

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

TAB 8

REQ RGQ: Draft Minutes

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

REQ RGQ Joint Minutes



North American Energy Standards Board

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

TO: NAESB Retail Electric Quadrant and Retail Gas Quadrant Executive Committee,
Posting for Interested Industry Participants

FROM: Todd Oncken, NAESB Deputy Director

RE: NAESB Retail Electric Quadrant and Retail Gas Quadrant Joint Executive Committee
Meeting Draft Minutes- August 7, 2003

DATE: August 20, 2003

**Retail Electric Quadrant/Retail Gas Quadrant Joint Executive Committee
Thursday, August 7, 2003
Draft Minutes**

1. Welcome

Mr. Minneman called the meeting to order and thanked PECO Energy for hosting the Executive Committee meetings. Mr. Oncken gave the antitrust advice. The roll was called and a quorum established.

2. Joint Session Draft Agenda & Draft Minutes

Mr. Minneman reviewed the draft agenda. Mr. Novak noted Request R03006 was withdrawn so it should be deleted from the agenda. Additionally, a review of other quadrant activities was added. Ms. Kiselewich moved, seconded by Mr. Zavodnick, to adopt the modified agenda. The motion passed unanimously.

Ms. Hess moved, seconded by Mr. Oppenheim, to adopt the draft minutes of the June 4, 2003 Retail Electric Quadrant (REQ) and Retail Gas Quadrant (RGQ) Joint Executive Committee meeting, as modified. The motion passed unanimously.

3. Update on WEQ and WGQ Activities

Ms. McQuade provided an update on Wholesale Electric Quadrant (WEQ) activities. She noted the following decisions and discussions at the August WEQ Executive Committee meeting: 1) creation of the Technical Subcommittee, to be chaired by Mr. Landrum and Mr. Johnson, to address business practices that would have typically been assigned to the Oasis Scheduling Collaborative (OSC) and to address Request R03007 (PKI); 2) creation of the Electronic Scheduling Subcommittee to address business practice standards development that would typically be addressed by the Electronic Scheduling Collaborative (ESC) and any of its deliverables; 3) presentation of a strawman for the 2004 WEQ Annual Plan; 4) presentation on the progress of the Inadvertent Interchange Payback Task Force standards drafting process, including the results of the August 4 NERC/NAESB Coordination meeting where it was determined that NAESB's payback standard would be based on inadvertent energy data provided by NERC; 5) presentation on Electric Quarterly Reporting (EQR) and the FERC's preliminary decision to standardize certain data elements through a small users group instead of the NAESB process.

Mr. Novak reported on the Wholesale Gas Quadrant (WGQ) activities. He noted the following significant discussions at the August WGQ Executive Committee meeting: 1) extended discussion of Request R03006, the Gas Price Index request, which resulted in the withdrawal of the request; 2) extended discussion on the technical feasibility report of developing a common Electronic Transport specification which resulted in adoption of a motion authorizing the WGQ EDM Subcommittee to move forward with development in conjunction with the REQ and RGQ Technical Electronic Implementation Subcommittees (TEIS); 3) update by the Contracts Subcommittee on the Credit Support Addendum to the NAESB Base Contract for the Sale of Natural Gas indicating a



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

recommendation would likely come before the Executive Committee at the October Executive Committee meeting; and 4) discussion of the WGQ Annual Plan process for 2004.

4. Review of New Requests and Assignments, Possible Developments

PKI Effort - Please see discussion of WEQ meeting above. Ms. McQuade suggested the retail quadrants send a representative to the WEQ meetings on PKI. It was noted NERC's adoption of PKI would likely lead to the WEQ's adoption of PKI for commercial communications, which would ultimately have impacts for the retail quadrants. Additionally, it was noted that PKI and NAESB EDM are quite different, so developments in PKI would impact the EDM standards and implementations. Ms. McQuade reported on the NERC PKI workshop held on July 1. She stated the workshop was very informative and noted Mr. Zavodnick was also in attendance. Given the importance of the issue, it was decided that the retail quadrants would have a formal representative to the WEQ Technical Subcommittee and a report of PKI activities would be added as a standing agenda item for REQ/RGQ Joint EC meetings.

Non Disclosure Statements - Mr. Novak stated that the Supplier Utility Interface Subcommittee (SUIS) began discussions of a Non Disclosure Statement as part of its proposed creditworthiness standards. He said the general feeling on the conference call was that attorneys should participate in the discussions given the legal aspects of the agreement. Mr. Novak suggested the REQ and RGQ establish a Contracts Subcommittee which would meet jointly to first address the Non Disclosure Statement and then address other contracts-related issues. Mr. Novak noted the WGQ has worked under that organization for several years.

Participants discussed the concept of a Contracts Subcommittee. Concern was expressed that all standards would proceed through the Contracts Subcommittee as a test of legal sufficiency. Mr. Novak stated that the history of the WGQ Contracts Subcommittee shows the differences between a contract and business practices are easy to identify. Additional concern was stated over staffing another standing subcommittee. Ms. Calcagno, a co-chair of the WGQ Contracts Subcommittee, commented on the WGQ Contracts Subcommittee. She stated the WGQ Contracts Subcommittee is generally staffed by business people, but attorneys participate for the technical issues. She noted the WGQ Contracts Subcommittee draws from a different set of participants than the other WGQ subcommittees. Ms. Alexander opposed the creation of a Contracts Subcommittee, but suggested a task force that reported its work back through the existing subcommittee structure would be more appropriate.

Mr. Novak stated that a Contracts Subcommittee would create an infrastructure for the REQ and RGQ to examine contractual issues and draft standard contracts, where appropriate. Additionally, Mr. Novak stated the WGQ Base Contract is widely accepted by the industry, and part of that acceptance is based on the development process through the WGQ Contracts Subcommittee. Mr. Newbold suggested a Contracts Subcommittee would be appropriate if the decision were made that as a general practice business subcommittee work would result in a model agreement.

Consensus could not be reached on the establishment of a Contracts Subcommittee. As a next step, it was decided that a written proposal, including a draft mission statement, would be presented to the REQ and RGQ Executive Committees for consideration prior to the October Executive Committee meetings.

Participants discussed the SUIS's evaluation of the Non Disclosure Agreement as part of the creditworthiness standards. Ms. Alexander moved, seconded by Mr. Jarrett, that the REQ and RGQ Executive Committees instruct the REQ and RGQ SUIS to suspend development of the Non Disclosure Agreement pending further instruction from the REQ and RGQ Executive Committees. With no discussion, the motion passed unanimously.



North American Energy Standards Board

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

5. Subcommittee Updates and Samples of Expected Standards

Customer Processes Subcommittee: Mr. Alston reported on the progress of the Customer Processes Subcommittee (CPS), stating the subcommittee is close to completing its work on billing and payment. Mr. Alston stated the model business practices would soon be ready for Executive Committee review. Further, he stated customer switching and enrollment, the CPS's next assignment, would not be completed in the timeline anticipated by the Annual Plan. He suggested the completion date be reassigned to read 2004.

The process for reporting the model business practices (as recommendations) out of the subcommittee was discussed. It was noted the CPS intends to report the model business practices out of the subcommittee before the data sets and accompanying implementation is complete. Ms. Hess commented that the subcommittee has voted to complete the model business practices and submit a recommendation to the Executive Committee for action, but ask that the model business practices not be sent for member ratification until the data sets are complete.

Glossary Subcommittee: Ms. Mason gave an update on the Glossary Subcommittee. She stated the Glossary Subcommittee has completed work on most of the CPS and SUIS definition requests. She noted the definitions for Service Delivery Points, Rate Code and Business Day are outstanding. After completion of the CPS and SUIS requests, Ms. Mason stated the Glossary Subcommittee will work on completing its procedures.

Supplier Utility Interface Subcommittee: Mr. Newbold reported on the progress made at the July SUIS meeting. He stated the SUIS extensively discussed the scope of the creditworthiness document, completed the first review of the Non Disclosure Statement, and resolved a number of key outstanding issues in the working document. He stated the SUIS would likely vote on a clean version of the model business practices document during its August 11 conference call.

Mr. Newbold stated an outstanding issue was the definition of business day. He noted the vote in the SUIS is scheduled to be taken before the Glossary Subcommittee takes action on the proposed definition. Participants discussed possible actions to address the timing issue. Possible solutions included rescheduling the SUIS meeting where the vote would be taken or taking the vote on the assumption that the proposed definition would be accepted and then revoting if the definition was modified. It was decided the Glossary Subcommittee would reschedule its August 13 meeting for August 11 prior to the previously scheduled SUIS meeting. Additionally, the SUIS scheduled a conference call on August 18 from 9:00 a.m. to noon Central.

Technical Electronic Implementation Subcommittee: Mr. Jarrett reported on the progress of the TEIS. He stated the TEIS has been working with the WGQ EDM Subcommittee on the possibility of creating a common communications protocol. He stated the working group discovered there were two pieces to EDM transmissions, the delivery and the contents. Further, he said the working group studied the possibility of a common delivery process which could be used by all of the quadrants. He noted that study resulted in the *Report on Technical Feasibility and Impacts of Separating the WGQ EDM Into Multi-Quadrant Electronic Transport and Quadrant-Specific EDM Documents*, located under tab 3 of the meeting materials. Mr. Jarrett stated that the WGQ passed the following motion at its August Executive Committee meeting:

The WGQ EC directs the WGQ EDM subcommittee to: 1) proceed with the separation of WGQ EDM TAB 6 and review of WGQ Standards 4.x.x for potential inclusion in the common ET specification; and 2) work jointly with the REQ/RGQ TEIS to develop a joint ET specification.



North American Energy Standards Board

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

It was decided to postpone any required action to direct the TEIS to proceed until the individual REQ and RGQ Executive Committee meetings.

6. Technical Feasibility Report from the EDM Subcommittee

Please see Technical Electronic Implementation Subcommittee report above.

7. 2003 Annual Plan Updates

Updates to the 2003 RGQ and REQ Annual Plans were reviewed. Please see attached redlined annual plans. The modified 2003 Annual Plans will be presented to the Board of Directors in September.

8. 2004 Annual plan Development Efforts

Mr. Zavodnick reported on the 2004 Annual Plan process for the WEQ and WGQ, as follows: 1) the WEQ has prepared a 2004 Annual Plan strawman, available in the meeting materials under Tab 7, which will be distributed for comment; and 2) the WGQ will begin its Annual Plan development through a conference call on September 2, 2003. Participants discussed the process for development of the 2004 REQ and RGQ Annual Plans.

Mr. Zavodnick suggested the completion dates of the 2003 REQ and RGQ Annual Plans be reviewed by subcommittee leadership as a starting point, noting that several of the dates indicate completion in 2004. Further, he suggested the subcommittee chairs propose a completion timeline for the existing items. Mr. Zavodnick stated those changes could be reflected in a strawman to be distributed for comment, and the submitted comments would ultimately be reviewed by the REQ and RGQ leading to annual plans for approval by the REQ and RGQ Executive Committees in October and presentation to the Board of Directors in December. Mr. Newbold and other REQ Executive Committee members noted the REQ has an Annual Plan Subcommittee. They suggested it was the role of the Annual Plan Subcommittee to set the priority of annual plan items, not the subcommittee leadership. Mr. Moran commented that proceeding through the Annual Plan Subcommittee would provide more balance representation and result in a process that was more equitable. The exact approach to draft the 2004 REQ and RGQ Annual Plans was not established during the meeting.

The following timeline for annual plan development was established:

- August 22, 2003: completion of draft annual plans for distribution and industry comment
- September 5, 2003: comments due on the draft annual plans
- September 12, 2003: completion of revised draft incorporating comments
- September 15, 2003: Joint REQ/RGQ meeting to discuss the draft annual plans

9. Other Business

No other business was discussed.

10. Adjourn

The meeting adjourned at 1:35 p.m. Eastern.



North American Energy Standards Board

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

11. Attendance

Retail Electric Quadrant Executive Committee		
	Title, Organization	Present
Distribution Segment		
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company	In Person
Terry Moran	Regulatory Issues Manager, PSEG (MAAC NERC Region)	In Person
William Newbold	Strategy Manager of Electric Choice Implementation Team, Detroit Edison (ECAR NERC Region)	Phone
Jonathan Kubler	Manager of Pricing and Rates, Georgia Power Company	Phone
End User Segment		
V A C A N C Y		
Steve LaFond	Corporate Electricity Resources, Boeing Corporation	Absent
Steve Ward, alt. for B. Alexander	Maine Office of Public Advocate	In Person
V A C A N C Y		
Services Segment		
Jim Minneman	Director of Business Services, PPL Solutions LLC	In Person
Dick Brooks	Independent Consultant	Absent
Rob Connell	Manager of Commercial Systems Applications, Electric Reliability Council of Texas	Phone
Mark Jarrett	Team Leader – Market Information and Analysis, Market Intelligence, Southern Company	In Person
Supplier Segment		
Bill Barkas	Manager of Retail State Government Relations, Dominion Retail, Inc.	In Person
Theresa Hess, alt. for M. Williamson	Manager NAESB Relations, Reliant Energy Retail Services	In Person
V A C A N C Y		
V A C A N C Y		



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Retail Gas Quadrant Executive Committee

	Title, Organization	Present
Distributors Segment		
Nancy Cianflone	Director, Marketing Services Area, KeySpan Energy	Phone
Joseph M. Jansen	Manager Supplier Regulations, Public Service Electric and Gas Company	In Person
Joe Stengel, alt. for L. Nishida	Federal Regulatory Affairs Manager, Philadelphia Gas Works	In Person
Michael Novak	Assistant General Manager, National Fuel Gas Distribution Corporation	In Person
William Oppenheim	Manager, Asset Optimization, PECO Energy	In Person
Steven M. Zavodnick	Senior Engineer Gas Operations, Baltimore Gas and Electric Company	In Person
End Users Segment		
Barbara Alexander, alt. for B. Hayes	Consumer Affairs Consultant, rep. Indiana Office of Utility Consumer Counselor	Phone
Tina Burnett	Chair, Northwest Industrial Gas Users Association	Phone
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
Service Providers Segment		
Rod Sipe	President, New Science Partners	Absent
Donald L. Sytsma	Vice President, R.J. Rudden Associates, Inc.	Absent
George Behr	Director, Energy Services Group, Inc.	In Person
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
Supplier Segment		
Suzanne Calcagno	Associate Director, Regulatory Compliance, UBS Warburg Energy, LLC	In Person
Barbara A. Fatina	Vice President, Exelon Energy	Phone
Marcy McCain	Project Manager - Regulatory Affairs, Duke Energy Gas Transmission, LLP	Absent
Richard Zollars	Director, Data and Information, Dominion Retail, Inc.	In Person
V A C A N C Y		
V A C A N C Y		

Administrative:

Rae McQuade
Veronica Thomason
Todd Oncken

-Executive Director
-NAESB Staff
-Deputy Director



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Observers to the Meeting:

Name	Company	In Person/Phone
Rick Alston	ODEC	Phone
Bill Bourbonnais	WPS Resources	Phone
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Dale Davis	Williams Gas Pipeline	In Person
Bill Griffith	El Paso Corp.	In Person
Susan Ishida	Southern California Edison	Phone
Jean Mason	Ameren	Phone
Marjorie Perlman	Energy East Management Corp.	In Person
Phil Precht	Baltimore Gas and Electric Co.	In Person
Ken Thiry	Wisconsin Public Service	Phone

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

RGQ: Draft Minutes



North American Energy Standards Board

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

TO: NAESB Retail Gas Quadrant Executive Committee, Posting for Interested Industry Participants
FROM: Todd Oncken, NAESB Deputy Director
RE: NAESB Retail Gas Quadrant Executive Committee Meeting Draft Minutes - August 7, 2003
DATE: August 28, 2003

**Retail Gas Quadrant Executive Committee
Thursday, August 7, 2003
2:00 p.m. to 3:00 p.m. Eastern**

1. Welcome

Mr. Novak called the meeting to order and welcomed meeting participants. Mr. Oncken gave the antitrust advice. The roll of Executive Committee members was called and a quorum established.

2. RGQ Draft Agenda & Draft Minutes

Lead Time for Triage Requests and Action on the Technical Feasibility Plan for Electronic Transport were added as other business. Mr. Behr moved, seconded by Mr. Stengel, to adopt the agenda as modified. The agenda was adopted by consent.

Mr. Behr moved, seconded by Mr. Stengel, to approved the draft minutes of the June 4, 2003 Retail Gas Quadrant Executive Committee as written. The motion passed unanimously.

3. Retail Gas Business Practices Inventory Task Force Update and Survey Responses

Mr. Novak reported on the Gas Practices Inventory Task Force (GPITF). Mr. Novak stated the first round of survey results have been forwarded to the appropriate subcommittees. Mr. Novak stated there was some expectation that referring to the documents as a survey would result in survey results. To clear up that confusion, he said the documents will now be referred to as Requests for Information.

Mr. Novak stated the GPITF is working on the next set of Requests for Information. He noted that some concern was expressed during the last meeting that the questions were not linked directly to the annual plan items and any questions should not stray into consumer protection issues. To address those concerns, Mr. Novak said the questions are being modified and will clearly identify linkage with an annual plan item. Further, he said the Request for Information will contain a preamble stating the purpose of the document.

4. Other Business

Lead Time for Triage Requests: Mr. Novak stated concern has been expressed about Triage Requests being submitted immediately prior to the Triage Subcommittee meetings. He noted the Wholesale Gas Quadrant (WGQ) discussed the issue at length during its Executive Committee meeting but declined to formally adopt the proposal to impose a three-day lead time for the submission and consideration of Triage Requests. However, he said the WGQ EC members did agree that people making requests should follow common courtesy and the Triage Subcommittee leadership should have the ability to set the agenda - and thus decide which requests are addressed. Additionally, he said the WGQ stressed the importance of attending the Triage Subcommittee meetings so that all necessary action could be taken. Ms. Alexander contended timing was not a matter of courtesy, but rather a matter of due process.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Action on the Technical Feasibility Plan for Electronic Transport: Mr. Novak stated a summary of the *Report on Technical Feasibility and Impacts of Separating the WGQ EDM Into Multi-Quadrant Electronic Transport and Quadrant-Specific EDM Documents*, located under tab 3 of the meeting materials, was provided during the Joint REQ/RGQ Executive Committee meeting. There was general consensus that no further action was required of the Executive Committee to direct the RGQ Technical Electronic Implementation Subcommittee to move into development of the project since such action was consistent with the annual plan.

5. Adjourn

Mr. Novak adjourned the meeting at 3:10 p.m. Eastern.



North American Energy Standards Board

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

6. Executive Committee Attendance

	Title, Organization	Attendance
DISTRIBUTORS SEGMENT		
Nancy Cianflone	Director, Marketing Services Area, KeySpan Energy	Phone
Joseph M. Jansen	Manager Supplier Regulations, Public Service Electric and Gas Company	In Person
Joe Stengel, alt. for L. Nishida	Federal Regulatory Affairs Manager, Philadelphia Gas Works	In Person
Michael Novak	Assistant General Manager, National Fuel Gas Distribution Corporation	In Person
William Oppenheim	Manager, Asset Optimization, PECO Energy	In Person
Steven M. Zavodnick	Senior Engineer Gas Operations, Baltimore Gas and Electric Company	In Person
END USERS SEGMENT		
Barbara Alexander, alt. for B. Hayes	Consumer Affairs Consultant, rep. Indiana Office of Utility Consumer Counselor	Phone
Tina Burnett	Chair, Northwest Industrial Gas Users Association	Phone
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
SERVICE PROVIDERS SEGMENT		
Rod Sipe	President, New Science Partners	Absent
Donald L. Sytsma	Vice President, R.J. Rudden Associates, Inc.	Absent
George Behr	Director, Energy Services Group, Inc.	In Person
V A C A N C Y		
V A C A N C Y		
V A C A N C Y		
SUPPLIER SEGMENT		
Suzanne Calcagno	Associate Director, Regulatory Compliance, UBS Warburg Energy, LLC	In Person
Barbara A. Fatina	Vice President, Exelon Energy	Phone
Marcy McCain	Project Manager – Regulatory Affairs, Duke Energy Gas Transmission, LLP	Absent
Richard Zollars	Director, Data and Information, Dominion Retail, Inc.	In Person
V A C A N C Y		
V A C A N C Y		

7. Other Participation

Administrative:		
	Rae McQuade	-Executive Director
	Veronica Thomason	-NAESB Staff
	Todd Oncken	-Deputy Director



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Observers to the Meeting:

Name	Company	In person/Phone
Rick Alston	ODEC	Phone
Bill Barkas	Dominion Retail	In Person
Bill Bourbonnais	WPS Resources	Phone
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Dale Davis	Williams Gas Pipeline	In Person
Bill Griffith	El Paso Corp.	In Person
Theresa Hess	Reliant Energy Retail Services	In Person
Susan Ishida	Southern California Edison	Phone
Mark Jarrett	Southern Company	In Person
Ruth Kiselewich	Baltimore Gas and Electric Co.	In Person
Jean Mason	Ameren	Phone
Jim Minneman	PPL Solutions	In Person
Terry Moran	PSEG	In Person
William Newbold	Detroit Edison	Phone
Marjorie Perlman	Energy East Management Corp.	In Person
Phil Precht	Baltimore Gas and Electric Co.	In Person
Ken Thiry	Wisconsin Public Service	Phone
Steve Ward	Maine Office of Public Advocate	In Person

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

REQ Draft Minutes



North American Energy Standards Board

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

TO: NAESB Retail Electric Quadrant Executive Committee, Posting for Interested Industry Participants
FROM: Todd Oncken, NAESB Deputy Director
RE: NAESB Retail Electric Quadrant Executive Committee Meeting Draft Minutes- August 7, 2003
DATE: August 28, 2003

**Retail Electric Quadrant Executive Committee
Thursday, August 7, 2003, 3:00 p.m. to 4:00 p.m. Eastern
Draft Minutes**

1. Welcome

Mr. Minneman called the meeting to order and thanked PECO Energy for hosting. Mr. Oncken gave the antitrust advice. The roll of Executive Committee members was taken and a quorum was established.

2. REQ Draft Agenda & Draft Minutes

Lead Time for Triage Requests and Action on the Technical Feasibility Plan for Electronic Transport were added as other business. Mr. Jarrett moved, seconded by Mr. Barkas, to adopt the agenda as modified. The agenda was adopted by consent.

Ms. Hess moved, seconded by Mr. Jarrett, to adopt the draft minutes of the June 4, 2003 Retail Electric Quadrant Executive Committee meeting, as modified during this meeting. The motion passed unanimously.

3. REQ Specific Items

No items were discussed.

4. Other Business

Lead Time for Triage Requests: Mr. Minneman summarized the discussions held in the Wholesale Gas Quadrant (WGQ) and Retail Gas Quadrant (RGQ) on the timeliness of Triage Requests, noting both quadrants had declined to take any formal action imposing a timeline. It was noted that since the Triage Subcommittee consists of members of all quadrants, it would take consistent action of all quadrants to impose such a timeline requirement. Ms. Alexander restated her concerns on the timing of Triage Requests and requested the NAESB Office take informal action to make NAESB subcommittee leadership aware of the discussions held during the Executive Committee meetings on this issue and the general preference that Triage Requests should be submitted three days prior to the Triage Subcommittee meeting. To address Ms. Alexander's concern, Ms. McQuade proposed that notification would be sent to all Triage Subcommittee members and all Executive Committee members, and the Standards Request Form would be modified to reflect the timing preference.

Action on the Technical Feasibility Plan for Electronic Transport: Mr. Minneman stated a summary of the *Report on Technical Feasibility and Impacts of Separating the WGQ EDM Into Multi-Quadrant Electronic Transport and Quadrant-Specific EDM Documents*, located under tab 3 of the meeting materials, was provided during the Joint REQ/RGQ Executive Committee meeting. There was general consensus that no further action was required of the Executive Committee to direct the REQ Technical Electronic Implementation Subcommittee to move into development of the project since such action was consistent with the annual plan.

Other Discussion: Mr. Minneman noted the next Executive Committee meetings are scheduled on October 6-8 in Phoenix, AZ. It was proposed that the REQ and RGQ use all allotted time to meet



North American Energy Standards Board

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

jointly, and then individual quadrant issues could be addressed via conference call. Additionally, it was noted the structure and timing of Executive Committee meetings is being considered. Mr. Minneman stated that with the minimal interaction between the retail and wholesale quadrants, it was perhaps counterintuitive that all quadrants should hold their Executive Committee meetings on adjoining days. Instead, he suggested scheduling the retail Executive Committee meetings adjacent to retail quadrant subcommittee meetings might be more appropriate. Ms. Kiselewich suggested holding at least one all quadrant Executive Committee meeting each year.

5. Adjourn

The meeting adjourned at 3:56 p.m. Eastern.

6. Attendance

	Title, Organization	Present
Distribution Segment		
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company	In Person
Terry Moran	Regulatory Issues Manager, PSEG (MAAC NERC Region)	In Person
William Newbold	Strategy Manager of Electric Choice Implementation Team, Detroit Edison (ECAR NERC Region)	Phone
Jonathan Kubler	Manager of Pricing and Rates, Georgia Power Company	Phone
End User Segment		
V A C A N C Y		
Steve LaFond	Corporate Electricity Resources, Boeing Corporation	Absent
Steve Ward, alt. for B. Alexander	Maine Office of Public Advocate	In Person
V A C A N C Y		
Services Segment		
Jim Minneman	Director of Business Services, PPL Solutions LLC	In Person
Dick Brooks	Independent Consultant	Absent
Rob Connell	Manager of Commercial Systems Applications, Electric Reliability Council of Texas	Absent
Mark Jarrett	Team Leader – Market Information and Analysis, Market Intelligence, Southern Company	In Person
Supplier Segment		
Bill Barkas	Manager of Retail State Government Relations, Dominion Retail, Inc.	In Person
Theresa Hess, alt. for M. Williamson	Manager NAESB Relations, Reliant Energy Retail Services	In Person
V A C A N C Y		
V A C A N C Y		
Administrative:	Rae McQuade	-Executive Director
	Veronica Thomason	-NAESB Staff
	Todd Oncken	-Deputy Director



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

Observers to the Meeting:

Name	Company	In Person/Phone
Rick Alston	ODEC	Phone
Bill Bourbonnais	WPS Resources	Phone
Christopher Burden	Williams Gas Pipeline	In Person
Yvette Camp	Southern Company	Phone
Dale Davis	Williams Gas Pipeline	In Person
Bill Griffith	El Paso Corp.	In Person
Susan Ishida	Southern California Edison	Phone
Jean Mason	Ameren	Phone
Bill Oppenheim	PECO Energy	In Person
Marjorie Perlman	Energy East Management Corp.	In Person
Phil Precht	Baltimore Gas and Electric Co.	In Person
Ken Thiry	Wisconsin Public Service	Phone
Steve Zavodnick	Baltimore Gas and Electric Co.	In Person
Richard Zollars	Dominion Retail, Inc.	In Person

TAB 9

REQ & RGQ: Subcommittee Updates

Customer Processes

Glossary

Supplier-Utility Interface

Technical Electronic Implementation

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Customer Processes



North American Energy Standards Board

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

TO: NAESB Retail Electric Quadrant and Retail Gas Quadrant Customer Processes Subcommittee, Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Final Minutes from the NAESB Retail Electric Quadrant and Retail Gas Quadrant Customer Processes Subcommittee Conference Call – August 12, 2003

DATE: September 10, 2003

**Retail Electric Quadrant and Retail Gas Quadrant
Customer Processes Subcommittee
August 12, 2003 (12:00 p.m. – 2:00 p.m. Central)
Final Minutes**

1. Administrative

Mr. Alston opened the meeting and gave the antitrust advice. Introductions were made. Mr. Oppenheim moved, seconded by Ms. Edwards to adopt the agenda as written. The agenda was adopted as written absent objection.

2. Adoption of Meeting Minutes from May 13 and 14, 2003

Mr. Jansen moved, seconded by Mr. Gross to adopt the draft minutes from May 13-14, 2003 as written. The draft minutes were adopted absent objection.

3. Adoption of Meeting Minutes from June 17, 2003

Ms. Edwards moved, seconded by Mr. Oppenheim to adopt the draft minutes from June 17, 2003 as written. The draft minutes were adopted as written absent objection.

4. Adoption of Meeting Minutes from July 17 and 18, 2003

Mr. Oppenheim moved, seconded by Mr. Jansen to adopt the draft minutes from July 17-18, 2003 as written. The draft minutes were adopted as written absent objection.

5. Discuss – Attachment 1 – Redlined Billing and Payment Document (Revised July 17-18)

Mr. Alston noted comments received from PECO Energy were posted for this meeting. He stated the purpose of today's conference call is to prepare for a vote on the draft document, which will move this document out of the subcommittee and to the Executive Committee in the form of a recommendation. It was noted that next steps to completing the data sets and models will be discussed at the September meeting, and that the group would not be discussing the Billing Services Agreement during today's meeting.

Mr. Oppenheim reviewed his comments.

1. For Sections 2.2.1.3, 2.4.1.9, and 2.6.1.2, we in PA are not required to match the usage when sending a cancellation transaction. This is not a requirement and should be optional. We prefer to send in the cancellation transaction only the invoice number without all the other information. Please reword this to allow for some optionality.

It was suggested that language be drafted in the Overview/Principles section to cover this issue. Mr. Alston requested that any suggested language be sent to him to be posted two weeks before the next CPS meeting.

2. For Sections 2.2.1.4 and 2.4.1.10 we do not individually restate meter usage by metering period. We rebill by larger billing periods, such as a 6 month or 12 month period.



North American Energy Standards Board

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

Sometimes we rebill for the period up until a rate change occurs which could be several months. Please reword these sections to allow for some flexibility.

It was suggested to change the language in 2.2.1.3 to read "When meter usage is cancelled the following practices may be used" and 2.2.1.4 to read "When meter usage is restated the following practices may be used". The same change was proposed for 2.4.1.10. Mr. Alston suggested adding language in the overview section concerning regulatory requirements parties will need to be aware of, and that the group defer making that changes proposed in the first two comments until further comments can be received and discussed in September. It was agreed to finalize these issues at the September meeting.

3. In Section 2.6.1.4, a Supplier is not allowed in PA to issue an estimated bill. Only the metering company (usually the LDC) can issue a bill based on estimated readings. Please remove this statement as it does not apply in at least one state.

It was agreed that because this standard only affects the Single Retail Model and Single Retail is not used in PA this is not an issue.

Mr. Green noted concerns about the definition of Business Day. Ms. Camp suggested the same approach used in the Supplier-Utility Interface Subcommittee (SUIS). It was agreed to modify the document to include Business Day in the principles section and in the definitions section similar to the SUIS.

6. Next Steps

The completion of the Billing and Services Agreement will be listed on the agenda for the next meeting following the vote on the proposed business practices in the Billing and Payment document. The next items on the CPS agenda will be to work on Data Sets and Models for the Billing and Payment business practices, which will be carried into the October meeting, possibly longer.

7. Adjourn

Mr. Jansen moved, seconded by Mr. Barkas to adjourn the meeting on August 12, 2003 at 1:35 p.m. Central.

8. Attendees

Name	Company
Alston, Rick	Old Dominion
Barkas, Bill	Dominion Retail
Camp, Yvette	Southern Company
Davis, Dorman	Mississippi Power
Edwards, Mary	Dominion Virginia Power
Eynon, Patrick	Ameren
Garrett, Michael	Georgia Power
Greene, Bill	Cinergy
Gross, Blake	American Electric Power
Ishida, Susan	Southern California Edison
Jansen, Joe	Public Service Electric & Gas
Johnsonbough, Ed	None Give n
Kilgore, Tom	Gulf Power
Kilmer, Burrell	Accenture
Marino, Annunciata	Pennsylvania Public Utilities



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

McMillan, Meghan
Novak, Michael
Oppenheim, Bill
Ray, Judy
Robert, Lisa
Thiry, Ken
Wilend, Eric

NAESB
National Fuel
PECO Energy
Alabama Power Company
Defense Energy Support Center
Wisconsin Public Service
Nyseg



North American Energy Standards Board

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

TO: NAESB Retail Electric Quadrant and Retail Gas Quadrant Customer Processes Subcommittee, Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Draft Minutes from the NAESB Retail Electric Quadrant and Retail Gas Quadrant Customer Processes Subcommittee Meeting – September 9-10, 2003

DATE: October 1, 2003

**Retail Electric Quadrant and Retail Gas Quadrant
Customer Processes Subcommittee
September 9-10, 2003
Draft Minutes**

1. Administrative

Mr. Alston opened the meeting and gave the antitrust advice. The group agreed to defer adoption of the August 12, 2003 draft minutes until day two of the meeting. Mr. Oppenheim moved, seconded by Ms. Yetman to adopt the draft agenda. The agenda was adopted absent objection.

2. Discussion of the Billing and Payment Processing document to clear up any remaining issues.

Mr. Alston stated the group can either vote the document out of subcommittee as a whole or section by section. The group agreed to discuss the document by section and vote on the document as a whole. Mr. Alston added after the document is voted out of the subcommittee it will go out for a thirty day comment period, and the resulting information will go to the EC for approval and/or further work. Mr. Alston stated that he and Mr. Oppenheim will suggest to the EC that the document be held for member ratification until the standards are fully staffed.

Mr. Alston suggested changing the word “none” under the Principles section to “Reserved for future use” to indicate that material may be added at a later time. The group agreed to this change. The definition of Rate Code was edited to reflect changes made at the last Glossary Subcommittee meeting.

Section 2.1

Mr. Alston suggested changing the word “later” to “Reserved for future use” as before. Minor changes were made to correct grammar and wording in this section.

Section 2.2

The language “Reserved for future use” was inserted as in section 2.1.

Section 2.3

Minor formatting and wording changes were made. Mr. Oppenheim suggested deleting the second sentence in 2.3.1.3 and the same language in 2.6.1.1. It was agreed to delete this language. “Reserved for future use” inserted in 2.3.2 and 2.3.3 to replace the language previously used.

Section 2.4

Minor wording and formatting changes were made in this section. “Reserved for future use” inserted in 2.4.2 and 2.4.3 to replace the language previously used.



North American Energy Standards Board

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

Section 2.5

Minor grammatical and wording changes were made in 2.5.1.5 and 2.5.1.2. "Reserved for future use" inserted in 2.5.2 and 2.5.3 to replace the language previously used.

Section 2.6

Minor wording changes were made to 2.6.1.5 and 2.6.1.7. "Reserved for future use" was inserted in 2.6.2 and 2.6.3 to replace the language previously used.

Section 2.7

"Reserved for future use" was inserted in 2.7.2 and 2.7.3 to replace the language previously used.

Section 2.8

Minor wording changes were made to 2.8.1.7. "Reserved for future use" was inserted in 2.8.2 and 2.8.3 to replace the language previously used.

Section 2.9

Proposed standard 2.9.1.4 was modified to add a time limit of "two (2) business days" after "...payments posted for all undisputed Non-Billing Party charges within..." Additionally, the phrase "In the Pay As You Get Paid method" was stricken from 2.9.1.6 and 2.9.1.7. "Reserved for future use" was inserted in 2.9.2 and 2.9.3 to replace the language previously used.

Section 2.10

Proposed standard 1.8.1.3 was copied and inserted into this section with minor word changes to become the new proposed standard 2.10.1.1. Proposed standards 2.10.1.2; 2.10.1.3; and 2.10.1.4 were also added.

It was noted that the definitions section would be checked to make sure the text of the definitions corresponds with the definitions developed by the Glossary Subcommittee.

3. Vote to move the partially completed document out of subcommittee to the NAESB REQ and RGQ Executive Committee where it will be released for public comment prior to going to the Executive Committee for action.

Mr. Precht moved, seconded by Ms. Edwards to move this document, as amended at today's meeting, out of the Customer Processes Subcommittee and to the Retail Gas and Retail Electric Executive Committees subject to a final check of the definitions and formatting. Upon a balanced vote, the motion passed unanimously. Below is a detailed record of the balanced vote conducted during the meeting. A detailed record of the raw vote can be found by referencing the attachment to these minutes.



North American Energy Standards Board

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

	Raw Votes					Balanced Votes				Motion Status
	For	Against	Total	Abstain		Total Wt	For	Against	Total	
REQ										
End Users	2	0	2	0	2	2.00	0.00	2		
Distributors	12	0	12	0	2	2.00	0.00	2		
Suppliers	2	0	2	0	2	2.00	0.00	2		
Services	1	0	1	0	1	1.00	0.00	1		
	17	0	17	0	7	7.00	0.00	7		PASS
RGQ										
End Users	0	0	0	0	0	0.00	0.00	0		
LDCs	4	0	4	0	2	2.00	0.00	2		
Suppliers	2	0	2	0	2	2.00	0.00	2		
Services	0	0	0	0	0	0.00	0.00	0		
	6	0	6	0	4	4.00	0.00	4		PASS

4. Continue with Billing and Payment matters:

- Review, discuss and complete the Billing Services Agreement (BSA)

Participants were referred to a redlined copy of the BSA, which is posted on the NAESB website as a work paper for this meeting. The group discussed and edited the BSA, and recorded all changes as redlines in the draft document.

- Develop datasets, models and principles

Mr. Alston stated that the CPS will now have the responsibility of creating data dictionaries to accompany the business practices it creates. He suggested it would be beneficial to consult with representatives in the wholesale technical groups to better understand what is required in these types of documents.

The group briefly discussed the development of models. It was suggested that participants gather information before a detailed discussion of datasets and models is undertaken. Volunteers were recruited to research particular states. Mr. Alston stated the CPS will communicate with the TEIS to make sure the subcommittee covers all relevant areas with respect to data dictionaries and models.

5. Next Steps

- 2004 Annual Plan expectations

It was suggested that CPS should push the completion date of Billing and Payments back to the end of 2003 due to the necessity of developing the data sets and models. Mr. Oppenheim stated he would be contacting the Annual Plan subcommittee regarding suggested completion dates for CPS.

- Next Meeting: October 21 - 22 at Gulf Power

It was noted that this meeting will cover datasets and models.

- Future Meetings

It was agreed to schedule a conference call on September 26 (10:00am - 11:00am) at which the subcommittee would vote on the draft BSA in time to send it out for comment before it goes to the



North American Energy Standards Board

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

EC in December. [Subsequent to this meeting, the September 26 call was rescheduled for October 3.]

Mr. Alston stated the subcommittee is still looking for a place to host their December 8-10, 2003 meeting. Ms. McMillan volunteered to check on meeting facilities at NAESB. It was decided to hold the January 13-15 meeting in Atlanta, GA to be hosted by Georgia Power.

Ms. Yetman moved, seconded by Ms. Edwards to adopt the August 12, 2003 draft minutes as written. The minutes were adopted as written absent objection.

6. Adjourn

Ms. Shaw moved, seconded by Mr. Oppenheim to adjourn the meeting on September 10, 2003 at 2:54p.m. Central.

7. Attendees

Name	Company	In Person/Phone
Alexander, Barbara	Maine Office Public Advocate	In Person
Alston, Rick	ODEC	In Person
Barkas, Bill	Dominion Retail	In Person
Coyle, Michael	PSE&G	In Person
Davis, Dorman	Mississippi Power	Phone
Edwards, Mary	Dominion Virginia Power	In Person
Eynon, Patrick	Ameren	In Person
Gross, Blake	American Electric Power	In Person
Ishida, Susan	Southern California Edison	In Person
Jones, Dan	Cinergy	Phone
Kilgore, Tom	Gulf Power	Phone
McCain, Marcy	Duke Energy Gas Transmission	Phone
McMillan, Meghan	NAESB	Phone
Minneman, Jim	PPL Solutions	In Person
Moran, Terry	PSE&G	In Person
Newbold, Bill	Detroit Edison	In Person
Nishida, Leslie	Wisconsin Public Service	Phone
Novak, Michael	National Fuel	Phone
Oppenheim, Bill	PECO Energy	In Person
Precht, Phil	Baltimore Gas & Electric	In Person
Ray, Judy	Alabama Power	In Person
Robert, Lisa	Defense Energy Support Center	In Person
Rone, Thomas	Allegheny Power	In Person
Shaw, Brenda	Dominion Virginia Power	In Person
Thiry, Ken	Wisconsin Public Service	Phone
Wolf, Bill	Baltimore Gas & Electric	In Person
Yetman, Kathleen	National Grid	In Person
Zavodnick, Steve	Baltimore Gas & Electric	Phone
Zollars, Richard	Dominion Retail	Phone

Outline for Model Billing Services Agreement For Consolidated Billing

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

BILLING SERVICES AGREEMENT OUTLINE

I PREFACE

- A. General description of the Billing Services Agreement.
- B. Scope and relationships with other Governing Documents.
- C. Identification of the parties to the Billing Services Agreement.
- D. Effective date and term of the Billing Services Agreement.
- E. Conditions precedent to the execution of the Billing Services Agreement (e.g. data exchange protocols, licensing, creditworthiness, and billing system capability).

II KEY COMPONENTS

- A. Identification of Billing Party [Supplier or Distribution Company].
- B. Identification of the Consolidated Billing option(s) [Bill Ready and / or Rate Ready].
- C. Type of payment processing option(s) selected by the Billing Party [Assumption of Receivables or Pay As You Get Paid].
- D. Definition of terms used in the Billing Services Agreement.

III BILLING OBLIGATIONS AND OPTIONS

- A. Specify relevant responsibilities, terms and conditions between the parties for the Consolidated Billing option(s) selected including:

performance parameters, financial arrangements, and other details (e.g. bill format, bill insert requirements, timing for receiving Non-Billing Party charges, lead time for price changes, responsibility for calculating late payment charges, fees for billing services, accuracy of Non-Billing Party charges).

- B. Specify any creditworthiness criteria that the Non-Billing Party's Customers would have to satisfy to be eligible for Consolidated Billing.
- C. Specify responsibilities for non-standard billing arrangements to be provided to the Non-Billing Party by the Billing Party for selected Customers (e.g., issue bills on non-standard cycle, non-standard pricing).
- D. Specify responsibilities for non-energy charges (e.g., billing for energy management services).
- E. Specify responsibilities for billing features that affect both parties (e.g., budget billing).

IV PAYMENT OBLIGATIONS AND OPTIONS

- A. Specify responsibilities, terms and conditions for payments due to the Non-Billing Party from the Billing Party related to their Consolidated Billing of Customers, including performance parameters, financial arrangements, creditworthiness, notification of Customer bills In Dispute, and other details (e.g., method of payment, timing of payment, payment advice timing, payment posting order).
- B. Specify responsibilities, terms and conditions for payments due to the Billing Party from the Non-Billing Party related to their Consolidated Billing of Customers including fees for billing services (e.g., method of payment, timing of payment).
- C. Specify the level of uncollectibles to be reflected in the amount due for Assumption of Receivables method, if applicable.
- D. Specify the conditions to change the level of uncollectibles to be reflected in the amount due for Assumption of Receivables method, is applicable.

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

V COLLECTION OBLIGATIONS AND OPTIONS

- A. Specify activities related to the collection actions to be taken by each party (e.g., collection of late payment charges, Customer notification).
- B. Specify responsibilities, terms and conditions for the Billing Party to carry forward arrears on a Customer's account no longer served by the Non-Billing Party (e.g., Billing Party will carry charges for the Non-Billing Party on the bill for a specified period of time, returning outstanding arrears to the Non-Billing Party).
- C. Specify the threshold for outstanding payments and identified delinquencies that can result in the conversion of a Customer to Dual Billing or to regulated energy supply service (e.g., timing of conversion).
- D. When the Distribution Company is not the Billing Party, specify the responsibilities, terms and conditions for providing the Distribution Company with real-time Billing Party payment information for specific Customer accounts in order for the Distribution Company to take appropriate collection action.
- E. Identify special handling arrangements for collection of funds for specific Customer accounts.

VI SERVICE LEVEL AND REMEDIES

- A. Specify expectations for performance and responsibilities of each party, including remedies for failure to meet obligations (e.g., Non-Billing Party calls for change due to Billing Party performance).
- B. Specify terms and conditions for the Billing Party to pay interest to the Non-Billing Party when payment for undisputed charges is not made to the Non-Billing Party within the appropriate time frame.
- C. Specify terms and conditions for the Non-Billing Party to pay interest to the Billing Party when payment for billing services rendered is not made to the Billing Party within the appropriate time frame.
- D. Specify the provisions for reviewing and auditing Billing Party activities on behalf of the Non-Billing Party.

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Glossary

**Definition for SUIS and CPS Priority Requests, July 11, 2003
(Revised July 25, 2003)**

Term	Glossary Subcommittee Definition	GS Status	Used in SUIS Documents	Use in CPS Documents
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.	Adopted GS 06/20/03 Call	Creditworthiness	Billing and Payment
Assumption of Receivables	The payment processing method in which the Billing Party assumes the Non-Billing Party's receivables and sends the Non-Billing Party payment at predetermined intervals for all Non-Billing Party amounts that are billed, payable to the Non-Billing Party, and do not have a status of In Dispute, in accordance with the tariff, Billing Services Agreement or other Governing Document regardless of when (or whether) the Customer pays the Billing Party.	Adopted GS 07/11/03 Call		Billing and Payment
Applicant	The party seeking credit from another party.	Adopted GS 06/20/03 Call	Creditworthiness	
Billing Party	The party performing billing services for one or more parties.	Adopted GS 06/20/03 Call	Creditworthiness	Billing and Payment
Billing Services Agreement	A legally binding document between the Distribution Company / Utility 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.	Adopted GS 07/11/03 Call		Billing and Payment
Bill Ready	A Consolidated Billing practice in which the Billing Party receives the calculated charge amount(s) directly from the Non-Billing Party in lieu of the Billing Party calculating it directly from the rate.	Adopted GS 07/11/03 Call		Billing and Payment
Business Day	Monday through Friday excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.	Adopted GS 07/11/03 Call	Creditworthiness	Billing and Payment
Cash Deposit	Money provided by one party to the other to secure performance of an agreement or compensate for possible loss or damage.	Adopted GS 6/20/03 Call	Creditworthiness	
Certificate of Authority	A document attesting to the name(s) and signature(s) of the officer(s) authorized to execute a particular instrument.	Adopted GS 07/11/03 Call	Creditworthiness	

**Definition for SUIS and CPS Priority Requests, July 11, 2003
(Revised July 25, 2003)**

Term	Glossary Subcommittee Definition	GS Status	Used in SUIS Documents	Used in CPS Documents
Challenge	The Applicant's request for a review of the Creditor's creditworthiness determination made shortly after that determination.	Adopted GS 06/20/03 Call	Creditworthiness	
Confidential Information	Nonpublic information concerning the financial condition of the Applicant, or any of the Applicant's affiliates, that is disclosed to the Creditor by or on behalf of the Applicant or Applicant's affiliates.	Adopted GS 06/20/03 Call	Creditworthiness	
Consolidated Billing	The billing option in which the Distribution Company / Utility or Supplier renders a Customer bill consolidating the energy, transmission / transportation and distribution charges of the Distribution Company / Utility and the Supplier, for which a single payment from the Customer is expected.	Adopted GS 07/11/03 Call	Creditworthiness	Billing and Payment
Credit Application Form	The Creditor's form for obtaining identification and financial data about an Applicant.	Adopted GS 06/20/03 Call	Creditworthiness	
Creditor	The party granting credit to another party.	Adopted GS 06/20/03 Call	Creditworthiness	
Cure Period	A period of time specified in a contract allowing a defaulting party to rectify the default, during which time the Creditor would not be allowed to exercise its remedies.	Adopted GS 07/08/03 Call	Creditworthiness	
Customer	Any entity that takes gas and/or electric service for its own consumption.	Adopted GS 07/08/03 Call	Creditworthiness	Billing and Payment
Distribution Company	A regulated entity that constructs, maintains and operates the distribution facilities which deliver energy to the Customer.	Adopted GS 6/20/03 Call	Creditworthiness	
Dual Billing	The billing option in which the Distribution Company / Utility and Supplier, each assuming the role of a Billing Party, render separate Customer bills, each containing charges for the energy, transmission/transportation or distribution services provided by that party, for which separate payments from the Customer are expected.	Adopted GS 07/11/03 Call	Creditworthiness	Billing and Payment
Event-Driven Reconsideration	A re-evaluation of an Applicant's creditworthiness performed in response to a Material Change in its credit rating or financial condition.	Adopted GS 06/20/03 Call	Creditworthiness	

**Definition for SUIS and CPS Priority Requests, July 11, 2003
(Revised July 25, 2003)**

Term	Glossary Subcommittee Definition	GS Status	Used in SUIS Documents	Used in CPS Documents
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 / Utility operational manuals.	Adopted GS 07/11/03 Call	Creditworthiness	Billing and Payment
Guarantor	The issuer of a Guaranty.	Adopted GS 07/08/03 Call	Creditworthiness	
Guaranty	An obligation to pay the unpaid obligations of a third party Applicant to a Creditor upon certain conditions being met.	Adopted GS 07/08/03 Call	Creditworthiness	
In Dispute	A bill status that prevents collection action from being taken on the disputed amount.	Adopted GS 07/11/03 Call		Billing and Payment
Letter of Credit	A letter issued by a bank authorizing the beneficiary to draw up to a stated amount of money from the issuing bank, its branches, or other associated banks or agencies, provided that the drawing conditions of the letter are met.	Adopted GS 07/08/03 Call	Creditworthiness	
Material Change	Any change in the Applicant's (or Guarantor's) financial or other condition that might reasonably affect the amount of unsecured credit extended to that Applicant or may impact the Applicant's ability to perform on its obligations.	Adopted GS 6/20/03 Call	Creditworthiness	
Non-Billing Party	The party whose charges are being combined into a statement (or invoice) prepared and rendered by another party.	Adopted GS 6/20/03 Call	Creditworthiness	Billing and Payment
Pay As You Get Paid	The payment processing payment by which the Billing Party forwards payment to the Non-Billing Party for the Non-Billing Party charges only after receiving payment.	Adopted GS 07/11/03 Call	Creditworthiness	Billing and Payment
Prepayment	Money provided by one party to the other to pay for goods or services not yet rendered.	Adopted GS 07/08/03 Call	Creditworthiness	
Rate Code	A product identifier used in the Billing Party's billing system which contains all information, such as description and price, needed to bill for that product.	Adopted GS 07/11/03 Call		Billing and Payment
Rate Ready	Refers to the practice in which the Non-Billing Party provides rate information to the Billing Party sufficient to calculate the Non-Billing Party's charges.	Adopted GS 07/11/03 Call		Billing and Payment

**Definition for SUIS and CPS Priority Requests, July 11, 2003
(Revised July 25, 2003)**

Term	Glossary Subcommittee Definition	GS Status	Used in SUIS Documents	Used in CPS Documents
Security Interest in Collateral	A right, title, claim, or share in assets that exists by contract as security for payment or performance of an obligation that is acceptable to the Creditor.	Adopted GS 6/20/03 Call	Creditworthiness	
Single Retail Supplier Billing	The billing option in which the Supplier renders a Customer bill for all energy, transmission/transportation, and distribution related charges. The Supplier purchases or otherwise acquires energy, transmission/transportation and distribution services, and therefore all charges on the bill are Supplier charges. A single payment from the Customer is expected.	Adopted GS 07/11/03 Call	Creditworthiness	Billing and Payment
Supplier	Persons engaged in the competitive sale of energy to end-users.	Adopted GS 6/20/03 Call	Creditworthiness	Billing and Payment
Surety Bond	An obligation of a third party that covers payments to the Creditor in the event that the Applicant fails to meet its obligations.	Adopted GS 07/08/03 Call	Creditworthiness	
Switch Request	A request from a Supplier to switch a Customer to begin receiving service from that Supplier.	Adopted GS 6/20/03 Call	Creditworthiness	
Uniform Electronic Transaction	Standard data arrangements for trading information, making business requests and exchanging other information, encompassing a number of electronic media and utilizing specified transport protocols.	Adopted GS 07/11/03 Call		Billing and Payment
Utility	A regulated entity which provides distribution services, regulated generation and/or transmission services in a given area.	Adopted GS 07/08/03 Call	Creditworthiness	Billing and Payment

Definition for SUIS and CPS Priority Requests, July 11, 2003

Term	Glossary Subcommittee Definition	CPS and/or SUIS Definition/Comments	GS Status	Used in SUIS Documents	Used in CPS Documents
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.	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. <i>(Removed Utility)</i>	Adopted by GS on 8/1/03 conference call.		Billing and Payment
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.	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. <i>(Removed Utility)</i>	Adopted by GS on 8/1/03 conference call.	Creditworthiness	Billing and Payment
Distribution Company	A regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area.	A regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area. <i>(SUIS crafted 7/15/03)</i>	Adopted by GS on 8/1/03 conference call.	Creditworthiness	
Dual Billing	The billing option in which the Distribution Company and the Supplier, each assuming the role of a Billing Party, render separate Customer Bills, each containing charges for the energy, transmission/transportation or distribution services provided by that party, for which separate payments from the Customer are expected.	The billing option in which the Distribution Company and the Supplier, each assuming the role of a Billing Party, render separate Customer Bills, each containing charges for the energy, transmission/transportation or distribution services provided by that party, for which separate payments from the Customer are expected. <i>(Removed Utility)</i>	Adopted by GS on 8/1/03 conference call.	Creditworthiness	Billing and Payment
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.	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. <i>(Removed Utility)</i>	Adopted by GS on 8/1/03 conference call.	Creditworthiness	Billing and Payment
Material Change	Any change in the Applicant's (or Guarantor's) financial or other condition that might reasonably affect the amount of credit extended to that Applicant or may impact the Applicant's ability to perform on its obligations.	Any change in the Applicant's (or Guarantor's) financial or other condition that might reasonably affect the amount of credit extended to that Applicant or may impact the Applicant's ability to perform on its obligations. <i>(Added "or Creditor's" before the word "financial" and removed "unsecured" before the word credit)</i>	Adopted by GS on 8/1/03 conference call.	Creditworthiness	
Pay As You Get Paid	The payment processing method in which the Billing Party forwards payment to the Non-Billing Party for the Non-Billing Party charges only after receiving payment.	The payment processing method in which the Billing Party forwards payment to the Non-Billing Party for the Non-Billing Party charges only after receiving payment. <i>(Replaced the second "payment" with the word "method")</i>	Error fixed on GS 8/1/03 conference call.	Creditworthiness	Billing and Payment
Utility		<i>Remove term from list of defined terms.</i>	Removed by GS on 8/1/03 conference call.	Creditworthiness	Billing and Payment
Service Delivery Point	A meter(s) and/or unmetered service(s) supplying a customer premise assigned to a single rate code for billing purposes. One or more rate codes may be billed on a single account.	Review and Comment - New request for defined term. Used in CPS Billing and Payment section 2.6.1.5	Discussed on 8/1/03 GS conference call		

Definition for SUIS and CPS Priority Requests, July 11, 2003

Term	Glossary Subcommittee Definition	CPS and/or SUIS Definition/Comments	GS Status	Used in SUIS Documents	Used in CPS Documents
Rate Code	A product identifier used in a billing system which contains all information, such as description and price, needed to bill for that product.	Review and comment - Removed the words "the Billing Party's" after "in" and replaced it with "a". This change was made to accommodate the use of the term Rate Code in the new definition of Service Delivery Point.	Discussed on 8/1/03 GS conference call		Billing and Payment
Business Day	Monday through Friday excluding Federal Banking Holidays for transactions in the U.S., similar holidays for transactions occurring in Canada and Mexico, and other holidays as specified in the governing documents.	Review and comment - Added "and other holidays as specified in the governing documents" to the end of the definition to accommodate other holidays.	Discussed on 8/1/03 GS conference call	Creditworthiness	Billing and Payment

Term	Glossary Subcommittee Definition		Comments	GS Status	Used in SUIS Documents	Use in CPS Documents
Service Delivery Point	A physical metered and/or unmetered service location supplying energy to a Customer premise.		Added "physical" before "metered", "location" before "supplying", and "energy to" before "a". Removed "assigned to a single rate code for billing purposes" from the end of the first sentence. Also removed second sentence and added it to the end of the definition of Rate Code.	Adopted on 08/29/03 GS call		Billing and Payment
Rate Code	A product identifier used in a billing system which contains all information, such as description and price, needed to bill for that product. One or more rate codes may be billed on a single account.		Added "One or more rate codes may be billed on a single account" as the second sentence of the definition.	Adopted on 08/29/03 GS call		Billing and Payment
Business Day	As defined in the Governing Documents.		This definition was proposed during the 08/11/03 SUIS conference call and replaces a more specific definition of the term.	Adopted on 08/29/03 GS call	Creditworthiness	Billing and Payment

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Supplier-Utility Interface

VII. Supplier Licensing

A. INTRODUCTION

In an effort to foster uniformity, it is recommended that the Applicable Regulatory Authority oversee the process for licensing competitive Suppliers and that it should also maintain and make available a complete and updated list of all licensed competitive Suppliers with their current status. This section provides guidelines for implementing the process for obtaining and maintaining a license to provide electric and natural gas services. There may be additional requirements for Supplier participation in a Utility's service territory, managed by the Utility, subject to regulatory oversight, such as creditworthiness, interconnection arrangements, EDI testing, etc. These may or may not be considered an integral part of the licensing process conducted by the Applicable Regulatory Authority.

B. REGULATORY POLICY ISSUES

As described more fully in the Preface, there are a number of regulatory policy issues that affect the business practices addressed in this document. The key policy issues impacting Supplier Licensing practices are identified below, along with implementation issues that were not resolved by the participants. Regulators and other policymakers are encouraged to examine these issues before, or in conjunction with, considering the recommended business practices for a particular jurisdiction.

1. The applicable licensing requirements and parameters.¹
2. Role of the Applicable Regulatory Authority in the licensing process.
3. Details and development of the application process:
 - a. Application form (e.g. contents);
 - b. Processing timeline; and
 - c. Financial and technical requirements,.
4. Availability and maintenance of the master list of all Applicants and their status.
5. Conditions for Maintaining a License:
 - a. Revocation, suspension and penalties; and
 - b. Periodic review and/or renewal.
6. Confidentiality of Information.
7. The need for, and purpose(s) to be served by, financial security provided to the Applicable Regulatory Authority.

¹ This section does not address entities other than Suppliers, such as aggregators and brokers. The Applicable Regulatory Authority may want to consider certification and licensing procedures for these entities as well.

C. APPLICABILITY

1. Where applicable, the licensing process should apply to both electric and natural gas Suppliers. A Supplier should be able to offer both electric and natural gas services through a single license application process.

2. If a license is required, no Supplier shall contract, offer to contract, enroll Customers, or provide energy to retail Customers, without having first obtained the proper license from the Applicable Regulatory Authority.

D. APPLICATION PROCESS

1. Applications should be made on forms developed and made available by the Applicable Regulatory Authority. The application form should be readily available and posted in a downloadable format on the Applicable Regulatory Authority's Web site.

2. The Applicable Regulatory Authority should maintain and update a list of all Applicants and the Applicants' status and post the list on its Web site, if one is available.

3. The Applicable Regulatory Authority should endeavor to adopt a streamlined process, which enables processing of all completed license applications within thirty (30) calendar days. The application process should be electronic, i.e., Web-based, if available.

4. As part of the Applicable Regulatory Authority's review and approval process there should be sufficient opportunity for affected stakeholders to intervene in the process or proceeding.

E. APPLICATION PROCESSING

1. The Applicable Regulatory Authority should notify the Applicant within two weeks of receipt of the application if additional information is required, and if so, should identify the information needed. If additional information is required from the Applicant, the processing period shall begin when all required additional information has been received by the Applicable Regulatory Authority.

2. If a deficiency is found in the Applicant's application, the Applicable Regulatory Authority should notify the Applicant in writing of the deficiency within two weeks of receipt of the application. Applicant would have two (2) weeks upon receipt of the written notice to provide notice of intent and schedule to satisfy the deficiency.

3. The knowing and/or intentional making of false statement(s) on the Application are grounds for denying the Application or, if discovered after a license has been awarded, for revoking any authority granted pursuant to the Application and License. In addition, the application should be subject to applicable regulations and statutes relating to false statements in official documents.

F. APPLICATION REQUIREMENTS

Applications should typically include the following information:

1. IDENTITY OF THE APPLICANT:

- a. the Applicant's legal name, current address, current telephone number, current electronic mail (E-mail) address of Applicant's contact, Web site address (if applicable), and current facsimile number;
- b. any predecessor(s) of the Applicant and other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number; and
- c. the name(s) under which the Applicant has registered with the state to do business with respect to this license.
- d. A description of the business structure and ownership type, including incorporation information (date and state), a list of all corporate officers and directors, or all partners if a partnership, a copy of the business license or certificate of authority to do business in the state (if applicable), state sales tax identification number (if applicable), and federal tax identification number.
- e. Names and addresses of any parent company and Affiliate(s) which are jurisdictional public Utilities, intrastate pipelines, interstate pipelines, municipal Utilities, or cooperatives operating within the state.

2. CONTACT INFORMATION:

- a. name, address, telephone number, e-mail address, and facsimile number of employee designated to receive and respond to Applicable Regulatory Authority requests and who will notify the Applicable Regulatory Authority of any changes to the information provided in the Application;
- b. title, department, address, telephone number, and facsimile number designated for emergencies;
- c. title, department, address, telephone number, e-mail address (if applicable), and facsimile number for the Applicable Regulatory Authority to contact to address Customer complaints;
- d. Applicant's toll-free Customer service telephone number for inquiries from Customers in the State/relevant Utility service area(s); and
- e. Agent for service of Process upon whom process may be served, and address, telephone number, and facsimile number of Agent for service of Process.

3. The Applicant shall provide information to demonstrate financial fitness. The following are the recommended information elements:

- a. Actual (or proposed) organizational structure of the Applicant;
- b. Applicant's publicly available balance sheet and income statement for the most recent fiscal year. Published financial information such as 10Ks and 10Qs will be deemed to satisfy this requirement. If the Applicant does not have published financial information such

as 10Ks and 10Qs, the 10K or 10Q of the Applicant's parent will satisfy this requirement;

c. Evidence of Applicant's credit rating. Applicant may satisfy this requirement by providing information from Dun and Bradstreet credit reports, Robert Morris and Associates financial forms, or other independent financial service reports;

d. At the Applicant's discretion, published parent company financial and credit information;

e. Annual Report, if available;

f. A statement whether the applicant or an Affiliate has filed for bankruptcy within the past 24 months; and

g. At the Applicant's discretion, other financial information. For instance, the Applicant may furnish other creditworthiness/financial information used to demonstrate financial fitness in other states or in other segments of the energy industry.

4. To demonstrate its technical fitness and ability to comply with the Applicable Regulatory Authority's requirements, the Applicant may provide the following information:

a. A statement or demonstration of ability to comply with applicable wholesale market obligations by the Applicant or its agent(s);

b. A statement as to whether the Applicant or its agent has a Federal Energy Regulatory Commission (FERC) Power Marketing License. If applicable, the Power Marketing License number;

c. Documentation of the Applicant's or its agent's membership in regional reliability councils shall be submitted if applicable to the scope and nature of the Applicant's proposed services; and

d. Demonstration of its ability to comply with the Applicable Regulatory Authority's requirements by providing evidence for consideration, including but not limited to, prior regulatory experience, prior business experience in energy or other service-oriented industries, staffing and staff training commitments, agreements, arrangements and contracts for Customer education and information service, Customer satisfaction survey results, and government agency reports. The Applicant shall also provide a list of those states where it is presently licensed, and indicate if it is currently operating in each state where it is approved to do business.

5. The Applicant must provide the following disclosures, as applicable:

a. The denial or revocation of a license in another state;

b. All civil actions that have been concluded within the past 12 months that relate to or arise out of the sale of electricity or natural gas, business fraud, or unfair or deceptive sales practices;

c. All criminal prosecutions or convictions within the past six years that relate to or arise from the sale of electricity or natural gas, business fraud or deceptive sales

practices; and

- d. All felony prosecutions or convictions within the past six years.

G. CONDITIONS FOR MAINTAINING A LICENSE IN GOOD STANDING

1. If there are any material changes to the Applicant's information while the application is pending or if the information changes while the Supplier is operating under license within the state, the Applicant/Supplier must inform the Applicable Regulatory Authority of the material changes within thirty (30) calendar days.

2. Once approved, the license to serve Customers in the state is valid until revoked or suspended by the Applicable Regulatory Authority after notice and opportunity for hearing guarantees are afforded, or until the Supplier chooses to abandon the license. The Applicable Regulatory Authority may also require the Licensee to temporarily halt its activities to prevent further consumer harm while an investigation may proceed.

3. At the discretion of the Applicable Regulatory Authority, if a deficiency is found in the Supplier's maintenance of its license in good standing:

- a. Grant the Supplier thirty (30) calendar days upon receipt of written notice to cure the deficiency or to file a request for an extension to cure the deficiency; or

- b. Take immediate action where harm to consumers may result from continuing activity by a licensee whose financial or technical fitness may be imperiled.

H. CONFIDENTIALITY

The application may contain information that is deemed confidential and which is not subject to public disclosure, unless otherwise required to be disclosed pursuant to other statutory or regulatory provisions. If information must be disclosed, then the confidentiality of the information shall be maintained consistent with the Applicable Regulatory Authority's rules and regulations pertaining to confidentiality.

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Technical Electronic Implementation



North American Energy Standards Board

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

TO: NAESB Retail Electric Quadrant and Retail Gas Quadrant Technical Electronic Implementation Subcommittee, Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Draft Minutes from the NAESB Retail Electric Quadrant and Retail Gas Quadrant Technical Electronic Implementation Subcommittee Meeting – August 8, 2003

DATE: August 19, 2003

**Retail Electric Quadrant and Retail Gas Quadrant
Technical Electronic Implementation Subcommittee
August 8, 2003 (8:30 a.m. – 4:30 p.m. Eastern)
Draft Minutes**

1. Welcome

Mr. Jarrett opened the meeting and gave the antitrust advice. Introductions were made. Mr. Jarrett added a discussion of 2004 annual plan dates to the agenda. Ms. Kiselewich moved, seconded by Mr. Dodson to adopt the agenda as modified. The agenda was adopted absent objection. Mr. Burden stated that the Wholesale Gas Quadrant EDM Subcommittee was given approval to work with the Retail Quadrants to develop a separate Electronic Transport (ET) manual. September 8, 2003 in Richmond, VA was suggested as the date to hold the first multi-quadrant meeting. Mr. Dodson moved, seconded by Mr. Behr to adopt the draft minutes from June 9-10, 2003 as written. The minutes were adopted absent objection.

2. Discuss the Development of a Generic EDI/EDM for the RGQ and REQ

On Mr. Behr's suggestion, participants discussed an outline for the ET manual. A draft of the outline is posted as an attachment to these minutes. Mr. Jarrett requested that comments on the outline be received by August 15.

Discussion of Annual Plan Dates

The group discussed the coordination of the timing of the work on the joint ET with the Quadrant EDMs. It was suggested that by December 31, 2003 the subcommittees should have a good feel for the contents and structure of the ET. Then the quadrants can begin work on the quadrant EDMs. It was suggested that the ET should be done by March 31, 2004 and it should be a single annual plan item. Further, it was suggested that each quadrant should have a separate annual plan item dealing with their quadrant EDM.

3. Discussion of TEIS Open Issues

Mr. Behr referred participants to his proposals based on the open issues. It was agreed to review these proposals briefly and then post them for comment to be discussed at the next meeting.

4. Adjourn

Mr. Dodson moved, seconded by Mr. Behr to adjourn the meeting on August 8, 2003 at 10:49 am Eastern.



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

5. Attendees

Name	Company	In Person/Phone
Arroyo, Heidi	Southern Company	Phone
Behr, George	Energy Services Group	In Person
Burden, Christopher	Williams	In Person
Cline, Jesse	EC Power	Phone
Dodson, Greg	Dominion	In Person
Hess, Theresa	Reliant Energy Retail Services	In Person
Jarrett, Mark	Southern Company	In Person
Kaloi, Gerald	PECO	In Person
Kiselewich, Ruth	Baltimore Gas & Electric	In Person
McKeever, Debbie	Oncor	Phone
McMillan, Meghan	NAESB	Phone
Thiry, Ken	Wisconsin Public Service	Phone

REQ TEIS meeting August, 8 2003

New ET book proposed outline:

Table of Contents

Version Notes

Introduction

- History

- GISB, NAESB, new ET

Executive Summary

Business Process and Practices

- ET and QEDM usages

Related Standards

This is the Tab 6 related sections picked up:

Technologies Selected

Data Dictionary for Internet Electronic Transport

Batch Flow Diagram

Sending Transactions

- General Flow

- HTTP Post

- Using an Interactive Browser (should we include if we leave out the EBB specs?)

- Authentication

- Server Response

- Throughput Considerations (should this be quadrant specific?)

- HTTP Request Data Elements (how should we handle the mutual agreed items)
(do we want to keep this in here)

- Writing a Batch Browser (discussion about moving out to the QEDM)

- Client Specifications

Receiving Transactions

- General Flow

- Using a Web Server

- The CGI Process

- Throughput Considerations

- Writing the CGI Process

URL/CDI Implementation Guidelines

Server Specifications

HTTP Response Data Elements (Continuing the discussion do we need this multiple times)

Using a Service Provider for Web Hosting (may move to QEDM)

Security

- Security Concepts

- Understanding PGP or OpenPGP

- Encryption/Digital Signature

- Decryption/Signature Verification

- Throughput Consideration (should this go)

- Security Requirements
 - General Security Recommendations
- Sending Error Notification Transactions
 - Error Notification
 - Error Notification Data Elements
 - Pre-validation before Decryption
- Checklist of testing Steps
 - Purpose
 - Client/Browser (??)
 - HTTP Server and CGI
- Frequently Asked Questions (should we redo, do something else)

Table A – Internet EDM Standard Error Codes And Messages



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

TO: Retail Electric Quadrant, Retail Gas Quadrant and Wholesale Gas Quadrant Interested Parties
FROM: Mark Jarrett, Southern Company
RE: Draft Agenda for Retail Electric Quadrant/Retail Gas Quadrant TEIS and Wholesale Gas Quadrant EDM Meeting – October 14-15, 2003
DATE: September 12, 2003

NORTH AMERICAN ENERGY STANDARDS BOARD
RETAIL ELECTRIC QUADRANT/RETAIL GAS QUADRANT TEIS
and
WHOLESALE GAS QUADRANT EDM

[October 14, 2003 \(10:00 – 6:00 Eastern\)](#)
[October 15, 2003 \(8:00 – 3:30 Eastern\)](#)

MEETING ANNOUNCEMENT

The Technical Electronic Implementation Subcommittee (TEIS) will hold a face-to-face working session to advance progress on the Electronic Delivery Mechanism Annual Plan deliverable. Below are the meeting arrangements:

WHERE:

Hosted by Baltimore Gas & Electric
BGE Headquarters
39 W. Lexington St. Room 1101
Baltimore, MD

A conference call number will be available. Please contact the NAESB office for conference calling information.

Any materials for the meeting will be posted on the NAESB web site at:
http://www.naesb.org/req_teis.htm

The meeting is open to any interested party. As always, the chair reserves the right to extend the time of the meeting to ensure that agenda items are addressed.

Best Regards,
Mark Jarrett



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

**RETAIL ELECTRIC QUADRANT/RETAIL GAS QUADRANT TEIS
and WHOLESale GAS QUADRANT EDM
FACE-TO-FACE WORK SESSION**

AGENDA

October 14-15, 2003

1. Welcome
 - Welcome to members and attendees
 - Roll Call
 - Antitrust Guidelines
 - Adoption of Agenda
 - Adoption of Draft Minutes, September 8, 2003
2. Continue Edits of Internet ET Working Papers
3. New Business
4. Adjourn

TAB 10

REQ & RGQ: Credit Worthiness

Recommendation

Comments

Ballot

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Recommendation



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

via email and posting

TO: NAESB REQ and RGQ Members and Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Retail Gas and Retail Electric Quadrants Request For Comments
DATE: August 27, 2003

An industry comment period begins today and ends on September 26, 2003 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 Phoenix on October 8 in separate meetings to review the model business practices and the comments that are directed toward their quadrants. The recommendation can also be accessed from the NAESB Web site. All comments received by the NAESB office by end of business on September 26 will be posted on the Home Page 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,

Rae McQuade

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

PROPOSED STANDARDS LANGUAGE:

Business Process and Practices

A. Overview

Scope:

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

Principles

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

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

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

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

Definitions

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

Applicant: The party seeking credit from another party.

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

Business Day: As defined in the Governing Documents.

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

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

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

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

Consolidated Billing: The billing option in which the Distribution Company or Supplier renders a Customer bill consolidating the energy, transmission /



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

transportation and distribution charges of the Distribution Company and the Supplier, for which a single payment from the Customer is expected.

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

Creditor: The party granting credit to another party.

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

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

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

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

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

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

Guarantor: The issuer of a Guaranty.

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

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

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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

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

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

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

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

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

Proposed Model Business Practices

1.1 Overall

1.1.1 Proposed Model Business Practices

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

1.2 Determination of Risk Exposure

1.2.1 Proposed Model Business Practices

- 1.2.1.1 The credit exposure should be based on the dollar amount determined to be at risk and the period of time during which it remains at risk.
- 1.2.1.2 The same criteria and methodology for calculating credit exposure should be used for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the risks associated with providing replacement energy when a Supplier defaults.



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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

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

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

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

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

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

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

1.3 Determination of Initial Credit Limit

1.3.1 Proposed Model Business Practices

- 1.3.1.1 The initial credit determination, including credit limits, should be established using the same criteria and methodology for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults. The Creditor may consider other exposure from the Applicant beyond the specific credit limit being requested.
- 1.3.1.2 Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy, or other Governing Documents, and may include both secured and unsecured components.
- 1.3.1.3 The Creditor should make available to all Applicants a Credit Application Form that includes a list of required supporting financial documents.
- 1.3.1.4 The Applicant should submit to the Creditor the completed Credit Application Form and one set of the required supporting financial documents.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

- 1.3.1.5 The Applicant should submit the Credit Application Form and supporting documents using a method that verifies that delivery took place, such as requiring a signature or requesting a return receipt.
- 1.3.1.6 Timelines for processing a creditworthiness evaluation should begin when the Credit Application Form, complete with all required supporting documents, is received by the Creditor.
- 1.3.1.7 The Creditor should evaluate the Applicant's Credit Application Form and all supporting financial documents for completeness and notify the Applicant of any missing elements within five (5) Business Days of receipt. Such notification should be in writing and specify the elements needed to complete the application. The notice should be delivered by overnight delivery, facsimile, or e-mail. The creditworthiness evaluation process timelines will be re-started when the Creditor receives the missing elements.
- 1.3.1.8 The supporting financial documents submitted with the Credit Application Form should cover a two-year period and include the most recent quarter for which financial data is available.
- 1.3.1.9 The Applicant may present evidence of its rating level from a recognized rating agency(ies).
- 1.3.1.10 Supporting financial documents may include:
- Two most recent annual reports;
 - Most recent SEC Form 10-K and 10-Q and any independent auditor's letter to management or, if SEC Form 10-K is unavailable, substitute audited annual financial information (including a balance sheet, income statement, cash flow statement with notes, and any independent auditor's letter to management);
 - Most recent quarterly or monthly financial information (including a balance sheet, income statement, and cash flow statement with notes) accompanied by all attestations required by the SEC that the information submitted is true, correct and a fair representation of Applicant's financial condition; and
 - For private companies the year-end financials should be independently audited by a licensed Certified Public Accountant and include any notes to the financial statements and debt schedules. These documents should be accompanied by an attestation by the chief executive officer, chief financial officer or the owner that the information submitted is true, correct and a fair representation of Applicant's current financial condition.
- 1.3.1.11 When the creditworthiness requirement is being met through a Guaranty, the creditworthiness requirements that apply to the Applicant also apply to the Guarantor. In addition to submitting supporting financial documents, the Guarantor should provide documentation of the Guaranty, as applicable.

For a Parental Guaranty:



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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

For a Third-Party Guaranty:

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

For a Foreign Guarantor:

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

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

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

1.4 Reconsideration of Determination of Credit Limit

1.4.1 Proposed Model Business Practices

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

- 1.4.1.2 The Creditor should respond to a timely Challenge within five (5) Business Days of receipt by providing the rationale for its determination. The Creditor should also review with the Applicant the data used as input to ensure there were no errors or missing data that impacted the result. If there were material errors or omissions, the Creditor should re-evaluate the Applicant's creditworthiness within ten (10) Business Days of receipt of corrected information.
- 1.4.1.3 If the Applicant remains dissatisfied with the outcome of the creditworthiness evaluation by a Creditor who is regulated, it may elevate its Challenge to the Applicable Regulatory Authority.
- 1.4.1.4 An Applicant should notify the Creditor of any adverse Material Change in its financial condition within three (3) Business Days of such change.
- 1.4.1.5 A Creditor may periodically re-evaluate the creditworthiness of an Applicant and also when it becomes aware of an adverse Material Change in the Applicant's financial condition.
- 1.4.1.6 An Applicant may request an Event-Driven Reconsideration when there has been a favorable Material Change in its financial status, such as an upgrading by a major bond rating agency.
- 1.4.1.7 In addition to Event-Driven Reconsiderations, an Applicant may request a re-evaluation of its creditworthiness no more than once every twelve months.

1.5 Disqualification/Remedies

1.5.1 Proposed Model Business Practices

- 1.5.1.1 Whenever the Creditor's risk exposure exceeds the amount covered by the Applicant's security arrangements, the Creditor may require additional security appropriate to the amount of additional risk exposure.
- 1.5.1.2 Whenever the Creditor's risk exposure becomes less than the amount covered by the Applicant's security arrangements, the Creditor should comply with the Applicant's request for a reduction in the security held, appropriate to the amount of risk exposure.
- 1.5.1.3 Requests for security, additional security or reduction of security should be in writing and delivered by overnight delivery, facsimile, or e-mail.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

- 1.5.1.4 When a Creditor requests security and the required security is not tendered within the period specified in the appropriate Governing Documents, the Creditor may begin taking actions to reduce its exposure, as allowed under the Governing Documents, including, but not limited to:
- (If the Applicant is a Supplier) Cease processing any Switch Requests that add to the Customers served by the Applicant;
 - Moving any of the Applicant's Customers currently on Applicant Consolidated Billing to Dual Billing, effective on the Customer's next normally scheduled bill;
 - Reducing the sales of any other products or services the Creditor may have been making to the Applicant until the credit exposure no longer exceeds the Applicant's credit limit; and/or
 - Taking remedial action, including disqualification of the Applicant, as allowed by the Applicable Regulatory Authority.
- 1.5.1.5 When the Applicant is a Supplier and it can partially, but not fully, meet a request for security in the time period specified in the appropriate Governing Documents, it can avoid disqualification by reducing the risk exposure it presents to the Distribution Company to an amount commensurate with the amount of security tendered.

1.6 Security Instruments

1.6.1 Proposed Model Business Practices

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

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

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

1.7 Calling on Security



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

1.7.1 Proposed Model Business Practices

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

1.8 Confidentiality

1.8.1 Proposed Model Business Practices

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

4. SUPPORTING DOCUMENTATION

a. Description of Request:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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

b. Description of Recommendation:

Supplier-Utility Interface Subcommittee

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

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

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

c. Business Purpose:

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

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

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.



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

That a degree of consensus was reached in evidenced by the passage of a series of motions during the August 11, 2003 conference call to recommend all of the proposed Model Business Practice under consideration to the Executive Committee. The Distributor and Supplier Segments of REQ were represented at the August 11, 2003 conference call.

The voting record of August 11, 2003 follows:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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

Motion # 1

Date: 8/11/2003

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

Motion:

Moved: Mike Novak

Seconded: Rick Zollars

	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	15	0	15	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	18	0	18	0	4	4.00	0.00	4	PASS

Motion # 2

Date: 8/11/2003

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

Motion:

Moved: Mike Novak

Seconded: Pete Conner

	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	15	0	15	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	18	0	18	0	4	4.00	0.00	4	PASS

Motion # 3

Date: 8/11/2003

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

Motion:

Moved: Ruth Kiselewich

Seconded: Rick Zollars

	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	15	0	15	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	18	0	18	0	4	4.00	0.00	4	PASS

Motion # 4

Date: 8/11/2003

Move to accept section 1.2 as modified

Motion:

Moved: Ruth Kiselewich

Seconded: Robert Krauss

	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	14	0	14	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	17	0	17	0	4	4.00	0.00	4	PASS

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL ELECTRIC QUADRANT

Requester:

Request No.: 2002-2003 Annual Plan Item 2

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

Motion # 5 Date: 8/11/2003

Motion: Move to accept section 1.3 as modified
Moved: Mary Edwards Seconded: Rick Zollars

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

Motion # 6 Date: 8/11/2003

Motion: Move to accept section 1.5 as modified.
Moved: Judy Ray Seconded: Mary Edwards

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

Motion # 7 Date: 8/11/2003

Motion: Move to accept section 1.7 as modified
Moved: Mike Novak Seconded: Robert Krauss

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

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

PROPOSED STANDARDS LANGUAGE:

Business Process and Practices

A. Overview

Scope:

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

Principles

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

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

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

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

Definitions

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

Applicant: The party seeking credit from another party.

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

Business Day: As defined in the Governing Documents.

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

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

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

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

Consolidated Billing: The billing option in which the Distribution Company or Supplier renders a Customer bill consolidating the energy, transmission /



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

transportation and distribution charges of the Distribution Company and the Supplier, for which a single payment from the Customer is expected.

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

Creditor: The party granting credit to another party.

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

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

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

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

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

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

Guarantor: The issuer of a Guaranty.

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

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

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

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

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

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

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

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

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

Proposed Model Business Practices

1.1 Overall

1.1.1 Proposed Model Business Practices

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

1.2 Determination of Risk Exposure

1.2.1 Proposed Model Business Practices

- 1.2.1.1 The credit exposure should be based on the dollar amount determined to be at risk and the period of time during which it remains at risk.
- 1.2.1.2 The same criteria and methodology for calculating credit exposure should be used for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the risks associated with providing replacement energy when a Supplier defaults.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

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

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

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

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

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

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

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

1.3 Determination of Initial Credit Limit

1.3.1 Proposed Model Business Practices

- 1.3.1.1 The initial credit determination, including credit limits, should be established using the same criteria and methodology for all Applicants presenting similar risks, such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults. The Creditor may consider other exposure from the Applicant beyond the specific credit limit being requested.
- 1.3.1.2 Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy, or other Governing Documents, and may include both secured and unsecured components.
- 1.3.1.3 The Creditor should make available to all Applicants a Credit Application Form that includes a list of required supporting financial documents.
- 1.3.1.4 The Applicant should submit to the Creditor the completed Credit Application Form and one set of the required supporting financial documents.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

- 1.3.1.5 The Applicant should submit the Credit Application Form and supporting documents using a method that verifies that delivery took place, such as requiring a signature or requesting a return receipt.
- 1.3.1.6 Timelines for processing a creditworthiness evaluation should begin when the Credit Application Form, complete with all required supporting documents, is received by the Creditor.
- 1.3.1.7 The Creditor should evaluate the Applicant's Credit Application Form and all supporting financial documents for completeness and notify the Applicant of any missing elements within five (5) Business Days of receipt. Such notification should be in writing and specify the elements needed to complete the application. The notice should be delivered by overnight delivery, facsimile, or e-mail. The creditworthiness evaluation process timelines will be re-started when the Creditor receives the missing elements.
- 1.3.1.8 The supporting financial documents submitted with the Credit Application Form should cover a two-year period and include the most recent quarter for which financial data is available.
- 1.3.1.9 The Applicant may present evidence of its rating level from a recognized rating agency(ies).
- 1.3.1.10 Supporting financial documents may include:
- Two most recent annual reports;
 - Most recent SEC Form 10-K and 10-Q and any independent auditor's letter to management or, if SEC Form 10-K is unavailable, substitute audited annual financial information (including a balance sheet, income statement, cash flow statement with notes, and any independent auditor's letter to management);
 - Most recent quarterly or monthly financial information (including a balance sheet, income statement, and cash flow statement with notes) accompanied by all attestations required by the SEC that the information submitted is true, correct and a fair representation of Applicant's financial condition; and
 - For private companies the year-end financials should be independently audited by a licensed Certified Public Accountant and include any notes to the financial statements and debt schedules. These documents should be accompanied by an attestation by the chief executive officer, chief financial officer or the owner that the information submitted is true, correct and a fair representation of Applicant's current financial condition.
- 1.3.1.11 When the creditworthiness requirement is being met through a Guaranty, the creditworthiness requirements that apply to the Applicant also apply to the Guarantor. In addition to submitting supporting financial documents, the Guarantor should provide documentation of the Guaranty, as applicable.

For a Parental Guaranty:



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

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

For a Third-Party Guaranty:

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

For a Foreign Guarantor:

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

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

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

1.4 Reconsideration of Determination of Credit Limit

1.4.1 Proposed Model Business Practices

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

- 1.4.1.2 The Creditor should respond to a timely Challenge within five (5) Business Days of receipt by providing the rationale for its determination. The Creditor should also review with the Applicant the data used as input to ensure there were no errors or missing data that impacted the result. If there were material errors or omissions, the Creditor should re-evaluate the Applicant's creditworthiness within ten (10) Business Days of receipt of corrected information.
- 1.4.1.3 If the Applicant remains dissatisfied with the outcome of the creditworthiness evaluation by a Creditor who is regulated, it may elevate its Challenge to the Applicable Regulatory Authority.
- 1.4.1.4 An Applicant should notify the Creditor of any adverse Material Change in its financial condition within three (3) Business Days of such change.
- 1.4.1.5 A Creditor may periodically re-evaluate the creditworthiness of an Applicant and also when it becomes aware of an adverse Material Change in the Applicant's financial condition.
- 1.4.1.6 An Applicant may request an Event-Driven Reconsideration when there has been a favorable Material Change in its financial status, such as an upgrading by a major bond rating agency.
- 1.4.1.7 In addition to Event-Driven Reconsiderations, an Applicant may request a re-evaluation of its creditworthiness no more than once every twelve months.

1.5 Disqualification/Remedies

1.5.1 Proposed Model Business Practices

- 1.5.1.1 Whenever the Creditor's risk exposure exceeds the amount covered by the Applicant's security arrangements, the Creditor may require additional security appropriate to the amount of additional risk exposure.
- 1.5.1.2 Whenever the Creditor's risk exposure becomes less than the amount covered by the Applicant's security arrangements, the Creditor should comply with the Applicant's request for a reduction in the security held, appropriate to the amount of risk exposure.
- 1.5.1.3 Requests for security, additional security or reduction of security should be in writing and delivered by overnight delivery, facsimile, or e-mail.

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

- 1.5.1.4 When a Creditor requests security and the required security is not tendered within the period specified in the appropriate Governing Documents, the Creditor may begin taking actions to reduce its exposure, as allowed under the Governing Documents, including, but not limited to:
- (If the Applicant is a Supplier) Cease processing any Switch Requests that add to the Customers served by the Applicant;
 - Moving any of the Applicant's Customers currently on Applicant Consolidated Billing to Dual Billing, effective on the Customer's next normally scheduled bill;
 - Reducing the sales of any other products or services the Creditor may have been making to the Applicant until the credit exposure no longer exceeds the Applicant's credit limit; and/or
 - Taking remedial action, including disqualification of the Applicant, as allowed by the Applicable Regulatory Authority.
- 1.5.1.5 When the Applicant is a Supplier and it can partially, but not fully, meet a request for security in the time period specified in the appropriate Governing Documents, it can avoid disqualification by reducing the risk exposure it presents to the Distribution Company to an amount commensurate with the amount of security tendered.

1.6 Security Instruments

1.6.1 Proposed Model Business Practices

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

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

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

1.7 Calling on Security

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

1.7.1 Proposed Model Business Practices

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

1.8 Confidentiality

1.8.1 Proposed Model Business Practices

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

4. SUPPORTING DOCUMENTATION

a. Description of Request:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

2003 Annual Plan Item 3 - Develop practices for Distributors extending commercial credit to Suppliers to cover financial risk. Such development should be restricted to implementation of existing regulatory policy, new regulatory policy after it has been ordered and non-policy oriented aspects of 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 Gas Quadrant's Supplier-Utility Interface Subcommittee begun in early 2003 and culminating with a vote to recommend the proposed practices to the Executive Committee in an August 11, 2003 conference call.

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

February 28, 2003
April 3, 2003
April 30, 2003
May 15, 2003
June 19, 2003
July 15-16, 2003
July 31, 2003
August 11, 2003

c. Business Purpose:

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

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

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



RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

The voting record of August 11, 2003 follows:

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

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

Motion # 1 Date: 8/11/2003

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

Motion: Moved: Mike Novak Seconded: Rick Zollars

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	1	0	1	0	1	1.00	0.00	1	
LDCs	5	0	5	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	9	0	9	0	5	5.00	0.00	5	PASS

Motion # 2 Date: 8/11/2003

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

Motion: Moved: Mike Novak Seconded: Pete Conner

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	1	0	1	0	1	1.00	0.00	1	
LDCs	5	0	5	0	2	2.00	0.00	2	
Suppliers	2	0	2	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	8	0	8	0	5	5.00	0.00	5	PASS

Motion # 3 Date: 8/11/2003

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

Moved: Ruth Kiselewich Seconded: Rick Zollars

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	1	0	1	0	1	1.00	0.00	1	
LDCs	5	0	5	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	
	7	0	7	0	4	4.00	0.00	4	PASS

Motion # 4 Date: 8/11/2003

Motion: Move to accept section 1.2 as modified

Moved: Ruth Kiselewich Seconded: Robert Krauss

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	1	0	1	0	1	1.00	0.00	1	
LDCs	2	0	2	3	2	2.00	0.00	2	
Suppliers	2	0	2	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	5	0	5	3	5	5.00	0.00	5	PASS

RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE

RETAIL GAS QUADRANT

Requester:

Request No.: 2003 Annual Plan Item 3

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

Motion # 5 Date: 8/11/2003

Motion: Move to accept section 1.3 as modified

Moved: Mary Edwards

Seconded: Rick Zollars

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	0	0	0	1	0	0.00	0.00	0	
LDCs	1	2	3	1	2	0.67	1.33	2	
Suppliers	2	0	2	1	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	3	2	5	3	4	2.67	1.33	4	PASS

Motion # 6 Date: 8/11/2003

Motion: Move to accept section 1.5 as modified.

Moved: Judy Ray

Seconded: Mary Edwards

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	1	0	1	0	1	1.00	0.00	1	
LDCs	4	0	4	0	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	8	0	8	0	5	5.00	0.00	5	PASS

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

Motion # 7 Date: 8/11/2003

Motion: Move to accept section 1.7 as modified

Moved: Mike Novak

Seconded: Robert Krauss

	Raw Votes				Balanced Votes				Motion Status
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
RGQ									
End Users	1	0	1	0	1	1.00	0.00	1	
LDCs	2	0	2	2	2	2.00	0.00	2	
Suppliers	3	0	3	0	2	2.00	0.00	2	
Services	0	0	0	0	0	0.00	0.00	0	
	6	0	6	2	5	5.00	0.00	5	PASS

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Comments

Subj: **RE: Retail Gas Quadrant & Retail Electric Quadrant Request for Comments**
Date: 9/26/2003 1:40:48 PM Central Daylight Time
From: [Michele Doyle – Consolidated Edison](#)
To: [NAESB](#) office

The following are comments from Consolidated Edison Company of New York, Inc. and apply to both Retail Gas and Retail Electric.

- In general, we are not comfortable with underlying implicit assumption that a Creditor will make a credit determination based upon a detailed analysis of an Applicants financial information. Creditors need the flexibility to assess their internal skills at evaluating this financial information and risk tolerance for each program and to each particular Applicant.
- Section 1.4.1.2 - If we reject an application or provide a lower limit than the Applicant wanted, our obligation to provide them with an explanation and documentation should be limited. We may have proprietary analyses or confidential information. We also think that the response time should be 10 days, not 5, to allow for preparation and any internal reviews.
- Section 1.4.1.3 is overly broad - there needs to be a clear statement added similar to the following: "Every Creditor can determine appropriate levels of **unsecured** credit granted to an applicant, not subject to regulatory dispute or review, or even governing documents for a particular program, everything else in this standard not withstanding."
- Section 1.4.1.7 - An Applicant should have a reason for requesting a reevaluation and should demonstrate what has changed (i.e., ratings).
- Section 1.6.1 - Security Instruments put excessive burden on the Creditor. We should not be forced to accept non-liquid instruments as security, such as Surety Bonds and Security Interest in Collateral.
 - In certain cases Surety Bonds work well, but in others they can be difficult to evaluate and even more difficult to collect on, therefore, it should be left to the discretion of the creditor to determine if they are appropriate.
 - We strongly oppose the inclusion of Security Interest in Collateral because it puts excessive burden on the Creditor that it may not have the ability or desire to undertake and in general this is not liquid. There is a significant legal burden (which adds costs) to review and prepare the legal documentation to both understand what the actual collateral is and how the security interest will be protected. There is also a significant burden to assess the value of any collateral that is provided.

Thanks -

Michele Doyle
Manager
Gas Transportation Services

Retail Gas Quadrant

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

Ballots

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

NORTH AMERICAN ENERGY STANDARDS BOARD
Retail Gas Quadrant Executive Committee Notational Ballot

To Be Returned to the NAESB Office by end of business October 7, 2003

713-356-0067, naesb@aol.com

Vote (Yes or No)	Model Business Practices
-------------------------	---------------------------------

--

Credit Worthiness Annual Plan item 3: Add proposed NAESB RGQ Model Business Practices 1.1.1.1, 1.1.1.2, 1.1.1.3, 1.2.1.1, 1.2.1.2, 1.2.1.3, 1.3.1.1, 1.3.1.2, 1.3.1.3, 1.3.1.4, 1.3.1.5, 1.3.1.6, 1.3.1.7, 1.3.1.8, 1.3.1.9, 1.3.1.10, 1.3.1.11, 1.3.1.12, 1.3.1.13, 1.4.1.1, 1.4.1.2, 1.4.1.3, 1.4.1.4, 1.4.1.5, 1.4.1.6, 1.4.1.7, 1.5.1.1, 1.5.1.2, 1.5.1.3, 1.5.1.4, 1.5.1.5, 1.6.1.1, 1.7.1.1, 1.7.1.2, 1.7.1.3, 1.7.1.4, 1.8.1.1, 1.8.1.2, 1.8.1.3; and related Scope statement, Principles, and Definitions

Name:	
Date:	

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

NORTH AMERICAN ENERGY STANDARDS BOARD
Retail Electric Quadrant Executive Committee Notational Ballot

To Be Returned to the NAESB Office by end of business October 7, 2003

713-356-0067, naesb@aol.com

Vote (Yes or No)	Model Business Practices
-------------------------	---------------------------------

--

Credit Worthiness Annual Plan item 2: Add proposed NAESB RGQ Model Business Practices 1.1.1.1, 1.1.1.2, 1.1.1.3, 1.2.1.1, 1.2.1.2, 1.2.1.3, 1.3.1.1, 1.3.1.2, 1.3.1.3, 1.3.1.4, 1.3.1.5, 1.3.1.6, 1.3.1.7, 1.3.1.8, 1.3.1.9, 1.3.1.10, 1.3.1.11, 1.3.1.12, 1.3.1.13, 1.4.1.1, 1.4.1.2, 1.4.1.3, 1.4.1.4, 1.4.1.5, 1.4.1.6, 1.4.1.7, 1.5.1.1, 1.5.1.2, 1.5.1.3, 1.5.1.4, 1.5.1.5, 1.6.1.1, 1.7.1.1, 1.7.1.2, 1.7.1.3, 1.7.1.4, 1.8.1.1, 1.8.1.2, 1.8.1.3; and related Scope statement, Principles, and Definitions

Name:	_____
Date:	_____

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

TAB 11

REQ & RGQ: 2003 & 2004 Annual Plans

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

RGQ: 2003 Annual Plan

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

2003 RGQ Annual Plan

Action Item, Description and Priority Category	Completion Quarter	Subcommittee Assignment
1 Inventory Existing Natural Gas Practices within States¹ Conduct inventory of existing natural gas practices in various states. Status: Underway.		Retail Gas Business Practice Inventory Task Force
2 Examine Wholesale Gas Quadrant EDM Standards Review NAESB Wholesale Gas Quadrant's (formerly known as GISB) "Electronic Delivery Mechanisms" manual to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant. Status: Underway, being coordinated with REQ and WGQ.	2004	Technical Electronic Implementation
3 Creditworthiness Develop practices for Distributors extending commercial credit to Suppliers to cover financial risk. Such development should be restricted to implementation of existing regulatory policy, new regulatory policy after it has been ordered and non-policy oriented aspects of Creditworthiness. Status: Underway, being coordinated with REQ.	3rd Qtr 2003	Supplier-Utility Interface
4 Supplier Licensing Develop practices for licensing Suppliers with state utility commissions and for registering Suppliers with Distributors (e.g. application process and requirements).	4th Qtr 2003	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).	2004	Customer Processes
6 Billing & Payment Develop practices for billing customers; remittance to parties providing services to customers under different billing options (e.g. dual or consolidated bills; rate-ready or bill-ready); and payment between Distributor and Supplier under different payment options (e.g. assumption of receivables, pay-as-you-get-paid). Status: Underway, being coordinated with REQ.	3rd Qtr 2003	Customer Processes

¹ This is an ongoing item designed to serve as a resource to other RGQ subcommittees.

North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

2003 RGQ Annual Plan

Action Item, Description and Priority Category		Completion Quarter	Subcommittee Assignment
7	Customer Information Develop practices for the release, collection, exchange and maintenance of customer information between Distributors and Suppliers, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information. Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.	2004	Customer Processes
8	Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notifying the other party, such as inquiries involving switching and enrollment/disenrollment, billing, customer account changes, customer disputes and distribution emergencies.	2004	Customer Processes
9	Examine Wholesale Gas Quadrant Non-EDM Standards Review NAESB Wholesale Gas Quadrant's other manuals to determine whether the standards within should be modified and/or adopted for use in the Retail Gas Quadrant (i.e. review "Nominations," "Flowing Gas," "Invoicing," "Capacity Release," and "Contracts" manuals.).	2004	Supplier-Utility Interface
10	Market Participant Interactions Develop model practices to support interactions between Distributors and Suppliers, such as governing documents that establish the legal relationship, roles and obligations, including performance standards, of both Distributor and Supplier (e.g. content and framework of governing documents or orders, Master Service Agreement, operational manuals, and so on).	2004	Supplier-Utility Interface
11	Retail Utility-Supplier Disputes Develop dispute resolution procedures to resolve differences between Distributors and Suppliers, which would be included in the governing documents.	2004	Supplier-Utility Interface

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

RGQ: 2004 Annual Plan



North American Energy Standards Board

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

TO: NAESB Retail Gas and Retail Electric Quadrant Executive Committee Members
FROM: Jim Buccigross, Steve Zavodnick and Ruth Kiselewich
RE: 2004 Annual Plans
DATE: October 2, 2003

To the NAESB REQ and RGQ Executive Committees:

In preparation for developing the Annual Plan for 2004, Retail Electric Quadrant Vice-Chair Jim Minneman and Retail Gas Quadrant Vice-Chair Mike Novak asked Executive Committee members Ruth Kiselewich and Steve Zavodnick to Co-Chair a task force to develop a draft annual plan for 2004. The goal of the task force was to coordinate the Annual Plans of the Retail Quadrants to allow for joint work where similar model business practices are requested.

The NAESB Office distributed the current 2003 REQ and RGQ Annual Plans to all Subcommittee Chairs and all Executive Committee members with a request for comments, changes, additions and deletions that should be incorporated into the 2004 Annual Plan. The Plans and a request for comments from all interested parties were posted on the website. A small number of comments were received. Those comments were distributed to all members and posted on the website. The comments were considered at a meeting of the task force that was held in conjunction with the NAESB Annual Meeting in Austin, Texas on September 15.

The Draft Annual Plans attached for consideration are the result of that process.

The Draft Annual Plans for the Retail Electric and Retail Gas Quadrants have been revised such that all items to be considered in 2004 will be considered jointly. In addition, the descriptions of the business practices under consideration for 2004 have been combined and revised such that they are now the same on both plans. For simplicity, the items on both plans have been reordered to reflect the new priorities and are listed by the new estimated completion date.

The Draft Annual Plans will be presented to the Joint Retail Executive Committee for discussion and approval on October 8 in Tempe, Arizona. They will then be presented for final approval to the NAESB Board of Directors on December 4.

Signed,

Jim Buccigross - Annual Plan Subcommittee Chair
Ruth Kiselewich - Annual Plan Subcommittee Co-Chair - Retail Electric Quadrant
Steve Zavodnick - Annual Plan Subcommittee Co-Chair - Retail Gas Quadrant

North American Energy Standards Board

1301 Fanin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

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

Item Number & Description	Completion ²	Subcommittee Assignment
1 Billing & Payment Datasets and Models Develop datasets and models to support the Billing & Payment model business practices.	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).	1 st Qtr. 2004	Supplier-Utility Interface
3 Customer Usage Information Develop practices for exchanging and retaining customer usage information. (For example: historical usage, pre-enrollment oriented, enrollment oriented and billing oriented usage.)	2 nd 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.	3 rd Qtr. 2004	Customer Processes
6 Customer Information Develop practices for the release, collection, exchange and maintenance of customer information between and among market participants, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information. Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.	4 th Qtr. 2004	Customer Processes
7 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
8 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

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.

North American Energy Standards Board

1301 Fanin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

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

Item Number & Description	Completion ²	Subcommittee Assignment
9 Supplier Licensing Develop practices for licensing Suppliers with state utility commissions.	2005	Supplier-Utility Interface
Retail Gas Business Practice Inventory Task Force		
10 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		
11 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).	1 st Qtr. 2004	Technical Electronic Implementation
12 Technical Electronic Implementation Standards – Billing & Payments Status: Dependent on completion of Item 1.	2 nd Qtr. 2004	Technical Electronic Implementation
13 Electronic Transport Work jointly with the WGQ EDM subcommittee and the RGQ TEIS subcommittee to establish standards for the NAESB Internet Electronic Transport.	2 nd Qtr. 2004	Technical Electronic Implementation
14 Quadrant EDM Work jointly with the WGQ and RGQ to establish a common format for Quadrant-specific EDM (QEDM) Books.	2 nd Qtr. 2004	Technical Electronic Implementation
15 Technical Electronic Implementation Standards – Customer Enrollment and Switching Status: Dependent on completion of Item 5.	4 th Qtr. 2004	Technical Electronic Implementation
16 Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 6.	2005	Technical Electronic Implementation
Provisional Activities		
Review security standards as may be deemed necessary; Public Key Infrastructure (PKI).		

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.

North American Energy Standards Board

1301 Fanin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

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

Item Number & Description	Completion ²	Subcommittee Assignment
"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

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

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

REQ: 2003 Annual Plan

North American Energy Standards Board

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

NORTH AMERICAN ENERGY STANDARDS BOARD 2002-2003 ANNUAL PLAN - RETAIL ELECTRIC QUADRANT¹

Item Number & Description	Completion ²	Assignment
Retail Access Uniform Business Practices (UBP)³		
1 Billing & Payments <i>Develop practices for billing customers and remitting payments to parties providing services to the customer.</i> Status: Underway, being coordinated with RGQ.	3rd Qtr 2003	Customer Processes Subcommittee
2 Creditworthiness Standards <i>Develop practices for extending commercial credit by Distributors to Suppliers to cover financial risk.</i> Status: Underway, being coordinated with RGQ..	3rd Qtr 2003	Supplier-Utility Interface Subcommittee
3 Customer Enrollment & Switching <i>Develop practices for market participants to process customer switch requests, for maintaining current customer account information regarding a customer's Supplier, and for notifying affected parties.</i>	2004	Customer Processes Subcommittee
4 Supplier Licensing <i>Develop practices for licensing Suppliers with state utility commissions.</i>	2004	Supplier-Utility Interface Subcommittee

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.

³ A "Glossary" exists from the November 2000 UBPs document that should be maintained and updated as a common glossary for all items under this sub-heading as the sub-committees address the UBPs items in this section of the Plan.

North American Energy Standards Board

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

NORTH AMERICAN ENERGY STANDARDS BOARD 2002-2003 ANNUAL PLAN - RETAIL ELECTRIC QUADRANT⁴

Item Number & Description	Completion	Assignment
Retail Access Uniform Business Practices (UBP) (continued)		
5 Retail Meter Data Validation, Editing & Estimating <i>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.</i>	2004	Supplier-Utility Interface Subcommittee
6 Customer Information <i>Develop practices for the release, collection, exchange & maintenance of customer information between Distributors and Suppliers.</i>	2004	Customer Processes Subcommittee
7 Load Profiling <i>Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.</i>	2004	Supplier-Utility Interface Subcommittee
8 Customer Inquiries <i>Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.</i>	2004	Customer Processes Subcommittee
9 Market Participant Interactions <i>Develop supplier registration processes for Distributors and protocols for communications and interactions between Distributors and Suppliers.</i>	2004	Supplier-Utility Interface Subcommittee
10 Utility - Supplier Disputes <i>Develop dispute resolution procedures applicable to differences between Distributors and Suppliers.</i>	2004	Supplier-Utility Interface Subcommittee

⁴ As outlined in the NAESB Bylaws, the REQ will also address requests submitted by members and assigned to the REQ through the Triage Process.

North American Energy Standards Board

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

NORTH AMERICAN ENERGY STANDARDS BOARD 2002-2003 ANNUAL PLAN - RETAIL ELECTRIC QUADRANT⁵

Item Number & Description	Completion	Assignment
Retail Access Uniform Business Practices (UBP) (continued)		
11 Settlement Process <i>Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.</i>	2004	Supplier-Utility Interface Subcommittee
Data Exchange Protocols⁶		
12 Electronic Delivery Mechanisms <i>Develop electronic delivery mechanism guidelines including but not limited to: transactional data interchange, web sites, and bulletin boards.</i> Status: Underway, being coordinated with RGQ.	2004	Technical Electronic Implementation
13 Technical Electronic Implementation Standards - Billing & Payments Status: Dependent on completion of Item 1.	2004	Technical Electronic Implementation
14 Technical Electronic Implementation Standards - Customer Enrollment and Switching Status: Dependent on completion of Item 3.	2004	Technical Electronic Implementation
15 Technical Electronic Implementation Standards - Metering Status: Dependent on completion of Item 5.	2004	Technical Electronic Implementation
16 Technical Electronic Implementation Standards - Load Profiling Status: Dependent on completion of Item 7.	2004	Technical Electronic Implementation
17 Technical Electronic Implementation Standards - Customer Information Status: Dependent on completion of Item 6.	2004	Technical Electronic Implementation

⁵ As outlined in the NAESB Bylaws, the REQ will also address requests submitted by members and assigned to the REQ through the Triage Process.

⁶ Data exchange standards for Uniform Business Practices should be completed by the end of the quarter following the quarter in which the Executive Committee adopts the model business practices for that area of focus.

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

REQ: 2004 Annual Plan



North American Energy Standards Board

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

TO: NAESB Retail Gas and Retail Electric Quadrant Executive Committee Members
FROM: Jim Buccigross, Steve Zavodnick and Ruth Kiselewich
RE: 2004 Annual Plans
DATE: October 2, 2003

To the NAESB REQ and RGQ Executive Committees:

In preparation for developing the Annual Plan for 2004, Retail Electric Quadrant Vice-Chair Jim Minneman and Retail Gas Quadrant Vice-Chair Mike Novak asked Executive Committee members Ruth Kiselewich and Steve Zavodnick to Co-Chair a task force to develop a draft annual plan for 2004. The goal of the task force was to coordinate the Annual Plans of the Retail Quadrants to allow for joint work where similar model business practices are requested.

The NAESB Office distributed the current 2003 REQ and RGQ Annual Plans to all Subcommittee Chairs and all Executive Committee members with a request for comments, changes, additions and deletions that should be incorporated into the 2004 Annual Plan. The Plans and a request for comments from all interested parties were posted on the website. A small number of comments were received. Those comments were distributed to all members and posted on the website. The comments were considered at a meeting of the task force that was held in conjunction with the NAESB Annual Meeting in Austin, Texas on September 15.

The Draft Annual Plans attached for consideration are the result of that process.

The Draft Annual Plans for the Retail Electric and Retail Gas Quadrants have been revised such that all items to be considered in 2004 will be considered jointly. In addition, the descriptions of the business practices under consideration for 2004 have been combined and revised such that they are now the same on both plans. For simplicity, the items on both plans have been reordered to reflect the new priorities and are listed by the new estimated completion date.

The Draft Annual Plans will be presented to the Joint Retail Executive Committee for discussion and approval on October 8 in Tempe, Arizona. They will then be presented for final approval to the NAESB Board of Directors on December 4.

Signed,

Jim Buccigross - Annual Plan Subcommittee Chair
Ruth Kiselewich - Annual Plan Subcommittee Co-Chair - Retail Electric Quadrant
Steve Zavodnick - Annual Plan Subcommittee Co-Chair - Retail Gas Quadrant

North American Energy Standards Board

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

NORTH AMERICAN ENERGY STANDARDS BOARD 2004 DRAFT 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.	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).	1 st Qtr. 2004	Supplier-Utility Interface
3 Customer Usage Information Develop practices for exchanging and retaining customer usage information. (For example: historical usage, pre-enrollment oriented and billing oriented usage.)	2 nd 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.	3 rd Qtr. 2004	Customer Processes
6 Customer Information Develop practices for the release, collection, exchange and maintenance of customer information between and among market participants, such as customer authorization, pre-enrollment information, customer lists, enrollment information and post-enrollment information. Develop procedures and protocols for communicating the nature & level of a customer's service as human needs, firm, interruptible, critical needs, and/or building protection for emergency services.	4 th Qtr. 2004	Customer Processes
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.

North American Energy Standards Board

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

NORTH AMERICAN ENERGY STANDARDS BOARD 2004 DRAFT 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).	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	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.	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
18 Technical Electronic Implementation Standards – Load Profiling Status: Dependent on completion of Item 10.	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.

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

19	Technical Electronic Implementation Standards – Customer Information Status: Dependent on completion of Item 6.	2005	Technical Electronic Implementation
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

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

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting - WEQ, REQ, RGQ, WGQ Meeting Materials
October 7-9, 2003

TAB 12

RGQ: Retail Business Practices Inventory Task Force Update



North American Energy Standards Board

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

TO: NAESB Retail Gas Quadrant Gas Practices Inventory Task Force, Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Final Minutes from the NAESB Retail Gas Quadrant Gas Practices Inventory Task Force Conference Call - June 13, 2003

DATE: July 1, 2003

**Retail Gas Quadrant
Gas Practices Inventory Task Force
June 13, 2003 (1:00pm - 2:00pm Central)
Final Minutes**

1. Administrative

Mr. Yagelski opened the meeting and gave the antitrust advice. Mr. Novak asked if he could provide an update on the NARUC monthly conference call before the Glossary Subcommittee Survey Update. Mr. Novak moved, seconded by Mr. Rubitone to adopt the agenda as modified. The agenda was adopted as modified absent objection. Mr. Novak moved, seconded by Mr. Serafin to adopt the minutes from the May 16, 2003 meeting. The minutes were adopted absent objection.

2. Update on the NARUC Monthly Conference Call

Mr. Novak noted that regulatory representatives have voiced interest in the GPITF surveys. Mr. Yagelski stated the results from the survey are posted on the GPITF web page (http://www.gisb.org/rgq/rgq_invtf.asp) at the bottom of the list of responses from individual companies, and he has provided the NAESB Office with a summary of the GPITF survey results.

3. Glossary Subcommittee Survey Update

Mr. Yageski stated the GPITF has not received a request from the Glossary Subcommittee, and will continue to focus on the requests from other subcommittees concerning surveys relevant to defining terms. The GPITF has drafted a simple survey to gather information about definitions, which will be distributed at a later date.

4. Discussion of Remaining Issues to be Surveyed as Originally Identified by the Gas Retail Governance and Structure ("GRGS") Task Force

Mr. Yagelski reviewed the following list of issues and noted there are no subcommittees that are currently working on these issues:

- Assignment of Marketer Contracts
- Collection and Competitive Metering Services
- Contracting
- Customer Security Requirements
- Discontinuance of Service - Customer Request
- Discontinuance of Service - Involuntary
- Discontinuance of Service - Voluntary
- New Delivery Customer Requirements
- Partial Requirements Customers
- Regulatory Requirements for Suppliers
- Requirements Governing a Switch in Suppliers
- Slamming Prevention Process



North American Energy Standards Board

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

- Supplier Licensing

Mr. Yagelski asked if the Task Force should move forward and gather data relevant to these issues or wait until there is a request from a subcommittee. Mr. Novak suggested they move forward now and use this list as a starting point. He noted that working on these issues now does not preclude the group from adding to the gathered information at a later time. Mr. Novak suggested using the annual plan as a tool to prioritize the items.

5. Other Business

No other business was discussed.

6. Next Proposed Meeting Date and Agenda

The next GPITF meeting was scheduled for Monday, July 14, 2003 from 1:00 p.m. – 2:00 p.m. CDT.

7. Adjourn

Mr. Novak moved, seconded by Mr. Rubitone to adjourn the meeting on June 13, 2003 at 1:23 p.m. Central.

8. Attendees

Name	Company
McMillan, Meghan	NAESB
Cherevka, Paul	Dominion Retail
Yagelski, Ken	Washington Gas
Serafin, Alex	NiSource
Novak, Mike	National Fuel
Rubitone, Pat	KeySpan Energy



North American Energy Standards Board

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

TO: NAESB Retail Gas Quadrant Gas Practices Inventory Task Force, Posting for Interested Industry Participants

FROM: Meghan McMillan, NAESB Staff

RE: Draft Minutes from the NAESB Retail Gas Quadrant Gas Practices Inventory Task Force Conference Call – July 21, 2003

DATE: August 8, 2003

**Retail Gas Quadrant
Gas Practices Inventory Task Force (GPITF)
July 21, 2003 (10:00 a.m. – 11:00 a.m. Central)
Draft Minutes**

1. Administrative

Mr. Yagelski opened the meeting and gave the antitrust advice. Introductions were made. Mr. Zavodnick moved, seconded by Ms. Hess to adopt the agenda. The agenda was adopted absent objection. Mr. Zavodnick moved, seconded by Mr. Cherevka to adopt the June 13, 2003 draft minutes. The draft minutes were adopted as written absent objection.

2. Report on NAESB's last Monthly NARUC Conference Call; June 18, 2003

Mr. Yagelski stated a report was drafted which described the task force and its accomplishments to date. Mr. Novak noted that during the June 18 call, comments made concerning this task force were favorable and no objections were voiced concerning the GPITF's activities.

3. Review of Requests for Information for the remaining issues originally identified by the Gas Retail Governance and Structure ("GRGS") Task Force

Mr. Yagelski referred participants to the draft requests for information, which were posted as work papers for the meeting. He noted the requests are organized into three groups: customer, supplier or administrative. He asked the group to provide comments or questions concerning these requests.

Ms. Alexander voiced concerns about the jurisdiction of the questions being asked in the requests for information, and stated she does not believe that these questions are relevant to NAESB or its business practice subcommittees. Mr. Yagelski responded that the intent of the questions is merely to be provocative in order to gather information related to the various topics for possible future use. Mr. Novak suggested the group might draft a disclaimer, which could be attached to the requests to address these concerns. Ms. Alexander stated the questions should be limited to inquiries about particular procedures between distribution companies and suppliers, and objected to the generality of the questions under discussion. Mr. Yagelski stated concerns that asking more detailed questions might limit participation. Ms. Alexander suggested the group might want to rewrite some of the questions to address these concerns, and stated that simply attaching a disclaimer to the requests would not solve the problem. Mr. Novak volunteered to work on redrafting these questions.

4. Other Business

No other business was discussed.



North American Energy Standards Board

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

5. Next Proposed Meeting Date and Agenda

The next GPITF meeting was scheduled for Monday, August 18, 2003 (1:00 pm – 2:00 pm Central).

6. Adjourn

Mr. Novak moved, seconded by Ms. Hess to adjourn the meeting on July 21, 2003 at 10:58 a.m. Central.

7. Attendees

Name	Company
Alexander, Barbara	Maine Office of Public Advocate
Cherevka, Paul	Dominion Retail
Hess, Theresa	Reliant Energy Retail Services
Marino, Annunciata	Pennsylvania Public Utility Commission
McMillan, Meghan	NAESB
Nishida, Leslie	Wisconsin Public Service Company
Novak, Michael	National Fuel
Yagelski, Ken	Washington Gas
Zavodnick, Steve	Baltimore Gas & Electric



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Requirements for New Delivery Service Customers

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the process for enrolling new delivery service customers?
5. What customer information is required?
6. How does the delivery service program supplier commence service to the new customer?
7. What other requirements are necessary for a customer to be eligible for participation in the delivery service program?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Customer Financial Security Requirements

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What fees, deposits or other financial requirements are necessary for a customer to be eligible for participation in the delivery service program?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Customer Contract Terms and Conditions

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What are the required terms and conditions of the contract between the customer and the delivery service program supplier?
5. What are the provisions for negative option contracts?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Partial-Requirements Customers

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What are the restrictions for partial-requirements customers (those with demand split between tariff rates) being eligible for delivery service?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Requirements Governing a Customer Switch Between Delivery Service Program Suppliers

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the process for delivery service customers to switch between delivery service program suppliers?
5. What customer enrollment information is required?
6. What utility enrollment information is required?
7. What is the notification period for a switch between delivery service program suppliers?
8. How often may a delivery service customer switch between delivery service program suppliers?
9. What fees are imposed on the delivery service customer for switching between delivery service program suppliers?
10. How are switching delivery service customers verified between the utility and the delivery service program supplier?
11. What provisions are there for automatic re-enrollment or evergreen contracts?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Regulatory Requirements of Delivery Service Program Suppliers

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What are the restrictions regarding advertising by delivery service program suppliers?
5. What are the general terms and conditions for customer solicitations by delivery service program suppliers?
6. What are the requirements for the delivery service program supplier regarding the use of telephone solicitations?
7. What are the requirements for the delivery service program supplier regarding the use of price to compare information?
8. What are the requirements for the delivery service program supplier regarding the use of third-party verification?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Delivery Service Program Supplier Licensing

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the applicability of this jurisdiction's delivery service program supplier licensing requirement?
5. What is the process for the delivery service program supplier to obtain a license in this jurisdiction?
6. What are the requirements for the delivery service program supplier to provide proof of license to the utility?
7. What is the delivery service program supplier license renewal requirement?
8. What are the fees associated with obtaining a delivery service program supplier license in this jurisdiction?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Assignment of Delivery Service Program Supplier Contracts (Customers)

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the process for a delivery service program supplier to assign contracts (customers) to another delivery service program supplier?
5. What are the requirements for the delivery service program supplier to effectuate the contract (customer) assignment?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Slamming Prevention Process

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the process for preventing delivery service program suppliers from slamming customers?
5. What provisions are there to allow customer recissions?
6. What are the responsibilities of the utility?
7. What are the responsibilities of the delivery service program supplier?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Discontinuance of Service – Voluntary

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the process for delivery service program suppliers to voluntarily discontinue service in a utility's delivery service program?
5. What are the requirements for the delivery service program supplier to voluntarily exit from the utility's program?
6. What are the requirements for the utility to effectuate the delivery service program supplier's voluntary exit?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Discontinuance of Service – Involuntary

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What are the reasons for which a delivery service program supplier may be involuntarily removed by the utility from a utility's delivery service program?
5. What are the reasons for which a delivery service program supplier may be involuntarily removed by the public service commission from a utility's delivery service program?
6. What are the requirements for the delivery service program supplier when involuntarily removed from the utility's program?
7. What are the requirements for the utility to effectuate the delivery service program supplier's involuntary exit?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Discontinuance of Service – Customer Request

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What is the process for delivery service customers to voluntarily discontinue service from a delivery service program supplier?
5. What are the requirements for the utility to effectuate the delivery service customer's voluntary exit from the delivery service program supplier?
6. What are the requirements for the delivery service program supplier to effectuate the delivery service customer's voluntarily exit?



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com

Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

DRAFT - Request for Information

July 08, 2003

SUBCOMMITTEE: N/A

CATEGORY: Payment Collection and Competitive Metering Services

1. What entity do you represent?
2. What is the date of this response?
3. What jurisdiction are these responses for?
4. What are the restrictions regarding disconnection of service for non-payment of delivery service program supplier bills?
5. What payment collection services are delivery service program suppliers allowed to use in this jurisdiction?
6. What competitive metering services are delivery service program suppliers allowed to use in this jurisdiction?