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

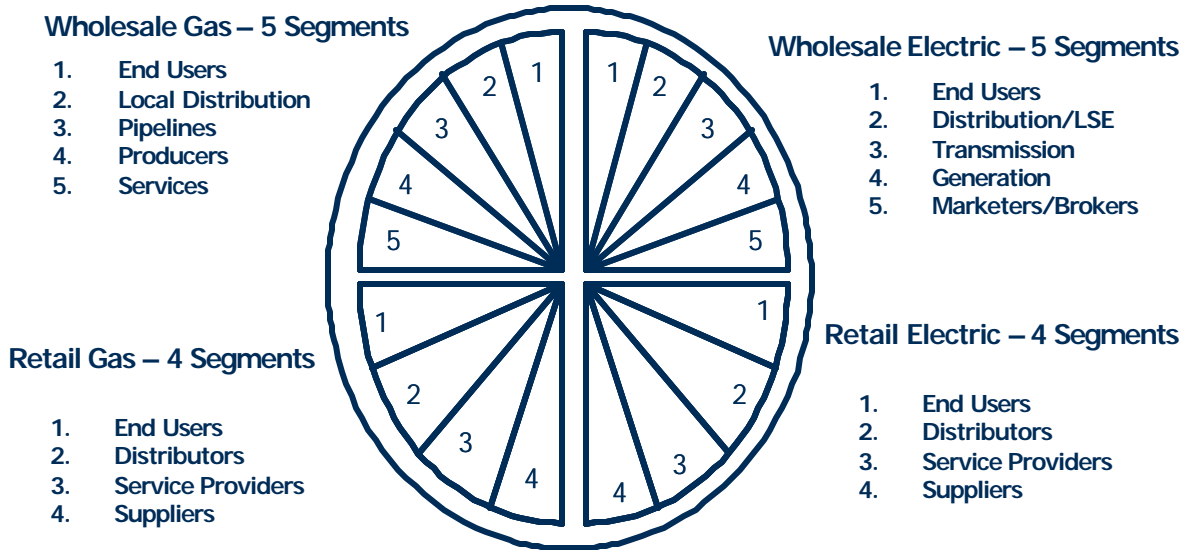
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81 **III. Description of the Organization**

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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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 changes to the
110 certificate or bylaws on governance issues, a simple majority of each quadrant is
111 needed for passage. For approval of changes to the certificate or
112 bylaws governance issues, there must be a 70-75 percent affirmative vote from
113 each of the quadrants and a 40 percent affirmative vote from each of the
114 segments within the quadrants. All Board votes are recorded and posted.

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

- 117
- Must represent a segment and quadrant.

- 118 • Should have a broad understanding of the segment he or she
119 represents and sufficient authority to make decisions on behalf of his
120 or her organization. For example, a director representing a corporate
121 member should be an officer of the corporation.
- 122 • Must have a working knowledge of NAESB Board processes.
- 123 • Must be willing to commit the time and resources necessary to fulfill
124 the obligations of a Board member and meet the minimum threshold
125 of participation and attendance established in the NAESB bylaws
126 [Section 9.7 (f)].

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

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134 B. Executive Committee

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

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

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

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

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

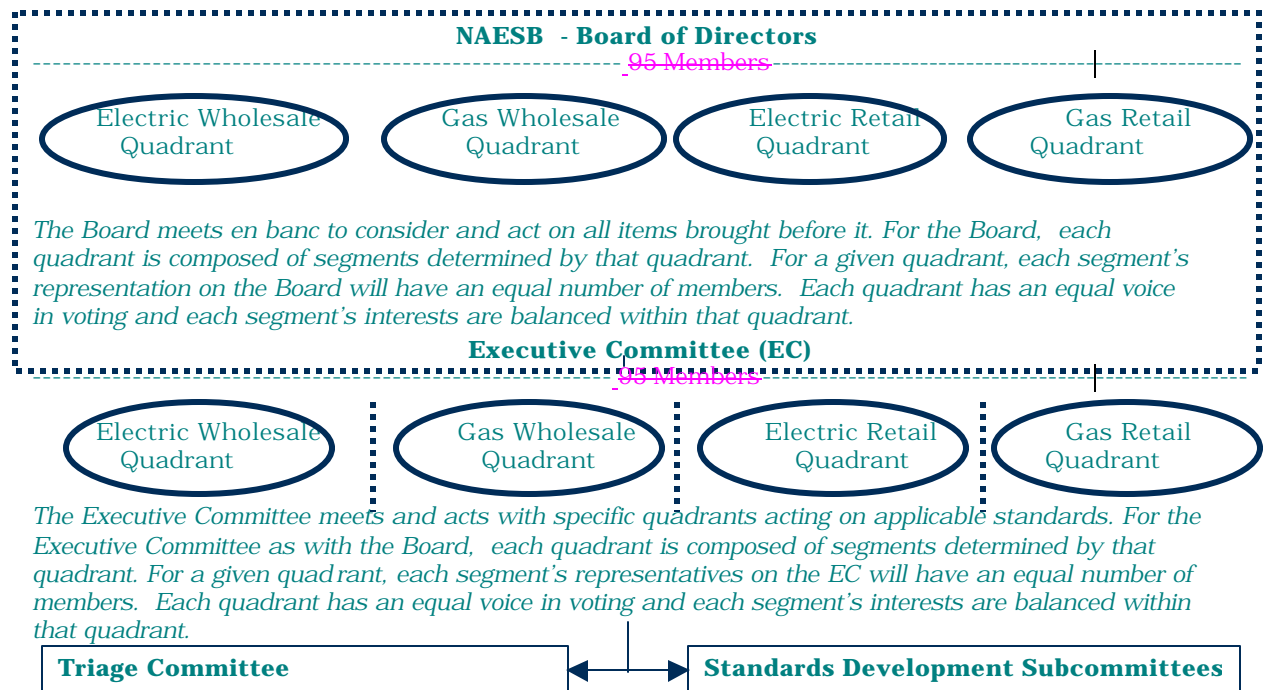
- 163 • Must represent a segment and quadrant.

- 164 • Should have a broad understanding of the segment he or she
165 represents and sufficient authority to make decisions on behalf of his
166 or her organization.
- 167 • Must have a working knowledge of NAESB standards development
168 processes.
- 169 • Must be willing to commit the time and resources necessary to fulfill
170 the obligations of an EC member and meet the minimum threshold of
171 participation and attendance established in the NAESB bylaws |
172 [Section 9.7 (f)].

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

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

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185 III. Standards Development Process

186 NAESB is focused on proposing, considering, and adopting voluntary
187 standards and model business practices that will have a significant and lasting
188 impact on all aspects of the natural gas and electricity marketplaces. As a result
189 of the standards NAESB adopts, it is expected that the industry will operate
190 more efficiently and effectively, benefiting both the industry and its customers.
191 At the same time, it must be acknowledged that NAESB standards may

192 constitute a change in the way parties do business, with an accompanying effect
193 on the use and allocation of resources.

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

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

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

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

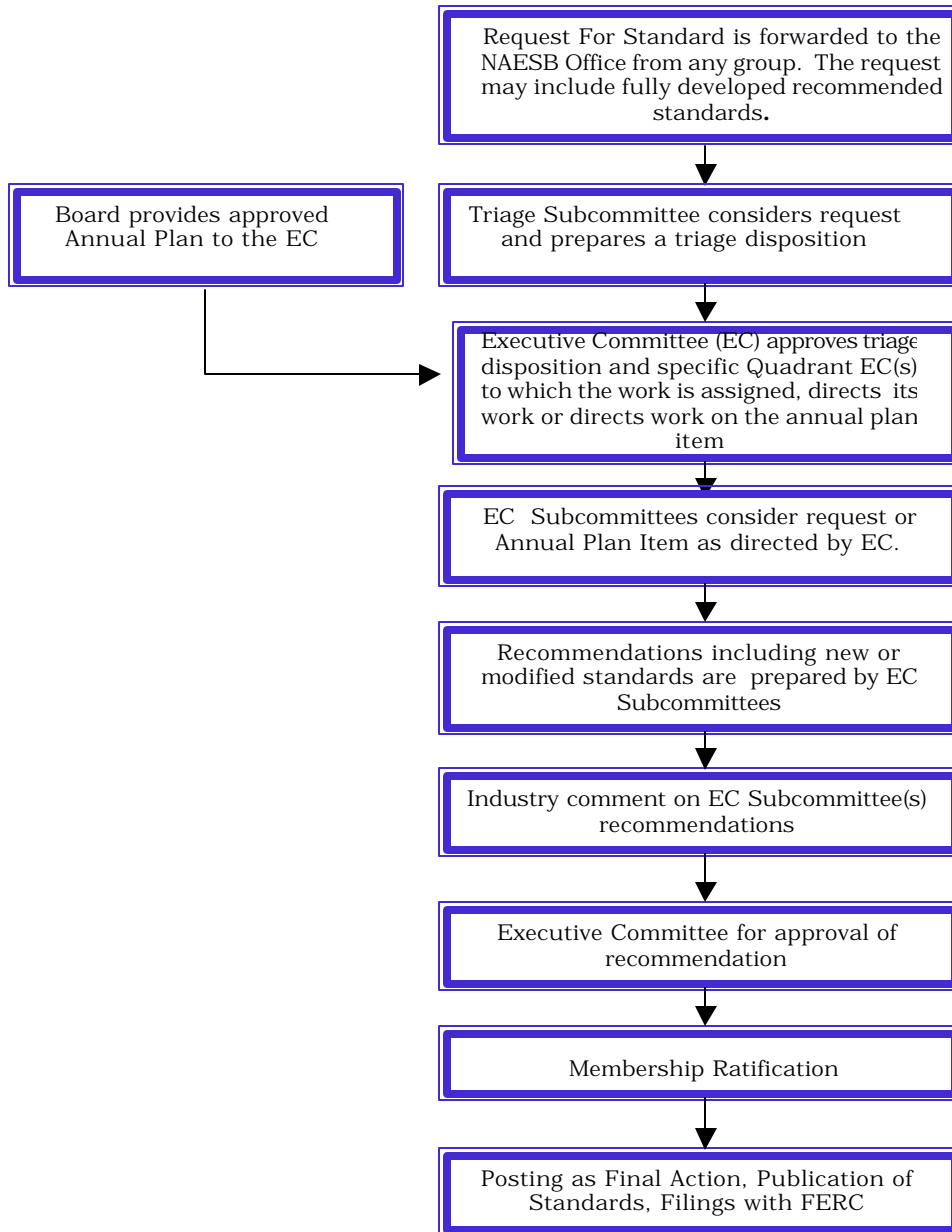
225 When the recommendation is complete, it is made available for a thirty-day
226 industry comment period. The recommendation and comments are then
227 forwarded to the EC, which considers the recommendation, makes any changes
228 it deems necessary, and takes a vote. As noted above, a recommendation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

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

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

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North American Energy Standards Board Standards Development Process Flow Chart



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284 A. Flexibility

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

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

299

300 B. Transparency

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

309 Transcripts are made of all Board of Directors, and EC, and Joint Interface
310 Committee meetings, and may also be made of other meetings that are expected
311 to be controversial. Transcripts are maintained in the NAESB office and are
312 provided to regulatory agencies for their internal use. All other interested parties
313 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

342 A. Executive Committee Subcommittees

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

348

349 1. Establishment of Subcommittees

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

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

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

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

375 The temporary chair of the subcommittee shall make arrangements through
376 the office of the executive director for the initial meeting of the subcommittee,
377 including drafting a notice of the meeting and the meeting agenda and
378 determining the time and place of the meeting. The meeting notice should
379 include:

- 380 a. The name and purpose statement of the new subcommittee
- 381 b. A public invitation to serve on the subcommittee
- 382 c. The procedure for selecting a subcommittee chair
- 383 d. The procedure for determining the need for a cochair or vice chair.

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

388

389 2. Order of Business for Initial Subcommittee Meeting

390 At the initial meeting of a subcommittee:

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

410

411 3. Participation in Subcommittees

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

416

417 4. Subcommittee Working Groups

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

424

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

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

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

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

447 Agendas for all meetings should be prepared by the chair, vice chair, or
448 cochair of the applicable subcommittee, task force, or working group and posted
449 on the NAESB website sufficiently in advance of the meeting to allow those
450 accessing the NAESB website to identify the issues to be discussed.
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451

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

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

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

466

467 1. Examples of Balanced Voting for One Quadrant

468 At a meeting of the REQ Customer Processes Subcommittee, there is a vote
469 on a proposed standard to be forwarded to the REQ EC as a recommendation for
470 consideration. At the meeting, both in person and on the phone, the segments
471 are represented as follows: five suppliers, three services, six distributors, and
472 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

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

474 Similarly, at a meeting of the REQ Customer Processes Subcommittee, there
475 is a vote on a proposed standard to be forwarded to the REQ EC as a
476 recommendation for consideration. At the meeting, both in person and on the
477 phone, the segments are represented as follows: fourteen suppliers, six services,
478 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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479 As the balanced vote is 3.3 to 3.7, the motion fails.

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481 2. Example of Balanced Voting across Quadrants

482 In cases of joint-quadrant subcommittees, the representatives of each
 483 quadrant share an equal portion of the vote. For example, in a joint RGQ-REQ
 484 subcommittee, the RGQ and REQ each contribute 50 percent of the total vote. At
 485 a meeting of the RGQ-REQ Customer Processes Subcommittee, there is a vote
 486 on a proposed standard to be forwarded to the quadrant ECs as a
 487 recommendation for consideration. At the meeting, both in person and on the
 488 phone, the REQ segments are represented as follows: fourteen suppliers, six
 489 services, six distributors, and one end user. The REQ balanced vote is calculated
 490 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>

491 At the meeting, both in person and on the phone, the RGQ segments are
 492 represented as follows: five suppliers, three services, six distributors, and one
 493 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>

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

499

500 QUESTION FOR THE PARLIAMENTARY COMMITTEE

501 There is an overall question of whether when a subcommittee proceeds with
 502 joint quadrant development, (1) does each quadrant have an equal say in the
 503 vote as shown above, or (2) does the effort have to pass each quadrant for it to

504 be considered a recommendation for a joint standard, and if not passed, the
505 effort is considered failed. While on the surface, this sounds like splitting hairs,
506 it actually will provide different results. In the above example, the joint effort
507 passed, with each group providing 50% to the decision. With the requirement
508 that each quadrant pass the proposed standard, the above example would fail
509 and there would be no joint quadrant recommendation.

510 Should the Parliamentary Committee determine that each quadrant in a
511 given subcommittee must pass a joint effort for it to be considered passed, the
512 language would require modification as shown below:

513 PARAGRAPH REPLACEMENT BEGINNING ON LINE 481:

514 In cases of joint-quadrant subcommittees, a motion must garner a majority
515 of each affected quadrant in order to pass. This principle is illustrated in the
516 case of a joint subcommittee formed by the Retail Gas Quadrant (“RGQ”) and the
517 Retail Electric Quadrant (“REQ”). The RGQ/REQ Customer Processes
518 Subcommittee holds a meeting and votes on a proposed standard to be
519 forwarded to the Quadrant ECs as a recommendation for consideration. At the
520 meeting, both in person and on the phone, the REQ segments are represented
521 as follows: fourteen suppliers, six services, six distributors, and one end user.
522 The REQ balanced vote is calculated as follows:

523 PARAGRAPH REPLACEMENT BEGINNING ON LINE 493:

524 Using the balanced votes, the motion fails (fails at REQ, passes at RGQ). If a
525 similar vote were replicated at the EC level, the proposed standard might be a
526 candidate for re-triage and independent consideration under Section 10.3(g) of
527 the bylaws.

528
529

529 C. Standards Development and Maintenance

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

537

538 1. Action on Request

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

541 a. The NAESB office assigns a request number to the form and posts the
542 request on the NAESB website.

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

545 c. The Triage Subcommittee makes a recommendation as to whether the
546 request is within scope of NAESB and, if so, to which quadrant(s) it
547 should be assigned. The members of the Triage Subcommittee
548 representing the assigned quadrant(s) then make a recommendation as
549 to whether the request is within the scope of the quadrant(s) and, if so, to
550 which subcommittee or task force it should be assigned and what level of
551 priority it should be given. The recommendations are then forwarded to
552 the EC.

553 d. The EC approves, amends, or rejects the recommendation that the
554 request is within the scope of NAESB. If the EC does not find the request
555 in scope, the recommendation is forwarded to the Board of Directors for
556 a final determination as to whether the request is in scope. If the EC
557 finds the request within scope, it then forwards the request to the EC
558 members representing the quadrant(s) to which the request has been
559 assigned.

560 e. The EC members representing the quadrant(s) to which the request has
561 been assigned consider whether the request is within the scope of the
562 assigned quadrant(s), whether the request has been assigned to the
563 correct subcommittee or task force, and whether it has been given the
564 correct priority. By a simple majority vote, the EC members approve or
565 amend the foregoing recommendations. If the EC members representing
566 the quadrant(s) to which the request has been assigned do not find the
567 request in scope, the recommendation is forwarded to the Board of
568 Directors for a final determination as to whether the request is in scope.

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

571 g. For the Wholesale Electric Quadrant (WEQ), the subcommittee or task
572 force to which the request has been assigned shall ensure that the
573 request adequately describes the standards to be developed or modified
574 and shall forward the request to the Joint Interface Committee for
575 consideration. If the Joint Interface Committee affirms that the request
576 for standards development appropriately belongs within NAESB, the
577 subcommittee or task force shall continue its work. If the Joint Interface

578 Committee assigns the work to NERC and NAESB supports such
579 assignment, then members of the NAESB WEQ subcommittee are urged
580 to participate in the NERC development activities. If the Joint Interface
581 Committee assigns the work to NERC and NAESB does not support such
582 assignment, and is not able to resolve the disagreement by either
583 redrafting and resubmitting the proposal to the Joint Interface
584 Committee or meeting with NERC to resolve the impasse, the
585 subcommittee or task force may continue its work on the standards
586 request with approval of the Board Managing Committee. For the WEQ,
587 the subcommittee or task force to which the request has been assigned
588 ensures that the request adequately describes the standards to be
589 developed or modified, then forwards the request to the Joint Interface
590 Committee (JIC) for consideration. If the JIC affirms that the request
591 belongs with NAESB, the subcommittee or task force continues its work.
592 If the JIC assigns the work to the North American Electric Reliability
593 Council (NERC) and NAESB supports such assignment, members of the
594 WEQ subcommittee or task force end their work and are urged to
595 participate in the NERC development activities. If the JIC assigns the
596 work to NERC and NAESB does not support such assignment, the
597 subcommittee or task force continues its work.

- 598 h. The subcommittee or task force completes the assigned task.
- 599 i. Where appropriate the subcommittee or task force may forward the
600 request to other subcommittees or task forces to ensure that the work
601 product is considered fully staffed.
- 602 j. Once complete, the subcommittee or task force submits a
603 recommendation to the NAESB office based on the results of the group's
604 findings.
- 605 k. The recommendation is posted on the NAESB website for industry
606 comment for 30 days, although this period may be shortened by the EC.
- 607 l. The assigned quadrant(s) of the EC consider the recommendation, taking
608 into consideration the request and industry comments.

609

610 2. Subcommittee and Task Force Procedures

611 Subcommittees and task forces developing or modifying standards shall
612 follow these procedures:

- 613 a. Subcommittee and task force chairs are responsible for working with the
614 NAESB office to prepare meeting notices and agendas, which are
615 distributed by the NAESB office. Meeting notices should be issued so as
616 to give adequate notice to attendees who must travel from out of town.
- 617 b. Meetings, including ad hoc meetings and those held by telephone, should
618 be scheduled by first conferring with the NAESB office to ensure that
619 meetings involving the same participants have not been scheduled for the
620 same time.
- 621 c. All meetings are open and minutes are taken. All attendees should
622 contact information identifying themselves as attendees to the meeting.
- 623 d. All votes should be recorded in the minutes. Balanced voting can be
624 requested in any subcommittee meeting where the subcommittee is not
625 already balanced by virtue of being a named-member subcommittee.

626 e. Minutes, working documents, meeting notices, agendas, and all other
627 documents used in the meeting should be forwarded in electronic form to
628 the NAESB office for posting on the NAESB website.

629 f. The group or representatives of the group should develop a
630 recommendation to be submitted to the EC outlining the proposed
631 standard or proposed modification to a standard.

632

633 3. Final Actions

634 The EC approves the recommendation as submitted, modifies the
635 recommendation, returns the recommendation to the subcommittee or task
636 force for further development, or rejects the recommendation. All standards,
637 additions to standards, or modifications to standards must be ratified by the
638 NAESB membership. Member-ratified actions are posted on the NAESB website.
639 Unless otherwise directed by the Board of Directors, the final actions are
640 published in the next edition of the NAESB standards manual.
641

641

642 D. Minor Clarifications and Corrections to Standards

643 Minor clarifications and corrections to existing standards include: (a)
644 clarifications or corrections made by a regulatory agency to standards that are of
645 a jurisdictional nature, or by the American National Standards Institute or its
646 successor; (b) clarifications or corrections to the format, appearance, or
647 descriptions of standards in standards documentation; (c) clarifications or
648 corrections to add code values to tables; and (d) clarifications and corrections
649 that do not materially change a standard.

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

654

655 1. Processing of Requests

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

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

670

671 2. Public Notice

672 The results of the vote on the request for a minor clarification or correction
673 shall be posted on the NAESB website and the members of the applicable
674 quadrant shall be notified of the request by e-mail. If the request has been
675 approved by the applicable quadrant's EC, the notification shall include a brief
676 description of the request, the contact name and number of the requester so
677 that further information can be obtained, and the proposed effective date of the
678 clarification or correction. The proposed effective date of the minor clarification
679 or correction shall normally be one month from the date of the public notice.
680 Any interested party shall have an opportunity to comment on the request, and
681 the comments shall be posted on the NAESB website. The comment period is
682 two weeks.

683

684 3. Final Disposition of Approved Requests

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

689 written response from the applicable quadrant's EC. The applicable quadrant's
690 EC shall determine whether changes are necessary as a result of the comments.
691 Members of the applicable quadrant's EC shall be given three working days to
692 consider the comments and determine the outcome, which shall be decided by a
693 simple majority of the votes received. A meeting to discuss the request is not
694 required; the decision may be made by notational vote. The standard shall be
695 clarified or corrected in accordance with the outcome of the vote, effective with
696 the completion of voting, and notice thereof shall be posted on the NAESB
697 website.
698

698

699 E. Interpretation of Standards

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

708 The request for interpretation shall be considered in a meeting of the
709 Interpretations Subcommittee(s). The subcommittee(s) shall prepare a draft
710 interpretation and forward it to the NAESB office, which shall post it on the
711 NAESB website for industry comment. The same procedures as outlined in
712 NAESBOP D, "Standards Development and Maintenance," are then followed.
713

713

714 F. Standards Appeal Procedure

715 Any interested person with a direct and material interest who has been or
716 may be adversely affected by a substantive or procedural action or inaction of
717 the EC shall have the right to appeal, by resort to the procedures below:

718 a1. Such affected ~~Any~~ person may ask that any adopted NAESB standard
719 of proposed standard be amended, rejected, or reconsidered. A request for an
720 amendment to existing standards or reconsideration of a proposed standard that
721 was not adopted may be designated as appeals by the requesting party and filed
722 with the NAESB office. The requesting party shall state in its appeal the reasons
723 for its request and any proposed alternative language. Such requests shall be
724 treated as requests for new standards and processed accordingly; ~~or~~

725 2. Such affected person may appeal using the procedures set forth in
726 Clause A.12 of the ANSI Procedures for Development and Coordination of
727 American National Standards. Appeals of actions shall be taken within 30 days
728 after the date of notification of action by the EC; appeals of inactions may be
729 taken at any time.
730

730

731 G. Standards Publication Cycle

732 NAESB standards shall be published every twenty-four months, beginning
733 with the release of version 1.7 of the WGQ standards in the summer of 2003.
734 Standards that are approved between the publication of one version of the
735 standards and the next shall be available on the NAESB website and shall be
736 referred to as final actions. If during any twenty-four-month publication cycle,
737 extraordinary circumstances arise that warrant the interim publication of new or
738 revised standards adopted since the previous version was published, the Board
739 of Directors will shall authorize and direct the executive director to publish such
740 standards as necessary during such interim period.
741

741

742 H. Communicating with Regulatory and Other Government Agencies

743 Should NAESB amend or issue an interpretation to an existing standard that
744 has previously been adopted by FERC or another government agency, the
745 executive director shall officially notify that government agency upon publication
746 of the version of NAESB standards that contains the amended standard or
747 interpretation, unless the NAESB Board of Directors or Managing Committee or
748 said government agency requests that notification be provided at the time of the
749 ratification of the amendment or interpretation of the standard.

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

755 When NAESB adopts a new standard that directly relates to the use, action,
756 or implementation of an existing NAESB standard that has been adopted by a
757 government agency or agencies, the executive director shall officially notify
758 applicable government agencies upon publication of the version of NAESB
759 standards that includes the new standard and transmit the new standard to the
760 government agency that has adopted the previous standard, unless the NAESB
761 Board of Directors or Managing Committee or said government agency requests
762 that notification be provided at the time the standard is ratified.

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

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

- 777 a. Final standards actions and member voting records
- 778 b. Final interpretations and member voting records
- 779 c. Board and EC meeting minutes and voting records
- 780 d. Meeting materials supporting Board and EC meeting minutes and
781 voting records
- 782 e. Transcripts of meetings for internal use by the government agency as
783 requested

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

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