

1 **RULES OF PROCEDURE**

2 **I. Introduction**

3 The North American Energy Standards Board (NAESB), established in January 2002, is the
4 successor to the Gas Industry Standards Board.¹ NAESB supports all four quadrants of the gas and
5 electric industries—wholesale gas, wholesale electricity, retail gas, and retail electricity—and
6 recognizes the ongoing convergence of the gas and electric businesses by ensuring that its
7 standards receive the input of all industry quadrants when appropriate.

8 NAESB is governed by its Board of Directors and officers. While government agencies often
9 provide guidance to NAESB by requesting that standards be adopted, it is the industry itself that
10 develops the standards the industry will implement. This relationship between NAESB and
11 government agencies constitutes an effective public-private partnership that benefits both
12 government and industry.

13 **II. Mission and Guiding Principles**

14 NAESB’s certificate of incorporation states, “The objects and purposes of NAESB are to
15 propose and adopt voluntary standards and model business practices² designed to promote more
16 competitive and efficient natural gas and electric service, as such standards apply to electronic
17 data interchange (EDI) record formats and communications protocols and related business
18 practices that streamline the transactional processes of the natural gas and electric industries.”

19 The following principles guide NAESB’s activities³:

20 *Independence.* NAESB is an independent body. While it may have informal liaisons with
21 trade associations, other standards organizations, and government agencies, it is a separately
22 incorporated, fully independent organization.

23 *Openness.* NAESB conducts its activities in the open. Openness applies to all aspects of its
24 governance, elections, and standards development procedures, including work products and
25 related meetings. Meetings, agendas, and items set for discussion and/or vote are publicly noticed,
26 and interested parties, regardless of whether they are NAESB members, have the opportunity to
27 participate.

28 *Voluntary.* Participation in NAESB is voluntary and adherence to its standards, from
29 NAESB’s perspective, is also voluntary. Membership in NAESB is not dependent on whether a
30 company implements NAESB standards, and NAESB does not have an enforcement mechanism.

31 *Balance of Interests.* Voting with respect to governance, standards, and operating procedures
32 provides for balance among industry quadrants and segments so that no interest group or groups
33 have undue influence over any decision.

34 *Inclusivity.* All interested parties have the opportunity to participate in and join NAESB. All
35 participants should be associated with a segment and quadrant.

¹ The Gas Industry Standards Board (GISB) was incorporated in September 1994 to develop standards for the wholesale natural gas market. When NAESB was established in January 2002, GISB became the wholesale gas quadrant of the new organization and went out of existence as a separate entity.

² For purposes of the discussion herein, “standards” and “model business practices” are used interchangeably. They are defined the same in Section 1.1 of the Bylaws.

³ The explanation provided herein is intended to acquaint interested persons with how NAESB operates in a straightforward non-legalese way. In the event there is an inconsistency between the substance of what is stated herein and the certificate and bylaws of NAESB, the terms of the certificate and bylaws control.

36 *Consensus-Based Decisions.* NAESB’s voting rules encourage consensus-based decisions. In
37 addition, requirements that standards need supermajorities and minimum votes per segment in
38 order to be passed ensure that quadrant and segment interests are protected.

39 *No Advocacy.* NAESB does not take advocacy positions on its standards as a party to any
40 proceeding before a government agency. NAESB’s duly authorized representatives, however, are
41 not precluded from communicating with or educating anyone about NAESB’s procedures and/or
42 work products.

43 *Industry Driven.* NAESB is industry driven. Standards may be proposed by any interested
44 party. Staff members have neither a vote nor a role with respect to conducting NAESB affairs
45 other than to perform administrative functions.

46 *Develop Practices, Not Policy.* NAESB’s committees, subcommittees, and task forces avoid
47 creating policy in their standards development activities absent a request by the Board.

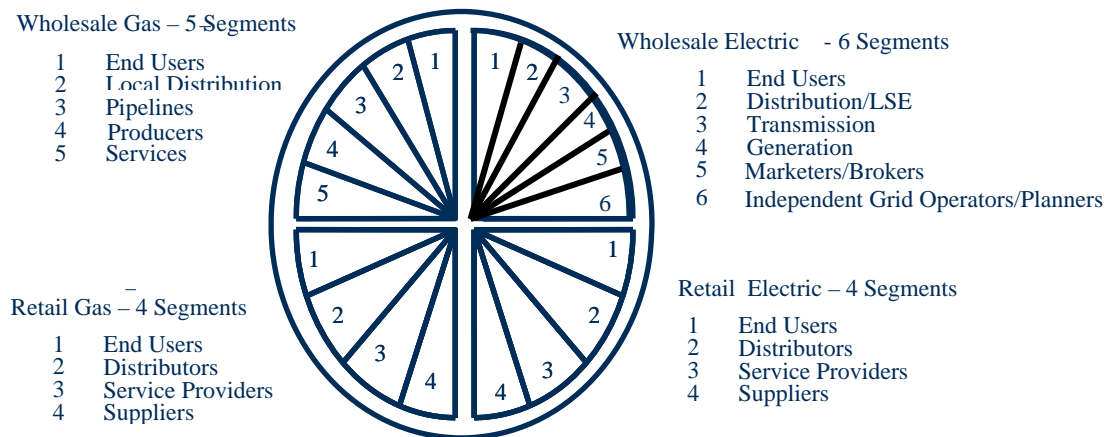
48 *Incorporate Best Practices.* To the extent reasonable, NAESB standards reflect the best
49 practices among existing and reasonably anticipated policies and procedures.

50 *Broad Applicability.* Standards are structured, to the extent reasonable, to be applicable to
51 both the electric and the natural gas industries, and the industries work together to develop joint
52 standards where appropriate. However, where operating requirements dictate the need for different
53 approaches, standards are established separately by quadrant(s).

54 *ANSI Accreditation.* NAESB is an accredited American National Standards Institute
55 Standards Development Organization.

56 III. Description of the Organization

57 NAESB is organized by quadrants and, within quadrants, by segments. Each NAESB member
58 belongs to one or more of the four quadrants: wholesale electric (WEQ), wholesale gas (WGQ),
59 retail electric (REQ), and retail gas (RGQ). Each quadrant determines the number and composition
60 of its segments and how many representatives it will have on the Board of Directors and Executive
61 Committee.



62

63 A. Board of Directors

64 The Board of Directors meets en banc throughout the year. It determines and approves the
65 annual budget of NAESB and its quadrants, sets the overall strategic direction of the organization,

66 approves each quadrant's annual plan for standards development and maintenance, and determines
67 all governance issues.

68 The proceedings of all Board meetings are transcribed. All decisions by the Board are made
69 en banc; at the Board level, the quadrants do not operate separately. Each quadrant represented on
70 the Board has 25 percent of the decision-making authority, regardless of the actual number of
71 Board members that represent the quadrant. For all decisions other than changes to the certificate
72 or bylaws, a simple majority is needed for passage. For approval of changes to the certificate or
73 bylaws, there must be a 75 percent affirmative vote from each of the quadrants and a 40 percent
74 affirmative vote from each of the segments within the quadrants. All Board votes are recorded and
75 posted.

76 Board members are selected in accordance with applicable quadrant and segment procedures.
77 Generally, a Board member:

- 78 • Must represent a segment and quadrant.
- 79 • Should have a broad understanding of the segment he or she represents and sufficient
80 authority to make decisions on behalf of his or her organization. For example, a
81 director representing a corporate member should be an officer of the corporation.
- 82 • Must have a working knowledge of NAESB Board processes.
- 83 • Must be willing to commit the time and resources necessary to fulfill the obligations
84 of a Board member and meet the minimum threshold of participation and attendance
85 established in the NAESB bylaws [Section 9.7 (f)].

86 The Board of Directors currently has two standing committees: the Managing Committee and the
87 Parliamentary Committee. The Board may create ad hoc committees as needed.

88 B. Executive Committee

89 The Executive Committee (EC) has responsibility for implementing the NAESB annual plan;
90 directing standards development and maintenance efforts and voting on standards development
91 and maintenance; and directing standards interpretation efforts and voting on such interpretations.

92 The EC approves and may modify recommendations from the Triage Subcommittee on
93 subcommittee assignments for standards development, including the relative urgency of the work;
94 approves and may modify standards that have been recommended by the standards development
95 subcommittees; and monitors subcommittee progress on standards development.

96 The proceedings of all EC meetings are transcribed. Decisions by the EC may be by quadrant
97 if it is determined that the recommended standard applies to a specific quadrant or quadrants rather
98 than the organization as a whole. Each quadrant represented on the EC has 25 percent of the
99 decision-making authority, regardless of the actual number of EC members that represent the
100 quadrant. For all decisions other than on standards issues, a simple majority of each quadrant is
101 needed for passage. For approval of standards issues, there must be a 67 percent affirmative vote
102 from each of the quadrants and a 40 percent affirmative vote from each of the segments within the
103 quadrants. All EC votes are recorded and posted.

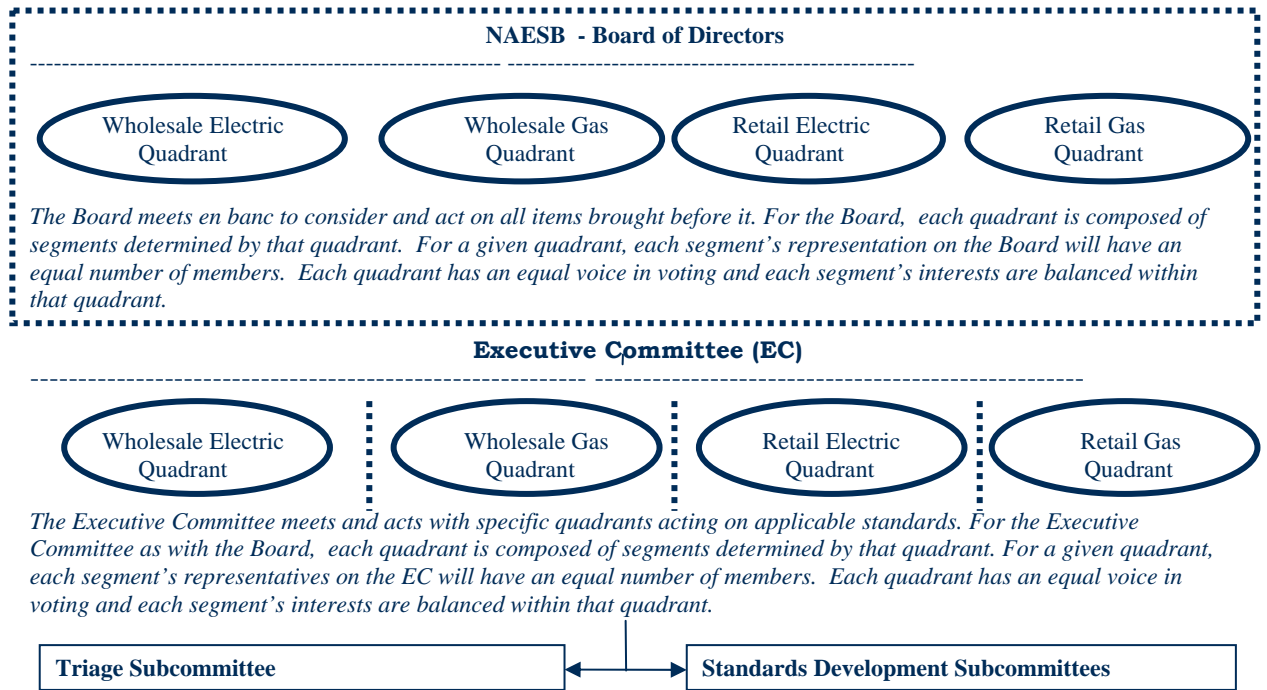
104 EC members are selected in accordance with applicable quadrant and segment procedures.
105 Generally, an EC member:

- 106 • Must represent a segment and quadrant.
- 107 • Should have a broad understanding of the segment he or she represents and sufficient
108 authority to make decisions on behalf of his or her organization.
- 109 • Must have a working knowledge of NAESB standards development processes.

- 110 • Must be willing to commit the time and resources necessary to fulfill the obligations
 111 of an EC member and meet the minimum threshold of participation and attendance
 112 established in the NAESB bylaws [Section 10.4(j)].

113 The EC has several standing subcommittees, including the Triage Subcommittee and the
 114 Annual Plan Subcommittee, as well as several standards development subcommittees and task
 115 forces. It may create ad hoc subcommittees as needed for tasks specific to standards development
 116 and standards maintenance.

117 The chart below illustrates the interaction of the Board of Directors and the EC.



118

119 **III. Standards Development Process**

120 NAESB is focused on proposing, considering, and adopting voluntary standards and model
 121 business practices that will have a significant and lasting impact on all aspects of the natural gas
 122 and electricity marketplaces. As a result of the standards NAESB adopts, it is expected that the
 123 industry will operate more efficiently and effectively, benefiting both the industry and its
 124 customers. At the same time, it must be acknowledged that NAESB standards may constitute a
 125 change in the way parties do business, with an accompanying effect on the use and allocation of
 126 resources.

127 NAESB's policy is to move at a deliberate pace, consistent with its annual plan(s), thus
 128 permitting those affected by its standards, especially those standards adopted as regulations by the
 129 Federal Energy Regulatory Commission (FERC) or other regulatory bodies, to assimilate them as
 130 part of their business practices. To this end, NAESB will carefully consider whether proposed
 131 standards are both timely and necessary. In particular, it will try to avoid adopting and
 132 implementing new standards, however beneficial, before the industry is able to reasonably make
 133 use of them.

134 The standards development process is governed by the annual plan, and items can be included
 135 in the plan or modified only with Board approval. The plan typically reflects requests from
 136 NAESB members, government agencies, and other interested parties. In approving the annual
 137 plan, the Board considers the availability of resources, including the NAESB budget and staff and

138 the availability of industry volunteers. New requests received throughout the year are either
139 considered part of the existing annual plan or as new items that require Board approval.

140 The standards development process begins with an annual plan item or a triaged and approved
141 request. Triage is a process used by each quadrant of the EC to determine whether a request is
142 within scope, which quadrant(s) it applies to, which subcommittee(s) it should be referred to, and
143 what priority it should be assigned. Triage is carried out by EC members appointed by the EC
144 chair. Triage recommendations are submitted to the en banc EC and require EC approval, and may
145 also require Board approval if there are scope questions or if a modification of the annual plan is
146 required.

147 If the triage process yields a request that is assigned to the WEQ, either solely or as part of a
148 joint assignment, that request will be reviewed by NAESB and NERC executive management to
149 determine if joint development is required as the development of both reliability standards and
150 business practice standards is the expected outcome.

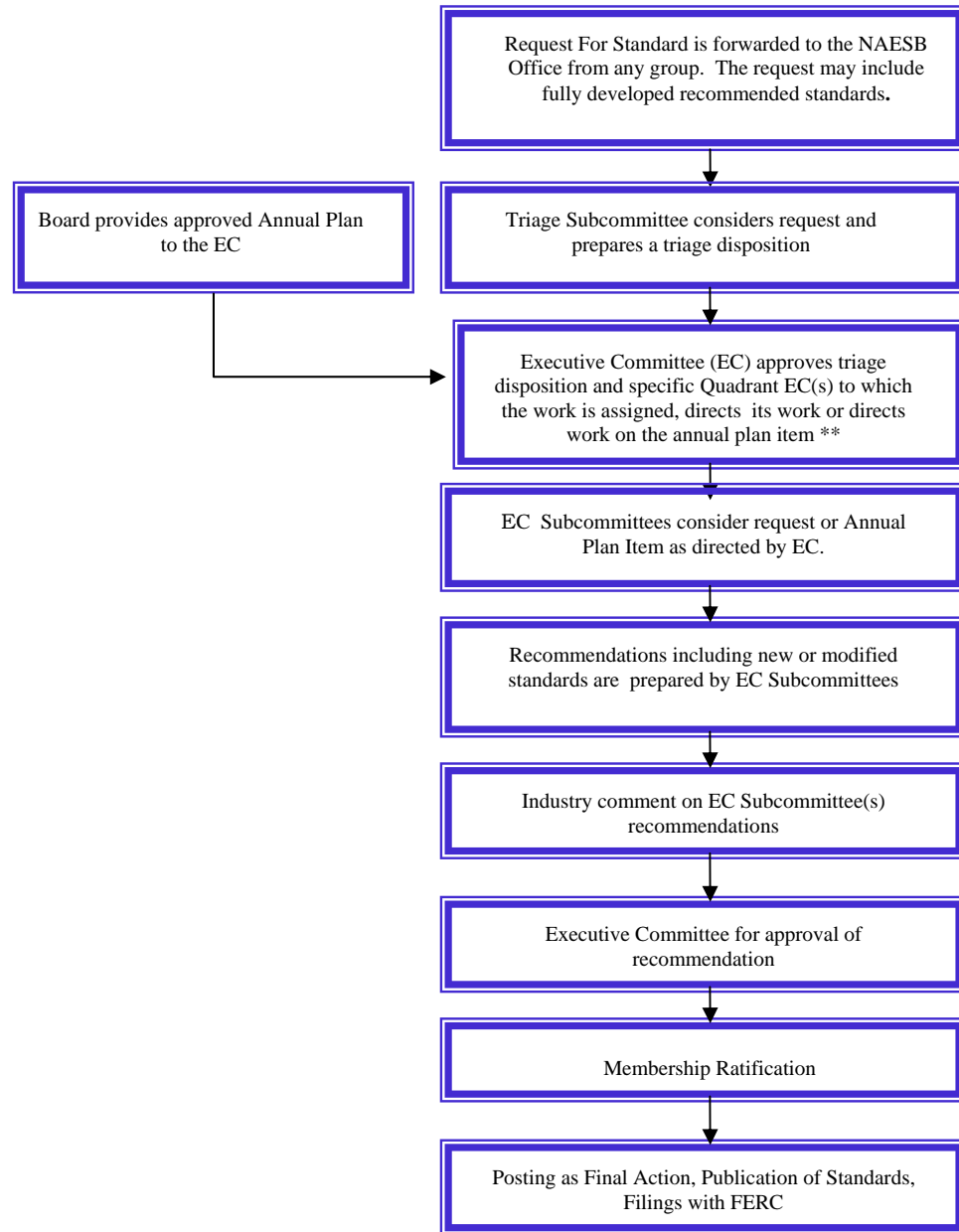
151 Once the triage process is completed, the subcommittees—more than one are normally
152 involved in standards recommendations—review the request, compare it to existing standards, and
153 prepare recommendations that may take the form of new or modified standards or interpretations.
154 Participation in EC subcommittees is open to any interested party regardless of membership status.
155 All subcommittee participants may vote; voting is balanced by segment and quadrant. All votes
156 are public.

157 When the recommendation is complete, it is made available for a thirty-day industry comment
158 period. The recommendation and comments are then forwarded to the EC, which considers the
159 recommendation, makes any changes it deems necessary, and takes a vote. As noted above, a
160 recommendation must receive an affirmative vote of at least 67 percent from each applicable
161 quadrant EC and 40 percent from each of the fully populated segments of the applicable
162 quadrant(s) in accordance with the requirements set forth in Article V of the NAESB Certificate of
163 Incorporation and Article 2, Section 2.3 of the NAESB Bylaws.

164 After passage by the EC, the recommendation must be ratified by the NAESB members. An
165 affirmative vote of 67 percent of the members of the applicable quadrant(s) is required for
166 ratification. After ratification, standards and modifications are considered final actions and will be
167 published in the next version of NAESB standards.

168 The foregoing process has been followed by the WGQ since 1994 and has been used to
169 develop more than five hundred standards that have been incorporated by reference into federal
170 regulations. The standards that apply to electronic delivery mechanisms have been endorsed by
171 several state regulatory bodies and have also been adopted by the automotive, insurance, and
172 health care industries.

North American Energy Standards Board
Standards Development Process Flow Chart



174 ** -- For those requests assigned to the WEQ, a separate process may be employed in addition
 175 to the one outlined here, for joint development with the North American Electric Reliability
 176 Corporation.

177 A. Flexibility

178 NAESB recognizes that flexibility is necessary as standards are developed to address regional
179 concerns or to incorporate variances to accommodate operational or structural differences. For
180 example, as the WGQ drafted standards for nomination and scheduling of transportation, it
181 realized that there were three models for transportation. Accordingly, the standards that address
182 these models have three parts, with each specifying the standard for each model. This flexibility is
183 also found in the associated information standards, which note which data elements are needed for
184 which model and whether these data elements are required or optional.

185 There is a high threshold for incorporating such variances in a standard; the subcommittee(s)
186 in drafting the standard, the EC in approving the subcommittee recommendation, and the
187 membership in approving the standard must all agree that such variance is necessary. Nonetheless,
188 NAESB procedures are well suited to take into account operational and regional differences.

189 B. Transparency

190 All NAESB meetings are open for attendance and participation by any interested party, with
191 the exception of executive sessions of the Board or Managing Committee for purposes of
192 discussing personnel, compensation or legal issues. Meeting announcements and agendas are
193 posted in advance to permit the widest possible participation. Conference-calling capability is
194 available for all meetings. Those intending to attend a meeting in person or by telephone are asked
195 to notify NAESB by a specific date to permit adequate meeting planning.

196 Transcripts are made of all Board of Directors- and EC meetings, and may also be made of
197 other meetings that are expected to be controversial. Transcripts are maintained in the NAESB
198 office and are provided to regulatory agencies for their internal use. All other interested parties can
199 purchase transcripts from the relevant transcription service.

200 **IV. Operating Procedures of the North American Energy Standards Board**

201 These general operating procedures apply to all NAESB quadrant activities unless otherwise
202 noted. The procedures complement the NAESB certificate and bylaws and are not inconsistent
203 with either governing document. The NAESB operating procedures (NAESBOPs) may be
204 amended by the Board of Directors.

205 The procedures that follow are:

- 206 A. Executive Committee Subcommittees
- 207 B. Balanced Voting Procedures for EC Subcommittees and Task Forces
- 208 C. Standards Development and Maintenance
- 209 D. Minor Clarifications and Corrections to Standards
- 210 E. Interpretation of Standards
- 211 F. Appeal Procedures
- 212 G. Standards Publication Cycle
- 213 H. Communicating with Regulatory and Other Government Agencies

214 A. Executive Committee Subcommittees

215 The following are general procedures of NAESB EC subcommittees and are intended to guide
216 the operations of such subcommittees. Where the EC, in coordination with the Parliamentary
217 Committee, has approved specific procedures for a particular subcommittee, those procedures
218 apply in lieu of these generally applicable procedures.

219 1. Establishment of Subcommittees

220 The EC as a whole, as well as quadrant ECs, shall have the general authority to adopt
221 resolutions establishing subcommittees and task forces within subcommittees for the specific
222 purpose of developing and maintaining standards and model business practices. After the
223 establishment of a subcommittee by the EC or quadrant ECs, the subcommittee may establish
224 working groups as needed to address ad hoc issues. Subcommittees, task forces within the
225 subcommittees, and working groups shall comply with the NAESBOPs in all respects.

226 In addition, the EC may request authorization of the Managing Committee of the Board to
227 establish other subcommittees and task forces within subcommittees not covered by the preceding
228 paragraph, and only upon such authorization being granted shall the said subcommittees and task
229 forces within subcommittees come into existence. The Managing Committee may delegate the
230 authority to develop additional subcommittees to the Parliamentary Committee of the Board.

231 Subject to the foregoing, subcommittees are voluntary committees set up at the pleasure of the
232 EC or quadrant ECs to perform various functions as set forth in the bylaws and as may be
233 determined by the EC or quadrant ECs. The scope and activities of any subcommittee shall be
234 determined by the EC or quadrant ECs.

235 When establishing a subcommittee, the EC or quadrant EC shall prepare a written statement
236 containing the name and the purpose of the subcommittee and the tasks it will accomplish. The EC
237 or quadrant EC shall also select one of its members to serve as temporary chair of the
238 subcommittee; the temporary chair shall serve only until the subcommittee is organized and elects
239 its own chair.

240 The temporary chair of the subcommittee shall make arrangements through the office of the
241 executive director for the initial meeting of the subcommittee, including drafting a notice of the
242 meeting and the meeting agenda and determining the time and place of the meeting. The meeting
243 notice should include:

- 244 a. The name and purpose statement of the new subcommittee
- 245 b. A public invitation to serve on the subcommittee
- 246 c. The procedure for selecting a subcommittee chair
- 247 d. The procedure for determining the need for a cochair or vice chair.

248 The notice of the initial meeting shall be provided in advance to the public, NAESB
249 participants, and interested trade association staff for distribution to their members so that
250 attendance is encouraged. Emergency meetings, however, may be called without the foregoing
251 notice.

252 2. Order of Business for Initial Subcommittee Meeting

253 At the initial meeting of a subcommittee:

- 254 a. The temporary chair should welcome participants, ask participants to identify themselves
255 by quadrant and segment, and give the antitrust advice.
- 256 b. The temporary chair should review the name, objectives, and task assignment(s) as
257 directed by the EC or quadrant EC.

- 258 c. The subcommittee should prepare a mission statement that should be approved by the
259 subcommittee by a balanced vote and then submitted to the EC or quadrant EC for
260 approval.
- 261 d. The subcommittee should determine, if necessary, the term of the chair and other
262 subcommittee positions, as applicable, and elect the chair and vice chair or cochair as
263 applicable pursuant to the voting process below. The chair, vice chair, and all cochairs
264 must be members of NAESB, and the chair, vice chair, or one of the cochairs must be a
265 member of the EC or quadrant EC. Subcommittees may select cochairs by segments if
266 they so choose.
- 267 e. The subcommittee may conduct other organizational business as may be necessary to
268 implement a subcommittee structure and the processes necessary to carry out the
269 objectives of the EC or quadrant EC.
- 270 f. The subcommittee may take any other appropriate actions.

271 3. Participation in Subcommittees

272 Subcommittee participation is open to all interested persons, provided, however, that for
273 certain subcommittees, voting is limited to named members or alternates. Participants may join as
274 many subcommittees as they desire, and may do so at any time.

275 4. Subcommittee Working Groups

276 A subcommittee established by the EC or a quadrant EC may establish working groups to
277 assist in the achievement of its objectives. A working group should report to its parent
278 subcommittee on a regular basis, and the proposed actions and recommendations of the working
279 group must be reviewed and ratified by the subcommittee before they are forwarded to the EC or
280 quadrant EC.

281 5. Meetings of Subcommittees, Task Forces, and Working Groups

282 Meetings of subcommittees and of task forces and working groups within subcommittees
283 shall be arranged and presided over by the subcommittee chair, vice chair, or cochair and shall be
284 open to all NAESB members and other interested persons. Meetings shall be held at times and in
285 places reasonably selected for the convenience of subcommittee members. Notices of meetings
286 shall be posted on the NAESB website. With prior notification, a cost-based meeting fee may be
287 charged at the discretion of the executive director with approval of the Managing Committee.

288 Notice of in-person group meetings should be given at least two weeks in advance, although
289 working groups may call meetings with less than two weeks' notice. Notice of teleconference-only
290 meetings should normally be given at the preceding meeting of the subcommittee, task force, or
291 working group, and notice of such meetings should normally be posted on the NAESB website at
292 least one week in advance.

293 Unless an exception has been granted in advance by the Managing Committee, all in-person
294 meetings must provide for attendance by teleconference. With prior notification, such attendance
295 by teleconference may be at the callers' expense. At an in-person meeting, the chair of the group
296 shall call the teleconference number by means of a speakerphone so as to admit the teleconference
297 attendees and permit interaction between the in-person and teleconference attendees.

298 Agendas for all meetings should be prepared by the chair, vice chair, or cochair of the
299 applicable subcommittee, task force, or working group and posted on the NAESB website
300 sufficiently in advance of the meeting to allow those accessing the NAESB website to identify the
301 issues to be discussed.

302 B. Balanced Voting Procedures for EC Subcommittees and Task Forces

303 For non-administrative motions, all EC subcommittees and task forces shall use balanced
 304 voting procedures whereby each segment of a quadrant holds two votes to be apportioned equally
 305 to those participants of the segment present at the meeting either in person or by phone. No
 306 individual may have more than one vote apportioned to him or her. The votes or fractions of votes
 307 are totaled across segments to determine the outcome of the motion under consideration. No
 308 notational or proxy votes are permitted.

309 The foregoing procedures, however, do not apply to EC subcommittees and task forces in
 310 which the membership is restricted to named members. Such subcommittees and task forces are
 311 already balanced in that only the named members vote, and the named members represent a
 312 balance of the segments within the quadrant. Notational votes are permitted in subcommittees and
 313 task forces with named members.

314 1. Examples of Balanced Voting for One Quadrant

315 At a meeting of the REQ Customer Processes Subcommittee, there is a vote on a proposed
 316 standard to be forwarded to the REQ EC as a recommendation for consideration. At the meeting,
 317 both in person and on the phone, the segments are represented as follows: five suppliers, three
 318 services, six distributors, and one end user. The balanced vote is calculated as follows:

<i>Segment</i>	<i>Votes Cast</i>		<i>Balanced Votes</i>	
	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
<i>Suppliers</i>	3	2	1.2	0.8
<i>Services</i>	3		2	
<i>End Users</i>		1		1
<i>Distributors</i>	4	2	1.3	0.7
<i>Total</i>	10	5	4.5	2.5

319 As the balanced vote is 4.5 to 2.5, the motion passes.

320 Similarly, at a meeting of the REQ Customer Processes Subcommittee, there is a vote on a
 321 proposed standard to be forwarded to the REQ EC as a recommendation for consideration. At the
 322 meeting, both in person and on the phone, the segments are represented as follows: fourteen
 323 suppliers, six services, six distributors, and one end user. The balanced vote is calculated as
 324 follows:

<i>Segment</i>	<i>Votes Cast</i>		<i>Balanced Votes</i>	
	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
<i>Suppliers</i>	14	0	2	0
<i>Services</i>	1	5	0.3	1.7
<i>End Users</i>		1		1
<i>Distributors</i>	3	3	1	1
<i>Total</i>	18	9	3.3	3.7

325 As the balanced vote is 3.3 to 3.7, the motion fails.

326 2. Example of Balanced Voting across Quadrants

327 In cases of joint-quadrant subcommittees, the representatives of each quadrant share an equal
 328 portion of the vote. For example, in a joint RGQ-REQ subcommittee, the RGQ and REQ each

329 contribute 50 percent of the total vote. At a meeting of the RGQ-REQ Customer Processes
 330 Subcommittee, there is a vote on a proposed standard to be forwarded to the quadrant ECs as a
 331 recommendation for consideration. At the meeting, both in person and on the phone, the REQ
 332 segments are represented as follows: fourteen suppliers, six services, six distributors, and one end
 333 user. The REQ balanced vote is calculated as follows:

<i>Segment</i>	<i>Votes Cast</i>		<i>Balanced Votes</i>	
	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
<i>Suppliers</i>	14	0	2	0
<i>Services</i>	1	5	0.3	1.7
<i>End Users</i>		1		1
<i>Distributors</i>	3	3	1	1
<i>Total</i>	18	9	3.3	3.7

334 At the meeting, both in person and on the phone, the RGQ segments are represented as
 335 follows: five suppliers, three services, six distributors, and one end user. The RGQ balanced vote
 336 is calculated as follows:

<i>Segment</i>	<i>Votes Cast</i>		<i>Balanced Votes</i>	
	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
<i>Suppliers</i>	3	2	1.2	0.8
<i>Services</i>	3		2	
<i>End Users</i>		1		1
<i>Distributors</i>	4	2	1.3	.7
<i>Total</i>	7	5	4.5	2.5

337 Both the RGQ and the REQ contribute equally to the outcome. Under balanced voting, the
 338 REQ contributes 47 percent in favor and 53 percent opposed. The RGQ contributes 64 percent in
 339 favor and 36 percent opposed. Using the balanced votes, the motion fails (fails at REQ, passes at
 340 RGQ).

341 C. Standards Development and Maintenance

342 Standards development and maintenance is a process by which a new standard is created or an
343 existing standard is revised or deleted. The process is initiated either by the NAESB annual plan or
344 by the submission of a request. Requests should be submitted electronically on the NAESB form
345 Request for Standards Development and forwarded to the executive director for consideration by
346 the EC. In addition, the EC may itself initiate a standards development and maintenance action
347 based on legislative or regulatory events.

348 1. Action on Request

349 When a request for standards development or maintenance is submitted, the following takes
350 place:

- 351 a. The NAESB office assigns a request number to the form and posts the request on the
352 NAESB website.
- 353 b. The request is forwarded to the Triage Subcommittee for review at the next meeting of
354 that subcommittee.
- 355 c. The Triage Subcommittee makes a recommendation as to whether the request is within
356 scope of NAESB and, if so, to which quadrant(s) it should be assigned. The members of
357 the Triage Subcommittee representing the assigned quadrant(s) then make a
358 recommendation as to whether the request is within the scope of the quadrant(s) and, if
359 so, to which subcommittee or task force it should be assigned and what level of priority it
360 should be given. The recommendations are then forwarded to the EC.
- 361 d. The EC approves, amends, or rejects the recommendation that the request is within the
362 scope of NAESB. If the EC does not find the request in scope, the recommendation is
363 forwarded to the Board of Directors for a final determination as to whether the request is
364 in scope. If the EC finds the request within scope, it then forwards the request to the EC
365 members representing the quadrant(s) to which the request has been assigned.
- 366 e. The EC members consider whether the request is within the scope of the assigned
367 quadrant(s), whether the request has been assigned to the correct subcommittee or task
368 force, and whether it has been given the correct priority. By a simple majority vote, the
369 EC members approve or amend the foregoing recommendations.
- 370 f. The results of the EC consideration are recorded in the minutes and posted on the
371 NAESB website.
- 372 g. For the Wholesale Electric Quadrant (WEQ), the EC shall determine that the request has
373 been assigned to the WEQ in all or in part, shall ensure that the request adequately
374 describes the standards to be developed or modified. If executive management
375 determines that the development requires coordination with the North American Electric
376 Reliability Corporation (“NERC”), or NERC executive management requests such
377 coordination, the joint development process developed by both NAESB and NERC will
378 be employed in addition to the NAESB processes.
- 379 h. The subcommittee or task force completes the assigned task.
- 380 i. Where appropriate the subcommittee or task force may forward the request to other
381 subcommittees or task forces to ensure that the work product is considered fully staffed.
- 382 j. Once complete, the subcommittee or task force submits a recommendation to the NAESB
383 office based on the results of the group’s findings.
- 384 k. The recommendation is posted on the NAESB website for industry comment for 30 days,
385 although this period may be shortened by the EC.
- 386 l. To streamline joint quadrant consideration of proposed standards, unless otherwise
387 directed by the Board for annual plan items or the en banc EC for triaged proposed
388 standards, the following protocol shall apply to joint consideration of proposed standards:

- 389 i. Any proposed standard that garners majority support of at least one affected
390 quadrant at the subcommittee level shall be put out for industry comment and
391 possible approval by that quadrant, even if the proposed standard does not
392 attract majority support of all affected quadrants at the subcommittee level.
- 393 ii. If a proposed standard garners majority support of at least one quadrant but does
394 not have the support of all affected quadrants at the subcommittee level, the
395 subcommittee shall submit a status report to the joint quadrant ECs, setting forth
396 a recommendation whether joint consideration of the proposed standard should
397 be terminated.
- 398 iii. Upon adoption of the subcommittee’s recommendation that joint consideration
399 of a proposed standard be terminated, the EC of the quadrant whose
400 subcommittee members supported the standard may proceed with a vote on
401 adoption of the proposed standard, provided it has been put out for industry
402 comment.

403 For purposes of this provision, a “proposed standard” refers to any standard-setting
404 activity that requires a super majority vote at the quadrant EC level.

- 405 m. The assigned quadrant(s) of the EC consider the recommendation, taking into
406 consideration the request and industry comments.

407 2. Subcommittee and Task Force Procedures

408 Subcommittees and task forces developing or modifying standards shall follow these
409 procedures:

- 410 a. Subcommittee and task force chairs are responsible for working with the NAESB office
411 to prepare meeting notices and agendas, which are distributed by the NAESB office.
412 Meeting notices should be issued so as to give adequate notice to attendees who must
413 travel from out of town.
- 414 b. Meetings, including ad hoc meetings and those held by telephone, should be scheduled
415 by first conferring with the NAESB office to ensure that meetings involving the same
416 participants have not been scheduled for the same time.
- 417 c. All meetings are open and minutes are taken. All attendees should provide contact
418 information identifying themselves as attendees to the meeting.
- 419 d. All votes should be recorded in the minutes. Balanced voting can be requested in any
420 subcommittee meeting where the subcommittee is not already balanced by virtue of being
421 a named-member subcommittee.
- 422 e. Minutes, working documents, meeting notices, agendas, and all other documents used in
423 the meeting should be forwarded in electronic form to the NAESB office for posting on
424 the NAESB website.
- 425 f. The group or representatives of the group should develop a recommendation to be
426 submitted to the EC outlining the proposed standard or proposed modification to a
427 standard.

428 3. Final Actions

429 The EC approves the recommendation as submitted, modifies the recommendation, returns
430 the recommendation to the subcommittee or task force for further development, or rejects the
431 recommendation. All standards, additions to standards, or modifications to standards must be
432 ratified by the NAESB membership. Member-ratified actions are posted on the NAESB website.
433 Unless otherwise directed by the Board of Directors, the final actions are published in the next
434 edition of the NAESB standards manual.

435 D. Minor Clarifications and Corrections to Standards

436 Minor clarifications and corrections to existing standards include: (a) clarifications or
437 corrections made by a regulatory agency to standards that are of a jurisdictional nature, or by the
438 American National Standards Institute or its successor; (b) clarifications or corrections to the
439 format, appearance, or descriptions of standards in standards documentation; (c) clarifications or
440 corrections to add code values to tables; and (d) clarifications and corrections that do not
441 materially change a standard.

442 Any request for a minor clarification or correction to an existing standard should be submitted
443 in writing to the executive director. This request shall include a description of the minor
444 clarification or correction and the reason the clarification or correction should be implemented.

445 1. Processing of Requests

446 The executive director shall promptly notify the EC and any appropriate subcommittee(s) of
447 the receipt of the request. The members of the applicable quadrant's EC shall promptly determine
448 whether the request meets the definition of a minor clarification or correction. Through the
449 decision of the vice chair of the applicable quadrant, this determination may be delegated to one of
450 the quadrant's subcommittees, with the concurrence of the subcommittee chair, in which case the
451 subcommittee shall make a prompt decision.

452 If the request is determined to meet the definition of minor clarification or correction, the
453 applicable quadrant's EC, with input from any subcommittee(s) to which the request has been
454 forwarded, shall act on the request within one month of its receipt. A meeting to discuss the
455 request is not required; the decision may be made by notational vote. A simple majority of the
456 votes received shall determine the outcome. The members of the applicable quadrant's EC shall be
457 given at least three working days to consider and vote on the request.

458 2. Public Notice

459 The results of the vote on the request for a minor clarification or correction shall be posted on
460 the NAESB website and the members of the applicable quadrant shall be notified of the request by
461 e-mail. If the request has been approved by the applicable quadrant's EC, the notification shall
462 include a brief description of the request, the contact name and number of the requester so that
463 further information can be obtained, and the proposed effective date of the clarification or
464 correction. The proposed effective date of the minor clarification or correction shall normally be
465 one month from the date of the public notice. Any interested party shall have an opportunity to
466 comment on the request, and the comments shall be posted on the NAESB website. The comment
467 period is two weeks.

468 3. Final Disposition of Approved Requests

469 If no comments are received on an approved request, the standard shall be clarified or
470 corrected as specified in the approved request on the effective date proposed. If comments are
471 received, they shall be forwarded to the members of the applicable quadrant's EC for
472 consideration. Each comment requires a public written response from the applicable quadrant's
473 EC. The applicable quadrant's EC shall determine whether changes are necessary as a result of the
474 comments. Members of the applicable quadrant's EC shall be given three working days to
475 consider the comments and determine the outcome, which shall be decided by a simple majority of
476 the votes received. A meeting to discuss the request is not required; the decision may be made by
477 notational vote. The standard shall be clarified or corrected in accordance with the outcome of the
478 vote, effective with the completion of voting, and notice thereof shall be posted on the NAESB
479 website.

480

481 E. Interpretation of Standards

482 Interpretation of standards is a process by which an existing standard is clarified as to its
483 original intent or an existing interpretation is modified. Any person may seek an interpretation by
484 submitting a request for clarification or interpretation electronically to the NAESB office. The
485 NAESB office shall assign a number to the request and post it on the NAESB website. The request
486 shall then be forwarded to the Interpretations Subcommittee(s) of the appropriate quadrant(s); each
487 quadrant is responsible for the interpretation of standards that are applicable to it.

488 The request for interpretation shall be considered in a meeting of the Interpretations
489 Subcommittee(s). The subcommittee(s) shall prepare a draft interpretation and forward it to the
490 NAESB office, which shall post it on the NAESB website for industry comment. The same
491 procedures as outlined in NAESBOP D, “Standards Development and Maintenance,” are then
492 followed.

493

494 F. Appeal Procedures

495 1. Standards Appeal Procedure

496 Any interested person with a direct and material interest who has been or may be adversely
497 affected by a substantive or procedural action or inaction of the EC shall have the right to appeal,
498 by resort to the procedures below. Section 1 applies to NAESB Standards and Section 2 applies to
499 NAESB Standards that have been adopted by ANSI as ANSI Standards:

500 a. Such affected person may ask that any adopted NAESB standard or proposed standard be
501 amended, rejected, or reconsidered. A request for an amendment to existing standards or
502 reconsideration of a proposed standard that was not adopted may be designated as an
503 appeal by the requesting party and filed with the NAESB office. Appeals of actions shall
504 be taken within 30 days after the date of notification of action by the EC; appeals of
505 inactions may be taken at any time. The requesting party shall state in its appeal the
506 reasons for its request and any proposed alternative language. Such requests shall be
507 treated as requests for new standards and processed accordingly; or

508 b. Such affected person may appeal using the procedures set forth in Clause A.12 of the
509 ANSI Procedures for Development and Coordination of American National Standards.

510 2. Process Appeal Procedure

511 Any interested person with a direct and material interest who has been or reasonably may be
512 adversely affected by a procedural action of the EC to adopt a standard shall have the right to
513 appeal, by resort to the procedures below, within 30 10 calendar days after the date of notification
514 of action by the EC:

515 a. Such affected person carries the burden of presenting clear and convincing evidence that
516 a standard adopted by the EC was invalidly adopted as a matter of process. Such
517 evidence must overcome the rebuttable presumption that a standard adopted by the EC is
518 valid and was validly adopted.

519 b. The complaining party must clearly identify the specific procedural defect(s) alleged and
520 how they relate to existing NAESB policy regarding the adoption of standards and to the
521 standard in question.

522 c. All such complaints must be directed to the NAESB Office on a form specified by them.

523 d. The NAESB Office shall first refer the matter to the NAESB General Counsel, who shall
524 promptly review the complaint and advise the NAESB Office and the Managing
525 Committee whether the complaint states a prima facie clear and valid cause for appeal.

526 e. If the Managing Committee determines that the complaint does not state a prima facie
527 clear and valid cause for appeal then the NAESB Office will so advise the complaining
528 party. The complaining party shall have 10 calendar days from the NAESB Office's
529 notification an opportunity to revise its complaint application. Following the
530 reapplication, if the Managing Committee again determines that the complaint does not
531 state a prima facie clear and valid cause for appeal then the NAESB Office shall advise
532 the complaining party. A report shall be made to the Board as a matter of information
533 only at the next meeting following its action.

534 f. If the Managing Committee determines that the complaint does state a prima facie clear
535 and valid cause for appeal then the complaining party becomes the appealing party, the
536 complaint becomes an appeal and the Managing Committee shall promptly refer the
537 matter to the Parliamentary Committee for review and decision. The Parliamentary
538 Committee may meet in person or otherwise, and may consider the matter based upon the
539 written filing and may request supplemental information from the appealing party. It

- 540 shall also request input from the EC leadership and shall review the record of EC
541 proceedings as the Parliamentary Committee deems necessary.
- 542 g. The Parliamentary Committee thereafter shall promptly forward its decision to the Board
543 through the Managing Committee.
- 544 h. If the Parliamentary Committee determines that the EC action was procedurally
545 defective, the Parliamentary Committee shall promptly notify the NAESB Office and the
546 NAESB Office shall promptly so advise the EC and direct the EC to take action to
547 reconsider the standard. The action taken shall be in the form of a revote of the appealed
548 standard using NAESB practices.
- 549 i. If the Parliamentary Committee determines that the EC action was not procedurally
550 defective then the then the Parliamentary Committee shall promptly notify the NAESB
551 Office and the NAESB Office shall promptly so advise the appealing party.
- 552 j. The Parliamentary Committee shall endeavor to complete its work, make its decision and
553 communicate same to the Managing Committee within 60 calendar days of the Managing
554 Committee's referral of the matter to the Parliamentary Committee for review and
555 decision.
- 556 k. At the next Board meeting following final action by the Parliamentary Committee with
557 respect to the appeal, the Managing Committee shall report the Parliamentary
558 Committee's decision to the Board as a matter of information only.
- 559 l. Should the appealing party be a member of the Managing Committee or the
560 Parliamentary Committee, to avoid conflict of interest, the appealing party is barred from
561 voting on the appeal.

562 G. Standards Publication Cycle

563 NAESB standards shall be published every twenty-four months, beginning with the release of
564 version 1.7 of the WGQ standards in the summer of 2003. Standards that are approved between
565 the publication of one version of the standards and the next shall be available on the NAESB
566 website and shall be referred to as final actions. If during any twenty-four-month publication
567 cycle, extraordinary circumstances arise that warrant the interim publication of new or revised
568 standards adopted since the previous version was published, the Board of Directors will authorize
569 and direct the executive director to publish such standards as necessary during such interim period.

570 H. Communicating with Regulatory and Other Government Agencies

571 Should NAESB amend or issue an interpretation to an existing standard that has previously
572 been adopted by FERC or another government agency, the executive director shall officially notify
573 that government agency upon publication of the version of NAESB standards that contains the
574 amended standard or interpretation, unless the NAESB Board of Directors or Managing
575 Committee or said government agency requests that notification be provided at the time of the
576 ratification of the amendment or interpretation of the standard.

577 When NAESB adopts a new standard, the executive director shall officially notify applicable
578 government agencies upon publication of the version of NAESB standards that contains the
579 standard, unless the NAESB Board of Directors or Managing Committee or said government
580 agencies request that notification be provided at the time the standard is ratified.

581 When NAESB adopts a new standard that directly relates to the use, action, or
582 implementation of an existing NAESB standard that has been adopted by a government agency or
583 agencies, the executive director shall officially notify applicable government agencies upon
584 publication of the version of NAESB standards that includes the new standard and transmit the
585 new standard to the government agency that has adopted the previous standard, unless the NAESB
586 Board of Directors or Managing Committee or said government agency requests that notification
587 be provided at the time the standard is ratified.

588 New versions of NAESB standards and other publications shall be forwarded to any
589 government agency requesting such publications. FERC and the National Association of
590 Regulatory Utility Commissioners (NARUC), through NARUC's executive director, shall be
591 provided with all publications, including standards developed by all quadrants. These publications,
592 if copyrighted, shall be made available for (1) internal use and (2) placement in an agency's public
593 reference room and for submittal to the *Federal Register* for those publications with standards
594 incorporated by reference into the FERC's or other agency's regulations, to the extent required by
595 law and regulation, to permit incorporation by reference.

596 In the period between the publication of standards manuals, the following documents shall be
597 made available, at no cost to the recipient, via the NAESB website or other agreed-upon method,
598 to any government agency requesting such documents, including FERC and NARUC, through its
599 executive director:

- 600 a. Final standards actions and member voting records
- 601 b. Final interpretations and member voting records
- 602 c. Board and EC meeting minutes and voting records
- 603 d. Meeting materials supporting Board and EC meeting minutes and voting records
- 604 e. Transcripts of meetings for internal use by the government agency as requested

605 All written communications between NAESB and government agencies must be approved in
606 advance by the Managing Committee. The EC may draft language pertaining to its standards
607 development activities for forwarding to government agencies; those communications also require
608 the approval of the Managing Committee before they are forwarded by the NAESB office.

609 It is recognized that the NAESB office, officers, and chairs of the Board and EC shall
610 continue to follow the current convention of informal communications with senior officials of
611 FERC and other government agencies. These informal communications are for informational
612 purposes only and are not intended as a substitute for formal communications with such
613 government agencies. The results of these informal communications shall be reported to the EC
614 and Board.