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RULES OF PROCEDURE

10 **I. Introduction**

11 The North American Energy Standards Board (NAESB), established in
12 January 2002, is the successor to the Gas Industry Standards Board.* NAESB
13 supports all four quadrants of the gas and electric industries—wholesale gas,
14 wholesale electricity, retail gas, and retail electricity—and recognizes the ongoing
15 convergence of the gas and electric businesses by ensuring that its standards
16 receive the input of all industry quadrants when appropriate.

17 NAESB is governed by its Board of Directors and officers. While government
18 agencies often provide guidance to NAESB by requesting that standards be
19 adopted, it is the industry itself that develops the standards the industry will
20 implement. This relationship between NAESB and government agencies
21 constitutes an effective public-private partnership that benefits both government
22 and industry.

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25 **II. Mission and Guiding Principles**

26 NAESB's certificate of incorporation states, "The objects and purposes of
27 NAESB are to propose and adopt voluntary standards and model business
28 practices designed to promote more competitive and efficient natural gas and
29 electric service, as such standards apply to electronic data interchange (EDI)
30 record formats and communications protocols and related business practices
31 that streamline the transactional processes of the natural gas and electric
32 industries."

33 The following principles guide NAESB's activities:

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

37 *Openness.* NAESB conducts its activities in the open. Openness applies to all
38 aspects of its governance, elections, and standards development procedures,
39 including work products and related meetings. Meetings, agendas, and items
40 set for discussion and/or vote are publicly noticed, and interested parties,

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

41 regardless of whether they are NAESB members, have the opportunity to
42 participate.

43 *Voluntary.* Participation in NAESB is voluntary and adherence to its
44 standards, from NAESB's perspective, is also voluntary. Membership in NAESB
45 is not dependent on whether a company implements NAESB standards, and
46 NAESB does not have an enforcement mechanism.

47 *Balance of Interests.* Voting with respect to guidance, standards, and
48 operating procedures provides for balance among industry quadrants and
49 segments so that no interest group or groups have undue influence over any
50 decision.

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

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

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

61 ~~Membership—Industry Driven.~~ NAESB is ~~membership—industry~~ driven.
62 Standards ~~are may be~~ proposed by ~~any interested party, identified persons and~~
63 ~~not by NAESB or its committees or subcommittees.~~ Staff members have neither
64 a vote nor a role with respect to conducting NAESB affairs other than to perform
65 administrative functions.

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

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

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

77 *ANSI Accreditation.* NAESB is an accredited American National Standards
78 Institute Standards Development Organization.

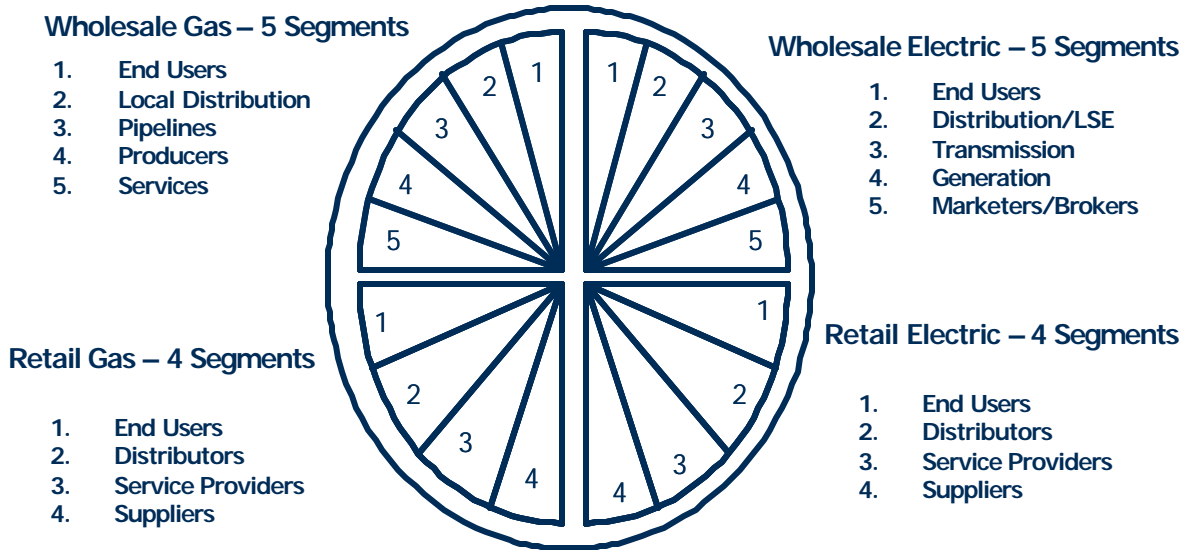
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81 **III. Description of the Organization**

82 NAESB is organized by quadrants and, within quadrants, by segments. Each
83 NAESB member belongs to one or more of the four quadrants: wholesale electric
84 (WEQ), wholesale gas (WGQ), retail electric (REQ), and retail gas (RGQ). Each
85 quadrant determines ~~the number and composition of its own~~ segments and how
86 many representatives it will have on the Board of Directors and Executive
87 Committee.

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93 A. Board of Directors

94 The Board of Directors meets en banc ~~throughout the year, four times each~~
95 ~~year~~. It determines and approves the annual budget of NAESB and its
96 quadrants, sets the overall strategic direction of the organization, approves each
97 quadrant's annual plan for standards development and maintenance, and
98 determines all governance issues.

99 ~~Currently, t~~The Board has a maximum of ninety-five members and includes
100 five members from each of the five segments of the WGQ, for a total of twenty-
101 five; four members from each of the four segments of the REQ, for a total of
102 sixteen; six members from each of the four segments of the RGQ, for a total of
103 twenty-four; and six members from each of the five segments of the WEQ, for a
104 total of thirty.

105 The proceedings of all Board meetings are transcribed. All decisions by the
106 Board are made en banc; at the Board level, the quadrants do not operate
107 separately. Each quadrant represented on the Board has 25 percent of the
108 decision-making authority, regardless of the actual number of Board members
109 that represent the quadrant. For all decisions other than on governance issues,
110 a simple majority of each quadrant is needed for passage. For approval of
111 governance issues, there must be a 70 percent affirmative vote from each of the
112 quadrants and a 40 percent affirmative vote from each of the segments within
113 the quadrants. All Board votes are recorded and posted.

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

- 116
- Must represent a segment and quadrant.
 - Should have a broad understanding of the segment he or she represents and sufficient authority to make decisions on behalf of his
- 117
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119 or her organization. For example, a director representing a corporate
120 member should be an officer of the corporation.

- 121 • Must have a working knowledge of NAESB Board processes.
- 122 • Must be willing to commit the time and resources necessary to fulfill
123 the obligations of a Board member and meet the minimum threshold
124 of participation and attendance established in the NAESB bylaws
125 [Section 9.7 (f)].

126 The Board of Directors currently has two standing committees; ~~including the~~
127 ~~Managing Committee and the~~ Parliamentary Committee. ~~and the Managing~~
128 ~~Committee, as well as~~In addition, the Board has responsibilities for the Joint
129 Interface Committee with NERC and the ISO-RTO Council. The Board may
130 create ad hoc committees as needed.

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133 B. Executive Committee

134 The Executive Committee (EC) has responsibility for ~~carrying~~
135 ~~out~~implementing the NAESB annual plan; directing standards development and
136 maintenance efforts and voting on standards development and maintenance;
137 and directing standards interpretation efforts and voting on such
138 interpretations.

139 Like the Board of Directors, ~~the~~ EC currently has a maximum of ninety-five
140 members and includes five members from each of the five segments of the WGQ,
141 for a total of twenty-five; four members from each of the four segments of the
142 REQ, for a total of sixteen; six members from each of the four segments of the
143 RGQ, for a total of twenty-four; and six members from each of the five segments
144 of the WEQ, for a total of thirty.

145 The EC approves and may modify recommendations from the Triage
146 Subcommittee on subcommittee assignments for standards development,
147 including the relative urgency of the work; approves and may modify standards
148 that have been recommended by the standards development subcommittees;
149 and monitors subcommittee progress on standards development.

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

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

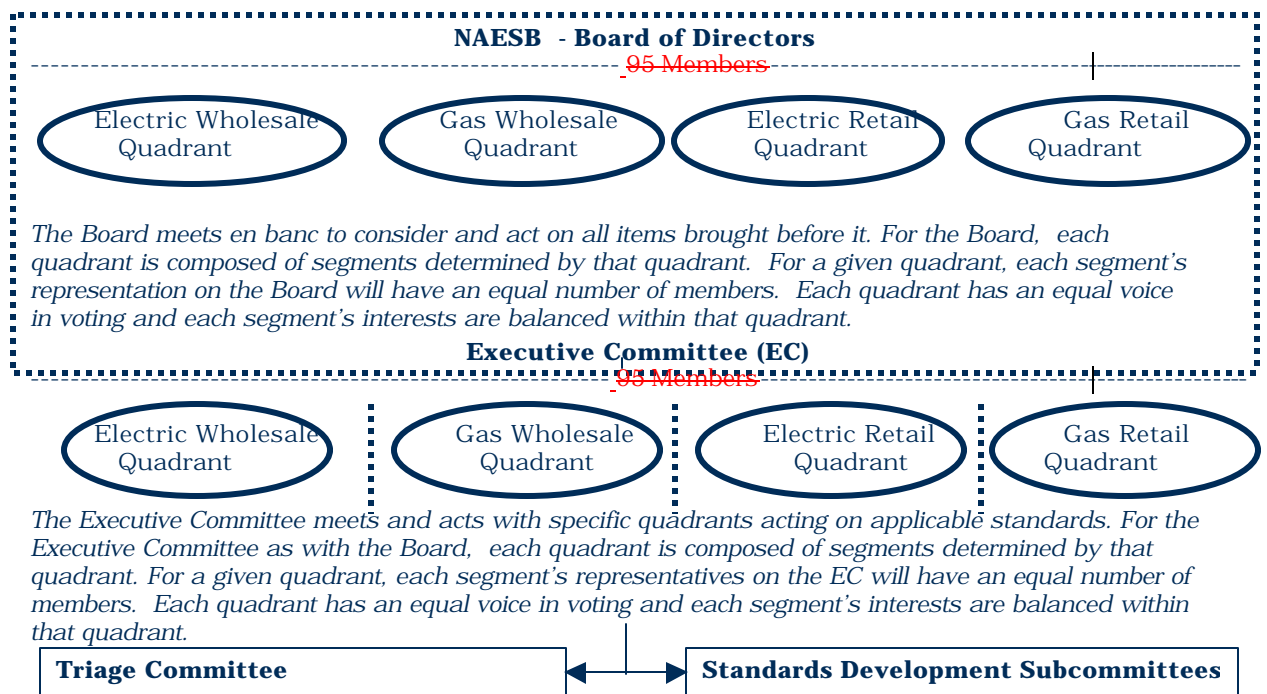
- 162 • Must represent a segment and quadrant.
- 163 • Should have a broad understanding of the segment he or she
164 represents and sufficient authority to make decisions on behalf of his
165 or her organization.

- 166 • Must have a working knowledge of NAESB standards development
167 processes.
- 168 • Must be willing to commit the time and resources necessary to fulfill
169 the obligations of an EC member and meet the minimum threshold of
170 participation and attendance established in the NAESB bylaws
171 [Section 9.7 (f)].

172 The EC has several standing subcommittees, including the Triage
173 Subcommittee and the Annual Plan Subcommittee, as well as several standards
174 development subcommittees and task forces. It may create ad hoc
175 subcommittees as needed.

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

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184 III. Standards Development Process

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

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

201 The standards development process is governed by the annual plan, and
202 items can be included in the plan or modified only with Board approval. The
203 plan typically reflects requests from NAESB members, government agencies, and
204 other interested parties. In approving the annual plan, the Board considers the
205 availability of resources, including the NAESB budget and staff and the
206 availability of industry volunteers. New requests received throughout the year
207 are either considered part of the existing annual plan or as new items that
208 require Board approval.

209 The standards development process begins with an annual plan item or a
210 triaged and approved request. Triage is a process used by each quadrant of the
211 EC to determine whether a request is within scope, which quadrant(s) it applies
212 to, which subcommittee(s) it should be referred to, and what priority it should be
213 assigned. Triage is carried out by EC members appointed by the EC chair. Triage
214 recommendations require EC approval and may also require Board approval if
215 there are scope questions or if a modification of the annual plan is required.

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

223 When the recommendation is complete, it is made available for a thirty-day
224 industry comment period. The recommendation and comments are then
225 forwarded to the EC, which considers the recommendation, makes any changes
226 it deems necessary, and takes a vote. As noted above, a recommendation must
227 receive an affirmative vote of at least 67 percent from each applicable EC
228 quadrant and 40 percent from each of the segments of the applicable
229 quadrant(s).

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

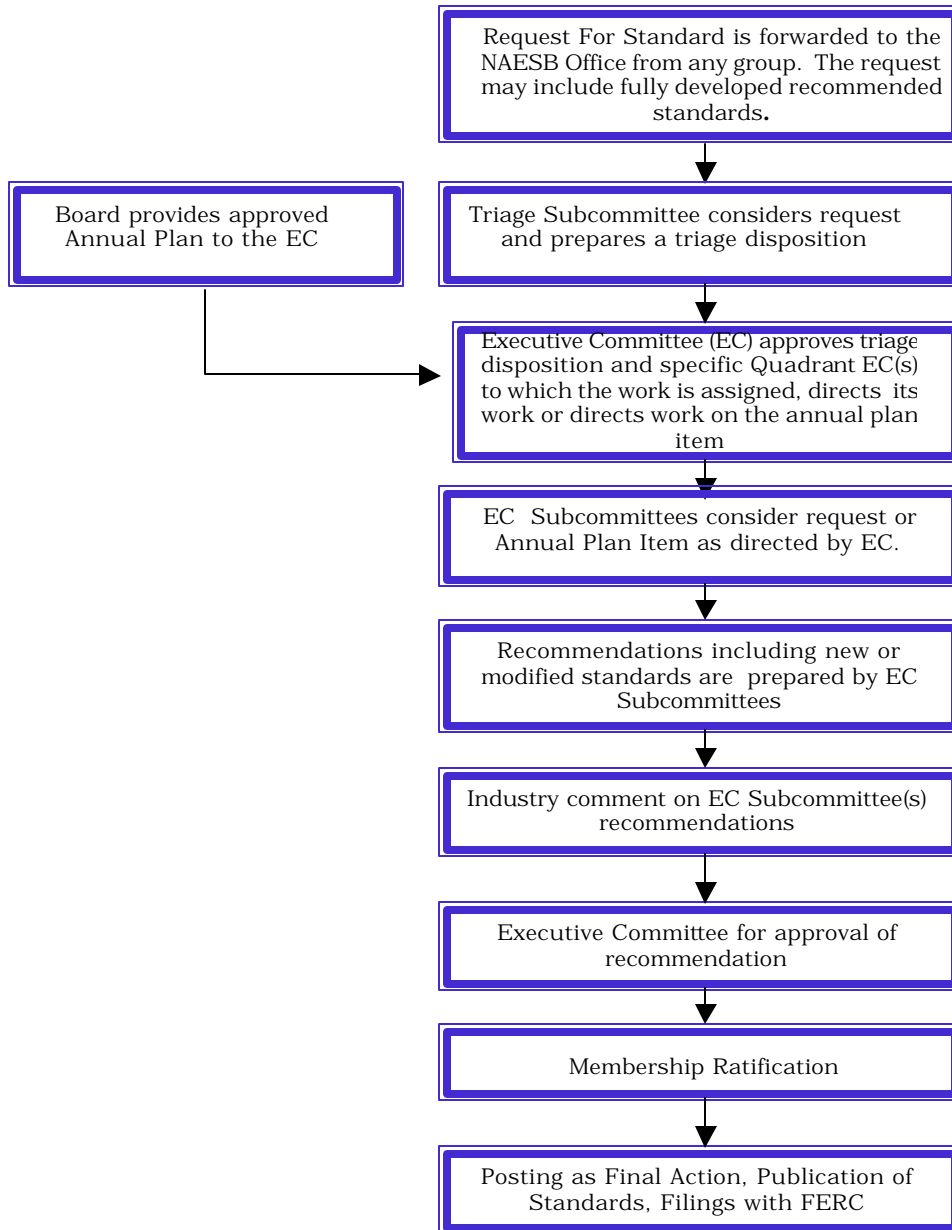
235 The foregoing process has been followed by the WGQ since 1994 and has
236 been used to develop more than five hundred standards that have been
237 incorporated by reference into federal regulations. The standards that apply to
238 electronic delivery mechanisms have been endorsed by several state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

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North American Energy Standards Board Standards Development Process Flow Chart



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282 A. Flexibility

283 NAESB recognizes that flexibility is necessary as standards are developed to
284 address regional concerns or to incorporate variances to accommodate
285 operational or structural differences. For example, as the WGQ drafted
286 standards for nomination and scheduling of transportation, it realized that there
287 were three models for transportation. Accordingly, the standards that address
288 these models have three parts, with each specifying the standard for each
289 model. This flexibility is also found in the associated information standards,
290 which note which data elements are needed for which model and whether these
291 data elements are required or optional.

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

297

298 B. Transparency

299 All NAESB meetings are open for attendance and participation by any
300 interested party, with the exception of executive sessions of the Board, ~~which
301 can only be called to discuss compensation or legal issues.~~ Meeting
302 announcements and agendas are posted in advance to permit the widest
303 possible participation. Conference-calling capability is available for all meetings.
304 Those intending to attend a meeting in person or by telephone are asked to
305 notify NAESB by a specific date to permit adequate meeting planning.

306 Transcripts are made of all Board of Directors, EC, and Joint Interface
307 Committee meetings, and may also be made of other meetings that are expected
308 to be controversial. Transcripts are maintained in the NAESB office and are
309 provided to regulatory agencies for their internal use. All other interested parties
310 can purchase transcripts from the relevant transcription service.

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IV. Operating Procedures of the North American Energy Standards Board

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

The procedures that follow are:

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

339 A. Executive Committee Subcommittees

340 The following are general procedures of NAESB EC subcommittees and are
341 intended to guide the operations of such subcommittee. Where the EC has
342 approved specific procedures for a particular subcommittee, those procedures
343 apply in lieu of these generally applicable procedures.

344

345 1. Establishment of Subcommittees

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

353 In addition, the EC may request authorization of the Managing Committee of
354 the Board to establish other subcommittees and task forces within
355 subcommittees not covered by the preceding paragraph, and only upon such
356 authorization being granted shall the said subcommittees and task forces within
357 subcommittees come into existence. The Managing Committee may delegate the
358 authority to develop additional subcommittees to the Parliamentary Committee
359 of the Board.

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

365 When establishing a subcommittee, the EC or quadrant EC shall prepare a
366 written statement containing the name and the purpose of the subcommittee
367 and the tasks it will accomplish. The EC or quadrant EC shall also select one of
368 its members to serve as temporary chair of the subcommittee; the temporary
369 chair shall serve only until the subcommittee is organized and elects its own
370 chair.

371 The temporary chair of the subcommittee shall make arrangements through
372 the office of the executive director for the initial meeting of the subcommittee,
373 including drafting a notice of the meeting and the meeting agenda and
374 determining the time and place of the meeting. The meeting notice should
375 include:

- 376 a. The name and purpose statement of the new subcommittee
- 377 b. A public invitation to serve on the subcommittee
- 378 c. The procedure for selecting a subcommittee chair
- 379 d. The procedure for determining the need for a cochair or vice chair.

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

384

385 2. Order of Business for Initial Subcommittee Meeting

386 At the initial meeting of a subcommittee:

- 387 a. The temporary chair should welcome participants, ask participants to
388 identify themselves by quadrant and segment, and give the antitrust
389 advice.
- 390 b. The temporary chair should review the name, objectives, and task
391 assignment(s) as directed by the EC or quadrant EC.
- 392 c. The subcommittee should prepare a mission statement that should be
393 approved by the subcommittee by a balanced vote and then submitted to
394 the EC or quadrant EC for approval.
- 395 d. The subcommittee should determine, if necessary, the term of the chair
396 and other subcommittee positions, as applicable, and elect the chair and
397 vice chair or cochair as applicable pursuant to the voting process below.
398 The chair, vice chair, and all cochairs must be members of NAESB, and
399 the chair, vice chair, or one of the cochairs must be a member of the EC
400 or quadrant EC. Subcommittees may select cochairs by segments if they
401 so choose.
- 402 e. The subcommittee may conduct other organizational business as may be
403 necessary to implement a subcommittee structure and the processes
404 necessary to carry out the objectives of the EC or quadrant EC.
- 405 f. The committee may take any other appropriate actions.

406

407 3. Participation in Subcommittees

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

412

413 4. Subcommittee Working Groups

414 A subcommittee established by the EC or a quadrant EC may establish
415 working groups to assist in the achievement of its objectives. A working group
416 should report to its parent subcommittee on a regular basis, and the proposed
417 actions and recommendations of the working group must be reviewed and
418 ratified by the subcommittee before they are forwarded to the EC or quadrant
419 EC.

420

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

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

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

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

443 Agendas for all meetings should be prepared by the chair, vice chair, or
444 cochair of the applicable subcommittee, task force, or working group and posted
445 on the NAESB website sufficiently in advance of the meeting to allow those
446 accessing the NAESB website to identify the issues to be discussed.
447

447

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

449 For nonadministrative motions, all EC subcommittees and task forces shall
450 use balanced voting procedures whereby each segment of a quadrant holds two
451 votes to be apportioned equally to those participants of the segment present at
452 the meeting either in person or by phone. No individual may have more than one
453 vote apportioned to him or her. The votes or fractions of votes are totaled across
454 segments to determine the outcome of the motion under consideration. No
455 notational or proxy votes are permitted.

456 The foregoing procedures, however, do not apply to EC subcommittees and
457 task forces in which the membership is restricted to named members. Such
458 subcommittees and task forces are already balanced in that only the named
459 members vote, and the named members represent a balance of the segments
460 within the quadrant. Notational votes are permitted in subcommittees and task
461 forces with named members.

462

463 1. Examples of Balanced Voting for One Quadrant

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

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

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

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

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

<i>Total</i>	<i>18</i>	<i>9</i>	<i>3.3</i>	<i>3.7</i>
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475 As the balanced vote is 3.3 to 3.7, the motion fails.

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477 2. Example of Balanced Voting across Quadrants

478 In cases of joint-quadrant subcommittees, the representatives of each
 479 quadrant share an equal portion of the vote. For example, in a joint RGQ-REQ
 480 subcommittee, the RGQ and REQ each contribute 50 percent of the total vote. At
 481 a meeting of the RGQ-REQ Customer Processes Subcommittee, there is a vote
 482 on a proposed standard to be forwarded to the quadrant ECs as a
 483 recommendation for consideration. At the meeting, both in person and on the
 484 phone, the REQ segments are represented as follows: fourteen suppliers, six
 485 services, six distributors, and one end user. The REQ balanced vote is calculated
 486 as follows:

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

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

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

490 Both the RGQ and the REQ contribute equally to the outcome. Under
 491 balanced voting, the REQ contributes 47 percent in favor and 53 percent
 492 opposed. The RGQ contributes 64 percent in favor and 36 percent opposed.
 493 Combining the results, the total votes are 55.5 percent in favor and 44.5 percent
 494 opposed, and the motion passes.
 495

495 C. Standards Development and Maintenance

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

503

504 1. Action on Request

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

507 a. The NAESB office assigns a request number to the form and posts the
508 request on the NAESB website.

509 b. The request is forwarded to the Triage Subcommittee for review at the
510 next meeting of that subcommittee.

511 c. The Triage Subcommittee makes a recommendation as to whether the
512 request is within scope of NAESB and, if so, to which quadrant(s) it
513 should be assigned. The members of the Triage Subcommittee
514 representing the assigned quadrant(s) then make a recommendation as
515 to whether the request is within the scope of the quadrant(s) and, if so, to
516 which subcommittee or task force it should be assigned and what level of
517 priority it should be given. The recommendations are then forwarded to
518 the EC.

519 d. The EC approves, amends, or rejects the recommendation that the
520 request is within the scope of NAESB. If the EC does not find the request
521 in scope, the recommendation is forwarded to the Board of Directors for
522 a final determination as to whether the request is in scope. If the EC
523 finds the request within scope, it then forwards the request to the EC
524 members representing the quadrant(s) to which the request has been
525 assigned.

526 e. The EC members representing the quadrant(s) to which the request has
527 been assigned consider whether the request is within the scope of the
528 assigned quadrant(s), whether the request has been assigned to the
529 correct subcommittee or task force, and whether it has been given the
530 correct priority. By a simple majority vote, the EC members approve or
531 amend the foregoing recommendations.

532 f. The results of the EC consideration are recorded in the minutes and
533 posted on the NAESB website.

534 g. For the WEQ, the subcommittee or task force to which the request has
535 been assigned ensures that the request adequately describes the
536 standards to be developed or modified, then forwards the request to the
537 Joint Interface Committee (JIC) for consideration. If the JIC affirms that
538 the request belongs with NAESB, the subcommittee or task force
539 continues its work. If the JIC assigns the work to the North American
540 Electric Reliability Council (NERC) and NAESB supports such
541 assignment, members of the WEQ subcommittee or task force end their
542 work and are urged to participate in the NERC development activities. If

- 543 the JIC assigns the work to NERC and NAESB does not support such
544 assignment, the subcommittee or task force continues its work.
- 545 h. The subcommittee or task force completes the assigned task.
- 546 i. Where appropriate the subcommittee or task force may forward the
547 request to other subcommittees or task forces to ensure that the work
548 product is considered fully staffed.
- 549 j. Once complete, the subcommittee or task force submits a
550 recommendation to the NAESB office based on the results of the group's
551 findings.
- 552 k. The recommendation is posted on the NAESB website for industry
553 comment for 30 days, although this period may be shortened by the EC.
- 554 l. The assigned quadrant(s) of the EC consider the recommendation, taking
555 into consideration the request and industry comments.

556

557 2. Subcommittee and Task Force Procedures

558 Subcommittees and task forces developing or modifying standards shall
559 follow these procedures:

- 560 a. Subcommittee and task force chairs are responsible for working with the
561 NAESB office to prepare meeting notices and agendas, which are
562 distributed by the NAESB office. Meeting notices should be issued so as
563 to give adequate notice to attendees who must travel from out of town.
- 564 b. Meetings, including ad hoc meetings and those held by telephone, should
565 be scheduled by first conferring with the NAESB office to ensure that
566 meetings involving the same participants have not been scheduled for the
567 same time.
- 568 c. All meetings are open and minutes are taken. All attendees should
569 contact information identifying themselves as attendees to the meeting.
- 570 d. All votes should be recorded in the minutes. Balanced voting can be
571 requested in any subcommittee meeting where the subcommittee is not
572 already balanced by virtue of being a named-member subcommittee.
- 573 e. Minutes, working documents, meeting notices, agendas, and all other
574 documents used in the meeting should be forwarded in electronic form to
575 the NAESB office for posting on the NAESB website.
- 576 f. The group or representatives of the group should develop a
577 recommendation to be submitted to the EC outlining the proposed
578 standard or proposed modification to a standard.

579

580 3. Final Actions

581 The EC approves the recommendation as submitted, modifies the
582 recommendation, returns the recommendation to the subcommittee or task
583 force for further development, or rejects the recommendation. All standards,
584 additions to standards, or modifications to standards must be ratified by the
585 NAESB membership. Member-ratified actions are posted on the NAESB website.
586 Unless otherwise directed by the Board of Directors, the final actions are
587 published in the next edition of the NAESB standards manual.
588

588

589 D. Minor Clarifications and Corrections to Standards

590 Minor clarifications and corrections to existing standards include: (a)
591 clarifications or corrections made by a regulatory agency to standards that are of
592 a jurisdictional nature, or by the American National Standards Institute or its
593 successor; (b) clarifications or corrections to the format, appearance, or
594 descriptions of standards in standards documentation; (c) clarifications or
595 corrections to add code values to tables; and (d) clarifications and corrections
596 that do not materially change a standard.

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

601

602 1. Processing of Requests

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

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

617

618 2. Public Notice

619 The results of the vote on the request for a minor clarification or correction
620 shall be posted on the NAESB website and the members of the applicable
621 quadrant shall be notified of the request by e-mail. If the request has been
622 approved by the applicable quadrant's EC, the notification shall include a brief
623 description of the request, the contact name and number of the requester so
624 that further information can be obtained, and the proposed effective date of the
625 clarification or correction. The proposed effective date of the minor clarification
626 or correction shall normally be one month from the date of the public notice.
627 Any interested party shall have an opportunity to comment on the request, and
628 the comments shall be posted on the NAESB website. The comment period is
629 two weeks.

630

631 3. Final Disposition of Approved Requests

632 If no comments are received on an approved request, the standard shall be
633 clarified or corrected as specified in the approved request on the effective date
634 proposed. If comments are received, they shall be forwarded to the members of
635 the applicable quadrant's EC for consideration. Each comment requires a public

636 written response from the applicable quadrant's EC. The applicable quadrant's
637 EC shall determine whether changes are necessary as a result of the comments.
638 Members of the applicable quadrant's EC shall be given three working days to
639 consider the comments and determine the outcome, which shall be decided by a
640 simple majority of the votes received. A meeting to discuss the request is not
641 required; the decision may be made by notational vote. The standard shall be
642 clarified or corrected in accordance with the outcome of the vote, effective with
643 the completion of voting, and notice thereof shall be posted on the NAESB
644 website.
645

645

646 E. Interpretation of Standards

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

655 The request for interpretation shall be considered in a meeting of the
656 Interpretations Subcommittee(s). The subcommittee(s) shall prepare a draft
657 interpretation and forward it to the NAESB office, which shall post it on the
658 NAESB website for industry comment. The same procedures as outlined in
659 NAESBOP D, "Standards Development and Maintenance," are then followed.
660

660

661 F. Standards Appeal Procedure

662 Any person may ask that any adopted NAESB standard of proposed
663 standard be amended, rejected, or reconsidered. A request for an amendment to
664 existing standards or reconsideration of a proposed standard that was not
665 adopted may be designated as appeals by the requesting party and filed with the
666 NAESB office. The requesting party shall state in its appeal the reasons for its
667 request and any proposed alternative language. Such requests shall be treated
668 as requests for new standards and processed accordingly.
669

669

670 G. Standards Publication Cycle

671 NAESB standards shall be published every twenty-four months, beginning
672 with the release of version 1.7 of the WGQ standards in the summer of 2003.
673 Standards that are approved between the publication of one version of the
674 standards and the next shall be available on the NAESB website and shall be
675 referred to as final actions. If during any twenty-four-month publication cycle,
676 extraordinary circumstances arise that warrant the interim publication of new or
677 revised standards adopted since the previous version was published, the Board
678 of Directors shall authorize and direct the executive director to publish such
679 standards as necessary during such interim period.
680

680

681 H. Communicating with Regulatory and Other Government Agencies

682 Should NAESB amend or issue an interpretation to an existing standard that
683 has previously been adopted by FERC or another government agency, the
684 executive director shall officially notify that government agency upon publication
685 of the version of NAESB standards that contains the amended standard or
686 interpretation, unless the NAESB Board of Directors or Managing Committee or
687 said government agency requests that notification be provided at the time of the
688 ratification of the amendment or interpretation of the standard.

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

694 When NAESB adopts a new standard that directly relates to the use, action,
695 or implementation of an existing NAESB standard that has been adopted by a
696 government agency or agencies, the executive director shall officially notify
697 applicable government agencies upon publication of the version of NAESB
698 standards that includes the new standard and transmit the new standard to the
699 government agency that has adopted the previous standard, unless the NAESB
700 Board of Directors or Managing Committee or said government agency requests
701 that notification be provided at the time the standard is ratified.

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

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

- 716 a. Final standards actions and member voting records
- 717 b. Final interpretations and member voting records
- 718 c. Board and EC meeting minutes and voting records
- 719 d. Meeting materials supporting Board and EC meeting minutes and
720 voting records
- 721 e. Transcripts of meetings for internal use by the government agency as
722 requested

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

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