

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
February 21-23, 2006

Retail Quadrants

TAB 9

2006 Annual Plan for Retail Quadrants

- The 2006 plan as approved by the Board of Directors in December 2005 is included. Should the REQ or RGQ EC determine that changes are to be made to the plan as a result of the subcommittee updates; a motion to approve the changes for forwarding to the Board for approval would be required. The motion would require a simple majority to pass.
- The materials in Tab 9 correspond to agenda item 3 for the Retail ECs agenda.



North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD

2006 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS¹

Approved by the Board of Directors 12-13-05

Item Number & Description	Completion ²	Assignment
1 Billing & Payment Data Dictionaries and Models		
a. Develop Technical Electronic Implementation Standards – Billing & Payments	1 st Qtr 2006	TEIS
2 Pre-Enrollment Customer Information		
a. Develop technical transaction processes for exchanging customer information necessary for interactions prior to enrollment and billing, i.e., customer authorization procedures, identifying types of customer information necessary for pre-enrollment activities, and methodologies for exchanging information.	2 nd Qtr. 2006	TEIS
3 Electronic Retail Billing.		
a. Develop information requirements for electronic retail billing transactions and bill payment transactions between customers, suppliers, and utilities pursuant to Request No. R05016.	1 st Qtr. 2006	IR
b. Develop Technical Electronic Implementation Standards – Electronic Retail Billing	2 nd Qtr. 2006	TEIS
4 Customer Enrollment, Switching & Dropping		
a. 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. 2006	BPS
b. Develop information requirements for submitting and receiving, processing and fulfilling a customer's request to enroll with or leave a supplier (including suppliers dropping customers) and for maintaining current customer account information, and for notifying affected parties.	4 th Qtr. 2006	IR
c. Develop Technical Electronic Implementation Standards – Customer Enrollment, Switching & Dropping.	2007	TEIS
5 Customer Inquiries		
a. Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party.	2007	BPS
6 Contracts		
a. Develop a model RGQ/REQ contract/outline modeled after the NAESB Base Contract for Sale and Purchase of Natural Gas, NAESB Standard 6.3.1 (NAESB Base Contract for Gas) designated for use by electric power markets or competitive gas markets. (R05013).	4 th Qtr. 2006	Contracts
7 Prepare a joint analysis with the WGQ for AS2 and AS3 protocols as compared to the NAESB IET.	4 th Qtr. 2006	TEIS & WGQ EDM
8 Develop NAESB Certification checklist criteria for Retail Quadrants to be used in the NAESB Certification Program.	4 th Qtr. 2006	TEIS



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Approved by the Board of Directors 12-13-05

Item Number & Description	Completion ²	Assignment
9 Partner with the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations.	2 nd Qtr. 2006	EC Officers ³

Program of Standards Maintenance & Fully Staffed Standards Work⁴

Business Practice Requests	Ongoing	Assigned by the EC ⁵
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC ⁵
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC ⁵
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC ⁵
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary

Provisional Activities

Review security standards as may be deemed necessary, such as Public Key Infrastructure (PKI).

Future Activities

Joint Effort:

Supplier Certification: Develop practices for Distribution Companies to register/certify new Suppliers when they seek to begin doing business in the Distribution Company's service area.

Modify TPA as necessary.

Retail Electric Quadrant Effort Only:

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, etc. Issues related to unbundled or competitive metering are not to be considered.

Load Profiling: Develop practices for using statistical methods to estimate interval consumption by customers who do not have interval meters.

Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market. Note: will need to be coordinated with the WEQ.

Retail Gas Quadrant Effort Only:

Examine Wholesale Gas Quadrant Non-EDM Standards for applicability to retail business practices.

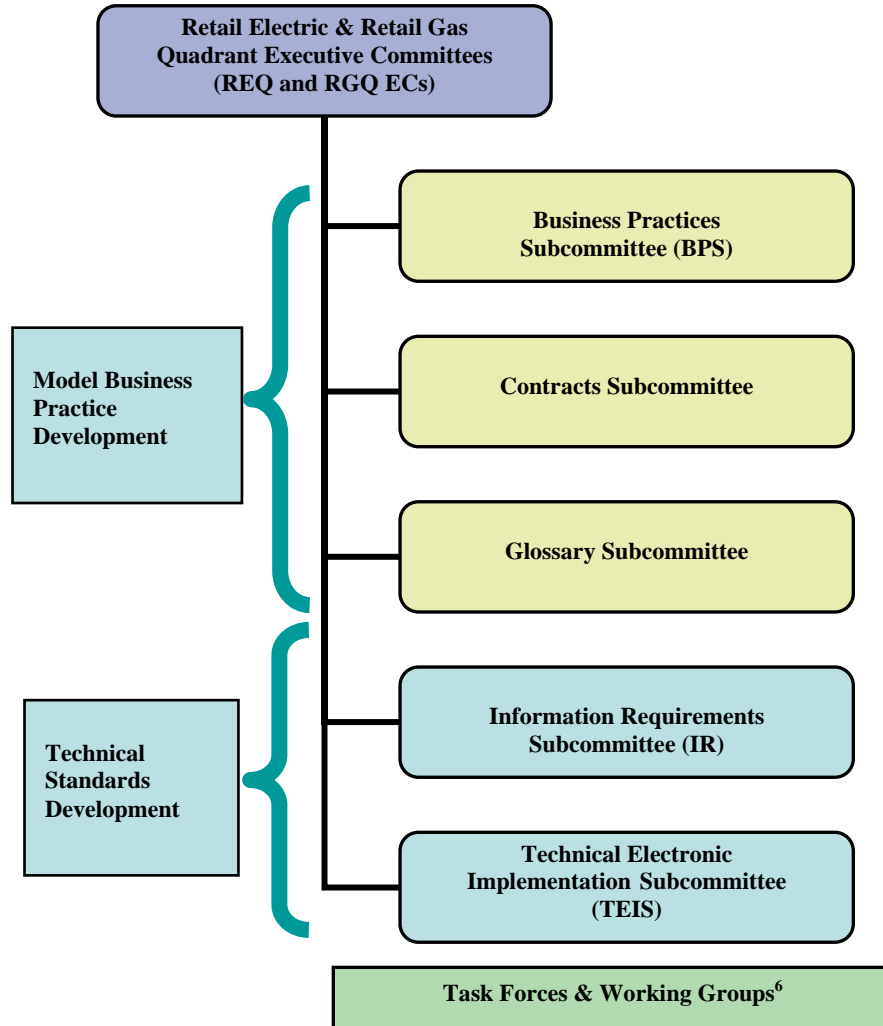


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NAESB RGQ EC and Subcommittee Leadership:

Executive Committee: Mike Novak, Chair and Suzanne Calcagno, Vice-Chair

Business Practices Subcommittee: Phil Precht

Information Requirements Subcommittee: George Behr

Technical Electronic Implementation Subcommittee: George Behr

Contracts Subcommittee: Marcy McCain and Suzanne Calcagno

Glossary Subcommittee: Don Sytsma

NAESB REQ EC and Subcommittee Leadership:

Executive Committee: Ruth Kiselewich, Chair and Jim Minneman, Vice-Chair

Business Practices Subcommittee: Mary Edwards and Dan Jones

Information Requirements Subcommittee: Ed Overtree

Technical Electronic Implementation Subcommittee: Jennifer Teel

Contracts Subcommittee: Ed Overtree

Glossary Subcommittee: Mary Edwards and Patrick Eynon



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End Notes:

¹ As outlined in the NAESB Bylaws, the REQ and RGQ will also address requests submitted by members and assigned to the REQ and 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.

³ The project with SNL is a four quadrant effort, with all EC officers providing support to the SNL representatives.

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

⁵ The REQ and RGQ ECs will assign maintenance efforts on a request by request basis.

⁶ The ECs and the subcommittees can create task forces and working groups to support their development activities for development of model business practices and technical standards.

NORTH AMERICAN ENERGY STANDARDS BOARD
Executive Committee Meeting – WEQ, REQ, RGQ, WGQ Meeting Materials
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Retail Quadrants

TAB 10

Subcommittee Updates

- This material is for review only. No action is needed. .
- The material in tab 10 corresponds to agenda item 3 of the Retail EC agenda.

Customer Billing and Payment Notification via Uniform Electronic Transactions**Customer Billing and Payment Notification via Uniform Electronic Transactions****Tab 1 -Executive Summary**

The focus of these Model Business Practices is the exchange of Customer billing data and the notification of Customer payments via Uniform Electronic Transactions when the Billing Party and the Customer have agreed to such an arrangement. These Model Business Practices apply to both competitive and non-competitive electric and natural gas markets. These Model Business Practices set forth the responsibilities of, the information formats to be followed by, and the information delivery methods to be utilized by both the Billing Party and the Customer. These Model Business Practices do not address the details of electronic transactions between the Customer and its financial institution, between any two financial institutions, or between the Billing Party and its financial institution. These Model Business Practices address the needs of national, commercial, industrial, and institutional Customers.

Model Business Practices are included under the following five topical areas:

- General practices for Customer billing and payment notification via Uniform Electronic Transactions;
- Specific billing practices;
- Additional billing practices for competitive energy markets;
- Specific payment practices, and
- Additional payment practices for competitive energy markets.

Tab 2 -Version Notes**Tab 3 –Introduction**

The North American Energy Standards Board (NAESB) is a voluntary non-profit organization comprised of members from all aspects of the natural gas and electric industries. Within NAESB, the Retail Electric Quadrant (REQ) and the Retail Gas Quadrant (RGQ) focus on issues impacting the retail sale of energy to end-use customers. The focus of these Model Business Practices is the exchange of Customer billing data and the notification of Customer payments via Uniform Electronic Transactions between the Billing Party and the Customer in both competitive and non-competitive electric and natural gas markets.

These Model Business Practices are voluntary and do not address policy issues that are the subject of state legislation or regulatory decisions. These Model Business Practices have been adopted with the realization that as the industry evolves, additional and amended Model Business Practices may be necessary. Any industry participant seeking additional or amended Model Business Practices (including principles, definitions, data elements, process descriptions, and technical implementation instructions) should submit a request to the NAESB office, detailing the change so that the appropriate process may take place to amend the Model Business Practice.

Tab 4 – Business Processes and Practices**RXQ.9 Overview****RXQ.9.1 Principles**

RXQ.9.1.1 The methods used by the Billing Party for sending a bill to and receiving payment notification from the Customer via Uniform Electronic Transactions should be efficient to minimize the time and effort required to complete the overall process.

Forwarded by BPS to IR on 1/17/06**Customer Billing and Payment Notification via Uniform Electronic Transactions**

- RXQ.9.1.2** Customer billing and payment notification via Uniform Electronic Transactions should be consistent with the requirements set forth by the Applicable Regulatory Authority.
- RXQ.9.1.3** The method by which Customers make arrangements with the Billing Party to receive bills and to make payment notifications via Uniform Electronic Transactions should minimize the time and effort required to take such action.
- RXQ.9.1.4** Customers and Billing Parties may be able to utilize Uniform Electronic Transactions for consistent billing and payment notification transactions in electric and natural gas markets.
- RXQ.9.1.5** Electronic billing and payment notification transactions may not contain the same information provided in other billing methods.

RXQ.9.2 Definitions

- RXQ.0.2.1** **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.
- RXQ.0.2.4** **Billing Party:** The party performing billing services for one or more parties.
- RXQ.0.2.7** **Business Day:** As defined in the Governing Documents.
- RXQ.0.2.12** **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.
- RXQ.0.2.16** **Customer:** Any entity that takes gas and/or electric service for its own consumption.
- RXQ.0.2.17** **Distribution Company:** A regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area.
- RXQ.0.2.20** **Dual Billing:** The billing option in which the Distribution Company and Supplier render separate Customer bills for the products and services each provides.
- RXQ.0.2.30** **Non-Billing Party:** The party whose charges are being combined into a statement (or invoice) prepared and rendered by another party.
- RXQ.0.2.37** **Service Delivery Point:** A physical metered and/or unmetered service location supplying energy to a Customer premise.
- RXQ.0.2.39** **Supplier:** Persons engaged in the competitive sale of energy to end-users.
- RXQ.0.2.43** **Trading Partner Agreement:** A legally binding agreement between any two Market Participants, or between a Market Participant and a Customer, defining each party's expectations and responsibilities for doing business with each other using Uniform Electronic Transactions.
- RXQ.0.2.42** **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.

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Customer Billing and Payment Notification via Uniform Electronic Transactions**RXQ.9.3 Model Business Practices****RXQ.9.3.1 General Practices for Customer Billing and Payment Notification via Uniform Electronic Transactions**

- RXQ.9.3.1.1** The Billing Party may elect to offer Customers, and Customers may elect to accept or reject, the option of receiving bills and making payment notifications via Uniform Electronic Transactions, in lieu of, or in addition to, issuing a paper bill. .
- RXQ.9.3.1.2** Both the Customer and the Billing Party should demonstrate the technical capability to exchange information electronically using Uniform Electronic Transactions and to meet the operational timeframes which have been defined to support the billing and payment process.
- RXQ.9.3.1.3** When making changes to its billing or payment systems that affect Uniform Electronic Transactions, the Customer or Billing Party making such changes should provide sufficient advanced notice to the other party to allow it to make any necessary changes prior to implementation.
- RXQ.9.3.1.4** Upon receipt of a file via Uniform Electronic Transaction, the receiving party should acknowledge receipt of the file via Uniform Electronic Transaction within one (1) Business Day.
- RXQ.9.3.1.5** After a receiving party examines a Uniform Electronic Transaction and determines that it contains invalid information, the Uniform Electronic Transaction should be rejected by the receiving party. Rejection, accompanied by the appropriate uniform error code(s), should be communicated via the appropriate Uniform Electronic Transaction within one (1) Business Day of receipt of the file.
- RXQ.9.3.1.6** The Billing Party and the Customer should execute a Trading Partner Agreement prior to implementing Billing and Payment Notification via Uniform Electronic Transactions. The responsibilities of the parties, performance parameters, and other details associated with billing, payment processing, and remittance should be set forth in the Trading Partner Agreement. The Trading Partner Agreement should also specify the methods by which changes may be made in the billing and payment process as well as notification requirements.

RXQ.9.3.2 Specific Billing Practices For Customer Billing via Uniform Electronic Transactions

- RXQ.9.3.2.1** The Billing Party should issue the bill to the Customer via Uniform Electronic Transaction
- RXQ.9.3.2.2** If the Billing Party requires an accelerated due date, then it must be specified in the Trading Partner Agreement.
- RXQ.9.3.2.3** Uniform Electronic Transactions for billing should be submitted at the Billing Party account number level.
- RXQ.9.3.2.4** Bills issued to Customers are subject to change due to estimated reads or errors including, but not limited to, arithmetic errors, computational errors, and meter reading errors. When the Billing Party corrects billing data:
- Billing data for all applicable periods should be corrected by metering period; and

Forwarded by BPS to IR on 1/17/06**Customer Billing and Payment Notification via Uniform Electronic Transactions**

- Unless there has been a product or rate change, the corrected Uniform Electronic Transaction should be sent at the same level of detail as the original Uniform Electronic Transaction.

RXQ.9.3.2.5 The cancel and re-bill process should be clear and reproducible, and should be communicated to the Customer by the Billing Party via Uniform Electronic Transactions as follows:

- A Uniform Electronic Transaction containing a cancellation code should be issued by the Billing Party to the Customer for each metering period when a bill is cancelled.
- A Uniform Electronic Transaction should be issued by the Billing Party to the Customer for the metering period(s) when a bill is re-issued.

RXQ.9.3.2.6 Bills issued to Customers by the Billing Party via Uniform Electronic Transaction should contain the data elements found in RXQ.9.6.1.3. At a minimum, the following business information should be included:

- Invoice number (unique number associated with this individual invoice)
- Date of invoice
- Invoice due date
- Type of invoice (original, cancel, or final)
- Type of meter reading (actual or estimated)
- Billing type indicator (e.g., Distribution Company standard offer billing , Dual Billing, Consolidated Billing)
- Billing Party account number
- Service Delivery Point identifier, if applicable
- Non-Billing Party account number where available
- Product code (electric or gas)
- Meter reading start date
- Meter reading end date
- Quantity used
- Unit of measure (kWh, ccf, Mcf, etc.)
- Rate code
- Total amount of previous bill
- Total payments received since last bill
- Outstanding balance prior to current period charges
- Current period charges and adjustments, at the appropriate level of detail
- Taxes on current period charges where required
- Tax type code (e.g., state, local, gross receipts)
- Total amount due
- Billing Party name (sender)
- Billing Party contact name
- Billing Party contact phone number
- Non-Billing Party name
- Non-Billing Party contact name
- Non-Billing Party contact phone number
- Non-Billing Party type (e.g., Distribution Company, Supplier)
- Customer name (receiver)
- Customer service address
- Customer contact name
- Customer contact phone number

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Customer Billing and Payment Notification via Uniform Electronic Transactions**RXQ.9.3.3 Additional Billing Practices For Competitive Energy Markets**

RXQ.9.3.3.1 When the Dual Billing model is used, both the Distribution Company and the Supplier act as Billing Parties and independently produce and render separate bills directly to the Customer in accordance with the requirements set forth by the Applicable Regulatory Authority. Each Billing Party should issue the bill to the Customer via Uniform Electronic Transaction..

RXQ.9.3.3.2 When the Consolidated Billing model is used, in addition to the minimum business information as set forth R.X.Q.9.3.2.6 the Billing Party will produce and render a consolidated bill to Customers via Uniform Electronic Transaction that contains additional information for the Distribution Company and the Supplier.

RXQ.9.3.3.3 When the Consolidated Billing model is used, there should be one customer payment due date.

RXQ.9.3.4 Specific Payment Notification Practices via Uniform Electronic Transactions**RXQ.9.3.4.1**

RXQ.9.3.4. The Trading Partner Agreement between the Customer and the Billing Party should state how the Billing Party will receive account-specific payment details associated with payments made by the Customer to the Billing Party's financial institution. These arrangements may include one or both of the following:

- Notification is sent directly by the Customer via Uniform Electronic Transaction to the Billing Party.
- Notification is sent by the Customer to its financial institution and forwarded by the Customer's financial institution to the Billing Party's financial institution, which then forwards the notification to the Billing Party.

RXQ.9.3.4.4 Electronic payment transactions should not contain negative payments (credits) at the detail or total level.

RXQ.9.3.4.5 Payment notification via Uniform Electronic Transaction should contain the data elements found in RXQ.9.6.1.3. At a minimum, the following business information should be included:

- Payment number
- Total payment
- Billing Party account number(s) or Service Delivery Point identifier(s) to be credited
- Amount to be credited to each Billing Party account number or Service Delivery Point identifier
- Method of payment (ACH or wire)
- Name of customer's payment agent, if any
- Payment agent contact name
- Payment agent contact phone number
- Customer's financial institution's routing number

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Customer Billing and Payment Notification via Uniform Electronic Transactions

- Billing Party's financial institution's routing number
- Financial institution's trace number
- Billing Party name
- Billing Party contact name
- Billing Party contact phone number
- Customer name

RXQ.9.3.5 Additional Payment Notification Practices For Competitive Energy Markets

RXQ.9.3.5.1 When the Dual Billing model is used, the Customer should make two separate payments and payment notifications; one to the Distribution Company, and one to the Supplier.

RXQ.9.3.5.2 When the Consolidated Billing model is used, the Customer should make a single payment and a single payment notification to the Billing Party.

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Customer Billing and Payment Notification via Uniform Electronic Transactions

RXQ.9.4 Models

The following model agreements can be found in RXQ.6-Contracts:

RXQ.6.1 Electronic Data Interchange Trading Partner Agreement

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February 21-23, 2006

Retail Quadrants

TAB 11

Future Activities

- This material is for review only. No action is needed. .
- The material in tab 11 corresponds to agenda item 4 of the Retail EC agenda.

NAESB Advisory Committee Meeting
February 11, 2006

Strategic Planning - Retail Quadrant Future

AGENDA

1. Status of NAESB Retail Quadrant Membership

Retail Electric Quadrant	27 Member (down 44% since 2002)
Retail Gas Quadrant	31 Members (down 26% since 2003)

Note: Bylaw Requirement: minimum of 40 members in each quadrant

Major reasons for decline: the stalled national retail choice initiative and with NAESB Business Practice versus Best Practice policy there is no pressure to participate.

2. History of Retail Quadrant Scope of Work and Plan completions

During the June 22, 2005, NAESB Board of Directors meeting, a broad consensus of the Directors, for the Retail Quadrants, agreed that the retail quadrants should develop work products relevant to the entire retail community in both competitive and non-competitive markets and that the Annual Plans should be modified to reflect this direction.

3. Review December 2005 Board Action

The Board of Directors voted to delay any restructuring of the Retail Quadrants at this time and allow the completion of the Retail Quadrants' original work plan. Also, the Retail Structure Review Committee would complete a strategic planning exercise in 2006 to determine the direction of the two retail quadrants and complete a review of the need for structural changes to the two Retail Quadrants in 2006.

4. Preliminary ideas and suggestions for increasing Retail Quadrant membership and active involvement:

- Address processes that would appeal to states that are restructured and those states that are not, such as
 - ◆ Load profiling
 - ◆ Communications and data exchange between RTOs and EDCs
 - ◆ Access to customer meter data
 - ◆ Renewable energy programs and requirements
 - ◆ Net metering
 - ◆ Best Practices
- Advisory Committee Ideas???