

R04013
North American Energy Standards Board

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

Date of Request: May 13 2004

1. Submitting Entity & Address:

WEQ Business Practices Subcommittee

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

Name :	Phil Cox	Mr. Joel Dison
Company:	American Electric Power	Southern Company
Title :	Transmission and Markets Analyst	Manager of Market Policy
Phone:	614-324-4598	(205) 257-6481
Fax :	614-583-7505	(205) 257-6824
E-mail :	epcox@aep.com	jjdison@southernco.com

3. Description of Proposed Standard or Enhancement:

Prepare business practices that support NERC's reliability practices and functional model terminology reflective of today's implementation. This request should be considered a companion request to the NERC Standards Authorization Request for Version 0 Reliability Standards.

The NERC Board of Trustee-approved operating policies and planning standards, the 38 compliance templates approved by the NERC board on April 2, and all approved revisions to Operating Policies 5, 6, and 9 balloted in April 2004 – will be translated into an initial baseline (Version 0) set of business practice standards. The list of items can be found as an attachment – see item 10 of this request.

As NERC notes in its SAR:

There are several important reasons for accelerating the transition from existing operating policies and planning standards to a single set of reliability standards under the ANSI-accredited process:

a The August 14 blackout has challenged NERC and the industry to demonstrate that its reliability standards are unambiguous and measurable – now.

b The U.S./Canada Power System Outage Task Force final report of April 5, 2004 states in Recommendation 25: "NERC should reevaluate its existing reliability standards development process and accelerate the adoption of enforceable standards."

c An April 14, 2004 Order of the Federal Energy Regulatory Commission (FERC) states a policy objective addressing "the need to expeditiously modify [NERC] reliability standards in order to make these standards clear and enforceable."

d The continued use of multiple formats, processes and forums for developing and maintaining reliability rules is an inefficient dilution of industry and staff resources.

e The transition to new standards and retiring of existing operating policies and planning standards will be too complex for industry implementation if taken one standard at a time over several years.

NERC's reliability policies have essential business practice elements that integrally support the reliability standards. However, from NAESB's perspective, such business practice standards when adopted would be voluntary. Regulatory agencies may then take their own subsequent actions to make such standards jurisdictionally enforceable. NAESB will coordinate its filing with the FERC to coincide with NERC adoption of the Version 0 standards.

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

These business practice standards will be drafted to implement existing business practices as they reside in NERC's current reliability operating policies and planning standards effective today:

- a. Extract the business practices from the existing reliability rules – namely the existing Board-approved operating policies and planning standards, the 38 compliance templates approved by the NERC board on April 2, and all approved revisions to Operating Policies 5, 6, and 9 balloted in April 2004 – into an initial baseline (Version 0) set of business practice standards.
- b. Follow NERC's effort to identify the Functional Model designation for each performance requirement and measure in the Version 0 standards, and reflect the same functional model terminology in NAESB business practices.
- c. Work collaboratively with NERC to identify sections of the existing operating policies and planning standards that are suitable for NAESB to incorporate into NAESB "Version 0" business practice standards.

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

As described above, these complementary business practice standards are integral to the operation and enforceability of NERC's reliability standards. The collaborative effort with NERC to prepare a Version 0 foundation of business practices will serve as a cornerstone for future NAESB business practice standards development.

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

There should be no additional costs to implement the business practices supporting Version 0 reliability standards as these business practices are in effect today in NERC's operating policies and planning standards.

7. Description of Any Specific Legal or Other Considerations:

NAESB should continue to coordinate with NERC as the Version 0 business practices are developed to ensure that they fully support and track NERC's reliability standards.

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

There should be no additional testing required to implement the business practices supporting Version 0 reliability standards as these business practices are in effect in current NERC operating policies and planning standards today.

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

Please see the response to item 8.

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

NERC operating policies, planning standards, and compliance templates

<http://www.nerc.com/~oc/pds.html> (operating policies)

<http://www.nerc.com/~oc/standards/> (revised operating policy 5, 6, 9)

<http://www.nerc.com/~filez/pss-psg.html> (planning standards)

<http://www.nerc.com/~comply/annual.html> (compliance templates)

Functional model

<http://www.nerc.com/~filez/functionalmodel.html>

NERC Transition Plan

ftp://www.nerc.com/pub/sys/all_updl/standards/Accelerated-Standards-Transition-Plan-Draft-4-19-04-FINAL.pdf

SAR – Version 0 reliability standards development

<http://www.nerc.com/~filez/standards/Version-0.html>