



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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January 18, 2006

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON GEIC REPORT STATUS: Ms. Rae McQuade, NAESB President, provided an update on the status of the Gas-Electric Interdependency Committee (GEIC) report. The GEIC is working to finalize its report that includes the six possible solutions to improve the interaction between the gas and electric industries. The issues identified in the report are issues that will be difficult to achieve consensus and will require decisions to be made regarding policy. NAESB plans to file the report with the FERC under Docket No. RM05-28 as a follow up report to the status report filed in June 2006. The GEIC held a conference call on January 11 for the GEIC to review the modifications made pursuant to the comments. The resulting report was posted on January 13, 2006. The GEIC will vote to forward the report on to the Board of Directors via notational ballot. Notational ballots will be distributed on January 18, 2006 with ballots due on January 25, 2006. It is the expectation that the organizations that submitted Request Nos. R04016 (Develop a standard definition for Energy Day) and R04020 (establish business standards relating to electric transaction scheduling and timelines) will withdraw the requests if the Board of Directors approves the report.

UPDATE ON WGQ CONTRACTS SUBCOMMITTEE: Mr. Sappenfield, NAESB Board Member, and co-chair of the WGQ Contracts Subcommittee, provided an update on the work of the Contracts Subcommittee to update the NAESB Base Contract for Purchase and Sale of Natural Gas. The Contracts Subcommittee first met in September 2005 and has had seven meetings since that time. In December 2006, the subcommittee began its review of comments that were submitted in response to an informal request for comments on the Base Contract. A Task Force has been organized to review proposals to include clauses for LNG and the impact the inclusion of language for LNG will have on purchasers of gas. The Contracts Subcommittee has adopted a Mission Statement that the subcommittee will work to "...maintains the usefulness of the agreement and broad usage throughout the industry, regardless of whether a party is a buyer or seller." The Contracts Subcommittee is working to complete the recommendation so that the modified Base Contract can be included in NAESB WGQ Standards Version 1.8 scheduled for publication at the end of July 2006.

UPDATE ON RETAIL CONTRACTS SUBCOMMITTEE: Mr. Overtree, co-chair of the Retail Contracts Subcommittee, provided an update on the development of a retail contract. Request No. R05013 was submitted by Energy Window, Inc. to develop a model electric retail contract. The Retail Contracts Subcommittee has reviewed sixty-three possible clauses that have appeared in individual retail contracts. The Retail Contracts Subcommittee used the NAESB Base Contract as a starting point for drafting. It is the expectation that there will be several pages of universally used clauses that will be applicable to both the gas and electric industries. Large end use customers, such as Wal-Mart, have participated in the meetings and by submitting written comments.

REPORT ON JANUARY 12 JIC MEETING: Ms. York, chair of the WEQ Executive Committee, reported that the Joint Interface Committee (JIC) met via conference call on January 12, 2006 for a review of the annual work plans of NERC, NAESB, and the ISO/RTO Council (IRC). The JIC also reviewed NERC SAR to modify IRO-006-1 to allow Market Flow Information as input to IDC and assigned it to NERC for further development. This SAR complements NAESB Request No. R06002 (Modify NAESB pre-split Version 0 TLR business practices to remain consistent with NERC IRO-006-1 pre-split TLR reliability standards (inclusion of market flows). Request No. R06002 will be assigned by the JIC after the NAESB Triage Subcommittee has reviewed the request. The JIC also reviewed NERC SAR to revise EOP-004 "Disturbance Reporting" and assigned it to NERC for development. The JIC reviewed Request No. R05004 (Develop transmission service request and scheduling standards using TTC/ATC/AFC and CBM/TRM) and is scheduled to assign the request at its next meeting. This request has to be reviewed by the Triage Subcommittee because it was resubmitted by the NERC Long Term ATC/AFC Task Force (LTATF) at the request of the JIC. This request has two complementary NERC SARs: SAR: ATC/TTC/AFC; and SAR: CBM/TRM.

CERTIFICATION PROGRAM: Mr. Leigh Spangler, NAESB Board Member, and chair of the WGQ EDM Subcommittee, reported that the NAESB Certification Program provides a way for industry service providers to offer their products as in compliance with NAESB standards. The Certification Program began over five years ago and has been recently updated to be applicable to all four NAESB Quadrants. The major modification to the Certification Program when compared to the original program is that service providers will conduct a self-certification via a checklist that is completed and signed by an officer of the organization. The revised Certification Program has been approved by the NAESB Board of Directors. It is the expectation that the checklists for the Wholesale Electric Quadrant and Retail Quadrants will be completed by the end of 2006.



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RETAIL INFORMATION REQUIREMENTS SUBCOMMITTEE: Mr. George Behr, co-chair of the Retail Information Requirements Subcommittee (IR), reported that the IR is charged with reviewing the model business practices developed by the Retail Business Practices Subcommittee (BPS) and developing detailed specifications to implement those model business practices. The IR forwards the specifications to the Retail Technical Electronic Implementation Subcommittee (TEIS) for development of the technical specifications for the transactions included in the model business practices. The IR has completed drafting the implementation for the Customer Information model business practices and forwarded them to the Retail TEIS. At its next meeting, the Retail IR will begin review of the Customer Invoicing, Billing and Payment model business practices that have been developed by the Retail BPS. The Customer Invoicing, Billing and Payment model business practices will be applicable for large end use customers, such as Wal-Mart and JC Penney (JC Penney submitted the request to develop the Customer Invoicing, Billing and Payment model business practices).

MEMBERSHIP UPDATE: Mr. Cargas, NAESB Deputy Director, stated that the Wholesale Electric and Gas Quadrants continue to grow, while the Retail Quadrants continue to decline. In the past eighteen months, membership in the Retail Electric Quadrant has declined 15% while membership in the Retail Gas Quadrant has declined 10%. In the last month, the Retail Quadrants have had two resignations (DTE Energy and Northwest Industrial Gas Users) and three new members (Powerex Corp.; TXU Electric; and Wal-Mart Stores, Inc.). The NAESB Board Members are contacting their peers who are not involved in NAESB for potential memberships. The agenda for the Advisory Council meeting scheduled on February 11, 2006 at 4:00 PM Eastern includes a discussion of the waning membership in the Retail Quadrants.

NEXT CONFERENCE CALL: The next conference call is scheduled for **Monday, March 20, 2006**, 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).

NAESB Monthly Update Conference Call, Participant List January 18, 2006 -- 2:00 PM Eastern

Name	Organization
1 Diane Barney	New York State Department of Public Service
2 John Bulger	National Energy Board
3 Bill Ceem	National Energy Board
4 Dan Downs	State of New York Public Service Commission
5 Christopher Freitas	U.S. Department of Energy
6 Jeff Johnson	Kentucky Public Service Commission
7 Anunciata Marino	Pennsylvania Public Utility Commission
8 Don Newmyer	Wisconsin Public Service Commission
9 Lisa Robert	US Defense Energy Support Center
10 Lou Ann Westerfield	Idaho Public Utility Commission

Name	Organization
11 George Behr	Energy Services Group
12 Terry Bilke	Midwest ISO
13 Victor Bissonnette	Hydro-Quebec TransEnergie



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	Name	Organization
14	Jim Buccigross	8760, Inc.
15	James Cargas	NAESB
16	Ed Davis	Entergy
17	Edison Elizeh	PacifiCorp
18	Chuck Gray	NARUC
19	Linda Horn	Wisconsin Electric Power
20	Laura Kennedy	NAESB
21	Ruth Kiselewich	Baltimore Gas and Electric
22	Melissa Lauderdale	Edison Electric Institute
23	Robert McKay	American Transmission Company
24	Rae McQuade	NAESB
25	Les Nishida	Wisconsin Public Service
26	Marjorie Perlman	Energy East
27	Keith Sappenfield	EnCana Corporation
28	Lisa Simpkins	Constellation Energy Commodities Group
29	Leigh Spangler	Latitude Technologies
30	Veronica Thomason	NAESB
31	Mary Wolosek	Nicor Gas
32	Kathy York	Tennessee Valley Authority