the delivered fuel is irrelevant for nominations, scheduling etc. The quantities are important at this point, not the customers.

2) The current Quadrant makeup of NAESB has end-use customers in both Wholesale Quadrants, so their interests are already covered without involving the Retail Quadrants

3) The Retail Quadrants are clearly focused on the Customer-facing aspects of retail access and improving the ways Distribution Companies and competitive Suppliers work together to serve customers. These efforts revolve around exchange of information--not fuel. The only interface to fuel in their annual plans involves the settlement process. In my view, if we define settlement correctly, the Retail Quadrants' role will be limited to accumulation and aggregation of data in support of Wholesale settlement. This would seem to match FERC's direction in electric markets. The proposed Quadrant assignments would unnecessarily distract the Retail Quadrant's resources from their primary mission.

4) One aspect of the Retail/Wholesale Quadrant division is that Wholesale primarily involves FERC-regulated activities while Retail primarily involves state-regulated activities. The content of request R03031 seems to fall under FERC.

5) Assigning this request to all four Quadrants defeats the purpose of having Quadrants and postpones the needed activity of establishing the boundaries of the Quadrants.

I'm not sure the process supports it, but I think this particular request should have a more thorough discussion among EC members.

Bill Newbold
Manager, Electric Choice Strategy
Detroit Edison