



North American Energy Standards Board

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via email

TO: NAESB Certification Program Committee and Managing Committee Members, and Posting for Interested Parties

FROM: Rae McQuade, NAESB President
James Cargas, NAESB Deputy Director

RE: Revised Notes from Certification Program Committee Conf. Call on May 19, 2005

DATE: June 8, 2005

Dear NAESB Certification Program Committee and Managing Committee Members,

A Certification Program Committee (CPC) conference call was held on May 19, 2005. The following notes and assignments resulted from the meeting. These notes were revised and corrected during a subsequent conference call on June 8, 2005.

Certification Program Committee:

Thursday, May 19, 2005

- Introduction:
- Mr. Cargas gave the antitrust guidelines and welcomed the Committee members. The draft agenda was adopted by consensus.
- Review of Micro-soft Programs:
- Mr. Pfeifer reported via e-mail that the Microsoft certification programs were not models that will fit the needs of NAESB.
- Adoption of Self-Certification Format:
- The Committee agreed by consensus that the recommendation would be for a self-certification format. This will allow the price to be reduced and eliminate concerns of having potential competitors reviewing code.
 - Alternative Proposal: An alternative format was proposed for certification similar to the e-Bay model where customers submit either favorable or unfavorable testimonials about a particular vendor or its products. Such an approach would also permit levels of certification based on volume – bronze if only tested and in production, silver if in production with less than 20 applications, or gold if more than 20 applications.
 - While the alternative proposal raises some new issues, like the sharing of customer lists with the NAESB Office, the proponent agreed to draft a one paragraph summary of his idea for further consideration.
- Draft Recommendation to Board MC:
- The Committee agreed by consensus that the REQ and RGQ programs should be combined into a single Retail Certification Program. The Internet ET standards are the only ones common to multiple quadrants: WGQ and Retail.
 - The WGQ program should include: (1) Internet ET compliance, (2) EDM compliance, (3) EDI document compliance and data dictionaries, and (4) web site compliance.
 - The forthcoming new WGQ data dictionaries may have mandatory minimums that can be included in future programs.
 - Mr. Buccigross was volunteered to revise the existing WGQ Version 1.6 checklist to make it Version 1.7 compliant. This could be used as a model for the new WEQ and Retail programs.



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- The Retail program should cover both REQ and RGQ certification and include: (1) Internet ET compliance and (2) EDI document compliance and data dictionaries. Mandatory minimums should be certified, not options elected for state specific compliance.
- Although no states currently comply with NAESB EDI, a Retail EDI certification program will be useful when new markets open up and adopt them. Existing markets can still comply with NAESB EDI and state specific elements. Vendors will seek certification as a means to distinguish themselves from competitors.
- Mr. Behr offered to draft a Retail Certification Program checklist for the Committee to review and revise.
- The WEQ program should include: (1) OASIS compliance and (2) compliance with the information requirements contained in the data dictionary, data element definitions, and standards and communication protocols (SC&P).
- While certification of NERC e-tagging and PKI standards would be attractive to software vendors, NAESB cannot certify the standards of another organization. NAESB's program can only go as far as its OASIS business practice standards address e-tagging and PKI.
- Mr. Sorenson offered to draft a WEQ Certification Program checklist for the Committee to review and revise.
- Corporate Officer Certification should be the same statement for all three certification programs. The language should track certifications made under Sarbanes-Oxley (SoX) certifications by the same officers.
- If a dispute arises, the customer can seek similar enforcement actions as the common law actions under SoX – fraud, misrepresentation, etc. NAESB would not be involved other than to post the certificate on its web site.
- Mr. Cargas and Mr. Spangler agreed to work with Ms. McQuade on a draft corporate officer certification and license agreement.
- Program Pricing was discussed, and the Committee concluded by consensus that \$1,200 per member, and \$2,400 per non-member for a 2 year certification would be a reasonable price most vendors could afford as part of their marketing budgets. The market may bear a slightly higher price.
- Various methods of calculation were considered:
 - As a marketing cost, can the vendor recover the cost through the sale of 1 or 2 additional units? This was the approach taken.
 - As a cost of service, can NAESB earn a small profit from the operation and maintenance of a certification program? This approach was rejected as too difficult to calculate NAESB's true costs.
 - As a comparison to similar software certification program? After considering Trust-E's annual fee of \$750, and Web Trust's PKI fee of \$75,000, it was concluded that the range was too great to be of use.



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- Timeline:
- The price difference for non-members is consistent with pricing for standards and acknowledges members' commitment to NAESB.
 - At the June 22 Board meeting, the CPC will give a short update report.
 - At the September 22 Board meeting, the CPC will make a full report with all checklists and officer certification documents finalized.
 - Must have everything to Mr. Boswell for review no later than early September in order for CPC to present the full report on Sept. 22.

Action Items:

- Action Items for June 8 Call:
- A draft one paragraph summary of an alternative certification format based on the E-Bay model will be drafted for discussion on June 8th.
 - Mr. Cargas and Mr. Spangler agreed to work with Ms. McQuade on a draft corporate officer certification and license agreement.
 - Mr. Buccigross will update the WGQ Version 1.6 checklist to make it compliant with Version 1.7.
 - Mr. Behr will draft a Retail Certification Program checklist for the Committee to review and revise.
 - Mr. Sorenson will draft a WEQ Certification Program checklist for the Committee to review and revise.

Committee Schedule:

- June 8, at 10:00am CST – conference call.

Attendance:

	<u>Name:</u>	<u>Organization:</u>
1	George Behr	ESG
2	Christopher Burden	Williams Gas Pipeline
3	James Cargas	NAESB
4	David Darnell	Systrends
5	Paul Sorenson	OATI
6	Leigh Spangler	Latitude