

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

North American Energy Standards Board

Executive Committee Meeting

Wholesale Gas Quadrant

May 15, 2008

AGA Offices, Washington, DC

NORTH AMERICAN ENERGY STANDARDS BOARD

WGQ Executive Committee Meeting –Meeting Materials

May 15, 2008

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	87	• C07003 and supporting documents: NAESB Base Contract for Sales and Purchase of Natural Gas bankruptcy provisions, comments due March 8. Comments were received from FPL and Williams.	
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TAB 1

Welcome and Opening Remarks

WGQ EC Members & Terms

Schedule of 2008 Meetings

Draft Agenda

- This section of the meeting materials includes the welcome and opening remarks, the antitrust statement guidance, the EC members and alternates terms, the schedule of the 2008 meetings and the draft agenda.
- No action is required by the EC for any of these documents.
- The meeting materials are references for agenda item 1 of each of the quadrant meetings.
- Cory Galik will call roll to establish quorum and will serve as the attorney of record for the meeting.
- The WGQ EC chair will entertain motions from the EC members of that quadrant to adopt the agenda. The motions to adopt are simple majority. No changes have been offered to the office since the agenda was distributed.

NORTH AMERICAN ENERGY STANDARDS BOARD

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1. Welcome and Opening Remarks

The May Executive Committee meeting will be held in AGA offices in Washington, DC. Meeting arrangements and nearby hotels are posted and were contained in the meeting announcements.

Where: AGA Offices: 400 North Capitol, Suite 450, Washington, D.C.
Contact: Veronica Thomason, 713-356-0060
When: Thursday, May 15 -- 10:00 a.m. to 4:00 p.m. Eastern

The officers and meeting administration presiding over the Executive Committee meeting are:

Jim Buccigross	- WGQ Chairman
Mike Novak	- WGQ Vice Chairman
Rae McQuade	- President and COO
Cory Galik	- NAESB Counsel
Veronica Thomason	- NAESB Staff
ACE Federal	- Transcription Services

Transcripts will be available and can be ordered either during the meeting through ACE Federal or by contacting the NAESB office after the meeting for further information, 713-356-0060.

To participate by phone and web cast, please call the NAESB office (713-356-0060, naesb@naesb.org) for conference calling information.

NORTH AMERICAN ENERGY STANDARDS BOARD
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Antitrust Guidelines

NORTH AMERICAN ENERGY STANDARDS BOARD
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1. Antitrust Guidelines

- The antitrust guidelines will be covered by Ms. Cory Galik. The points are:

Antitrust guidelines direct meeting participants to avoid discussion of topics or behavior that would result in anticompetitive behavior including: restraint of trade and conspiracies to monopolize, unfair or deceptive business acts or practices, price discriminations, division of markets, allocation of production, imposition of boycotts, and exclusive dealing arrangements.

Any views, opinions or positions presented or discussed by meeting participants are the views of the individual meeting participants and their organizations. Any such views, opinions or positions are not the views, positions or opinions of NAESB, the NAESB Board of Directors, or any NAESB Committee or Subcommittee, unless specifically noted otherwise.

As it is not the purpose of the meeting to discuss any antitrust topics, if anyone believes we are straying into improper areas, please let us know and we will redirect the conversation.

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

WGQ EC Members & Terms



North American Energy Standards Board

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NORTH AMERICAN ENERGY STANDARDS BOARD 2008 EXECUTIVE COMMITTEE TERMS - Wholesale Gas Quadrant

PRODUCERS SEGMENT		TERM END:
Jim Busch	Director of Energy Policy and Regulation, BP Energy Company	12-31-2008
Pete Frost	Director – Regulatory Affairs, ConocoPhillips Gas and Power Marketing	12-31-2008
Chuck Cook	Manager - Regulatory Affairs, Chevron	12-31-2009
Richard Smith	Regulatory, ExxonMobil Gas & Power Marketing	12-31-2009
Mike Shepard	General Counsel, Mewbourne Oil Company	12-31-2009
PIPELINE SEGMENT		
Bill Griffith	Consultant, El Paso Natural Gas Company	12-31-2008
Kathryn Burch	Project Manager, Standards and Regulatory, Spectra Energy Transmission	12-31-2008
Dale Davis	Consultant, Williams Gas Pipeline	12-31-2010
Randy Young	Director Regulatory Compliance, Gulf South Pipeline	12-31-2009
Kim Van Pelt	Regulatory Compliance Manager, Panhandle Eastern Pipe Line	12-31-2009
LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT		
Rodger Schwecke	Pipeline Products Projects Manager, Southern California Gas	12-31-2008
Dolores Chezar	Director, Regulatory Policy, KeySpan Energy	12-31-2008
Paul Buckley	Director of Rates and Regulatory Affairs, Washington Gas	12-31-2010
Mike Novak	Assistant General Manager, National Fuel Gas Distribution	12-31-2009
Craig Colombo	Energy Trader III, Dominion Resources	12-31-2009
END USERS SEGMENT		
Kelly Daly	Partner, Stinson Morrison Hecker, LLP (rep. Arizona Public Service Company)	12-31-2008
Valerie Crockett	Energy Markets & Policy Specialist, Tennessee Valley Authority	12-31-2008
Paul A. Jones	Senior Marketing Representative, Salt River Project	12-31-2009
Dona Gussow	Contracts Coordinator, Florida Power and Light	12-31-2009
Tina Burnett	Natural Gas Operations Administrator, The Boeing Company	12-31-2009
SERVICES SEGMENT		
V A C A N T		12-31-2008
Lisa Simpkins	Director Regulatory/Legislative Affairs, Constellation Energy Commodities Group	12-31-2008
Leigh Spangler	CEO, Latitude Technologies	12-31-2009
Jim Buccigross	Vice President, 8760 Inc.	12-31-2009
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Marketing (USA) Inc.	12-31-2009

EXECUTIVE COMMITTEE OFFICERS: Jim Buccigross is WGQ chairman of the Executive Committee, Mike Novak is WGQ vice chairman; Mike Novak is the RGQ chairman, Ruth Kiselewich is the REQ chairman, Kathy York is the WEQ chairman and Clay Norris is the WEQ vice chairman.



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NORTH AMERICAN ENERGY STANDARDS BOARD 2008 EXECUTIVE COMMITTEE ALTERNATES – Wholesale Gas Quadrant

End User Segment

Lori-Lynn C. Pennock Senior Fuel Supply Analyst, Salt River Project
Art Morris Gas Originator, Florida Power & Light Company

Distribution Segment

George Simmons FERC Specialist, NiSource Inc.
Rick Ishikawa Interconnect Account Manager in Capacity Products Group, Southern California Gas Company
Marjorie Perlman Lead Analyst, Energy East Management Corporation (Rochester Gas & Electric)
Phil Precht Management Consultant, Pricing and Regulatory Services Department, Baltimore Gas and Electric Company
Donald Petersen Senior Gas Resource Analyst, Pacific Gas and Electric Company
Jim Blasiak Specialist Federal Regulatory Affairs, Washington Gas Light Company
Scott Butler Project Manager, Energy Markets Policy Group, Consolidated Edison Company of New York, Inc.
Amy Hamilton Manager Gas Supply and Transportation Services, PECO Energy Company

Pipeline Segment

Bill Grygar Vice President, Panhandle Eastern Pipe Line
Scott Hansen Questar Pipeline Company
Iris King Director, Technical and Marketing Support, Dominion Transmission, Inc.
Paul Love Director, Electronic Customer Services, Natural Gas Pipe Line Company of America
Mark Gracey Consultant, Tennessee Gas Pipeline Company
Christopher Burden Consultant e-Commerce & Service Delivery, Williams Gas Pipeline
Tom Gwilliam Iroquois Gas Transmission System

Producer Segment

David Ogden Manager, Marketing Administration, Dominion Exploration & Production, Inc.
Rhonda Denton Regulatory Affairs, BP Energy Company

Services Segment

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Schedule of 2008 Meetings



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December 13, 2007

TO: NAESB Board of Directors and Interested Industry Participants
FROM: Rae McQuade, NAESB Executive Director
RE: Schedule of 2008 Meetings

Below is the schedule of 2008 meetings for the Executive Committee, Board of Directors and Advisory Council. Unless sponsors are noted for the meetings, they have been scheduled for Houston. Should other sponsors volunteer in the next few weeks for 2008, the Houston locations may change:

2008 Calendar of Board and EC Meetings

Date	Meeting	Location
February 4-5	EC Meetings WEQ	Houston – NAESB Office
February 16	Advisory Council Meeting	Washington D.C. in conjunction with the NARUC Winter meetings
February 29	EC Meetings – Joint WEQ and WGQ	Houston – NAESB Office
March 27	Board of Directors	Houston – Marriott IAH
May 13-15	Executive Committee Meetings (WEQ, Retail, WGQ)	Washington D.C. – AGA Offices
June 26	Board of Directors Meeting & Strategic Planning Session	Houston – Wyndham Greenspoint
August 19-21	Executive Committee Meetings (WEQ, Retail, WGQ)	Colorado Springs, CO – EPNG Offices
September 25	Board of Directors	Houston – Wyndham Greenspoint
November 4-6	Executive Committee Meetings (WEQ, Retail, WGQ)	Richmond – Dominion Offices
December 18	Board of Directors	Houston – Wyndham Greenspoint

NORTH AMERICAN ENERGY STANDARDS BOARD
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May 15, 2008

Agenda



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**NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
 WHOLESALE GAS QUADRANT DRAFT AGENDA
 Thursday, May 15, 2008 – 10:00 am to 4:00 pm E**

1. Welcome
 - Antitrust Guidelines
 - Welcome to members and attendees
 - Quorum Establishment: Roll Call of [WGQ EC Members](#) and [Alternates](#)
 - Adoption of WGQ Agenda (simple majority)

2. Wholesale Gas Draft Minutes
 - Adoption of [Draft Minutes of November 8, 2007](#) WGQ Meeting with [redlines](#) provided by D. Davis (simple majority)
 - Adoption of [2-29-08 Draft Minutes](#) of the WEQ/WGQ EC Meeting (simple majority)

3. Discussion and consideration of recommendations for standards, comments submitted, and vote on:
 - [R05005](#) revised: Add new transaction type codes to the Nomination 1.4.1, Shipper Scheduled Quantity 1.4.5, and Transportation Sales Invoice 3.4.1 data sets.
 - Comments due November 7, WGQ IR revised based on comments on 1-31-08.
 Comments received on 11-7-7 from [Latitude Technologies](#).
 - [2007 AP Item 3](#) - Develop or amend WGQ technical standards, as appropriate, to address the DOE Sandia National Laboratories 2006 surety assessment findings and recommendations (WGQ)/Address issues raised in the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment finding and recommendations (REQ/RGQ) (super majority)
 - Comments due January 14. No comments were received to date.
 - [FERC Order No. 698 7A, Annual Plan 4a](#), modify and Create standards to support price indexing for released capacity (super majority)
 - Comments due May 2. Comments were received from [NGPL](#).
 - [FERC Order No. 698 7B, Annual Plan 4b](#), Redirecting scheduled quantities (super majority)
 - Comments due May 2. Comments were received from [New Jersey Natural Gas](#) and [Williston Basin](#).
 - [C07003 and supporting documents](#): NAESB Base Contract for Sales and Purchase of Natural Gas bankruptcy provisions, (super majority)
 - Comments due March 8. Comments were received from [FPL](#) and [Williams](#).
 - [C07002](#): Transportation Service Provider's (TSP) Informational Postings web site downloads formats, (super majority)
 - Comments due March 8. Comments were received from [Williams](#).

4. Discussion and possible vote on minor correction to address inconsistencies between NAESB WGQ 1.1.8 and 7.3.16 (simple majority)

5. Update on specific issues – no votes to be taken:
 - eTariff Update: [Activity Report](#), [FERC Notice of Proposed Rule-making](#), [NAESB Report](#)
 - FERC Order No. 698 effort: [Activity Report](#)
 - Gas Quality – [2008 Annual Plan](#)



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NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING WHOLESALE GAS QUADRANT DRAFT AGENDA Thursday, May 15, 2008 – 10:00 am to 4:00 pm E

6. Subcommittee Updates and Plan Updates – no votes to be taken, except on changes suggested for the 2008 plan or if changes are suggested for the triage directions already approved by both Triage and the WGQ EC
 - Triage Subcommittee:
 - [Dispositions 3-5-08](#), Comments from [NGPL](#)
 - [R08012](#) – Add 2 detail (contract) level code values to Validation Code and Message elements in Nomination Quick Response dataset to generate an error message when nominated quantity is below EPSQ (WGQ)
 - [R08013](#) Create a new Nominations Transaction Type code value to support Wheeling service on Rockies Express Pipeline LLC for Nominations and all related documents where Transaction Type appears (WGQ)
 - [R08014](#) Create a new Nominations Transaction Type code value to support Operational Sales and Operational Purchases for Nominations and all related documents where Transaction Type appears (WGQ)
 - Business Practices Subcommittee (BPS)
 - Information Requirements (IR) Subcommittee
 - Technical Subcommittee
 - Electronic Delivery Mechanism (EDM) Subcommittee
 - Interpretations Subcommittee
 - Contracts Subcommittee
7. Review, discuss, identify changes and vote to approve changes to the [2008 Annual Plan](#) to be proposed to the Board of Directors
8. Board of Directors, Board Committee and Regulatory Updates (no votes or action to be taken)
 - Board Updates – [March 27, 2008 Draft Meeting Minutes](#) with discussion on segments and blocks
 - Wholesale Electric and Retail key activities – [Retail Annual Plan](#), [WEQ Annual Plan](#), [Bulletin](#)
 - Regulatory Updates:
 - [11-15-07 FERC Order](#) on Gas Quality, Docket No. RP07-504-000
 - [12-20-07 FERC Order](#) 698-A
 - [4-15-08 eTariff](#) NAESB submittal, and [4-17-08 FERC NOPR](#) on eTariff
9. New Business
 - Agenda items for August, including session on EC forum of roles and responsibilities
10. Adjourn

Attire – Business Casual

NORTH AMERICAN ENERGY STANDARDS BOARD
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TAB 2

Minutes

- Contained in this section are five sets of minutes for approval:
 - 11-08-07 Draft Minutes with redlines from D. Davis
 - 2-29-08 Draft Minutes of the WEQ/WGQ EC Meeting
- The WGQ EC chair will entertain motions from the EC members of that quadrant to adopt the agenda. The motions to adopt are simple majority.
- The materials in Tab 2 correspond to agenda item 2.



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December 17, 2007

TO: NAESB Wholesale Gas Quadrant Executive Committee and Interested Industry Participants

FROM: Laura B. Kennedy, Director, Standards Development

RE: Wholesale Gas Quadrant Executive Committee Draft Minutes – November 8, 2007

**NORTH AMERICAN ENERGY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
WHOLESALE GAS QUADRANT (WGQ)
Hosted by NAESB – Houston, Texas
Thursday, November 8, 2007 – 10:00 am to 4:00 pm Central
DRAFT MINUTES**

1. Welcome

Mr. Buccigross opened the meeting and welcomed the meeting participants in the room and on the phone. Ms. Kennedy read the antitrust guidelines. Ms. Kennedy read the roll of the WGQ Executive Committee members and Alternates. Quorum was established.

2. Wholesale Gas Quadrant Draft Agenda & Draft Minutes

The WGQ Executive Committee reviewed the agenda. Ms. Davis noted that Items 2 and 4 should be changed to note they were 'WGQ' instead of the 'WEQ'. Ms. Davis moved, seconded by Mr. Sappenfield, to adopt the agenda as revised. The motion passed without objection.

The minutes from the May 10, 2007 meeting were reviewed. The minutes were included behind Tab 3 of the [Executive Committee book](#), beginning on page 18. Ms. Davis submitted redlines to the minutes that were posted as supplemental material: http://www.naesb.org/pdf3/wgq_ec110807w2.doc. Ms. Crockett had an additional modification to ~~the Ms Davis' redline~~ minutes on the bottom of page 5: to add a space in front of 2007. Ms. Davis moved, seconded by Ms. Crockett, to adopt the minutes as revised by Ms. Davis and Ms. Crockett. The motion passed without objection. The minutes from the August 3, 2007 meeting were reviewed. The minutes were included behind Tab 3 of the Executive Committee book, beginning on page 25. Ms. Davis submitted redlines to the minutes that were posted as supplemental material: http://www.naesb.org/pdf3/wgq_ec110807w3.doc. Ms. Davis moved, seconded by Ms. Crockett, to adopt the minutes as revised. The motion passed unanimously. The final minutes are posted on the NAESB WGQ Executive Committee page: http://naesb.org/pdf3/wgq_ec051007fm.doc and http://naesb.org/pdf3/wgq_ec080307fm.doc.

3. Consideration of recommendations for standards, comments submitted, and vote on:

Ms. Davis moved, seconded by Mr. Griffith, to adopt the recommendations for:

- -WGQ 2007 Annual Plan Item 4 (Joint Analysis of Internet Engineering Task Force AS2 and AS3 Protocols as compared to the NAESB IET),
- R98047 (Add a new data set WGQ Standard 0.4.z2, "Supported Code Value Information", Modify WGQ Standard 2.4.7 – Request for Information, and add WGQ Standard 0.3.z1 plus a new code value, "Supported Code Values", in the Upload of Request for Download (and



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- ~~Response) data sets to facilitate the transfer of valid code value information to and from trading partners),~~
- **R02007** (Add one new data element 'Notes Codes' and two related codes ~~for to~~ WGQ Standard 3.4.1 - Transportation/Sales the Invoicing data sets (3.4.1)),
 - **R02011** (Add 3 new code values for the data element 'Transaction Type' in NAESB-WGQ Standard 2.4.3 - Allocation, and NAESB-WGQ Standard 2.4.4 - Shipper Imbalance data sets),
 - **R03001** (~~Request Add two 2~~ new data elements 'Location Capacity' and 'Location Capacity Flow Indicator' and corresponding code values to the following data sets: be added to the
 - WGQ Standard 1.4.3 - Request for Confirmation,
 - WGQ Standard 1.4.4 - Confirmation Response, and
 - WGQ Standard 1.4.6 - Scheduled Quantity for Operator;Add new code values for the data element 'Reduction Reason' in the following data sets:
 - WGQ Standard 1.4.4 - Confirmation Response,
 - WGQ Standard 1.4.5 - Scheduled Quantity, and
 - WGQ Standard 1.4.6 Scheduled Quantity for Operator, andAdd 5 new Validation Codes in WGQ Standard 1.4.7 - Confirmation Response Quick Response. The new data elements would be used at the same level as the Location Data and would be used to define a limit on the total amount of capacity that could be confirmed as delivery or receipt),
 - **R03012** (~~Modifications to NAESB WGQ Standard 5.4.22 - Transactional Reporting - Interruptible Transportation data set to: Standard 5.4.22 to enhance the display of interruptible data at the Sender's Option, including the additional of new data elements, changes to existing data elements, and the addition of new code values)~~
 - Add 3 new data elements 'Discount Begin Date', 'Discount End Date', and 'Contract Rollover Indicator',
 - Modify the usage of the data element 'Rate Reporting Level' from Conditional to Senders Option.
 - Add one code value for the data element 'Rate Charged Reference', and
 - Add 4 code values for the data element 'Rate Identification Code',
 - **R03020** (~~Develop Add WGQ Standard 0.3.z1 to explain the use of terms such as governmental or regulatory authority in the a new defined term/definition for Applicable Regulatory Authority and review NAESB WGQ Standards to make corresponding changes),~~
 - **R03021** (~~Create a new Standard that indicates that unless otherwise denoted, all times contained with the NAESB~~ Add WGQ Standards 0.3.z2 to explain the use are Central Clock Time in the WGQ Standards),
 - **R03025** (Add a new notice type - Rates and Charges - to ~~NAESB-WGQ Standard 4.3.29 and a corresponding code value in WGQ Standard 5.4.16 - System-Wide Notices data set~~),
 - **R03028** (Add a ~~reduction reason code to Scheduled Quantity, Operator Scheduled Quantity and Confirmation Response), new code value - Storage Capacity Constraint- for data element 'Reduction Reason' to the following data sets:~~
 - WGQ Standard 1.4.4 - Confirmation Response,
 - WGQ Standard 1.4.5 - Scheduled Quantity, and
 - WGQ Standard 1.4.6 - Scheduled Quantity for Operator, and



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Modify the definition for the code value - Storage Ratchet Provision- for the data element 'Reduction Reason' in WGQ Standard 1.4.5 - Scheduled Quantity, and WGQ Standard 1.4.6 - Scheduled Quantity for Operator),

- **R03032** (Modify the usage of the data element 'Rate Schedule' from Senders Option to Conditional in the following data sets:
 - WGQ Standard 5.4.20 - Transactional Reporting – Capacity Release
 - WGQ Standard 5.4.21 - Transactional Reporting – Firm Transportation
 - WGQ Standard 5.4.22 - Transactional Reporting – Interruptible Transportation)Change existing data elements of NAESB WGQ Transactional Reporting – Firm Transportation Standard 5.4.21),
- **R04023** (Amend ~~Add 2 WGQ Standards to add new code values for the data element 'Reduction Reason' code data element~~ in the following data sets:
 - WGQ Standard 1.4.4 - Confirmation Response,
 - WGQ Standard 1.4.5 - Scheduled Quantity, and
 - WGQ Standard 1.4.6 – Scheduled Quantity for Operator),
- **R04026** (Amend ~~WGQ Standard 1.4.1 to add new storage limitation code value), Add 4 new validation code values in WGQ Standard No. 1.4.2 – Nomination Quick Response data set),~~
- **R05017** (Modify the usage of the data element 'Rate Form/Type Code' from Conditional to Senders Option in the following data sets:
 - WGQ Standard 5.4.20 - Transactional Reporting – Capacity Release
 - WGQ Standard 5.4.21 - Transactional Reporting – Firm Transportation

Add a code value for the data element 'Rate Identification Code' in the following data sets:

 - WGQ Standard 5.4.20 Transactional Reporting – Capacity Release
 - WGQ Standard 5.4.21 Transactional Reporting – Firm TransportationDelete or change the usage of the data element Rate Form/Type Code from datasets 5.4.20, 5.4.21 and 5.4.22),
- **R06007** (Add a new code value for the data element 'Reduction Reason' in the following data sets: ~~code to Scheduled Quantity, Operator Scheduled Quantity and Confirmation Response),~~
 - WGQ Standard 5.4.20 - Transactional Reporting – Capacity Release
 - WGQ Standard 5.4.21 - Transactional Reporting – Firm Transportation
 - WGQ Standard 5.4.22 - Transactional Reporting – Interruptible Transportation)
- **R06011** (Add 3 detail (contract) level and 1 sub-detail (nomination) level ~~code values to Validation Codes and Message elements in the WGQ Standard 1.4.2 - Nomination Quick Response data set), and~~
- **R06014** (Add code values for the ~~data element 'Rate Identification Code' data element~~ in the following ~~Transactional Reporting~~ data sets:
 - WGQ Standard 5.4.20 - Transactional Reporting – Capacity Release
 - WGQ Standard 5.4.21 - Transactional Reporting – Firm Transportation
 - WGQ Standard 5.4.22 - Transactional Reporting – Interruptible Transportation)-

~~Mr. Griffith seconded the motion.~~—The recommendations were included in the Executive Committee book ([EC Book](#)) behind Tab 4. Mr. Novak requested that [the recommendation for 2007 Annual Plan Item 4](#) be removed from consideration in the motion [so that it can](#) ~~to~~ be considered separately. Mr. Love requested that [the recommendation for R98047](#) be removed from consideration in the motion [so that it can](#) ~~to~~ be considered separately. Ms. Davis and Mr. Griffith agreed to modify their motion to remove WGQ 2007 Annual Plan Item 4 and R98047.



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Mr. Novak stated that there has been discussion regarding the way data element changes are handled in the WGQ. He stated that in most cases, the data element changes could be handled via the minor correction process, rather than via requests. Ms. Van Pelt stated that regardless of whether the data element changes are handled via minor correction or in the form of a request, the work in the WGQ Information Requirements Subcommittee and the WGQ Technical Subcommittee still has to take place. She added that if the subcommittees do not consider the change, there is no way for pipelines to know if the data element or code value is needed. Ms. McQuade stated that if the data element changes are handled via minor correction, it would avoid certain administrative steps, it is up to the participants to determine if the administrative steps are valuable. After further discussion, the motion passed a super majority vote without opposition. [Vote 1].

~~Next, **WGQ 2007 Annual Plan Item 4 (Joint Analysis of Internet Engineering Task Force AS2 and AS3 Protocols as compared to the NAESB IET) -** Mr. Novak moved, seconded by Mr. Spangler to adopt the recommendation for WGQ 2007 Annual Plan Item 4 (EC Book, Tab 4, beginning on page 31). ~~(Joint Analysis of AS2 and AS3 Protocols as compared to the NAESB IET)~~. The motion passed a super majority vote without objection. [Vote 2].~~

~~**R98047 - Supported Code Values Information - (Add a new data set, "Supported Code Value Information", modify WGQ Standard No. 2.4.7 - Request for Information and add WGQ Standard 0.3.z1) -** Ms. Van Pelt moved, seconded by Ms. Davis, to adopt the recommendation for R98047 (EC Book, Tab 4, beginning on page 38). ~~(Add a new data set, "Supported Code Value Information", plus a new code value, "Supported Code Values", in the Upload of Request for Download (and Response) data sets to facilitate the transfer of valid code value information to and from trading partners)~~. Mr. Love stated that in his experience, ~~with customers who use EDI, there are~~ only eighteen customers ~~that~~ use EDI X12 with his pipeline at this time. For each of those customers, his company has developed an implementation package explaining how the code values are used and when they are to be used. He added that he did not think EDI X12 is a relevant process at this point in time and suggested that the recommendation be tabled in order to communicate with the requester to determine if there is still a need for this type of process. Ms. Davis stated that she did not oppose tabling the recommendation for R98047 at this point in time as she did not see value in the proposed standards.~~

Mr. Burden noted that current WGQ Standard 4.3.5-3 addresses the same issue as what is requested in R98047. The Executive Committee reviewed current WGQ ~~s~~Standard 4.3.5-3. After further discussion, the Executive Committee voted on the motion. The motion failed to achieve the required super majority to adopt the recommendation. [Vote 3].

Mr. Spangler submitted comments on the following eleven ~~of the~~ recommendations posted for formal comment and on the agenda for adoption by the WGQ Executive Committee. The comments were posted as supplemental material for this meeting: http://www.naesb.org/pdf3/wgq_ec110807w1.doc. Ms. Davis stated that the WGQ Information Requirements (IR) Subcommittee reviewed the comments submitted by Mr. Spangler and drafted responses to the comments which have also been posted as supplemental material for this meeting: http://www.naesb.org/pdf3/wgq_ec110807w4.doc.

~~**R01003 - Ms. Davis moved, seconded by Mr. Griffith, to adopt the recommendation for R01003 (Add a System Management Service Quantity data element to various capacity release data sets), -** Ms. Davis moved, seconded by Mr. Griffith, to adopt the recommendation for R01003, ~~included~~ (EC Book, behind Tab 4, beginning on page 72). Mr. Spangler submitted comments on this recommendation and the WGQ IR Subcommittee drafted-provided a response to the comments. Mr. Spangler stated that the WGQ IR Subcommittee's responses to his comments~~



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were satisfactory and he did not propose any modifications to the recommendation. The motion passed a super majority vote without opposition. [Vote 4].

R03010 – (Modifications to the WGQ Standard 5.4.20 - Transactional Reporting - Capacity Release data set as follows:

- Add three data elements:
 - Minimum Volumetric Commitment Percentage
 - Minimum Volumetric Commitment Quantity
 - Rate Charged Reference Data
- Modify the usage of the data element ‘Rate Reporting Level’ from Conditional to Senders Option, and
- Add code values for the data elements ‘Rate Charged Reference’ and ‘Rate Identification Code)

Ms. Davis moved, seconded by Ms. Van Pelt, to adopt the recommendation for R03010 ~~(Modifications to the NAESB WGQ Transactional Reporting – Capacity Release Standard 5.4.20 to enhance the display of capacity release data sets at the Sender’s Option, including modifications to existing data elements and new data elements), included (EC Book, behind Tab 4, beginning on page 101). Mr. Spangler submitted comments on this recommendation and the WGQ IR Subcommittee ~~drafted~~ provided a response to the comments. Mr. Spangler stated that the WGQ IR Subcommittee’s responses to his comments were satisfactory and he did not propose any modifications to the recommendation. The WGQ Executive Committee did not modify the recommendation. The motion passed a super majority vote without opposition. [Vote 5].~~

R03016 - ~~Ms. Davis moved, seconded by Ms. King, to adopt the recommendation for R03016 (Add a new code value - Corrected / Updated - for data element Contract Status to provide the ability to identify when the contract data as reported on the transactional reports has been corrected or updated in the following data sets);~~

- WGQ Standard 5.4.20 - Transactional Reporting – Capacity Release,
- WGQ Standard 5.4.21 - Transactional Reporting – Firm Transportation, and
- WGQ Standard 5.4.22 - Transactional Reporting – Interruptible Transportation)

~~Ms. Davis moved, seconded by Ms. King, to adopt the recommendation for R03016 (EC Book, included behind Tab 4, beginning on page 128). Mr. Spangler stated that he understood the reasoning for adding the status of ‘Corrected/Updated’ and added that it would help to add a definition for updated. Ms. Davis stated that she would amend her motion to include the change to the definition of the code value to state “Data for the contract has been corrected or updated (not requiring an amendment to the contract.” Ms. Davis and Ms. King agreed to revise their motion to include the revision to the code value definition of ‘Corrected/Updated’. The motion passed a super majority vote. The revised recommendation is posted in redline and clean format as an attachment to these minutes: [Attachment - Recommendation R03016 - Revised by the WGQ EC - 11/08/07 - \(Redline\)](#) and [Attachment - Recommendation R03016 - Revised by the WGQ EC - 11/08/07 - \(Clean\)](#) [Vote 6].~~

The WGQ Executive Committee ~~next~~ determined that it would review the remainder of the recommendations and then take votes on several at a time.

R03029 - ~~For Recommendation R03029 (Add a new Notice Type – TSP’s Capacity Offering’ to WGQ Standard 4.3.29 and corresponding code value Notice Type in WGQ Standard 5.4.16 - to System-Wide Notices (data set) Standard 5.4.16 to support firm capacity including subscribed ROFR Capacity) (Executive Committee b~~Book, Tab 4, beginning on page 197).~~), Mr. Spangler stated that he supported the response to his comments from the WGQ IR Subcommittee: to~~



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change the code value description to 'TSP Capacity Offering' with a definition of "Firm Capacity that is available from the Transportation Service Provider." Conforming changes would also need to be made to the WGQ Standard 4.3.29.

~~**R04022** - For Recommendation R04022 (Amend Modify 1 and add 3 new code values for the data element 'Reduction Reason' in the following data sets:~~

- ~~• WGQ Standard 1.4.4 - Confirmation Response,~~
- ~~• WGQ Standard 1.4.5 - Scheduled Quantity, and~~
- ~~• WGQ Standard 1.4.6 - Scheduled Quantity for Operator)~~

~~to allow new reduction reason codes) (Executive Committee b Book, Tab 4, beginning on page 206).~~

Mr. Spangler stated that after discussion with the requestor, the change proposed does change the focus of the code value, and that he supported the modifications proposed by the WGQ IR Subcommittee ~~to which would~~ change the Code Value Definitions from 'Exceeds Design Limit - Delivery Location' ~~and~~ 'Exceeds Design Limit - Receipt Location' ~~rather~~ to 'Exceeds Design Capacity - Delivery Location' ~~and~~ 'Exceeds Design Capacity - Receipt Location', respectively.

~~**R05005** - For Recommendation R05005 (Add 6 new code values for the data element 'Transaction Type' codes to the following data sets:~~

- ~~• WGQ Standard 1.4.1 - Nomination, 1.4.1,~~
- ~~• WGQ Standard 1.4.5 - Shipper Scheduled Quantity 1.4.5, and~~
- ~~• WGQ Standard 3.4.1 - Transportation/Sales Invoice 3.4.1 data sets)~~

~~(Executive Committee b Book, Tab 4, beginning on page 220).~~

Ms. Davis requested that this recommendation be remanded back to the Information Requirements Subcommittee.

~~**R05006** - Mr. Spangler supported Recommendation R05006 (Add one code value to Validation Code and Message elements in WGQ Standard 1.4.2 - Nomination Quick Response data set) (Executive Committee b Book, Tab 4, beginning on page 225).~~

After reviewing the response from the WGQ IR Subcommittee, Mr. Spangler supported Recommendation R05006 as drafted.

~~**R05010** - For Recommendations R05010 (Add one code values to Validation Code and Message elements in WGQ Standard 1.4.2 - Nomination Quick Response data set), included in the (Executive Committee b Book, behind Tab 4, beginning on page 228), and **R05012** (Add one new code value for the data element 'Reduction Reason' in the following data sets:~~

- ~~• WGQ Standard 1.4.4 - Confirmation Response,~~
- ~~• WGQ Standard 1.4.5 - Scheduled Quantity, and~~
- ~~• WGQ Standard 1.4.6 - Scheduled Quantity for Operator)~~

~~code to Scheduled Quantity, Operator Scheduled Quantity and Confirmation Response) included in the (Executive Committee b Book, behind Tab 4, beginning on page 231).~~

Ms. Davis stated that the wording used in the recommendations looks similar, but they are different in their use. Mr. Spangler supported Ms. Davis' explanation.

~~**R06001** - For Recommendation R06001 (Add two new code values 'Off-system - Market' and 'Off-System - Supply' for the data element 'Nomination-Transaction Type' in the following data sets:~~

- ~~• WGQ Standard 1.4.1 - Nomination,~~
- ~~• WGQ Standard 1.4.5 - Scheduled Quantity,~~
- ~~• WGQ Standard 2.4.1 - Pre-determined Allocation, and~~
- ~~• WGQ Standard 2.4.3 - Allocation)~~



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~~codes to support the nomination and tracking of the shipping entity or producing entity on the interconnecting facility where title tracking is employed by the TSP), included in the (Executive Committee bBook, behind-Tab 4, beginning on page 243),~~

Mr. Love stated that he and Mr. Spangler had a discussion regarding the ~~Transaction Type~~ codes included in the recommendation and noted that a few pipelines ~~that tracks~~ how volumes are transferred and they ~~need the ability is needed~~ to identify ~~on when~~ the ~~gas supply is coming on or going off side when the volumes are coming from the other side of the meter onto~~ the pipeline system. ~~These Transaction Types would~~ give surety as to the volumes that need confirmation with the interconnecting parties. Mr. Spangler stated that after his discussion with Mr. Love, he understood the need for the change, but that he was not sure the request accurately describes the need. Mr. Spangler stated that he was content to move on with the review of the rest of the recommendations.

~~R06012 - For Recommendation R06012 (Add two (2) new code values for the data element "Transaction Type" in WGQ Standard 1.4.5 - to Scheduled Quantity and WGQ Standard 3.4.1 - Transportation/Sales Invoice Ddata_sets), beginning on page 255 of the (Executive Committee bBook, Tab 4, Page 255).~~

~~Ms. Davis stated that Mr. Spangler's comments sought to get a better understanding of the purchase and sale. She stated that the purpose for the request was to accommodate the purchase and sale by customers of storage base gas. She added that the WGQ IR Subcommittee did not include a definition because they did not want to preclude other kinds of purchases and sales being handled other than base gas by the recommended code values. Mr. Spangler stated that the Transaction Type for the nomination key did not match with his system. Mr. Sappenfield asked whether it would be clearer to change the language to "PTSP Purchase" and "PTSP Sale". Ms. Davis stated that it wasn't for TSP activity could also be the purchase or sale of a customer who owns the storage gas or another customer. The purpose for the request was to accommodate the purchase and sale of storage base gas.~~

After further discussion, Ms. Davis moved, seconded by Ms. King, to adopt the following recommendations:

- ~~Recommendation to R03029 (which will also require including~~ a conforming change to WGQ Standard 4.3.29) as revised by the WGQ Executive Committee,
- ~~Recommendation R04022~~ as revised by the WGQ Executive Committee,
- ~~Recommendation R05006,~~
- ~~Recommendation R05010,~~
- ~~Recommendation R05012,~~
- ~~Recommendation R06001,~~ and
- ~~Recommendation R06012.~~

~~The motion was seconded by Ms. King.~~ The motion passed a super majority vote. The recommendations that were revised are posted in redline and clean format as an attachment to these minutes: [Attachment - Recommendation R03029 - Revised by the WGQ EC - 11/08/07 - \(Redline\)](#) and [Attachment - Recommendation R03029 - Revised by the WGQ EC - 11/08/07 - \(Clean\)](#), [Attachment - Recommendation R04022 - Revised by the WGQ EC - 11/08/07 - \(Redline\)](#) and [Attachment - Recommendation R04022 - Revised by the WGQ EC - 11/08/07 - \(Clean\)](#) [Vote 7].



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R05005 - Ms. Van Pelt moved, seconded by Ms. Davis, to remand the Recommendation for R05005 to the WGQ IR Subcommittee. The motion unanimously passed a simple majority vote.

R03011 (Modify WGQ Standard 5.4.21 Transactional Reporting – Firm Transportation data set to:

- Add 6 new data elements ‘Capacity Type Indicator’, ‘Contract Rollover Indicator’, ‘Location Contractual Maximum Pressure’, ‘Location Contractual Minimum Pressure’, ‘Minimum Volumetric Commitment Percentage’, and ‘Minimum Volumetric Commitment Quantity’,
- Modify the usage of the data element ‘Rate Reporting Level’ from Conditional to Senders Option,
- Add code values for the data elements ‘Capacity Type Indicator’, ‘Contract Rollover Indicator’, ‘Rate Charged Reference’, and ‘Rate Identification Code’,

(EC Book, Tab 4, beginning on page 110)

Ms. Davis moved, seconded by Mr. Griffith, to adopt the recommendation for Recommendation R03011. The motion passed a super majority vote. [Vote 8].

4. Subcommittee Updates and Plan Updates

Triage Subcommittee: ~~Next, t~~The WGQ Executive Committee reviewed the report of the Triage Subcommittee, ~~included in the (Executive Committee b~~Book, Tab 5, beginning on page 264). Request Nos. R07012, R07014, R07015, R07016, R07017, and R07018 were triaged to the WGQ. Full descriptions of the requests and the subcommittee assignments and priorities can be found in the Executive Committee book.

Business Practices Subcommittee: The Business Practices Subcommittee report was included in the ~~Executive Committee b~~Book, Tab 5, beginning on page 211. Ms. Van Pelt stated that at this time the BPS is working on the standards to address Order 698 ~~at this time~~.

Contracts Subcommittee: Mr. Sappenfield provided the update for the WGQ Contracts Subcommittee. He stated that the Contracts Subcommittee had completed the FAQs and was working on the update of the ISDA Gas Annex. A preliminary request for informal comments has been distributed and the Contracts Subcommittee plans to complete the ISDA Gas Annex during the first Quarter of 2008. The Contracts Subcommittee update can be found in the ~~Executive Committee b~~Book, Tab 5, beginning on page 281.

Electronic Delivery Mechanism Subcommittee: Mr. Burden provided an overview of the work of the WGQ EDM Subcommittee. He stated that the main focus of the WGQ EDM Subcommittee has been the review of the Sandia Surety Assessment. It is the expectation that the modifications to the WGQ and Retail Internet ET standards ~~needed~~ to address the Sandia Surety Assessment and will be posted for formal comment by the end of the calendar year 2007. The EDM Subcommittee update can be found in on page 279 of the Executive Committee bBook, Tab 5, beginning on page 279.

Information Requirements Subcommittee: Ms. Davis provided the update on the IR Subcommittee. The update can be ~~found beginning on page 272 of in~~ the ~~Executive Committee b~~Book, Tab 5, beginning on page 272. Ms. Davis noted that the IR Subcommittee has recently completed eight requests, and there are now only six requests in the IR Subcommittee backlog of requests. One of the items being worked on is a request to simplify the use of the quick response in the confirmation process.



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Technical Subcommittee: Ms. Van Pelt provided the update ~~of on~~ the Technical Subcommittee. She noted that the Technical Subcommittee needs to develop two new EDI data sets. She noted that the Technical Subcommittee should be caught up rather quickly after the development of these EDI data sets. The update can be found in beginning on page 277 of the Executive Committee Book, Tab 5, beginning on page 277.

Interpretations Subcommittee: Mr. Love stated that though the Interpretations Subcommittee had not met to date this year, ~~it is the expectation~~ that a request for interpretation on the NAESB Base Contract for the Purchase and Sale of Natural Gas will be submitted to the NAESB office shortly. Mr. Kardas has also submitted a request for interpretation on the valid format for a download when downloading from an Electronic Bulletin Board.

E-Tariff Subcommittee: Mr. Sappenfield provided the update of the e-Tariff Subcommittee. The update is included in the ~~Executive Committee Book, Tab 5~~, on pages 282-283. Mr. Sappenfield noted that the e-Tariff Subcommittee created an e-Tariff Technical Task Force (eTTF) during the July meeting. The ~~e-Tariff Technical Task Force eTTF~~ has met several times and is working to develop an XML schema for submission of electronic tariff documents to the FERC. He noted that at least 3-5 FERC staff members have been in attendance at all of the e-Tariff Subcommittee and ~~e-Tariff Task Force eTTF~~ meetings. It is the expectation that the ~~e-Tariff Technical Task Force eTTF~~ will submit its draft standards to the e-Tariff Subcommittee for review and adoption during the January 24-25, 2008 meeting so that the WGQ and WEQ Executive Committees can consider and adopt the recommendation during February 2008 after the expiration of the 30 day comment period.

2007 WGQ Annual Plan: ~~Next, the~~ WGQ Executive Committee reviewed the 2007 WGQ Annual Plan, included behind Tab 6 of the Executive Committee book. The following changes to the 2007 WGQ Annual Plan were suggested:

- ~~The~~ Completion date of Item 1 (Damage Reporting for Natural Gas Pipeline Facilities) was changed to 4th Quarter, 2008; Item 1a was dropped; the Completion date of Item 3 was changed to 1st Quarter, 2008;
- the Completion date of Item 4 (Prepare a joint analysis with the retail quadrants for AS2 and AS3 protocols as compared to the NAESB IET) was changed to 3rd Quarter 2007, and
- the Completion date of Item 8 (e-Tariff) was changed to 1st Quarter 2008.

Ms. Crockett moved, seconded by Ms. Davis, to adopt the 2007 WGQ Annual Plan as revised during this meeting. The redline ~~WGQ-2007~~ WGQ Annual Plan is posted as an attachment to these minutes: http://www.naesb.org/pdf3/wgq_ec110807a2.doc.

5. EDI Development and Implementation Issues

Mr. Novak stated that as the WGQ BPS considers ~~index-~~based capacity release pricing, there have been discussions whether EDI X12 standards are needed. Ms. McQuade asked if the existing EDI X12 data sets would be modified if it was determined that the WGQ would not continue to use EDI X12 data sets. Mr. Novak stated that it would mean that the data sets would be inconsistent, those that ~~are based on~~ include EDI X12 and those that ~~do are~~ not ~~based include on~~ EDI X12. Ms. Davis clarified that what we are talking about at this time is looking at no longer supporting EDI X12 for capacity release upload data sets only and then stepping back and taking a broader look at the use for EDI X12 in general. Mr. Novak suggested that as the WGQ develops new standards, it should consider not developing the EDI X12 data sets and just develop standards for the electronic bulletin board (~~EBB~~) postings. Ms. Van Pelt stated that the Technical Subcommittee is looking at developing two new data sets in EDI X12 - Fuel Information and the Transactional Reporting data sets. She questioned, if based on this discussion, whether work should continue on these efforts. Ms. McQuade stated



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that she was unsure whether the FERC staff was accessing the information off the EBBs or if they are doing EDI X-12 for retrieval, but that she would check and get back to the EC prior to the Technical Subcommittee utilizing its resources for EDI X12 development. Ms. Munson suggested that if the FERC staff is doing downloads, that maybe they could download the files in CSV or XML formats. Mr. Buccigross suggested that the Technical Subcommittee could send a question back to BPS as to whether it is appropriate for them to proceed with the development in EDI X12 for the Fuel Information data set.

6. Review, discuss and vote to approve 2008 WGQ Annual Plan

The WGQ Executive Committee reviewed the proposed 2008 WGQ Annual Plan, ~~included in the (Executive Committee Book, Tab 7,~~ beginning on page 290). The phrase in Item 1a - "to Item 1 above" was removed as Item 1a had been combined with Item 1 Damage Reporting for Natural Gas Pipeline Facilities. Ms. Van Pelt moved, seconded by Ms. Crockett, to adopt the proposed 2008 WGQ Annual Plan with the modification noted above. The motion unanimously passed a simple majority vote. [Vote 9]. The redlined 2008 WGQ Annual Plan is posted as an attachment to these minutes: [Attachment - ~~WGQ~~ 2008 WGQ Annual Plan 11/8/07 \(Redline\)](#).

7. Board of Directors, Board Committee and Regulatory Updates

Ms. McQuade provided the update of the Board of Directors, Board Committee and Regulatory activities, ~~included behind (EC Book, Tab 8) of the Executive Committee book.~~ She noted that the Wholesale Electric Quadrant (WEQ) is on target with the completion dates ~~of of the~~ Order 890 related items and is working in close coordination with the NERC. The key issues in the WGQ are the standards development efforts to address Order 698 and e-Tariff, which is a joint effort with the WEQ and the oil pipeline industry. The WEQ and two Retail Quadrants continue to work on the Demand Side Management effort.

The next Board of Directors meeting, is scheduled ~~on for~~ December 13, 2007 in Houston, Texas. ~~At that time, where~~ the Board ~~of Directors~~, will consider and approve the 2008 Annual Plans and the 2008 budget.

8. New Business

Ms. McQuade stated that she plans to send a notice that Mr. Buccigross and Mr. Novak plan to continue in their roles s as chair and vice-chair, respectively, of the WGQ Executive Committee for 2008 and that those who wish to run in an election with either of them for those positions are welcome to do so.

Mr. Buccigross advised that both Ms. McVicker and Mr. Butler were resigning from the Executive Committee and both were thanked for their extensive participation.

10. Adjourn

Mr. Love moved, seconded by Ms. McVicker, to adjourn. The meeting adjourned at 2:07 PM Central.



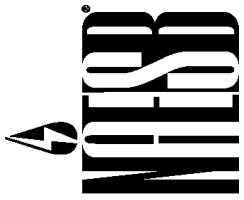
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10. Executive Committee Attendance and Voting Record¹ (Vacancies omitted)

PRODUCER SEGMENT		ATTENDANCE	VOTE 1 ²	VOTE 2 ³	VOTE 3 ⁴	VOTE 4 ⁵	VOTE 5 ⁶
Rhonda Denton, Alt. for J. Busch	Regulatory Affairs, BP Energy Company	In Person	S	S	O	S	S
Pepe Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	Absent					
Chuck Cook	Manager - Regulatory Affairs, ChevronTexaco	Absent	SB	SB	SB	SB	A
Richard Smith	Regulatory, ExxonMobil Gas & Power Marketing	Absent					
Mike Shepard	General Counsel, Mewbourne Oil Company	Absent	SB	SB	SB	SB	SB
PIPELINE SEGMENT							
Bill Griffith	Consultant, El Paso Natural Gas Company	In Person	S	S	O	S	S
Iris King, Alt. for K. Burch	Director, Technical and Marketing Support, Dominion Transmission, Inc.	In Person	S	S	O	S	S
Dale Davis	Consultant, Williams Gas Pipeline	In Person	S	S	O	S	S
Paul Love, Alt. for R. Young	Director, Electronic Customer Services, Natural Gas Pipe Line Company of America	In Person	S	S	O	S	S
Kim Van Pelt	Regulatory Compliance Manager, Panhandle Eastern Pipe Line	In Person	S	S	O	S	S
LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT							
Phil Precht, Alt. for R. Schwecke	Director of Gas Choice Programs - Pricing and Regulatory Services, Baltimore Gas and Electric Company	In Person	S	S	O	S	S
Marjorie Perlman, Alt. for D. Chezar	Director, Federal Regulatory Proceedings, Energy East Management Corporation (Rochester Gas & Electric)	Phone	S	S	O	S	S
Scott Butler	Projects Manager - Energy Markets Policy Group, Consolidated Edison Company of New York, Inc.	Phone					

² Recommendations R02007, R02011, R03001, R03012, R03020, R03021, R03025, R03028, R03032, R04023, R04026, R05017, R06007, R06011, and R06014
³ Recommendation for WGO 2007 Annual Plan Item 4 - Joint Analysis Internet Engineering Task Force of AS2 and AS3 Protocols as compared to the NAESB IET
⁴ Recommendation for R98047 - Supported Code Value Information
⁵ Recommendation for R01003
⁶ Recommendation for R03010



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	ATTENDANCE	VOTE 1 ²	VOTE 2 ³	VOTE 3 ⁴	VOTE 4 ⁵	VOTE 5 ⁶
Mike Novak	In Person	S	S	O	S	S
Craig Colombo	In Person	S	S	O	S	S
END USERS SEGMENT						
Diane McVicker	In Person	S	S	O	S	S
Valerie Crockett	In Person	S	S	O	S	S
Dona Gussow	Phone			O	S	S
Tiipa Burnett	Phone	S	S	O	S	S
SERVICES SEGMENT						
Suzanne Calcagno	Absent					
Liisa Simpkins	Absent					
Leigh Spangler	In Person	S	S	O	S	S
Jim Buccigross	In Person	S	S	O	S	S
Keith Sappenfield	In Person	S	S	O	S	S



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Producer Segment	VOTE 6 ⁷	VOTE 7 ⁸	VOTE 8 ⁹	VOTE 9 ¹⁰
Rhonda Denton, Alt. for J. Busch	S	S	S	S
Pete Frost				
Director – Regulatory Affairs, ConocoPhillips Gas and Power Marketing				
Chuck Cook			A	
Manager - Regulatory Affairs, ChevronTexaco				
Richard Smith				
Regulatory, ExxonMobil Gas & Power Marketing				
Mike Shepard	SB	SB	SB	SB
General Counsel, Mewbourne Oil Company				
PIPELINE SEGMENT				
Bill Griffith	S	S	S	S
Consultant, El Paso Natural Gas Company				
Iris King, Alt. for K. Burch	S	S	S	S
Director, Technical and Marketing Support, Dominion Transmission, Inc.				
Dale Davis	S	S	S	S
Consultant, Williams Gas Pipeline				
Paul Love, Alt. for R. Young	S	S	S	S
Director, Electronic Customer Services, Natural Gas Pipe Line Company of America				
Kim Van Pelt	S	S	S	S
Regulatory Compliance Manager, Panhandle Eastern Pipe Line				
LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT				
Phil Precht, Alt. for R. Schwecke	S	S	S	S
Director of Gas Choice Programs – Pricing and Regulatory Services, Baltimore Gas and Electric Company				
Marjorie Perlman, Alt. for D. Chezdar	S	S	S	S
Director, Federal Regulatory Proceedings, Energy East Management Corporation (Rochester Gas & Electric)				
Scott Butler	S	S	S	S
Projects Manager – Energy Markets Policy Group, Consolidated Edison Company of New York, Inc.				
Mike Novak	S	S	S	S
Assistant General Manager, National Fuel Gas Distribution				
Craig Colombo	S	S	S	S
Energy Trader III, Dominion Resources				

⁷ Recommendation for R03016

⁸ Recommendations for R03029 as revised, R04022 as revised, R05006, R05010, R05012, R06001, and R06012

⁹ Recommendation for R03011

¹⁰ WGO 2008 Annual Plan as modified



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END USERS SEGMENT	VOTE 67	VOTE 78	VOTE 89	VOTE 910
Diane McVicker	S	S	S	S
Valerie Crockett	S	S	S	S
Dona Gussow	S	S	S	S
Tina Burnett	S	S	S	S
SERVICES SEGMENT				
Suzanne Calcagno				
Lisa Simpkins				
Leigh Spangler	S	S	S	S
Jim Buccigross	S	S	S	S
Keith Sappenfield	S	S	S	S

11. Additional Participation

Name	Organization	Attendance
Jonathan Booc	NAESB	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Kelly Daly	Stinson, Morrison & Hecker	Phone
Laura Kennedy	NAESB	In Person
Bill Lohrman	FERC	Phone
Marcy McCain	Spectra Energy Transmission	In Person
Debbie McKeever	Oncor	In Person
Rae McQuade	NAESB	In Person
Ron Mills	Latitude Technologies	In Person
Sylvia Munson	Sungard Energy	In Person
Susan Pollonais	FERC	In Person
Denise Rager	NAESB	In Person



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Name	Organization	Attendance
Mike Stender	El Paso Natural Gas	In Person
Veronica Thomason	NAESB	In Person
Jill Webb	Preferred Legal Services	In Person

¹ Voting Record Legend and List of Votes:
 S = Support; O = Oppose; A = Abstain; B = Notational Ballot



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March 5, 2008

TO: NAESB Wholesale Electric Quadrant and Wholesale Gas Quadrant Executive Committee and Interested Industry Participants

FROM: Cory Galik, Meeting Administration/Project Manager

RE: WGQ and WEQ Executive Committee Meeting Draft Minutes – February 29, 2008

**NORTH AMERICAN ENERGY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
WHOLESALE ELECTRIC QUADRANT (WEQ)
WHOLESALE GAS QUADRANT (WGQ)
February 29, 2008 – 1:00 pm to 4:00 pm Central
Hosted by NAESB – Houston, Texas
DRAFT MINUTES**

1. Welcome

Mr. Buccigross opened the meeting and welcomed the meeting participants in the room and on the phone. Ms. Galik read the antitrust guidelines. Ms. Galik called the roster of the WEQ and WGQ Executive Committee members and alternates. Quorum was established.

The Executive Committees reviewed the draft agenda. Ms. Van Pelt moved to adopt the agenda. Ms. Davis seconded the motion. The motion passed without opposition.

2. Consideration of recommendations for standards, comments submitted, and vote on:

The WGQ and WEQ Executive Committees reviewed the [e-Tariff recommendation](#) and the [e-Tariff recommendation attachment](#). Several comments were submitted on this recommendation, including comments from [the e-Tariff chairs](#), [Spectra Energy](#), [AOPL](#), [Dominion](#), [EEI](#), [ISO Group](#), [ISO New England Inc](#), [New England Participating Transmission Owners](#), and [PJM](#).

Mr. Sappenfield presented the comments submitted. He began with the comment submitted by Ms. McCain of Spectra Energy. She proposed to make the usage conditional based on the type of filing and required when the attachment document is provided. Mr. Burden stated that the wording change was to simplify the standard. This modification was made to the recommendation.

The next set of comments addressed by Mr. Sappenfield was submitted by the chairs to recognize issues identified during their discussions. They were not discussed in detail during the meeting.

Mr. Sappenfield then addressed New England ISO and New England Participating Transmission Owners, which intended to support the comment of the ISO. These comments dealt with issues of shared filing rights and e-Tariff. The intention of these comments was to put these concerns on record for the FERC.

PJM Interconnection LLC submitted comments supporting filing electronically rather than manually but had some concern with joint shared filings. They suggested modifying or eliminating Order 614.

ISO Group Comments were submitted on behalf of New York ISO, Midwest ISO, California ISO, Southwest Power Pool and PM Interconnection. They were concerned with the additional administrative burden of requiring ISOs and RTOs to provide multiple metadata points with each tariff filing. There were other issues that need to be addressed prior to implementation, including timing of baseline filings, granularity of filed tariff sections and Order 614 reformation of headers and footers.

Mr. Sappenfield addressed the comment submitted by EEI. The comment stated that there is a simpler alternative to the standards proposed and that this is an issue for FERC to address.



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The Association of Oil Pipelines comment suggested that FERC be the repository of regulation instead of NAESB because oil pipelines are not a part of NAESB. They also want to ensure that there is adequate time between the finalization of the rule and implementation to allow time for testing, especially software. They conclude that there appears to be a workable solution.

The last comment discussed by Mr. Sappenfield was from Dominion. Their two concerns were dealing with record management and business impact.

Ms. Van Pelt moved, seconded by Ms. Burch, to adopt the entire recommendation with the modifications made during the meeting. There were not enough votes cast to determine whether the vote garnered the required votes to pass a super majority vote. A notational ballot will be distributed to the WEQ and WGQ Executive Committee members and alternates who did not cast a vote. The revised documents are posted as attachments to these minutes:

[Attachment to e-Tariff Recommendation as revised and adopted by the WGQ/WEQ Executive Committees February 29, 2008 \(redline\).](#)

[Attachment to e-Tariff Recommendation as revised and adopted by the WGQ/WEQ Executive Committees February 29, 2008 \(clean\).](#)

The notational ballot period conclusion should provide a definitive response on whether the motion passes a super-majority of each quadrant. If the motion passes, which is likely, then the ratification period begins. Ratification is a 30-day process where each member of the two quadrants has the opportunity to cast a vote to ratify the EC actions. For members returning ratification ballots, 67% of those returned ballots should be in the affirmative for the standards to be considered ratified. *[This threshold was reported in error at the meeting. It was indicated at the meeting that the threshold was 90% instead of 67% – the 90% threshold pertains to ratification of Board actions that result in changes to the certificate of NAESB].*

3. New Business

There was no new business to discuss.

4. Adjourn

The meeting adjourned at 2:06 PM Central.



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5. Executive Committee Attendance and Voting Record

Wholesale Gas Quadrant Executive Committee Voting Record – February 29, 2008 – With Notational Ballots Received by March 4, 2008

PRODUCERS SEGMENT		PRESENT	BALLOT	VOTE
Rhonda Denton for Jim Busch	BP Energy Company	Phone		Yes
Pete Frost	ConocoPhillips Gas and Power Marketing		Submitted	Yes - NB
Chuck Cook	ChevronTexaco			Yes - NB
Richard Smith	ExxonMobil Gas & Power Marketing	In Person		Yes
Mike Shepard	Mewbourne Oil Company	Phone		Yes
PIPELINE SEGMENT		PRESENT	BALLOT	VOTE
Iris King for Bill Griffith	Dominion Transmission	Phone		Yes
Kathryn Burch	Spectra Energy Transmission	In Person		Yes
Dale Davis	Williams Gas Pipeline	In Person		Yes
Randy Young	Gulf South Pipeline	Phone		Yes
Kim Van Pelt	Panhandle Eastern Pipe Line	In Person		Yes
LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT		PRESENT	BALLOT	VOTE
Rick Ishikawa for Rodger Schwecke	Southern California Gas	Phone		Yes
Marjorie Perlman for Dolores Chezar	Energy east Management Company	Phone		Abstain
Jim Blasiak for Paul Buckley	Washington Gas	Phone		Yes
Mike Novak	National Fuel Gas Distribution	Phone		Yes
Craig Colombo	Dominion Resources	Phone		Yes
END USERS SEGMENT		PRESENT	BALLOT	VOTE
Kelly Daly	Arizona Public Service Company		Submitted	Yes - NB
Valerie Crockett	Tennessee Valley Authority		Submitted	Yes - NB
Lori Lynn Pennock for Paul A. Jones	Salt River Project		Submitted	Yes - NB
Dona Gussow	Florida Power and Light	Phone		Abstain
Tina Burnett	The Boeing Company		Submitted	Yes - NB
SERVICES SEGMENT		PRESENT	BALLOT	VOTE
Suzanne Calcagno	UBS Energy LLC			
Lisa Simpkins	Constellation Energy Commodities Group			
Leigh Spangler	Latitude Technologies	Phone		Yes
Jim Buccigross	8760 Inc.	In Person		Yes
Keith Sappenfield	EnCana Marketing (USA) Inc.	In Person		Yes



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Wholesale Electric Quadrant Executive Committee Voting Record – February 29, 2008 – With Notational Ballots Received by March 4, 2008

TRANSMISSION SEGMENT		SUBSEGMENT	PRESENT	BALLOT	VOTE
Patrick McGovern	Georgia Transmission Corporation	Muni/Coop		Submitted	Abstain
Jane Daly for S. Cobb	Arizona Public Service	Fed/State/Prov	In Person		Yes
Dean Ulch	Southern Company Services	IOU	Phone		Yes
N. Saini for E. Davis	Entergy Services, Inc.	IOU	Phone		Yes
Julie Voeck	American Transmission Company	ITC		Submitted	Abstain - NB
Bob Harshbarger	Puget Sound Energy	at large	Phone		Yes
Michael Wells	WECC	At-Large	Phone		Yes
GENERATION SEGMENT			PRESENT	BALLOT	VOTE
William J. Gallagher	Vermont Public Power Supply Authority	Muni/Coop	Phone		Yes
Kathy York	Tennessee Valley Authority	Fed/State/Prov.	Phone		Yes
Jalal Babik	Dominion Resource Services, Inc.	IOU		Submitted	Yes - NB
John Ciza	Southern Company Services	IOU		Submitted	Yes - NB
V A C A N C Y		Merchant			
Gary Hinners	Reliant Energy, Inc.	at large	In Person		Yes
Neal Balu	Integrus Energy Services, Inc.	at large			
MARKETERS/BROKERS SEGMENT			PRESENT	BALLOT	VOTE
Clay A. Norris	North Carolina Municipal Power Agency	Muni/Coop	Phone		Yes
Clyde Harmon	Tennessee Valley Authority	Fed/State/Prov.		Submitted	Yes - NB
Ralph Honeycutt	SUEZ Energy Marketing NA, Inc.	NIOU Aff.			
Mark Mitchell	Salt River Project	at large		Submitted	Yes - NB
John Apperson	PacifiCorp Energy	IOU		Submitted	Yes - NB
V A C A N C Y		IOU			
Barry Green	Electric Power Supply Association	at large	Phone		Yes
DISTRIBUTION/LOAD SERVING ENTITIES (LSE) SEGMENT		SUBSEGMENT:	PRESENT	BALLOT	VOTE
Robert Williams	Florida Municipal Power Agency	Muni/Coop			
Robert Schwermann	Sacramento Municipal Utility District	Muni/Coop		Submitted	Yes - NB
Alan Pritchard	Duke Energy Corporation	IOU	Phone		Abstain
Jeffrey C. Mueller	Public Service Electric and Gas Company	IOU	Phone		Yes
Robert Martinko	FirstEnergy Service Company	at large	Phone		Yes
Syd Berwager	Bonneville Power Administration	Other		Submitted	Yes - NB
Andy Rodriquez	NERC	At-Large	Phone	Submitted	Yes - NB



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Wholesale Electric Quadrant Executive Committee Voting Record – February 29, 2008 – With Notational Ballots Received by March 4, 2008

END USERS SEGMENT			PRESENT	BALLOT	VOTE
VACANCY		at large			
VACANCY		at large			
Lou Ann Westerfield	Idaho Public Utilities Commission	Regulator		Submitted	Yes
VACANCY		at large			
VACANCY		at large			
VACANCY		Large Industrial			
Paul Sorenson	Open Access Technology International, Inc.	At-Large		Submitted	Yes - NB
INDEPENDENT GRID OPERATORS/PLANNERS			PRESENT	BALLOT	VOTE
Stu Bresler	PJM Interconnection		Phone		Yes
Jim Castle	New York Independent System Operator, Inc.		Phone		Yes
Matt Goldberg	ISO New England, Inc.			Submitted	Yes - NB
Steve Greenleaf	California ISO		Phone		Yes
Diane Pommen for Joel Mickey	Alberta Electric System Operator		Phone		Yes
Larry Middleton	Midwest Independent Transmission System Operator		Phone		Yes
Charles Yeung	Southwest Power Pool		Phone		Yes

Notes:

- The votes indicated by the highlighted yellow ballots are not counted in the tally as the recommendation was modified after the ballot was received. All submitters were contacted via email and phone to inform them that the ballots would require re-submittal because of the modification to the recommendation.
- The WGQ EC passed the modified recommendation with all segments reaching the 40% threshold and the 67% quadrant threshold. The WGQ EC had 21 out of a possible 25 votes (84%) in favor. No negative votes were cast.
- The WEQ EC passed the modified recommendation with all segments reaching the 40% threshold and the 67% quadrant threshold. The WEQ EC had 28 out of a possible 35 votes (80%) in favor. No negative votes were cast.
- In the voting column, a blank indicates that the EC member did not attend, return a ballot prior to the meeting, or return a ballot after the meeting. In the voting column, the designation “NB” indicated that the result was provided via a notational ballot.
- A vote of “Abstain” in the voting column has the same effect as a negative vote and contributes as such to the overall result, but the submitter is casting a vote that is neither in support nor in opposition.



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6. Other Participant Attendance

Name	Organization	Attendance (Phone/In Person)
Chris Advena	PJM Interconnection, LLC	Phone
Jonathan Booe	NAESB	In Person
Louise Bradford	Trunkline Gas Company	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Linda Farquhar	Great Lakes Gas Transmission Co.	Phone
Cory Galik	NAESB	In Person
Michael Goldenberg	FERC	In Person
Angela Gonzales	NAESB	Phone
Maureen Hamilton	Sea Robin Pipeline Co.	In Person
Erich Hunt	Pacific Gas and Electric Co.	Phone
Richard Kruse	Spectra Energy Transmission	In Person
Marcy McCain	Spectra Energy Transmission	In Person
Rae McQuade	NAESB	In Person
Molly Nagle	Southern Natural	In Person
Don Petersen	Pacific Gas and Electric Co.	Phone
Keith Pierce	FERC	Phone
Mark Pierce	Spectra Energy Transmission	In Person
Denise Rager	NAESB	In Person
Ed Skiba	Midwest ISO	Phone
Veronica Thomason	NAESB	In Person
Wendy Weathers	Salt River Project	Phone
JT Wood	Southern Company	Phone

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

TAB 3

Recommendations for Standards Actions

- Contained in this section are:
 - R05005 revised: Add new transaction type codes to the Nomination 1.4.1, Shipper Scheduled Quantity 1.4.5, and Transportation Sales Invoice 3.4.1 data sets. Comments due November 7, WGQ IR revised based on comments on 1-31-08. Comments received on 11-7-7 from Latitude Technologies.
 - 2007 AP Item 3 - Develop or amend WGQ technical standards, as appropriate, to address the DOE Sandia National Laboratories 2006 surety assessment findings and recommendations (WGQ) – joint with RGQ/REQ. Comments were due January 14 and none were submitted.
 - FERC Order No. 698 7A, Annual Plan 4a, modify and Create standards to support price indexing for released capacity, comments due May 2. Comments were received from NGPL.
 - FERC Order No. 698 7B, Annual Plan 4b, Redirecting scheduled quantities, comments due May 2. Comments were received from New Jersey Natural Gas and Williston Basin.
 - C07003 and supporting documents: NAESB Base Contract for Sales and Purchase of Natural Gas bankruptcy provisions, comments due March 8. Comments were received from FPL and Williams.
 - C07002: Transportation Service Provider's (TSP) Informational Postings web site downloads formats, comments due March 8. Comments were received from Williams.
- If additional comments are received after publication date, they will be provided under separate cover as supplemental materials.
- The WGQ EC will be asked to consider the recommendations for standards actions and the comments submitted for each action. The EC members can (1) accept with no changes, (2) accept with changes identified during the meeting, (3) remand back to the relevant subcommittees for further work, (4) postpone action to a later date, or (5) reject - a status quo position. Actions (1) and (2) require a super-majority vote – 67% affirmative vote of all seated WEQ EC members, and 40% of all seated WEQ EC members of each segment. Actions (3), (4) and (5) are simple majority votes.
- The materials in Tab 3 correspond to agenda item 3.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Revised

Requester: Northern Natural Gas Co.

Request No.: R05005

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 (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

Add 6 code values for the data element Transaction Type in the following data sets:

- | | |
|------------------------------|-------------------------------|
| NAESB WGQ Standard No. 1.4.1 | Nomination |
| NAESB WGQ Standard No. 1.4.5 | Scheduled Quantity |
| NAESB WGQ Standard No. 3.4.1 | Transportation/ Sales Invoice |



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Revised

Requester: Northern Natural Gas Co.

Request No.: R05005

CODE VALUES LOG (for addition, modification or deletion of code values)

Document Name and No.: NAESB WGQ Standard No. 1.4.1 **Nomination**
 NAESB WGQ Standard No. 1.4.5 **Scheduled Quantity**
 NAESB WGQ Standard No. 3.4.1 **Transportation/ Sales Invoice**

Data Element: Transaction Type

Code Value Description	Code Value Definition	Code Value
Imbalance Payback – within Contract	Imbalance payback up to contract capacity rights.	111
Imbalance Payback – Overrun	Imbalance payback which exceeds contract capacity rights for which authorization has been granted by the Transportation Service Provider.	112
Storage Injection – Firm	A quantity of gas for firm storage service injection.	113
Storage Injection – Interruptible	A quantity of gas for interruptible storage service injection.	114
Storage Withdrawal – Firm	A quantity of gas for firm storage service withdrawal.	115
Storage Withdrawal – Interruptible	A quantity of gas for interruptible storage service withdrawal.	116

TECHNICAL CHANGE LOG (all instructions to accomplish the recommendation)

Document Name and No.: NAESB WGQ Standard No. 1.4.1 **Nomination**
 NAESB WGQ Standard No. 1.4.5 **Scheduled Quantity**
 NAESB WGQ Standard No. 3.4.1 **Transportation/ Sales Invoice**

Nomination, 1.4.1							
Transaction Set Tables							
LQ Segments (Sub-detail) table: For the data element Transaction Type, insert the following code values and code value descriptions in the LQ02 and LQ02 Description columns in numerical order as follows:							
Element Name (LQ02)	Usage when CS05 =				LQ01	LQ02	LQ02 Description
	'P'	'N'	'T'	'U'			
Transaction Type	M	M	M	M	TT	111 112 113 114 115 116	Imbalance Payback – within Contract Imbalance Payback – Overrun Storage Injection – Firm Storage Injection – Interruptible Storage Withdrawal – Firm Storage Withdrawal – Interruptible



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Revised

Requester: Northern Natural Gas Co.

Request No.: R05005

Scheduled Quantity, 1.4.5

Transaction Set Tables

LQ Segments (Sub-detail) table: For the data element Transaction Type, insert the following code values and code value descriptions in the LQ02 and LQ02 Description columns in numerical order as follows:

Element Name (LQ02)	Usage when CS05 =				LQ01	LQ02	LQ02 Description
	'P'	'N'	'T'	'U'			
Transaction Type	M	M	M	M	TT	111 112 113 114 115 116	Imbalance Payback – within Contract Imbalance Payback – Overrun Storage Injection – Firm Storage Injection – Interruptible Storage Withdrawal – Firm Storage Withdrawal – Interruptible

Transportation/Sales Invoice, 3.4.1

Transaction Set Tables

LQ Segments (Sub-detail - HL03 = '9') table: For the data element Transaction Type, insert the following code values and code value descriptions in the LQ02 and LQ02 Description columns in numerical order as follows:

Element Name (LQ02)	Usage	LQ01	LQ02	LQ02 Description
Transaction Type	M	TT	111 112 113 114 115 116	Imbalance Payback – within Contract Imbalance Payback – Overrun Storage Injection – Firm Storage Injection – Interruptible Storage Withdrawal – Firm Storage Withdrawal – Interruptible

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Add new transaction type codes to the Nomination 1.4.1, Shipper Scheduled Quantity 1.4.5, and Transportation Sales Invoice 3.4.1 data sets.

b. Description of Recommendation:

Information Requirements Subcommittee

See meeting minutes for Information Requirements Subcommittee as follows:

- March 16, 2006
- April 20, 2006
- June 15, 2006



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Revised

Requester: Northern Natural Gas Co.

Request No.: R05005

Motion: June 15, 2006

For request R05005, add the following code values for the data element "Transaction Type" to the data sets indicated:

Document Name and No.:

Nomination

NAESB WGQ Standard No. 1.4.1

Scheduled Quantity

NAESB WGQ Standard No. 1.4.5

Transportation/ Sales Invoice

NAESB WGQ Standard No. 3.4.1

Data Element: Transaction Type

Code Value Description	Code Value Definition	Code Value
<u>Imbalance Payback – within Contract</u>	<u>Imbalance payback up to contract capacity rights.</u>	
<u>Imbalance Payback - Overrun</u>	<u>Imbalance payback which exceeds contract capacity rights for which authorization has been granted by the Transportation Service Provider.</u>	
<u>Storage Injection – Firm</u>	<u>A quantity of gas for firm storage service injection.</u>	
<u>Storage Injection – Interruptible</u>	<u>A quantity of gas for interruptible storage service injection.</u>	
<u>Storage Withdrawal – Firm</u>	<u>A quantity of gas for firm storage service withdrawal.</u>	
<u>Storage Withdrawal – Interruptible</u>	<u>A quantity of gas for interruptible storage service withdrawal.</u>	

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	8	0	8	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	8	0	8	2.00	0.00	2

Motion passes

Information Requirements Subcommittee

Excerpt from minutes for Information Requirements Subcommittee meeting January 16, 2008.

IR Discussion

Issue: The recommendation for this request was on the agenda for the November 8, 2007 EC meeting. In response to a request for comments on this recommendation, Latitude Technologies posted comments. The EC has sent this back to IR for additional review.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Revised

Requester: Northern Natural Gas Co.

Request No.: R05005

The group reviewed the comments from Latitude and the discussion from the previous IR meeting.

The comments from Latitude were:

This request would add 6 nomination transaction types, four of which involve storage nominations:

Code Value Description	Code Value Definition	Code Value
Storage Injection – Firm	A quantity of gas for firm storage service injection.	113
Storage Injection – Interruptible	A quantity of gas for interruptible storage service injection.	114
Storage Withdrawal – Firm	A quantity of gas for firm storage service withdrawal.	115
Storage Withdrawal – Interruptible	A quantity of gas for interruptible storage service withdrawal.	116

The requester indicated that its customers have the ability to elect how to handle any transportation imbalances ahead of time. The customer can take part of the imbalance to/from storage. So, when the customer ends up with an imbalance, the requester’s system automatically generates a nomination to move the imbalance to/from storage. Part of the election includes an indication of what storage contract to utilize. Upon further investigation, the requester indicated that a storage contract can contain both firm and interruptible quantities. Therefore, it is necessary to have the ‘firm’ / ‘interruptible’ designation on the transaction type.

Motion:

Based on the review of the issue sent to IR from the Executive Committee, IR determined that the implementation for R05005 should remain as originally proposed.

Vote				Balanced	Balanced	Balanced
	For	Against	Total	For	Against	Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	7	0	7	2.00	0.00	2
Producers	0	0	0	0.00	0.00	0
Services	0	0	0	0.00	0.00	0
	7	0	7	2.00	0.00	2

Vote passes



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

Revised

Requester: Northern Natural Gas Co.

Request No.: R05005

Technical Subcommittee

See meeting minutes for the following Technical Subcommittee meeting:

- June 19, 2007

Motion:

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0	0	0	0
LDCs	1	1	0	0
Services	0	0	0	0
Pipelines	5	2	0	0
Producers	0	0	0	0
Totals	6	3	0	0

Motion passes

c. Business Purpose:

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

**Comments on Recommendations
for the 08 November 2007 WGQ Executive Committee**
Submitted by Latitude Technologies

R01003 – This request would add a “System Management Service Quantity” data element. This is a 2001 request – does this implementation still fit the usage envisioned by the proposing pipelines? Moreover, if a System Management Capacity agreement is a separate agreement from the FT agreement, why won’t the “Quantity” field in the current Capacity Release transaction sets work?

R03010 – This request removes all Transactional Reporting references and examples of “Rate Reporting Level” from the TIBP and makes it SO. Is this data element still relevant? Can it be deleted altogether?

R03016 – This request would add a new code value – “Corrected/Updated” - to the Contract Status data element for transactional reporting. There are currently two code values for the Contract Status data element: “New” and “Amended”. The introduction of “Corrected/Updated” may cause confusion as to when the TSP should utilize the Change/Updated status vs. the Amended status.

The IR Subcommittee had several discussions and, at one point, proposed a clarifying definition for Change/Updated: “Data for the contract has been corrected or updated (not requiring an amendment to the contract).”

It is suggested to mitigate confusion, this definition be included.

R03029 – This request would add a new System-Wide Notice Type – “TSP’s Capacity Offering” to the existing list of notice types in standard 4.3.29.

Code Value Description	Code Value Definition	Code Value
TSP's Capacity Offering	Transportation Service Provider's firm capacity that is available and biddable.	14

Two suggestions: 1) remove the possessive from the label and 2) must the capacity always be “biddable”? Could this be used for Open Seasons? Suggest removing “biddable”. The revised standard would be:

Code Value Description	Code Value Definition	Code Value
TSP's Capacity Offering	Transportation Service Provider's firm capacity that is available and biddable.	14

R04022 – This request would add three new reduction reason codes – two used for exceeding point design limits and one for “underperformance” of the confirming party – and makes conforming changes to an existing RRC definition.

Code Value Description	Code Value Definition	Code Value
Exceeds Design Limit – Delivery Location	The sum of the confirmed nominations exceeds the design capacity of the delivery location.	EDD
Exceeds Design Limit – Receipt Location	The sum of the confirmed nominations exceeds the design capacity of the receipt location.	EDR
Underperformance of Confirming Party at Delivery Location	Underperformance reductions are applied at the delivery point when the operator's confirmations exceed the quantities actually being taken from the TSP by the point operator.	UPD
Underperformance of Confirming Party at Receipt Location	Nominated quantities at a transportation service provider's receipt (supply) point exceed the demonstrated physical performance at the receipt location. Underperformance reductions are applied at the receipt point when the operator's confirmations exceed the quantities actually being delivered to the TSP by the point operator.	UPR

Suggestions:

- 1) Change “Limit” in the code value description to “Capacity”. This makes the term consistent with current NAESB OAC and Unsubscribed Capacity terminology and its own definition.
- 2) Keep the old definition and change the new “underperformance” definition to comport with the existing definition. The new definition changes the meaning of the RRC (from a comparison of nominated quantities to a comparison of confirmed and “actually being delivered” quantities) and the voice/timing (from present to passive). The prior definition is clearer and uses the correct tense. Is an altogether new code value needed?

Code Value Description	Code Value Definition	Code Value
Exceeds Design CapacityLimit – Delivery Location	The sum of the confirmed nominations exceeds the design capacity of the delivery location.	EDD
Exceeds Design CapacityLimit – Receipt Location	The sum of the confirmed nominations exceeds the design capacity of the receipt location.	EDR

Code Value Description	Code Value Definition	Code Value
Underperformance of Confirming Party at Delivery Location	Underperformance reductions are applied at the delivery point when the operator's confirmations exceed the quantities actually being taken from the TSP by the point operator. Nominated quantities at a transportation services provider's delivery point exceed the demonstrated physical performance at the delivery location.	UPD
Underperformance of Confirming Party at Receipt Location	Nominated quantities at a transportation service provider's receipt (supply) point exceed the demonstrated physical performance at the receipt location. Underperformance reductions are applied at the receipt point when the operator's confirmations exceed the quantities actually being delivered to the TSP by the point operator. Nominated quantities at a transportation services provider's receipt (supply) point exceed the demonstrated physical performance at the receipt location.	UPR

R05005 – This request would add 6 nomination transaction types, four of which involve storage nominations:

Storage Injection – Firm	A quantity of gas for firm storage service injection.	113
Storage Injection – Interruptible	A quantity of gas for interruptible storage service injection.	114
Storage Withdrawal – Firm	A quantity of gas for firm storage service withdrawal.	115
Storage Withdrawal – Interruptible	A quantity of gas for interruptible storage service withdrawal.	116

The additional storage transaction types could be confusing. Firm and IT storage rights are derived from the storage contact, not the nomination. For comparison, there are no “Transportation – Firm” or “Transportation – Interruptible” transactions types. Also FT and IT storage rights can apply to both the inj/wd rights and storage capacity rights - the proposed definitions are unclear about which rights are being nominated. It is also unclear how these Transaction types compare with the current transaction types of “Storage Injection”, “Storage Withdrawal” “Authorized Injection Overrun” and “Authorized Withdrawal Overrun”. Suggest more analysis is needed here.

R05006 – This request would add a validation code to the Nom QR:

Code Value	Code Value Description	Code Value Definition
ENMQR590	Maximum Daily Quantity exceeded on Third Party Contract	[no definition necessary]

It is simply unclear how this will be used. Is the TSP tracking the values of some third party agreement? What third party contract is in question? More explanation is needed.

R05010 and R05012 – These are complementary request for a validation code and a reduction reason code for the case where “Nominated quantity exceeds the quantity previously elected for imbalance makeup.”

Is there a reason why the code value descriptions for these two changes don’t match exactly? In particular, the RRC uses the term “Total” where the validation code does not.

RRC

Code Value Description	Code Value Definition	Code Value
Total Nomination Quantity Exceeds Elected Quantity	Reduction due to the total nominated quantity exceeding the quantity previously elected for imbalance makeup.	QEE

Validation code

Code Value	Code Value Description	Code Value Definition
ENMQR591	Nominated Quantity Exceeds Elected Quantity.	Nominated quantity exceeds the quantity previously elected for imbalance makeup.

Suggest conforming changes to make these two changes match.

R06001 – This request would add two new nomination Transaction Types:

Code Value Description	Code Value Definition	Code Value
Off-system Market	Gas is delivered to an off-system market transaction.	117
Off-system Supply	Gas is sourced from an off-system supply transaction.	118

It is unclear from the request how these two transaction types will facilitate title transfers. The code value description seems to reflect upstream and downstream parties instead of nomination types. In fact, in the request, Kinder Morgan states:

“One code value would serve to identify such an entity on the upstream facility while the other would serve to identify such an entity on the downstream facility. Kinder Morgan proposes the descriptions of these new codes to be “Upstream Service Requester” and “Downstream Service Requester”.

More work is needed here.

R06012 – This request would add two new nomination Transaction Types:

Code Value Description	Code Value Definition	Code Value
<u>Purchase</u>	<u>[no definition necessary]</u>	<u>119</u>
<u>Sale</u>	<u>[no definition necessary]</u>	<u>120</u>

The two code values are offered without explanation, definitions, or suggested changes to the TIBP on how they should be used. Most importantly, the request proposes to add these two transaction types only to the Scheduled Quantity and Invoices datasets, not the Nomination or Quick Response datasets. Since the transaction type data element is part of the nomination key, it is unclear how a SQ or Invoice using these transaction types could be utilized by a Service Requester without a corresponding nomination. Suggest more detail is needed.


RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES

For Quadrant: **WGQ/REQ/RGQ**
 Requesters: **WGQ EDM, REQ/RGQ IR/TEIS Subcommittees**
 Request No.: **WGQ Annual Plan Item 3; REQ/RGQ AP Item 9**

1. RECOMMENDED ACTION:

Accept as requested
 Accept as modified below
 Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

Change to Existing Practice
 Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE
Per Request:

Initiation
 Modification
 Interpretation
 Withdrawal

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

Per Recommendation:

Initiation
 Modification
 Interpretation
 Withdrawal

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

3. RECOMMENDATION
SUMMARY:

The NAESB WGQ Electronic Delivery Mechanism (EDM) subcommittee and the REQ/RGQ Technical Electronic Implementation subcommittee (TEIS) were tasked with reviewing the Sandia National Laboratories' security assessment of the NAESB Internet Electronic Transport (Internet ET) standards manual and their accompanying WGQ/REQ/RGQ Quadrant Electronic Delivery Mechanism (QEDM) standards manuals per WGQ Annual Plan item number 3 and REQ/RGQ Annual Plan item number 9.

The WGQ EDM and REQ/RGQ TEIS subcommittees created a response document that contains more detail and can be found, in its final form, [NAESB Response to Sandia National Laboratories – Clean](#) as a work paper to the December 07, 2007 WGQ EDM and RGQ/REQ TEIS meeting.

The following are the subcommittees' recommendations for new standards and changes to existing standards manuals in response to Sandia National Laboratories' findings. To indicate the changes, underlined text denotes additions to, strike-through text denotes deletion from, existing standards manual language.



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STANDARDS LANGUAGE:

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 13:

Security

NAESB Internet ET establishes several security measures as standards to ensure a minimum level of confidence in conducting business over the Internet, and to provide uniformity in the implementation of security. Four security concepts, often referred to by the acronym PAIN, are vital to protecting Internet ET packages:

- Data Privacy
- Authentication
- Data Integrity
- Non-repudiation

Data Privacy and Encryption

Privacy is the assurance to an entity that no one can read a particular piece of data except the receiver(s) explicitly intended. Data privacy is accomplished by encrypting payload files. Internet ET allows encryption using:

OpenPGP, defined by (IETF RFC 2440) with modifications described in this specification	OR	PGP 2.6 <u>(minimum)</u> or higher <u>(strongly encouraged)</u> , with RSA keys can be used on a mutually agreed basis
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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 13

~~If trading partners mutually agree to use signed Receipts, then the application would additionally attach a digital signature to the Receipt.~~



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 14:

Non-Repudiation

Non-repudiation is the assurance to an entity that a party cannot deny having engaged in the transaction, or having sent the electronic message. It is like a Notary seal. The Sender of a file ~~may optionally~~ will include in the Internet ET package a digital signature that is created using their Private Key. The Receiver knows the Sender is legitimate by decoding the digital signature using the Sender's Public Key.

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 15:

- 10.1.9 Trading Partners should mutually ~~select and agree~~ agree to either the current, or the immediately previous, published ~~use a version of the NAESB Internet ET standards as a basis~~ under which to operate, unless specified otherwise by an applicable regulatory authority, government agencies. ~~Trading Partners should also mutually agree to adopt later versions of the NAESB Internet ET standards, as needed, unless specified otherwise by government agencies~~-(4.1.39).
- 10.2.1 'Internet ET Testing'. Testing electronic packages between trading partners includes testing of: A) Connectivity; B) Encryption/Decryption; and C) Digital signatures ~~where appropriate~~ (4.2.20).


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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 16:

10.2.14 'Error Notification'. Error Notification is a package sent from the Receiver of the original data to the Sender when errors are trapped after the Internet ET Receipt is sent, ~~for example, when. This is normally used for decryption errors~~ are detected after the Internet ET Receipt has been sent.

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 17:

10.2.24 'Exchange Failure'. An exchange failure is when a sending party's NAESB Internet ET server has had three or more protocol failures within a 30 minute period. ~~and no more than two hours.~~

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 18:

~~10.3.13 Three protocol failures within a 30-minute timeframe is an exchange failure.~~

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 19:

10.3.15 Trading partners should implement all security features (privacy, secure authentication, integrity, and non-repudiation) using a file-based approach using ~~via a commercially available implementation of:~~

- An OpenPGP product as defined by IETF RFC 2440, or
- On a mutually agreed basis, PGP version 2.6 or greater using the RSA algorithm to generate keys

(4.3.15)

10.3.17 Encryption keys should be self-certified. The exchange of Public keys should be completed electronically such as via email. ~~The exchange of Private keys, if applicable, should be done in a secure manner such as via postal or courier mail.~~ Key policies, including key exchange policies should be communicated to trading partners.


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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 20:

10.3.x26 The Internet ET manual should be reviewed and updated for technology changes by the WGQ EDM and REQ/RGQ TEIS subcommittees, prior to the publication of the WGQ Standards manual and the REQ/RGQ Standards manual respectively. This review should be accomplished in sufficient time for review by the respective Executive Committees prior to publication.

10.3.x27 A decryption response should be sent no later than 60 minutes from the initial payload receipt, or within a timeframe as specified in each quadrant's QEDM standards.

10.3.x28 The information contained in the Technical Exchange Worksheet and Trading Partner Agreement as well as trading partner digital signature and encryption keys should be secured and considered 'company proprietary' or 'company confidential' information.




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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 22:

ELECTRONIC TRANSPORT LIFE CYCLE

The life cycle of an Electronic Package using Internet ET is described below:

Sender		Receiver
<ul style="list-style-type: none"> Collects payload data to be sent Encrypts payload Prepares digital signature if necessary 		
<ul style="list-style-type: none"> Uses browser to create Electronic Package multi-part HTTP Request with header data elements and payload. Uses HTTP POST to send the electronic package to the Receiver 		
		<ul style="list-style-type: none"> Receives the HTTP Request on their Web/HTTP Server Validates Sender information from HTTP Request Header data elements and payload **Decrypts payload file Prepares Receipt Checks digital signatures if necessary

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 23:

ANATOMY OF AN INTERNET ET PACKAGE

An Internet ET package consists of the following sections:

- **Envelope header.** This section contains the envelope information needed to communicate who the Sender and Receiver are, as well as other envelope information.
- **Payload.** This section contains the payload file. Internet ET allows for only one payload file per package.
- **Digital Signatures.** ~~If used, the~~ The package should contain a section that is the digital signature.



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 23:

If trading partners agree to implement signed receipts, then the ~~the~~ sending party must include the 'receipt-security-selection' data element in the posted data. The receiving party must digitally sign the 'gisb-acknowledgement-receipt' and encapsulate the 'gisb-acknowledgement-receipt' and digital signature body parts within a MIME envelope with a 'content-type' of 'application/pgp-signature'.

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 24:

Data Dictionary for Internet ET

Business Name	Definition	Format	Usage*	Condition
receipt-security-selection	used to request signed receipts	signed-receipt-protocol=required,pgp-signature;signed-receipt-micalg=required,md5	in Request; MA	used in file transmittal and in posting error notifications

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 25:

transaction-set	name of the document type being sent	8 character code; refer to NAESB REQ and WGQ Implementation Guides, Related Standards Tab, Hypertext Transfer Protocol (HTTP) section, HTTP transaction-set Code Values table.	in Request; MA	used in file transmittal
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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 28:

Abuse of Refnum and Refnum-orig

There is potential for abuse/error when using the functionality of these mutually-agreed data elements. Parties should monitor for the re-use of numbers used with both refnum and refnum-orig for the receipt and delivery functions.

Example of Abuse by re-using Renum in "First resend"

<u>Package Send</u>	<u>refnum</u>	<u>refnum-orig</u>
<u>First send</u>	<u>123467890123456</u>	<u>123467890123456</u>
<u>First resend</u>	<u>123467890123456</u>	<u>123467890123456</u>

Example of Abuse by Sending Bogus Renum-orig in "First resend"

<u>Package Send</u>	<u>refnum</u>	<u>refnum-orig</u>
<u>First send</u>	<u>123467890123456</u>	<u>123467890123456</u>
<u>First resend</u>	<u>223467890123457</u>	<u>010101010101010</u>

Example of Abuse by re-use Refnum and Renum-orig in "New package"

<u>Package Send</u>	<u>refnum</u>	<u>refnum-orig</u>
<u>First send</u>	<u>123467890123456</u>	<u>123467890123456</u>
<u>First resend</u>	<u>223467890123457</u>	<u>123467890123456</u>
<u>New package</u>	<u>123467890123456</u>	<u>123467890123456</u>



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 30:

Server Response

The Server will send a 'gisb-acknowledgement-receipt' in the HTTP Response to the Client before dropping the Client's connection. ~~If the transacting parties agree to use signed receipts, the~~ The Server applies a digital signature to the 'gisb-acknowledgement-receipt' and encapsulates the entire package in a MIME envelope of 'content-type: application/pgp-signature'.

Required Data Elements, Listed in the Required Order:

1. from
2. to
3. version
4. receipt-disposition-to
5. receipt-report-type
6. input-format
7. input-data
8. receipt-security-selection

Mutually Agreed Upon Data Elements

9. transaction-set
10. ~~receipt-security-selection~~
11. refnum
12. refnum-orig

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 35:

RECEIVING INTERNET ET PACKAGES

General Flow

The following is an example of the steps necessary to receive an Internet ET package:

1. Parse multi-part form
2. Validate HTTP Request data elements
3. If HTTP Request data elements in error, return appropriate Internet ET standard error code in the HTTP Response data elements
4. Save data
5. Create 'gisb-acknowledgement-receipt'
6. ~~If using signed~~ Produce a digital signature over the 'gisb-acknowledgement-receipt' created in step 5.



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 37:

~~If signed Receipts are used, the~~ The 'gisb-acknowledgement-receipt' including the 'multipart/report' envelope, is digitally signed, producing an 'application/pgp-encrypted' body part. Both the 'multipart/report' 'gisb-acknowledgement-receipt' and the 'application/pgp-signature' body parts are placed in a 'multipart/signed' envelope and the entire package is returned to the Sender.

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 41:

~~Additionally, trading partners are permitted to use digitally signed error notifications, if both parties mutually agree to do so.~~

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 42 (last 2 bullet items):

- ~~The first body part contains human readable content in HTML. The second body part contains machine readable content in plain text. Additionally, consenting trading partners can mutually agree to digitally sign error notifications.~~
- ~~If digital signatures are used, the~~ The multipart/report containing the Error Notification is used to create a digital signature body part, identified by a 'content-type' of application/pgp-signature. Both the multipart/report Error Notification and application/pgp-encrypted digital signature body parts are combined in a multipart/signed envelope.



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 45:

Understanding OpenPGP and PGP

Pretty Good Privacy (PGP) is the name of the chosen security application. OpenPGP is the Internet Engineering Task Force (IETF) standard version of PGP that excludes all patented algorithms, allowing free commercial use of the standard. Both OpenPGP and PGP use a Public Key/Private Key pair to secure and sign files for transfer. The Private Key must be known only to the company that generated it. The Public Key counterpart is shared with trading partners.

Each company must generate its Public Key and Private Key pair. The RSA key generation algorithm should be chosen for versions of PGP that offer alternatives. Implementers of OpenPGP should choose DSA and El Gamal when creating their key pair. The Public Keys should be distributed electronically to the company's trading partners. ~~Private keys are not typically exchanged with trading partners. In the event that a Private Key needs to be exchanged, the exchange should occur in a secure manner such as postal or courier mail.~~

You should never divulge your Private Key to another party ~~must use the utmost care in protecting your Private Key.~~ If an un-trusted party has your Private Key, your security is compromised. It is recommended that a key size of 1024 be chosen when generating the key pair. This provides a significantly secure transaction.

When a company wishes to send transactions to its trading partner, it will use the partner's Public Key to encrypt the file. Encryption provides data privacy. Only the Private Key counterpart can decrypt this file.

When the sending party encrypts the file, it also uses its own Private Key to 'sign' the transaction. The receiving party can use the Sender's Public Key to verify the signature. The digital signature provides non-repudiation.


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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 46:

Encryption and digital signatures are created using OpenPGP, or on a mutually agreed basis, PGP version 2.6 or greater. Regardless of encrypting in a manual or automated fashion, it is essential that the correct Public Key of the trading partner be used to encrypt and just as essential that the correct Sender's own Private Key be used to digitally sign the file.

~~Digital signatures may also be applied, on a mutually agreed upon basis, to the HTTP Response by the Receiver of the package.~~

Decryption / Digital Signature Verification

After a package is received and processed by the Receiving Program, it is ready to be decrypted and have its digital signature verified. Given the correct userID for a trading partner, OpenPGP/PGP uses the appropriate key pair to encrypt, sign and decrypt. Upon request for signature verification, the OpenPGP/PGP will return a human-readable descriptive text such as DUNS number or company name.

~~When digital signatures are applied, on a mutually agreed upon basis, the~~ The digitally signed HTTP Response received by the Sender of the transaction ~~may~~ should be verified to ensure non-repudiation of receipt of the transaction.



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 51:

Internet ET Standard Error Codes and Messages

Validation Code	Description	Data Element	Data Element Required or Mutually Agreed
EEDM100	Missing 'from' Common Code Identifier code	From	required
EEDM101	Missing 'to' Common Code Identifier	To	required
EEDM102	Missing input format	input-format	required
EEDM103	Missing data file	input-data	required
EEDM104	Missing transaction set	transaction-set	mutually agreed
EEDM105	Invalid 'from' Common Code Identifier	From	required
EEDM106	Invalid 'to' Common Code Identifier	To	required
EEDM107	Invalid input format	input-format	required
EEDM108	Invalid transaction set	transaction-set	mutually agreed
EEDM109	No parameters supplied	Parameter string	required
EEDM110	Invalid 'version'	Version	required
EEDM111	Missing 'version'	Version	required
EEDM112	'receipt-security-selection' not mutually agreed	receipt-security-selection	mutually agreed
EEDM113	Invalid 'receipt-security-selection'	receipt-security-selection	mutually agreedrequired
EEDM114	Missing 'receipt-disposition-to'	receipt-disposition-to	required
EEDM115	Invalid 'receipt-disposition-to'	receipt-disposition-to	required
EEDM116	Missing 'receipt-report-type'	receipt-report-type	required
EEDM117	Invalid 'receipt-report-type'	receipt-report-type	required
EEDM118	Missing 'receipt-security-selection'	receipt-security-selection	mutually agreedrequired
EEDM119	Mutually agreed element, refnum, not present	Refnum	mutually agreed
EEDM120	Mutually agreed element refnum-orig not present	refnum-orig	mutually agreed
EEDM121	Duplicate refnum received	Refnum	mutually agreed
EEDM601	Public key invalid	file itself	required - security
EEDM602	File not encrypted	file itself	required - security
EEDM603	Encrypted file truncated	file itself	required - security
EEDM604	Encrypted file not signed or signature not matched	file itself	required - security
EEDM699	Decryption Error		required for general decryption errors not specifically identified by OpenPGP or PGP messages or exit codes
EEDM701	Sending party not associated with Receiving party		required
EEDM702	Package file format not recognized by Receiving party		required when the file format is not recognized by the receiver (e.g. not expecting 855 or not expecting Flat-File or XML)
EEDM703	Data set exchange not established for Trading Partner		required if the translator does not handle this exception
EEDM999	System error		required for general system errors to indicate severe errors in processing at the receiving site


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Validation Code	Description	Data Element	Data Element Required or Mutually Agreed
WEDM100	Transaction set sent not mutually agreed	transaction-set	mutually agreed
WEDM102	'receipt-security-selection' not mutually agreed	receipt-security-selection	mutually agreed
WEDM103	Missing 'receipt-security-selection'	receipt-security-selection	mutually agreed <u>required</u>



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NAESB INTERNET ET MANUAL, VERSION 1.8, Page 55:

APPENDIX B – FREQUENTLY ASKED QUESTIONS

Q10:What does NAESB say about my organization's security?.....57

NAESB INTERNET ET MANUAL, VERSION 1.8, Page 57:

Q10: What does NAESB say about my organization’s security?

A: NAESB Internet ET participants are encouraged to maintain their system security in such a manner that reduces the risk of unauthorized/malicious activity. However, NAESB does not dictate overall security requirements for individual companies. For further information on general security guidelines please reference the SANS (www.SANS.com) or NIST (www.NIST.com) websites.

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RXQ.5.1.6 Trading Partners should mutually agree to select and use a either the current, or the immediately previous version of the NAESB RXQ model business practices under which to operate, unless specified otherwise by the Applicable Regulatory Authority.



RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES
For Quadrant: WGQ/REQ/RGQ
Requesters: WGQ EDM, REQ/RGQ IR/TEIS Subcommittees
Request No.: WGQ Annual Plan Item 3; REQ/RGQ AP Item 9

NAESB WGQ TRADING PARTNER AGREEMENT, VERSION 1.8, Exhibit Section, Page 2:

EXHIBIT ____

ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT

DATED _____
 TO BE EFFECTIVE _____ (date)

3. Communication Specifics:
 Company Name: _____
 EDI Contact Phone Number: _____
 Provider Name: _____
 Receipt Computer URL (include host name or IP address, any non standard port, directory and program name as necessary): _____
 Basic Authentication Userid: (to be sent separately) _____
 Basic Authentication Password: (to be sent separately) _____
 HTTP to/from Tag: _____
 Is the "transaction set" supported in the HTTP envelope (Yes/No)? _____
- Company Name: _____
 EDI Contact Phone Number: _____
 Provider Name: _____
 Receipt Computer URL (include host name or IP address, any non standard port, directory and program name as necessary): _____
 Basic Authentication Userid: (to be sent separately) _____
 Basic Authentication Password: (to be sent separately) _____
 HTTP to/from Tag: _____
 Is the "transaction set" supported in the HTTP envelope (Yes/No)? _____



RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES
For Quadrant: WGQ/REQ/RGQ
Requesters: WGQ EDM, REQ/RGQ IR/TEIS Subcommittees
Request No.: WGQ Annual Plan Item 3; REQ/RGQ AP Item 9

NAESB WGQ QEDM, VERSION 1.8, Page 28:

4.1.39 Trading Partners should mutually ~~select and utilize a~~ agree to use either the current, or the immediately previous, published version of the NAESB WGQ QEDM standards as a basis under which to operate, unless specified otherwise by an applicable regulatory authority. ~~government agencies. Trading Partners should also mutually agree to adopt later versions of the NAESB WGQ EDM standards, as needed, again unless specified otherwise by government agencies.~~

NAESB WGQ QEDM MANUAL, VERSION 1.8, Page 87:

Appendix B - MINIMUM TECHNICAL CHARACTERISTICS AND GUIDELINES FOR THE DEVELOPER AND USER OF THE CUSTOMER ACTIVITIES WEB SITE

Browser Characteristics (includes defined NAESB WGQ current versions):

Features as supported by the latest Generally Available (GA) versions of both Netscape®¹ and Internet Explorer®³ within 9 months of such GA version becoming available, including -

- Frames & Nested Frames
- Tables & Nested Tables
- HTML
- Cookies
- JavaScript
- SSL 128-bit RSA Encryption
- Style Sheets

Plug-ins (GA versions within 9 months of such GA versions becoming available)

- JAVA®
- ActiveX®⁴ (Plug-in for Netscape®)
- Adobe Acrobat Reader®⁵
- Systems Incorporated
- Independent Computer Architecture (ICA®)⁶ - Protocol used for remote control access to an application

¹ Netscape® is a registered trademark of Netscape Communications Corp.

³ Internet® Explorer is a registered trademark of Microsoft Corporation.

⁴ ActiveX® is a registered trademark of Microsoft Corporation.

⁵ Adobe®, Acrobat®, and Reader® are registered trademarks of Adobe.

⁶ ICA® is a registered trademark of Citrix Systems Inc.



RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES

For Quadrant: WGQ/REQ/RGQ

Requesters: WGQ EDM, REQ/RGQ IR/TEIS Subcommittees

Request No.: WGQ Annual Plan Item 3; REQ/RGQ AP Item 9

Operating Systems:

Operating systems on a client workstation should be multithreaded, ~~and~~ pre-emptive and should be the latest, stable version and service pack available as allowed in NAESB WGQ QEDM Appendices B and C.



RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES
For Quadrant: WGQ/REQ/RGQ
Requesters: WGQ EDM, REQ/RGQ IR/TEIS Subcommittees
Request No.: WGQ Annual Plan Item 3; REQ/RGQ AP Item 9

NAESB WGQ QEDM, VERSION 1.8, Page 92:

APPENDIX D - Minimum Technical Characteristics for EDM Communications

The following ports may be used by EDM developers and should be made available in user environments.

Allowable TCP Ports (not UDP ports)

HTTP HTTPS 80, 443, 5713, 6112, 6304, 6874, 7403

ICA® 1494

RMI(Java®) 1099-1100

Java® Telnet 31415

~~TCP Optional 8001-8020**~~

SMTP 25

Allowable UDP Ports (not TCP ports)

Secure ICA® 1604

Trading partners may mutually agree to use ports other than those specified above. Only ports necessary to transaction-related traffic should be opened, and they should be protected by network and system security controls. All other ports should be closed.

There are other technologies available that would require additional ports to be opened, such as FTP and Telnet. If and when NAESB WGQ approves such technologies, this list will be modified accordingly. The client-side firewall implementation and client browser settings should permit the downloading and installation of NAESB WGQ approved plug-ins and modules. Please refer to the NAESB WGQ defined Minimum Technical Characteristics for Accessing Customer Activities Web Sites for the listing of NAESB WGQ approved plug-ins and modules.

~~**The reservation of 20 optional ports was to provide room for implementations such as DCE, IIOP, and load balancing implementations. TSPs should endeavor to minimize the usage of these ports.~~

ICA® is a registered trademark of Citrix Systems Inc.

JAVA® is a registered trademark of Sun Microsystems, Inc.


RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES
For Quadrant: WGQ/REQ/RGQ
Requesters: WGQ EDM, REQ/RGQ IR/TEIS Subcommittees
Request No.: WGQ Annual Plan Item 3; REQ/RGQ AP Item 9

BUSINESS PROCESS DOCUMENTATION (for addition, modification or deletion of business process documentation language)

4. SUPPORTING DOCUMENTATION

a. Description of Request:

WGQ 2007 Annual Plan item number 3 - Develop or amend WGQ technical standards, as appropriate, to address to the DoE Sandia National Laboratories 2006 surety assessment findings and recommendations;

REQ/RGQ 2007 Annual Plan item number 9 - Address issues raised in the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations.

b. Description of Recommendation:

WGQ EDM Subcommittee/REQ/RGQ TEIS Subcommittee:

See the WGQ EDM - REQ/RGQ TEIS meeting minutes, and attachments for the supporting documentation, discussion, and voting records for the following dates:

01/24/2007
 02/16/2007
 03/20/2007
 03/30/2007
 04/16/2007
 04/20/2007
 05/04/2007
 05/17/2007
 05/23/2007
 07/16/2007
 11/13/2007
 12/07/2007


RECOMMENDATION - WGQ/REQ/RGQ EXECUTIVE COMMITTEES
For Quadrant: WGQ/REQ/RGQ
Requesters: WGQ EDM, REQ/RGQ IR/TEIS Subcommittees
Request No.: WGQ Annual Plan Item 3; REQ/RGQ AP Item 9

Motion: In response to WGQ Annual Plan item 3 and RXQ Annual Plan item 9 the WGQ EDM and RXQ IR/TEIS subcommittees submit the following recommendation to the respective Executive Committees for their consideration.

Vote: Unanimously Approved on December 7, 2007

Vote

WGQ

	For	Against	Total	Balanced For	Balanced Against	Balanced Total
End Users	0	0	0	0.00	0.00	0
LDCs	0	0	0	0.00	0.00	0
Pipelines	1	0	1	1.00	0.00	1
Producers	0	0	0	0.00	0.00	0
Services	1	0	1	1.00	0.00	1
Total	2	0	2	2.00	0.00	2

REQ

	For	Against	Total	Balanced For	Balanced Against	Balanced Total
Suppliers	0	0	0	0.00	0.00	0
Distributors	1	0	1	1.00	0.00	1
End Users	0	0	0	0.00	0.00	0
Ser Provider	0	0	0	0.00	0.00	0
Total	1	0	1	1.00	0.00	1

RGQ

	For	Against	Total	Balanced For	Balanced Against	Balanced Total
Suppliers	0	0	0	0.00	0.00	0
Distributors	1	0	1	1.00	0.00	1
End Users	0	0	0	0.00	0.00	0
Serv Producers	0	0	0	0.00	0.00	0
Total	1	0	1	1.00	0.00	1



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**NAESB WGQ 2007 Annual Plan Item 7a/
NAESB WGQ 2008 Annual Plan Item 4a**

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 (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

Adopt the following modified standards and proposed definitions and standards for NAESB WGQ 2007 Annual Plan Item 7a:

- Proposed Modified WGQ Standard No. 5.3.1
- Proposed Modified WGQ Standard No. 5.3.3
- Proposed Modified WGQ Standard No. 5.3.26
- Proposed WGQ Definition No. 5.2.x1
- Proposed WGQ Definition No. 5.2.x2
- Proposed WGQ Standard No. 5.3.x1
- Proposed WGQ Standard No. 5.3.x2
- Proposed WGQ Standard No. 5.3.x2a
- Proposed WGQ Standard No. 5.3.x3
- Proposed WGQ Standard No. 5.3.x4
- Proposed WGQ Standard No. 5.3.x6
- Proposed WGQ Standard No. 5.3.x7
- Proposed WGQ Standard No. 5.3.x8
- Proposed WGQ Standard No. 5.3.x9
- Proposed WGQ Standard No. 5.3.x11



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

NAESB WGQ 2007 Annual Plan Item 7a/ NAESB WGQ 2008 Annual Plan Item 4a

STANDARDS LANGUAGE:

Proposed Modified WGQ Standard No. 5.3.1

The ~~C~~capacity ~~R~~release timeline ~~is applicable~~ applies to all parties involved in the ~~C~~capacity ~~R~~release process; ~~however, it is only applicable if~~ provided that:

- 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit-worthy before the capacity release bid is tendered, and
- 2) for index-based capacity release transactions, the releasing shipper has provided the capacity release service provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) there are no special terms or conditions of the release.

Further, the capacity release service provider may complete the capacity release process on a different timeline if the offer includes unexpected requirements (e.g. designation of an index not supported by the Transportation Service Provider).

Proposed Modified WGQ Standard No. 5.3.3

For the capacity release business process timing model, only the following methodologies are required to be supported by capacity release service providers and provided to releasing shippers as choices from which they may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the releasing shipper should provide the necessary information and instructions to support the chosen methodology.

Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the capacity release service provider. However, the capacity release service provider is not required to offer other choices or similar timeline treatment for other choices, nor, is the capacity release service provider held to the timeline should the releasing shipper elect another method of evaluation.

Proposed Modified WGQ Standard No. 5.3.26

The ~~R~~releasing shipper ~~has choice to~~ should specify which one of the following methods is acceptable for bidding on a given capacity release offer:

- dollars and cents,
- ~~or~~ percentage of maximum rate, or
- index-based formula as detailed in the capacity release offer.

in the denomination of bids and all transportation service providers should support this. Once the choice is made by the releasing shipper, the bids should comport with the choice. The bids for the given capacity release offer should adhere to the method specified by the releasing shipper. The bidder may bid the maximum reservation rate in the Transportation Service Provider's tariff or general terms and conditions, if applicable, as an alternative to the method specified by the releasing shipper.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

NAESB WGQ 2007 Annual Plan Item 7a/ NAESB WGQ 2008 Annual Plan Item 4a

Proposed Definition 5.2.x1

For index-based capacity release transactions, Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the releasing shipper. The Rate Floor may not be less than the Transportation Service Provider's (TSP) minimum reservation rate. If a Rate Floor is not otherwise specified, the TSP's minimum reservation rate should serve as the default value for the Rate Floor.

Proposed Definition 5.2.x2

For index-based capacity release transactions, Default Rate is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Default Rate is not otherwise specified, the Rate Floor should serve as the Default Rate.

Proposed WGQ Standard No. 5.3.x1

A Transportation Service Provider should support the upload of index-based capacity release offer and bid transactions exclusively via the use of NAESB WGQ EBB/EDM.

Proposed WGQ Standard No. 5.3.x2

For index-based capacity release transactions, the releasing shipper should specify which one of the following methods is acceptable for bidding on a given index-based capacity release offer:

- a percentage of the formula,
- a dollars and cents differential from the formula,
- a dollars and cents differential from the Rate Floor, or
- an approved methodology in the Transportation Service Provider's tariff, if any.

When bidding is based upon a dollars and cents differential from the Rate Floor, the invoiced rate for the award should be calculated as the greater of (i) the result of the formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed the TSP's maximum reservation rate, if applicable.

The releasing shipper may specify another method in the special terms and conditions, but the capacity release offer may not be processed within the capacity release timeline pursuant to NAESB WGQ Standard No. 5.3.2.

Proposed WGQ Standard No. 5.3.x2a

For index-based capacity release transactions, the capacity release facilitator should support a Rate Floor to be specified by the releasing shipper in the capacity release offer.

Proposed WGQ Standard No. 5.3.x3

Unless otherwise specified in the Transportation Service Provider's (TSP) tariff, for index-based capacity release transactions where the result of the award is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

NAESB WGQ 2007 Annual Plan Item 7a/ NAESB WGQ 2008 Annual Plan Item 4a

minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed the TSP's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award.

If the resulting monthly reservation rate exceeds the TSP's maximum reservation rate, as applicable, the TSP's maximum reservation rate should be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor should be used for invoicing.

Proposed WGQ Standard No. 5.3.x4

For volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds the Transportation Service Provider's (TSP) applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, the TSP's maximum reservation rate or the Rate Floor, respectively, should apply for invoicing.

Proposed WGQ Standard No. 5.3.x6

Initially, a Transportation Service Provider (TSP) should support at least two non-public price index references that are representative of receipt and delivery points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, a TSP should support all price indices it references in its gas tariff, or general terms and conditions. In addition, a TSP should evaluate those publicly available price index references requested by the TSP's Service Requesters (SR) that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable receipt and delivery points.

The identity of all supported price index references should be posted on the TSP's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s). A TSP's support of any price index reference does not make it responsible for ensuring that a releasing shipper(s) or a replacement shipper(s) possesses any license/subscription that may be required to use such price index reference.

Upon request of a SR holding capacity which can be released on that TSP's system, the TSP, in consultation with its SRs, should review the price index references (including publicly available price index references), and update the price index references on the TSP's Informational Postings Web site to reflect the results of that consultation. Such review should occur no more frequently than annually.

Releasing shippers requesting the use of price index references not supported by the TSP will be responsible for providing/maintaining adequate license(s)/subscription(s) for the TSP for any additional price index reference(s) such that the TSP is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such additional price index reference(s) will then be supported by the TSP and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and posted on the TSP's Informational Postings Web site. As an alternative to providing the TSP with a license(s)/subscription(s) to additional price index references, the releasing shipper may make other mutually agreed upon arrangements with the TSP.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

NAESB WGQ 2007 Annual Plan Item 7a/ NAESB WGQ 2008 Annual Plan Item 4a

The TSP retains the right to review the legal implications of any license/subscription, and with reasonable cause, require the agreement for the licensing of the support of such price index reference(s) to be revised to meet its concerns.

Proposed WGQ Standard No. 5.3.x7

For index-based capacity release transactions, upon mutual agreement between the releasing shipper and the Transportation Service Provider (TSP), the releasing shipper should provide the TSP and the replacement shipper with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by the TSP to the replacement shipper pursuant to the capacity release award. The results of the releasing shipper's calculations should conform to the capacity release award and/or to the TSP's minimum and maximum reservation rates, as applicable.

- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation should be provided in a mutually agreed upon format no later than the second Business Day of the month following the transportation under the release.
- For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation should be provided in a report pursuant to NAESB WGQ Standard No. 5.3.x11.

If the report is not provided by the applicable deadline above or is deficient, the TSP will notify the releasing shipper to provide the TSP with a correct report within one Business Day. Thereafter, in the absence of a conforming report, the TSP will invoice the replacement shipper the greater of the Default Rate specified in the capacity release offer or the Rate Floor plus any differential specified in the capacity release award.

Upon notification to the TSP by both the releasing shipper and the replacement shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB WGQ Invoicing Related Standards.

Proposed WGQ Standard No. 5.3.x8

For index-based capacity release transactions, the rate to be used in the invoice should be the greater of:

- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Default Rate specified in the capacity release offer), or
- the Rate Floor plus any differential as specified in the capacity release award.

The rate used in the invoice should not be greater than the Transportation Service Provider's maximum reservation rate, as applicable.

Proposed WGQ Standard No. 5.3.x9

For index-based capacity release transactions, a Transportation Service Provider should support the ability of a releasing shipper to specify in the capacity release offer a non-biddable Default Rate. The Default Rate cannot be less than the Rate Floor, if any.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

NAESB WGQ 2007 Annual Plan Item 7a/ NAESB WGQ 2008 Annual Plan Item 4a

Proposed WGQ Standard No. 5.3.x11

For volumetric index-based capacity release transactions, where the releasing shipper performs invoicing calculations pursuant to NAESB WGQ Standard No. 5.3.x7, the Transportation Service Provider (TSP) should provide allocated quantities to the releasing shipper according to a mutually agreed upon timetable. The releasing shipper should have at least one Business Day to process the quantities prior to returning such invoicing information to the TSP in a tabular format.

The TSP should provide the allocated quantities to the releasing shipper in a tabular file to be described by the TSP. The first row of the file should contain the column headers and data should begin on the second row of the file. In addition, the first column should contain the applicable Gas Day(s).

4. SUPPORTING DOCUMENTATION

a. Description of Request:

WGQ 2007 Annual Plan Item 7a –

Respond to directives of [FERC Order No. 698 issued 6-25-07](#), Docket Nos. [RM05-5-001](#) and [RM96-1-027](#) as related to the NAESB reports submitted in Docket No. [RM05-28-000](#):

¶ 56 of Order No. 698: "... Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently." (emphasis added)

b. Description of Recommendation:

Business Practices Subcommittee

See meeting minutes for the Business Practices Subcommittee as follows:

- 8/30-31/2007
- 09/18/2007
- 10/10/2007
- 10/31/2007
- 11/15/2007
- 12/04/2007
- 01/10/2008
- 02/08/2008
- 02/21/2008
- 03/12-13/2008

The final version of each standard was passed without opposition.

c. Business Purpose:

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

Comments from Natural Gas Pipeline Company of America LLC
NAESB WGQ 2007 Annual Plan Item 7a/
NAESB WGQ 2008 Annual Plan Item 4a

Proposed Modified WGQ Standard No. 5.3.1

The ~~C~~capacity R~~e~~lease timeline is ~~applicable~~ applies to all parties involved in the ~~C~~capacity R~~e~~lease process; ~~however, it is only applicable if provided that:~~

- 1) _____ all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit-worthy before the capacity release bid is tendered, ~~and~~
- 2) _____ for index-based capacity release transactions, the releasing shipper has provided the capacity release service provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) _____ there are no special terms or conditions of the release.

Further, the capacity release service provider may complete the capacity release process on a different timeline if the offer includes ~~unexpected requirements unfamiliar or unclear terms and conditions~~ (e.g. designation of an index not supported by the Transportation Service Provider).

Rationale for Comment: **Adds clarity for the types of items that could cause the release not to be processed per the standard timeline.**

Proposed WGQ Standard No. 5.3.x3

Unless otherwise specified in the Transportation Service Provider's (TSP) tariff, for **invoicing of** index-based capacity release transactions where the result of the award is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed the TSP's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award.

If the resulting monthly reservation rate exceeds the TSP's maximum reservation rate, as applicable, the TSP's maximum reservation rate should be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor should be used for invoicing.

Reason for Comment: **Clarity**

Proposed WGQ Standard No. 5.3.x4

For **invoicing of** volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds the Transportation Service Provider's (TSP) applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, the TSP's maximum reservation rate or the Rate Floor, respectively, should apply for invoicing.

Reason for Comment: **Clarity**

Proposed WGQ Standard No. 5.3.x6

Initially, a Transportation Service Provider (TSP) should support at least two non-public price index references that are representative of receipt and delivery points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, a TSP should support all price indices it references in its gas tariff, or general terms and conditions. In addition, a TSP should evaluate those publicly available price index references requested by the TSP's Service Requesters (SR) that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable receipt and delivery points.

The identity of all supported price index references should be posted on the TSP's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s). A TSP's support of any price index reference does not make it responsible for ensuring that a releasing shipper(s) or a replacement shipper(s) possesses any license/subscription that may be required to use such price index reference **nor does TSP assume any liability for a releasing shipper's or replacement shipper's use of such price index.**

Upon request of a SR holding capacity which can be released on that TSP's system, the TSP, in consultation with its SRs, should review the price index references (including publicly available price index references), and update the price index references on the TSP's Informational Postings Web site to reflect the **agreed upon** results of that consultation. Such review should occur no more frequently than annually.

Releasing shippers requesting the use of price index references not supported by the TSP will be responsible for providing/maintaining adequate license(s)/subscription(s) for the TSP for any additional price index reference(s) such that the TSP is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such additional price index reference(s) will then be supported by the TSP and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and posted on the TSP's Informational Postings Web site. As an alternative to providing the TSP with a license(s)/subscription(s) to additional price index references, the releasing shipper may make other mutually agreed upon arrangements with the TSP.

The TSP **retains reserves** the right to review the legal implications of any license/subscription, and with reasonable cause, require the agreement for the licensing of the support of such price index reference(s) to be revised to meet its concerns.

Reason for Comments: Clarity and the need to be extremely clear that the TSP assumes no responsibility relative to the use of indexes by shippers.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**NAESB WGQ 2007 Annual Plan Item 7b/
NAESB WGQ 2008 Annual Plan Item 4b**

1. RECOMMENDED ACTION:

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

- Accept as requested
- Accept as modified below
- Decline

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANCE

Per Request:

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

Adopt the following proposed standard for NAESB WGQ 2007 Annual Plan Item 7b:
Proposed WGQ Standard No. 1.3.x1

STANDARDS LANGUAGE:

Proposed Standard 1.3.x1: To the extent the Transportation Service Provider's (TSP) other scheduling requirements are met, a TSP should support the ability of a Service Requester to redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point at any of the TSP's subsequent nomination cycle(s) for the subject gas day, at least under the same contract, without a requirement that the quantities be rescheduled through the point of constraint.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

NAESB WGQ 2007 Annual Plan Item 7b/ NAESB WGQ 2008 Annual Plan Item 4b

4. SUPPORTING DOCUMENTATION

a. Description of Request:

WGQ 2007 Annual Plan Item 7b –

Respond to directives of [FERC Order No. 698 issued 6-25-07](#), Docket Nos. [RM05-5-001](#) and [RM96-1-027](#) as related to the NAESB reports submitted in Docket No. [RM05-28-000](#):

¶ 63 of Order No. 698: “The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility.” (emphasis added)

b. Description of Recommendation:

Business Practices Subcommittee

See meeting minutes for the Business Practices Subcommittee as follows:

- 8/30-31/2007
- 09/18/2007
- 10/09/2007
- 10/30/2007
- 11/14/2007
- 12/05/2007
- 01/09/2008

The standard was passed without opposition.

c. Business Purpose:

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



Date: May 2, 2008

To: NAESB WGQ Executive Committee

From: New Jersey Natural Gas Company

Subject: **Comments in Support of Recommendation to Adopt Proposed WGQ Standard No. 1.3.x1 – 2007 WGQ Annual Plan Item 7b and 2008 WGQ Annual Plan Item 4b – Develop Standards for Providing Increased Receipt and Delivery Point Flexibility Through the Use of Redirects of Scheduled Quantities (FERC Order No. 698 issued 6-25-07, Docket Nos. RM05-5-001 and RM96-1-027)**

Overview

Proposed WGQ Standard No. 1.3.x1 (“Proposed Standard”) will provide Service Requesters (“SR”) with much needed and greatly enhanced flexibility to redirect their scheduled supply under the same contract to other receipt points upstream of a constraint point or delivery points downstream of a constraint point without the need to reschedule through a point of constraint. Importantly, changes to the current scheduling requirements of Transmission Service Providers (“TSP”) are not required to accommodate the Proposed Standard. Because of the significant benefits to SRs that the Proposed Standard will provide, without burdening TSPs, New Jersey Natural Gas Company (“New Jersey Natural”) strongly urges the WGQ Executive Committee to adopt the Proposed Standard as drafted.

Discussion

Consistent with the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) directive to NAESB in Order No. 698 to consider possible standards for increasing receipt and delivery point flexibility,¹ the Business Practice Subcommittee of the WGQ worked to develop a standard that increases SR receipt and delivery point flexibility, but at the same time is easily implemented within the structure of existing TSP scheduling requirements. The Proposed Standard achieves those objectives exceeding well and, in recognition of its significant benefits, was approved with no opposition by the Business Practice Subcommittee.

There is a need for the Proposed Standard because although some TSPs allow SRs to re-direct scheduled quantities already confirmed through a constraint point, many TSPs require SRs to

¹ *Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698, 72 FR 38757 (July 16, 2007), III FERC Stats. & Regs. ¶ 31,251, at P 63 (June 25, 2007) (“Order No. 698”).

submit a new nomination in order to re-direct scheduled quantities, even though the SR is already confirmed through a constraint point and the redirect is within the confirmed path. The practice of requiring a new nomination greatly constrains the SRs flexibility to redirect, instead unfairly resulting in curtailments. In short, once scheduled through a constraint point by a TSP, an SR should be allowed to redirect its scheduled quantities under the same contract without the TSP considering the point change(s) a new original nomination. The Proposed Standard mitigates this issue by affording SRs the ability to redirect schedule quantities on either side of a constraint, all within the existing TSP scheduling requirements.

Specifically, the Proposed Standard states:

Proposed Standard 1.3.x1: To the extent the Transportation Service Provider's (TSP) other scheduling requirements are met, a TSP should support the ability of a Service Requester to redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point at any of the TSP's subsequent nomination cycle(s) for the subject gas day, at least under the same contract, without a requirement to be rescheduled through the point of constraint.

Its adoption will provide significant benefits to SRs while protecting the interests of TSPs and other shippers by:

- Allowing SRs the flexibility to redirect their scheduled quantities without unfairly being subject to curtailment once they have already been scheduled through a posted constraint point;
- Ensuring SRs retain their original scheduling priority through a constraint point while redirecting scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point;
- Providing TSPs with flexibility in implementing the new standard by (i) not requiring TSPs that already have redirect processes in place that address the issue of redirecting quantities on either side of a constraint point to change these existing processes; and (ii) affording TSPs without such redirect processes the flexibility to tailor a process that works best with their existing procedures – not one-size-fits-all;
- Preserving each individual TSP's current scheduling requirements;
- Accounting for the operational capabilities of the TSP;
- Not conveying a scheduling priority to the redirecting SR at the new receipt/delivery point(s) or other constraint points that would adversely affect the scheduling priority of another shipper;
- Maintaining the existing bumping rules of firm over interruptible capacity;

- Applying only to the subject gas day; and
- Resulting in the forfeiture of the original scheduling priority through the constraint point if the redirect can not be scheduled at the new receipt/delivery points.

The Proposed Standard is fully consistent and compatible with the TSP's existing tariff and nominating/scheduling procedures. For example, consider a TSP that exceeds the minimum NAESB standards for the nomination timeline and hence allows hourly nominations. In that case the SR will be able to submit a "Flow Day Redirect" hourly, in the same manner they are permitted with respect to any other intraday nomination. As with the current practice, the SR would still be required to specify the day of flow, namely, either the current gas day or the next gas day. The Proposed Standard also eliminates the need to include a definition for a "Redirect" or develop other standards on this topic.

Additionally, the words of limitation contained in the Proposed Standard – "[t]o the extent other Transportation Service Provider's (TSP) scheduling requirements are met" – are intended to provide for TSPs to follow their current scheduling priorities such as allowing "like-class" changes. In effect, all redirects under the Proposed Standard will be of "like-class" or "similarly situated" changes; e.g., redirecting scheduled quantities from one secondary delivery point to another. This is an important feature of the Proposed Standard because some pipelines have different levels of service priority based on whether an SR is primary or secondary and/or within-the-path or out-of-the-path. Additionally, this language ensures that the Proposed Standard can be accommodated by pipelines that may employ an EPSQ (Elapsed Pro-Rata Scheduled Quantities) to account for gas that has already flowed before the SR re-directs its supply.

Recommendation

New Jersey Natural encourages the WGQ Executive Committee to adopt the Proposed Standard. Its implementation by TSPs will provide SRs with significant flexibility to redirect their scheduled supply without the inequity of unnecessarily losing scheduling priority. Importantly, the benefits of the Proposed Standard are achieved without burdening TSPs or unsettling existing TSP scheduling requirements. Additionally, the rights of other shippers are not impaired. In short, the Proposed Standard fully addresses the Commission's directive to NAESB in Order No. 698 to increase receipt and delivery point flexibility, and does so in a manner fully consistent with existing practices.



WILLISTON BASIN
INTERSTATE PIPELINE COMPANY
A Subsidiary of MDU Resources Group, Inc.

1250 West Century Avenue

Mailing Address:

P.O. Box 5601

Bismarck, ND 58506-5601

(701) 530-1600

May 2, 2008

North American Energy Standards Board
Cory Galik, Project/Meeting Manager
1301 Fannin, Suite 2350
Houston, TX 77002

RE: Comments on Proposed NAESB Standard No. 1.3.x1

Dear Mr. Galik:

Williston Basin Interstate Pipeline Company (Williston Basin) is hereby submitting its comments to the WGQ EC members for their consideration before reviewing and considering the proposed Standard No. 1.3.x1 for vote.

Williston Basin contracts for capacity on its system on a path basis, but once that capacity is contracted for, such contract paths are not used in the scheduling of the daily flow of gas. On Williston Basin's system, a requirement that an alternate point within the path holds a higher priority than an alternate point outside the path would require the physical pathing of daily gas flows.

Being a reticulated pipeline system, Williston Basin uses displacement for the actual physical flow of gas among the many receipt and delivery points rather than the contracted for capacity path. A shipper's physical flowing path is not readily and consistently identifiable on a daily basis. The ultimate flow path may involve several displacements that may change frequently. Furthermore, because Williston Basin operates its system by displacement, Williston Basin cannot dedicate specific physical flow paths to specific shippers without the potential of severely reducing the reliability and flexibility of existing service to its firm shippers.

WILLISTON BASIN INTERSTATE PIPELINE COMPANY

The Federal Energy Regulatory Commission (FERC) has accepted Williston Basin's treatment of alternate points as reasonable, per its Order on Rehearing and Compliance Filing dated June 17, 2002, in Williston Basin's Docket No. RP00-463-000, et al. proceeding. The FERC agreed that on Williston Basin's reticulated system, there are no physical paths and thus no way of identifying or giving priority to alternate points within a path.

Therefore, Williston Basin believes that a provision should be incorporated into the proposed standard that if the FERC has previously exempted reticulated pipeline systems from within-the-path scheduling requirements, this standard would not apply to such pipeline systems.

Thank you for allowing Williston Basin to submit its comments. If you have any questions, please call the undersigned at 701-530-1560.

Sincerely,



Keith A. Tiggelaar
Director of
Regulatory Affairs



INTERPRETATION

PRESENTED TO THE WGQ EXECUTIVE COMMITTEE
AS APPROVED BY THE WGQ INTERPRETATIONS SUBCOMMITTEE ON 01/28/08

C07003

Requester Name:	Dion W. Hayes, Partner	Date: put date of ratification here
Company:	McGuireWoods LLP	
Phone, Fax, E-mail:	804-775-1144, 804-698-2078, dhayes@mcquirewoods.com	

Interpretation for WGQ NAESB Base Contract

Clarification or interpretation request:

In the NAESB Base Contract for Sales and Purchase of Natural Gas, NAESB WGQ Standard No. 6.3.1, dated April 19, 2002 (“NAESB Base Contract”), are physical deliveries of natural gas made there under intended by NAESB to be subject to avoidance and potential unwinding pursuant to the fraudulent transfer provisions of Title 11 of the United States Code (the “Bankruptcy Code”), or did NAESB intend transactions under the NAESB Base Contract to constitute a “forward contract,” a “commodity forward agreement,” and a “swap agreement” (as those terms are used in the Bankruptcy Code), thus exempting transfers under the NAESB Base Contract from avoidance and unwinding under the Bankruptcy Code.

Interpretation as approved by the WGQ Interpretations Subcommittee on 1/28/08:

NAESB’s Base Contract for Sale and Purchase of Natural Gas, NAESB WGQ Standard No. 6.3.1, dated April 19, 2002 (the “NAESB Base Contract”) includes Section 10.5 that reads:

- 10.5 The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

NAESB’s intent for inclusion of this language in the NAESB Base Contract was to assure that a transaction entered into pursuant to the NAESB Base Contract would constitute a “forward contract” under the Bankruptcy Code and that such transactions would be protected from post hoc judicial scrutiny to the greatest extent permitted under the Bankruptcy Code. This provision clearly entitled transfers under a NAESB Base Contract to various protections under the pre-2005 Bankruptcy Code, including exemption from avoidance as fraudulent transfers. *See, e.g.*, 11 U.S.C. § 546(e).

NAESB's intent continues to be that all physically settled commodity forwards transacted under NAESB Base Contracts receive the same benefits and protections provided by the Bankruptcy Code to financially or cash-settled forwards. The Bankruptcy Code also exempts “swap agreements” from avoidance as fraudulent transfers (11 U.S.C. § 546(g)). The Bankruptcy Code was amended in 2005, since the promulgation of the NAESB Base Contract, to expand the definition of “swap agreement” to include a “forward agreement”. Thus, treatment of a transaction under the NAESB Base Contract as a “commodity forward agreement” within the Bankruptcy Code’s definition of the term “swap agreement” is consistent with NAESB's original intent in including Section 10.5 in the NAESB Base Contract.

From: Dona Gussow
Sent: Monday, February 11, 2008 11:00 AM
To: naesbmail@naesb.org
Subject: Re: NAESB WGQ Request for Comments on Recommendation for Interpretation on C07003 - Due March 7, 2008

Comment: The clarification is specifically directed to the 2002 NAESB and assumably applicable to the 2006 version as well. While not asked for, would it not also be helpful to somehow state that the clarification is applicable to the 2006 (and subsequent versions unless Section 10.5 is removed or altered)? Thanks for any additional clarification....Dona

naesbmail@naesb.org

naesbmail@naesb.org

To: dgussow@fpl.com
02/08/2008 07:23 PM cc:
Subject: NAESB WGQ Request
for Comments on
Recommendation for
Interpretation on C07003 - Due
March 7, 2008

via email and posting

TO: NAESB Wholesale Gas Quadrant (WGQ) Members and Interested Industry Participants
FROM: David Huffman, Project/Meeting Manager
RE: WGQ Request for Comments
DATE: February 8, 2008

An industry comment period begins today, February 8, 2008 and ends on March 7, 2008 for a Recommendation for Interpretation for Request for Clarification C07003 drafted by the WGQ Interpretations Subcommittee. The recommendation is posted on the NAESB web site:

C07003 - In the NAESB Base Contract for Sales and Purchase of Natural Gas , NAESB WGQ Standard No. 6.3.1, dated April 19, 2002 ("NAESB Base Contract"), are physical deliveries of natural gas made there under intended by NAESB to be subject to avoidance and potential unwinding pursuant to the fraudulent transfer provisions of Title 11 of the United States Code (the "Bankruptcy Code"), or did NAESB intend transactions under the NAESB Base Contract to constitute a "forward contract," a "commodity forward agreement," and a "swap agreement" (as those terms are used in the Bankruptcy Code), thus exempting transfers under the NAESB Base Contract from avoidance and unwinding under the Bankruptcy

Code: http://www.naesb.org/pdf3/wgq_in020808_reqcom_c07003_attach.doc

All interested parties, regardless of membership status within NAESB are eligible to submit comments for consideration. The WGQ Executive Committee will review this recommendation and consider it for a vote at the WGQ Executive Committee meeting on May 15, 2008 in Washington, DC. The WGQ EC will also review all submitted comments.

All comments received by the NAESB office by end of business on March 7 will be posted on the WGQ Request for Comments on Interpretations page: <http://www.naesb.org/WGQ/reqcom.asp> and forwarded to the WGQ EC members for their consideration. If you have difficulty downloading the recommendations and attachments, please call the NAESB office at (713) 356-0060.

Best Regards,
David Huffman

cc: Rae McQuade, President

To change your contact information, or to modify your subscription(s) with the North American Energy Standard Board (NAESB) mail system click the link below or copy and paste it into the address bar of your web browser.

<http://www.naesb.org/listserv/mail/listmanager.asp>

NAESB, 1301 Fannin Street, Suite 2350, Houston, TX 77002



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted by Williams Gas Pipeline

Requester: McGuireWoods LLP

Request No.: C70003

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

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add proposed NAESB WGQ Standard 7.3.x2 as an interpretation of NAESB WGQ Standard 6.3.1 – Base Contract for Sale and Purchase of Natural Gas – Dated April 19, 2002.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted by Williams Gas Pipeline

Requester: McGuireWoods LLP

Request No.: C70003

INTERPRETATIONS LANGUAGE:

7.3.x2 In the NAESB Base Contract for Sales and Purchase of Natural Gas , NAESB WGQ Standard No. 6.3.1, dated April 19, 2002 ("NAESB Base Contract"), are physical deliveries of natural gas made there under intended by NAESB to be subject to avoidance and potential unwinding pursuant to the fraudulent transfer provisions of Title 11 of the United States Code (the "Bankruptcy Code"), or did NAESB intend transactions under the NAESB Base Contract to constitute a "forward contract," a "commodity forward agreement," and a "swap agreement" (as those terms are used in the Bankruptcy Code), thus exempting transfers under the NAESB Base Contract from avoidance and unwinding under the Bankruptcy Code.

Interpretation:

NAESB's Base Contract for Sale and Purchase of Natural Gas, NAESB WGQ Standard No. 6.3.1, dated April 19, 2002 (the "NAESB Base Contract") includes Section 10.5 that reads:

10.5 The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

NAESB's intent for inclusion of this language in the NAESB Base Contract was to assure that a transaction entered into pursuant to the NAESB Base Contract would constitute a "forward contract" under the Bankruptcy Code and that such transactions would be protected from post hoc judicial scrutiny to the greatest extent permitted under the Bankruptcy Code. This provision clearly entitled transfers under a NAESB Base Contract to various protections under the pre-2005 Bankruptcy Code, including exemption from avoidance as fraudulent transfers. See, e.g., 11 U.S.C. § 546(e).

NAESB's intent continues to be that all physically settled commodity forwards transacted under NAESB Base Contracts receive the same benefits and protections provided by the Bankruptcy Code to financially or cash-settled forwards. The Bankruptcy Code also exempts "swap agreements" from avoidance as fraudulent transfers (11 U.S.C. § 546(g)). The Bankruptcy Code was amended in 2005, since the promulgation of the NAESB Base Contract, to expand the definition of "swap agreement" to include a "forward agreement". Thus, treatment of a transaction under the NAESB Base Contract as a "commodity forward agreement" within the Bankruptcy Code's definition of the term "swap agreement" is consistent with NAESB's original intent in including Section 10.5 in the NAESB Base Contract

4. SUPPORTING DOCUMENTATION

a. Description of Request:

In the NAESB Base Contract for Sales and Purchase of Natural Gas , NAESB WGQ Standard No. 6.3.1, dated April 19, 2002 ("NAESB Base Contract"), are physical deliveries of natural gas made there under intended by NAESB to be subject to avoidance and potential unwinding pursuant to the fraudulent transfer provisions of Title 11 of the United States Code (the "Bankruptcy Code"), or did NAESB intend transactions under the NAESB Base Contract to constitute a "forward contract," a "commodity forward agreement," and a "swap agreement" (as those terms are used in the Bankruptcy Code), thus exempting transfers under the NAESB Base Contract from avoidance and unwinding under the Bankruptcy Code.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted by Williams Gas Pipeline

Requester: McGuireWoods LLP

Request No.: C70003

b. Description of Recommendation:

Interpretations Subcommittee

See the meeting minutes for the following WGQ Interpretations Subcommittee:

- January 18, 2008
- January 28, 2008

Motion: January 28, 2008

Adopt the revised interpretation noted in the above link.

http://www.naesb.org/pdf3/wgq_interpretations012808a2.doc

Interpretations Subcommittee Members and Voting Record¹

Segment	Member	Organization	Attendance	Vote
Pipelines	Paul Love	NGPL	Phone	S
	Mark Gracey	Tennessee Gas Pipeline Company	Phone	S
LDCs	Mike Novak	National Fuel Gas Distribution	Phone	S
Producers	Richard Smith	ExxonMobil	Absent	
Services	Keith Sappenfield	EnCana	In Person	S
End Users	Tina Burnett	The Boeing Company	Absent	
	Valerie Crockett	TVA	Phone	S

Motion Passes

¹ Voting Record Legend: S = Support; O = Oppose; A = Abstain; B = Notational Ballot



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted and Redlined by Williams Gas Pipeline

Requester: National Fuel Gas Supply Request No.: C70002

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

Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add proposed NAESB WGQ Standard 7.3.x1 as an interpretation of NAESB WGQ Standard 4.3.16.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted and Redlined by Williams Gas Pipeline

Requester: National Fuel Gas Supply Request No.: C70002

INTERPRETATIONS LANGUAGE:

7.3.x1 Clarify that on a Transportation Service Provider’s (TSP) Informational Postings ~~w~~Web site downloads of information can be in HTML or RTF format.

Interpretation:

Both, HTML or RTF are valid formats for downloads from a TSP’s Informational Postings ~~w~~Web site. In ~~version 1.7 of the~~ NAESB WGQ Standards Version 1.7, Standard 4.3.16, states “The documents identified in NAESB WGQ Standard 4.3.6 should be available in HTML or RTF format...”. In ~~revision 1.8 of the NAESB WGQ Standards~~Version 1.7, NAESB WGQ Standard 4.3.6 was deleted since the type of information posted on Informational Postings ~~w~~Web sites has been expanded with other standards detailing the posting requires. In Version 1.8, NAESB WGQ Standard 4.3.16 was modified in an attempt to broaden the possible acceptable formats by referencing Appendix C of the NAESB WGQ Quadrant Electronic Delivery Mechanism Related Standards, which lists and identifies parameters for formats for postings. RTF remains listed in NAESB WGQ Standard 4.3.16 and HTML is listed in Appendix C, thus both are valid formats and, given the definition of download in NAESB WGQ Standard 4.2.2, are valid download formats.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Clarify that on a Transportation Service Provider’s (TSP) Informational Postings ~~w~~Web site downloads of information can be in HTML or RTF format.

b. Description of Recommendation:

Interpretations Subcommittee

See the meeting minutes for the following WGQ Interpretations Subcommittee:

- January 18, 2008
- January 28, 2008

Motion: January 28, 2008

Adopt the revised interpretation noted in the above link.

(http://www.naesb.org/pdf3/wgq_interpretations012808a1.doc)

Interpretations Subcommittee Members and Voting Record¹

Segment	Member	Organization	Attendance	Vote
Pipelines	Paul Love	NGPL	Phone	S
	Mark Gracey	Tennessee Gas Pipeline Company	Phone	S
LDCs	Mike Novak	National Fuel Gas Distribution	Phone	S
Producers	Richard Smith	ExxonMobil	Absent	
Services	Keith Sappenfield	EnCana	In Person	S
End Users	Tina Burnett	The Boeing Company	Absent	
	Valerie Crockett	TVA	Phone	S

Motion Passes

¹ Voting Record Legend: S = Support; O = Oppose; A = Abstain; B = Notational Ballot



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted and Redlined by Williams Gas Pipeline

Requester: National Fuel Gas Supply Request No.: C70002

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

Per Recommendation:

- Initiation
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- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add proposed NAESB WGQ Standard 7.3.x1 as an interpretation of NAESB WGQ Standard 4.3.16.



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE
Reformatted and Redlined by Williams Gas Pipeline

Requester: National Fuel Gas Supply Request No.: C70002

INTERPRETATIONS LANGUAGE:

- 7.3.x1 Clarify that on a Transportation Service Provider's (TSP) Informational Postings ~~w~~Web site downloads of information can be in HTML or RTF format.

Interpretation:

Both, HTML or RTF are valid formats for downloads from a TSP's Informational Postings ~~w~~Web site. In ~~version 1.7 of the~~ NAESB WGQ Standards Version 1.7, Standard 4.3.16, states "The documents identified in NAESB WGQ Standard 4.3.6 should be available in HTML or RTF format...". In ~~revision 1.8 of the NAESB WGQ Standards~~Version 1.7, NAESB WGQ Standard 4.3.6 was deleted since the type of information posted on Informational Postings ~~w~~Web sites has been expanded with other standards detailing the posting requires. In Version 1.8, NAESB WGQ Standard 4.3.16 was modified in an attempt to broaden the possible acceptable formats by referencing Appendix C of the NAESB WGQ Quadrant Electronic Delivery Mechanism Related Standards, which lists and identifies parameters for formats for postings. RTF remains listed in NAESB WGQ Standard 4.3.16 and HTML is listed in Appendix C, thus both are valid formats and, given the definition of download in NAESB WGQ Standard 4.2.2, are valid download formats.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Clarify that on a Transportation Service Provider's (TSP) Informational Postings ~~w~~Web site downloads of information can be in HTML or RTF format.

b. Description of Recommendation:

Interpretations Subcommittee

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Motion: January 28, 2008

Adopt the revised interpretation noted in the above link.

(http://www.naesb.org/pdf3/wgq_interpretations012808a1.doc)

Interpretations Subcommittee Members and Voting Record¹

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	Mark Gracey	Tennessee Gas Pipeline Company	Phone	S
LDCs	Mike Novak	National Fuel Gas Distribution	Phone	S
Producers	Richard Smith	ExxonMobil	Absent	
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End Users	Tina Burnett	The Boeing Company	Absent	
	Valerie Crockett	TVA	Phone	S

Motion Passes

¹ Voting Record Legend: S = Support; O = Oppose; A = Abstain; B = Notational Ballot

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

TAB 4

Minor Correction WGQ Standard No. 1.1.8 and 7.3.16 Inconsistencies

- The minor correction identified by Mr. Smith is presented here for review. The EC can vote to support his minor correction through a simple majority vote.
- The materials in Tab 4 correspond to agenda item 4.

To: NAESB Office, WGQ Executive Committee Chairs

From: Jim Buccigross

Subject: Minor Correction
RE: NAESB WGQ Business Practice Standards, versions 1.7 and 1.8 – Interpretation 7.3.16

Date: April 30, 2008

During a review of NAESB WGQ Business Practice Standards, versions 1.7 and 1.8 it was determined a correction needed to be applied to Interpretation 7.3.16 where reference is made in the Interpretation to NAESB WGQ Business Practice Standard No. 1.1.8. NAESB WGQ Standard No. 1.1.8 was deleted in final action R03002 (ratified 12/1/2003) but the reference to Standard No. 1.1.8 was not deleted from Interpretation 7.3.16 in both version 1.7 and 1.8 publications of the NAESB WGQ Business Practice Standards. It is recommended the first sentence of paragraph 1 in Interpretation 7.3.16 be deleted since the standard does not exist any more. The minor correction that needs to be made is set forth below:

(Redline) - Interpretation

7.3.16 Which location code should be sent in a request to confirm and confirmation response? Sender's Code or Recipient's Code?

Interpretation:

As between the interconnected parties, and in the absence of agreement to the contrary:

- (1) ~~NAESB WGQ Standard 1.1.8 states that a common code should be used.~~—The common code is the data reference number (DRN) in the Petroleum Information database. There is one DRN for every location nominatable on the facilities of a service provider. An Interconnect is two points. One, the point used by the contractually delivering party (operator or TSP) and the other one, the point used by the contractually receiving party (operator or TSP).
- (2) NAESB WGQ Standard 1.3.20 states 'The receiver of a nomination initiates the confirmation process. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of sender to send.'
- (3) NAESB WGQ Standard 1.4.3 - the dataset itself has the following definition of the data element 'Location*': 'The location

where the quantity will be scheduled by the transportation service provider.' As to which Transportation Service Provider's (TSP) code is within the field 'Location' that is within the 1.4.3 dataset, the contractual flow indicator indicates (as of the January 9, 1997 vote of the EC) as follows: "Indicates the logical direction of flow at a point from the confirmation request originator's perspective". In order that the remainder of the document sent from the Confirmation Requester be interpreted unambiguously, the contents of the Location code data element in both the Request to Confirm and Confirmation Response document should be the Location code of the party sending the Request to Confirm.

(Clean) - Interpretation

7.3.16 Which location code should be sent in a request to confirm and confirmation response? Sender's Code or Recipient's Code?

Interpretation:

As between the interconnected parties, and in the absence of agreement to the contrary:

- (1) The common code is the data reference number (DRN) in the Petroleum Information database. There is one DRN for every location nominatable on the facilities of a service provider. An Interconnect is two points. One, the point used by the contractually delivering party (operator or TSP) and the other one, the point used by the contractually receiving party (operator or TSP).
- (2) NAESB WGQ Standard 1.3.20 states 'The receiver of a nomination initiates the confirmation process. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of sender to send.'
- (3) NAESB WGQ Standard 1.4.3 - the dataset itself has the following definition of the data element 'Location*': 'The location where the quantity will be scheduled by the transportation service provider.' As to which Transportation Service Provider's (TSP) code is within the field 'Location' that is within the 1.4.3 dataset, the contractual flow indicator indicates (as of the January 9, 1997 vote of the EC) as follows: "Indicates the logical direction of flow at a point from the confirmation request originator's perspective". In order that the remainder of the document sent from the Confirmation Requester be interpreted unambiguously, the contents of the Location code data element

in both the Request to Confirm and Confirmation Response document should be the Location code of the party sending the Request to Confirm.

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

TAB 5

Specific Issues Updates

- The synopsis of specific standards development activities is included. The materials are provided for discussion purposes and no action is required of the WEQ EC members. Updates are provided for:
 - eTariff Update: Activity Report
 - FERC Order No. 698 effort: Activity Report
 - Gas Quality
- The materials in Tab 5 correspond to agenda item 5.



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NAESB UPDATE: eTARIFF SUMMARY AS OF APRIL 29, 2008

E-TARIFF STANDARDS DEVELOPMENT – ASSIGNED TO WHOLESALE GAS AND WHOLESALE ELECTRIC:

- **eTariff (WEQ and WGQ):** The initial meeting was held on February 1, 2006 at the FERC, opened by Chairman Kelliher. Proposals from INGAA, EEI, AOPL and Texas Intrastate Association were given, along with a review by FERC staff of requirements to be met for an e-Tariff program. Since that initial meeting, several others have been held and a consensus has been reached for building to support a web portal option for electronically filing tariffs. While the original completion date was schedule for year-end 2007 to be out of committee, it has since been revised to first quarter 2008.

MEETING SUMMARY:

- **February 1, 2006 :** A meeting was held at the FERC, opened by Chairman Kelliher. Proposals from INGAA, EEI, AOPL and Texas Intrastate Association were given, along with a review by FERC staff of requirements to be met for an e-Tariff program.
- **March 13, 2007:** A meeting was held at NAESB offices, chaired by Keith Sappenfield and Jane Daly. The FERC staff further delineated their requirements and answered questions from EEI and INGAA. The group began drafting standards.
- **April 26, 2007:** The e-Tariff Subcommittee met in Washington DC hosted by AGA. During this meeting, FERC Staff reviewed their work paper [Filing Field Data Example Submitted by FERC Staff](#) and answered questions on what data will be required for submittal of electronic tariff and related documents. The pipeline segment also presented their proposed approach regarding development of e-Tariff standards. After further discussion, it was determined that the e-Tariff Subcommittee needed to schedule a conference call prior to the June 4 meeting to determine what approach the NAESB e-Tariff standards will take.
- **May 21, 2007:** The e-Tariff Subcommittee met via conference call for a one-topic agenda – to determine the approach the NAESB e-Tariff standards will take. During the conference call, there was a unanimous decision to support the modified web portal approach.
- **June 4, 2007:** The group met in Phoenix, Arizona on June 4 hosted by Arizona Public Service. During this meeting, FERC Staff reviewed the individual data elements that would be required for e-Tariff filings. During this meeting, a motion was made to take a non-binding straw vote to move forward with the document submitted by FERC staff that contained the required data elements. A motion was made to defer the first motion. The motion to defer passed the WEQ, but failed the WGQ.
- **July 10, 2007:** The e-Tariff Subcommittee met via conference call to adopt the minutes from the April 26, May 21, and June 4 meetings. The agenda for the July 27 meeting was also discussed during this call.
- **July 27, 2007:** The e-Tariff Subcommittee met in Washington, DC hosted by EEI. During this meeting, the e-Tariff Subcommittee voted to create an e-Tariff Technical Task Force; reviewed Draft Electronic Tariff Data Elements and Descriptions that will be forwarded to the e-Tariff Technical Task Force; and adopted a motion to take a straw poll that the e-Tariff Subcommittee is going to work on option A – the web portal option for e-Tariff submittals. The Draft Electronic Tariff Data Elements and Descriptions document will be used by the e-Tariff Technical Task Force for development of the xml schema that will be created in conjunction with the e-Tariff business practice standards.



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NAESB UPDATE: eTARIFF SUMMARY AS OF APRIL 29, 2008

- **August 20, 2007:** The e-Tariff Subcommittee met via conference call on August 20, 2007 from 12:00 PM to 4:00 PM Central. The agenda for this call was a single topic agenda to cover several items that were raised during the discussion of the metadata prior to the technical task force meeting on August 23-24. Additional discussion is needed to determine the definition and specifics for the metadata data elements: Line 8 – Database Identifier; Line 20 – Associated Filing; Line 30 – Document Security Level; Line 37 – Tariff Record Title; Line 38 – Tariff Record Number; Line 39 – Tariff Record Collation Value and Line 41 - Tariff Record Parent or Container Identifier.
- **August 23-24, 2007:** The first meeting of the e-Tariff Technical Task Force met on August 23-24, 2007 in Washington, DC hosted by FERC. During this meeting, FERC's contractor gave the Task Force an overview of the FERC Backend system processing of e-Tariff XML data, explained that the XML was chosen solely because it is in widespread use and emphasized that XML will be used solely to file documents at FERC, not to communicate between anyone else and needs no field for future expanded uses. The Task Force reviewed FERC's and WGQ's pipeline segment XML strawmen; and commenced severe shortening of the pipeline segment's XML strawman, chosen as best of breed. Mr. Brooks, ISO New England is co-chair of the e-Tariff Technical Task Force for the WEQ and Mr. Burden, Williams Gas Pipeline is co-chair of the e-Tariff Technical Task Force for the WGQ.
- **September 13-14, 2007:** The e-Tariff Technical Task Force met on September 13-14 in Houston at the NAESB offices to complete development of the XML schema. During this meeting, Mr. Kravis provided a presentation on options for binary formats. The group conducted a status update of issues/action items and reviewed open issues and progress since the August 23-24 meeting. The group created a list of all filing types for the three industries – gas, oil, and electric and discussed enhancements to the XML schema, and determined that use cases would need to be developed for each industry.
- **October 11-12, 2007:** The e-Tariff Subcommittee met in Houston hosted by NAESB. During this meeting, the subcommittee received an update from the e-Tariff Technical Task Force, discussed and approved the e-Tariff Task Force proposal for element names with only a few modifications made, and discussed the open issues identified by the e-Tariff Technical Task Force. During this meeting it was determined that the e-Tariff Technical Task Force would need additional time to complete XML schema, the use cases, and the technical implementation business process document as it could not be completed by the end of 2007. It was determined that the e-Tariff Subcommittee would meet in January 2008 to review the progress of the e-Tariff Technical Task Force and then meet in February 2008 to vote on the standards package.
- **October 16, 2007:** The NAESB office informed the FERC that the eTariff subcommittee would not be complete with its work by year-end, and that the group expected that February 2008 was the new target date for completion. All needed steps would be taken to ensure that the eTariff project would receive the needed priority.
- **October 22-23, 2007:** The e-Tariff Technical Task Force met on October 22-23 in Holyoke, Massachusetts hosted by ISO New England. During this meeting, the e-Tariff Technical Task Force reviewed the actions taken by the e-Tariff Subcommittee during the October 11-12 meeting, continued to discuss and modify the XML schema, made assignments for creation of use cases for all three industries and different filing types for each industry, and made assignments for the technical sections of the Technical Implementation Business Process (TIBP).
- **November 28-30, 2007:** The e-Tariff Technical Task Force met on November 28-30 in Phoenix, Arizona, hosted by Arizona Public Service. During this meeting, the Task Force reviewed and corrected technical descriptions of the Draft TIBP, which includes the XML schema, the CSV format requirements, use cases, data tables, code values, reference tables, technical specifications of web portal and layman's explanation of each of



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NAESB UPDATE: eTARIFF SUMMARY AS OF APRIL 29, 2008

the foregoing. At the conclusion of the meetings, the leadership was approached and it was determined that the group is progressing as planned towards a February 2008 date.

- **December 10, 2007:** The e-Tariff Technical Task Force met via conference call to review the FERC data tables and then take a vote on the entire TIBP.
- **January 8, 2008:** The e-Tariff Task Force met via conference call during the first week of January 2008 with the e-Tariff Subcommittee to explain its corrections to the technical descriptions, as well as its views on a few remaining combined technical/business issues.
- **January 23-25, 2008:** The e-Tariff Subcommittee met January 23-25, 2008 in Colorado Springs, Colorado hosted by El Paso. During this meeting, it is planned for the e-Tariff Subcommittee to vote out the recommendation of the standards for e-Tariff to the WGQ and WEQ Executive Committees.
- **February 27, 2008:** The comment period ended on February 27 for the recommended standards for eTariff. Eight sets of comments were received plus a set of chairs' comments that highlighted frequently asked questions.
- **February 29, 2008:** The ECs voted on February 29, 2008 with notational ballots due on March 4, 2008 for absent EC members, to approve the recommendation, passing each EC with the needed super-majority thresholds of 67% from each quadrant (WEQ – 83% , WGQ – 84%), and a minimum of 40% affirmative votes from each segment. No negative votes were received. Several EC members either abstained or failed to provide a ballot. T
- **April 4, 2008:** The WGQ and WEQ membership was forwarded the recommended standards approved by the ECs. They were ratified by each quadrant on April 4, 2008 after a thirty day ratification period, garnering the super-majority threshold of 67% from each quadrant (WEQ – 97%, WGQ -100%).
- **April 15, 2008:** The NAESB office forwarded a progress [NAESB Report](#) to the FERC including the record of standards development for the eTariff project.
- **April 17, 2008:** The FERC issued a [Notice of Proposed Rule-making](#) regarding the standards forwarded to them on April 15 with a 30-day comment period after publication in the Federal Register. The FERC in the NOPr proposes to revise its previous Notice of Proposed Rulemaking for electronic tariff filing. The revised proposal would require that all tariffs and tariff revisions and rate change applications for the public utility, natural gas pipeline, and oil pipeline industries be filed electronically according to a set of standards developed in conjunction with the North American Energy Standards Board. These standards will enable the Commission to develop a tariff database for use by the Commission staff, the industry, and the public to view and research tariffs, and also provides companies the flexibility to design or purchase software for making tariff filings that best fits their business needs. Upon the effective date of a final rule in this proceeding, the Commission will no longer accept tariff filings submitted in paper format.
- **April 29, 2008:** The NOPR appeared in the Federal Register beginning the clock for industry comment to the FERC.



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Ackerman, Eric	Edison Electric Institute	Burke, Oliver	Entergy
Ackerman, Jeffrey	WAPA	Burks, J. Cade	EC Power
Alcombright, Jim	New York ISO	Burnett, Tina	Boeing
Alletzhauser, Bill	Qualedi	Busch, Jim	BP Energy
Alvarez, Marianne	Exelon Corporation	Butler, Scott	Consolidated Edison Company of NY
Anderson, Brenda	Bonneville Power Administration	Cadenhead, Roy	Enbridge
Anderson, John	ELCON	Calcagno, Suzanne	UBS Energy LLC
Anderson, Patricia	ONEOK Partners GP LLC	Camardello, Marg	Transco-Williams
Anthony, Mike	Progress Energy Carolinas, Inc	Campbell, Linda	FRCC
Apperson, John	PacifiCorp Energy	Carriere, Jay	MidAmerican Energy Holdings Company
Aria, Lora Herff	E.ON U.S. LLC	Carroll, MaryBeth	KeySpan
Arnaout, Mariam	American Gas Association	Castronovo, Amy	Enbridge Energy Company Inc.
Babik, Jalal	Dominion	Cauley, Gerry	NERC
Ball, William	Southern Company	Chapman, Adrian	Washington Gas
Balu, Neal	WPS Resources	Chezar, Dolores	KeySpan
Barnes, Lisa	Westar Energy Inc.	Choate, Cort	Representing FirstEnergy
Barracchini, Tony	FERC	Ciza, John	Southern Company
Barry, Patrick	Northern Natural Gas Company	Clarke, Breanne	El Paso Corporation - Western Pipelines
Bartholomot, Henri	Edison Electric Institute	Cleveland, Ralph	AGL Resources
Baskin, Lee	Kinder Morgan Texas Intrastate Pipeline Group	Clore, Sally L.	Midwest ISO
Bayer, Janet	National Fuel	Cobb, Antoine	Arizona Public Service Company
Beer, Michael S	E.ON U.S. LLC	Cobb, Steven	Salt River Project
Benham, Bill	BP Energy	Coleman, Betty	Xcel Energy Services, Inc.
Bennett, Joletta	Shell Pipeline Company LP	Coleman, Charles	FERC
Bennett, Mark	Electric Power Supply Association	Collins, Mary Anne	Chevron Pipeline Company
Bernard, Chris	Edison Mission	Colombo, Craig	Dominion
Berwager, Sydney	Bonneville Power Administration	Comer, Edward	Edison Electric Institute
Black, Shannon	SMUD	Connelly, David Martin	Bruder, Gentile & Marcoux, L.L.P.
Bomar, Anne	Dominion	Cook, Adrienne	Assoc. of Oil Pipe Lines
Boston, Terry	Tennessee Valley Authority	Cook, Chuck	Chevron/Texaco
Boswell, William	NAESB General Counsel	Cook, David	NERC
Bourbonnais, William	WPS Resources	Corse, Scott	Village of Morrisville Water & Light Department
Bourg, Naomi	Northern Natural Gas Company	Cowan, Rich	TransCanada
Bradford, Louise	Trunkline Gas Company	Cox, Patty	CenterPoint Energy
Bretz, John	Anadarko	Crabtree, David	Tampa Electric Company
Brooks, Dick	ISO New England, Inc.	Crockett, Valerie	Tennessee Valley Authority
Brosnan, Mary	NiSource Gas Transmission and Storage Group	Cutting, John C.	NYISO
Brown, Kenneth	Public Service Electric & Gas Corp.	Daley, Kate	INGAA
Brown, Richard	Exelon Corporation	Daly, Jane	Arizona Public Service Company
Buccigross, Jim	Group 8760	Daly, Kelly	Stinson Morrison Hecker
Burch, Kathryn	Spectra Energy	Daniel, Shonnie	Calpine Energy Services
Burden, Christopher	Williams Gas Pipeline		



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Davis, Edward	Entergy	Gildea, Michael	Constellation
DeLeon, Susan M.	Iroquois Pipeline Operating Company	Ginsberg, Susan	IPAA
DeMello, Bob	NYISO	Glassman, Charlotte	Duke Energy Carolinas LLC
Demeris, Elena	Unitil Service Corp.	Glazer, Craig	PJM Interconnection
Denton, Rhonda	BP Energy	Godding, George	FERC
Derricks, Dennis	Wisconsin Public Service Corporation	Goldenberg, Mike	FERC
Desselle, Michael	Southwest Power Pool	Goldmann, Jim	Alliance Pipeline Ltd.
DeWitt, Roy	El Paso Corporation - Western Pipelines	Goodman, Craig	National Energy Marketers Association
Dibble, Jay	Calpine Energy Services	Gopal, Jairam	Southern California Edison Company
Dieterich, Elizabeth	Entergy	Gabiak, Terri	Allegheny Power
Dimitman, Leslie M.	Bonneville Power Administration	Gracey, Mark	Tennessee Gas Pipeline Company
Dison, Joel	Southern Company	Granger, Tina	Magellan Pipeline Company
Dotterweich, Andrew	Consumers Energy Company	Gray, Chuck	NARUC
Dreskin, Joan	INGAA	Green, Barry	Ontario Power Generation
Early, John	E.ON U.S. LLC	Griffith, William	El Paso Natural Gas
Eaton, Terri	Xcel Energy Services, Inc.	Grim, Machel	Dominion Transmission Inc.
Eckels, Jim	FirstEnergy Corp.	Grim, Mike	TXU
Elizeh, Edison	PacifiCorp	Gross, Jerry	Questar Pipeline Company
Ellis, Gwen	Williams	Grover, Mary E.	NSTAR Electric & Gas Corporation
Ellsworth, Bruce	New York State Reliability Council	Grygar, Bill	Panhandle Eastern Pipeline
Ellzey, Jay	Chevron Natural Gas	Gupta, Deepender	Entergy Services
Evans-Mongeon, Brian	Vermont Public Power Supply Authority	Gussow, Dona	Florida Power and Light
Fama, James P	Edison Electric Institute	Guthrie, Carol	ChevronTexaco
Farquhar, Linda	Great Lakes Gas Transmission	Gwilliam, Tom	Iroquois Gas Transmission System
Feagans, Chuck	Tennessee Valley Authority	Hairston, KC	Balch & Bingham
Fidrych, Mark	WAPA	Hall, Brian	CenterPoint Energy
Fish, Carmen	Williston Basin Pipeline	Halpin, Francis	Bonneville Power Administration
Foley, Pauline	Pinnacle West Capital Corporation	Hamilton, Maurene	Sea Robin
Foote, David K.	Unitil Service Corp.	Hammell, Matthew	FPL Energy, LLC
Fordney, Jason	Energy Daily	Harmon, Clyde	Tennessee Valley Authority
Frost, Pete	ConocoPhillips Gas & Power	Harshbarger, Robert	Puget Sound Energy
Fudali, Kathy	Sprague Energy Corp.	Hartsoe, Joseph	AEP
Fusco, Arthur	Central Electric Power Cooperative	Haynes, Leonard	Southern Company
Fyock, Les	APGA	Hebenstreit, Bill	Cheniere Marketing Inc.
Gallagher, William	Vermont Public Power Supply Authority	Heckerman, Bambi	Northern Border
Gallant, Jody N.	ISO New England, Inc.	Hegler, Elaine D.	Daulphin Island Gathering Partners
Garner, Cliff	Portland General Electric Company	Hein, Jeff	Colorado Public Utilities Commission
Gent, Michehl	Summit Power	Heinrich, William	New York State Department of Public Service
Germany, Ingrid	Williams Gas Pipeline - Transco	Henery, Nick	APPA
		Herbert, Keith	FERC



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Hinz, Andrew	FERC	Livingston, Mary	Peoples Gas System
Holte, Tracee J.	Xcel Energy Services, Inc.	Locke, Greg	Electricities of North Carolina
Horn, Linda	Wisconsin Electric Power	Lorhman, Bill	FERC
Horting, Reed	Peco Energy Company	Lotto, Marcus	Southern California Edison Company
Horton, Brenda	Kern River Gas Transmission	Love, Paul	Natural Gas Pipe Line Company of America
Horvath, Skip	NGSA	Lucas, John	Southern Company Transmission
Huffman, David	NAESB	Luzcando, Edgardo	Midwest ISO
Hughes, John	ELCON	MacDonald, Drew	Datanet Inc.
Hunt, Erich (ET)	Pacific Gas & Electric	Martin, Beth	We Energies
Ingebrigtsen, Brent	E.ON U.S. LLC	Martin, Deb	MidAmerican Energy Holdings Company
Jagtiani, Pat	NGSA	Martin, Lee	Bonneville Power Administration
Jenness, Cayden	California ISO	Martinko, Robert	First Energy Services Company
Jensen, Larry	Discovery/Black Marlin Pipeline	May, Kerim	ISO New England, Inc.
Johnson, Frank	Consumers Energy	Mayer, Jr., Thomas E	Bonneville Power Administration
Jones, Angela	Macquarie Cook Energy LLC	Mayorga, Laura E.	Lee Wayne Corporation
Judnick, Marla	FirstEnergy Service Company	McCain, Marcy	Spectra Energy Transmission
Kaeser, Brian J.	Dominion Transmission Inc.	McCawley, John	Peco Energy Company
Kardas, Joe	National Fuel Supply	McCrary, Carol	Electricities of North Carolina
Kells, Andrea R.	Bracewell & Guiliani	McGovern, Patrick	Georgia Transmission Corporation
Kelly-Detwiler, Peter	Constellation NewEnergy	McKee, Bob	American Transmission Company
Kennedy, Laura	NAESB	McKeever, Deborah	TXU Electric Delivery
Kerr, Paul	Coral Power LLC	McQuade, Rae	NAESB
Key, Jennifer	Steptoe & Johnson	McVicker, Diane	Salt River Project
Kijowski, Drake	PSEG Energy Resources & Trade	Mendoza, David	Transwestern Pipeline Company, LLC
Kirk, Steve	Northern Natural Gas Company	Mespelli, Kristine L.	National Grid
Kiselewich, Ruth	BGE	Metteauer, Pat	Sequent Energy Management LP
Klein, Daniel	Alston & Bird LLP	Mihalik, Dan	Assoc. of Oil Pipe Lines
Klein, Mark	Public Service Company of New Mexico	Miksovsky, Nan	Pine Needle LNG Company
Klempel, Dan	Basin Electric Power	Miller, Bobbi S.	Allegheny Energy
Knight, Charles	Florida Power and Light	Mills, Pamela	San Diego Gas & Electric/ SoCalGas
Koogler, David	Dominion Virginia Power	Minneman, James	PPL Solutions
Kravis, Gary	UNICON Inc.	Mirr, Katy	Sempra Global
Kravis, Ralph	UNICON Inc.	Mitchell, Mark	Salt River Project
Kruse, Richard	Spectra Energy	Mizutani, Eileen	Kinder Morgan
Kutub, Nader	Arizona Public Service Company	Moeller, James	Stuntz Davis & Staffier
Kwan, Deborah	Enterprise Products Partners	Molinaro, Jeffrey	Enterprise Partners LP
Kyle, Cindy	Tampa Electric Company	Moran, Brian	Portland General Electric Company
Lamoureux, Rob	Midwest ISO	Morris, Don	Shell Oil
Lander, Gregory	Commerce Energy Group	Morrison, Linda	ISO New England, Inc.
Lauderdale, Melissa L.	Edison Electric Institute		
Lawson, Barry	NRECA		
Leahy, Ryan	Carolina Gas Transmission		



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Moyer, Pat	Chevron Pipeline	Pritchard, Alan	Duke Energy Corporation
Mucci, Ron	Williams Power Company	Pulcini, Robert	The Structure Group
Mucilli, Antoinetta	National Fuel Gas Supply Corporation	Purtee, Jeffrey	Sierra Pacific Resources
Munson, Sylvia	The Structure Group	Pysh, Rose	The United Illuminating Company (UI)
Myers, Lynn Ellen	Southern California Edison Company	Rager, Denise	NAESB
Nagle, Molly	Tennessee Gas Pipeline	Ralph, Robbie	Shell Pipeline Company
Nail, Lucia	Sungard	Raup, Christopher	Consolidated Edison of New York, Inc.
Needels, Kim	New York State Electric & Gas	Reed, Bruce	BP Energy
Neel, Lisa	Texas Gas Transmission LLC	Rehman, Barbara	Bonneville Power Administration
Nelson, Cynthia D.	El Paso Western Pipelines	Reilley, Robert	Coral Power LLC
Neustifter, Robert M.	Consumers Energy Company	Reitz, Dave	National Fuel Gas Supply
Newberry, David	MidAmerican Energy	Rhyno, Wendy	Alliance Pipeline Ltd.
Nick, David	DTE Energy	Riner, Bobette	Powerdex, Inc.
Nishimuta, Lisa	ONEOK Partners GP LLC	Rogers, Jan	Chevron
Norris, Clay	North Carolina Municipal Power Agency #1	Rosenberg, Marv	Independent
Novak, Michael	National Fuel Gas Distribution	Royalty, Matt	Southern Star Central Gas Pipeline
Nugent, Pat	Texas Pipeline Association	Rudd, Doug	New Jersey Natural Gas Company
Nutsch, Casey	FERC	Ruell, Cheryl A.	ISO New England, Inc.
Oberski, Louis	Dominion	Saini, Narinder	Entergy
Ogenyi, Gloria	Conectiv	Sappenfield, Keith	EnCana Corporation
Olsen, Greg	Ontario Power Generation	Sawyer, Dan	Enbridge Energy, Inc.
Olson, Clifton	Rochester Gas & Electric Corporation	Scavo, Joseph	Old Hickory Consulting (rep: Entergy)
O'Neill, Ean	California ISO	Schaub, Patricia	FERC
Overtree, Ed	NAESB	Schmidt, Joann	Xcel Energy
Ozenne, Dan	San Diego Gas and Electric	Schmitke, Laurel	Alliance Pipeline Ltd.
Pennington, J. Gordon	Representing United Illuminating Company	Schwecke, Rodger	Southern California Gas Company
Perlman, Marjorie	Energy East Management	Schwermann, Robert	SMUD
Petersen, Don	Pacific Gas & Electric	Seekell, Christina	Consumers Energy Company
Petrella, Tony	Ontario Power Generation	Severance, Charles	Wisconsin Public Service Corporation
Phillips, Dana	American Electric Power	Shafer, Rueben	DataNet, Inc.
Pierce, Keith	FERC	Shah, Hassan	Entergy
Pierce, Mark	Spectra Energy	Sharp, Korin	DTE Energy
Pincus, Steven	PJM Interconnection	Sharp, Toni	Kern River
Plattsmier, Deborah	Chevron	Shepard, Mike	Mewbourne Oil Company
Pommen, Diane	Alberta Electric System Operator	Simpkins, Lisa	Constellation
Ponseti, Tim	Tennessee Valley Authority	Simpson, Denise	Ameren
Popowsky, Sonny	Pennsylvania Office of Consumer Advocate	Skiba, Ed	Midwest ISO
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		Smith, Larry	Tennessee Gas Pipeline Company
		Smith, Richard	ExxonMobil Gas & Power



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NAESB UPDATE: ETARIFF DISTRIBUTION LIST

	Marketing	Weathers, Wendy	Salt River Project
Snyder, Virginia J.	PJM Interconnection	Weaver, Alonzo	Memphis Light Gas and Water
Sobel, Jana J.	Southern Natural Gas Company	Wei, Karen	The Structure Group
Soderberg, Grace D.	NARUC	Westendorff, Julie B.	Edison Electric Institute
Solitario, Denise A.	ONEOK Partners GP LLC	Westerfield, Lou Ann	Idaho Public Utility Commission
Sorenson, Paul	OATI	White, Craig	Philadelphia Gas Works
Spangler, Leigh	Latitude Technologies	Whiting, Luke	Florida Power and Light
Steffes, Darla	Northern Border	Wiley, Ken	FRCC
Stender, Mike	El Paso Corporation	Williams, Robert C. (Bob)	Florida Municipal Power Agency
Stepenovitch, Joe	Independent	Willis, Joe	Magellan Pipeline Company
Stewart, Cindy E.	FirstEnergy Service Company	Willis, Michelle	CenterPoint
Stewart, Lee	Southern California Gas Company	Williston, Wade	Entergy
Stires, Susan	El Paso Natural Gas	Winterfeld, Curtis	Deseret Generation & Transmission Cooperative
Straquadine, Tony	Alliance Pipeline Ltd.	Yakopcic, George	Allegheny Energy
Stroh, Robert	Bruder, Gentile & Marcoux, L.L.P.	Yang, Aiwei	Northern Natural Gas Company
Sumter, Gail	Assoc. of Oil Pipe Lines	Yeung, Charles	Southwest Power Pool
Sutton, Dawn	Progress Energy Service Co., LLC	Yip, Nelson	Consolidated Edison
Swamy, Priya	Dominion Transmission Inc.	York, Katherine	Tennessee Valley Authority
Taylor, Darren	Calpine Corporation	Young, Randy	Gulf South Pipeline Company LP
Taylor, Lynn	CenterPoint Energy	Younglund, Marshia	Williams
Templeton, Jim	Comprehensive Energy	Yount, Sheila	TransCanada
Theodore, Sharon Royka	NiSource	Zeisler, Don	Williston Basin Interstate Pipeline Company
Tholt, Jane	TransCanada	Zelenko, Richard	Dominion Retail Inc.
Thomason, Angela	NAESB	Zimberlin, Joy	New York ISO
Thomason, Veronica	NAESB		
Thompson, Cindy	Southern Star Central Gas Pipeline		
Thompson, Tim	Southern Star Central Gas Pipeline		
Thorn, Michael J.	FirstEnergy Service Company		
Thornton, Belinda	Tennessee Valley Authority		
Thornton, Kathy	Enbridge Offshore		
Thrash, MiYung	Shell Pipeline Company LP		
Tiggelaar, Keith	Williston Basin Interstate Pipeline Company		
Tigue, John R.	NYSEG		
Tilghman, Henry	PacifiCorp		
True, Roy	ACES Power		
Ulch, Dean	Southern Company		
Van Ness, Jana	Arizona Public Service Company		
Van Pelt, Kim	Panhandle Eastern Pipe Line		
Vandervort, Thomas	NERC		
VanGordon, Michelle L.	Midwest ISO		
Vaughn, C. Mark	NiSource Pipeline		
Vicente, Denny	BP Pipelines		
Voeck, Julie	American Transmission Company		
Warr, Martin	BP Energy		



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NAESB UPDATE: eTARIFF RECOMMENDATION

STANDARDS LANGUAGE:

- D1 Tariff Submitter is the term used to describe any entity that is required to submit a Tariff Filing.
- D2 Tariff Filing is the term used to describe a compilation of all document(s), associated data and supporting documents that is required to be filed electronically by a Tariff Submitter pursuant to Title 18 Code of Federal Regulations Parts 35, 154, 284, 300, 341 or other Parts as required by the Federal Energy Regulatory Commission.
- D3 Tariff Record is the term used to describe the part of a Tariff Filing that consists of the data elements that relate to a sheet, section or entire tariff, rate schedule, or service agreement that is required to be filed with the Federal Energy Regulatory Commission.
- D4 Sheet-Based Format and Section-Based Format are the terms used to describe the subdivision into sheets or sections, respectively, of a tariff, rate schedule, or service agreement for purposes of a Tariff Filing.
- D5 Whole Document Format is the term used to describe a tariff, rate schedule, or service agreement submitted as a single document within a Tariff Record for purposes of a Tariff Filing.
- S1 A Tariff Submitter should electronically submit a Tariff Filing pursuant to the requirements as set forth in NAESB WGQ Standard [x.4.z] / NAESB WEQ Standard [X].
- S2 For the electronic submission of a Tariff Filing, a tariff, rate schedule, or service agreement, and changes thereto, should be structured using one or more of the following methods:
- i. Sheet-Based Format,
 - ii. Section-Based Format, or
 - iii. Whole Document Format.



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NAESB UPDATE: eTARIFF RECOMMENDATION

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NAESB UPDATE: eTARIFF RECOMMENDATION

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Executive Summary

This implementation guide is for use by entities required to submit tariffs, rate schedules, and service agreements together with supporting documentation to the Federal Energy Regulatory Commission (FERC) pursuant to Title 18 Code of Federal Regulations Parts 35, 154, 284, 300, 341 or other Parts as required by FERC. Filings which historically were submitted in hard copy should be submitted electronically according to the guidelines contained herein. To accomplish this, the components of the previous filings will need to be separated into various pieces of identifying information as defined by the data elements contained herein. These data elements and their accompanying data, are hierarchically organized by the XML schema and when compiled constitute an XML filing package for an electronic Tariff Filing. The XML filing package is then uploaded through a web portal. The following is a guide describing the various processes/mechanisms, data tables, code values/reference tables, and technical specifications used in the submission of such Tariff Filings.



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NAESB UPDATE: eTARIFF RECOMMENDATION

Chair's Comments on the eTariff Subcommittee Recommendation to the WEQ and WGO Executive Committees

During the NAESB eTariff Subcommittee's (SC) development of the recommended eTariff Definitions, Standards and Implementation Guide dated January 25, 2008, many participants in the SC meetings and eTariff Technical Task Force discussed several concerns and issues that they believe need to be addressed prior to the Federal Energy Regulatory Commission's ("Commission") implementation of the Definitions, Standards and Implementation Guide. The Definitions, Standards and Implementation Guide are limited in scope to the issue of how Tariff Filings will be submitted to FERC and do not govern or guide many aspects of the Tariff Filing process or requirements. That is, the Definitions, Standards and Implementation Guide, only when coupled with guidance materials that will need to be issued by FERC (including a Final Rule), would provide the full set of information needed to make a Tariff Filing correctly. These Comments reflect the joint concerns and issues that the WEQ and WEG felt should be included in NAESB's filing that is submitted to the Commission as part of the record for the NAESB eTariff Definitions, Standards and Implementation Guide, but were not within the scope of the NAESB process.

Participants also believe that resolution of most, if not all, of the concerns and issues should be completed prior to the time a Tariff Submitter develops its internal or external systems to submit their Tariff Filing to the Commission's website portal. SC and eTariff Technical Task Force participants included key members of the Commission Staff who indicated that, under a new rulemaking, Commission would seek comments on both the NAESB eTariff Definitions, Standards, Implementation Guide and other industry comments filed as part of the NAESB eTariff record as well as address the many issues and concerns relating to Tariff Filings that were not within the scope of the NAESB process.

During the SC meeting of January 25, 2008, the issues and concerns identified below were among those discussed during the SC's review of the eTariff Implementation Guide's Frequently Asked Questions (FAQ) that were determined to be outside the scope of the NAESB process and thus would need to be addressed in the rulemaking and/or the guidance documentation that FERC will need to provide. Several FAQs were revised and retained in the eTariff Implementation Guide since they were within the scope of the NAESB process. The DRAFT Responses below are suggested answers to the questions based on the participant's understandings of past Commission action on similar matters and discussions with Staff.

Frequently Asked Questions

General Questions:

Question: What will be the resolution process if there is a disagreement between the Commission's eTariff database/public viewer and the Tariff Submitter's database?

Response: The clean copy posted on eLibrary is and will be the official copy of all or part of a tariff, rate schedules, or service agreements on file with the Commission. Discrepancies between the posted version and any version in the possession of the Tariff Submitter would be resolved in the same manner as prior to eTariff.

Question: What procedure will there be for the filing of Tariff Filing-related motions, rehearing, and protests?

Response: eFiling should be used for the filing of any documents that do not constitute Tariff Filings. Other than a motion to suspend a tariff in effect or move a suspended tariff into effect, the listed types of documents are not Tariff Filings, they merely relate to a Tariff Filing. A Tariff Filing typically results in a change to the text or status of a tariff, rate schedule, or service agreements.



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NAESB UPDATE: eTARIFF RECOMMENDATION

Question: What about settlements? Settlements often include proposed changes to tariff, rate schedules, or service agreements.

Response: Settlements containing such proposed changes can be eFiled and when ruled upon by the Commission (accepted, rejected, or accepted with modification), the relevant Tariff Records can then be submitted as a compliance filing.

Question: Some Tariff Submitters, only have NGA Section 5 or FPA 206 rights to change a tariff, rate schedules, or service agreement. That is, the tariff Submitter may not file to change the document unilaterally. Today, the Tariff Submitter would file a complaint, using its Section 5 or 206 rights and might include the proposed changed sheets. How should such filings be made in the future?

Response: The Tariff Submitter should eFile a Complaint and not change its Tariff Records until Commission rules on the complaint that the change is accepted.

Question: A Tariff Submitter is making a change to an electric industry tariff, rate schedule, or service agreement that has never been filed pursuant to Order No. 614, how does a Tariff Submitter do this?

Response: File the updated tariff, rate schedule, or service agreement in its entirety using one of the three formats for the Tariff Records. In accordance with Order No. 614, or a superseding order, consolidate any existing supplements/amendments such that the Tariff Records contain only the current terms and conditions. As is the case today, a waiver of the redline may be requested.

Question: A current tariff, rate schedule, or service agreements has a Table of Contents with page numbers as part of the tariff, rate schedule, or services agreement, but the Tariff Records in eTariff will not necessarily have any page numbering, how should this issue be addressed?

Response: A Tariff Submitter may delete the page numbers in the Tariff Record(s) containing the Table of Contents. Thus, the Table of Contents simply would provide the reader the order of the sections of the document. If you choose to include page numbers in the text of the tariff, rate schedule, or service agreement, the eLibrary posted version of the tariff, rate schedule, or service agreement, should include page numbers in a header or footer.

Data Element-Specific Questions

Question: How should a Tariff Submitter select a Tariff Title?

Response: A logical Tariff Title depends on how many and which tariffs, rate schedules, or service agreements will be contained in an eTariff database.

Question: What are the typical situations in which there will be an Associated Filing?

Response: A compliance filing, other than a compliance filing driven by a Commission-initiated rulemaking or a complaint, nearly always has an Associated Filing. A withdrawal filing nearly always, if not always, has an Associated Filing.

Question: How far apart should Record Collation Values be?

Response: It is suggested in the Implementation Guide that the collation values be incremented at 1000. But, the Tariff submitter should make this determination in consideration of such factors: how many tariff, rate schedules, or service agreements will eventually be in a database, whether such tariffs, rate schedules, or service agreements will be Section-Based Format, Sheet-Based Format, or Whole Document Format and if tariff, rate schedules, or service agreements are Section or Sheet-Based Format how likely will be the need to add new Sheets or Sections in between existing ones.



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NAESB UPDATE: eTARIFF RECOMMENDATION

Question: A Tariff Submitter is submitting an OATT and it is based on Commission's Pro Forma OATT, should a Tariff Submitter use Record Change Type "Pro Forma"?

Response: No. The Record Change Type "Pro Forma" has nothing to do with the pro forma OATT or other pro forma service agreements used by various Tariff Submitters. At this time the Record Change Type "Pro Forma" is limited to use by interstate natural gas companies.

How to Effectuate Certain Types of Filing

A presentation by National Grid on 1-25-2008 to the SC is related to the following question and provides information on the serious concerns raised by the DRAFT Response, which are the approaches that have been discussed to date. Appendix "A" to these comments includes a copy of this presentation.

Question: In the electric industry, some of the tariff, rate schedules, or service agreements for organized markets are 'shared', i.e., managed jointly, in part, or separately by various entities. Can multiple Company Identifiers be entered for one Filing Identifier?

Response: No, an eTariff database will be assigned one Company Identifier for such organized market (e.g., ISO New England). The following are two methods by which the individual pieces of a shared tariff, rate schedule, or service agreement can be submitted. It is up to the stakeholders in an organized market to determine which way works best for their situation.

- The Company Identifier, corresponding password and all relevant Data Elements are provided by the organized market administrator to the various entities responsible for the submission of individual pieces.
- The individual pieces of the shared Jurisdictional Document are prepared by the responsible entity and then passed to the organized market administrator for submission to Commission.

Question: In the electric industry, some utilities have identical rate schedules that are bilateral or multi-party agreements. Today, they make joint paper filings that include multiple copies of the same rate schedule, with different headers and footers but include all the (otherwise identical) rate schedules in one filing package. Can FERC develop a more efficient means for addressing such joint rate schedules than having each company have to submit the rate schedule in a separate Tariff Filing?

Response: FERC should address this issue.

The next question address two concerns and more clarity is needed. The key question is what needs to be treated as a Tariff Record and what as an attachment in the context of gas pipeline agreements. Plainly, under either Option the updated rate tariff sheet is a Tariff Record. Currently it appears a redlined and signed copy of the non-conforming agreement would be an attachment. The question is whether that agreement also is filed as a Tariff Record under Option 1; it appears it would be for under Option 2. Commission may want to consider eliminating the need for a signed copy as the clean copy for posting.

Question: Currently the Commission policy provides for two options for the filing of negotiated rate information for the gas pipeline industry:

Option 1: updated rate tariff sheet (which may be filed with the corresponding transportation service agreement) or

Option 2: the transportation agreement with a negotiated rate letter.

Will the negotiated rate agreements be contained in the Commission's eTariff database for either or both options? If so, how are the two types of filings to be submitted?

Response: Both options should be supported in the Commission's eTariff database.



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NAESB UPDATE: eTARIFF RECOMMENDATION

Question: Can tariff sheets be motioned in to effect without making a Tariff Filing?

Response: No, there is a Type of Filing for motion filings.

Prior to Tariff Submitters submitting a Tariff Filing with the Commission, the Commission needs to give guidance to Tariff submitters on their baseline Tariff Filings. The DRAFT Responses below are suggested answers to the questions based on the participant's understandings of past Commission action on these matters.

The Baseline Compliance Filings

Question: On the date of a baseline Tariff Filing, some text of a tariff, rate schedule, or service agreement that is being submitted in the baseline Tariff Filing may not have been acted upon by the Commission; should the Tariff Records reflect the revised text?

Response: No the text should not reflect the "pending" text, if the text is accepted, a compliance filing should be made.

Question: On the date of a Baseline Compliance Filing, some text of a tariff, rate schedule, or service agreement that is being submitted in the baseline Tariff Filing has been filed and accepted but set for hearing/settlement as possibly unjust and unreasonable; should my Tariff Records reflect the accepted text?

Response: Yes. If Commission ultimately rejects or accepts but alters the text, a compliance filing will be required.

Question: On the date of a baseline Tariff Filing some text of a tariff, rate schedule, or service agreement that is being submitted as a baseline Tariff Filing has been accepted by the Commission, but the Commission has ordered that some of the accepted text be modified; what language should the Tariff Records reflect?

Response: Commission should provide the Tariff Submitter the option of filing the old text and then later file compliance text, or making a baseline Tariff Filing that reflects its compliance obligation.

Question: On the date of a baseline Tariff Filing, some text of a tariff, rate schedule, or service agreement that is being baselined has been accepted but Tariff Submitter is proposing in a Settlement Agreement/Offer of Settlement (Settlement) that has yet to be approved by Commission to alter the text; what language should the Tariff Records reflect?

Response: The text should not reflect the settlement. Once the settlement is accepted, a compliance filing should be made.

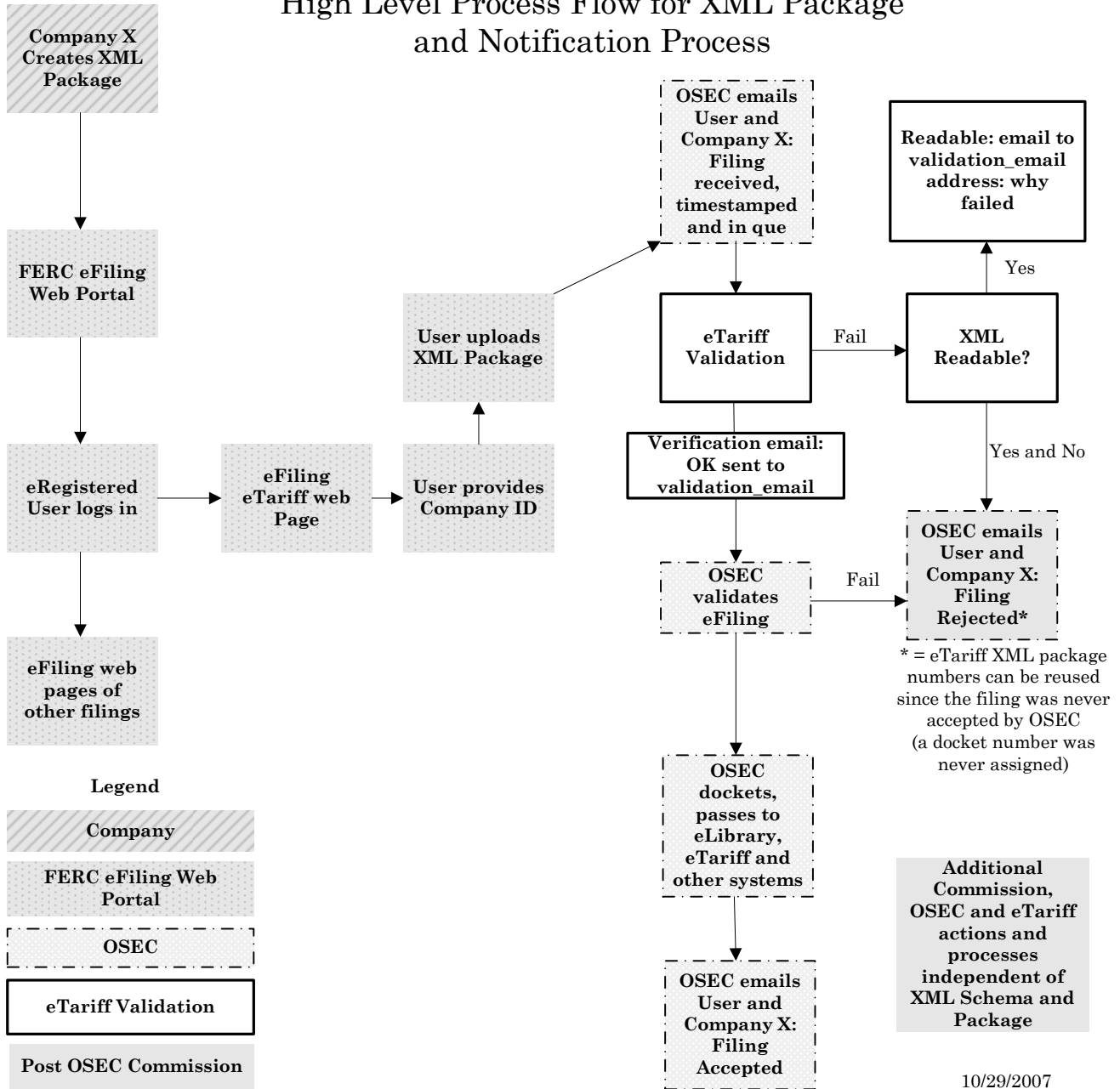


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NAESB UPDATE: eTARIFF INFORMATION FLOW DIAGRAM APRIL 15, 2008

High Level Process Flow for XML Package and Notification Process





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**NAESB ORDER NO. 698 ACTIVITIES
 APRIL 30, 2008**

The following status report includes:

- Meeting summaries Page 2
 NAESB has been holding subcommittee meetings to develop standards for the wholesale gas market to support the requests of FERC Order No. 698. A brief synopsis of each meeting is given.
- Reference documents, timelines and synopsis of regulatory action Page 4
 Several excellent reference documents are available that review gas-electric coordination. This section provides a timeline of events, links to the reference documents and a synopsis of the regulatory actions.
- Proposed Indexed pricing standards Page 7
 NAESB has developed proposed standards for capacity release index pricing that are out for industry comment and should be considered by the NAESB Executive Committee in May.
- Proposed Redirect standard Page 12
 NAESB has developed a proposed standard for redirects that are out for industry comment and should be considered by the NAESB Executive Committee in May.
- Existing timelines Page 13
 The nomination timelines and electric market clearing times as they exist today are shown for comparison purposes.
- Models proposed for intraday nomination timeline changes presented in March and April Page 16
 Ten proposals for intraday nomination timeline modifications to better serve the electric market were presented for consideration at the March and April meetings:
 - APS/TVA models, both original and modified Page 16
 - Pipeline Collaborative Model Page 23
 - Two El Paso Natural Gas Models Page 25
 - Northern Border Model Page 30
 - Two TransCanada Pipeline Models Page 36
 - Two Iroquois Gas Transmission Models Page 39
 - FPL Model (constructed in the April meeting) Page 41
- Timeline considerations Page 42
 The subcommittee has development a list of timeline criteria that may be used in evaluating the intraday nomination timeline proposals.
- Evaluation against Criteria on April 23 Page 44
 The subcommittee has development a list of timeline criteria that may be used in evaluating the intraday nomination timeline proposals.
- Voting Record on April 23 Page 46
 The subcommittee has development a list of timeline criteria that may be used in evaluating the intraday nomination timeline proposals.



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NAESB ORDER NO. 698 MEETING SUMMARY
 APRIL 30, 2008

ORDER NO. 698 EFFORT – ASSIGNED TO WGQ:

- **August 30-31, 2007:** The WGQ BPS met at the NAESB office in Houston, Texas to begin work on Order No. 698. During the meeting the participants heard presentations from those in the pipeline industry that have had experience with the issues presented by Order No. 698, and discussed the scope of WGQ Annual Plan Items 7a, 7b, and 7c. The group discussed the various approaches to addressing Order No. 698, and created a document capturing issues that will have to be considered as the group continues.
- **September 18-19, 2007:** The WGQ BPS met in Richmond, VA at the Dominion offices to continue work on Order No. 698. During the meeting, the Subcommittee developed scoping statements for WGQ Annual Plan Items 7a, and 7b, and continued their discussions regarding potential scoping issues to address as the group proceeds. Presentations were given in response to Annual Plan Items 7a and 7b, and the group drafted proposed modifications to WGQ Standard 5.3.26 in response to Annual Plan Item 7b. The Subcommittee also noted the need for proposals and work papers on Item 7c and encouraged those in attendance to prepare such for the next meeting.
- **October 9-10, 2007:** The WGQ BPS met at the NAESB offices in Houston, Texas to continue their efforts in addressing Order No. 698. During this meeting, the group reviewed proposals created in response to Annual Plan Items 7a and 7c, and continued their discussions concerning potential standards to address the Annual Plan Items. The group also began answering some of the scoping issues identified for Annual Plan Item 7b, and proposed varying standards language to respond.
- **October 30-31, 2007:** The WGQ BPS met in Houston at the NAESB offices to continue work on Order No. 698. The intraday nomination timeline work paper was presented with discussions on inclusion of regional differences. The work paper for redirects – alternate receipt point upstream of or an alternate delivery point downstream of a point of constraint was presented and discussed, including a number of proposed definitions. The work paper for additional index standards concepts was presented and discussed, including remarks on the inadvisability of using EDI for capacity release transactions.
- **November 14-15, 2007:** The WGQ BPS met in NYC at the KeySpan offices to continue work on Order No. 698. Discussion continued on possible standards language for redirects including the review of two sets of work papers. It is expected that a more complete proposal will be presented at the December meeting, including the definition of a constraint point. Additional work papers were presented regarding intraday nomination timelines. For the December meeting, it is expected that the pipelines will present a counter proposal and the existing proposal will be modified to include details on recalls and capacity release. The work paper for index-based pricing for capacity release was reviewed including draft standards language, some of which may imply daily bidding for volumetric indexed-based capacity releases. It is expected that further discussion on this proposal including changes reflected in the meeting will be a topic for December. Platts Energy provided a presentation in indexed pricing.
- **December 4-5, 2007:** The WGQ BPS met in Washington DC at the AGA offices to continue work on Order No. 698. The meeting focused on proposed standards for redirects and for price indexing for capacity release programs.
- **January 9-10, 2008:** The WGQ BPS met in Houston TX to continue work on Order No. 698. During the meeting, the redirect standard was approved and the price indexing standards were further reviewed and refined. The proposals for intraday nominations were introduced.



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NAESB ORDER NO. 698 MEETING SUMMARY APRIL 30, 2008

- **January 25, 2008:** NAESB received and responded to correspondence from the Kansas Corporation Commission (http://www.naesb.org/pdf3/wgq_bps_698_012508corr_kcc.pdf – KCC Letter, http://www.naesb.org/pdf3/wgq_bps_698_012508corr_desselle.pdf, -- NAESB Response) regarding intraday nomination periods and the NAESB process.
- **February 8, 2008:** The WGQ BPS met via web cast/conference call to complete the review of the price indexing standards. While the review did not conclude, it is at most one or two meetings away from a vote.
- **February 21, 2008:** The WGQ BPS met via web cast/conference call to complete the review of the price indexing standards. The review did not conclude, but should complete with a vote at the meeting in March.
- **February 26-27, 2008:** The WGQ BPS met in a two-day session hosted PSEG in New Jersey. The primary focus of the meeting was on review and discussion of proposals for changes to intraday nominations timelines. A number of comments indicate strong support for a bumpable intraday nomination period that is more closely aligned with the electric market clearing times. The comments can be found on the NAESB web site (http://www.naesb.org/wgq/wgq_bps_698.asp), under the meeting date for February 26-27, 2008. Comments in support of adding an additional bumpable period were received from Arizona Corporation Commission (http://www.naesb.org/pdf3/wgq_bps_698_022608w10.doc), Arizona Electric Power Corporation, Buckeye Power, Delaware Municipal Electric Corporation, El Paso Electric Company, Honeywell International, Kansas Corporation Commission, KeySpan/National Grid, Missouri Public Service Commission (http://www.naesb.org/pdf3/wgq_bps_698_022608w25.pdf), New York Independent System Operator, North Carolina Electric Membership Corporation, Old Dominion Electric Cooperative, Phelps Dodge, Salt River Project, Southwest Power Pool, Tucson Electric Power Company, Unisource Energy Services. The intraday timelines effort includes now a review of three proposals – TVA and APS, a pipeline collaborative, and EPNG (two models). All endeavor to more closely align the electric market requirements with the gas nomination deadlines.
- **March 12-13, 2008:** EPNG in Colorado Springs is the host of the meeting, the focus of which was two-fold – to complete the work on price indexing and to continue the discussion on intraday nomination proposals. In addition to the intraday proposal offered by Arizona Public Service/Tennessee Valley Authority, additional ones have been submitted from El Paso Natural Gas, Spectra Energy and TransCanada Pipelines.
- **April 22-23, 2008:** Iroquois Gas Transmission, Northern Border and FPL added models to the mix for review – with a full count of 10 models for options for intraday nominations. APS/TVA prepared a revised model and ISO-NE prepared a presentation overlaying gas schedules and electric schedules to highlight the discrepancies. The evaluation criteria were reviewed and additional text added for clarity. The models were compared against the evaluation criteria and straw balanced votes were taken to ascertain levels of support. The revised APS/TVA model, the FPL model prepared in the meeting passed and the pipeline collaborative model while failed, was a close vote. These three models will be reviewed at the upcoming May meeting in DC.
- **May 19-20, 2008:** Hosted by Stinson Morrison and Hecker to continue the discussion on the intraday nomination models.
- **Other Meetings Planned in 2008:** 2008 calendar of meetings has been set and can be accessed from http://www.naesb.org/WGQ/wgq_bps_698.asp.



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NAESB ORDER NO. 698 REFERENCE DOCUMENTS, TIMELINE AND SYNOPSIS APRIL 30, 2008

REFERENCE DOCUMENTS -- RELATED WORK PAPERS:

- [WGQ Annual Plan \(http://www.naesb.org/pdf2/bd062807a1.doc\)](http://www.naesb.org/pdf2/bd062807a1.doc) approved by the Board of Directors, June 28, 2007 and the WGQ Annual Plan for 2008 (http://www.naesb.org/pdf3/wgq_2008_annual_plan.doc), approved by the Board on December 13, 2007.
- [FERC Order No. 698 \(http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc\)](http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc): Issued June 25, 2007 - FERC Final Rule - Order No. 698 re FERC's amendment to its open access regulations governing standards for business practices and electronic communications with interstate natural gas pipelines and public utilities under RM96-1.
- [NRRI Primer \(http://www.naesb.org/doc_view2.asp?doc=nrri_0706.pdf\)](http://www.naesb.org/doc_view2.asp?doc=nrri_0706.pdf), Dated July 2006 - The National Regulatory Research Institute (NRRI), Briefing Paper - Efforts to Harmonize gas Pipeline Operations With the Demands of the Electricity Sector
- [DoE Primer \(http://www.naesb.org/doc_view2.asp?doc=icf_geic_primer062206.pdf\)](http://www.naesb.org/doc_view2.asp?doc=icf_geic_primer062206.pdf), Dated June 22, 2006 - Summary of NAESB Gas and Electric Interdependency Final Report to the FERC in Docket No. RM05-28-000 "NAESB Report on the Efforts of the Gas-Electric Interdependency Committee".
- [NAESB Report \(http://www.naesb.org/doc_view2.asp?doc=ferc022406.pdf\)](http://www.naesb.org/doc_view2.asp?doc=ferc022406.pdf), Dated February 24, 2006 - Docket No. RM05-28-000, NAESB Final Report on the Efforts of the Gas-Electric Interdependency Committee.

FERC ORDER NO. 698 – TIMELINE OF EVENTS:

- **November 14, 2003:** Letter from Chm. Wood asking NAESB to develop interdependency standards – related to 2003 cold snap in New England, which resulted in a NAESB Gas-Electric Coordination subcommittee
- Gas-Electric Coordination efforts resulted in two reports:
 - Gas Electric Coordination Interim Status Report, **filed 4-16-04**, 31 issues identified
 - Gas Electric Coordination Final Report, **filed 11-30-04**, 31 issues further defined
- Outcome of Reports: Received 3 requests for standards development: R04016: Energy Day, R04020: Market Timelines, R04021: Pipeline-Generator Communications
- All requests approved and found within the scope of NAESB by both NAESB and the Joint Interface Committee (including NERC and the ISO-RTO Council)
- R04016 and R04021 were jointly assigned to wholesale gas and wholesale electric groups, R04020 was assigned to wholesale electric group only -- Two pronged approach: Work began on R04021, and Board Committee formed to determine other actions
- Results of approach -- Report filed with FERC on June 26, 2005 with gas-electric interdependency communication standards (Interim GEIC Report) and Requests R04016 and R04020 were withdrawn
- **February 24, 2006:** NAESB identifies 6 Interdependency Issues raised in Docket No. RM05-28-000 (Final GEIC Report)
- **June 22, 2006:** The U.S. Department of Energy sponsors the creation of a primer from Jimmy Glotfelty of ICF addressing issues in the GEIC report
- **July 30, 2006:** A primer from Ken Costello of NRRI is issued addressing issues identified in the GEIC Report



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NAESB ORDER NO. 698 REFERENCE DOCUMENTS, TIMELINE AND SYNOPSIS APRIL 30, 2008

- **October 25, 2006:** NOPR issued on standards. Order No. on Inquiry to the ISOs and RTOs. Comments were due 1-15-07 and data from the ISOs and RTOs forwarded on 1-16-07.
- **June 25, 2007:** FERC issued [Order No. 698 \(http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc\)](http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc) regarding FERC's amendment to its open access regulations governing standards for business practices and electronic communications with interstate gas pipelines and public utilities under Docket Nos. RM96-1 and RM05-5-001 (Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities).
- **August 31, 2007:** FERC [issued a series of orders \(http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20070831-3050\)](http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20070831-3050) (Docket Nos. EL07-1 to EL07-6) terminating the six section 206 proceedings related to gas-electric coordination.
- **December 20, 2007:** FERC issued [Order No. 698-A \(http://www.naesb.org/doc_view2.asp?doc=ferc122007.pdf\)](http://www.naesb.org/doc_view2.asp?doc=ferc122007.pdf), Order on Clarification and Rehearing.

ORDER NO. 698 DECISIONS:

- Issued June 25, 2007
- Compliance with gas-electric communication standards by November 1, 2007
- Compliance Statements filed by November 1
- All standards incorporated by reference without change

ORDER NO. 698 STANDARDS ADOPTED:

- WEQ Standard 011-0.1/WGQ Standard 0.2.1 defines the term "Power Plant Operator."
- WEQ Standard 011-1.2/WGQ Standard 0.3.12 directs PPO & TSP to establish procedures to communicate material changes in circumstances that may impact hourly flow rates, and the power plant operator to provide projected hourly flow rates accordingly.
- WEQ Standard 011-1.3/WGQ Standard 0.3.13 states a PPO should not operate without an approved scheduled, may request daily flow rates as established by the standard, should work to resolve the PPO's request if it can be accommodated within the standard boundaries.
- WEQ Standard 011-1.4 and WGQ Standard 0.3.14 requires specified parties to sign up to receive critical notices from the appropriate TSP and the reciprocal TSP(s) to provide critical notices to parties specified in the Standard.
- WEQ Standard 011-1.5 requires upon request, a PPO must provide to the appropriate independent BA and/or RC pertinent information concerning the level of gas transportation service (firm or interruptible) and its natural gas supply (firm, fixed or variable quantity, or interruptible).
- WEQ Standard 011-1.6/WGQ Standard 0.3.15 requires specified parties to establish operational communication procedures with the appropriate TSP and/or PPO.



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NAESB ORDER NO. 698 REFERENCE DOCUMENTS, TIMELINE AND SYNOPSIS APRIL 30, 2008

ORDER NO. 698 DIRECTION TO NAESB:

- ¶ 56 - "... Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently."
- ¶ 63 - "The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility."
- ¶ 69 - "As we stated in the NOPR, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations. However, within the confines of current Commission policy, NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers, and provide better provide for coordination between gas and electric scheduling. In addition, the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere."

ORDER NO. 698-A SYNOPSIS:

- Summary: "This order denies requests for rehearing, and provides clarification of the final rule issued on July 16, 2007 that incorporated by reference standards dealing with coordination of scheduling between electric utilities and natural gas pipelines that were promulgated by the Wholesale Gas Quadrant (WGQ) and the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB), and provided policy guidance on issues relating to such coordination."
- Summary: "In addition, the Commission provided policy guidance on issues raised by NAESB relating to scheduling coordination and to the possible development of additional standards by NAESB. First, the Commission discussed the use of gas indices for pricing capacity release transactions, stating that the Commission's regulations permit releasing shippers to use price indices or other formula rates on all pipelines, regardless of whether the pipeline has a provision allowing the use of indices as part of its discounting provisions, so long as the prices are less than the maximum rate in the pipeline's tariff. Second, the Commission discussed, but did not modify, the shipper's ability to choose alternate delivery points, stating that the ability to shift a delivery point when a pipeline constraint occurs upstream would make it easier for shippers to redirect gas supplies to generators when capacity is scarce. Lastly, the Commission discussed possible changes to the gas intraday nomination schedule, clarifying that NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers."
- ¶ 14 "The existing WGQ NAESB standards recognize that non-standard pricing terms may be included in release transactions, but do not necessarily permit such releases to be accorded the same processing timeline as standard releases. The Commission requested NAESB to consider standards that would create a standardized indexing methodology so that the use of indexed releases could become faster and could compete on a more equal footing with pipeline discounts and negotiated rate transactions."



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NAESB ORDER NO. 698 – (7A) INDEXED PRICING STANDARDS APPROVED BY THE SUBCOMMITTEE

The following Definitions, Modified and New Standards were approved by the NAESB WGQ Business Practices Order 698 Subcommittee on February 8, 2008, February 21, 2008, and March 12-13, 2008 for Recommendation – 2007 WGQ Annual Plan Item 7a

Proposed Modifications to WGQ Standards

Proposed Modified WGQ Standard No. 5.3.26 (Redline)

~~The Rreleasing shipper has choice to should specify which one of the following methods is acceptable for bidding on a given capacity release offer:~~

- ~~• dollars and cents,~~
- ~~• ~~or~~ percentage of maximum tariff rate, or~~
- ~~• Index-based formula as detailed in the capacity release offer.~~

~~in the denomination of bids and all transportation service providers should support this. Once the choice is made by the releasing shipper, the bids should comport with the choice. The bids for the given capacity release offer should adhere to the method specified by the releasing shipper. The bidder may bid the maximum tariff reservation rate, if one is so stated, in the Transportation Service Provider's tariff or general terms and conditions, if applicable, as an alternative to the method specified by the releasing shipper.~~

Proposed Modified WGQ Standard No. 5.3.26 (Clean)

The releasing shipper should specify which one of the following methods is acceptable for bidding on a given capacity release offer:

- dollars and cents,
- percentage of maximum tariff rate, or
- Index-based formula as detailed in the capacity release offer.

The bids for the given capacity release offer should adhere to the method specified by the releasing shipper. The bidder may bid the maximum reservation rate, in the Transportation Service Provider's tariff or general terms and conditions, if applicable, as an alternative to the method specified by the releasing shipper.

Proposed Modified WGQ Standard No. 5.3.1 (Redline)

~~The Ccapacity Rrelease timeline is applicable applies to all parties involved in the Ccapacity Rrelease process; however, it is only applicable if provided that:~~

- 1) ~~_____~~ -all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit-worthy before the capacity release bid is tendered, ~~and~~
- 2) ~~_____~~ -for index-based capacity release transactions, the releasing shipper has provided the capacity release service provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) ~~_____~~ there are no special terms or conditions of the release.

~~Further, the capacity release service provider may complete the capacity release process on a different timeline if the offer includes unexpected requirements (e.g. designation of an index not supported by the Transportation Service Provider).~~

Proposed Modified WGQ Standard No. 5.3.1 (Clean)

The capacity release timeline applies to all parties involved in the capacity release process provided that:

- 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be creditworthy before the capacity release bid is tendered,



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NAESB ORDER NO. 698 – (7A) INDEXED PRICING STANDARDS APPROVED BY THE SUBCOMMITTEE

- 2) for index-based capacity release transactions, the releasing shipper has provided the capacity release service provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) there are no special terms or conditions of the release.

Further, the capacity release service provider may complete the capacity release process on a different timeline if the offer includes unexpected requirements (e.g. designation of an index not supported by the Transportation Service Provider).

Proposed Modified WGQ Standard No. 5.3.3 (Redline)

For the capacity release business process timing model, only the following methodologies are required to be supported by capacity release service providers and provided to releasing shippers as choices from which they may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the releasing shipper should provide the necessary information and instructions to support the chosen methodology.

Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the capacity release service provider. However, the capacity release service provider is not required to offer other choices or similar timeline treatment for other choices, nor, is the capacity release service provider held to the timeline should the releasing shipper elect another method of evaluation.

Proposed Modified WGQ Standard No. 5.3.3 (Clean)

For the capacity release business process timing model, only the following methodologies are required to be supported by capacity release service providers and provided to releasing shippers as choices from which they may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the releasing shipper should provide the necessary information and instructions to support the chosen methodology.

Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the capacity release service provider. However, the capacity release service provider is not required to offer other choices or similar timeline treatment for other choices, nor, is the capacity release service provider held to the timeline should the releasing shipper elect another method of evaluation.

Proposed New WGQ Definitions and Standards

Proposed Definition 5.2.x1

For index-based capacity release transactions, Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the releasing shipper. The Rate Floor may not be less than the Transportation Service Provider's (TSP) minimum reservation rate. If a Rate Floor is not otherwise specified, the TSP's minimum reservation rate should serve as the default value for the Rate Floor.

Proposed Definition 5.2.x2

For index-based capacity release transactions, Default Rate is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Default Rate is not otherwise specified, the Rate Floor should serve as the Default Rate.



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NAESB ORDER NO. 698 – (7A) INDEXED PRICING STANDARDS APPROVED BY THE SUBCOMMITTEE

Proposed WGQ Standard No. 5.3.x1

A Transportation Service Provider should support the upload of index-based capacity release offer and bid transactions exclusively via the use of NAESB WGQ EBB/EDM.

Proposed WGQ Standard No. 5.3.x2

For index-based capacity release transactions, the releasing shipper should specify which one of the following methods is acceptable for bidding on a given index-based capacity release offer:

- a percentage of the formula,
- a dollars and cents differential from the formula,
- a dollars and cents differential from the Rate Floor, or
- an approved methodology in the Transportation Service Provider's tariff, if any.

When bidding is based upon a dollars and cents differential from the Rate Floor, the invoiced rate for the award should be calculated as the greater of (i) the result of the formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed the TSP's maximum reservation rate, if applicable.

Proposed WGQ Standard No. 5.3.x2a

For index-based capacity release transactions, the capacity release facilitator should support a Rate Floor to be specified by the releasing shipper in the capacity release offer.

Proposed WGQ Standard No. 5.3.x3

Unless otherwise specified in the Transportation Service Provider's (TSP) tariff, for index-based capacity release transactions where the result of the award is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed the TSP's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award.

If the resulting monthly reservation rate exceeds the TSP's maximum reservation rate, as applicable, the TSP's maximum reservation rate should be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor should be used for invoicing.

Proposed WGQ Standard No. 5.3.x4

For volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds the Transportation Service Provider's (TSP) applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, the TSP's maximum reservation rate or the Rate Floor, respectively, should apply for invoicing.

Proposed WGQ Standard No. 5.3.x6

Initially, a Transportation Service Provider (TSP) should support at least two non-public price index references that are representative of receipt and delivery points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, a TSP should support all price indices it references in its gas tariff, or general terms and conditions. In addition, a TSP should evaluate those publicly available price index references requested by the TSP's



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NAESB ORDER NO. 698 – (7A) INDEXED PRICING STANDARDS APPROVED BY THE SUBCOMMITTEE

Service Requesters (SR) that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable receipt and delivery points.

The identity of all supported price index references should be posted on the TSP's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s). A TSP's support of any price index reference does not make it responsible for ensuring that a releasing shipper(s) or a replacement shipper(s) possesses any license/subscription that may be required to use such price index reference.

Upon request of a SR holding capacity which can be released on that TSP's system, the TSP, in consultation with its SRs, should review the price index references (including publicly available price index references), and update the price index references on the TSP's Informational Postings Web site to reflect the results of that consultation. Such review should occur no more frequently than annually.

Releasing shippers requesting the use of price index references not supported by the TSP will be responsible for providing/maintaining adequate license(s)/subscription(s) for the TSP for any additional price index reference(s) such that the TSP is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such additional price index reference(s) will then be supported by the TSP and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and posted on the TSP's Informational Postings Web site. As an alternative to providing the TSP with a license(s)/subscription(s) to additional price index references, the releasing shipper may make other mutually agreed upon arrangements with the TSP. The TSP retains the right to review the legal implications of any license/subscription, and with reasonable cause, require the agreement for the licensing of the support of such price index reference(s) to be revised to meet its concerns.

Proposed WGQ Standard No. 5.3.x7

For index-based capacity release transactions, upon mutual agreement between the releasing shipper and the Transportation Service Provider (TSP), the releasing shipper should provide the TSP and the replacement shipper with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by the TSP to the replacement shipper pursuant to the capacity release award. The results of the releasing shipper's calculations should conform to the capacity release award and/or to the TSP's minimum and maximum reservation rates, as applicable.

- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation should be provided in a mutually agreed upon format no later than the second Business Day of the month following the transportation under the release.
- For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation should be provided in a report pursuant to NAESB WGQ Standard No. 5.3.x11.

If the report is not provided by the applicable deadline above or is deficient, the TSP will notify the releasing shipper to provide the TSP with a correct report within one Business Day. Thereafter, in the absence of a conforming report, the TSP will invoice the replacement shipper the greater of the Default Rate specified in the capacity release offer or the Rate Floor plus any differential specified in the capacity release award.

Upon notification to the TSP by both the releasing shipper and the replacement shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB WGQ Invoicing Related Standards.

Proposed WGQ Standard No. 5.3.x8

For index-based capacity release transactions, the rate to be used in the invoice should be the greater of:

- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Default Rate specified in the capacity release offer), or
- the Rate Floor plus any differential as specified in the capacity release award.



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The rate used in the invoice should not be greater than the Transportation Service Provider's maximum reservation rate, as applicable.

Proposed WGQ Standard No. 5.3.x9

For index-based capacity release transactions, a Transportation Service Provider should support the ability of a releasing shipper to specify in the capacity release offer a non-biddable Default Rate. The Default Rate cannot be less than the Rate Floor, if any.

Proposed WGQ Standard No. 5.3.x11

For volumetric index-based capacity release transactions, where the releasing shipper performs invoicing calculations pursuant to NAESB WGQ Standard No. 5.3.x7, the Transportation Service Provider (TSP) should provide allocated quantities to the releasing shipper according to a mutually agreed upon timetable. The releasing shipper should have at least one Business Day to process the quantities prior to returning such invoicing information to the TSP in a tabular format.

The TSP should provide the allocated quantities to the releasing shipper in a tabular file to be described by the TSP. The first row of the file should contain the column headers and data should begin on the second row of the file. In addition, the first column should contain the applicable Gas Day(s).



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NAESB ORDER NO. 698 – (7B) REDIRECTS STANDARDS APPROVED BY THE SUBCOMMITTEE

**The following Nomination Related Standard was approved by the NAESB WGQ
Business Practices Order No. 698 Subcommittee on January 9, 2008 for
Recommendation – 2007 WGQ Annual Plan Item 7b**

Proposed WGQ Standard No. 1.3.x1:

To the extent the Transportation Service Provider's (TSP) other scheduling requirements are met, a TSP should support the ability of a Service Requester to redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point at any of the TSP's subsequent nomination cycle(s) for the subject gas day, at least under the same contract, without a requirement that the quantities be rescheduled through the point of constraint.



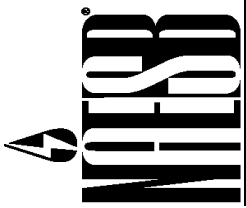
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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS -- EXISTING NAESB WGQ STANDARD

Timely / Intraday Nomination Timeline -- Central Clock Time

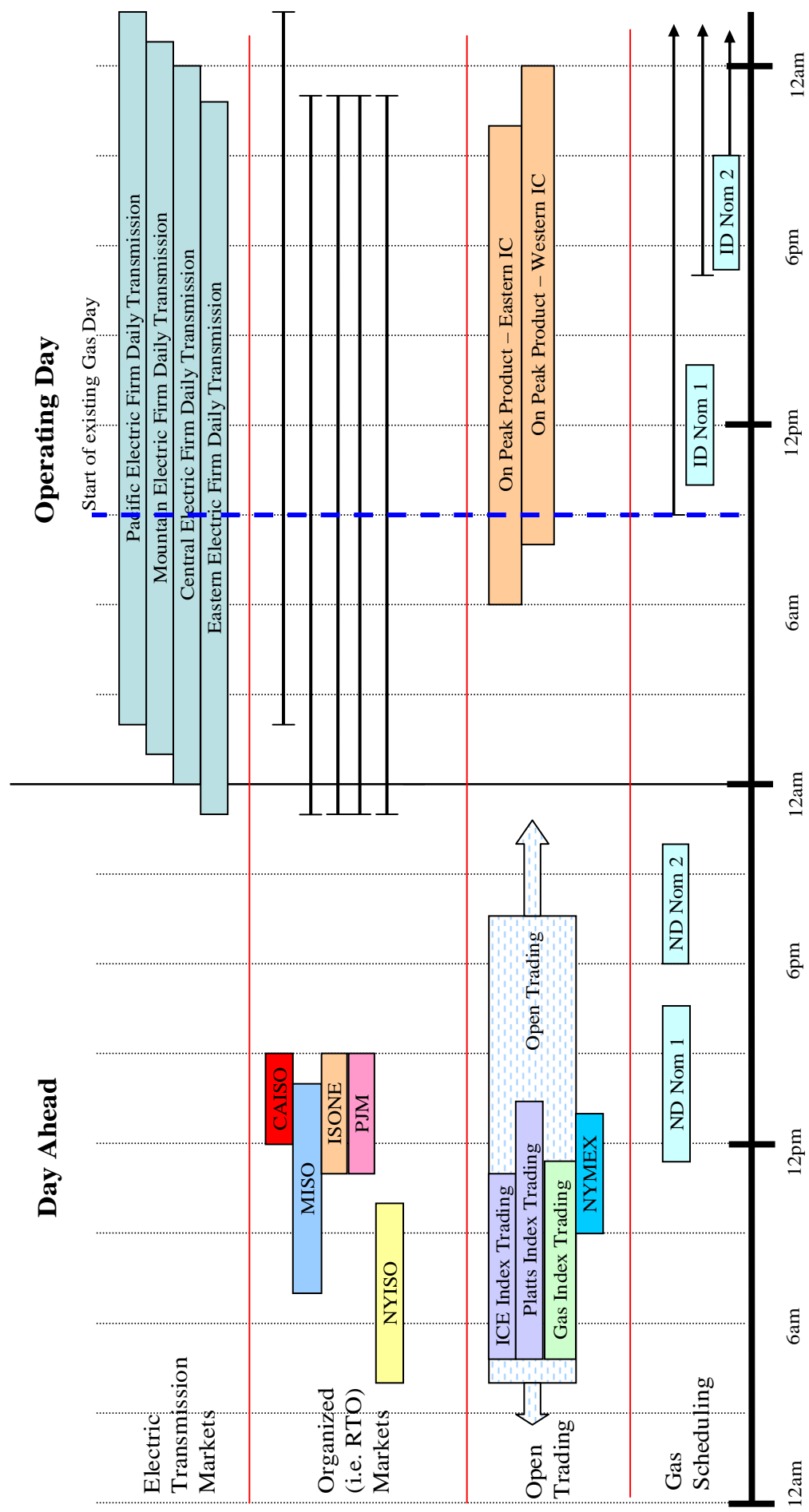
Nomination Cycle	Nomination Deadline	Confirmation Deadline	Scheduled Quantity Available By	Flow Time
Timely	11:30 a.m. the day before the gas flows	3:30 p.m. the day before the gas flows	4:30 p.m. the day before the gas flows	9:00 a.m.
Evening	6:00 p.m. the day before the gas flows	9:00 p.m. the day before the gas flows	10:00 p.m. the day before the gas flows	9:00 a.m.
Intraday 1	10:00 a.m. the gas day	1:00 p.m. the gas day	2:00 p.m. the gas day	5:00 p.m.
Intraday 2 (no bump)	5:00 p.m. the gas day	8:00 p.m. the gas day	9:00 p.m. the gas day	9:00 p.m.



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS -- EXISTING NAESB WGQ STANDARD

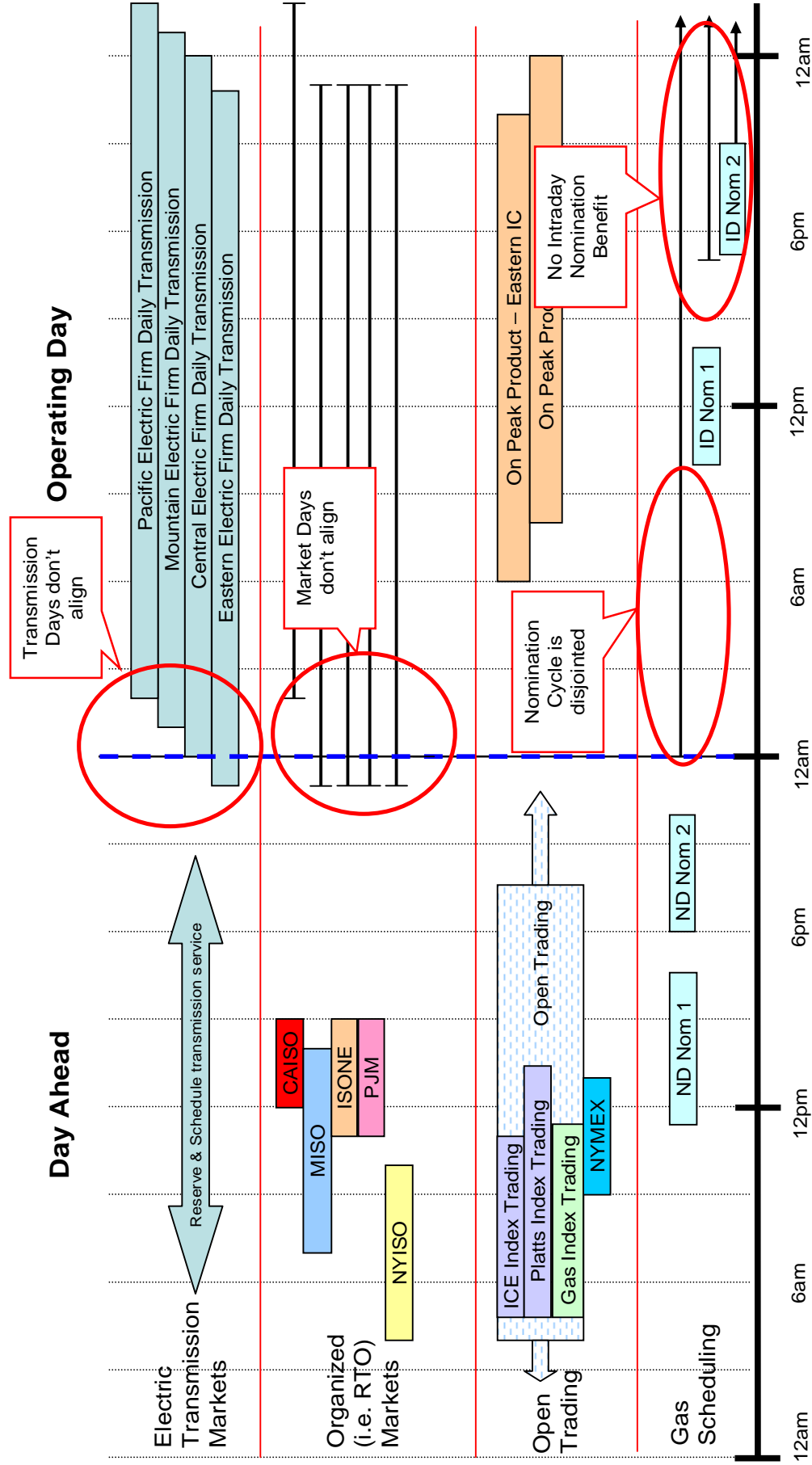




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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS -- EXISTING NAESB WGQ STANDARD





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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TVA AND APS
 AS OF MARCH 22 AND APRIL 17, 2008

Timely / Intraday Nomination Timeline Proposed by TVA and APS

Nomination Cycle	Nomination Deadline	Confirmation Deadline	Scheduled Quantity Available By	Flow Time
Timely (Cycle 1)	11:30 a.m. the day before the gas flows	<i>1:30 p.m. the day before the gas flows</i>	<i>2:30 p.m. the day before the gas flows</i>	9:00 a.m.
Evening (Cycle 2)	6:00 p.m. the day before the gas flows	<i>8:00 p.m. the day before the gas flows</i>	<i>9:00 p.m. the day before the gas flows</i>	9:00 a.m.
Intraday 1 (Cycle 3)	<i>9:00 a.m. the gas day</i>	<i>11:00 a.m. the gas day</i>	<i>12:00 p.m. the gas day</i>	3:00 p.m.
Intraday 2 (Cycle 4)	<i>4:00 p.m. the gas day</i>	<i>6:00 p.m. the gas day</i>	<i>7:00 p.m. the gas day</i>	7:00 p.m.
<i>Intraday 3 (Cycle 5) No Bump</i>	<i>8:00 p.m. the gas day</i>	<i>9:30 p.m. the gas day</i>	<i>10:00 p.m. the gas day</i>	10:00 p.m.
<i>Intraday 4 (Cycle 6) No Bump</i>	<i>5:00 a.m. the gas day (EDI is not available for this cycle)</i>	<i>6:30 a.m. the gas day</i>	<i>7:00 a.m. the gas day</i>	7:00 a.m.

Italic Denotes New or Changed



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TVA AND APS AS OF MARCH 22 AND APRIL 17, 2008

	Timely Cycle 1	Evening Cycle 2	Intraday 1 Cycle 3	Intraday 2 Cycle 4	Intraday 3 Cycle 5 (no bump)	Intraday 4 Cycle 6 (no bump)
Releasing Shipper Recall Notice	8:00 a.m.	EE 3:00 p.m. E 5:00 p.m.	6:00 a.m.	1:00 p.m.	5:30 p.m.	2:30 a.m.
TSP Recall Notice	9:00 a.m.	EE 4:00 p.m. E 6:00 p.m.	7:00 a.m.	2:00 p.m.	6:30 p.m.	3:30 a.m.
Capacity Release Offer (Pre-Arranged-Non Biddable)	10:30 a.m.	5:00 p.m.	8:00 a.m.	3:00 p.m.	7:00 p.m.	4:00 a.m.
TSP Capacity Release Award (Pre-Arranged-Non Biddable)	11:29 a.m.	5:59 p.m.	8:59 a.m.	3:59 p.m.	7:59 p.m.	4:59 a.m.
Nomination Deadline	11:30 a.m.	6:00 p.m.	9:00 a.m.	4:00 p.m.	8:00 p.m.	5:00 a.m.
Capacity Release Offer (Biddable)	12:00 p.m.	N/A	N/A	N/A	N/A	N/A
Open Season Capacity Bidding Ends	1:00 p.m.	N/A	N/A	N/A	N/A	N/A
Confirmation Deadline	1:30 p.m.	8:00 p.m.	11:00 a.m.	6:00 p.m.	9:30 p.m.	6:30 a.m.
TSP Capacity Release Award (Biddable)	2:00 p.m.	N/A	N/A	N/A	N/A	N/A
Open Season Capacity Match & Award (Biddable)	2:30 p.m.	N/A	N/A	N/A	N/A	N/A
Scheduled Quantity Deadline	2:30 p.m.	9:00 p.m.	12:00 p.m.	7:00 p.m.	10:00 p.m.	7:00 a.m.
Open Season Capacity Match & Award (Pre- Arranged)	3:00 p.m.	N/A	N/A	N/A	N/A	N/A
Flow Time	9:00 a.m.	9:00 a.m.	3:00 p.m.	7:00 p.m.	10:00 p.m.	7:00 a.m.
# of Gas Flow Hours	24 Hours	24 Hours	18 Hours	14 Hours	11 Hours	2 Hours



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TVA AND APS AS OF MARCH 22 AND APRIL 17, 2008

<u>Deadline</u>	<u>All Cycles</u>
-	-
2:30 AM	Releasing Shipper Recall Notice for Intraday 4 (Cycle 6) for today's flow.
3:30 AM	Pipeline provides notification of Intraday 4 (Cycle 6) Recall to all affected Replacement Shippers for today's flow.
4:00 AM	Non-Biddable Offer posting for Intraday 4 (Cycle 6) Offer for today's flow.
4:59 AM	Capacity Release Award (Biddable Not Pre-Arranged) for Intraday 4 (Cycle 6)
-	-
5:00 AM	Intraday 4 (Cycle 6 -No Bump) Nomination deadline for today's flow. EDI is not available for this cycle.
6:00 AM	Releasing Shipper Recall Notice for Intraday 1 (Cycle 3) for today's flow.
6:30 AM	Confirmation Deadline of Intraday 4 (Cycle 6-No Bump) for today's flow.
-	-
7:00 AM	Pipeline provides notification of Intraday 1 (Cycle 3) Recall to all affected Replacement Shippers for today's flow. Receipt of Intraday 4 (Cycle 6-No Bump) Scheduled Quantity and start of Gas Flow for Intraday 4 (Cycle 6-No Bump).
8:00 AM	Timely (Cycle 1) Recall Notification provided by a Releasing Shipper & reput deadline for tomorrow's flow. Capacity Release (Non-Biddable Offer) posting for Intraday 1 (Cycle 3) for today's flow.
8:59 AM	Capacity Release Award, Posting & Contracting of (Pre-arranged Non Biddable) for Intraday1 (Cycle 3)
9:00 AM	Start of Gas Flow (Timely - Cycle 1). Pipeline notification of Timely Recall to all affected Replacement Shippers for tomorrow's flow. Start of Gas Flow (Evening - Cycle 2). Intraday 1 (Cycle 3) Nomination deadline for today's flow.
10:30 AM	Capacity Release (Non-Biddable Offer) posting for Timely (cycle 1) Offer for tomorrow's flow.



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TVA AND APS AS OF MARCH 22 AND APRIL 17, 2008

<u>Deadline</u>	<u>All Cycles</u>
11:00 AM	Confirmation Deadline of Intraday 1 (Cycle 3) for today's flow.
11:29 A.M.	Capacity Release Award, Posting & Contracting (Pre-arranged Non-biddable) for Timely (Cycle 1)
11:30 AM	Timely (Cycle 1) Nomination deadline for tomorrow's flow.
12:00 PM	Capacity Release Offer (Biddable) due for Timely (Cycle 1) effective 2 days out.
	Receipt of Intraday 1 (Cycle 3) Scheduled Quantity for today's flow.
1:00 PM	Capacity Release Open Season Bidding Period Ends
	Releasing Shipper Recall Notice for Intraday 2 (Cycle 4) for today's flow.
1:30 PM	Confirmation Deadline of Timely (Cycle 1) for tomorrow's flow.
2:00 PM	Capacity Release Award Posting if no match (Biddable)
	Pipeline notification of Intraday 2 (Cycle 4) Recall to all affected Replacement Shippers for today's flow.
2:30 PM	Open Season Capacity (biddable) deadline to Match
	Receipt of Timely (Cycle 1) Scheduled quantity for tomorrow's flow.
3:00 PM	Open Season Capacity Award & Posting (Prearranged) when match required for Offer.
	Non-Biddable Offer posting for Intraday 2 (Cycle 4) Offer for today's flow.
	Early Evening Recall Notification provided by a Releasing Shipper for tomorrow's flow.
	Start of Gas Flow for Intraday 1 (Cycle 3).
3:59 PM	Capacity Release Award/posting & Contracting (Pre-arranged Non-biddable) for Intraday 2 (Cycle 4)
4:00 PM	Pipeline provides notification of Evening Recall to all affected Replacement Shippers (from Early Evening Notification) for tomorrow's flow.
	Intraday 2 (Cycle 4) Nomination deadline for today's flow.
5:00 PM	Non-Biddable Offer posting for Evening (Cycle 2) Offer for tomorrow's flow.



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<u>Deadline</u>	<u>All Cycles</u>
5:30 PM	Releasing Shipper Recall Notice for Intraday 3 (Cycle 5) for today's flow.
5:59 PM	Capacity Release Award/Posting & Contracting (Pre-Arranged Non-Biddable) for Evening (Cycle 2)
6:00PM	Evening (Cycle 2) Nomination deadline for tomorrow's flow. Pipeline provides notification of Evening (Cycle 2) Recall to all affected Replacement Shippers for tomorrow's flow.
	Confirmation Deadline of Intraday 2 (Cycle 4) for today's flow.
6:30PM	Pipeline provides notification of Intraday 3 (Cycle 5) Recall to all affected Replacement Shippers for today's flow.
7:00 PM	Receipt of Intraday 2 (Cycle 4) Scheduled quantities and start of Gas Flow for Intraday 2 (Cycle 4). Non-Biddable Offer posting for Intraday 3 (Cycle 5) Offer for today's flow.
7:59 PM	Capacity Release Award, Posting & Contracting (Pre-Arranged Non-Biddable) for Intraday 3 (Cycle 5)
8:00 PM	Confirmation Deadline of Evening (Cycle 2) for tomorrow's flow. Intraday 3 (Cycle 5-No Bump) Nomination deadline for today's flow.
9:00 PM	Receipt of Evening (Cycle 2) Scheduled quantities for tomorrow's flow.
9:30 PM	Confirmation Deadline of ID3 (cycle 5--No Bump) for today's flow.
10:00 PM	Receipt of Intraday 3 (Cycle 5-No Bump) Scheduled quantities and start of Gas Flow for Intraday 5 (Cycle 5)
Color code:	Timely
	Evening (Cycle 2)
	ID1 (Cycle 3)
	ID2 (Cycle 4)
	ID3 (Cycle 5)
	ID4 (Cycle 6)



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TVA AND APS AS OF MARCH 22 AND APRIL 17, 2008

<u>Deadline</u>	<u>All Cycles</u>
EPKQ/ EPSQ:	Timely - Cycle 1 is not effected as it occurs prior to the start of gas day flow.
Not updated	Evening - Cycle 2 is not effected as it occurs prior to the start of gas day flow.
	Intraday 1 (Cycle 3) contract/scheduled quantity may only be reduced by 2/3.
	Intraday 2 (Cycle 4) contract/scheduled quantity may only be reduced by 1/2.



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TVA AND APS
 AS OF MARCH 22 AND APRIL 17, 2008

APS/TVA Revised Proposal dated April 17, 2008:

Nomination Cycle	Nomination Deadline	Confirmation Deadline	Scheduled Quantity Available By	Flow Time
Timely (Cycle 1)	12:00 p.m. the day before the gas flows	3:00 p.m. the day before the gas flows	4:00 p.m. the day before the gas flows	9:00 a.m. the next day
Evening (Cycle 2)	5:00 p.m. the day before the gas flows	8:00 p.m. the day before the gas flows	9:00 p.m. the day before the gas flows	9:00 a.m. the next day
Intraday 0.5 (Cycle 2)	7:00 a.m. the gas day	10:00 a.m. the gas day	11:00 a.m. the gas day	12:00 p.m. the same day
Intraday 1 (Cycle 3)	11:30 a.m. the gas day	2:30 p.m. the gas day	3:00 p.m. the gas day	5:00 p.m. the same day
Intraday 2 (Cycle 4)	3:30 p.m. the gas day	6:30 p.m. the gas day	7:00 p.m. the gas day	9:00 p.m. the same day
Intraday 3 (Cycle 5) No Bump	7:30 p.m. the gas day	10:00 p.m. the gas day	11:00 p.m. the gas day	12:00 a.m. the same day



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM PIPELINE COLLABORATIVE

Pipeline Collaborative Workpaper – Intra-Day Timelines
 February 22, 2008

The following Pipelines support the Pipeline Collaborative Workpaper for changes to the Intra-day Timelines:

Algonquin Gas Transmission, LLC
 ANR Pipeline Company
 Dominion Cove Point LNG, LP
 Dominion South Pipeline Company, LP
 Dominion Transmission Inc.
 East Tennessee Natural Gas, LLC
 Egan Hub Storage, LLC
 Florida Gas Transmission Company
 Gulfstream Natural Gas System, L. L. C
 Kinder Morgan Natural Gas Pipelines
 Maritimes & Northeast Pipeline, L.L.C.
 Moss Bluff Hub Partners, L.P.
 Natural Gas Pipeline
 North Baja Pipeline
 Panhandle Eastern Pipe Line Company
 Saltville Gas Storage Company L. L. C.
 Sea Robin Pipeline Company
 Southwest Gas Storage Company
 Texas Eastern Transmission, LP
 TransCanada Gas Transmission Northwest
 Transwestern Pipeline Company
 Trunkline Gas Company
 Trunkline LNG Company
 Tuscorora Gas Transmission
 Williams Gas Pipelines



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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM PIPELINE COLLABORATIVE

	Biddable Cap Rel	Morning AKA - ID 0.5 Bump	Timely	ID1 Bump	ID1**	Evening Bump	ID2 No-Bump
Gas Flow Hours		21	24	15	16	24	9
<u>Scheduling Deadlines</u>							
Nomination Deadline		7:00 AM	11:00 AM	1:00 PM	2:30 PM	4:00 PM	7:00 PM
Confirmation Deadline		10:00 AM	2:00 PM	4:00 PM		7:00 PM	10:00 PM
Scheduled Quantities		11:00 AM	3:00 PM	5:00 PM	5:00 PM	8:00 PM	11:00 PM
Gas Flow		12:00 PM Noon	9:00 AM	6:00 PM	5:00 PM	9:00 AM	12:00 AM Midnight
<u>Biddable Capacity Release Transactions</u>							
Biddable Capacity Release Offer	12:00 PM						
Capacity Release Bid Period Ends	1:00 PM						
Capacity Release Award if no match	2:00 PM						
Match deadline	2:30 PM						
Capacity Release Award with Match	3:00 PM						
<u>Recall/Reput Transactions</u>							
Releasing Shipper Recall Notice		NONE	7:00 AM	10:00 AM		1:00 PM	NONE
Reput			7:00 AM				
Pipeline notifies of recall		NONE	8:00 AM	11:00 AM		2:00 PM	NONE
<u>Non-Biddable Capacity Releases</u>							
Non-biddable offer posting		NONE	10:00 AM	12:00 PM		3:00 PM	6:00 PM
Non-biddable capacity release award, posting & contracting		NONE	10:59 AM	12:59 PM		3:59 PM	6:59:PM

** ID1 added to reflect February Discussions.



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM PIPELINE COLLABORATIVE

Eliminates overlap between cycles.

Keeps the 3-hour processing time between nominations and confirmation deadlines for all cycles.

Eliminate the E-Evening Recall Cycle - effectively the ability to recall is still there for the Evening Cycle and it is earlier in the day so shippers have a better chance of finding someone to purchase capacity from since it is still during normal business

Morning Cycle Comes after Morning Peak, but allows shippers who may not know that they have to flow or need changes for the next day, a chance to get 21 hours of flow next day.

Proposed change to the Intraday Cycle - with Bumping allows shippers to nominate and flow in time for the Evening Peak in most time zones

Middle of the night changes are minimized.

Any after hours cycles should be exempt from Capacity Release and EDI requirements.

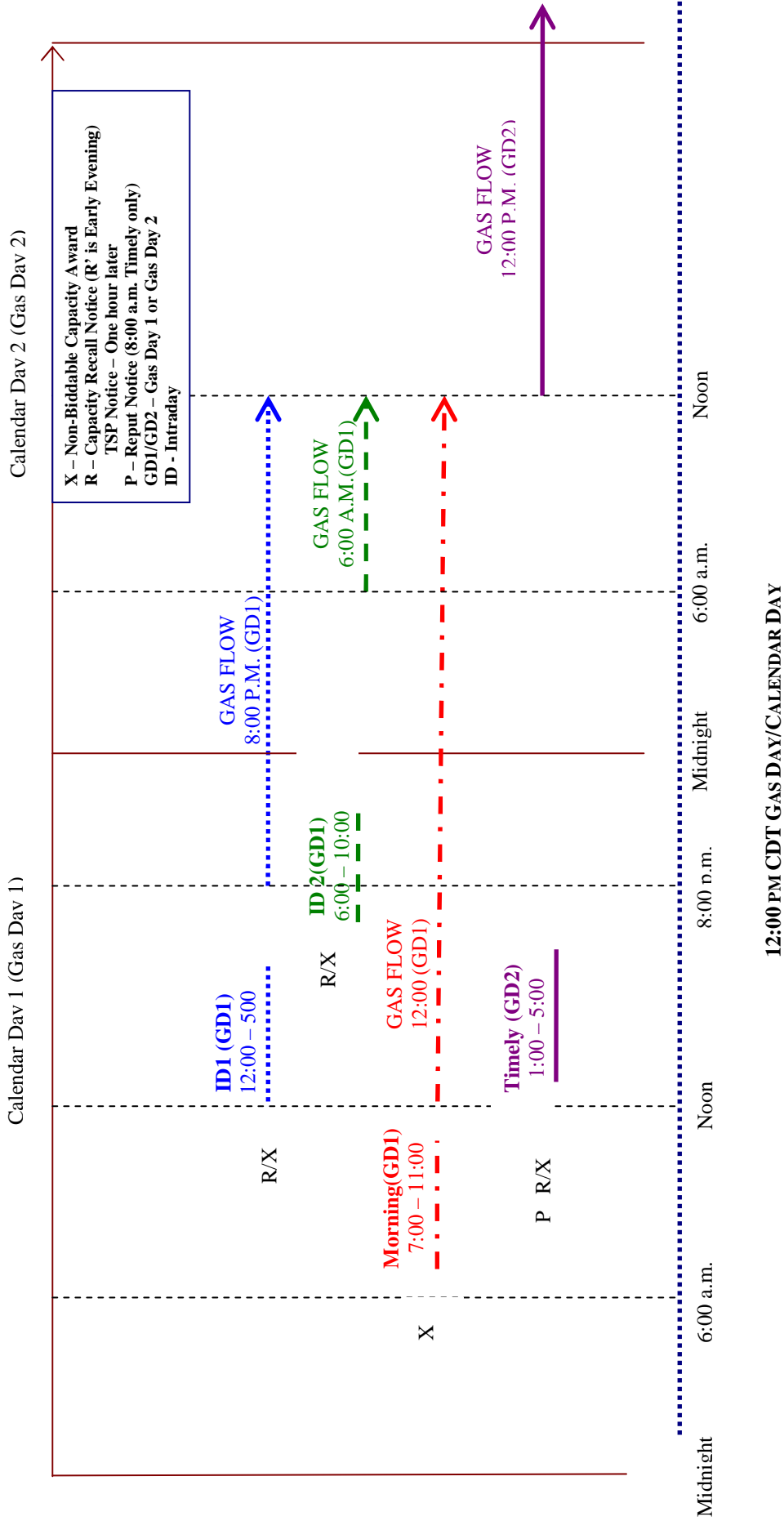
All contracting / capacity release is done during daytime hours.

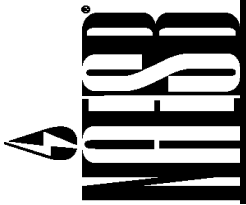


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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM EPNG





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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM EPNG

12:00 PM CDT GAS DAY/CALENDAR DAY				
	TIMELY	MORNING	INTRADAY 1	INTRADAY 2
NON-BID CAP REL AWARD POSTING	12:00 p.m.	6:00 a.m.	11:00 a.m.	5:00 p.m.
CAPACITY RECALL NOTICE	10:00 a.m.	6:00 a.m.	11:00 a.m.	5:00 p.m.
NOMINATION	1:00 p.m.	7:00 a.m.	12:00 p.m.	6:00 p.m.
NOM CONFIRM	4:00 p.m.	10:00 a.m.	3:00 p.m.	9:00 p.m.
NOM REPORT	5:00 p.m.	11:00 a.m.	4:00 p.m.	10:00 p.m.
GAS FLOW	12:00 p.m. (Gas Day 2)	12:00 p.m. (Gas Day 1)	8:00 p.m. (Gas Day 1)	6:00 a.m. (Gas Day 1)



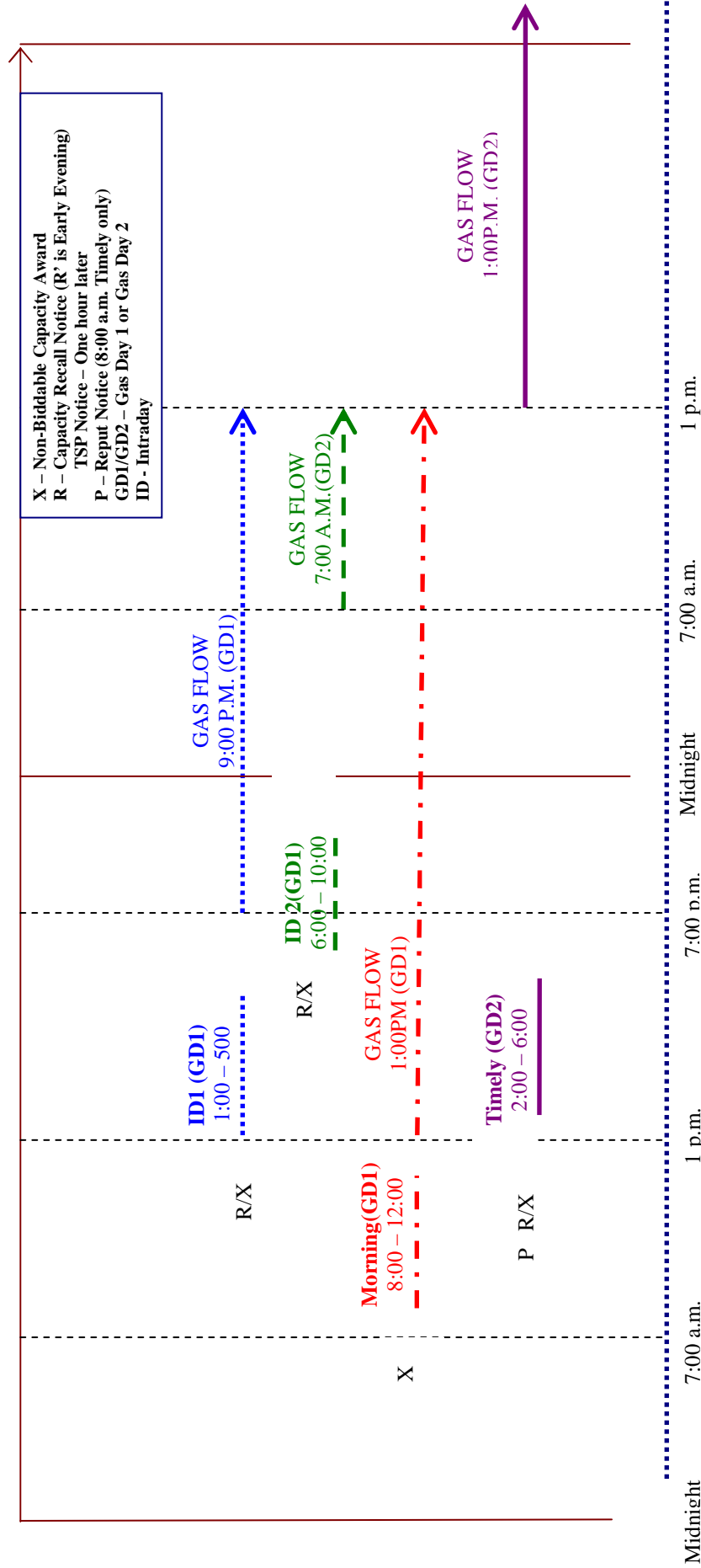
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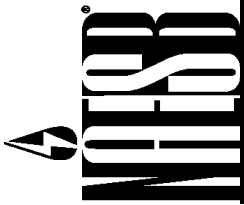
NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM EPNG

Calendar Day 1 (Gas Day 1)

Calendar Day 2 (Gas Day 2)



1:00 PM CDT GAS DAY/CALENDAR DAY



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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM EPNG

1:00 PM CDT GAS DAY/CALENDAR DAY				
	TIMELY	MORNING	INTRADAY 1	INTRADAY 2
NON-BID CAP REL AWARD POSTING	1:00 p.m.	7:00 a.m.	12:00 p.m.	5:00 p.m.
CAPACITY RECALL NOTICE	11:00 a.m.	7:00 a.m.	12:00 p.m.	5:00 p.m.
NOMINATION	2:00 p.m.	8:00 a.m.	1:00 p.m.	6:00 p.m.
NOM CONFIRM	5:00 p.m.	11:00 a.m.	4:00 p.m.	9:00 p.m.
SCH QTY REPORT	6:00 p.m.	12:00 p.m.	5:00 p.m.	10:00 p.m.
GAS FLOW	1:00 p.m. (Gas Day 2)	1:00 p.m. (Gas Day 1)	9:00 p.m. (Gas Day 1)	7:00 a.m. (Gas Day 1)



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM NORTHERN BORDER PIPELINE

3 Cycle Scheduling Proposal

Draft - For Discussion Purposes

Northern Border Pipeline

Capacity Release	Cycle #1 (Timely)	Cycle #2 (Intra-day A)	Cycle #3 (Intra-day B)
Administrative Timeline	24 Hours	16 Hours	8 Hours

CCT Gas Day	PCT	MCT	CCT	ECT
-------------	-----	-----	-----	-----

6:00	7:00	8:00	9:00
6:30	7:30	8:30	9:30
7:00	8:00	9:00	10:00
7:30	8:30	9:30	10:30
8:00	9:00	10:00	11:00
8:30	9:30	10:30	11:30
9:00	10:00	11:00	12:00
9:30	10:30	11:30	12:30
10:00	11:00	12:00	13:00
10:30	11:30	12:30	13:30
11:00	12:00	13:00	14:00
11:30	12:30	13:30	14:30
12:00	13:00	14:00	15:00
12:30	13:30	14:30	15:30
13:00	14:00	15:00	16:00
13:30	14:30	15:30	16:30
14:00	15:00	16:00	17:00
14:30	15:30	16:30	17:30
15:00	16:00	17:00	18:00
15:30	16:30	17:30	18:30
16:00	17:00	18:00	19:00
16:30	17:30	18:30	19:30
17:00	18:00	19:00	20:00

BCR Open Season Ends @ 13:00 CCT

Contract Completed by 16:00 CCT

Posting of NBPR @ 16:30 CCT
 Contract Completed by 17:30 CCT



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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM NORTHERN BORDER PIPELINE

3 Cycle Scheduling Proposal

Draft - For Discussion Purposes

Northern Border Pipeline

Capacity Release				Cycle #1 (Timely)	Cycle #2 (Intra-day A)	Cycle #3 (Intra-day B)
Administrative Timeline				24 Hours	16 Hours	8 Hours
17:30	18:30	19:30	20:30			
18:00	19:00	20:00	21:00			
18:30	19:30	20:30	21:30			
19:00	20:00	21:00	22:00			
19:30	20:30	21:30	22:30			
20:00	21:00	22:00	23:00			
20:30	21:30	22:30	23:30			
21:00	22:00	23:00	0:00			
21:30	22:30	23:30	0:30			
22:00	23:00	0:00	1:00			
22:30	23:30	0:30	1:30			
23:00	0:00	1:00	2:00			
23:30	0:30	1:30	2:30			
0:00	1:00	2:00	3:00			
0:30	1:30	2:30	3:30			
1:00	2:00	3:00	4:00			
1:30	2:30	3:30	4:30			
2:00	3:00	4:00	5:00			
2:30	3:30	4:30	5:30			
3:00	4:00	5:00	6:00			
3:30	4:30	5:30	6:30			
4:00	5:00	6:00	7:00			
4:30	5:30	6:30	7:30			
5:00	6:00	7:00	8:00			
5:30	6:30	7:30	8:30			
6:00	7:00	8:00	9:00			
6:30	7:30	8:30	9:30			
7:00	8:00	9:00	10:00			
7:30	8:30	9:30	10:30			
8:00	9:00	10:00	11:00			
8:30	9:30	10:30	11:30			
9:00	10:00	11:00	12:00			

Nom. Deadline @ 08:00 CCT

Posting of NBPR @ 10:30 CCT
 Contract Completed by 11:30 CCT



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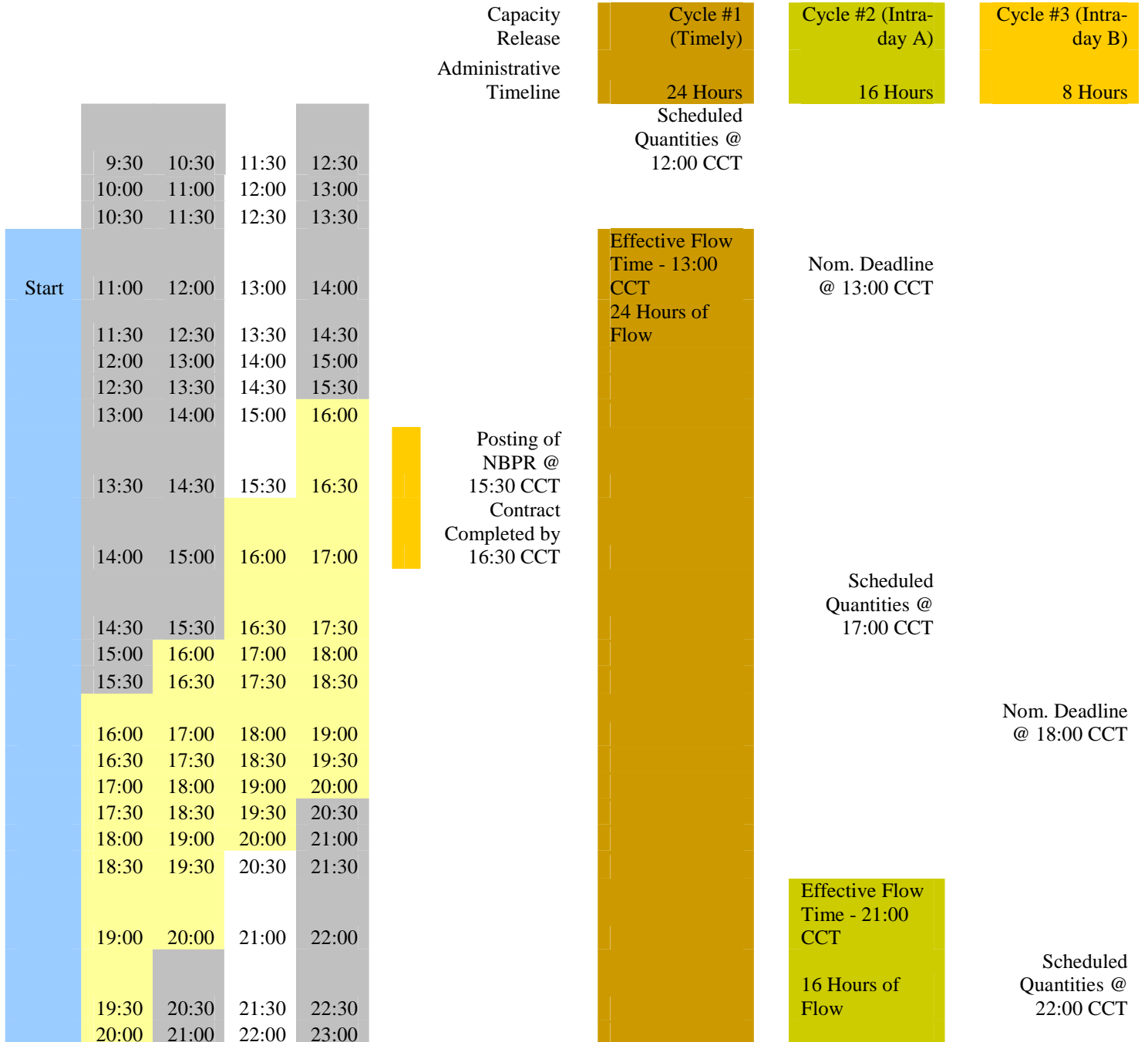
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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM NORTHERN BORDER PIPELINE

3 Cycle Scheduling Proposal

Draft - For Discussion Purposes

Northern Border Pipeline





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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM NORTHERN BORDER PIPELINE

3 Cycle Scheduling Proposal

Draft - For Discussion Purposes

Northern Border Pipeline

					Capacity Release	Cycle #1 (Timely)	Cycle #2 (Intra-day A)	Cycle #3 (Intra-day B)
					Administrative Timeline	24 Hours	16 Hours	8 Hours
	20:30	21:30	22:30	23:30				
	21:00	22:00	23:00	0:00				
	21:30	22:30	23:30	0:30				
	22:00	23:00	0:00	1:00				
	22:30	23:30	0:30	1:30				
	23:00	0:00	1:00	2:00				
	23:30	0:30	1:30	2:30				
	0:00	1:00	2:00	3:00				
	0:30	1:30	2:30	3:30				
	1:00	2:00	3:00	4:00				
	1:30	2:30	3:30	4:30				
	2:00	3:00	4:00	5:00				
	2:30	3:30	4:30	5:30				
	3:00	4:00	5:00	6:00				Effective Flow Time - 05:00 CCT
	3:30	4:30	5:30	6:30				8 Hours of Flow
	4:00	5:00	6:00	7:00				
	4:30	5:30	6:30	7:30				
	5:00	6:00	7:00	8:00				
	5:30	6:30	7:30	8:30				
	6:00	7:00	8:00	9:00				
	6:30	7:30	8:30	9:30				
	7:00	8:00	9:00	10:00				
	7:30	8:30	9:30	10:30				
	8:00	9:00	10:00	11:00				
	8:30	9:30	10:30	11:30				
	9:00	10:00	11:00	12:00				
	9:30	10:30	11:30	12:30				
	10:00	11:00	12:00	13:00				
End	10:30	11:30	12:30	13:30				

 Peak Times Across North American Grid
 BCR Biddable Capacity Release



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM NORTHERN BORDER PIPELINE

3 Cycle Scheduling Proposal

Draft - For Discussion Purposes

Northern Border Pipeline

	Cycle #1 (Timely)	Cycle #2 (Intra- day A)	Cycle #3 (Intra- day B)
Capacity Release			
Administrative Timeline	24 Hours	16 Hours	8 Hours

NBPR Non-biddable Prearranged Release

See Separate Tab for Outline of Proposal Advantages



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM NORTHERN BORDER PIPELINE

Advantages Addresses a number of the timeline design considerations:

- Gas day encompasses the two identified peak time periods
- Cycle 1 nomination deadline eight hours before evening peak
- Cycle 3 nomination deadline ten hours before morning peak
- The three confirmation/scheduling processes occur between 8:00 am and 10:00 pm CCT with no overlap
- Ten hour nomination staff window - Cycle 1 nomination deadline is 8:00 am CCT, Cycle 3 nomination deadline is 6:00 pm CCT
- Primary deal making period for Cycle 1 would move from day ahead morning to day ahead afternoon
- Four hours allotted to each confirmation/scheduling process
- For a given gas day, there is one hour periods between each confirmation/scheduling process
- Cycle 1 nomination through scheduling deadline occurs within the core business hours
- Cycle 1 nomination deadline is well in advance of the electric day-ahead market
- Although Cycle 1 gives pipelines only one hour to prepare system, pipelines could use what was nominated four hours before
- to anticipate how to configure system
- This approach eliminates the second full day scheduling opportunity
- Flow times support reliability and safety

Simplifies gas day

- All cycles for a given gas day occurs on the same calendar day
- No overlapping processing times for cycles of two different gas days - easier to track balances (credit, OBA, PAL,...)
- EPSQ calculations are simplified (full, 2/3, 1/3)
- Electric generation markets are provided day of nomination opportunity
- Works well with current standard administrative timeline for biddable capacity releases
- Although not shown, recall and reup deadlines can be slotted in during business hours



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TRANSCANADA PIPELINES

Re: Wholesale Gas Quadrant, Business Practices Subcommittee – Nomination Timelines

Dear Ms. McQuade:

TransCanada PipeLines Limited Mainline System (“TransCanada”) wishes to submit the following workpaper to NAESB for consideration in its Wholesale Gas Quadrant Business Practices Subcommittee discussions of the above referenced topic. Attached are slides, which include diagrams and tables for 2 models for consideration.

Before NAESB makes changes to the current nomination model (which includes nomination cycles and associated timelines), TransCanada encourages NAESB to take a step back and consider the following questions:

- o Does the current nominations model meet the needs of customers? What are the issues? Are any of the issues structural? What changes could be reasonably made?
- o What are the longer-term needs? What is the next logical step?
- o What criteria would be used to evaluate all models being considered?

From TransCanada’s perspective, some issues with the current model include:

- o Nomination timelines are between 7 and 21.5 hours in advance of flow time for 3 of the 4 nomination cycles, which makes it difficult to forecast and nominate for volatile, unpredictable or weather sensitive loads.
- o The Timely and Evening cycles are duplicates. It is not efficient to consume a total of 9 hours of processing time for 1 flow time. Only 1 nomination cycle should be required for each flow time.
- o Overlapping cycles (e.g. processing Timely and Intraday 1 cycles during same period) adds complexity.

Given the above, changes, such as adding a cycle or two, and/or minor realignment of cycles, may not address the issues, or could perhaps add complexity and/or widen the business hours for scheduling for little benefit.

TransCanada has identified the following criteria for evaluating nomination models:

- o Reduce the time between nomination deadline and flow time to improve nominating efficiency and accuracy.
- o Simplify the structure of the model by minimizing overlap and eliminating duplicates.
- o Critical start of day and end of day nomination cycles are within or close to normal business hours across the grid.

TransCanada submits 2 models for discussion purposes:

Model 1: The gas day in this model would remain as is, and the timelines are restructured to address some of the issues.

Model 2: The gas day in this model would be modified to be 1500-1500 CCT. The rationale for selecting this gas day was to:

- o Start the gas day outside the morning and evening peak hourly gas deliveries;
- o Enable scheduling within or close to normal business hours; and
- o Enable effective beginning of day and end of day cycles.

TransCanada encourages NAESB to consider the concepts in these models and compare all models using a standard set of evaluation criteria.

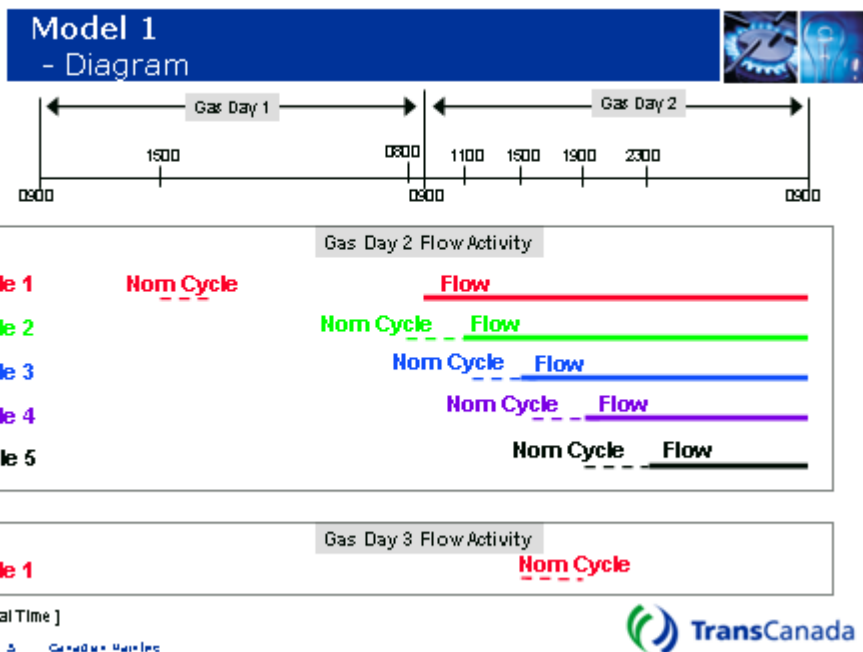
Please post this letter and the attachment to the NAESB WGQ Business Practices Subcommittee webpage for the March 12 & 13, 2008 meeting.



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TRANSCANADA PIPELINES



Model 1 - Features

Cycle	Nom*	SQ*	Flow Time*
1	1500	1900	0900 next day
2	0730	1100	1100 same day
3	1130	1500	1500 same day
4	1530	1900	1900 same day
5	1930	2300	2300 same day

- Benefits:
 - 5 cycles (1 before Day; 4 intraday)
 - No duplicates (delete Timely cycle)
 - Reduced overlap
 - Some nominations are closer to flow time

* = Central Time
 Canada Pipeline

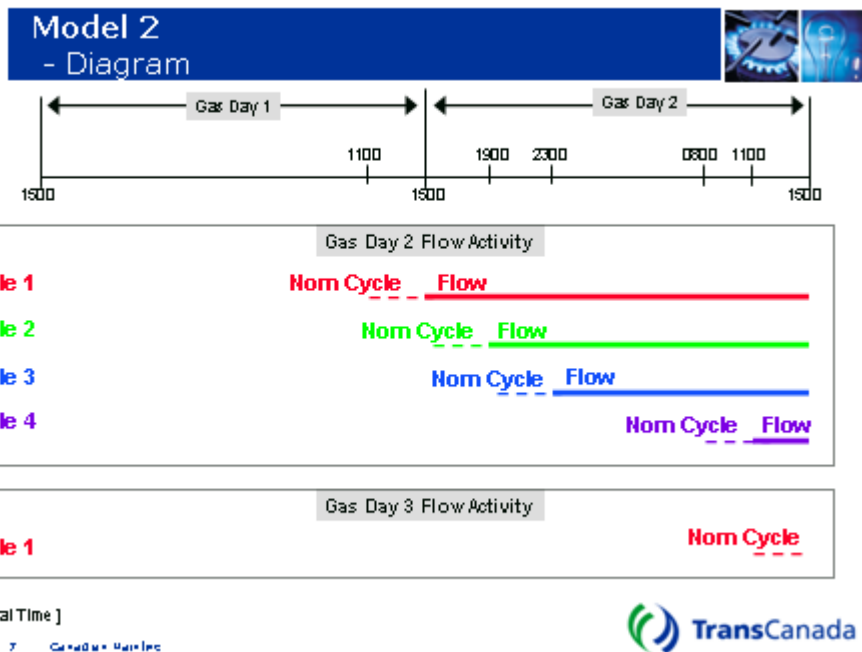




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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS PROPOSAL FROM TRANSCANADA PIPELINES



Model 2 - Features

Cycle	Nom*	SQ*	Flow Time*
1	1100	1500	1500 next day
2	1530	1900	1900 same day
3	1930	2300	2300 same day
4	0730	1100	1100 same day

Gas Day modified to 1500-1500

Benefits

- 4 cycles (1 start of day, 3 intraday)
- Start & end of day cycles more aligned with Business Hours
- Facilitates 'late in the Day' balancing
- Nominations closer to flow time
- No duplicates

* = Central Time

8 Canadian Market





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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS TIMELINE PROPOSAL FROM IROQUOIS GAS TRANSMISSION

Option 1 (all times in Central)

	First Cycle	Second Cycle	Third Cycle	Fourth Cycle
Cycle Type	Bumpable	Bumpable	Bumpable	Non-Bumpable
Gas Flow Hours	24	12	6	1

Deadlines (Electric)

Day Ahead Market Scheduling	2 PM
Electricity Flow	12 AM (midnight)

Deadlines (Gas)

Nomination	3 PM	7 AM	1 PM	7 PM
Confirmation	6 PM	10 AM	4 PM	10 PM
Scheduling	7 PM	11 AM	5 PM	11 PM
Gas Flow	12 AM (midnight)	12 PM (noon)	6 PM	11 PM

Biddable Capacity Release Transactions

Biddable Capacity Release Offer	12:00 PM
Capacity Release Bid Period Ends	1:00 PM
Capacity Release Award if no match	2:00 PM
Match Deadline	2:30 PM
Capacity Release Award with Match	3:00 PM

Recall/Reput Transactions

Note: Times occur
on day prior to
flow

Releasing Shipper Recall Notice	10 AM	2 PM	8 AM	N/A
Reput	10 AM	2 PM	8 AM	N/A
Pipeline notifies of recall	11 AM	3 PM	9 AM	N/A

Non-Biddable Capacity Releases

Note: Times occur
on day prior to
flow

Non-biddable offer posting	1 PM	5 PM	11 AM	5 PM
Non-biddable capacity release award, posting and contracting	2 PM	6 PM	12 PM	6 PM



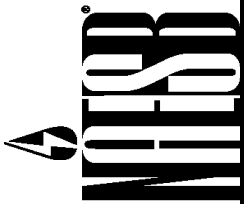
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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS TIMELINE PROPOSAL FROM IROQUOIS GAS TRANSMISSION

Option 2 (all times in Central)

	First Cycle	Second Cycle	Third Cycle	Fourth Cycle
Cycle Type	Bumpable	Bumpable	Bumpable	Non-Bumpable
Gas Flow Hours	24	16	12	6
Deadlines (Electric)				
Day Ahead Market Scheduling	2 PM			
Electricity Flow	5 AM			
Deadlines (Gas)				
Nomination	3 PM	7 AM	12 PM	6 PM
Confirmation	6 PM	10 AM	3 PM	9 PM
Scheduling	7 PM	11 AM	4 PM	10 PM
Gas Flow	5 AM	1 PM	5 PM	11 PM
Biddable Capacity Release Transactions				
Biddable Capacity Release Offer	12:00 PM			
Capacity Release Bid Period Ends	1:00 PM			
Capacity Release Award if no match	2:00 PM			
Match Deadline	2:30 PM			
Capacity Release Award with Match	3:00 PM			
Recall/Reput Transactions				
		Note: Times occur on day prior to flow		
Releasing Shipper Recall Notice	10 AM	2 PM	7 AM	N/A
Reput	10 AM	2 PM	7 AM	N/A
Pipeline notifies of recall	11 AM	3 PM	8 AM	N/A
Non-Biddable Capacity Releases				
		Note: Times occur on day prior to flow		
Non-biddable offer posting	1 PM	5 PM	10 AM	4 PM
Non-biddable capacity release award, posting and contracting	2 PM	6 PM	11 AM	5 PM



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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS TIMELINE PROPOSAL FROM FLORIDA POWER AND LIGHT

Order 698 – Proposed Timeline presented by S. Tomalty, FPL Energy Natural Gas Scheduling (Nomination) Timeline

GISB Standard/Tariff Reference; GISB Standard 1.3.2 (GISB is the forerunner of the NAESB Wholesale Gas Quadrant)

Nomination Cycle	Nomination Deadline	Confirmation Deadline	Scheduled Quantity Available By
Timely Cycle 9:00 a.m.	11:30 a.m. (EDI 11:45 a.m.) the day before the gas flows	3:30 p.m. the day before the gas flows	4:30 p.m. the day before the gas flows
Evening Cycle 9:00 a.m.	6:00 p.m. (EDI 6:15 p.m.) the day before the gas flows	9:00 p.m. the day before the gas flows	10:00 p.m. the day before the gas flows
Intraday 1 Cycle ID1 17:00 p.m.	10:00 a.m. (EDI 10:15 a.m.) the day the gas flows	1:00 p.m. the day the gas flows	2:00 p.m. the day the gas flows
Intraday 2 Cycle ID2 21:00 p.m.	5:00 p.m. (EDI 5:15 p.m.) the day the gas flows	8:00 p.m. the day the gas flows	9:00 p.m. the day the gas flows
Intraday 3 Cycle (6:00 a.m. flow)	3:00 a.m. the day of gas flow	5:00 a.m. the day of gas flow	6:00 a.m. the day of gas flow

Hourly* Cycle
~~22:00 p.m.~~
~~8:00 a.m.~~

~~One hour before the effective time for the gas to flow.~~

~~All nominations must be submitted before the deadline.~~

~~As soon as the scheduling job is completed.~~

* Non-GISB Requirement



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS TIMELINE DESIGN ISSUES HIGHLIGHTED

Timeline Design Considerations

1. Ensure effective flow times accommodate peak times across the North American grid.
 - a. 6:00 am-10:00 am local time zone (5:00 am-12:00 noon CCT)
 - b. 4:00 pm-10:00 pm local time zone (3:00 pm-12:00 midnight CCT)
2. Ensure that Intraday cycles are as close (nomination deadline) to evening peaks as possible.
3. Ensure that Intraday cycles are as close (nomination deadline) to morning peaks as possible.
4. Nomination/scheduling timeline should be within business hours as much as possible.
 - a. Nominators , confirming parties, schedulers, contracting and field personnel adjusting the flow
 - b. Pipelines (7:00 am-10:00 pm CCT, seven-days-a-week) for nomination thru scheduling (would want to have someone available one hour before the day and an hour after the last scheduled quantity). Some pipelines may have nomination and scheduling personnel available via telephone twenty-four-hours-a-day, seven-days-a week. Some capacity release personnel (7:30 am-4:00 pm CCT, Monday-Friday)
 - c. Producer/Marketer (7:00 am-5:00 pm CCT, Monday-Friday)
 - d. LDCs - most follow the same Producer/Marketer (7:00 am-5:00 pm local time, Monday-Friday). Some follow Pipeline schedule.
 - e. Electric Utility (twenty-four-hours-a-day, seven-days-a-week)
5. Attempt to maintain 4 hours between nomination deadlines and when scheduling quantities are issued.
6. For a given gas day there should be time between the end of the confirmation/scheduling process for one cycle and the nomination deadline for the next cycle.
7. To the extent possible, the nomination thru scheduling deadline for the Timely cycle should occur within the core business hours (generally 7:00 am-5:00 pm local time).
8. To the extent possible, the nomination thru scheduling deadline for the last Intraday cycle should occur within the core business hours (generally 7:00 am-5:00 pm local time).
9. Ensure that the close of the electric day-ahead market is at least one hour before the deadline of the Timely nomination cycle.
10. Provide adequate time to set-up the pipeline after the scheduling process is complete and before the gas flows for that cycle.
11. Provide the need for two opportunities for full day scheduling as is now provided in the current NAESB timeline by the timely and evening cycles.
12. Provide opportunities to minimize exposure to scheduling and imbalance penalties or quantities by providing adequate nomination cycles.
13. Provide an adequate number of bumpable cycles to allow firm shippers to maximize use of their pipeline capacity, while continuing to comply with the Commission's no bump policy.
14. Minimize impact to trading on the financial markets due to changes in the existing NAESB Nomination timeline or gas day.
15. Ensure flow times promote reliability and safety.
16. Accommodate capacity release timeline.



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS TIMELINE DESIGN ISSUES HIGHLIGHTED

Models:

- TVA/APS Model - (same gas day)
- Iroquois Model 1 - (midnight/midnight Central time)
- Iroquois Model 2 - (5 am/5 am Central time)
- Northern Border - (1 pm/1 pm Central time)
- El Paso Model 1 - (noon/noon Central time)
- El Paso Model 2 - (1 pm/1pm Central time)
- TransCanada Model 1 - (same gas day)
- TransCanada Model 2 - (3 pm/3 pm Central time)
- Pipeline Collaborative - (same gas day with morning cycle)
- Existing Model



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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS TIMELINE DESIGN ISSUES APPLIED TO MODELS

Criteria	APS TVA Apr 23	Iroquois 1	Iroquois 2	Northern Border	El Paso 12 PM	El Paso 1:00 PM	Trans Canada 1	Trans Canada 2	Pipeline Collaborative	Existing
	1	9:00 AM	12:00 AM	5:00 AM	1:00 PM	12:00 PM	1:00 PM	9:00 AM	3:00 PM	9:00 AM
Flow times accommodate peak times	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	No	Yes	Disagree	No
ID cycles nomination deadlines are as close to evening peak as possible	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
ID cycles nomination deadlines are as close to morning peak as possible	No	No	No	No	No	No	No	No	No	No
Nom/scheduling timeline should be within business hrs as much as possible	No	No	No	Yes	Yes	Yes	No	No	No	Yes
Maintain 4 hrs between nom and scheduled quantities deadlines	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Time between end of 1 cycle's confirm & sched process & next cycle's nom deadline	Yes	Yes	Yes	Yes	Yes	Yes	Disagree	Disagree	Yes	Yes
Timely cycle (nom through scheduling) process should occur within core business hrs (7 am - 5 pm local time)	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Last ID cycle (nom through scheduling) process should occur within business hrs (7 am - 5 pm local time)	No	No	No	No	No	No	No	Yes	No	No



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NAESB ORDER No. 698 – (7C) INTRADAY NOMINATIONS TIMELINE DESIGN ISSUES APPLIED TO MODELS

Criteria	APS TVA Apr 23	Iroquois 1	Iroquois 2	Northern Border	El Paso 12 PM	El Paso 1 PM	Trans Canada 1	Trans Canada 2	Pipeline Collaborative	Existing
9	9:00 AM	12:00 AM	5:00 AM	1:00 PM	12:00 PM	1:00 PM	9:00 AM	3:00 PM	9:00 AM	9:00 AM
	No	No	No	No	No	No	No	No	No	No
10	Yes	Yes	Yes	Disagree	Yes	Yes	Disagree	Disagree	Yes	Yes
11	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes
12	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree
13	Yes	Yes	Yes	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree
14	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
15	Disagree	No	No	Disagree	Disagree	Disagree	Disagree	Disagree	No	Disagree
16	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree
17	No	Uncertain	Uncertain	No	No	Uncertain	Uncertain	Uncertain	Yes	Yes
Number of "YES" Indicators	8	5	5	5	7	7	3	5	8	8



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS TIMELINE PROPOSALS STRAW VOTES BALANCED VOTE LEGEND FOR BALANCED STRAW VOTE: GREEN – PASSED, YELLOW– FAILED, BLUE - WITHDRAWN

APS/TVA - April 23 Model							
PASSED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	8	0	8	2	0	2
	LDCs	5	4	9	1.111111	0.888889	2
	Pipeline	1	13	14	0.142857	1.857143	2
	Producer	0	6	6	0	2	2
	Services	2	0	2	2	0	2
	Total	16	23	39	5.253968	4.746032	10
Iroquois 1 Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	0	8	8	0	2	2
	LDCs	0	9	9	0	2	2
	Pipeline	0	13	13	0	2	2
	Producer	0	6	6	0	2	2
	Services	0	2	2	0	2	2
	Total	0	38	38	0	10	10
Iroquois 2 Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	0	8	8	0	2	2
	LDCs	1	8	9	0.222222	1.777778	2
	Pipeline	0	13	13	0	2	2
	Producer	0	6	6	0	2	2
	Services	0	2	2	0	2	2
	Total	1	37	38	0.222222	9.777778	10
Northern Border Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	0	8	8	0	2	2
	LDCs		9	9	0	2	2
	Pipeline	2	13	15	0.266667	1.733333	2
	Producer		6	6	0	2	2
	Services		2	2	0	2	2
	Total	2	38	40	0.266667	9.733333	10
El Paso 12 PM Model							
WITHDRAWN							



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El Paso 1 PM Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	1	8	9	0.222222	1.777778	2
	LDCs	1	8	9	0.222222	1.777778	2
	Pipeline	7	9	16	0.875	1.125	2
	Producer	0	6	6	0	2	2
	Services	0	1	1	0	1	1
	Total	9	32	41	1.319444	7.680556	9
TransCanada 1 Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	0	9	9	0	2	2
	LDCs	0	9	9	0	2	2
	Pipeline	2	13	15	0.266667	1.733333	2
	Producer	0	6	6	0	2	2
	Services	0	1	1	0	1	1
	Total	2	38	40	0.266667	8.733333	9
TransCanada 2 Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	0	9	9	0	2	2
	LDCs	2	7	9	0.444444	1.555556	2
	Pipeline	3	12	15	0.4	1.6	2
	Producer	0	6	6	0	2	2
	Services	0	1	1	0	1	1
	Total	5	35	40	0.844444	8.155556	9
Pipeline Collaborative Model							
FAILED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	4	5	9	0.888889	1.111111	2
	LDCs	4	5	9	0.888889	1.111111	2
	Pipeline	12	4	16	1.5	0.5	2
	Producer	0	6	6	0	2	2
	Services	1	0	1	1	0	1
	Total	21	20	41	4.277778	4.722222	9



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NAESB ORDER NO. 698 – (7C) INTRADAY NOMINATIONS TIMELINE PROPOSALS STRAW VOTES BALANCED
VOTE LEGEND FOR BALANCED STRAW VOTE: GREEN – PASSED, YELLOW– FAILED, BLUE - WITHDRAWN

FPL Energy Model							
PASSED	Segment	Votes Cast			Balanced Vote		
		YES	NO	TOTAL	YES	NO	TOTAL
	End Users	3	5	8	0.75	1.25	2
	LDCs	4	4	8	1	1	2
	Pipeline	3	9	12	0.5	1.5	2
	Producer	6	0	6	2	0	2
	Services	1	0	1	1	0	1
	Total	17	18	35	5.25	3.75	9



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NAESB UPDATE: GAS QUALITY STANDARDS EFFORTS SUMMARY AND RELEVANT DOCUMENTS MARCH 15, 2008

SUMMARY

- As a result of request R06008, NAESB passed several standards and experienced a single segment block of the WGQ EC on two standards.
- The standards resulting from request R06008 and the segment block will be filed with the FERC. They were adopted after version 1.8 was forwarded to the FERC for its consideration.
- In November 2007, the FERC issued an order establishing hearing, Docket No. RP07-504-000, in which NAESB was noted for additional activity.

RELEVANT DOCUMENTS

- Minutes of WGQ Business Practices Subcommittee Meetings where R06008 was discussed and standards drafted:
 - July 10, 2006: http://www.naesb.org/pdf2/wgq_bps071106fm.doc
 - August 3, 2006: http://www.naesb.org/pdf2/wgq_bps080306fm.doc
 - August 30, 2006: http://www.naesb.org/pdf2/wgq_bps083006fm.doc
 - September 11, 2006: http://www.naesb.org/pdf2/wgq_bps091106dm.doc
 - January 4, 2007: http://www.naesb.org/pdf2/wgq_bps010406fm.doc
 - January 12, 2007: http://www.naesb.org/pdf2/wgq_bps011206fm.doc
 - February 8, 2007: http://www.naesb.org/pdf2/wgq_bps020806dm.doc
- Minutes of WGQ EC Meetings where R06008 was discussed and recommendations amended:
 - WGQ EC Minutes (Dec. 7, 2006) - http://www.naesb.org/pdf2/wgq_ec120706fm.doc
Attachment - http://www.naesb.org/pdf2/wgq_ec120706a1.doc
 - WGQ EC Minutes (May 10, 2007) - http://www.naesb.org/pdf3/wgq_ec051007fm.doc
Attachment (Redline) - http://www.naesb.org/pdf2/wgq_ec051007a5.doc
Attachment (Clean) - http://www.naesb.org/pdf2/wgq_ec051007a6.doc
- Recommendation for R06008 as amended by the WGQ EC on May 10, 2007 and approved:
[Attachment - Recommendation R06008 as revised by the WGQ Executive Committee on 5/10/07](#)
- Final Action for R06008 for publication in Version 1.9:
[R06008 Final Action - Modify WGQ Business Practice Standard 4.3.90 to clarify that all available data at representative points should be made available by Transmission Service Providers](#) - Ratified August 2, 2007



North American Energy Standards Board

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NAESB UPDATE: GAS QUALITY STANDARDS EFFORTS

REQUEST R06008

MARCH 15, 2008

REQUEST R06008:

1. Submitting Entity & Address:

National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, NY 14221

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : **Michael Novak**
 Title : **Asst. General Manager**
 Phone : **(716) 857-7884**
 Fax : **(716) 857-7254**
 E-mail : **novakm@natfuel.com**

3. Description of Proposed Standard or Enhancement:

While the implementation of NAESB WGQ Standard 4.3.90 (and other related standards) by most Transportation Service Providers (TSPs) has been commendable, some TSPs interpreted the standards language to limit the data to be provided to just those items specified within their tariffs. This was counter to the intention of the Executive Committee (EC) - that all available data at representative points be made available. For example, some TSPs post BTU values but none of the hydrocarbon components. The language of 4.3.90 can be read (but misinterpreted) to provide for such a result, therefore, modifications are proposed to reduce that ambiguous nature of the existing standards language. These proposed changes will still preserve another intention of the EC - that implementation of 4.3.90 would not require procurement of incremental gas quality equipment by the TSP.

Additionally, the addition of Wobbe Number to the list of gas quality attributes reflects growing industry acceptance of Wobbe as a key measure of interchangeability [e.g. 1) NGC+ White Paper on Natural Gas Interchangeability and Non-Combustion End Use, 2) Initial Decision Docket Nos. RP04-249-001, April 11, 2006]

Standard:

4.3.90 The Transportation Service Provider (TSP) should provide on its Informational Postings Web Site daily average gas quality information for prior gas day(s), ~~to the extent available~~, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) should be provided in a downloadable format. Information should be reported in units as specified in the tariff or general terms and conditions. ~~In any event, compliance with gas quality requirements is in accordance with the TSP's tariff or general terms and conditions.~~

The following ~~are examples of~~ gas quality attributes ~~that could~~ should be included, to the extent measured, collected, readily calculated or otherwise available, in the posting for the applicable Gas Day(s) and location(s):

- Heating Value
- Wobbe Number
- Hydrocarbon Components, % of C1 – Cnn, as used in determining Heating Value
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans



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NAESB UPDATE: GAS QUALITY STANDARDS EFFORTS

REQUEST R06008

MARCH 15, 2008

- Mercury and/or any other contaminants being measured
 - Other pertinent gas quality information that is specified in the TSP's tariff or the general terms and conditions.
- For NAESB WGQ Standard 4.3.91, some Transportation Service Providers (TSPs) meet the letter of the standard by providing data but make access to the data unnecessarily difficult. For example, data from the required three month-period is available through download one day at a time (instead of the user requested period) or for a given day, for one point rather than for user selected points. The intent of the proposed modification to 4.3.91 is to put a minimum performance standard on the availability of data.

Standard:

4.3.91 Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be made available on the Transportation Service Provider's Web Site for the most recent three-month period. At minimum, data for the most recent three-month period should be made available through a single user operation for:

- For a single location representative of mainline gas flow, all Gas Day(s)
- For a single Gas Day, all location(s) representative of mainline gas flow.

Beyond the initial three-month period, the historical data should be made available offline in accordance with regulatory requirements.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

The proposed changes are consistent with the current usage.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

Gas Quality and particularly Interchangeability are, in part, safety issues. Industry participants need access to all available data so that more informed business and regulatory decisions can be made.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

There are some TSPs that already calculate and provide a Wobbe Number – these pipelines should see no incremental cost. For most TSPs, there will be nothing more than the incremental cost of computing and proving the Wobbe number (a function of available data: BTU (LHV) and Specific Gravity). For those TSPs that did not implement consistent with the intention of the EC, costs could be higher. In either case, because the data is available and will not require procurement of incremental gas quality equipment by the TSP, costs should be limited to software development and otherwise be negligible.

7. Description of Any Specific Legal or Other Considerations:

None known at this time.

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :

TSPs and Service Requestors utilizing the Standards as currently implemented.

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

Minor modifications may be necessary as described above.



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NAESB UPDATE: GAS QUALITY STANDARDS EFFORTS

STANDARDS RESULTING FROM R06008 AND THE STANDARDS THAT FAILED DUE TO THE WGQ EC SINGLE SEGMENT BLOCK
 MARCH 15, 2008

STANDARDS THAT PASSED THE WGQ EC FROM REQUEST R06008 AND WERE RATIFIED IN AUGUST 2007:

Proposed Revised NAESB WGQ Standard No. 4.3.90

The Transportation Service Provider (TSP) should provide on its Informational Postings Web Site daily average gas quality information for prior gas day(s), to the extent rouninely collected and readily available, for location(s) that are representative of mainline gas flow. To the extent that a TSP monitors tariff-based gas quality provisions for locations representative of mainline gas flow by non-electronic methods (e.g., spot sample), such information should be posted as soon as practicable. The gas quality information posted pursuant to this standard is operational in nature.

For purposes of this standard, "readily available" is that data which is currently available in electronic format or would be available electronically with minor enhancement(s) to existing data collection, processing and reporting capability.

The gas quality information should be reported in units as specified in the tariff or general terms and conditions. Gas quality information not specified in the TSP's tariff or general terms and conditions should be posted using units determined by the TSP.

The information available for the identified location(s) should be provided in a downloadable format. Information should be reported in units as specified in the tariff or general terms and conditions. In any event, all applicable parties' compliance with gas quality requirements is in accordance with the TSP's tariff or general terms and conditions.

~~The following~~ Listed below are examples of gas quality attributes ~~that could be included in the posting for the applicable Gas Day(s) and Location(s):~~

- Heating Value
- Interchangeability index(ices)/factor(s)
- Hydrocarbon liquid drop out control parameter(s)/factor(s)
- Hydrocarbon components, % of C1 – Cnn, as used in determining Heating Value
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans
- Mercury and/or any other contaminants being measured
- Other pertinent gas quality information that is specified in the TSP's tariff or the general terms and conditions.



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NAESB UPDATE: GAS QUALITY STANDARDS EFFORTS

STANDARDS RESULTING FROM R06008 AND THE STANDARDS THAT FAILED DUE TO THE WGQ EC SINGLE SEGMENT BLOCK
 MARCH 15, 2008

Proposed modifications to NAESB WGQ Standard No. 4.3.92:

Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be provided in a tabular downloadable file to be described by the Transportation Service Provider. The first row of the file should contain the column headers and data should begin on the second row of the file. In addition, one of the columns should contain the applicable Gas Day.

Proposed NAESB WGQ Standard 4.3.x2:

For data provided pursuant to NAESB WGQ Standard No. 4.3.90, a Transportation Service Provider (TSP) with tariff-based gas quality provisions for the control of hydrocarbon liquid drop_out should measure or calculate a 1) Cricondenthem Hydrocarbon Dew Point (CHDP) or 2) C6+GPM for the location(s) that are representative of mainline gas flow. If applicable, the TSP should provide the control parameter specified within its tariff. Where a TSP uses an alternative approach to control hydrocarbon liquid drop_out, it may substitute the appropriate control parameter.

STANDARDS THAT FAILED THE WGQ EC FROM REQUEST R06008 DUE TO A ONE SEGMENT BLOCK:

Proposed NAESB WGQ Standard 4.3.x1:

For data provided pursuant to NAESB WGQ Standard 4.3.90, where a Transportation Service Provider (TSP) does not provide a Wobbe Number for location(s) that are representative of mainline gas flow, upon notification from a Service Requestor of its desire to begin discussing the interchangeability of gas supplies, the TSP should endeavor to calculate a Wobbe Number for such location(s). Within 90 days of such notification, but no later than the initiation of discussions to develop tariff-based gas quality interchangeability provisions, a TSP should provide a Wobbe Number for location(s) that are representative of mainline gas flow.

Where a TSP uses an alternative method to characterize interchangeability, it may substitute or supplement the Wobbe Number with the applicable data. Where no above-mentioned notification is received by the TSP or where the above mentioned discussions lead to a conclusion that tariff based gas quality interchangeability provisions are not necessary, a TSP may satisfy this standard by providing a Heating Value and Specific Gravity.

Proposed NAESB WGQ Standard 4.3.x3:

Data provided pursuant to NAESB WGQ Standard No. 4.3.90 should be made available in a single download for one and/or all location(s) representative of mainline gas flow as posted for a given date range within the most recent three month period.



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NAESB UPDATE: GAS QUALITY STANDARDS EFFORTS
EXCERPT FROM FERC DOCKET NO. RP07-504-000, ISSUED NOVEMBER 17, 2007
MARCH 15, 2008

EXCERPT FROM FERC DOCKET NO. RP07-504-000, ISSUED NOVEMBER 17, 2007

10. In conjunction with the Wobbe rate of change issue, the Commission expects the parties to address the related issue of how and when such information will be passed or reported from the data's source to the parties that need the information. Algonquin's tariff is in compliance with the North American Energy Standards Board's (NAESB) gas quality reporting standard 4.3.90, which requires a minimum posting of daily average data for previous days. However, if it is determined that a Wobbe rate of change reporting requirement is necessary, this NAESB standard may not be adequate. The issue of timely reporting of gas quality data has appeared in other proceedings. And in Order No. 587-S, the Commission noted that in individual cases pipelines may be required to exceed the minimum NAESB gas quality posting requirements. While the Commission is setting this issue for hearing with respect to Algonquin's system, this issue has occurred frequently enough that we would ask NAESB to endeavor to develop a uniform set of standards regarding the posting of rapidly changing gas quality information applicable to those pipelines which are required under their tariffs to do so.

[The entire order establishing hearing follows]

121 FERC ¶ 61,152
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Algonquin Gas Transmission, LLC

Docket No. RP07-504-000

ORDER ESTABLISHING HEARING

(Issued November 15, 2007)

1. As discussed below, the Commission is establishing a hearing in the above-captioned proceeding to address specific gas quality and interchangeability issues on Algonquin Gas Transmission, LLC (Algonquin).

Background

2. On June 29, 2007, Algonquin Gas Transmission, LLC (Algonquin) filed revised tariff sheets pursuant to section 4 of the Natural Gas Act (NGA) proposing new tariff provisions regarding gas quality and interchangeability. Algonquin stated that it filed the revisions to be consistent with the future operations of its integrated pipeline system, which is expected to receive substantial new regasified liquefied natural gas (LNG) supplies near the northeastern terminus of its system in Massachusetts.

3. On July 30, 2007, the Commission issued an order¹ accepting and suspending the proposed tariff sheets, to be effective on January 1, 2008 or an earlier date to be later established by subsequent order, and establishing a technical conference. On August 21, 2007, the Commission held a technical conference to address the issues raised by Algonquin's filing. At the conclusion of the technical conference, the parties agreed to develop and submit to the Commission a list of issues requiring Commission resolution.

4. On September 4, 2007, Algonquin submitted to the Commission a list of contested issues. Algonquin states that it and the other parties to the proceeding agree that only the following issues require resolution by the Commission:

1. Wobbe Number Range: What is the appropriate Wobbe Number range?

¹ *Algonquin Gas Transmission, LLC*, 120 FERC ¶ 61,114 (2007).

- 2. Nitrogen Limit:** What is the appropriate nitrogen limit?
- 3. Oxygen Limit:** What is the appropriate oxygen limit?
- 4. Sulphur and Hydrogen Sulphide:** What are the appropriate limits for sulphur and hydrogen sulphide?
- 5. Hydrocarbon Constituent Limits:** Should there be hydrocarbon constituent limits? If so, what should they be?
- 6. Wobbe Number Rate of Change:** Should there be a Wobbe Number rate of change limit? If so, what should that be?
- 7. Waiver Provision:** What is the appropriate waiver language for section 4.7 of Algonquin's General Terms and Conditions?
- 8. Notification of Nonconforming Gas:** Should Algonquin's tariff be amended to provide for notification to customers in the event Algonquin has delivered or expects to deliver nonconforming gas? If so, what should the mechanism be for such a notification?
- 9. Demand Charge Credits:** Are demand charge credits properly within the scope of this proceeding? If so, should Algonquin's tariff be amended to provide for such credits if a receiving party declines to accept nonconforming gas tendered by Algonquin?
- 10. Total Inerts:** What is the appropriate limit for total inerts?

5. The Stipulation provides that with respect to issues 1 through 4, 7, and 10, Algonquin has the burden under section 4 of the Natural Gas Act ("NGA") to show that its proposed limits are just and reasonable, and any party proposing different limits has the burden under section 5 of the NGA to support its proposal. The Stipulation further provides that with regard to Issues 5, 6, 8, and 9, any party proposing a change to Algonquin's filing has the burden of proof.

6. Algonquin states that it has circulated this Stipulation to all parties in this proceeding, and that every party has either authorized Algonquin to represent that such party agrees to, or does not oppose, this Stipulation or has not responded to Algonquin's communications regarding the Stipulation.

7. Comments on the stipulated issues were submitted by the parties on September 24, 2007, and reply comments on October 15, 2007.

8. In addition, on September 7, 2007, Algonquin filed an Agreed Motion for a Shortened Suspension Period and to Place Tariff Sheets in Effect, asking the Commission to permit its revised tariff sheets with the new gas quality and interchangeability provisions to go into effect on November 25, 2007, subject to the outcome of this proceeding. On October 22, 2007, the Commission issued an order² granting the motion and allowing the proposed tariff sheets to go into effect on November 25, 2007, subject to conditions and to further Commission orders.

Discussion

9. Upon review of the list of stipulated contested issues submitted by Algonquin, the Commission finds that they raise questions of fact that are best resolved in the context of an evidentiary hearing. Therefore, the Commission will establish a hearing in this proceeding before an Administrative Law Judge to develop a record on the stipulated contested issues. The Commission clarifies that the issues to be addressed at the hearing are limited to the gas quality and interchangeability issues stipulated as contested by the parties in Algonquin's September 24, 2007 filing. The comments and reply comments filed by the parties in accordance with the procedure established at the technical conference will be part of the hearing record.

10. In conjunction with the Wobbe rate of change issue, the Commission expects the parties to address the related issue of how and when such information will be passed or reported from the data's source to the parties that need the information. Algonquin's tariff is in compliance with the North American Energy Standards Board's (NAESB) gas quality reporting standard 4.3.90, which requires a minimum posting of daily average data for previous days.³ However, if it is determined that a Wobbe rate of change reporting requirement is necessary, this NAESB standard may not be adequate. The issue of timely reporting of gas quality data has appeared in other proceedings.⁴ And in Order No. 587-S, the Commission noted that in individual cases pipelines may be required to exceed the minimum NAESB gas quality posting requirements.⁵ While the Commission

² 121 FERC ¶ 61,076 (2007).

³ Algonquin's FERC Gas Tariff, 5th Revised Volume No. 1, 1st Revised Sheet No. 614.

⁴ *E.g.*: *Natural Gas Pipeline Co.*, 102 FERC ¶ 61,234, *order on reh'g*, 104 FERC ¶ 61,322 (2003); *ANR Pipeline Co.*, 109 FERC ¶ 61,358 at P 4-7 (2004); and *AES Ocean Express, LLC v. Florida Gas Transmission Co.*, 119 FERC ¶ 61,075 at P 131-144 (2007).

⁵ *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-S, 70 FR 28204, 70 FR 37031, FERC Stats. & Regs, Regulations Preambles 2001-2005 ¶ 31,179 at P 19-22 (2005).

is setting this issue for hearing with respect to Algonquin's system, this issue has occurred frequently enough that we would ask NAESB to endeavor to develop a uniform set of standards regarding the posting of rapidly changing gas quality information applicable to those pipelines which are required under their tariffs to do so.

11. The Commission further clarifies that the hearing is to address the stipulated issues in the context of the Commission's Policy Statement on Provisions Governing Natural Gas Quality and Interchangeability in Interstate Natural Gas Pipeline Company Tariffs (Policy Statement).⁶ As the Commission explained in the June 27, 2007 Order, the Policy Statement established five principles for pipelines and parties to follow to create gas quality and interchangeability standards. First, the Policy Statement states that only gas standards that are in the tariff can be enforced. Second, the Policy Statement states that gas standards need to be flexible to allow pipelines to balance safety and reliability concerns with the importance of maximizing supply, as well as recognizing the evolving nature of the science underlying gas quality and interchangeability specifications. Third, the Policy Statement states that pipelines and customers should develop gas quality and interchangeability specifications based on technical requirements. Fourth, the Policy Statement states that pipelines and customers are encouraged to use the Natural Gas Council Plus (NGC+) interim guidelines as a common scientific reference point for resolving gas quality and interchangeability issues. And lastly, the Policy Statement states that to the extent that pipelines and their customers cannot resolve disputes over gas standards, then those issues should be brought before the Commission.

12. The Policy Statement specifically recognizes the importance of providing pipelines and their customers with the flexibility needed to maximize the introduction of new supply into the grid and of encouraging rather than impeding the movement of gas to the grid and the ultimate consumers. The Policy Statement recognizes that imports of LNG are expected to increase and seeks to lower potential barriers to these imports while at the same time ensuring the safety and reliability of the grid.⁷

13. We understand that, consistent with the Policy Statement, Algonquin has engaged in discussions with its customers concerning the proposed gas quality and interchangeability tariff provisions, and has brought to the Commission the issues that the parties were unable to resolve. While we therefore find it appropriate to set these issues for hearing, we encourage the parties to continue to attempt to reach a consensus on these issues.

⁶ 115 FERC ¶ 61,325 (2006).

⁷ *Id.* at P 24 - 25.

The Commission orders:

(A) Pursuant to the Commission's authority under the NGA, particularly sections 4, 5, and 15, and the Commission's rules and regulations, a public hearing is to be held in this proceeding concerning the lawfulness of Algonquin's filing with regard to the stipulated issues.

(B) A presiding administrative law judge, to be designated by the Chief Administrative Law Judge for that purpose pursuant to 18 C.F.R. § 375.304 (2007), must convene a prehearing conference in this proceeding to be held within 20 days after issuance of this order, in a hearing or conference room of the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426. The prehearing conference shall be held for the purpose of clarification of the positions of the participants and establishment by the presiding judge of any procedural dates necessary for the hearing. The presiding administrative law judge is authorized to conduct further proceedings in accordance with this order and the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

TAB 6

WGQ Subcommittee Updates

- The materials for subcommittee activities are included. The materials are provided for discussion purposes and no action is required of the WEQ EC members. Included are:
 - Triage Report
 - Summary of meetings held for BPS, IR, Technical, EDM, Interpretations and Contracts
- The materials in Tab 6 correspond to agenda item 6.



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March 19, 2008
Via email and posting

TO: NAESB Executive Committee (EC) Members, EC Alternates

Submitters: Dona Gussow, Dale Davis, Barbara Rehman

Subcommittee Chairs for Notification:

Paul Sorenson, Marcie Otondo, J.T. Wood, Ed Skiba, (WEQ ESS/ITS/BPS)
 Valerie Crockett, Richard Smith, Kim Van Pelt, Dolores Chezar (WGQ BPS)
 Dale Davis and Christopher Burden (WGQ IR)

FROM: NAESB Office

RE: NAESB Triage Actions Taken for R08008, R08009, R08010 and R08011

Dear Triage Committee and EC members,

The four requests – R08008, R08009, R08010, R08011 -- all provided below as hyperlinks, were sent out for consideration on March 5. There were no requests for conference calls for discussions, and no adverse comments received. A comment was noted that should an item have direct bearing on the FERC Order No. 890 deadlines, it should be given a high priority, which could be determined by the subcommittee chairs, (this comment was directed to request no. R08011). The requests were triaged as follows:

For [R08008](#) – submitted by [Dona Gussow](#) on behalf of Florida Power and Light:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to develop customer security administration standards, it should be assigned to the WGQ Business Practices Subcommittee (BPS). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the **normal course of business of the WGQ BPS.**

The request notes that standards are needed to assure Customer Security Administrators have basic tools on the pipeline website for requesting access for new users, exercising control in designating who gains access to the pipeline website, what functions and levels are to be authorized for the users, and to be able to quickly review/audit/verify the CSA information (and any requested changes) according to pipeline records. The standards should provide an auditable tool for pipeline customers to manage, control, and verify who has access to company proprietary information that may be contained on a pipeline (or gas storage service provider's) website.

For [R08009](#) – submitted by [Dale Davis](#) on behalf of the Williams Gas Pipeline:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add one validation code value to NAESB WGQ Standard No. 1.4.2 - Nomination Quick Response and to add one code value to the Reduction Reason Code data element of the NAESB WGQ Standard No. 1.4.5 - Scheduled Quantity, it should be assigned to the WGQ Information Requirements Subcommittee (IR). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the **normal course of business of the WGQ IR.**

The request notes that the addition of one code value and one error code provides for more specific notifications within the nomination and scheduling processes, and the addition of these code values will more accurately reflect notifications in the nomination and scheduling process.

For [R08010](#) – submitted by [Dale Davis](#) on behalf of the Williams Gas Pipeline:

This request is (1) found within scope; (2) to be assigned to the Wholesale Gas Quadrant (WGQ); and (3) because it is a request to add the data element "Cycle Indicator" in the transaction datasets for NAESB WGQ Standard No. 5.4.1, Offer Download (C), NAESB WGQ Standard No. 5.4.2, Bid Download (C), NAESB WGQ Standard No. 5.4.3, Award Download (C), and NAESB WGQ Standard No. 5.4.7, Offer Upload (BC) and add corresponding error/warning codes in the transaction dataset for NAESB WGQ Standard No. 5.4.8, Offer Upload Quick Response, it should be assigned to the WGQ Business Practices Subcommittee (BPS). As there was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the **normal course of business of the WGQ BPS.**



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The request notes that the addition of this data element provides the mechanism in which to specify a particular cycle within the capacity release process for both EBB and ANSI EDI X12, and will more accurately identify the cycle associated with the offer, bid and award.

For [R08011](#) and [Attachment](#) – submitted by [Barbara Rehman](#) on behalf of Bonneville Power Administration:

This request is (1) found within scope; (2) to be assigned to the Wholesale Electric Quadrant (WEQ); and (3) because it is a request, consistent with ¶51 of FERC Order No. 890-A, to add AFC and TFC values to the “System_Attribute” data element of the NAESB Standard WEQ-003: OASIS S&CP Data Dictionaries, it should be assigned to the WEQ Electronic Scheduling Subcommittee/Information Technology Subcommittee (ESS/ITS). There was nothing in the request indicating that it should be assigned a high priority, therefore, it should be addressed in the **normal course of business of the WEQ ESS/ITS.**

The request notes that the addition of AFC and TFC to system data postings will reflect the desire of many transmission providers to provide their customers with both AFC and TFC queryable values, which is accomplished through the addition of AFC and TFC to the list of valid data element values for SYSTEM_ATTRIBUTE.

The noted dispositions for the requests and the requests themselves were forwarded to the Triage Subcommittee and the EC members on March 5. There were no dissenting comments received. As such, the requests are considered in scope and assigned to the indicated subcommittees for development. Please note that this communication serves as notice to the subcommittee chairs of the subcommittees to which the requests are assigned.

From: Love, Paul
Sent: Tuesday, March 25, 2008 9:00 AM
To: Rae Mcquade
Subject: Request R08008

Request R08008 which was recently triaged, found to be in scope and assigned to BPS causes concern for NGPL. Annually, our system security procedures are reviewed by our auditors as part of their Sarbanes Oxley (Sarbanes) review. Our auditors have very specific views on how data security access should be controlled to include who can update data and network security. The perplexing nature of Sarbanes controls reviews is that each auditing firm develops its own guidelines as to what is an acceptable/appropriate control. Thus, when addressing this request NAESB **must be extremely careful not** to develop any standards that require a specific technical/process solution since such specificity may not comply with particular Sarbanes guidelines.

Additionally, to the best of my knowledge security to web sites has not been standardized in any other industry. In other industries, guidelines have been established and then the mechanics of what and how security is implemented on each web site is left up to the individual web site owner (I know from personal experience that this is the case in the financial/banking industry). By having different security implementations, it becomes more difficult for individuals to gain industrywide unauthorized access to data or systems.

Based on these considerations, NGPL originally felt that this request was out of scope but is willing to proceed, with great caution, to consider it. It is NGPL's position that only guidelines as opposed to standards, can be developed and those guidelines need to be broad enough to cover many varied implementations.

R08012

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions Page 1

North American Energy Standards Board

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Enhancement of an Existing NAESB Standard for Electronic Business Transactions

Date of Request: April 9, 2008

1. Submitting Entity & Address:

Northern Natural Gas
1111 S 103 Street
Omaha NE 68124

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Micki Schmitz
Title : Business Systems Analyst
Phone : 402-398-7653
Fax : 402-548-5280
E-mail : micki.schmitz@nngco.com

3. Description of Proposed Standard or Enhancement:

Add 2 detail (contract) level code values to Validation Code and Message elements in Nomination Quick Response dataset

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard and required communication protocols):

- EDI shippers have requested that we generate an error message when nominated quantity is below EPSQ. The error is at a contract level, which will allow/ensure that the shipper sends lower quantities for each nomination of the contract.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

R08012

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions Page 2

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:
7. Description of Any Specific Legal or Other Considerations:
8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):
9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :
10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

Code Values Dictionary

Document Name and No.: 1.4.2 Nomination Quick Response

Data Element: Validation Code, Detail

Code Value Description	Code Value Definition	Code Value
SERVICE REQUESTOR CONTRACT QUANTITY EXCEEDED	[no definition necessary]	ENMQR3
NOMINATED QUANTITY BELOW EPSQ	[no definition necessary]	ENMQR3

R08013

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction

Instructions:

1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.
2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.
3. Once completed, send your request to:
Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Phone: 713-356-0060
Fax: 713-356-0067

by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

R08013

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction or Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: 4/13/2008

1. Submitting Entity & Address:

Kinder Morgan Energy Partners
500 West Dallas
Suite 1000
Houston, TX 77002

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Paul Love
Title : Director Electronic Customer Services
Phone : 713-369-9320
Fax : 713-369-9115
E-mail : paul_love@kindermorgan.com

3. Description of Proposed Standard or Enhancement:

Request is for new Nominations Transaction Type code value to support Wheeling service on Rockies Express Pipeline LLC. It is requested for Nominations and all related documents where Transaction Type appears.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

Wheeling service exists in the Rockies Express Pipeline LLC tariff and is defined as:

The receipt of Gas by a Parking And Wheeling Service (PAWS) shipper, or for a PAWS Shipper's account, at a physical point or Hub Pooling Point within a specified Hub and the redelivery of Gas at a physical point within the same Hub.

R08013

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

7. Description of Any Specific Legal or Other Considerations:

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :

All shippers on Rockies Express Pipeline who have PAWS activities.

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

R08014

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction
or
Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction

Instructions:

1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.
2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.
3. Once completed, send your request to:
Rae McQuade
NAESB, Executive Director
1301 Fannin, Suite 2350
Houston, TX 77002

Phone: 713-356-0060
Fax: 713-356-0067

by either mail, fax, or to NAESB's email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.

Please note that submitters should provide the requests to the NAESB office in sufficient time so that the NAESB Triage Subcommittee may fully consider the request prior to taking action on it. It is preferable that the request be submitted a minimum of 3 business days prior to the Triage Subcommittee meetings. Those meeting schedules are posted on the NAESB web site at http://www.naesb.org/monthly_calendar.asp.

R08014

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

North American Energy Standards Board

Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or Electronic Transaction or Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or Electronic Transaction

Date of Request: 4/13/2008

1. Submitting Entity & Address:

Kinder Morgan Energy Partners
500 West Dallas
Suite 1000
Houston, TX 77002

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name : Paul Love
Title : Director Electronic Customer Services
Phone : 713-369-9320
Fax : 713-369-9115
E-mail : paul_love@kindermorgan.com

3. Description of Proposed Standard or Enhancement:

Request is for new Nominations Transaction Type code value to support Operational Sales and Operational Purchases. It is requested for Nominations and all related documents where Transaction Type appears.

4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

Operational Sales and Purchase transactions are used on the Kinder Morgan family of pipelines.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

R08014

Request for Initiation of a NAESB Standard for Electronic Business Transactions or Request for Enhancement of a NAESB Standard for Electronic Business Transactions

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

7. Description of Any Specific Legal or Other Considerations:

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners :

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):



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NAESB EXECUTIVE COMMITTEE MEETING MATERIALS WGQ SUBCOMMITTEE SUMMARY AS OF MAY 1, 2008

Business Practices Subcommittee (Order 698)

- **January 9-10, 2008:** The subcommittee met in Houston for a two-day meeting. The first day of the meeting addressed annual plan item 7b Redirects -- Alternate Receipt Points Upstream of or an Alternate Delivery Point Downstream of a Point of Constraint. A standard was drafted which was supported without opposition. The single standard to support redirects notes that a Transportation Service Provider (TSP), after having met other scheduling requirements, should support a service requestors redirect of its scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point at any of the TSP's subsequent nomination cycle(s) for the subject gas day, at least under the same contract, without a requirement that the quantities be rescheduled through the point of constraint. The recommendation was sent out for comment on April 3. It is expected that this recommendation and any submitted comments will be put forward to the WGQ EC for its consideration on May 15. The nominations timelines were also discussed. There were statements made during the meeting that indicated the group would be unable to reach agreement on any of the models presented and that if the subcommittee supported such, the WGQ EC would probably not because of more stringent voting requirements. Should this be the case, the group may choose to take a different approach and draft a report rather than voting at subcommittee followed by a failure at the WGQ EC. The second day of the meeting was focused on indexed based pricing for capacity release (7a). Several standards were drafted and discussed, but the subject is still open as final subcommittee votes were not taken that would be sufficient to prepare a recommendation.
- **February 8, 2008:** A conference call was held to address issues on indexed based pricing for capacity release (7a). Several standards were approved by the subcommittee including 5.3.26, 5.3.1, 5.3.3, 5.2.x1, 5.2.x2, 5.3.x1, 5.3.x2. Other standards were proposed but the voting on them will take place at a subsequent meeting to give the participants additional time to consider them. They are: 2.3.21, 5.3.x2a, 5.3.x3, 5.3.x4, 5.3.x6, 5.3.x7, 5.3.x8, 5.3.x9, and 5.3.x11. All in all, the subcommittee approved five standards and two definitions and considered 9 others which will be addressed at a subsequent meeting, (Links: http://www.naesb.org/pdf3/wgq_bps_698_020808a1.doc, and http://www.naesb.org/pdf3/wgq_bps_698_020808a2.doc)
- **February 21, 2008:** A conference call was held to address issues on indexed based pricing for capacity release (7a). Several standards were approved by the subcommittee including 5.3.26, 5.3.1, 5.3.3, 5.2.x1, 5.2.x2, 5.3.x1, 5.3.x2 (February 8), 5.3.x2a, 5.3.x3, 5.3.x4, 5.3.x8, 5.3.x9, 5.3.x11 (February 21). The standards were proposed and under consideration for this meeting included: 2.3.21 (determined not to change), 5.3.x2a, 5.3.x3, 5.3.x4, 5.3.x6 (open), 5.3.x7 (open), 5.3.x8, 5.3.x9, and 5.3.x11. Several are still open. All in all, the subcommittee approved six additional standards and considered 3 others, 2 of which will be addressed at a subsequent meeting, (Links: http://www.naesb.org/pdf3/wgq_bps_698_022108a1.doc, and http://www.naesb.org/pdf3/wgq_bps_698_022108a2_corrected.doc)
- **February 26-27, 2008:** In this two-day meeting in New Jersey, the subcommittee was tasked with reviewing a series of comments on intraday nomination timelines and to consider several proposals to modify the timelines. Comments from PSEG, EPNG, ExxonMobil, KeySpan, National Grid were reviewed specific to the TVA-APS proposal. The pipeline proposal was presented and discussed as was the El Paso proposal. It was noted again by several gas EC members that the wholesale electric market should consider standardizing their timelines before expecting the wholesale gas market to make changes to provide more flexibility as generators purchase natural gas as a fuel. Similarly, the workday schedule was raised where the workdays either would be extended to approximate 24-7 conditions or would be shifted to support the various proposals. While no consensus was reached on any of the proposals, it was determined to extend the discussing to the next meeting on March 12-13.
- **March 12-13, 2008:** In the two-day meeting in Colorado Springs, the WGQ BPS met to conclude discussions on indexed based pricing for capacity release (7a) and continue discussions on intraday nomination timelines (7c). For indexed based pricing, the following standards were approved by the subcommittee: 5.3.26, 5.3.1, 5.3.3, 5.2.x1, 5.2.x2, 5.3.x1, 5.3.x2, 5.3.x2a, 5.3.x3, 5.3.x4, 5.3.x6, 5.3.x7, 5.3.x8, 5.3.x9, 5.3.x11 – 15 standards or standards



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NAESB EXECUTIVE COMMITTEE MEETING MATERIALS WGQ SUBCOMMITTEE SUMMARY AS OF MAY 1, 2008

modifications in all, and a recommendation was to be issued for industry comment. The recommendation was crafted and provided to the office on April 3 and was distributed on April 4. The comments are due into the office on May 2, along with recommendation for redirects (7b), (http://www.naesb.org/pdf3/wgq_bps_698_031208a2_corrected.doc). For the intraday nominations timelines the proposals and modifications were reviewed, including a new proposal from TransCanada Pipelines. The models: TVA/APS proposal (http://www.naesb.org/pdf3/wgq_bps_698_031208w11.xls), TP proposal in power point presentation form (http://www.naesb.org/pdf3/wgq_bps_698_031208w7.pdf), EPNG 12 PM proposal (http://www.naesb.org/pdf3/wgq_bps_698_031208w9.doc), EPNG 1 PM proposal (http://www.naesb.org/pdf3/wgq_bps_698_031208w10.doc), and the Pipeline Collaborative revised proposal (http://www.naesb.org/pdf3/wgq_bps_698_031208w8.xls), were discussed and it was determined to draft a list of considerations by which to evaluate each of the proposals. The rest of the two-day session was devoted to drafting a timeline design considerations document: http://www.naesb.org/pdf3/wgq_bps_698_031208a3.doc.

- **April 22-23, 2008:** Iroquois Gas Transmission, Northern Border and FPL added models to the mix for review – with a full count of 10 models for options for intraday nominations. APS/TVA prepared a revised model and ISO-NE prepared a presentation overlaying gas schedules and electric schedules to highlight the discrepancies. The evaluation criteria were reviewed and additional text added for clarity. The models were compared against the evaluation criteria and straw balanced votes were taken to ascertain levels of support. The revised APS/TVA model, the FPL model prepared in the meeting passed and the pipeline collaborative model while failed, was a close vote. These three models will be reviewed at the upcoming May meeting in DC.
- **May 19-20, 2008:** Hosted by Stinson Morrison and Hecker to continue the discussion on the intraday nomination models.

Information Requirements Subcommittee

- **January 16-17, 2008:** The Information Requirements Subcommittee met in Salt Lake City, Utah, to address current requests for initiation or enhancement of NAESB standards and items transferred from other NAESB subcommittees. The requests discussed during the meeting were:
 - R060023, from Texas Gas Transmission, was to add 20 new Reduction Reason code values for Scheduled Quantity, Scheduled Quantity for Operator and any other applicable NAESB datasets. This request was completed by IR.
 - R05005, from Northern Natural Gas, was to add new Transaction Type codes to the Nomination 1.4.1, Scheduled Quantity 1.4.5, and Transportation Sales Invoice 3.4.1 data sets. This request was completed by IR.
 - R07014, from El Paso Natural Gas, was to move the edit information – data errors and warnings from the Confirmation Response (WGQ Standard 1.4.4) to the Quick Response (WGQ Standard 1.4.7). This request was completed by IR.
 - R07012, from Texas Gas Transmission, was to add 4 new meter type code values to the Measurement Volume Audit Statement (WGQ Standard 2.4.6). This request was completed by IR.
 - R07017, from Spectra Energy, was to add two warning messages to Nominations (WGQ Standard 1.4.1) and Nomination Quick Response (WGQ Standard 1.4.2) to describe a situation where the nomination is out of path and may lose discount, or the nomination exceeds MDTQ and may be assessed system fuel. This item will be discussed further at the next meeting.
 - R07018, from Spectra Energy, was to add code values to the maximum tariff rate reference data element (contained in Transactional Reporting Capacity Release (WGQ Standard 5.4.20), Transactional Reporting Firm Transportation (WGQ Standard 5.4.21), Transactional Reporting Interruptible Transportation (WGQ Standard 5.4.22)) and rate identification code description (contained in Transactional Reporting Interruptible



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NAESB EXECUTIVE COMMITTEE MEETING MATERIALS WGQ SUBCOMMITTEE SUMMARY AS OF MAY 1, 2008

Transportation (WGQ Standard 5.4.22)) to better support transactional reporting. This request was completed by IR.

- **March 26- 2008:** The Information Requirements Subcommittee met in Houston to address current requests for initiation or enhancement of NAESB standards and items transferred from other NAESB subcommittees. The requests discussed during the meeting were:
 - R07017, from Spectra Energy, was to add two warning messages to Nominations (WGQ Standard 1.4.1) and Nomination Quick Response (WGQ Standard 1.4.2) to describe a situation where the nomination is out of path and may lose discount, or the nomination exceeds MDTQ and may be assessed system fuel. This request was completed by IR.
 - R04041, from Northern Natural Gas, was to revise existing code value description and add 2 new code values to Allocation Method element in Pre-determined Allocation dataset. This request was completed by IR.
 - R05028 from Kinder Morgan Gas, was to add two additional Allocation Transaction Types to 2.4.3 Allocation dataset. An issue was identified that the revision should be applied to WGQ Std. 2.4.7 - Request for Information. This request was completed by IR.
 - R06023 from Texas Gas Transmission, was to add 20 new Reduction Reason code values for Scheduled Quantity, Scheduled Quantity for Operator and any other applicable NAESB datasets. An issue was identified that the proposed code for Fuel Percent Change (FPC) should be deleted from the implementation adopted at the IR meeting of January 16, 2008 meeting because it is already in Version 1.8 per R01010. This request was completed by IR.
 - R07011 from Northern Natural Gas, to add one code value for the data element Charge Type in the Transportation / Sales Invoice and
 - R96121-a23, Code Value Clean Up are addressed jointly. This item will be discussed further at the next meeting.
 - R08009 from Williams Gas Pipeline, to add one validation code value (Sub-detail) to Nomination Quick Response (1.4.2) and one code value to data element Reduction Reason in Scheduled Quantity (1.4.5). This request was completed by IR.
- **April 16-17- 2008:** The Information Requirements Subcommittee met jointly with Technical Subcommittee in Richmond to address current requests for initiation or enhancement of NAESB standards and items transferred from other NAESB subcommittees. The requests discussed during the meeting were:
 - R07011 from Northern Natural Gas, to add one code value for the data element Charge Type in the Transportation / Sales Invoice and R96121-a23, Code Value Clean Up are addressed jointly. A Fuel Charge code value was added to NAESB Standard no. 3.4.1.
 - 2008 AP Item 4b – redirects (Order 698) was reviewed and it was determined that no changes were necessary to support the business practice.
 - 2008 AP Item 4a – price indexing (Order 698) was reviewed standard by standard to determine if changes were needed. Many of the capacity release data sets will need to be modified to support the business practices.

Technical Subcommittee

- **January 15, 2008:** The Technical Subcommittee met in Salt Lake City to address any technical provisions of current WGQ requests for initiation or enhancement of NAESB standards. During this meeting the following requests were discussed for X12 mapping, or for communications with the ANSI X12 committee: R04003, R04014, R04024, R04039, R05024 and R04004.



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NAESB EXECUTIVE COMMITTEE MEETING MATERIALS WGQ SUBCOMMITTEE SUMMARY AS OF MAY 1, 2008

- **February 6-7, 2008:** The Technical Subcommittee met in Houston to address any technical provisions of current WGQ requests for initiation or enhancement of NAESB standards. The requests discussed during this meeting for X12 mapping addressed the following: R05028, R04041, R04033, R05011, R05023, R05025, R05029, R06021, and R06023.
- **March 25-26, 2008:** The Technical Subcommittee met in Houston to address any technical provisions of current WGQ requests for initiation or enhancement of NAESB standards. The requests discussed during this meeting for X12 mapping addressed the following: R06017, R06018, R06019 and R06020.
- **April 16-17, 2008:** The Information Requirements Subcommittee met jointly with Technical Subcommittee in Richmond to address current requests for initiation or enhancement of NAESB standards and items transferred from other NAESB subcommittees. The requests discussed during the meeting were:
 - R07011 from Northern Natural Gas, to add one code value for the data element Charge Type in the Transportation / Sales Invoice and R96121-a23, Code Value Clean Up are addressed jointly. A Fuel Charge code value was added to NAESB Standard no. 3.4.1.
 - 2008 AP Item 4b – redirects (Order 698) was reviewed and it was determined that no changes were necessary to support the business practice.
 - 2008 AP Item 4a – price indexing (Order 698) was reviewed standard by standard to determine if changes were needed. Many of the capacity release data sets will need to be modified to support the business practices.

Electronic Delivery Mechanism (EDM) Subcommittee

- **2008:** The WGQ EDM does not have meetings scheduled yet for 2008. In many cases, these meetings are held in conjunction with Retail IR and TEIS.

Contracts Subcommittee

- **2008:** The WGQ Contracts Subcommittee does not have meetings scheduled yet for 2008. There are no items on the annual plan at this time for contracts standards modifications or development.

Interpretations Subcommittee

- **January 18, 2008:** The Interpretations Subcommittee met via conference call to address C07002 – an interpretation requested by National Fuel Gas Supply regarding the format of posting on the Informational Postings sections of pipeline EBBs. The group concluded after discussion that both HTML and RTF were valid formats. The group also addressed C07003 from McGuireWoods on behalf of Smithfield and Du Pont regarding the base contract, safe harbor and bankruptcy provisions, and applicability to commodity forward agreements and swap agreements. The group concluded that at the time of the drafting, the intent of NAESB was that the contract could be considered as a commodity forward contract and be afforded the protections of the U.S. bankruptcy code. Interpretations for each will be presented at the next meeting.
- **January 28, 2008:** The Interpretations Subcommittee met via conference call to address drafted interpretations for C07002 and C07003. For C07002, the group supported with no negative votes an interpretation that both HTML and RTF were valid formats for Informational Postings sections of pipeline EBBs. For C07003, the group supported with no negative votes an interpretation that the treatment of a transaction under the NAESB Base Contract as a “commodity forward agreement” within the Bankruptcy Code’s definition of the term “swap agreement” is consistent with NAESB’s original intent in including Section 10.5 in the NAESB Base Contract.



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NAESB EXECUTIVE COMMITTEE MEETING MATERIALS WGQ SUBCOMMITTEE SUMMARY AS OF MAY 1, 2008

JOINT QUADRANT EFFORTS

E-TARIFF STANDARDS DEVELOPMENT – ASSIGNED TO WHOLESALE GAS AND WHOLESALE ELECTRIC:

- **January 23-25, 2008:** A meeting was held in Colorado Springs to review the progress made on the eTariff standards and implementation guide and to vote the recommendation out for formal comment by the industry. Several comments were reviewed and changes made to the recommendation as a result. Open issues were listed with the expectation that the chairs (Mr. Sappenfield and Ms. Daly) would provide chairs' comments to highlight possible actions that could be taken outside the NAESB standards development effort. There were no opposing votes to the revised recommendation.

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

TAB 7

2008 WGQ Annual Plan

- The 2008 plan as approved by the Board of Directors at its December 2007 meeting is included with changes added by the Board at its March 27 meeting. Should the WGQ 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 7 correspond to agenda item 7 for the WGQ EC agenda.



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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on March 27, 2008

Item Description	Completion ¹	Assignment ²
Damage Reporting for Natural Gas Pipeline Facilities		
1 Review and develop standards as appropriate to support posting of information as noted in Docket No. RM06-18-000, Order No. 682 and Docket No. RM06-18-001, Order No. 682-A . Review transmission line damage reporting to identify commonality and apply as appropriate.	4 th Q 2008	BPS
Status: Not Started.		
Electronic Delivery Mechanisms and Related Activities		
2 Develop or amend WGQ technical standards, as appropriate, to address to the DoE Sandia National Laboratories 2006 surety assessment findings and recommendations.	1st Q, 2008	BPS/EDM
Status: Underway.		
Contracts Activities		
3 Update ISDA Gas Annex to correspond to the updated NAESB Base Contract for Sale and Purchase of Sale of Natural Gas, dated September 5, 2006.	1 st Q, 2008	Contracts
Status: Underway.		
Gas-Electric Interdependency		
4 Respond to directives of FERC Order No. 698 issued 6-25-07 , Docket Nos. RM05-5-001 and RM96-1-027 as related to the NAESB reports submitted in Docket No. RM05-28-000 :		
a. ¶ 56 of Order No. 698: "... Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. <u>This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently.</u> " (emphasis added)		
i.) Develop business practice standards to address the threshold questions of ¶ 56 of Order No. 698:	2 nd Q, 2008	BPS
Status: Underway.		
ii.) Prepare fully staffed recommendation	TBD	BPS
Status: Not started, dependent upon conclusion of Item 5(a)(i) and review and consideration of item 5(a)(i) by the WGQ EC.		
b. ¶ 63 of Order No. 698: "The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, <u>NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility.</u> "(emphasis added)		



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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on March 27, 2008

	Item Description	Completion ¹	Assignment ²
i.)	Develop business practice standards to address the threshold questions of ¶ 63 of Order No. 698: Status: Underway.	2 nd Q, 2008	BPS
ii.)	Prepare fully staffed recommendation Status: Not started, dependent upon conclusion of Item 5(b)(i) and review and consideration of item 5(b)(i) by the WGQ EC.	TBD	BPS
c.	¶ 69 of Order No. 698: “As we stated in the NOPR, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations. <u>However, within the confines of current Commission policy, NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers, and provide better provide for coordination between gas and electric scheduling.</u> In addition, the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere...”(emphasis added)		
i.)	Develop business practice standards to address the threshold questions of ¶ 69 of Order No. 698: Status: Underway.	3 rd Q, 2008	BPS
ii.)	Prepare fully staffed recommendation Status: Not started, dependent upon conclusion of Item 5(c)(i) and review and consideration of item 5(c)(i) by the WGQ EC.	TBD	BPS
Capacity Release			
5	Review capacity release transactions upload and related responses to determine suitability for EDI. Status: Not started, action pending submittal of request and process for request assignment.	3 rd Q, 2008	BPS
Review and develop business practices standards to support e-Tariff program			
6	Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. (Docket No RM05-1-000) Status: Complete.	1st Q, 2008	Joint WEQ/WGQ e-Tariff
Customer Security Administration			
7	Review and develop standards as appropriate to support Customer Security Administration Standards (Comment Submittal, 10-29-07) Status: Not started, action pending submittal of request and process for request assignment.	TBD	TBD
Gas Quality Reporting			
8	Respond to directives of FERC Docket No. RP07-504-000: ¶ 10 “... develop a uniform set of standards regarding the posting of rapidly changing gas quality information applicable to those pipelines which are required by their tariffs to do so.” (Docket No. RP07-504-000) Status: Not started	4 th Q, 2008	BPS



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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WGQ Annual Plan to be Presented to the NAESB Board of Directors on March 27, 2008

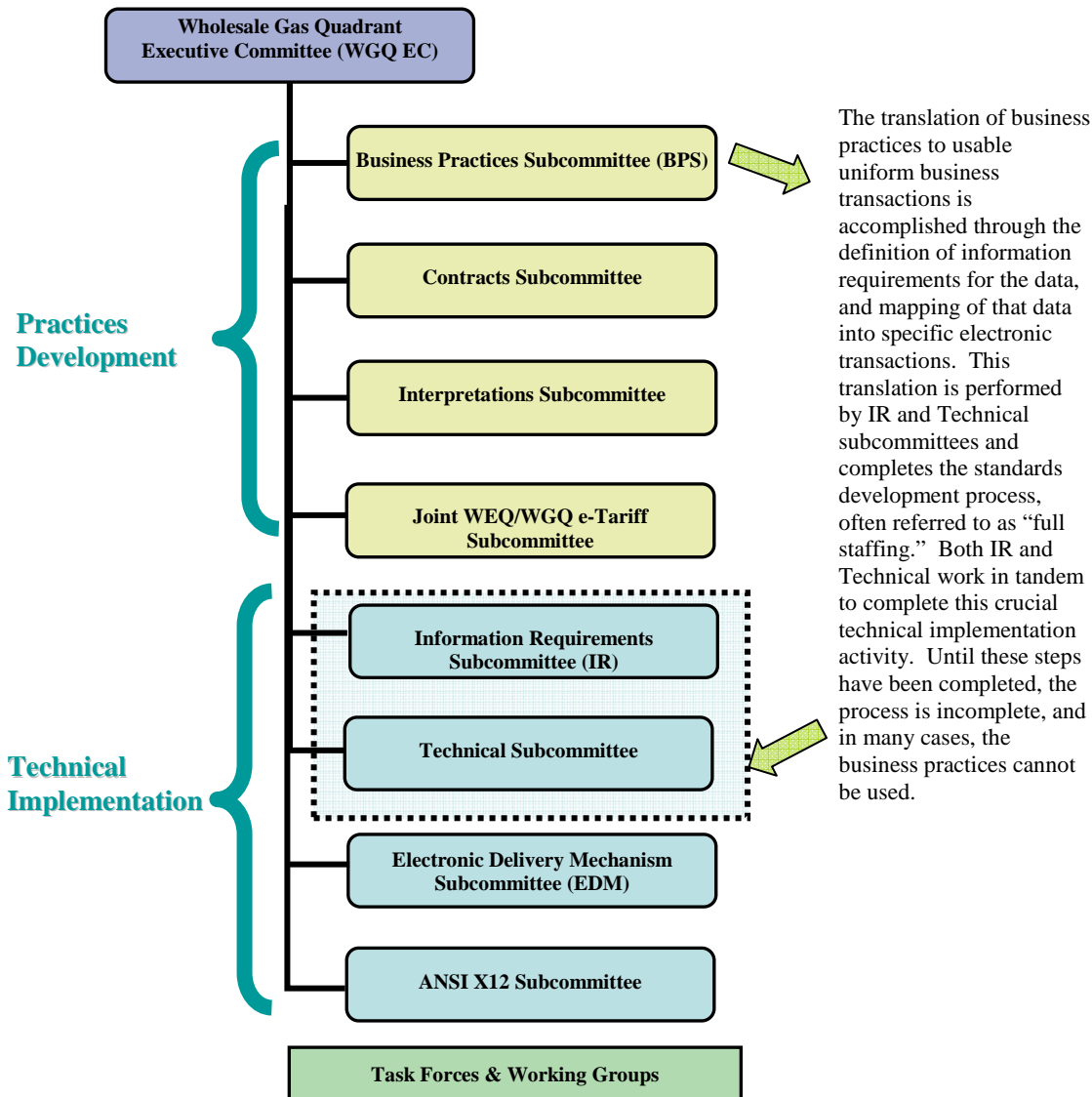
Item Description	Completion	Assignment
Program of Standards Maintenance & Fully Staffed Standards Work		
Business Practice Requests	Ongoing	Assigned by the EC ³
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI X12 Subcommittee
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC ⁴
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC ⁴
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC ⁴
Provisional Activities		
Respond to requests as received that are related to Docket No. AD06-11-000 (Market Transparency Reporting).		

- Notes: (a) Priority is given to action items that are carry-overs from the 2007 Annual Plan.
 (b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.



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NAESB 2008 WGQ EC and Subcommittee Leadership:

- Executive Committee: Jim Buccigross, Chair and Mike Novak, Vice-Chair
- Business Practices Subcommittee: Kim Van Pelt, Valerie Crockett, Dolores Chezar and Richard Smith
- Information Requirements Subcommittee: Dale Davis
- Technical Subcommittee: Kim Van Pelt
- Contracts Subcommittee: Keith Sappenfield
- Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden
- Interpretations Subcommittee: Paul Love
- Joint WEQ/WGQ e-Tariff Subcommittee: Keith Sappenfield, Jane Daly



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End Notes WGQ 2008 Annual Plan:

¹ 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 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.

² The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

³ The EC assigns maintenance of existing standards on a request-by-request basis.

NORTH AMERICAN ENERGY STANDARDS BOARD
WGQ Executive Committee Meeting –Meeting Materials
May 15, 2008

TAB 8

Board Updates, Other Quadrant Efforts and Regulatory Updates

- Update materials are provided for:
 - Board of Directors – March 27, 2008 Draft Meeting Minutes with discussion on segments and blocks
 - Wholesale Electric and Retail key activities – WEQ Annual Plan, Retail Annual Plan, NAESB Bulletin
 - Regulatory Updates: summary report
- No action is expected of the WGQ EC.
- The materials in Tab 8 correspond to agenda item 8.



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April 18, 2008

TO: NAESB Board Members, Posting for Interested Industry Participants
FROM: Cory Galik, Meeting Administration/Project Manager
RE: Draft Minutes from the NAESB Board of Directors Meeting – March 27, 2008

**NORTH AMERICAN ENERGY STANDARDS BOARD
 NAESB BOARD OF DIRECTORS MEETING
 March 27, 2008 – Marriot Houston Intercontinental Hotel - Houston, TX
 Draft Minutes**

1. Administration and Welcome

Mr. Desselle welcomed the Board members and guests in the room and on the phone. Mr. Booe read the antitrust guidelines. Ms. McQuade read the roster of the Board members and quorum was established.

The Board members reviewed the draft agenda included on page 14 behind tab 2 of the Board book. Mr. Ellsworth added Advisory Council to the list of new business and moved, seconded by Mr. Minneman, to adopt the agenda as revised. The motion passed without objection. The Board members reviewed the minutes from the Board meeting on December 13, 2007 included on page 16 behind tab 3 of the Board book. Mr. Minneman moved, seconded by Mr. Kruse, to adopt the minutes as drafted. The motion passed without objection. The final minutes are posted on the NAESB Board page: <http://www.naesb.org/pdf3/bd121307fm.doc>.

2. Reports from Board Committees

Resources Committee: Next, Mr. Brown provided an update of the work of the Resources Committee. The report was included behind tab 4 of the Board book, beginning on page 25. Mr. Brown noted that the work of the Resources Committee helped gain a net 2 new members. Potential areas for new membership include Demand Response Providers and Wind Energy Providers. There are open board seats in the Retail Electric, Retail Gas and Wholesale Electric Quadrants. Individuals will be contacted by Resources Committee members to determine their interest level in the vacancies. Ms. McQuade and Mr. Boswell will work on a copyright reminder letter

Ad Hoc Committee on Segment Blocks: Mr. Desselle reviewed the meeting held a few weeks ago. The review was included on page 55 behind tab 4 of the Board book. The group proposes changes to the governance documents to preclude segment blocks in under-populated segments (at least 50% of the seats in a segment for either the Board or EC are vacant). Segment blocks are an appropriate tool for NAESB but should rarely be utilized and not part of a routine voting strategy. When a segment block is expected at the Executive Committee level, board members of that segment will be contacted to determine if steps can be taken that would prevent a single segment block. Facilitators, which may be provided by the FERC as they have done so in the past, may also be requested of the Managing Committee to prevent single segment blocks. FERC staff assistance may be requested if needed to overcome technical questions. The board may be asked to take action revising governance documents at the June board meeting that are reflective of the ad hoc group's decisions.

3. Updates on specific standards development efforts

Next, the Board reviewed the progress of several standards development efforts underway.

WEQ and WGQ: e-Tariff Progress: Mr. Sappenfield provided the update for the e-Tariff efforts. The e-Tariff report was included behind tab 5, beginning on page 61 of the Board book. At the February 29 EC meeting the e-Tariff standard was voted on and passed. There were sixteen meetings since February 2007 and over 300 people worked on the project. FERC staff was also actively involved. Mr. Sappenfield thanked all those that helped,



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especially Ms. Daly, Ms. Davis, Mr. Burden and Mr. Brooks. The ratification is now underway and should complete on April 4. The standards will be filed with the FERC after the ratification process completes.

WEQ: FERC Order No. 890, Coordination with NERC, ATC deliverable deadlines, OASIS change progress: Ms. York provided the update of the NAESB standards development on FERC Order No. 890. The FERC Order No. 890 information begins on page 79 of the Board book behind tab 5. Ms. York noted that the ESS/ITS and BPS have met 17 times in the first quarter of the year. She thanked Mr. Skiba, Mr. Wood, Mr. Sorenson and Ms. Otondo and the team that has been meeting to get the work done. The WEQ EC has taken several steps to provide support for the subcommittees in their efforts to meet the FERC deadline of August 7 for ATC related business practices. The steps include practices for running efficient meetings, addressing repetitive comments, addressing late participants to the process who would request that issues be revisited, management tools including conceptual agreements on issues, maintenance of lists of motions and parking lots for issues. Also to be implemented are single topic conference calls to address specific proposed standards, and conference calls prior to the EC meetings to brief EC members on the issues and better prepare them to vote. Since that time, four recommendations have been voted out of the subcommittee. Ms. York pointed out that on page 79 of the Board book behind tab 5 is a letter that the subcommittee is attaching to any standards that needs close coordination with NERC. The letter is included because there may be delay on NERC delivery of products that could impact the NAESB August deadline. With the approach taken, we would proceed on through ratification, but would not file work products until we have been able to vet them against the NERC complementary reliability standards to determine if there are any adjustments to be made. Mr. Skiba stated that in addition to FERC Order No. 890, FERC has issued FERC Order No. 890-A. There is a mid-July deadline on tagging conditional firm that ESS/ITS has as a high priority. The subcommittee is working on these development projects linked to the deadlines and has made much progress in the last few months based on the guidance received from the Executive Committee. While the program is aggressive, we expect to make the dates.

WGQ: FERC Order No. 698 approach, schedule and progress: Mr. Novak provided the update of the work of the WGQ Business Practices Subcommittee to address FERC Order No. 698. Of the three topics involved in this order, 7b (Alternate Receipt Points Upstream of or an Alternate Delivery Point Downstream of a Point of Constraint) and 7a (index-based capacity release) have been voted out of the subcommittee, is now in industry comment and will be taken up by the EC for vote in May. The last topic, 7c (intraday nomination timeline) has several proposals. Ms. Van Pelt stated that in the last subcommittee meeting a list of criteria was developed to use to compare against the various models. NAESB has also received several state commission letters of support for building additional flexibility into the intraday nomination timeline through the inclusion of more intraday periods. Several sets of meetings have been scheduled to further address the intraday nomination timeline effort.

WEQ and Retail: DSM/EE efforts: Next, Mr. Koogler provided an overview of the DSM/EE efforts. The materials were included behind tab 5, beginning on page 146 of the Board book. The subcommittee has focused on demand response programs and has deferred EE to a later phase. Four sub-teams have been created (Preamble, Glossary, Wholesale Matrix and Retail Matrix). The Retail Matrix group has developed a work plan and is providing data into a matrix that describes DR programs operational or planned for the retail market, with characteristics of the programs highlighted with measurement and verification specifications that may be suitable for standards development. The data for the matrix has been gathered through phone/web interviews. The effort will continue through the second quarter on further data collection in the matrix, after which analysis of the findings should provide a basis for the development of retail standards in the third and fourth quarters. On the wholesale matrix effort, the matrix development is proceeding on a faster path and indeed has provided a basis from which the retail effort has grown. To date, more than 40 programs have been described to the wholesale matrix in five major categories with multiple M&V characteristics for each. The matrix should be the mechanism from which the areas for standards development can be identified. It is expected that in the third quarter, the group will begin to review draft wholesale M&V standards for the DR programs in place and administered by ISOs/RTOs. The wholesale matrix group is leading the retail group by at least one quarter. The ISO-RTO Council is planning a technical session in DC on April 21, during which much of the work on the wholesale side will be unveiled and discussed. Commissioner Wellinghoff is opening the session. Several meeting dates have been arranged to continue the



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standards development work, and the preamble and glossary efforts will be considered when the standards development for the two matrices is further along. To summarize the importance of this work on both the wholesale and retail fronts, Mr. Koogler noted that the North Carolina has taken regulatory action to support the NAESB DSM-EE standards, which can be found in NCUC Rulemaking Order, Docket No. E-100, Sub 113.

WGQ Gas Quality: Mr. Buccigross reviewed Gas Quality standards efforts found on page 166 behind tab 5 of the Board book. Request R06008 asked for modification of two NAESB standards, WGQ Standard No. 4.3.90 and WGQ Standard 4.3.92. Both changes were made and passed by the Executive Committee. Two new proposed standards, WGQ Standard 4.3.x1 and WGQ Standard 4.3.x3 failed to pass the Executive Committee due to a segment block. The recommendation, along with the modified standards, will be provided to the FERC. The FERC issued an order establishing a hearing in Docket no. RP07-504-000 regarding gas quality and tariff filings. A copy of the order can be found on page 171 behind tab 5 of the Board book. The order asked NAESB to develop additional gas quality standards. From the order, language was extracted to be added to the WGQ Annual Plan -- "develop a uniform set of standards regarding the posting of rapidly changing gas information applicable to those pipelines which are required under their tariffs to do so." The motion to amend the 2008 WGQ Annual Plan passed unanimously. This item was assigned to the WGQ Business Practice Subcommittee.

4. Executive Committee Reports

Ms. York provided the review of the Wholesale Electric Quadrant and reviewed the proposed changes to the WEQ 2008 Annual Plan. Ms. Burnett moved, seconded by Ms. Crockett, to adopt the revisions to the plan as highlighted by Ms. York. The motion passed without objection. Mr. Sappenfield reviewed the eTariff item that has been completed in the Wholesale Gas Quadrant. Mr. Sappenfield moved, seconded by Ms. Burnett, to adopt the revisions to the plan. The motion passed unanimously. Mr. Novak provided the review of the work of the Retail Quadrants. No changes were made to the retail plan at this time. There was a request that companies provide technical participation so the retail effort can proceed as planned to publish version 1.1 including the Texas Registration Model.

5. Membership and Financial Reports

Ms. McQuade reviewed the membership report included on page 222 of the Board book, behind tab 7. The membership profile notes a net increase of 2 members to date in 2008. On page 224 a list of the companies that have joined and those that have elected to resign their memberships was included. There were no questions regarding the membership report. It was noted that we will probably see some membership decline in the next few months as is typical but should make it up later in the year. The 2007 budget and financials for year-end were reviewed. The organization had a net profit for 2007 of \$20,644.85, which was applied to the negative retained earnings that had accumulated when GISB transitioned to NAESB. Each year we buy down the negative retained earnings. For 2007 to 2008, the retained earnings moved from (\$276,538.11) to (\$255,893.26). The 2008 Financial Report and budget accrued as of January 31, 2008 are included in the Board book, beginning on page 234 behind tab 7. Ms. McQuade noted that the budget increased this year based on the expectation that there will be an increase in membership. Expenses are increasing as the number of meetings increases. Nonetheless, with only one month of data at hand and no major unanticipated changes, the estimated expenses and income do not reflect any items that were not already included in the budget.

6. Plan for March 2008 Board Meeting

Ms. McQuade stated that the June 2008 Board meeting is scheduled for June 26 at the Wyndam Greenspoint in Houston. The Board members were asked to contact her if they had any agenda items that should be addressed. The June Board meeting will be the meeting of the members as well.

7. Old and New Business

Mr. Ellsworth provided a review of the NAESB Advisory Council meeting held in Washington, DC during the NARUC winter meetings in February 2008. There were 32 members present. It was a good opportunity to update



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state commissioners and other government staff on NAESB activities as well as encourage commissions to join and become active in NAESB. The details were provided on page 239, behind tab 8 of the Bard book. Three meetings were noted by Ms. McQuade. She met with NARUC staff to urge their participation in standards development areas of interest to their constituency, which includes FERC Order No. 698, gas quality and DSM-EE. On March 27 and 28, Ms. McQuade and Mr. Desselle met with the FERC commissioners to discuss annual plans and progress made on key development efforts: FERC Order No. 890, FERC Order No. 698, eTariff, gas quality and DSM-EE. On March 20, Ms. McQuade and NERC staff met to continue an emphasis on coordination – specifically for Order no. 890, but also for other areas. Ms. McQuade also reminded everyone of the monthly update calls. It is an easy way to stay up to date with what NAESB is working on.

8. Adjourn

Mr. Templeton moved to adjourn. The meeting adjourned at 11:52 AM Central.

9. Board Attendance (Vacancies Omitted)

Wholesale Gas Quadrant

PRODUCERS SEGMENT		ATTENDANCE:
Jay Ellzey	Vice President Commercial Operations, Chevron Natural Gas	
William T. Benham	Vice President – Regulatory Affairs, BP Energy Company	
Keith Sappenfield	Regional Director – US Regulatory Affairs, EnCana Oil & Gas (USA) Inc.	In Person
Marty Patterson	Vice President – Commercial Operations, Foothills Energy Ventures LLC	In Person
Pete Frost	Director - Regulatory Affairs, ConocoPhillips Gas and Power Marketing	In Person
PIPELINE SEGMENT		
Jim Goldmann	Vice President - Transportation Services and Development, Alliance Pipeline LP	Phone
Bill Grygar	Vice President, Panhandle Eastern Pipe Line	
Susanna B. Barry	Vice President – Commercial Operations, Tennessee Gas Pipeline Company	In Person
Anne Bomar	Vice President, Dominion	
Richard Kruse	Senior Vice President, Spectra Energy Transmission	In Person
LOCAL DISTRIBUTION COMPANY (LDC) SEGMENT		
Clifton Olson	Vice President of Supply and Transmission, Energy East Corporation	Phone
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	In Person
Amy Hamilton	Vice President, Regulatory Affairs & Energy Acquisition, Washington Gas	In Person
Mike Novak	Asst. General Manager, National Fuel Gas Distribution Corporation	Phone
Lee Stewart	Senior Vice President, Gas Transmission, Southern California Gas Company	In Person
END USERS SEGMENT		
Valerie Crockett	Senior Energy & Policy Specialist, Tennessee Valley Authority	In Person
Timothy W. Gerrish	Director of Origination-Energy Marketing and Trading, Florida Power & Light	In Person
Tina Burnett	Natural Gas Resources Administrator, The Boeing Co.	In Person
Lori-Lynn C. Pennock	Senior Fuel Supply Analyst, Salt River Project	In Person
Jim Templeton	Principal, Comprehensive Energy Services	In Person



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SERVICES SEGMENT

John Bretz	Vice President - Gas Marketing, Anadarko Energy Services Company	
Jim Buccigross	Vice President Energy Industry Practice, Group 8760 LLC	Phone
Bill Hebenstreit	Manager – Contract Administration, Cheniere Marketing, Inc.	In Person
Rusty Braziel	Managing Director, Bentek Energy, LLC	
Suzanne Calcagno	Director, Regulatory Compliance, UBS Energy, LLC	

Retail Electric Quadrant

DISTRIBUTORS SEGMENT

David Koogler	Director – State Regulation, Dominion Virginia Power (SERC NERC Region)	In Person
Dennis Derricks	Director Regulatory Policy and Analysis, Integrys Energy Services, Inc.	Phone
Ruth Kiselewich	Director Special Projects and Supplier Services, Baltimore Gas & Electric Company (MAAC NERC Region)	Phone
Debbie McKeever	Market Advocate, Oncor	In Person

END USERS SEGMENT

Sonny Popowsky	Consumer Advocate, Pennsylvania Office of Consumer Advocate	
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SERVICE PROVIDERS SEGMENT

Jim Minneman	Director of Business Services, PPL Solutions LLC	In Person
J Cade Burks	President, EC Power	In Person

Wholesale Electric Quadrant

TRANSMISSION SEGMENT

		SUBSEGMENT:	ATTENDANCE
Dan Klempel	Director Transmission Regulatory Compliance, Basin Electric Power Cooperative	Muni/Coop	
John E. Lucas	Director - Transmission Policy and Services, Southern Company Transmission	IOU	Phone
Jerry Smith	Alliance/Partnership Manager, Arizona Public Service Co.	IOU	In Person
Jill Horswell	Director – FERC and RTO Internal Affairs, Allegheny Energy, Inc	at large	In Person
Terri Grabiak	Director – FERC and RTO Internal Affairs, Allegheny Energy, Inc.	at large	Phone
Michael Wells	Director – Market-Operations Interface, WECC	at large	

GENERATION SEGMENT

Curtis Winterfeld	Vice President of Power Marketing, Deseret Generation & Transmission Cooperative	Muni/Coop	
Belinda Thornton	Senior Manager – Real Time Trading, Tennessee Valley Authority	Fed/State/Prov	
Lou Oberski	Director – Electric Market Policy, Dominion Resources Services, Inc.	IOU	
Charles W. Severance	Manager – Supply & Wholesale Services, Integrys Energy Services, Inc.	IOU	In Person
Gloria Ogenyi	Vice President Energy Policy, Conectiv Energy Supply, Inc.	Merchant	
Ron Mucci	Manager – Regulatory Affairs, Williams Power Company	At-Large	

MARKETERS/BROKERS SEGMENT

Roy True	Manager of RTO Market Development, ACES Power	Muni/Coop	In Person
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Jeff Ackerman	Marketing Manager, Colorado River Storage Project Energy Management and Marketing Office, Western Area Power Administration	Fed/State/Prov	In Person
Michael Grim	Director of Markets and Regulation, Luminant	Not IOU Affiliated at large	
Jim Cashin	Senior Manager of Policy, Electric Power Supply Association (EPSA)	IOU	In Person
Sam Forrest	Vice President, Energy Marketing and Trading, Florida Power & Light	IOU	Phone
R. Scott Brown	Vice President and Director, Exelon Generation Power Team	IOU	Phone
Rick Smead	Director, Navigant Consulting, Inc.	At-Large	
DISTRIBUTION/LOAD SERVING ENTITIES (LSE) SEGMENT		SUBSEGMENT:	
Arthur G. Fusco	Vice President and General Counsel, Central Electric Power Cooperative Inc.	Muni/Coop	Phone
Barry R. Lawson	Manager-Power Delivery, National Rural Electric Cooperative Association	Muni/Coop	Phone
Leonard Haynes	Executive Vice President – Supply Technologies, Renewables and Demand Side Planning, Southern Company Generation	IOU	Phone
Frank Johnson	Senior Vice President Electric Transmission and Distribution, Consumers Energy	IOU	
Thomas Burgess	Director – FERC Compliance, FirstEnergy Service Company	at large	In Person
Joe Hartsoe	Managing Director – Federal Policy, American Electric Power Service Corp.	at large	Phone
Bruce Ellsworth	New York State Reliability Council	At-Large	In Person
END USERS SEGMENT			
Thomas G. Dvorsky	Director of the Office of Electricity, Gas and Water at the New York State Department of Public Service	Regulator	
Michehl Gent	Open Access Technology International, Inc.	At-Large	
INDEPENDENT GRID OPERATORS/PLANNERS			
Michael Desselle	Vice President Process Integrity, Southwest Power Pool		In Person
Ray Giuliani	Vice President Market Operations, Electric Reliability Council of Texas (ERCOT)		In Person
Kevin Kirby	Vice President Market Operations, ISO New England, Inc.		In Person
Rana Mukerji	Vice President Market Structures, New York Independent System Operator, Inc. (NYISO)		Phone
Andy Ott	Vice President Markets, PJM Interconnection		Phone
William Phillips	Vice President Interregional Coordination & Policy, Midwest ISO (MISO)		
Don Tench	Director Planning & Assessments, Independent Electricity System Operator (IESO)		In Person
Retail Gas Quadrant			
DISTRIBUTORS SEGMENT			
Alonzo Weaver	Vice President of Engineering and Operations, Memphis Light, Gas & Water Division		
William Bourbonnais	Vice President – Transmission, Wisconsin Public Service		



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Ralph Cleveland Corporation
 Senior Vice President – Engineering and Operations, AGL
 Resources, Inc.

SERVICE PROVIDERS SEGMENT

Leigh Spangler	President, Latitude Technologies Inc.	
Dave Darnell	President & CEO, Systrends USA	Phone
Greg Lander	Principal, Commerce Energy Group	

11. Other Attendance

Name	Organization	Attendance
Jonathan Booe	NAESB	In Person
Kathryn Burch	Spectra Energy Transmission	In Person
Christopher Burden	Williams Gas Pipeline	In Person
Deonne Cunningham	NAESB	In Person
Ed Davis	Entergy	In Person
Brenda Foster	Preferred Legal	In Person
Cory Galik	NAESB	In Person
Angela Gonzales	NAESB	In Person
Mark Gracey	Tennessee Gas Pipeline	In Person
Dona Gussow	FPL	Phone
Bill Lohrman	FERC	Phone
Rae McQuade	NAESB	In Person
Susan Munson	ERCOT	In Person
Marty Patterson	Foothills Energy Ventures	In Person
Marjorie Perlman	Energy East	Phone
Denise Rager	NAESB	In Person
Lisa Simpkins	Constellation Energy	In Person
Ed Skiba	Midwest ISO	In Person
Richard Smith	ExxonMobil	In Person
Veronica Thomason	NAESB	In Person
Larry Williford	OnCor	In Person
Eric Winkler	ISO New England	In Person
JT Wood	Southern Company	Phone
Charles Yeung	SPP	In Person
Kathy York	Tennessee Valley Authority	In Person



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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS
Adopted by the NAESB Board of Directors on December 13, 2007

Item Number & Description ¹	Completion ²	Assignment ³
1 Electronic Retail Billing. Develop Technical Electronic Implementation Standards – Electronic Retail Billing Status: Underway	1 st Q 2008	TEIS
2 Customer Enrollment, Drop and Account Information Change		
a. 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. Status: Underway	1 st Q, 2008	IR
b. Develop Technical Electronic Implementation Standards – Customer Enrollment, Drop and Account Information Change, Status: Underway	2 nd Q 2008	TEIS
3 Customer Enrollment, Drop and Account Information Change Using a Registration Agent Develop practices when using a Registration Agent 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.		
i) Customer Enrollment Status: Projected to be completed 4 th Q 2007	4 th Q 2007 ¹	Texas Task Force/ BPS
ii) Customer Drop Status: Underway	1 st Q 2008	Texas Task Force/ BPS
iii) Account Information Change Status: Not Started	2 nd Q 2008	Texas Task Force/ BPS
4 Review and Discuss application of any other existing model business practices for the Registration Agent model	3 rd Q 2008	BPS
5 Customer Inquiries Develop procedures for responding to customer inquiries directed to Distributors and/or Suppliers and for notification of the other party. Status: Not Started. Delayed to 2008 for completion because the registration agent model is separate from customer enrollments.	4 th Q 2008	BPS
6 Develop NAESB Certification checklist criteria for Retail Quadrants to be used in the NAESB Certification Program. Status: Not Started. Dependent upon publication of Version 1.1 at a minimum, but more dependent upon completion of Customer Choice efforts.	2009	TEIS



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NORTH AMERICAN ENERGY STANDARDS BOARD
2008 ANNUAL PLAN for the RETAIL GAS and ELECTRIC QUADRANTS
Adopted by the NAESB Board of Directors on December 13, 2007

Item Number & Description ¹	Completion ²	Assignment ³
7 Address issues raised in the Department of Energy's Sandia National Laboratories on NAESB technical standards and respond to the surety assessment findings and recommendations. Status: Underway	1 st Q 2008	TEIS
8 Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs. This effort will include demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program. Status: Underway	2008	Joint WEQ/Retail DSM Subcommittee
a. Develop matrix and business practice standards for measurement and verification for demand response programs in ISO/RTO footprint areas. Status: Underway	3 rd Q, 2008	Joint WEQ/Retail DSM Subcommittee
b. Develop matrix and business practice standards for measurement and verification for demand response programs in non-ISO/RTO footprint areas. Status: Underway	3 rd Q, 2008	Joint WEQ/Retail DSM Subcommittee
c. Develop preamble for business practice standards for measurement and verification for demand response and energy efficiency programs. Status: Underway	4 th Q, 2008	Joint WEQ/Retail DSM Subcommittee
d. Develop glossary for business practice standards Status: Underway	4 th Q, 2008	Joint WEQ/Retail DSM Subcommittee
e. Support retail development of matrix and model business practice standards for measurement and verification for demand response programs Status: Underway	4 th Q, 2008	Joint WEQ/Retail DSM Subcommittee
f. Develop business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard. Status: Not Started	Phase 2	Joint WEQ/Retail DSM Subcommittee
g. Develop business practice standards to factor Demand Control and Energy Efficiency programs into reliability / supply decisions at the wholesale level for generation and transmission planning and operations. Status: Not Started.	Phase 2	Joint WEQ/Retail DSM Subcommittee
h. Develop business practice standards to support cap and trade programs for green house gas. Status: Not Started.	Phase 2	Joint WEQ/Retail DSM Subcommittee



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Item Number & Description ¹	Completion ²	Assignment ³
Program of Standards Maintenance & Fully Staffed Standards Work⁴		
Business Practice Requests	Ongoing	Assigned by the EC
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC
Ongoing Development and Maintenance of Definitions	Ongoing	Glossary

Provisional 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.

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

Review existing body of model business practices for consistency and develop or modify model business practices as needed.

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.

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

Retail Gas Quadrant Effort Only:

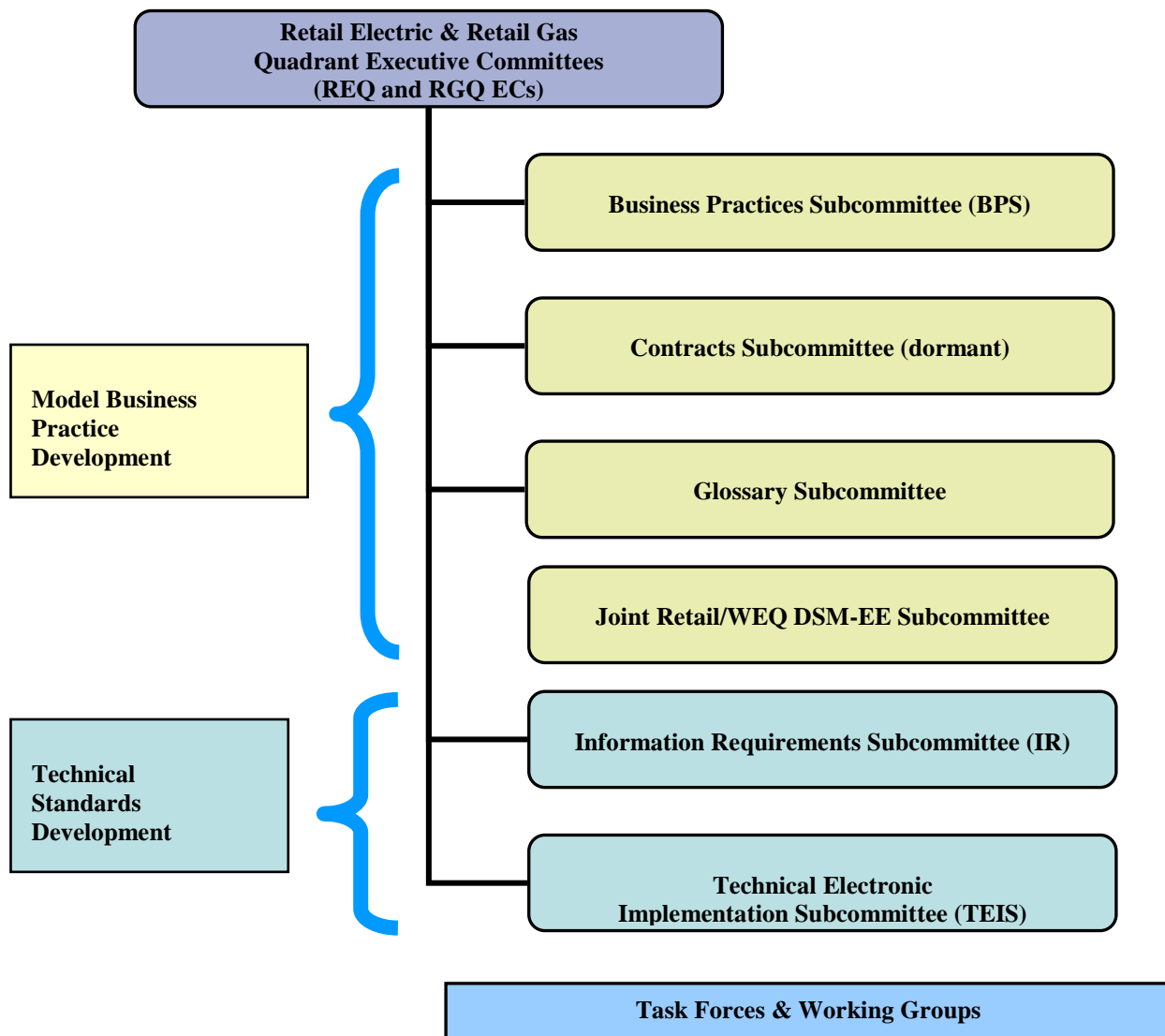
Examine Wholesale Gas Quadrant Non-EDM Standards for applicability to retail business practices.

Settlement Process: Reconcile energy schedules and energy delivered by suppliers within a given market.



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NAESB Retail Subcommittee Leadership: ⁵

- Executive Committee: Mike Novak, Chair (RGQ), Ruth Kiselewich, Chair (REQ)
- Business Practices Subcommittee: Phil Precht (RGQ), Mary Edwards and Dan Jones (REQ)
- Information Requirements Subcommittee: Jennifer Teel (REQ)
- Technical Electronic Implementation Subcommittee: Dan Rothfuss (RGQ)
- Glossary Subcommittee: Don Sytsma (RGQ), Mary Edwards and Patrick Eynon (REQ)
- DSM-EE Subcommittee: Ruth Kiselewich, David Koogler (REQ), Roy True (WEQ), Paul Wattles (WEQ)



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End Notes Retail Plan:

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 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 assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

⁴ This work is considered routine maintenance and thus the items are not separately numbered. The REQ and RGQ ECs will assign maintenance efforts on a request-by-request basis.

⁵ 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.



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Item Description	Completion ¹	Assignment ²
1 Develop business practices standards as needed to complement reliability standards		
Develop business practice standards to support and complement NERC reliability standards, NERC policies and NERC standards authorization requests (SARs) using the NERC/NAESB Coordination Joint Standards Development Process as appropriate. Current NAESB activities underway to develop business practice standards that are supportive of this annual plan item are:		
a) Make version 2 changes to business practices as requested.		
i) Make changes to business practices as related to inclusion of the NERC Reliability Functional Model functional model entities as NERC undertakes the same efforts. Status: No requests.	As requested	BPS
ii) Continuous support of TLR Procedure in alignment with NERC efforts on TLR Phase II and Phase III which would be included in version 2 development. ³ Status: Ongoing as NERC makes changes.	Ongoing	BPS ⁴
b) Develop business practices to support Coordinate Interchange – R05020 “Include a guideline for rounding schedules with partial mWh's in the coordinate interchange business practice WEQ BPS-002-000” Status: Underway.	2008	BPS, JISWG
c) Operate Within Limits (R03017) as coordinated with the NERC schedule on the same development for reliability standards		
i) Review the need to develop business practice standards to support Operate Within Limits (R03017) Status: Completed.	1 st Q, 2008	SRS
ii) Develop business practice standards to support Operate Within Limits (R03017) Status: Not Started. Depending on the WEQ EC decision on 1c(i), this item will be considered complete	4 th Q, 2008	BPS
d) Prepare recommendations for future path for TLR in concert with NERC, which may include alternative congestion management procedures ⁵ Status: Not Started.	4 th Q, 2008	BPS ⁶
e) Determine any needed NAESB action in support of the Interchange Distribution Calculator (IDC) and develop any necessary standards. Status: Not Started.	4 th Q, 2008	BPS



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2 Develop business practice standards in support of the FERC RM05-25-000 and RM05-17-000 (OATT Reform)		
a) Develop version 2 business practice standards to better coordinate the use of the transmission system among neighboring transmission providers. Such business practice standards would be based on recommendations from NERC's Long Term ATC/AFC Task Force and would involve revised procedures for the ATC calculation and/or revised protocols as determined by the final order.		
Status: Underway using joint standards development process with NERC. Request R050004 was expanded to include the Order No. 890 (Docket Nos. RM05-25-000 and RM05-17-000) and Order No. 890-A (Docket Nos. RM05-17-001, 002 and RM05-25-001, 002) , "Preventing Undue Discrimination and Preference in Transmission Services", issued April 11, 2007).		
i) Group 1: Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority		
1. Conditional Firm, Annotations For ATC; Load Forecast And Actual Load; Re-Bid Of Partial Service; And Preconfirmation Priority S&CP Requirements Status: Completed	4 th Q, 2007	ESS/ITS
2. Conditional Firm Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Not Started	3 rd Q, 2008	ESS/ITS
3. Annotations For ATC Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed	1 st Q, 2008	BPS, ESS/ITS
4. Load Forecast And Actual Load Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Complete	1 st Q, 2008	BPS, ESS/ITS
5. Re-Bid Of Partial Service Business Practice Standards on a Single Transmission Provider's System associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed	1 st Q, 2008	ESS/ITS
6. Preconfirmation Priority Business Practice Standards associated with S&CP Requirements completed in 2(a)(i)(1) Status: Completed	1 st Q, 2008	ESS/ITS
7. OASIS Exemptions Appendix Status: Completed	4 th Q, 2007	ESS/ITS



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ii)	Group 2: Metrics; Redispatch Cost Posting		
	1. Metrics Related to Provision of Transmission Service (Paragraph 413 of Order 890) Status: Completed	1 st Q, 2008	ESS/ITS
	2. Metrics Related to Performance of Transmission Studies (Paragraphs 1308 through 1317 of Order 890) Status: Completed	1 st Q, 2008	ESS/ITS
	3. Redispatch Cost Posting <ul style="list-style-type: none"> • Monthly average cost of redispatch • A high and low redispatch for the month Status: Completed	1 st Q, 2008	ESS/ITS
iii)	Group 3: Network Service On OASIS		
	1. Use of OASIS to Make Electronic Requests to Designate and Terminate Network Resource Status: Underway	3 rd Q, 2008	ESS/ITS
	2. Ability to Query Requests to Designate and Terminate Network Resources and Allow for Queries of All Information Provided with Designation Requests Status: Underway	3 rd Q, 2008	ESS/ITS
	3. Masking of Designated Network Resource Operating Restrictions and Generating Cost Information Status: Underway	3 rd Q, 2008	ESS/ITS
	4. Procedural Requirements for Submitting Designations over new OASIS Functionality Status: Underway	3 rd Q, 2008	ESS/ITS
	5. Specify How Designated Network Service Informational Postings are Posted on OASIS Status: Underway	3 rd Q, 2008	ESS/ITS
	6. Set Forth the Treatment of OASIS Requests when the Customer Fails to Provide the Necessary Attestation Status: Underway	3 rd Q, 2008	ESS/ITS



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	Item Description	Completion ¹	Assignment ²
	7. Procedural Requirements for Submitting Both Temporary and Indefinite Terminations of Network Resources Status: Underway	3 rd Q, 2008	ESS/ITS
	8. Procedures for Submitting and Processing Requests for Concomitant Evaluations of Transmission Requests and Temporary Terminations Status: Underway	3 rd Q, 2008	ESS/ITS
iv)	Group 4: Pre-Emption; Request No. R05019; and Revisions to Standard 9.7		
	1. Pre-Emption Status: Not Started	3 rd Q, 2008	ESS/ITS
	2. Request No. R05019 Status: Not Started	3 rd Q, 2008	ESS/ITS
	3. Revisions to Standard 9.7 Status: Not Started	2 nd Q, 2008	ESS/ITS
v)	Group 5: Paragraph 1377		
	1. Paragraph 1377 Status: Not Started	4 th Q, 2008	ESS/ITS
	2. Re-Bid Of Partial Service across Multiple Transmission Providers' Systems Status: Not Started	4 th Q, 2008	ESS/ITS
vi)	Group 6: Miscellaneous (Paragraphs 1390 and 1627 of Order 890)		
	1. Paragraph 1390 of Order 890 Status: Not Started	3 rd Q, 2008	ESS/ITS
	2. Paragraphs 1627 of Order 890 Status: Not Started	3 rd Q, 2008	ESS/ITS
	3. Redispatch Cost Posting to allow for posting of third party offers of planning redispatch services. Status: Not Started	3 rd Q, 2008	ESS/ITS



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Item Description	Completion ¹	Assignment ²
4. Posting of Existing Transmission Commitments (ETC) (moved from Group 1) Status: Not Started	2 nd Q, 2008	ESS/ITS
vii) Group 7: Tagging for Conditional Firm Service		
1. Tagging for Conditional Firm Service Status: Underway	2 nd Q, 2008	ESS/ITS
b) Develop the needed business practices as companion to the NERC standards for ATC related efforts. ⁷		
i) Develop standards to support existing Request No. R05004 . Status: Underway	4 th Q, 2008	BPS, ESS/ITS
ii) Develop Business Practice Standards for Existing Transmission Commitments (ETC)		
1. Develop the Business Practice Standards complementary to NERC Reliability Standards for Existing Transmission Commitments (ETC) to create a “consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses”, including the elements of ETC for full implementation of the NERC MOD-001 reliability standard. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Not Started.	June 1, 2008	BPS, ESS/ITS
2. Business practice standards for accounting for counterflows. These standards will be included in the ATC business practice standards. The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development. Status: Underway	June 1, 2008	BPS, ESS/ITS



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	Item Description	Completion ¹	Assignment ²
iii)	Capacity Benefit Margin (CBM) Business Practices		
	<p>1. Determine if business practice standards are needed, and if so, develop them to set forth “how the CBM value shall be determined, allocated across transmission paths, and used” and how transmission providers will “reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service.”</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway.</p>	June 1, 2008	BPS, ESS/ITS
	<p>2. Business practice standards that include an OASIS mechanism to “allow for auditing of CBM usage.”</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway.</p>	June 1, 2008	BPS, ESS/ITS
	<p>3. Any additional business practice standards needed to complement the NERC CBM reliability standards (MOD004) created as a result of this effort.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway</p>	June 1, 2008	BPS, ESS/ITS
iv)	Transmission Reliability Margin Business Practices:		
	<p>1. Transmission Reliability Margin (TRM): Business Practice Standards to complement the NERC reliability standards for TRM.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway</p>	June 1, 2008	BPS, ESS/ITS
	<p>2. The business practice standards will include specification of the appropriate uses of TRM and when transmission providers may set aside TRM.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development</p> <p>Status: Underway</p>	June 1, 2008	BPS, ESS/ITS



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<p>3. Any additional business practice standards needed to complement the NERC TRM reliability standards (MOD008) created as a result of this effort.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway</p>	June 1, 2008	BPS, ESS/ITS
<p>v) Business Practice Standards for ATC and AFC Calculation Methodologies to complement the NERC reliability standards created for ATC and AFC Methodologies (NERC MOD001 (Available Transfer Capability); NERC MOD028 (Network Response Available Transfer Capability); NERC MOD029 (Rated System Path Available Transfer Capability); and NERC MOD030 (Flowgate Network Response Available Transfer Capability)):</p>		
<p>1. Business practice standards to address the frequency and posting requirements for all ATC components that are complementary to the related NERC reliability standards.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway.</p>	June 1, 2008	BPS/ESS/ITS
<p>2. Business practice standards for data exchange for ATC modeling complementary to the related NERC reliability standards including any OASIS posting requirements to achieve the data exchange.</p> <p>The business practices developed to address this item will require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed. (The NAESB subcommittees have determined the data exchange requirements have already been documented in the NERC standards, so no further action is required by NAESB. Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if additional action by NAESB is needed.)</p>	1 st Q, 2008	BPS/ESS/ITS
<p>3. Business practice standards that will set forth how transmission providers will post “explanations of the reason for a change in monthly and yearly ATC values on a constrained path.” The standards will include a requirement that that the transmission provider posts the reason for the change in a narrative form. The posted information will include “the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network).”</p> <p>The business practices developed to address this item will <u>not</u> require to coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Completed</p>	1 Q, 2008	BPS/ESS/ITS



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	<p>4. Business practice standards for posting on OASIS of the “underlying load forecast assumptions for all ATC calculations”.</p> <p>The business practices developed to address this item will <u>not</u> require to coordination with the NERC Order 890 reliability standards development</p> <p>Status: Complete</p>	1 st Q, 2008	BPS/ESS/ITS
	<p>5. Business practice standards for posting on OASIS of the “actual daily peak load for the prior day.”</p> <p>The business practices developed to address this item will <u>not</u> require to coordination with the NERC Order 890 reliability standards development</p> <p>Status: Complete</p>	1 st Q, 2008	BPS/ESS/ITS
vi)	<p>Business practice standards to complement NERC reliability standards for Transfer Capability in response to new NERC Supplemental SAR: Revisions to Existing Standards MOD001-MOD009, FAC12-13</p> <p>This item was added as a result of the Supplemental SAR NERC created in case additional business practices are needed as a result of the work on this SAR by NERC. It does not have a cite in Order 890. This item will require coordination with the NERC Order 890 reliability standards development.</p> <p>Status: Underway</p>	June 1, 2008	BPS, ESS/ITS
vii)	<p>Business practice standards to set forth the procedure for input on TTC and ATC methodologies and values. (During the Order 890 NERC and NAESB joint standards development effort, it was determined that the standards contained in MOD003 should be business practice standards instead of reliability standards. NERC has requested that NAESB adopt the standards as business practices via correspondence to Ms. McQuade, NAESB President.)</p> <p>This item will require coordination with the NERC Order 890 reliability standards development because the language to address this item is contained within a draft standards that addresses items that are dependent on NERC deliverables, i.e., the requirements to create an “ATC Information Link” on OASIS. There is no Order 890 cite for this item.</p> <p>Status: Completed. (Please note that when the related NERC reliability standards are adopted, the subcommittee leadership will review to determine if modifications to these standards are needed.)</p>	1 st Q, 2008	BPS, ESS/ITS
c)	<p>Develop version 1 business practice standards to support transparency reporting and related functions that may be required as a result of the final order.</p> <p>Status: Not Started.</p>	June 1, 2008	BPS, ESS/ITS



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	Item Description	Completion ¹	Assignment ²
3	Develop business practices standards to improve the current operation of the wholesale electric market and develop and maintain business practice and communication standards for OASIS and Electronic Scheduling		
a)	Develop and/or maintain business practice standards as needed for OASIS and electronic scheduling. Specific items to address include:		
i)	Develop OASIS S&CP changes to support OASIS business practices. Status: Dependent on development of OASIS business practices.	Ongoing	ESS/ITS
ii)	Network Services: Determine and develop needed business practice standards or other support is needed to support use of OASIS for Network Service transactions (R04006E). (Related to AP 2(a)(iii)) Status: Underway.	2 nd Q, 2008	ESS/ITS
iii)	Registry (TSIN): Determine and develop needed business practice standards to support the registry functions currently supported by NERC (R04037). Status: Underway.		
	1) Work with the NAESB counsel to develop a confidentiality agreement	4 th Q 2008	JISWG
	2) Transition the TSIN Registry from NERC to NAESB.	4 th Q 2008	JISWG
	3) Review and correct the Coordinate interchange Business Practice Standard as noted during the development of the e-Tag 1.8 development process.	4 th Q 2008	JISWG
v)	Document procedures used to implement the displacement/interruption terms of the Pro Forma tariff (R05019). Status: Not Started.(Related to request R05004)	4 th Q, 2008	ESS/ITS
vi)	Make incremental enhancements to OASIS as an outgrowth of the NAESB March 29, 2005 conference on the future of OASIS (R05026). Status: Underway. Scoping statement completed by SRS and assignments made to BPS and ESS/ITS.	2008 as determined	BPS, ESS/ITS
vii)	Respond to issues in FERC Order No. 676 (Docket No. RM05-5-000) – NAESB WEQ Standards 001 9.7, (paragraph 51 of the order). Status: Underway. Assigned to group 4, reference 2007 WEQ AP item 2(a)(iv)(3)	2 nd Q, 2008	ESS/ITS



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b) Develop and/or maintain standard communication protocols and cyber-security business practices as needed.		
i) Address the surety assessment findings on NAESB PKI standards. Status: Complete, will be provided as a response to the U.S. DoE upon completion by the WGQ for their response to the findings.	1 st Q, 2008	JISWG
ii) Develop PKI standards for OASIS. Status: Not Started.	3 rd Q, 2008	ESS/ITS
iii) Develop PKI Standards for e-tagging. Status: Underway. eTagging items are linked to the transition of the Registry from NERC to NAESB.	2008	JISWG
iv) Develop enhanced Electric Industry Registry (EIR), (R06027) Status: Underway. . The transition of the Registry from NERC to NAESB as part of this request should take place by yearend 2008.	2008	JISWG
c) Develop needed business practice standards for organization/company codes for NAESB standards – and address current issues on the use of DUNs numbers. Status: Underway. Common code usage is linked to the transition of the Registry from NERC to NAESB.	2008	NAESB Staff with WEQ support
4 Review and develop business practices standards to support e-Tariff program		
Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. (Docket No RM05-1-000) Status: Underway. Completed	1 st Q 2008	Joint WEQ/WGQ e-Tariff Subcommittee
5 Review and develop business practices standards to Demand Response, Demand Side Management and Energy Efficiency Programs		
Review and develop needed model business practices for a standardized method for quantifying benefits, savings, cost avoidance and/or the reduction in energy demand and usage derived from the implementation of demand side management and energy efficiency programs. This effort will include demand side response, energy efficiency programs and metering, including the 'curtailment service provider' program.		
a) Develop matrix and business practice standards for measurement and verification for demand response programs in ISO/RTO footprint areas. Status: Underway	3 rd Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee



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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan Adopted by the Board of Directors on December 13, 2007

Revised by the Board of Directors on March 28, 2008

Item Description	Completion ¹	Assignment ²
b) Develop matrix and business practice standards for measurement and verification for demand response programs in non-ISO/RTO footprint areas. Status: Underway.	3 rd Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
c) Develop preamble for business practice standards for measurement and verification for demand response and energy efficiency programs. Status: Underway	4 th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
d) Develop glossary for business practice standards Status: Underway	4 th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
e) Support retail development of matrix and model business practice standards for measurement and verification for demand response programs Status: Underway	4 th Q, 2008	Joint WEQ/Retail DSM-EE Subcommittee
f) Develop business practice standards to measure and verify energy reductions that are made to comply with a Renewable Portfolio Standard that included energy efficiency or a stand-alone Energy Efficiency Portfolio Standard. Status: Not Started	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
g) Develop business practice standards to factor Demand Control and Energy Efficiency programs into reliability / supply decisions at the wholesale level for generation and transmission planning and operations. Status: Not Started.	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
h) Develop business practice standards for cap and trade programs for green house gas Status: Not Started.	Phase 2	Joint WEQ/Retail DSM-EE Subcommittee
6 Maintain existing body of Version 1 standards		
a) Review/revise WEQ 006 to remove/revise mandatory requirements for Interconnection Time Monitor (R07019) Status: Not Started.	TBD	BPS
b) Develop a NAESB time and inadvertent management business practice that provides additional inadvertent payback options and improved time control (R07020) Status: Not Started.	TBD	BPS



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NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WEQ Annual Plan Adopted by the Board of Directors on December 13, 2007

Revised by the Board of Directors on March 28, 2008

Item Description	Completion ¹	Assignment ²
c) Make consistency changes to Version 1.0 standards as directed by the WEQ Leadership Committee on December 12, 2007 (R08001 – BPS, ESS/ITS, R08002 – ESS/ITS, R08003 – ESS/ITS – BPS, R08004, R08005 – ESS/ITS) Status: Not Started.	TBD	BPS, ESS/ITS

PROVISIONAL ITEMS

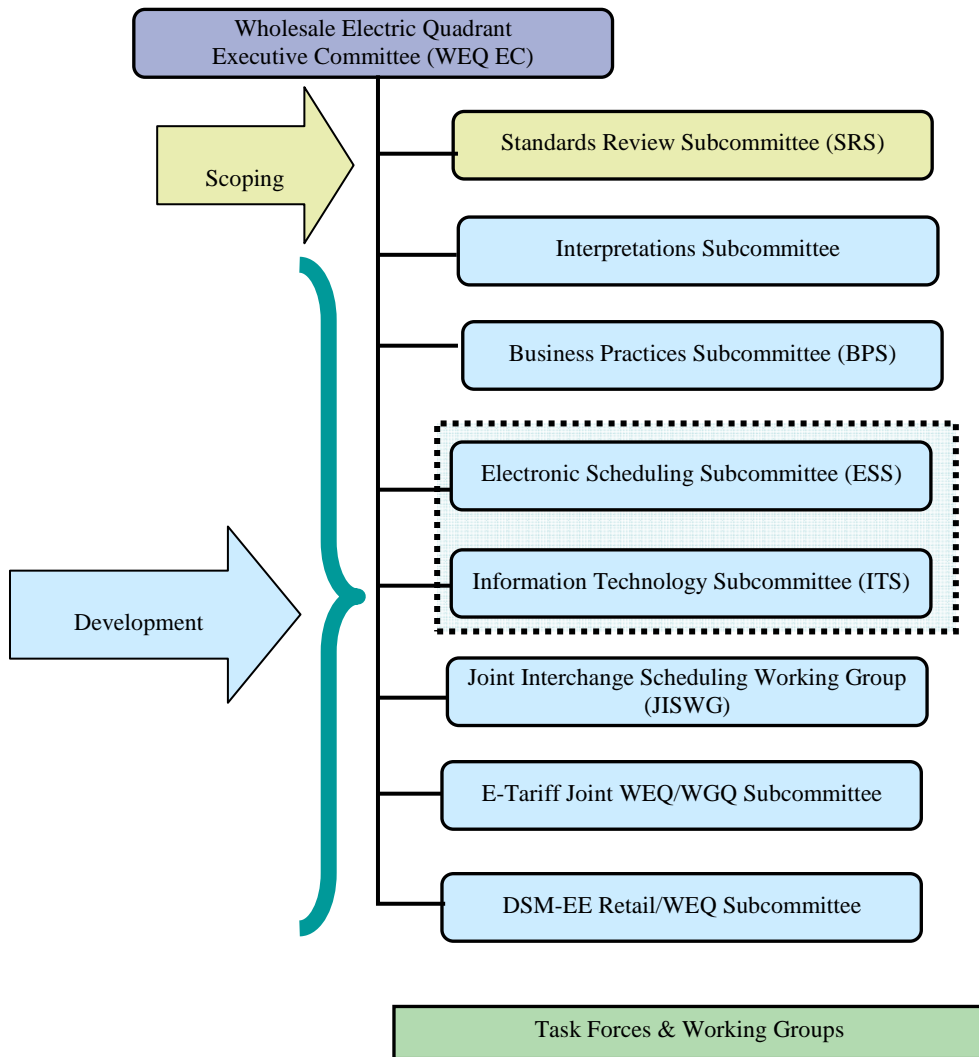
- 1 Develop and or modify business practices related to support of NERC effort on the NERC Resources and Transmission Adequacy and Inadvertent Interchange Data Standards BAL-006 revisions.

Status: In review of the NERC development effort, [Balancing Authority Controls \(Project 2007-05\)](#), with Mr. Akens (TVA, NERC Drafting Team Leader) and Mr. Rodriguez (NERC Manager, Business Practice Coordination), it was determined that no changes would be required to NAESB standards. As such, NAESB leadership is not at this time determining if any development would be undertaken, which would then initiate a joint development effort. A [letter](#) to this effect was sent to NERC management. This assessment may however change as the NERC drafting team proceeds further in its development, so the provisional item remains on the 2008 WEQ Annual Plan.
- 2 Develop business practice standards as requested by the regional and state advisory groups.
- 3 Develop business practice standards as related to the Effectiveness Study of Competitive Wholesale Markets (Congressional Mandate), Electric Energy Market Competition Task Force, Docket No. [AD05-17-000](#), issued by the FERC on October 13, 2005.
- 4 Develop and/or maintain business practice standards to support gas-electric interdependencies
 - Respond to requests as received that are related to Docket No. RM05-28-000.
 - Respond directives related to the conclusions of the NAESB reports submitted in FERC Order No. 698, Docket Nos. RM05-5-001 and RM96-1-027.
- 5 Review Market System Back-Up existing language and review of existing back-up language
- 6 Review and Evaluation of whether to cutoff or put a size limit on the entities for which the standards apply
- 7 Develop business practices for allocating capacity among requests received during a submittal window Order 890-A ([Docket Nos. RM05-17-001, 002 and RM05-25-001, 002](#) - Paragraph 805).



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NAESB WEQ EC and Subcommittee Leadership:

- Executive Committee: Kathy York (WEQ EC Chair) and Clay Norris (WEQ EC Vice Chair)
- Standards Review Subcommittee: Narinder Saini, Ed Skiba
- Interpretations Subcommittee: Robert Schwermann
- Business Practices Subcommittee & Task Forces: Jim Busbin (TLR), Ed Skiba, , J.T. Wood
- Electronic Scheduling Subcommittee/Information Technology Subcommittee & Task Forces: Paul Sorenson, J.T. Wood, Marcie Otondo
- Joint Interchange Scheduling Working Group (JISWG): Bob Harshbarger (NAESB), Jim Hansen (NERC)
- e-Tariff Joint WEQ/WGQ Subcommittee (e-Tariff): Jane Daly (WEQ), Keith Sappenfield (WGQ)
- DSM-EE Joint Retail/WEQ Subcommittee: Ruth Kiselewich and David Koogler (Retail), Roy True and Paul Wattles (WEQ)



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End Notes WEQ 2008 Annual Plan:

¹ 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 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.

² The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

³ For additional information, please see: http://www.naesb.org/pdf3/weq_bps100407w4.ppt for Phase II changes and http://www.naesb.org/pdf2/weq_bps070907w4.doc for Phase III changes.

⁴ [Joint Development Procedure](#) is to be used by the NERC TLR Drafting Team and NAESB BPS.

⁵ For additional information, please see comments submitted by PJM and MISO for this Annual Plan Item: http://www.naesb.org/pdf3/weq_aplan102907w1.pdf.

⁶ Joint Development Procedure is to be used by the NERC TLR Drafting Team and NAESB BPS.

⁷ The June 1, 2008 dates included in this Annual Plan Item are assigned as a result of FERC extending deadlines to both NERC and NAESB on ATC related Order No. 890 items.

NAESB Bulletin



[2008 Retail Annual Plan](#)
[2008 WEQ Annual Plan](#)
[2008 WGQ Annual Plan](#)

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2008 Calendar :

March 2008

03/03 - WEQ ESS/ITS Conf. Call
 03/05 - Joint NERC/NAESB ATC/AFC Conf. Call
 03/05 - NAESB Monthly Update Conf. Call
 03/06 - WEQ SRS Conf. Call
 03/10-13 - WEQ ESS/ITS/BPS Meeting (Phoenix, AZ)
 03/12-13 - WGQ BPS Order 698 Meeting
 (Colorado Springs, CO)
 03/17 - WEQ ESS/ITS Conf. Call
 03/19-20 - WEQ JISWG Meeting (Houston, TX)
 03/21 - Holiday - Good Friday (NAESB Closed)
 03/24 - WEQ ESS/ITS Conf. Call
 03/25-26 - WGQ Technical Meeting (Houston, TX)
 03/25 - Retail BPS Conf. Call
 03/26 - WGQ IR Meeting (Houston, TX)
 03/26 - WEQ Leadership Meeting (Houston, TX)
 03/26 - Retail Leadership Meeting (Houston, TX)
 03/26 - NAESB Board Reception/Dinner (Houston, TX)
 03/27 - NAESB Board Resources Meeting (Houston, TX)
 03/27 - NAESB Board of Directors Meeting (Houston, TX)
 03/28 - Demand Side Management/Energy Efficiency
 (DSM/EE) Meeting (Houston, TX)
 03/28 - WEQ ESS/ITS/BPS Conf. Call
 03/31 - WEQ ESS/ITS/BPS Conf. Call

April 2008

04/01-02 - Joint NAESB WEQ BPS/NERC TLR Meeting
 (Carmel, IN)
 04/03-04 - WEQ ESS/ITS Conf. Call
 04/15 - WGQ Technical Meeting (Richmond, VA)
 04/15 - WEQ ESS/ITS Meeting (Charlotte, NC)
 04/16-17 - WGQ IR Meeting (Richmond, VA)
 04/16-17 - WEQ ESS/ITS/BPS Meeting (Charlotte, NC)
 04/22-23 - WGQ BPS Order 698 Meeting (Washington, DC)
 04/23 - WEQ SRS Conf. Call
 04/29 - WEQ ESS/ITS Conf. Call
 04/30 - WEQ ESS/ITS PBS Conf. Call

May 2008

05/01 - WEQ ESS/ITS/BPS Conf. Call
 05/07 - WEQ ESS/ITS Conf. Call
 05/12-13 - WEQ Executive Committee Meeting
 (Washington, DC)
 05/12-13 - Retail BPS Meeting (Washington, DC)
 05/14 - Retail Executive Committee Meeting
 (Washington, DC)
 05/14 - WGQ IR Meeting (Washington, DC)
 05/14-16 - WEQ ESS/ITS/BPS Meeting (Washington, DC)
 05/15 - WGQ Executive Committee Meeting (Washington, DC)
 05/16 - WGQ Technical Meeting (Washington, DC)
 05/21-22 - WEQ JISWG Meeting (San Diego, CA)
 05/21-22 - WEQ ESS/ITS/BPS Conf. Call
 05/21 - NAESB Monthly Update Conf. Call
 05/26 - Holiday - Memorial Day (NAESB Closed)
 05/27 - WEQ ESS/ITS Conf. Call
 05/28-29 - WEQ ESS/ITS/BPS Conf. Call
 05/30 - Demand Side Management/Energy Efficiency
 (DSM/EE) Meeting (Holyoke, MA)

March - May 2008

Volume 1, Issue 3

STANDARDS DEVELOPMENT

eTariff (WEQ and WGQ): The initial meeting was held on February 1, 2007 at the FERC, opened by Chairman Kelliher. Proposals from INGAA, EEI, AOPL and Texas Intrastate Association were given, along with a review by FERC staff of requirements to be met for an e-Tariff program. Since that initial meeting, we have held 26 days of meetings throughout the year, including meetings to address technical issues for XML schemas and telecommunication protocols. The eTariff recommendation for standards and implementation guide completed the industry comment and the WGQ EC and WEQ EC considered comments filed (due date was February 27) and made modifications to the recommended standards at the meeting held on February 29 in Houston. The vote on the standards has completed and was passed by both quadrants. The standards include five definitions, two business practice standards, and a technical implementation guide – all of which are considered NAESB standards. The implementation guide includes instructions on how to electronically submit an eTariff XML filing package for a new, or modified existing or withdrawn/cancelled tariff, rate schedule or service agreement. The standards support a sheet based, section-based or whole document format for filing. The standards will now be processed through membership ratification and after ratification, will be filed with the FERC. [[Recommendation](#), [Implementation Guide](#), [Chairs' Comments](#)]

Gas Quality: The WGQ Executive Committee has acted on Request No. R06008 - gas quality standard changes to provide reporting of additional information on a more frequent basis and in formats that permitted analysis. Two standards failed via a segment block. The single segment failed standards addressed provisions for Wobbe Numbers or other alternative methods for interchangeability, and downloading of data in single files for the past 3 months. The [ratification of the three standards](#) completed in late 2007. On November 15, the

FERC requested that NAESB undertake additional changes to the gas quality standards, which will be addressed by the Board and EC at its upcoming meetings. The FERC asked NAESB to develop a uniform set of standards regarding the posting of rapidly changing gas quality information. [[Summary of Gas Quality Standards for R06008](#), [FERC Order Establishing Hearing, Docket No. RP07-504-000](#)]

DSM-EE Activities (Retail and WEQ): The scope of the first phase of standards development is measurement and verification quantity-based standards as related to demand response programs. Work is underway on identifying the M&V aspects of various DR programs administered in the wholesale market and in the retail market. A preamble and glossary are also being developed. The next meeting is March 28 in Houston, where the work done to date on the matrices, glossary and preamble will be reviewed and guidance given for the continuance of these efforts. The wholesale matrix should near completion and be presented at the March 28 meeting. [[Wholesale Market DR Programs Matrix](#) and [Work Plan](#), [Retail Market DR Programs Matrix](#) and [Work Plan](#)]

Gas Contracts (WGQ): The NAESB Wholesale Gas Interpretations Subcommittee has prepared an interpretation regarding the use of the NAESB base contract as a forward contract or swap agreement. The interpretation is out for formal comment and after WGQ EC vote and member ratification, will be part of the standards for version 1.9 of the WGQ standards. The interpretation is being cited in several amicus briefs in front of the U.S. Court of Appeals for the 4th Circuit regarding a decision of the U.S. Bankruptcy Court in the applicability of safe harbors in *Hutson v. Smithfield Packing Co.* (*In re National Gas Distributors, LLC*). [[Request for Interpretation](#), [Background Documents](#), [Recommended Interpretation](#)]

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Click on any underlined text and you can access more detailed reports.

STANDARDS DEVELOPMENT *(continued)***Welcome New Members:**

Arizona Public Service Company - Contacts: Tom Carlson, Kelly Daly
(Wholesale Gas Quadrant, End User Segment)

Bentek Energy, LLC - Contact: E. Russell Braziel
(Wholesale Gas Quadrant, Services Segment)

British Columbia Transmission Corporation - Contact: Janet Fraser
(Wholesale Electric Quadrant, Transmission Segment, Fed/State/Prov. Sub segment)

EnergySouth Midstream, Inc. - Contact: Russell Murrell
(Wholesale Gas Quadrant, Services Segment)

Foothills Energy Ventures, LLC - Contact: Marty Patterson
(Wholesale Gas Quadrant, Producer Segment)

OGE Energy Resources, Inc. - Contact: Cary Metz
(Wholesale Gas Quadrant, Services Segment)

Santee Cooper - Contact: Tom Abrams
(Wholesale Electric Quadrant, Transmission Segment, Fed/State/Prov. Sub segment)

Vectren Retail, LLC - Contact: Tami Wilson
(Retail Gas Quadrant, Supplier Segment)

NAESB Membership Total 335

Membership by quadrant is:

130 Wholesale Gas Quadrant

26 Retail Electric Quadrant

24 Retail Gas Quadrant

155 Wholesale Electric Quadrant

Net Membership Growth from 2007: 2 new members

CALENDAR OF ACTION ITEMS

WGQ Request for Comments on Recommendation for Interpretation C07003 - In the NAESB Base Contract for Sales and Purchase of Natural Gas, NAESB WGQ Standards No. 6.3.1, dated April 19, 2002 ("NAESB Base Contract"), are physical deliveries of natural gas made there under intended by NAESB to be subject to avoidance and potential unwinding pursuant to the fraudulent transfer provisions of Title 11 of the United States Code (the "Bankruptcy Code"), or did NAESB intend transactions under the NAESB Base Contract to constitute a "forward agreement," and a "swap agreement" (as those terms are used in the Bankruptcy Code), thus exempting transfers under the NAESB Base Contract from avoidance and unwinding under the Bankruptcy Code - [Due March 7, 2008](#).

WGQ Request for Comments on Recommendation for Interpretation C07002 - Request for Interpretation to clarify that on a Transportation Service Provider's (TSP) Informational Postings web site downloads of information can be in HTML or RTF format - [Due March 7, 2008](#).

WEQ Membership Ratification for WEQ 2008 Annual Plan Item 2(i)7 - OASIS Exemptions Appendix C - [Due March 13, 2008](#).

WEQ Request for Comments on WEQ 2008 Annual Plan Items 2.a.i.5, 2.a.i.6, and 2.a.ii.1-3:WEQ-001 changes for Rebid of Partial Service, Preconfirmation Priority, and Group 2: Metrics; Redispatch Cost Posting - [Due March 21, 2008](#).

WEQ ESS/ITS Informal Request for Comments to address Order 890 concerning the Recommendation for Rollover Rights on Redirect on a Firm Basis - [Due March 25, 2008](#).

Order 698 - Gas-Electric Interdependency: The FERC issued FERC Order No. 698, which adopted the gas-electric communication standards and highlighted areas for possible standards development: price indexing, redirects and changes to intraday nomination schedules. A proposal for redirects has been approved by the subcommittee and several proposals for price indexing have been reviewed, resulting in the drafting of several standards with others still under consideration. Most recently, a conference call was held on February 21 to review additional standards for price indexing, which is expected to complete in March – and a meeting was held on February 26-27 to review proposals on intraday timelines. The intraday timelines effort is proceeding more slowly, with several proposals under consideration. We have received a number of comments that indicate strong support for a bumpable intraday nomination period that is more closely aligned with the electric market clearing times. Comments in support of adding an additional bumpable period were received from Arizona Corporation Commission, Arizona Electric Power Corporation, Buckeye Power, Delaware Municipal Electric Corporation, El Paso Electric Company, Honeywell International, Kansas Corporation Commission, KeySpan/National Grid, Missouri Public Service Commission, New York Independent System Operator, North Carolina Electric Membership Corporation, Old Dominion Electric Cooperative, Phelps Dodge, Salt River Project, Southwest Power Pool, Tucson Electric Power Company, Unisource Energy Services. The next meeting is scheduled for March 12-13 in Colorado Springs, where work will continue on price indexing and intraday nomination deadlines. [[Order 698 Summary](#)]

Order 890 and OATT Reform (WEQ): NAESB WEQ Subcommittees are working diligently to meet FERC deadlines. NAESB is to file ATC related standards no later than August 7, 2008. The ATC/TTC recommendations related to ATC/TTC narratives is out for industry comments and the standards related to related to load forecasts and peak loads is underway with the comment period to begin in mid-March. Neither of these efforts require joint development with NERC. NAESB is on schedule with other development tasks – both for ATC/TTC and for electronic scheduling related tasks, and we have taken steps via our last Executive Committee meeting to prioritize this work to ensure the deadlines are met. [[Order 890 Work Plan](#), [NAESB Development Process](#)]

NAESB Primers and Training Courses:

April 23-24, 2008 - WGQ Contracts Standards and Models Course [[Registration Form](#), [Course Flier](#)]

June 11-12, 2008 - WGQ Contracts Standards and Models Course

October 8-9, 2008 - WGQ Business Practice Standards Updates and Changes, Version 1.8

November 12-13, 2008 - WGQ Contracts Standards and Models Course

Additional training courses will be added for 2008. Please monitor the [NAESB Primers and Training Courses](#) web page for scheduling of additional courses.



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NAESB EXECUTIVE COMMITTEE MEETING MATERIALS REGULATORY UPDATE

REGULATORY UPDATES:

- [11-15-07 FERC Order](#) on Gas Quality, Docket No. RP07-504-000 – which requested that NAESB develop additional reporting standards, which is now added to the WGQ annual plan as of the March Board meeting.
- [12-20-07 FERC Order](#) 698-A – which denied requests for rehearing, and provided clarification of the final rule issued on July 16, 2007 that incorporated by reference standards dealing with coordination of scheduling between electric utilities and natural gas pipelines that were promulgated by the Wholesale Gas Quadrant (WGQ) and the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB), and provided policy guidance on issues relating to such coordination. Policy guidance was also provided to NAESB on issues relating to scheduling coordination and to the possible development of additional standards by NAESB.
- [4-15-08 eTariff](#) NAESB submittal: NAESB provided the record and standards developed for the eTariff program to the FERC.
- [4-17-08 FERC NOPR](#) on eTariff: The Commission provided a NOPR indicating its intent to adopt the NAESB standards for the eTariff program.