



## NORTH AMERICAN ENERGY STANDARDS BOARD

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August 18, 2004

### NAESB AT A GLANCE: MONTHLY UPDATE

**UPDATE ON WEQ BUSINESS PRACTICES SUBCOMMITTEE (BPS) VERSION 0 STANDARDS:** Joel Dison, manager of market policy, Southern Company, and cochair of the Business Practices Subcommittee (BPS), said codification of the Wholesale Electric Quadrant (WEQ) Version 0 Standards will be the focal point for BPS through the end of the year. BPS is not creating any new standards, but converting the existing NERC business practices into NAESB standards and correcting the terminology to reflect the functional model. In July, the first draft was posted for public comments. BPS is currently going through the comments received and will be posting a revised second draft in September for additional public comments. All comments will be posted. At its Aug. 16 meeting the NAESB/NERC/IRC Joint Interface Committee (JIC) reviewed and finalized allocation of certain Version 0 standards to either NERC or to NAESB, with the exception of transmission loading relief (TLR) standards which will be developed jointly by NAESB and NERC by the end of 2005. The TLR procedure is an attachment to NERC's Policy 9. NAESB's Version 0 remains on track to be completed by year end, and NERC's Version 0 remains on track to be completed by February 2005.

**SUBMISSION OF REQUESTS ON HIGH PRIORITY SEAMS ISSUES:** Mr. Steven Cobb, manager, transmission services, Salt River Project, vice chair of the WEQ, and cochair of the Seams Subcommittee reported that the Seams Catalog was filed with the FERC on June 15, 2004. Of the 134 issues in the catalog, the Seams Subcommittee identified 42 issues that could benefit from further investigation that may result in the development of NAESB business practices. After surveying the industry, each was assigned a priority and grouped with similar issues. This process resulted in 15 groupings. From the 15, the Seams Subcommittee identified three high priority groups. The high priority seams issues are: transmission market standard product definitions, energy market standard product definitions, and interchange scheduling standard protocols. Tennessee Valley Authority has already submitted a request for standards development of interchange scheduling standard protocols (R04020), which was assigned to the WEQ Electronic Scheduling Subcommittee. This request was not generated as part of the seams effort – it was a result of an issue raised in the Gas-Electric Coordination Task Force's Final Report. The Seams Subcommittee is currently drafting requests for standards addressing the other two high priority items.

**REQ & RGQ MARKET PARTICIPANTS INTERACTIONS MODEL BUSINESS PRACTICES AND OUTLINE OF NON-DISCLOSURE AGREEMENT:** Bill Newbold, director, strategy electric choice team, Detroit Edison and a member of the Retail Electric Quadrant (REQ) Executive Committee (EC), said two sets of proposed retail model business practices (MBPs) are out for public comment: Market Participant Interactions MBPs, and an outline of a model non-disclosure agreement (NDA) which will become a model within the Market Participant Interaction MBPs. The Market Participant Interaction MBPs provide a framework for distribution companies and suppliers to establish and maintain an operational and business relationship to succeed in serving end-user customers. For example, the MBPs address supplier registration processes, governing documents, and the roles and obligations of the parties. The model NDA outline began as a document necessary to implement NAESB's Creditworthiness MBPs. It quickly became clear that its potential application was much broader and that more than financial information needed to be covered as confidential. Once the comment period closes, the comments will be considered by the EC at its Aug. 25 meeting. If the EC approves the MBPs, they must still be ratified by a supermajority of NAESB's membership before becoming final.

**RESULTS OF TECHNICAL ELECTRONIC INTERCHANGE SUBCOMMITTEE' (TEIS) ELECTRONIC MECHANISM USAGE SURVEY:** Cade Burks, president, EC Power and a member of the NAESB Board, summarized the results of an industry survey conducted by the Technical Electronic Interchange Subcommittee (TEIS) of the types of electronic delivery mechanisms (EDM) being used. TEIS received 36 responses that covered 18 states and 78 distribution areas. The survey covered both gas and electric companies. Of the 78 distribution areas, 86% supported NAESB's EDM, most of the others supported value-added network system (VANS). When industry segments are compared, there is a strong preference for X12 among suppliers (NAESB's EDM uses the ASC X12 standards). When the commodities are compared, electric entities had a strong preference for X12. Although X12 was also the preferred EDM for gas entities, its preference was not as prevalent as in the electric industry. Mr. Burks concluded that many states started using VANS but realized due to the cost savings when they switched to NAESB EDM once transaction volumes increased. Some are supporting XML, which is a direction that NAESB is already considering. The results sorted by jurisdiction are posted at: [http://www.naesb.org/retail\\_use\\_of\\_edm.asp](http://www.naesb.org/retail_use_of_edm.asp).



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**WGQ PRODUCER IMBALANCE STATEMENT STANDARDS:** Ms. Kim Van Pelt, NAESB coordinator, Panhandle Eastern Pipe Line Co., and a member of the Wholesale Gas Quadrant (WGQ) EC, reviewed the procedural history of this effort beginning in 1996 with a Request from Exxon (now ExxonMobil). There were several interruptions in work due to changing priorities. She thanked ExxonMobil for their active involvement. The draft standards will be reviewed by the EC next week.

**DEVELOPMENT OF GAS QUALITY WEB-BASED REPORTING STANDARDS:** Rae McQuade, NAESB executive director, said the WGQ BPS voted out one modified standard (4.3.23), four new standards, and one principle for the posting of gas quality information on the web sites maintained by transportation service providers (TSPs). These standards aid in the transparency of gas quality information. The proposed standards are out for industry comment and will be considered by the EC on Sept. 16. These efforts should be distinguished from those of the Natural Gas Council Collaborative, which are policy oriented. The two groups are keeping each other informed.

**NAESB ANNUAL MEETING – SEPT. 14-15, 2004, IN AUSTIN, TEXAS:** Mr. James Cargas, NAESB Deputy Director, reviewed the program for NAESB's 3<sup>rd</sup> Annual Meeting. The program and registration form may be downloaded at: <http://www.naesb.org/annmtg.asp>.

**NEXT CONFERENCE CALL:** The next conference call is scheduled for **Wednesday, October 20, 2004**, at 2:00 pm Eastern. We hope you can join us. If there are particular topics you would like to see covered or would like to receive additional information, please contact the NAESB Office (713-356-0060, [naesb@naesb.org](mailto:naesb@naesb.org)).

### **NAESB Monthly Update Conference Call, Participant List August 18, 2004 -- 2:00 PM Eastern**

<b>Name:</b>	<b>Organization:</b>
1 Robert Howatt	Delaware Public Service Commission
2 Dave Johnson	Canadian National Energy Board
3 Wanda Jones	Michigan Public Service Commission
4 Jim Kerr	North Carolina Utilities Commission
5 Annunciata Marino	Pennsylvania Public Utility Commission
6 Marv Rosenberg	U.S. Federal Energy Regulatory Commission
7 Louann Westerfield	Idaho Public Utility Commission

**NAESB Monthly Update Conference Call, Participant List  
July 21, 2004 -- 2:00 PM Eastern**

<b>Name:</b>	<b>Organization:</b>
8 Barbara Alexander	State of Maine
9 Ed Anderson	RJ Rudden Associates
10 Bill Boswell	NAESB
11 Christopher Burden	Williams Gas Pipeline
12 Cade Burks	EC Power
13 James Cargas	NAESB
14 Dolores Chezar	KeySpan Energy
15 Steven Cobb	Salt River Project
16 Keith Comeaux	Cleco Power
17 Randy Corbin	Ohio Consumers Council
18 Dale Davis	Williams Gas Pipeline
19 Ed Davis	Entergy
20 George Dawe	Duke Energy
21 Grace Delos Reyes	NARUC
22 Joel Dison	Southern Company
23 Mary Edwards	Dominion Power
24 Dave Farley	ERCOT
25 Mark Fidrych	WAPA
26 Ollie Frazier	Duke Energy
27 Michelle Gallicchio	Northeast Utilities
28 Ken Gates	Conectiv
29 Mark Gracey	Tennessee Gas Pipeline
30 Charles Gray	NARUC
31 Amy Hamilton	PECO Energy Company
32 Jim Hedson	TSEG
33 Scott Henry	Duke Power
34 Sheri Heslington	Dominion
35 Linda Horn	We Energies
36 Richard Ishikawa	Southern California Gas Company
37 Laura Kennedy	NAESB
38 Ruth Kiselewich	Baltimore Gas and Electric
39 Melissa Lauderdale	Edison Electric Institute
40 Bill Lohrman	NERC
41 Michelle Manson	Conectiv
42 Rae McQuade	NAESB
43 Steve Morus	Puget Sound Energy
44 Bill Newbold	Detroit Edison
45 Clay Norris	North Carolina Power Agency Number One
46 Marjorie Pearlman	Energy East
47 Kim Van Pelt	Panhandle Eastern Pipeline
48 Barbara Rehman	Bonneville Power Administration
49 Tom Ringenbach	American Electric Power
50 Donna Scott	Transwestern
51 Suzette Wilburn	ERCOT
52 Karl Wunderlich	US Bureau of Reclamation
53 Charles Yeung	Southwest Power Pool