

North American Energy Standards Board

Executive Committee Meeting

Wholesale Electric Quadrant
Retail Gas Quadrant
Retail Electric Quadrant
Wholesale Gas Quadrant

May 4-6, 2004

Hosted by Florida Power and Light
Juno Beach, Florida

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
May 4-6, 2004

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Wholesale Electric Quadrant Materials

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TAB 11

Membership Structure

North American Energy Standards Board
 Wholesale Electric Quadrant Procedures
 As Amended and Approved by the NAESB WEQ Membership – August 4, 2003

Attachment A

**NAESB WHOLESALE ELECTRIC QUADRANT
 PROPOSED INITIAL QUADRANT PROCEDURES
 JULY 10, 2002**

The NAESB Wholesale Electric Quadrant will be composed of five segments. Each segment will have six seats on the Board of Directors and the Executive Committee. The organization for the segments is shown below:

- **Transmission:** Any entity engaged in the activity of owning, operating or controlling bulk electric transmission facilities in North America.

Sub-segments:	Muni/Coop	Number of Seats:	1
	Fed/State/Provincial		1
	IOU		2
	ITC		2

- **Generation:** Any entity engaged in the activity of owning and/or operating wholesale electric generation facilities in North America.

Sub-segments:	Muni/Coop	Number of Seats:	1
	Fed/State/Provincial		1
	IOU		2
	Merchant		2

- **Marketers/Brokers:** Any entity engaged in the activity of buying and selling wholesale electric power in North America on a physical or financial basis.

Sub-segments:	Muni/Coop	Number of Seats:	1
	Fed/State/provincial		1
	Not IOU affiliated		2
	IOU Affiliated		2

- **Distribution/Load Serving Entities:** Any entity engaged in the activity of electric power sales and/or delivery to end use customers in North America, or any entity designated to represent a distribution utility.

Sub-segments:	Muni/Coop	Number of Seats:	2
	IOU		2
	Competitive Retailer		1
	<i>(not available to muni/ coop, IOU or IOU affiliates)</i>		
	Other		1
	<i>(not available to muni/ coop, IOU or IOU affiliates)</i>		

- **End Users:** Any entity in North America that is an end use consumer of electricity, engages in electricity regulation, or represents customer interests, or any entity designated to represent an end user.

Sub-segments:	End Use (also in another segment)	Number of Seats:	1
	Regulator		1
	Residential/Commercial		1
	Large Industrial (not in other segments)		2
	End Use (Self Generation)		1

IOU Definition: An investor owned entity who has substantial business interest in owning and/or operating any two of the following three asset categories --- generation, transmission, distribution.

North American Energy Standards Board
Wholesale Electric Quadrant Procedures
As Amended and Approved by the NAESB WEQ Membership – August 4, 2003

Attachment A (cont.)

Procedural Elements:

1. Entities may participate in multiple segments within WEQ.
2. “Sunrise .” Sub-segment principles will continue. Sub-segments may be revisited at any time, but no later than three years. Changes to sub-segments require 75% affirmative from with segment, subject to other minimum participation and deadline requirements.
3. RTO/ISO/IMO participation. All RTOs/ISOs and comparable Canadian entities are strongly encouraged to participate in the Standards drafting process from conception through drafting to the ratification stage. Furthermore, a Technical Advisory Council comprising those jurisdictionally-approved entities will be formed to provide technical support and counsel to the NAESB Board and EC. The Council will have the obligation to provide a technical assessment, evaluation and recommendation to the EC on all Standards relevant to the grid system and RTO market operations. Furthermore, the Council has an affirmative obligation to apprise the EC of a given Standard’s feasibility.
4. Fixed Annual Payment. All WEQ participants will pay a fixed annual payment. Annual payment should provide for required budget to administer the process to develop Standards. Exceptions must be approved by the NAESB Board.
5. Sub-segment population. NAESB WEQ will establish minimum number for populating sub-segments within a segment, including a deadline for such population.
6. Consultants. Contract consultants may be considered as an option for Standards drafting, contingent on identification of need and availability of sufficient funding.

Final comprehensive affirmation. This vote *[the vote taken by the Wholesale Electric Quadrant Formation Group on July 10 to endorse this package for forwarding to the NAESB Board of Directors for approval]* will reflect only the elements of this settlement. No changes of any kind can be made to this agreement without prior agreement of parties

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TAB 12

2004 Annual Plans for REQ and RGQ

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**NORTH AMERICAN ENERGY STANDARDS BOARD
2004 ANNUAL PLAN – RETAIL GAS QUADRANT¹**

Item Number & Description	Completion²	Subcommittee Assignment
1 Billing & Payment Datasets and Models Develop datasets and models to support the Billing & Payment model business practices. Status: Pending, Discussion Underway	1 st 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	1 st 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.	3 rd Qtr. 2004	Customer Processes
4 Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.	2 nd 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.	4 th 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.	4 th 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 QUADRANT¹**

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 Subcommittee⁴		
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	1 st Qtr. 2004	Technical Electronic Implementation
11 Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of item 1	2 nd 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	2 nd 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	2 nd Qtr. 2004	Technical Electronic Implementation
14 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5	4 th 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.

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Gas-Electric Scheduling Activities

16	Status Report on Gas-Electric scheduling coordination issues.	2 nd Qtr. 2004	Gas-Electric Coordination TF
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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 Work⁵

	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 QUADRANT¹**

	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	1 st 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	1 st 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.	3 rd Qtr. 2004	Customer Processes
4	Distribution Company – Supplier Disputes Develop dispute resolution procedures applicable to differences between Distribution Companies and Suppliers.	2 nd 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.	4 th 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.	4 th 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 REQ will also address requests submitted by members and assigned to the REQ 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 ELECTRIC QUADRANT¹

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 Subcommittee³		
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	1 st Qtr. 2004	Technical Electronic Implementation
13 Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of Item 1	2 nd Qtr. 2004	Technical Electronic Implementation
14 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	2 nd Qtr. 2004	Technical Electronic Implementation
15 Quadrant EDM Work jointly with the WGQ and RGQ to establish a common format for Quadrant-specific EDM (QEDM) Books. Status: Pending, Discussion Underway	2 nd Qtr. 2004	Technical Electronic Implementation
16 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5	4 th 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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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.	2 nd 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 Work⁴		
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.

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TAB 13

REQ and RGQ Subcommittee Updates

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CPS Documents

SAMPLE PAPER TRANSACTION
With DATA GROUPS

The following information is typically included on a Remittance Advice: **SRBO**

Competitive Retailer (Payer) Information

1. Competitive Retailer Name
2. Competitive Retailer Entity Common Code Identifier

Transmission Distribution Service Provider (Payee) Information

3. Transmission Distribution Service Provider Name
4. Transmission Distribution Service Provider Entity Common Code Identifier

Customer Information

5. Electric Service Identifier

Invoice Information

6. Transaction Handling Code
7. Amount
8. Credit/Debit Code
9. Payment Method Code
10. Date
11. Financial Re-association Number
12. Invoice Number
13. Cross-reference number

Summary Level Information

14. Total Monetary Value Summary

This BILLING & PAYMENT SRBO REMITTANCE ADVICE DATA DICTIONARY Workbook – Draft Data Dictionary SRBO Payment Advice 41304.xls is made up of two (2) Worksheets as TABS below:

1. Introduction – which you are now reading.
2. Data Dictionary Item Sort – **This worksheet is the result of our conference call of 4/13/04. This is an original version - not a “clean” version. Note that some cells have a red colored upper right hand corner that signifies a comment is contained in the cell and to see the comment - hold the curser over the target cell. It is incomplete.**

TABS (click on them)

SPT Ref.	Item	Business Name	Definition	Usage	Condition	Comments [Code Descriptions for Code Value Dictionary]
7	1	Amount		M		
2	2	Competitive Retailer DUNS or DUNS+4 Entity Common Code Identifier	Payer DUNS or DUNS+4 or other identifying number	M		
1	3	Competitive Retailer Name	Payer name	M		
8	4	Credit/Debit Code	Indicates whether the amount is positive or negative	M		
13	5	Cross Reference Number	Number from Usage and Invoice and Payment	M		The cross reference to an invoice (Billing Thread Cross Reference)
5	6	Electric Service Identifier	Electric Service Identification Number (Account or SDID)	M		
11	7	Financial Reassociation Number	Number that associates this remittance with the payment	M		
12	8	Invoice Number	Number from Invoice	M		The cross reference to an invoice (Billing Thread Cross Reference)
10	9	Payment Effective Date	Expected date of funds transfer	M		
9	10	Payment Method Code	Code identifying the method for transmitting the payment	M		ACH, FEW or FWT
14	11	Total Monetary Value	Sum of all amounts	M		
6	12	Transaction Handling Code	A code to indicate the contents of the transaction	M		Remittance information only
4	13	Transmission Distribution Service Provider DUNS or DUNS+4 Entity Common Code Identifier	Payee DUNS or DUNS+4 or other identifying number	M		
3	14	Transmission Distribution Service Provider Name	Payee name	M		

Original document Draft Remittance Advice-SRBO D.D..xls

Modified 4/13/04

"clean" in file name means that all modifications made to-date have been accepted

4/13/04

SAMPLE PAPER TRANSACTION With DATA GROUPS

The following information is typically included on a Consolidated Bill **Payment**:

Customer Information

1. Customer name
2. Customer name overflow
3. Payer's Customer Account Number
4. Payee's Customer Account Number

Billing Party (Payer) Information

5. Billing Party Name
6. Billing Party Entity Common Code Identifier
- 7.

Non-Billing Party (Payee) Information

8. Non-Billing Party Name
9. Non-Billing Party Entity Common Code Identifier

Remittance Advice Information

10. Transaction Handling Code
11. Trace Type Code
12. Trace Number
13. Total Monetary Amount Being Transferred
14. Payment Method Code
15. Payment Format Code
16. Payment Settlement Date
17. Transaction Date
18. Payment Action Code
19. Invoice Reference Number
20. Original Invoice Amount
21. Discount Amount
22. Customer Payment Amount
23. Credit/Debit Code
24. Adjustment Amount
25. Adjustment Reason
26. Payment Settlement Date



This BILLING & PAYMENT PAYMENT DATA DICTIONARY Workbook – Draft Payment D.D.41304.xls is made up of two (2) Worksheets as TABS below:

1. Introduction – which you are now reading.
2. Data Dictionary Item Sort – **This is the same worksheet that we were to discuss on our conference call of 4/13/04 - Draft Payment D.D..xls - Data Dictionary Item Sort [TAB] to which I have made some changes and synchronized it with the Sample Paper Transaction that was modified on 4/13/04.**
3. The Sample Paper Transactions for Payment referenced in Columns A of Data Dictionary Item Sort [TAB] have the date of 4/13/04 embedded in the file names so that you will know that they constitute the latest set of documents related to the Invoicing process. In addition, if the file name includes the word “clean” after the date, it means that all modifications made to it to-date have been accepted.

TABS (click on them)

Business Name	Definition	Usage	Condition	Comments [Code Descriptions for Code Value Dictionary]
Adjustment Amount	This is the dollar amount of the adjustment	C	Used when the presence of Adjustment Reason Code is used	
Adjustment Reason Code	A code to indicate reason for the adjustment	C	Mandatory for PayAdjType="Adjustment"	[Invoice Cancelled,Authorized Return,Adjustment,Insufficient Funds]
Billing Party Account Number	Billing Party's Customer account number	M		
Billing Party Name	Payor name	M		
Billing Party Proprietary Code Entity Common Code Identifier	Payor proprietary number	C	Used when DUNS or DUNS+4 is not available	
Billing Party's Duns Number	Billing Party Duns Number	M		
Billing Thread Cross Reference	The cross reference to an invoice	M		
Credit/Debit Code	Indicates whether the amount is positive or negative	M		
Customer Name	Payee name	M		
Customer Name Overflow		MA		
Discount Amount	The amount of discount the Billing Party is entitled to for Assuming the Receivable	C	Used when the Billing Party assumes receivables and is entitled to a discount	
Distribution Company's Customer SDID Customer Common Code Identifier		C M	Used in place of the Customer Account when the Distribution Company uses the SDID	
Distribution Company's Previous Account Number		MA		
Entity Number	Sequential number which identifies the account	M		
Funds Transfer Date	The date the Payor intends for the transaction to be settled	M		
Funds Transfer Tracking Number-Trace Type Code		M		Payment with Remittance, Payment and Remittance sent separately, or Remittance only
Monetary Amount	The positive dollar amount being moved through the ACH system. This amount should sum to the individual amounts in detail.	M		
Non-Billing Party Account Number	Non-Billing Party Customer account number	M		
Non-Billing Party Name		M		
Non-Billing Party Proprietary Code Common Code Identifier		C	Used when DUNS or DUNS+4 is not available	
Non-Billing Party's Duns Number	Non-Billing Party Duns number	M		
Original Invoice Amount	Total amount billed to the Customer	M		

Payment Adjustment Type	A code to indicate the type of payment or adjustment	M		[Adjustment,Payment on Account]
Payment Format Code	Code identifying the payment format to be used	M		CTX; CCP; PBC
Payment Method Code	Code identifying the method for transmitting the payment	M		ACH or Check
Payment/Adjustment Amount	A dollar amount representing a payment or adjustment on the customer's account	M		
Payment/Adjustment Date Settlement Date	The date the customer's payment was posted	M		
Transaction Date	The date this transaction was sent	M		
Transaction Handling Code	A code to indicate the contents of the transaction	M		Payment accompanies remittance advice; Remittance information only; Prenote

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SUIS Updates

Distribution Company-Supplier Service Agreement

A. INTRODUCTION

The conditions that govern the relationship between a Distribution Company and Supplier may be described in various documents. Although key contractual terms may be specified in a service agreement between the parties, other rules surrounding the interactions may be described in tariffs, regulations or guidelines. Each jurisdiction that has implemented Retail Access to date has addressed similar issues, but done so through different documentation practices.

The following outline for a “Distribution Company-Supplier Service Agreement” attempts to address all of the issues surrounding the contractual relationship between a Distribution Company and a Supplier. Recommendations pertaining to the details of many conditions in the service agreement can be found in the body of the UBP report.

The outline provides market participants with a framework from which to create a jurisdiction-specific service agreement based on the content and proposed contracts delineated in the UBP manual and the structure, rules and Governing Documents of that jurisdiction. An overriding requirement of the outline for the Distribution Company-Supplier Service Agreement is that it be flexible. Each jurisdiction has its own set of Governing Documents that may or may not address the details of a contractual relationship between a Distribution Company and a Supplier.

The outline is not intended to be a formal, legal document that dictates the terms and conditions of the contractual relationship between a Distribution Company and a Supplier. Terms of the ultimate document will reflect the structure of the retail market. In most cases, Supplier-specific details can be addressed in appendices. The appendices of the document also can be used to incorporate other agreements between a Distribution Company and Supplier (e.g., Billing Services Agreement, Meter Services Agreement).

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- APPENDIX E - Payment Arrangements
- APPENDIX F - Uniform Electronic Transactions Trading Partner Agreement
- APPENDIX G - Customer Inquiry Contact Information
- APPENDIX H - Dispute Resolution Process

1 GENERAL AND ADMINISTRATIVE PROVISIONS

The opening section typically names the parties to which the Distribution Company-Supplier Service Agreement (the Agreement) applies and the date on which the Agreement was signed.

1.1 The Purpose of this Agreement

This section identifies in general terms the purpose of the document and the general terms and conditions that bind the parties. Typical clauses may include the following:

- a.** This is a legally binding contract governing the business relationship between the parties as it pertains to electricity supply, metering services, billing, etc.
- b.** This agreement is not to be interpreted as a joint venture arrangement.
- c.** There are other applicable laws, regulations, codes, etc. that govern the relationship.

1.2 Definitions

This section includes definitions that are relevant to the Agreement. Where possible, definitions from the UBP glossary would be used, unless superseded by legislation, regulations or tariff provisions.

1.3 Term of Agreement

This section defines the effective date of the Agreement (which may differ from the date on which it is signed if, for example, the effective date of retail competition comes later) and the date the Agreement will terminate.

The date of termination may coincide with any of the following:

- a.** notification by a Supplier that no longer wishes to operate in a Distribution Company's service territory;
- b.** the date that a modified or new service agreement commences; or
- c.** the date that certain automatic termination clauses come into effect, such as those described in Event of Default section.

This section also may include a description of the process by which one party may inform the other of Termination of Agreement.

1.4 Amendments and Modifications to this Agreement

This section identifies the rules for amending the Agreement.

1.5 Assignment, Delegation and Subcontracting

This section defines the terms and conditions under which a party to the Agreement may assign its rights or obligations to a third party. Typically, clauses would say that neither party may assign rights or obligations without the prior written consent of the non-assigning party. Such clauses usually distinguish between assignment and subcontracting. Subcontracting is not an assignment of rights or obligations, but rather a means of fulfilling the rights and obligations of the contracting party through a subcontractor.

1.6 Third Party Beneficiaries

This section reiterates the parties that are subject to this agreement and states that there are no third-party beneficiaries.

1.7 Enforceability

This section describes the enforceability of the Agreement under certain conditions. For example, if any provision of this Agreement or application thereof is held invalid or unenforceable, the remainder of the provisions in this Agreement shall not be affected and shall continue in full force, unless deletion of the provision makes the agreement fail to address its central purpose. This section also could reference the applicable venue under which the agreement will be enforced (e.g., state and federal laws).

1.8 Notices

This section indicates that all notices under the Agreement shall be in writing and acknowledges the rights of parties to change the contact persons' name and address to which notices should be sent. Any special requirements with respect to delivery options should be delineated here. Reference should be made to the contact persons and addresses listed in Appendix A.

1.9 Relevant Documents

This section might make reference to other applicable tariffs, laws, regulations, codes, regulatory guidelines, rules, operational manuals, etc. that govern or affect the relationship. A list of other Governing Documents would be included here, or in an appendix, depending on the length of the list.

In the event of a conflict, conditions and requirements in certain Governing Documents may take precedence over the terms and conditions in the Agreement. This section also should describe the hierarchy of documents (i.e., which document takes precedence in the event of a conflict).

Most jurisdictions promulgate detailed rules by which the competitive electricity retail market and retail market participants must operate. These rules tend to be described in documents separate from a contractual agreement (e.g., legislation, codes, regulatory guidelines). These rules¹ include processes by which a Distribution Company and Supplier may interact. For example:

- ◆ Retail Settlements/Reconciliation
- ◆ Customer Information
- ◆ Customer Switching
- ◆ Load Obligations of the Supplier
- ◆ Load Profiles used by the Distribution Company
- ◆ Utilization of Schedule Coordinators and Agreements
- ◆ System Operations/Curtailment
- ◆ Delivery and Balancing
- ◆ Tariffs and Fees

Details on these processes could be included in this Agreement by reference, or actually detailed in the Agreement itself. If these rules are incorporated by reference, a summary of the relevant documents could be included here or in an appendix. Alternatively, each of the above topics could be developed as separate sections.² To the extent the operating conditions are not spelled out in other documents, these conditions may need to be addressed specifically in the text of the Agreement.

1.10 Waivers

Although an Agreement usually is subject to the legislative and regulatory requirements of the jurisdiction, this section could be used to define any waivers of conditions in the relevant documents.

¹ Details on these topics is available in the Uniform Business Practices ("UBP") Manual

² For purposes of this outline, potential retail rules are simply listed in this section and are not developed in detail as separate sections. If these rules were set forth verbatim in the Agreement, the Agreement would be very large.

2 CONDITIONS PRECEDENT

This section would include a list of the things that must be in place prior to entering into the Agreement or prior to either the Agreement becoming effective or to commencing service under the Agreement. Examples might include:

- ◆ Each party is licensed as required under applicable laws and regulations.
- ◆ Each party is in compliance with applicable laws, regulations, license conditions, market rules, etc.
- ◆ The Supplier or Distribution Company has satisfied all applicable creditworthiness requirements.
- ◆ The Supplier has entered into the appropriate agreements with schedule coordinators to allow the Supplier to serve load.
- ◆ The requisite electronic funds transfer arrangements are in place.

It may be noted that these conditions precedent are ongoing obligations of the parties and failure to continue to meet these conditions may provide grounds for default or eventual termination of the Agreement.

3 EVENTS OF DEFAULT AND REMEDIES FOR DEFAULT

This section defines the conditions under which a Supplier or Distribution Company would be considered in default of the Agreement. Examples might include:

- a. Non-payment.
- b. Bankruptcy.
- c. Violation of license conditions or regulations, including Customer slamming.
- d. Non-compliance with terms and conditions of the Agreement, including security arrangements or Conditions Precedent.

This section would describe the actions that either party may or must take when a default occurs. Such remedies may be prescribed by applicable regulatory requirements or by general commercial law. This section also might include statements concerning the ongoing obligations of each party. Examples of remedies include the following:

- ◆ Description of notification requirements.
- ◆ Period of time during which a Party can correct the default before termination of the Agreement.

Specific remedies associated with particular events may be described in the relevant sections of the Agreement.

This section also might specify the interest rate that would be paid by a Supplier to a Distribution Company or vice versa during periods of default. This section of the Agreement would be a logical place to delineate any “other arrangements” made between the parties to remedy defaults.

4 LIMITATION OF LIABILITY

This section would define the extent of liability of each party. Liability is often limited to direct or actual damages incurred as a result of a party’s action, lack of action, default or wrongful termination. Typically, damages such as consequential, indirect, special or punitive are specifically excluded by this section.

5 INDEMNIFICATION

This section typically provides that each party (the indemnifying party) shall hold harmless the other party (the indemnified party) from claims by a third party due to the negligence of the indemnifying party, subject to the limitations of liability. For example, in the event that the Distribution Company is authorized to physically disconnect the Customer on behalf of the Supplier, the MSA should indemnify the Distribution Company against any damages resulting from that action. Indemnification typically extends beyond the termination of the Agreement.

6 FORCE MAJEURE

This section relieves the parties of liability due to events beyond their control.

An Event of Force Majeure may be defined to include, but is not limited to, unusually severe weather, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, work stoppage caused by jurisdictional and similar disputes, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes, which by the exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence is unable to overcome.

This section also should include a description of the process by which a party informs the other of the Event of Force Majeure.

7 SYSTEM OPERATION

This section of the Agreement would delineate the rights of the Distribution Company to physically disconnect, curtail interrupt or reduce service to Customers whenever the Distribution Company reasonably determines, or is directed by an appropriate third party (including an ISO, government agency, or civil authority), that such an act is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Distribution Company's facilities; to maintain the safety and reliability of the Distribution Company's distribution system; or due to other reasons, including Emergencies, forced outages, and potential overloading of the Distribution Company's distribution system. It would also address notifications to market participants and related issues.

8 SECURITY ARRANGEMENTS

[Details on this topic are available in the Uniform Business Practices ("UBP") Creditworthiness Section]

This section of the Agreement would delineate in general terms the requisite creditworthiness requirements of the parties and describe any potential security arrangements that may be established between the parties. There are likely to be other documents that identify the methodology that must be used to determine the maximum allowable security between the parties. This section could be used to record the specific arrangements pertinent to each bilateral Agreement.

Details of any specific security arrangements required to meet creditworthiness requirements may be delineated in Appendix B.

9 METERING

[Details on this topic are available in the Uniform Business Practices ("UBP") Vol. II: Unbundled Metering Section]

Access to competitive metering is likely to vary among jurisdictions. If metering is to be competitive, this section may describe the conditions under which a Supplier may provide such services.

This section might include a reference to any metering requirements stated in the applicable Governing Documents.

If metering services are not unbundled, and the Distribution Company is responsible for metering service, this section would describe the metering options that are available to a Supplier. The ability of a Supplier to request and obtain an alternative meter option that would be installed whenever that Supplier obtained an accepted Switch notification could be included here.

Any technical metering requirements applicable to a Distribution Company or Supplier also may be included here. Special optional metering services also would be identified in this section (e.g., provision of TOU metering and settlement, provision of prepaid metering, any special meter reading services, tailored read cycles).

Details of the specific metering arrangements for the Supplier may be delineated in Appendix C.

10 UNAUTHORIZED ENERGY USE

This section could be used to incorporate specific provisions, protections and penalties related to unauthorized energy use by either Party. Contractual terms usually would prohibit either party from participating in, assisting in or being the cause of unauthorized energy use from the Distribution Company's system. It also could be used to create an obligation on both parties to inform the other if unauthorized energy use is suspected.

In some jurisdictions, failure to comply with scheduling requirements may be considered energy theft. Details regarding this type of situation and potential remedies could be included in this section.

11 BILLING

[Details on this topic are available in the Uniform Business Practices ("UBP") Billing and Payment Section]

This section would describe the standard billing arrangements, including the following information:

- a.** Any generic or default instructions that a Supplier may wish to have carried out by a Distribution Company. For example, it might describe the default billing option that would be used for all consumers served by a Supplier unless some other option is identified in a transfer request.
- b.** The timing of information flow between a Supplier and Distribution Company. For example, it might indicate that a Supplier would need to provide bill-ready information to a Distribution Company within X business days of the date that a Distribution Company posts consumption data for an individual Customer.
- c.** Delineation of the specific payment and billing schedule for settlement processing with Suppliers.
- d.** Specific details associated with optional billing services provided by a Distribution Company to a Supplier.
- e.** Whether a Supplier or Distribution Company will respond to consumer questions about usage and control of usage. Any arrangements between the Supplier and Distribution Company concerning who should handle such inquires could be included in this section.

This section could address the issues in general terms, and detailed procedures and arrangements could be described in detail in Appendix D.

12 PAYMENT

This section would describe the form of payment under the specific arrangements negotiated by the Parties. Interest provisions for late payments could be described here. Reference could be made to a more detailed description of the process for monetary transfers in Appendix E.

13 COMMUNICATION PROCESS

This section would describe the communication process by which reports, data and information required to be exchanged are communicated between parties. Reference could be made to a separate Uniform Electronic Transactions Trading Partner Agreement in Appendix F.

14 CUSTOMER INQUIRIES

[Details on this topic are available in the Uniform Business Practices (“UBP”) Customer Call Center Section]

If applicable, this section would describe the process by which each party is obligated to handle Customer inquiries. This might include decision rules on which calls (if any) one party might handle for the other and the preferred method for getting the Customer in touch with the correct party (live transfer, referral, etc.) If delineated as a separate section, Customer inquiries related to billing could be included here. Reference to specific contact information to be provided to Customers (e.g., phone number, facsimile number, mailing address or e-mail address) could be included as Appendix G.

15 AUDITS

This section identifies the rights of each party and the circumstances under which one party has the right to audit the books and procedures of the other party that directly relate to the conditions of the Agreement. This section also could specify the time frame and other potential limitations on the right to audit.

16 DISPUTE RESOLUTION

[Details on this topic are available in the Uniform Business Practices (“UBP”) Dispute Resolution Section]

This section of the Agreement would be a logical place to define more precisely a common dispute process through identification of a specific set of procedures to which each Distribution Company and Supplier must adhere. Alternatively, this section could describe general conditions required for a dispute resolution process and list the details of a specific set of procedures agreed to by the Parties in Appendix H.

17 NONDISCLOSURE/CONFIDENTIALITY

This section would define the type of information that is considered confidential and the responsibility of each party to the Agreement to maintain the confidentiality of such information. Confidential information typically would exclude any information known to either Party prior to obtaining the same from the other Party, information in the public domain, or information obtained from a third party that is not subject to any confidentiality agreement.

This section also would list the conditions under which confidential information may be disclosed.

18 REPRESENTATIONS AND WARRANTIES

This section would state that each Party represents that certain things are true, such as:

- a. Each Party is who the Party says.
- b. Legal name of Company(s) is correctly specified.
- c. Each Party is and shall remain in compliance with applicable laws and tariffs.
- d. Each Party is authorized to enter into the Agreement. Assurances that individuals have the authority to do so.
- e. Each Party will exercise reasonable care, diligence and good faith in performing duties under the Agreement.

Membership in Control Areas/Independent System Operators (or function equivalent) also could be referenced here.

19 SIGNATURE PAGE

For example:

[DISTRIBUTION COMPANY]

Full Name (printed)	Signature	Date
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[SUPPLIER]

Full Name (printed)	Signature	Date
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APPENDIX A
Contact Information

Questions regarding this agreement or issues arising from this agreement should be referred to the following parties:

[DISTRIBUTION COMPANY]

Mr. Mrs. Miss Ms. Other: _____	Last Name:	Full First Name:	Initial:
	Position Held:		

Contact Address (if R.R., give Lot, Concession No. and Township)			
City	Province	Country	Postal/Zip Code
Phone Number	FAX Number	E-mail Address	

[SUPPLIER]

Mr. Mrs. Miss Ms. Other: _____	Last Name:	Full First Name:	Initial:
	Position Held:		

Contact Address (if R.R., give Lot, Concession No. and Township)			
City	Province	Country	Postal/Zip Code
Phone Number	FAX Number	E-mail Address	

APPENDIX B

Security Arrangements to Meet Credit Requirements

[A description of the security arrangements negotiated between Parties should be included here. This section also may reference a credit application form.]

APPENDIX C
Meter Services Agreement

[A description of the metering arrangements negotiated between Parties should be included here.]

APPENDIX D
Billing Services Agreement

[A description of the billing services offered to Suppliers by the Distribution Company would be included here. If the parties enter into a Consolidated Billing arrangement a detailed Billing Services Agreement or reference to applicable code should be included here (equally applicable to Supplier Consolidated Billing and Distribution Company Consolidated Billing.)

APPENDIX E
Payment Arrangements

For example:

Payment shall be made according to the following instructions:

PAYMENT TO [DISTRIBUTION COMPANY]

Electronic Business Transfer Other: _____	Legal Name
	Contact Information (if different than Appendix A)

Banking Institution		Account Number	
City	Province	Country	Postal/Zip Code
Phone Number	FAX Number	E-mail Address	

PAYMENT TO [SUPPLIER]

Electronic Business Transfer Other: _____	Legal Name
	Contact Information (if different than Appendix A)

Banking Institution		Account Number	
City	Province	Country	Postal/Zip Code
Phone Number	FAX Number	E-mail Address	

Specific details associated with payment between the Parties may be described and attached as a continuation of Appendix E and shall, at a minimum, describe the number of business days following issuance of an invoice that payment is due.

APPENDIX F

Uniform Electronic Transactions Trading Partner Agreement

[Description of the communication process by which reports, data and information required to be exchanged is communicated between parties. A detailed Uniform Electronic Transactions Trading Partner Agreement or reference to applicable code or rules could be included here. Parties should clearly describe technology standards, protocols and/or languages to be used for information exchange.]

APPENDIX G
Customer Inquiry Contact Information

[A description of the information that would be provided to a Customer in response to an inquiry could be included here.]

For example:

[DISTRIBUTION COMPANY]

GENERAL INQUIRIES

Contact Address (if R.R., give Lot, Concession No. and Township)			
City	Province	Country	Postal/Zip Code
Phone Number	FAX Number	E-mail Address	

EMERGENCIES

Phone Number

[SUPPLIER]

Contact Address (if R.R., give Lot, Concession No. and Township)			
City	Province	Country	Postal/Zip Code
Phone Number	FAX Number	E-mail Address	

APPENDIX H
Dispute Resolution Process

[A description of the Dispute Resolution Mechanism negotiated between Parties could be detailed here. The details of dispute resolution practices also may be spelled out in any governing document. Such documents should refer to or cite applicable law, remedies, and responsibilities for the cost of frivolous allegations.]

Market Participant Interactions

Model Business Practices

(Title Page)

Version Notes

(To be completed by SUIS)

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 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 operational business relationship between the 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 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 make additions to or amend the Model Business Practices.

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, obligations and performance standards associated with the roles will be defined by the Governing Documents. Specific documents 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.

Market Participant Interactions

The focus of these Model Business Practices is the process for establishing the operational business relationship between Distribution Companies and Suppliers to enable them to work together to serve retail access Customers. The components of the Market Participant Interaction Model Business Practices are:

- Governing Documents
- Regulatory Documents
- Contractual Agreements
- Distribution Operational Manuals
- Performance Standards
- Supplier Certification

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

Business Process and Practices

A. Overview

Scope

The procedures and processes described in these Model Business Practices are intended to provide a consistent framework for identifying and documenting the roles of the various Market Participants involved in serving Customers' energy needs in competitive markets. In practice, the Governing Documents described within these Model Business Practices will guide the interactions between Market Participants including:

- Suppliers in their interactions with Distribution Companies
- Distribution Companies in their interactions with Suppliers
- Other Market Participants in their interactions with Suppliers, Distribution Companies, or both, including, but not limited to, entities such as:
 - Parties performing the Registration Agent function (when not performed by the Distribution Company)
 - Parties performing meter reading
 - Parties performing billing
 - Parties aggregating (but not serving) Customer loads
 - Parties performing/supporting settlement

Principles

The Governing Documents developed for a given geographical market area should be comprehensive and consistent with one another so that all Market Participants have a clear understanding of their roles and obligations.

This role definition should include not only the processes and functions to be performed, but also a description of interactions and communications necessary among Market Participants to enable the market to function efficiently.

The Applicable Regulatory Authority and the Market Participants should strive to maximize flexibility while minimizing the number and complexity of Governing Documents.

Performance standards should be established for key processes and transactions to ensure that all parties fulfill their roles.

A testing/certification process, as defined in the Governing Documents, is desirable to ensure that new entrants to a market are qualified to perform their roles.

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.

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.

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.

Distribution Company Operational Manuals: Documents prepared and published by Distribution Companies that describe, in detail the operating processes/procedures used to perform retail access functions.

Distribution Company-Supplier Service Agreement: A bi-lateral contractual agreement between the Distribution Company and the Supplier that determines the parties' roles, responsibilities, and interactions in serving retail access Customers. Usually this will be the "master" agreement that will cover most aspects of providing retail access service. There may be one or more subsidiary agreements, covering specific functional areas.

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.

Market Participant: A party engaged in the process of providing competitive retail energy to end-use customers including, but not limited to, the Distribution Company, the Supplier, the Registration Agent, the settlement agent, and the meter reading entity.

Market Participant Service Agreement: All contractual agreements between or among Market Participants that determine the parties' roles, responsibilities, and interactions in serving retail access Customers. These include the Distribution Company-Supplier Service Agreement and any other agreements executed by Market Participants to facilitate retail access (e.g. a contract between a meter

reading entity, the Distribution Company, and the Supplier detailing how usage data will be provided).

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

Registration Agent: An entity facilitating switches and performing record-keeping for a specified geographical area.

B. Model Business Practices

3.1 Governing Documents

3.1.1 Model Business Practices

3.1.1.1 Typically, the following operational items are addressed in the Governing Documents:

- General
 - Any fees or charges
 - Creditworthiness
 - Standard operating rules
 - Performance standards
 - Dispute resolution process
 - Uniform Electronic Transactions

- Customer Enrollment/Switching
 - Release of Customer information
 - Switching processes and procedures
 - Customer authorization
- Customer Billing and Payment Processing
 - Meter reading and data management
 - Customer billing
 - Customer payment processing
 - Customer credit and collection processes and procedures
- Customer Service
 - Customer service processes and procedures
- Settlement
 - Energy losses
 - Load profiles
 - Scheduling processes and procedures
 - Retail settlement

3.1.2 Datasets

None

3.1.3 Models.

None

3.2 Regulatory Documents

3.2.1 Model Business Practices

- 3.2.1.1 Market Participants will utilize regulatory documents established by the Applicable Regulatory Authority to provide the policy framework for retail access, including the following:
- All fees and/or credits required for regulated services,
 - Definitions of roles and responsibilities, including what has to be done, by when and by whom,
 - Definitions of regulatory policy in such areas as, available metering and billing options, creditworthiness standards and load profiling eligibility.

3.2.2 Datasets

None

3.2.3 Models.

None

3.3 Contractual Agreements

3.3.1 Model Business Practices

- 3.3.1.1 Market Participants should execute contractual agreements with one another to establish the legal relationship and obligations between the parties in providing retail access service to Customers.
- 3.3.1.2 At a minimum, the Distribution Company and the Supplier should execute a Distribution Company-Supplier Service Agreement encompassing, either directly or through subsidiary agreements, all aspects of providing retail access service where these parties depend upon one another.
- 3.3.1.3 To the extent that some functions required for retail access service are performed by third parties, other than a Distribution Company or Supplier, this third party should execute Market Participant Service Agreements with the Distribution Company or Supplier, as applicable, for the service(s) provided.

- 3.3.1.4 If applicable, Market Participants also execute:
 - Trading partner agreements
 - Billing Services Agreements (if Consolidated Billing is used)
- 3.3.1.5 In addition to specifying the roles and responsibilities, the Market Participant Service Agreement should also:
 - Define the communication process between the parties,
 - Set forth performance expectations,
 - Define data required for interactions,
 - Specify the optional services, such as billing method or metering options that one party will supply to the other along with the relevant terms and conditions, and
 - Define the dispute resolution process.
- 3.3.1.6 The content of contractual agreements between Market Participants should adhere to the policies set forth in regulatory documents.

3.3.2 Datasets

None

3.3.3 Models.

- 3.3.3.1 Outline of a Distribution Company-Supplier Service Agreement
- 3.3.3.2 Billing Services Agreement
 - See REQ/RGQ CPS -- Model Billing Service Agreement Outline
- 3.3.3.3 Trading Partner Agreement (TBD by SUIIS)
- 3.3.3.4 Non-Disclosure Agreement (TBD by SUIIS)

3.4 Distribution Company Operational Manuals

3.4.1 Model Business Practices

- 3.4.1.1 Detailed Distribution Company processes and procedures regarding retail access not covered in regulatory documents or contractual agreements should be stated in Distribution Company Operational Manuals.
- 3.4.1.2 Operational manuals should be:
- nondiscriminatory;
 - publicly available;
 - collaboratively developed and modified; and
 - acknowledged by the Applicable Regulatory Authority.
- 3.4.1.3 The content of Distribution Company Operational Manuals should adhere to the policies set in regulatory documents and applicable contractual agreements.

3.4.2 Datasets

None

3.4.3 Models.

None

3.5 Performance Standards

3.5.1 Model Business Practices

- 3.5.1.1 Performance standards should be developed for key retail access processes and should be published in the Governing Documents.
- 3.5.1.2 Market performance should be monitored, compared to these standards, and appropriate actions taken to achieve performance that meets the standards.
- 3.5.1.3 Performance standards should be:
- nondiscriminatory;
 - publicly available;
 - collaboratively developed and modified; and
 - acknowledged by the Applicable Regulatory Authority.

- 3.5.1.4 Performance standards may be considered for the following operational items, as well as others:
- Customer Information Exchange
 - Customer information request responses issued within the appropriate time frame (indication of problems accessing and/or transmitting Customer information).
 - Customer Switching
 - Rejected Switch Requests (indication of problems obtaining necessary validation data from Customer and/or passing data from Supplier to Distribution Company);
 - Customer notification letters issued within the appropriate time frame (indication that Customers are notified of Switching activity in time to take action if appropriate);
 - Customer rescissions (indication of Customer confusion, misinformation, and/or unauthorized Switching); and
 - Switch responses to valid Switch Requests (or Drop responses to valid Drop Requests) within specified time frame (indication of degree of automation and/or accuracy of Switching systems and ability to implement Customer choices).
 - Meter Usage and Meter Attributes Data Transfer
 - Time frame for providing meter data (indication of degree of automation and/or accuracy of meter data management systems); and
 - Acceptable levels of estimated/missing data (indication of degree of automation and/or accuracy of meter reading and meter data management systems).
 - Billing
 - Required turnaround of Bill Ready charges (indication of problems receiving, calculating and/or transmitting bill-ready billing information within the billing window);
 - Consolidated bills issued with all appropriate charges (indication that Customers are receiving timely and accurate consolidated bills); and
 - Amount of time to render bills after receipt of the Non-Billing Party charges (indication that consolidated bills are issued promptly).
 - Payments
 - Customer payments provided by Billing Party to Non-Billing party within appropriate time frame (indication of problems exchanging cash transactions between the parties); and
 - Assumption of receivables payments made by the Billing Party to the Non-Billing Party within the appropriate time frame (indication of problems exchanging cash transactions between the parties).

3.5.2 Datasets

3.5.3 Models.

3.6 Supplier Certification

3.6.1 Model Business Practices

- 3.6.1.1 Distribution Companies should have a process to certify a Supplier's, or other Market Participant's, ability to perform the roles required of them in that Distribution Company's service area.
- 3.6.1.2 Distribution Companies should apply the certification process in a non-discriminatory manner to all parties who have met all statutory/regulatory requirements for the relevant jurisdiction (e.g. the Supplier has obtained a license, if Supplier licensing is required).
- 3.6.1.3 Certification requirements should be met prior to enrolling customers (if a Supplier) or prior to providing a service (other Market Participants providing services such as meter reading or billing).
- 3.6.1.4 Key elements of certification include:
 - Demonstrating the ability to exchange data and conduct business via the Uniform Electronic Transactions that have been developed for use in the jurisdiction.
 - Demonstrating of the ability to handle reasonably expected volumes of transactions accurately while meeting performance standards applicable to the market area.
- 3.6.1.5 Certification requirements should be published so that all potential Market Participants know what is expected
- 3.6.1.6 Demonstrations of required abilities should be in the form of standardized tests, such as the successful transfer of test data and a test to ensure funds transfers occur as planned.

3.6.2 Datasets

3.6.3 Models.

- 3.6.3.1

03/17/04 Workpaper

Term	Proposed Definition (for a new term or for changing an adopted definition)	Date Definition is Needed from GS	GS Status	SUIS Document(s) Where Term is	CPS Document(s) Where Term is Found
SDID (Service Delivery Identification Number)	A Distribution Company assigned alphanumeric identifier of a meter and its location. The SDID may contain digits and/or uppercase letters, and can be used in place of an account number for electronic data interchange (EDI) transactions. A customer account may have more than one SDID.	Prior to 05/06/04	To be discussed on 03/17/04 GS conference call		Billing & Payment

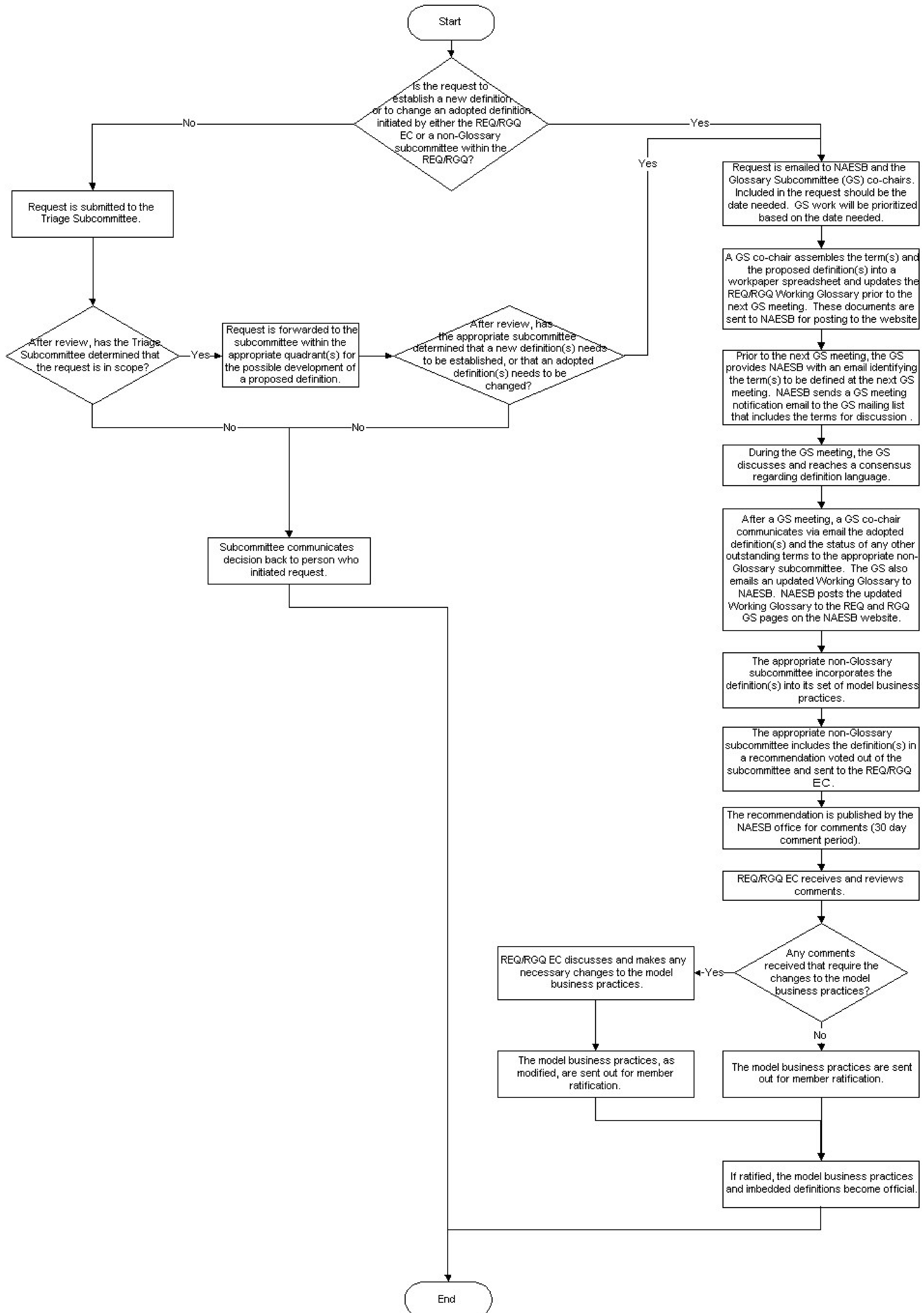
NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
May 4-6, 2004

Glossary Updates

03/17/04 Workpaper

Term	Proposed Definition (for a new term or for changing an adopted definition)	Date Definition is Needed from GS	GS Status	SUIS Document(s) Where Term is	CPS Document(s) Where Term is Found
SDID (Service Delivery Identification Number)	An account identifying number assigned by the Distribution Company containing digits and/or uppercase letters that can be used in place of an account number for electronic data interchange (EDI) transactions. A customer account can have more than one SDID.	Prior to 05/06/04	To be discussed on 03/17/04 GS conference call		Billing & Payment

REQ/RGQ Process for Adopting and Ratifying Definitions



03/17/04 Workpaper

Term	Proposed Definition (for a new term or for changing an adopted definition)	Date Definition is Needed from GS	GS Status	SUIS Document(s) Where Term is	CPS Document(s) Where Term is Found
SDID (Service Delivery Identification Number)	A Distribution Company assigned alphanumeric identifier of a meter and its location. The SDID may contain digits and/or uppercase letters, and can be used in place of an account number for electronic data interchange (EDI) transactions. A customer account may have more than one SDID.	Prior to 05/06/04	To be discussed on 03/17/04 GS conference call		Billing & Payment

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
May 4-6, 2004

TAB 14
Proposed Retail Standards and Supporting Documents

- *Creditworthiness Supporting Documentation*
- *Creditworthiness Process Flow Diagrams*

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
May 4-6, 2004

Creditworthiness Supporting Documentation



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

via email and posting

TO: NAESB REQ and RGQ Members and Interested Industry Participants
FROM: Todd Oncken, Deputy Director
RE: Retail Gas and Retail Electric Quadrants Request For Comments
DATE: March 24, 2004

An industry comment period begins today and ends on April 23, 2004 for the four recommendations attached. The four recommendations contain two sets of identical model business practices. The RGQ Executive Committee and the REQ Executive Committee will follow separate processes to consider and adopt these model business practices. As such, when you prepare your comments, please indicate whether those comments apply to "Retail Gas", "Retail Electric" or "Both". The REQ and RGQ Executive Committees will meet in Florida on May 5 to review the model business practices and the comments that are directed toward their quadrants. The recommendations can also be accessed from the NAESB web site (<http://www.naesb.org/request.asp>). All comments received by the NAESB office by end of business on April 23 will be posted on the NAESB web site and forwarded to the RGQ and REQ EC members for their consideration. If you have difficulty retrieving this document, please call the NAESB office at (713) 356-0060.

Best Regards,

Todd Oncken

cc: Rae McQuade, Executive Director



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Electric**

**Requesters: Supplier-Utility Interface Subcommittee
Request No.: Annual Plan Item 2
Request Title: Creditworthiness Introduction and Exec. Summary**

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

**EFFECT OF EC VOTE TO ACCEPT
RECOMMENDED ACTION:**

- Change to Existing Practice
- Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle
- Definition
- Business Practice Standard
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle
- Definition
- Business Practice Standard
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY: Add the recommended language to complete the Introduction and Executive Summary Tabs in the Retail Electric Quadrant Creditworthiness Model Business Practices.

RECOMMENDED STANDARDS:

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



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Electric**

Requesters: Supplier-Utility Interface Subcommittee

Request No.: Annual Plan Item 2

Request Title: Creditworthiness Introduction and Exec. Summary

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Electric

Requesters: Supplier-Utility Interface Subcommittee
Request No.: Annual Plan Item 2
Request Title: Creditworthiness Introduction and Exec. Summary

(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.)

4. SUPPORTING DOCUMENTATION

a. Description of Request:

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

b. Description of Recommendation:

The proposed Model Business Practices Introduction and Executive Summary are the result of a series of meetings and conference calls held by the Retail Electric Quadrant Supplier-Utility Interface Subcommittee begun in the Fall of 2002 and culminating with a vote to recommend the proposed Introduction and Executive Summary to the Executive Committee on at a meeting on January 13, 2004.

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
September 11, 2003
October 23, 2003
December 3, 2003
January 13, 2004



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: Retail Electric

Requesters: Supplier-Utility Interface Subcommittee

Request No.: Annual Plan Item 2

Request Title: Creditworthiness Introduction and Exec. Summary

c. Business Purpose:

The business purpose for the proposed Model Business Practices Introduction and Executive Summary 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 concise summary of the Model Business Practices for establishing credit between the parties in the context of serving retail access Customers.

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

The proposed Model Business Practices Introduction and Executive Summary 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 is evidenced by the passage of a motion during the January 13, 2004 meeting to recommend the proposed Introduction and Executive Summary under consideration to the Executive Committee. The Distributor and Supplier Segments of REQ were represented at the January 13, 2004 meeting.

The voting records of January 13, 2004 follows:

Retail Electric Quadrant		Motion # 1		
		Yes	No	Ab s
REQ - Distributors				
1	Yvette Camp - Southern Co	1		
2	Mary Edwards - Dom Va Power	1		
3	Patrick Eynon - Ameren	1		
4	Dan Jones - Cinergy	1		
5	Michael Garrett - Ga Power	1		
6	Bill Newbold - Detroit Edison	1		
7	Judy Ray - Alabama Power	1		
8	Ken Thiry - WPS	1		
9	Bill Wolf - BG&E	1		
10	Kathleen Yetman - National Grid	1		
REQ - Dist Total		10	0	0
REQ - End-User				
REQ - End-User Total		0	0	0
REQ - Services				
REQ Services Total		0	0	0
REQ - Suppliers				
1	Bill Barkas - Dominion Retail	1		
2	Pam Adams - GA Power	1		
REQ - Suppliers Toal		2	0	0



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Electric

Requesters: Supplier-Utility Interface Subcommittee

Request No.: Annual Plan Item 2

Request Title: Creditworthiness Introduction and Exec. Summary

Retail Gas Quadrant		Motion # 2		
		Yes	No	Ab s
RQQ - Distributors				
1	Phil Precht - BG&E			
2	Mike Coyle - PSE&G	1		
3	Les Nishida - WPS	1		
4	Dan Rothfuss - Cinergy	1		
5	Alex Sarafin - Nisource	1		
6				
RGQ - Dist Total		4	0	0
RGQ - End-User				
RGQ - End-User Total		0	0	0
RGQ - Services				
RGQ Services Total		0	0	0
RGQ - Suppliers				
1	Marci McCain - Duke Energy G T	1		
RGQ - Suppliers Toal		1	0	0



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Gas**

**Requesters: Supplier-Utility Interface Subcommittee
Request No.: 2003 Annual Plan Item 3
Request Title: Creditworthiness Introduction and Exec. Summary**

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

**EFFECT OF EC VOTE TO ACCEPT
RECOMMENDED ACTION:**

- Change to Existing Practice
- Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle
- Definition
- Business Practice Standard
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle
- Definition
- Business Practice Standard
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY: Add the recommended language to complete the Introduction and Executive Summary Tabs in the Retail Electric Quadrant Creditworthiness Model Business Practices.

RECOMMENDED STANDARDS:

CREDITWORTHINESS

TAB 1 Version Notes

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

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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



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Gas**

Requesters: Supplier-Utility Interface Subcommittee

Request No.: 2003 Annual Plan Item 3

Request Title: Creditworthiness Introduction and Exec. Summary

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.

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- 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



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Gas**

**Requesters: Supplier-Utility Interface Subcommittee
Request No.: 2003 Annual Plan Item 3
Request Title: Creditworthiness Introduction and Exec. Summary**

(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.)

4. SUPPORTING DOCUMENTATION

a. Description of Request:

2003 Annual Plan Item 3 – Develop practices for extending commercial credit by Distributors to Suppliers to cover financial risk.

b. Description of Recommendation:

The proposed Model Business Practices Introduction and Executive Summary are the result of a series of meetings and conference calls held by the Retail Gas Quadrant Supplier-Utility Interface Subcommittee begun in the Fall of 2002 and culminating with a vote to recommend the proposed Introduction and Executive Summary to the Executive Committee on at a meeting on January 13, 2004.

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November 8, 2002
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April 3, 2003
April 30, 2003
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July 15-16, 2003
July 31, 2003
August 11, 2003
September 11, 2003
October 23, 2003
December 3, 2003
January 13, 2004



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Gas

Requesters: Supplier-Utility Interface Subcommittee

Request No.: 2003 Annual Plan Item 3

Request Title: Creditworthiness Introduction and Exec. Summary

c. Business Purpose:

The business purpose for the proposed Model Business Practices Introduction and Executive Summary 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 concise summary of the Model Business Practices for establishing credit between the parties in the context of serving retail access Customers.

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

The proposed Model Business Practices Introduction and Executive Summary were developed in a consensus-oriented process with active participation from all four RGQ Segments: Distributors, Suppliers, Service Providers, and End-Users. That a degree of consensus was reached is evidenced by the passage of a motion during the January 13, 2004 meeting to recommend the proposed Introduction and Executive Summary under consideration to the Executive Committee. The Distributor and Supplier Segments of RGQ were represented at the January 13, 2004 meeting.

The voting records of January 13, 2004 follows:

Retail Electric Quadrant		Motion # 1		
		Yes	No	Ab s
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2	Mary Edwards - Dom Va Power	1		
3	Patrick Eynon - Ameren	1		
4	Dan Jones - Cinergy	1		
5	Michael Garrett - Ga Power	1		
6	Bill Newbold - Detroit Edison	1		
7	Judy Ray - Alabama Power	1		
8	Ken Thiry - WPS	1		
9	Bill Wolf - BG&E	1		
10	Kathleen Yetman - National Grid	1		
REQ - Dist Total		10	0	0
REQ - End-User				
REQ - End-User Total		0	0	0
REQ - Services				
REQ Services Total		0	0	0
REQ - Suppliers				
1	Bill Barkas - Dominion Retail	1		
2	Pam Adams - GA Power	1		
REQ - Suppliers Toal		2	0	0



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: Retail Gas

Requesters: Supplier-Utility Interface Subcommittee
Request No.: 2003 Annual Plan Item 3
Request Title: Creditworthiness Introduction and Exec. Summary

Retail Gas Quadrant		Motion # 2		
		Yes	No	Ab s
RQQ - Distributors				
1	Phil Precht - BG&E			
2	Mike Coyle - PSE&G	1		
3	Les Nishida - WPS	1		
4	Dan Rothfuss - Cinergy	1		
5	Alex Sarafin - Nisource	1		
6				
RGQ - Dist Total		4	0	0
RGQ - End-User				
RGQ - End-User Total		0	0	0
RGQ - Services				
RGQ Services Total		0	0	0
RGQ - Suppliers				
1	Marci McCain - Duke Energy G T	1		
RGQ - Suppliers Toal		1	0	0



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

For Quadrant: REQ

Requesters: REQ Glossary Subcommittee
 Request No.: 2003 REQ Annual Plan Item 1
 Request Title:

1. RECOMMENDED ACTION:

Accept as requested
 Accept as modified below
 Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

Change to Existing Practice
 Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

Initiation
 Modification
 Interpretation
 Withdrawal

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

Per Recommendation:

Initiation
 Modification
 Interpretation
 Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Adopt two additional definitions (Market Participant and Registration Agent) to be inserted into the Definitions section of the REQ Billing and Payment model business practices.

RECOMMENDED STANDARDS:

Market Participant: A party engaged in the process of providing competitive retail energy to end-use customers including but not limited to the Distribution Company, the Supplier, the Registration Agent, the settlement agent, and the meter reading entity.

Registration Agent: An entity facilitating switches and performing record keeping for a specified geographical area.

**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE****For Quadrant: REQ**

Requesters: REQ Glossary Subcommittee
Request No.: 2003 REQ Annual Plan Item 1
Request Title:

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.


RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
For Quadrant: RGQ
Requesters: RGQ Glossary Subcommittee
Request No.: 2003 RGQ Annual Plan Item 6
Request Title:
1. RECOMMENDED ACTION:
 Accept as requested
 Accept as modified below
 Decline

**EFFECT OF EC VOTE TO ACCEPT
RECOMMENDED ACTION:**
 Change to Existing Practice
 Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE
Per Request:
 Initiation
 Modification
 Interpretation
 Withdrawal

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

Per Recommendation:
 Initiation
 Modification
 Interpretation
 Withdrawal

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

3. RECOMMENDATION
SUMMARY:

Adopt two additional definitions (Market Participant and Registration Agent) to be inserted into the Definitions section of the RGQ Billing and Payment model business practices.

RECOMMENDED STANDARDS:

Market Participant: A party engaged in the process of providing competitive retail energy to end-use customers including but not limited to the Distribution Company, the Supplier, the Registration Agent, the settlement agent, and the meter reading entity.

Registration Agent: An entity facilitating switches and performing record keeping for a specified geographical area.

**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE****For Quadrant: RGQ****Requesters: RGQ Glossary Subcommittee****Request No.: 2003 RGQ Annual Plan Item 6****Request Title:****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.

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
May 4-6, 2004

Creditworthiness Process Flow Diagrams



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

via email and posting

TO: NAESB REQ and RGQ Members and Interested Industry Participants
FROM: Todd Oncken, Deputy Director
RE: Retail Gas and Retail Electric Quadrants Request For Comments
DATE: April 2, 2004

An industry comment period begins today and ends on May 3, 2004 for the two recommendations attached. The two recommendations contain identical model business practices. The RGQ Executive Committee and the REQ Executive Committee will follow separate processes to consider and adopt these model business practices. As such, when you prepare your comments, please indicate whether those comments apply to "Retail Gas", "Retail Electric" or "Both". The REQ and RGQ Executive Committees will meet in Florida on May 5 to review the model business practices and the comments that are directed toward their quadrants. The recommendations can also be accessed from the NAESB web site (<http://www.naesb.org/request.asp>). All comments received by the NAESB office by end of business on May 3 will be posted on the NAESB web site and forwarded to the RGQ and REQ EC members for their consideration. If you have difficulty retrieving this document, please call the NAESB office at (713) 356-0060.

Best Regards,

Todd Oncken

cc: Rae McQuade, Executive Director

	<p>RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE RETAIL ELECTRIC QUADRANT</p> <p>Requester: REQ Supplier-Utility Interface Subcommittee Request No.: 2002-2003 Annual Plan Item 2</p>
--	---

1. Recommended Action:

- Accept as requested
- Accept as modified below
- Decline

Effect of EC Vote to Accept Recommended Action:

- 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:

- Initiation
- Modification
- Interpretation
- Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Add proposed NAESB REQ Model Business Practices (Models) to the existing REQ Model Business Practices on Creditworthiness:

Process flow diagrams to be added as Models within the existing MBP's:

- 1) Determination of Initial Credit Limits – Process Flow as MBP 1.3.3.1
- 2) Reconsideration of Determination of Initial Credit Limit – Process Plow as MBP 1.4.3.1
- 3) Reconsideration of Determination of Initial Credit Limit – Challenge Process Flow as MBP 1.4.3.2
- 4) Disqualification/Remedies = Process Flow as MBP 1.5.3.1.

**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

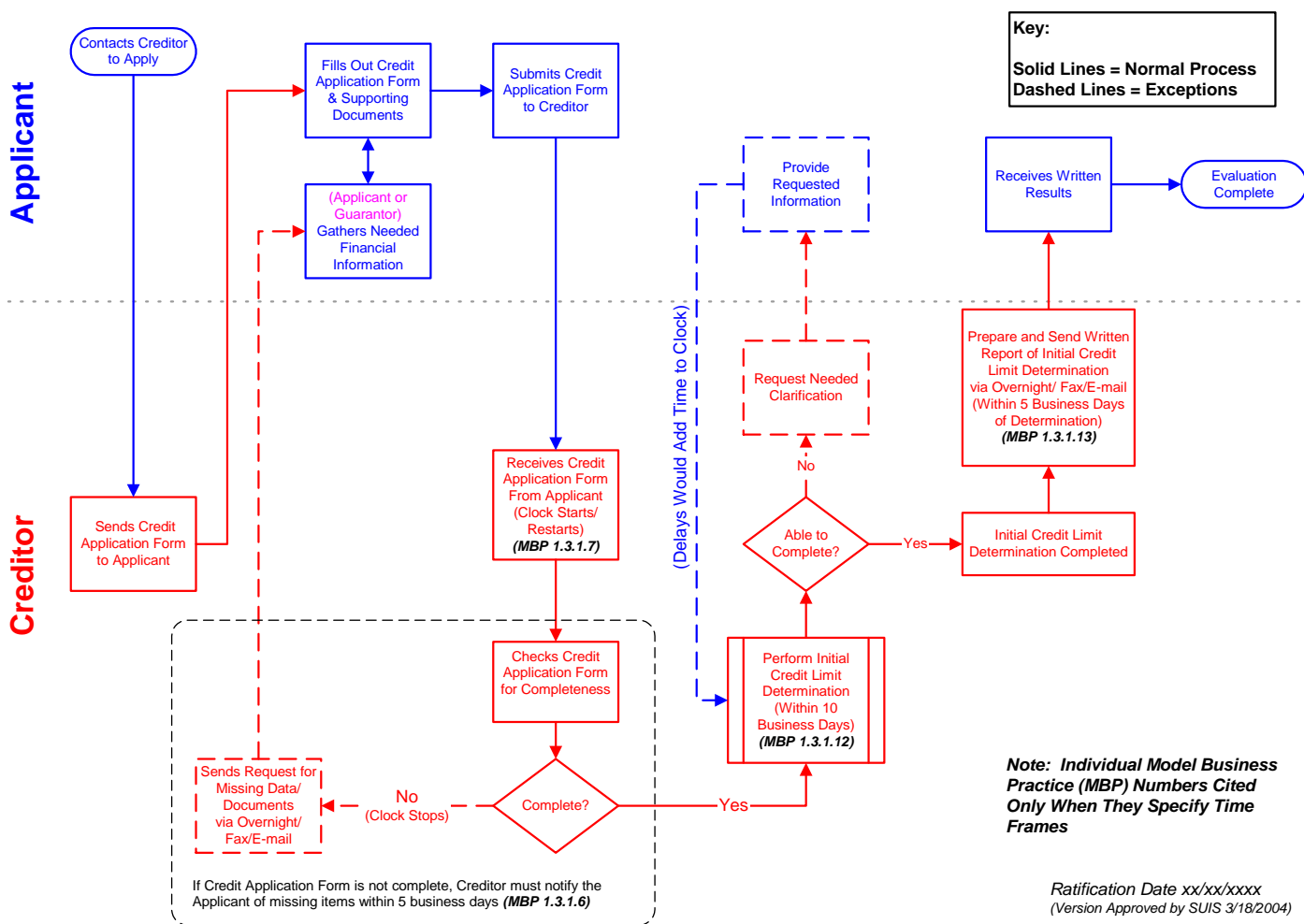
**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

Proposed Model Business Practices:

Model Business Practice 1.3.3.1

Determination of Initial Credit Limit - Process Flow

Creditworthiness Evaluation Process (Section 1.3.3.1)



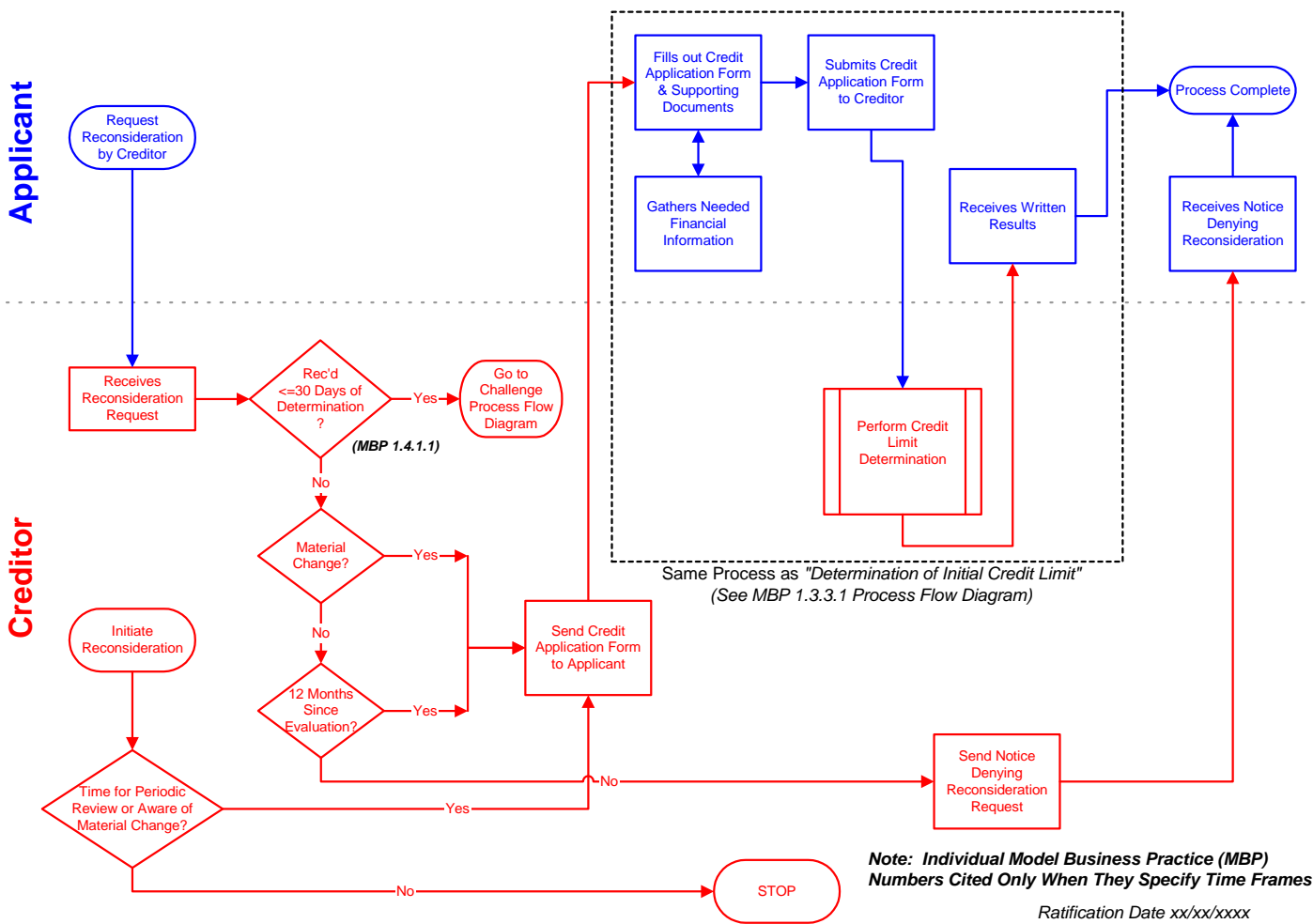
**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.4.3.1

Reconsideration of Determination of Initial Credit Limit - Process Flow

Creditworthiness Evaluation Process (Section 1.4.3.1)



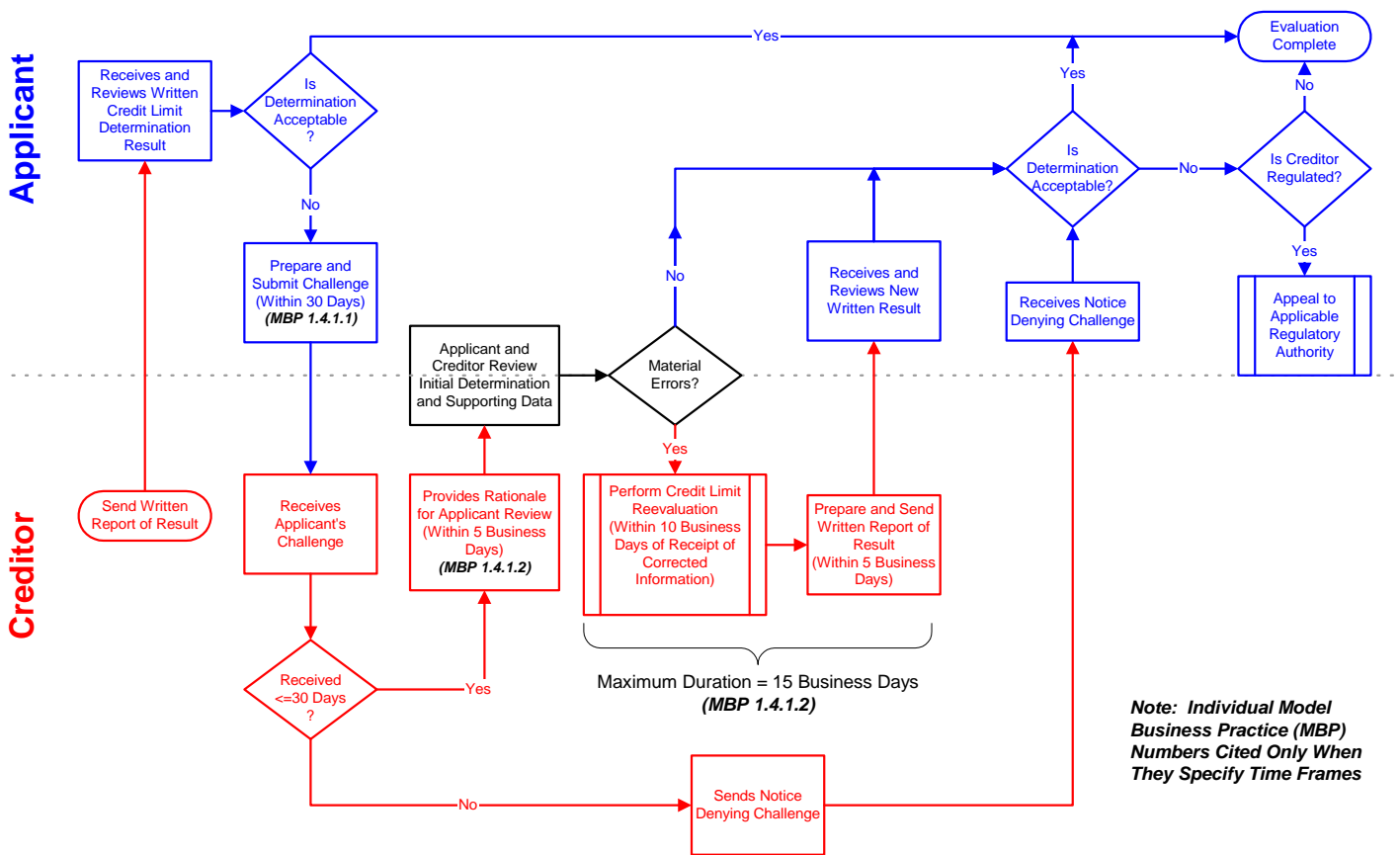
**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.4.3.2

Reconsideration of Determination of Initial Credit Limit - Challenge Process Flow

Creditworthiness Evaluation Process (Section 1.4.3.2)



Note: Individual Model Business Practice (MBP) Numbers Cited Only When They Specify Time Frames

Ratification Date xx/xx/xxxx
(Version Approved by SUIS 3/18/2004)

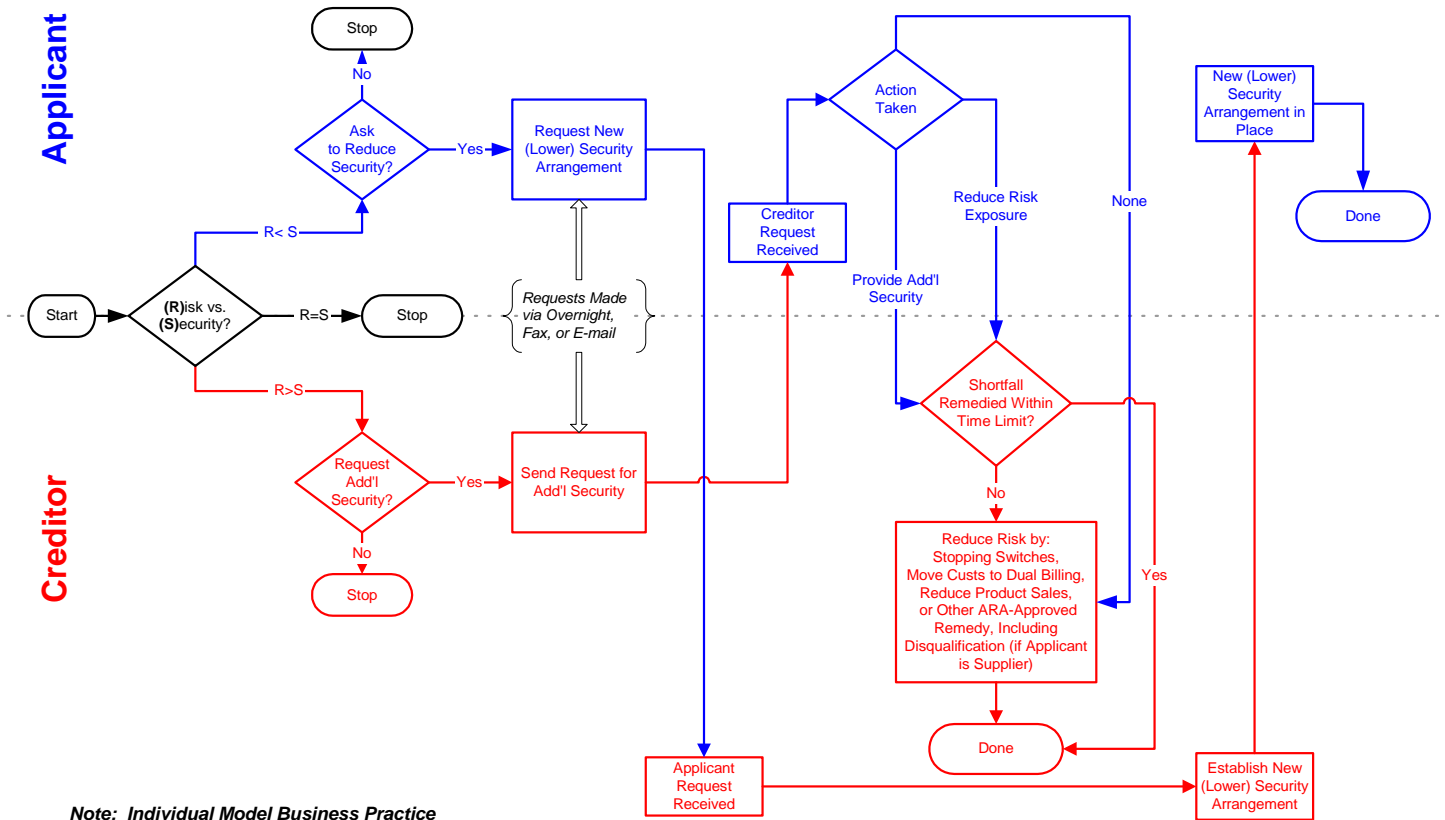
**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.5.3.1

Disqualification/Remedies - Process Flow

Disqualification/Remedies (Section 1.5.3.1)



Note: Individual Model Business Practice (MBP) Numbers Cited Only When They Specify Time Frames

Ratification Date xx/xx/xxxx
(Version Approved by SUIS 3/18/2004)



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

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. These models complete the work on Creditworthiness.

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, resulting in approval of Model Business practices on an August 11, 2003 Conference Call, approval of introductory sections on January 13, 2004, and approval of the enclosed process flow diagrams as Models on March 18, 2004.

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August 9, 2002
September 18-19, 2002
October 21, 2003
November 8, 2002
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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
September 11, 2003
December 3, 2003
January 13, 2004
March 3, 2004
March 18, 2004

c. Business Purpose:

**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

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):

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 is evidenced by the passage of a motion during the March 18, 2004 conference call to recommend all four Model Process Flow Diagrams under consideration to the Executive Committee. However, only the Distributor and Supplier Segments of REQ were represented at the March 18, 2004 conference call.

The voting record of March 18, 2004 follows:

**Joint REQ/RGQ SUIS Conference Call - March 18, 2004
Voting Record on Motion to Approve Creditworthiness Process Flow Diagrams**

Motion #	1				Date:	3/18/2004			
Motion:	Motion for approval of the Creditworthiness process flow diagrams as amended on today's call.								
REQ Moved:	Mary Edwards				Seconded:	Kathy Yetman			
RGQ Moved:	Dan Rothfuss				Seconded:	Mike Coyle			
Vote Tally	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
REQ									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	8	0	8	0	2	2.00	0.00	2	
Suppliers	1	0	1	0	1	1.00	0.00	1	
Services	0	0	0	0	0	0.00	0.00	0	
	9	0	9	0	3	3.00	0.00	3	PASS
RGQ									
End Users	0	0	0	0	0	0.00	0.00	0	
LDCs	3	0	3	0	2	2.00	0.00	2	
Suppliers	1	0	1	0	1	1.00	0.00	1	
Services	0	0	0	0	0	0.00	0.00	0	
	4	0	4	0	3	3.00	0.00	3	PASS

**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL ELECTRIC QUADRANT**

**Requester: REQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

**Joint REQ/RGQ SUIS Conference Call - March 18, 2004
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Retail Electric Quadrant		Motion # 1		
		Yes	No	Abs
REQ - Distributors				
1	Yvette Camp - Southern Company	1		
2	Patrick Eynon - Ameren	1		
3	Bill Newbold - Detroit Edison	1		
4	Judy Ray - Alabama Power	1		
5	Ken Thiry -Wisconsin Public Service	1		
6	Bill Wolfe - BG&E	1		
7	Kathy Yetman - National Grid	1		
8	Mary Edwards - Dominion Va Power	1		
REQ - Distribution Companies Total		8	0	0
REQ - Suppliers				
1	Tan Adams - Georgia Power	1		
REQ - Suppliers Toal		1	0	0

Retail Gas Quadrant		Motion # 1		
		Yes	No	Abs
RGQ - Local Distribution Companies				
1	Mike Coyle - PSE&G	1		
2	Les Nishida - Wisconsin Public Service	1		
3	Dan Rothfuss - Cinergy	1		
RGQ - LDC's Total		3	0	0
RGQ - Suppliers				
1	Marcy McCain - Duke Energy Gas Trans	1		
RGQ - Suppliers Toal		1	0	0

	<p>RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE RETAIL GAS QUADRANT</p> <p>Requester: RGQ Supplier-Utility Interface Subcommittee Request No.: 2002-2003 Annual Plan Item 2</p>
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1. Recommended Action:

- Accept as Requested
- Accept as modified below
- Decline

Effect of EC Vote to Accept Recommended Action:

- 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:

- Initiation
- Modification
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- Withdrawal

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

3. RECOMMENDATION

SUMMARY:

Add proposed NAESB RGQ Model Business Practices (Models) to the existing RGQ Model Business Practices on Creditworthiness:

Process flow diagrams to be added as Models within the existing MBP's:

- 1) Determination of Initial Credit Limits – Process Flow as MBP 1.3.3.1
- 2) Reconsideration of Determination of Initial Credit Limit – Process Plow as MBP 1.4.3.1
- 3) Reconsideration of Determination of Initial Credit Limit – Challenge Process Flow as MBP 1.4.3.2
- 4) Disqualification/Remedies = Process Flow as MBP 1.5.3.1.

**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
RETAIL GAS QUADRANT**

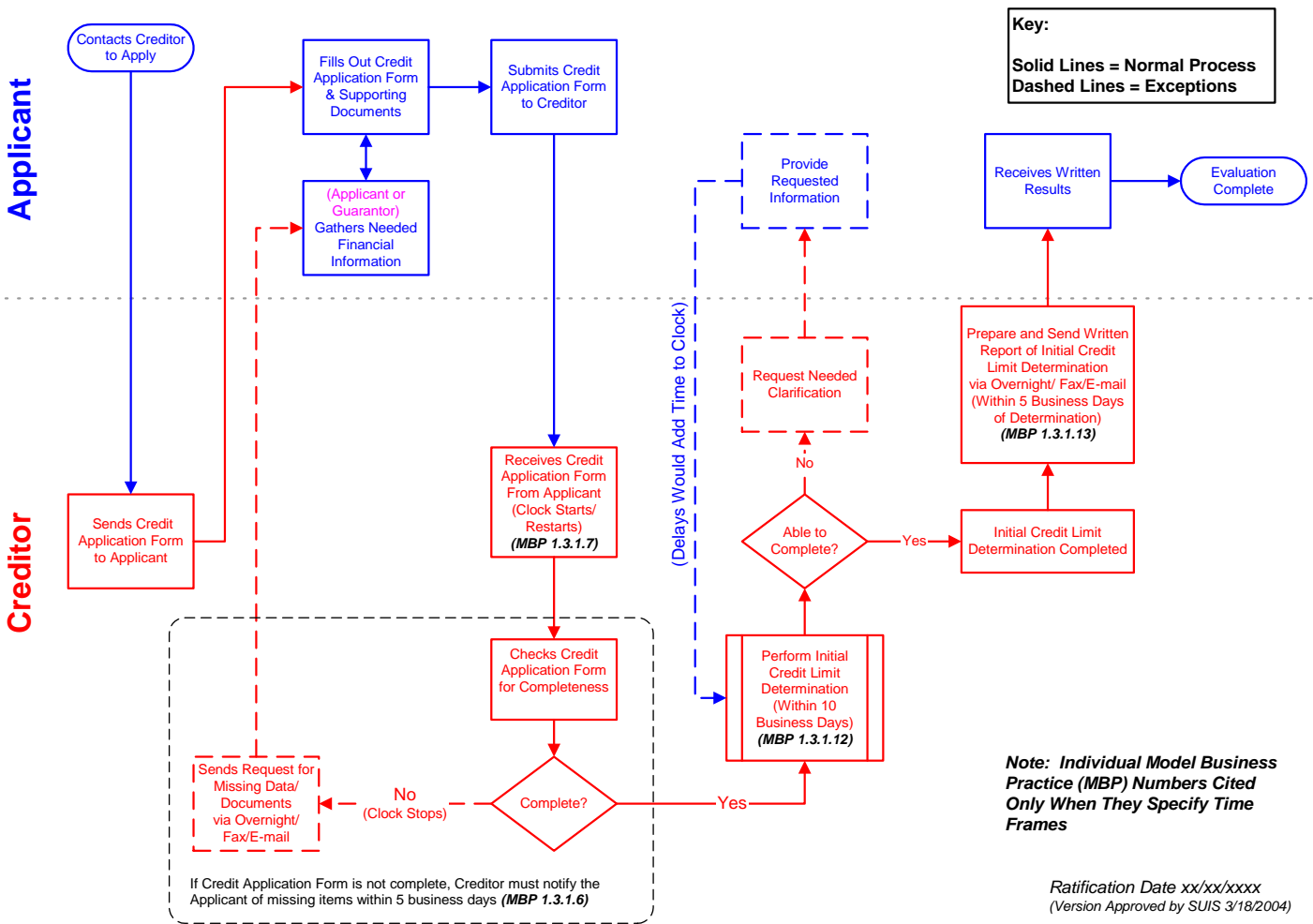
**Requester: RGQ Supplier-Utility Interface Subcommittee
Request No.: 2002-2003 Annual Plan Item 2**

Proposed Model Business Practices:

Model Business Practice 1.3.3.1

Determination of Initial Credit Limit - Process Flow

Creditworthiness Evaluation Process (Section 1.3.3.1)



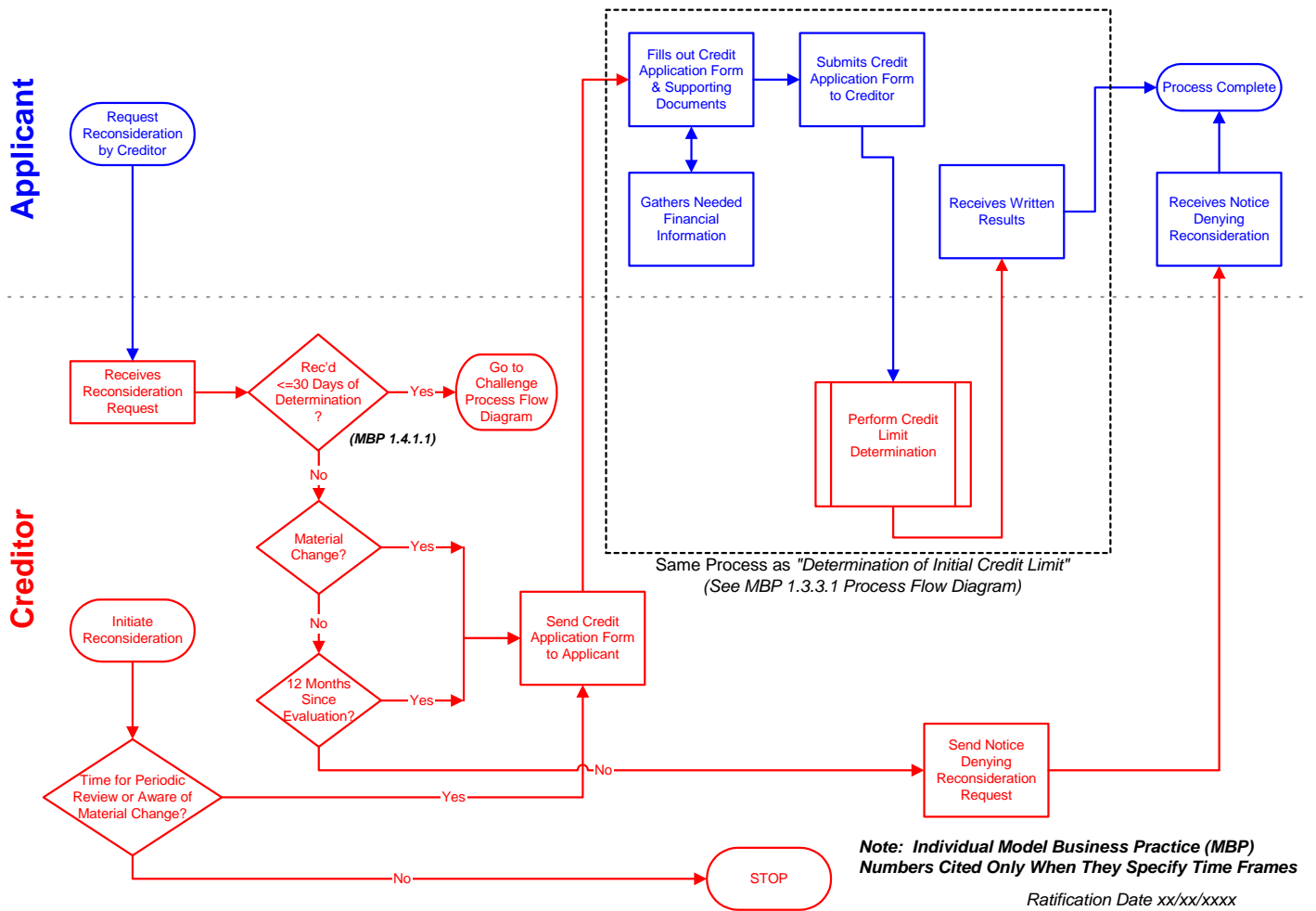
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Model Business Practice 1.4.3.1

Reconsideration of Determination of Initial Credit Limit - Process Flow

Creditworthiness Evaluation Process (Section 1.4.3.1)



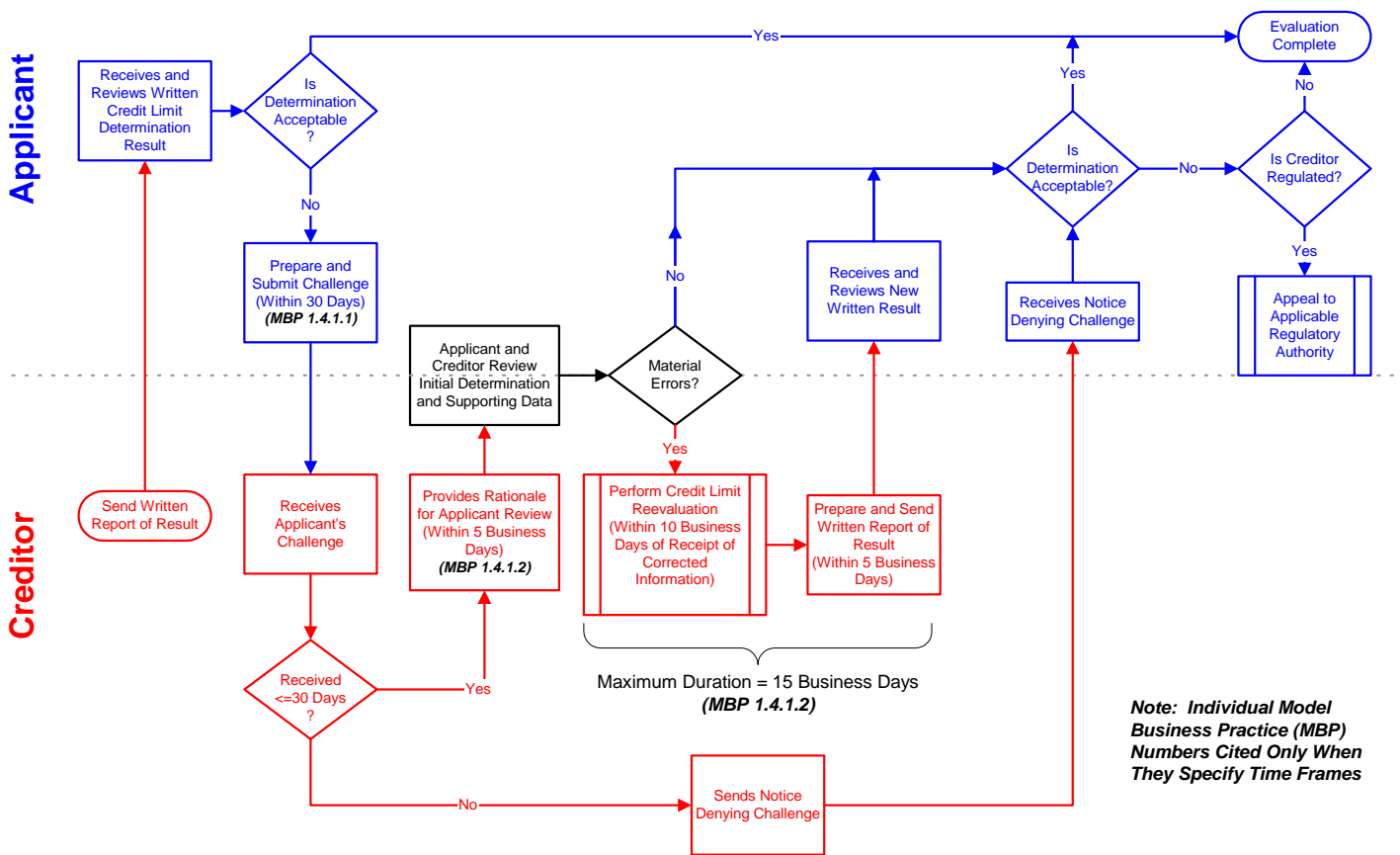
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RETAIL GAS QUADRANT**

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

Model Business Practice 1.4.3.2

Reconsideration of Determination of Initial Credit Limit - Challenge Process Flow

Creditworthiness Evaluation Process (Section 1.4.3.2)



Ratification Date xx/xx/xxxx
(Version Approved by SUIS 3/18/2004)

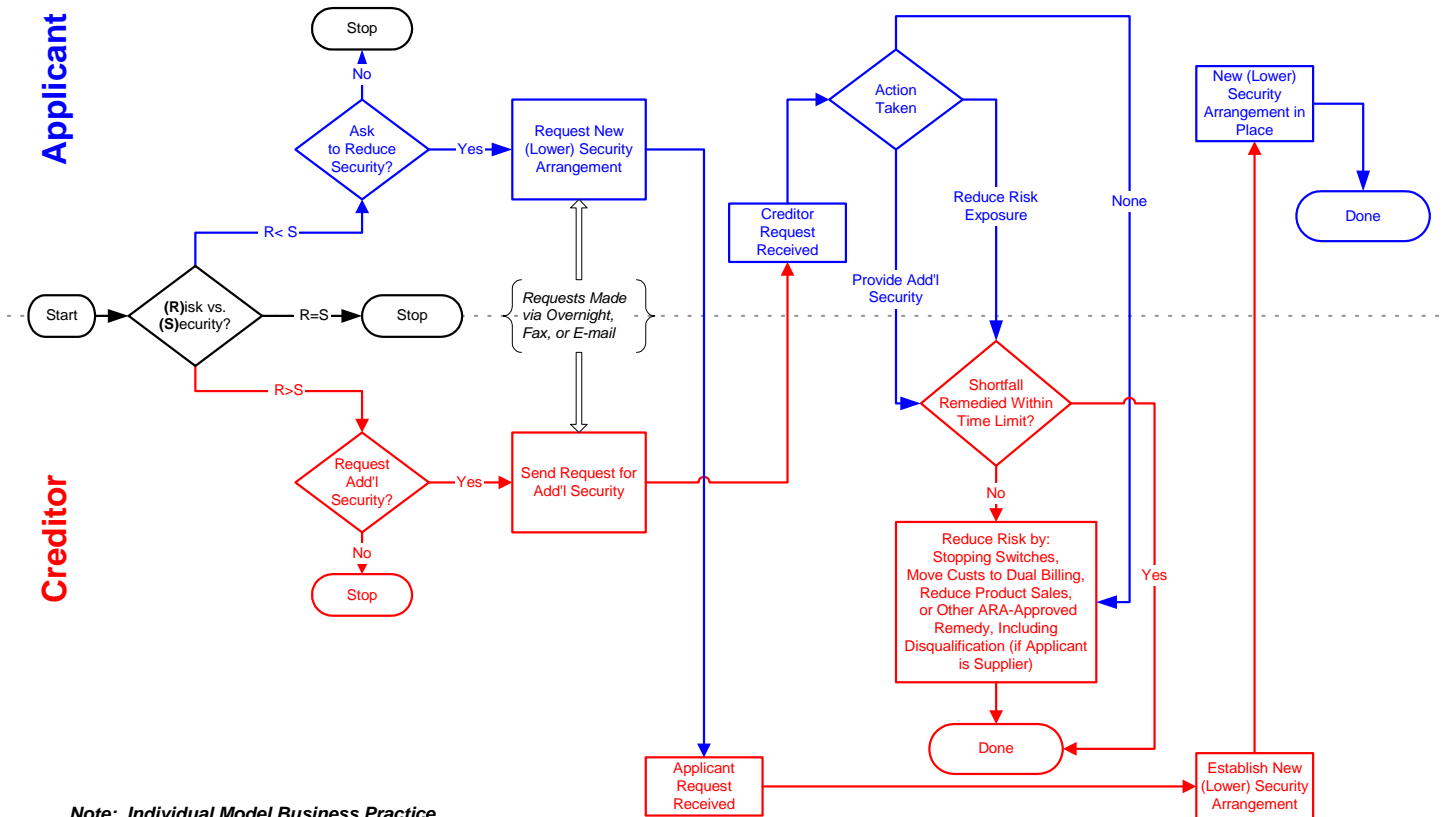
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Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.5.3.1

Disqualification/Remedies - Process Flow

Disqualification/Remedies (Section 1.5.3.1)



Note: Individual Model Business Practice (MBP) Numbers Cited Only When They Specify Time Frames

Ratification Date xx/xx/xxxx
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**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE
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