



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
email: naesb@naesb.org • Web Site Address: www.naesb.org

April 21, 2004

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON GAS QUALITY REQUEST AND MARCH 18 BOARD MEETING: Rae McQuade, executive director of NAESB, updated participants on the highlights of the recent March 18 Board of Directors meeting.

- **FPL Gas Quality Request.** Recalling that Florida Power & Light's request for gas quality standards was divided into three parts, Ms. McQuade said the Board decided to move forward on Part A (web based reporting), and defer action on Part B (gas quality methodologies) and Part C (determine need for gas quality specification standards). This action was in recognition that other organizations may be addressing Parts B and C. If they elect not to, then NAESB will move forward at that time.
- **2005 Advisory Council Meeting.** The success of the 2004 Advisory Council meeting has encouraged Chair Bruce Ellsworth to hold the 2005 meeting in conjunction with NARUC's Winter Meeting again. That meeting is scheduled for the week of Feb. 13, 2005, in Washington, DC.
- **New Chair for 2004.** Mr. Michael Desselle, director of public policy for AEP, and Vice Chair of the Wholesale Electric Quadrant (WEQ), rotated into the NAESB Chairmanship for 2004-05.

GAS AND ELECTRIC COORDINATION TASK FORCE UPDATE: Ruth Kiselewich, director of special projects and supplier services, Baltimore Gas & Electric, chair of the Retail Electric Quadrant (REQ) Executive Committee (EC), and co-chair the Gas and Electric Coordination Task Force's (GECTF) summarized their 5th meeting where the issues list was further refined, and key areas are being identified that lend themselves to possible standardization. Development of an "energy day" seems to be a top priority. Key areas where further policy development is required are also being identified. On April 16, the GECTF's Interim Report was forwarded to FERC. The next meeting is May 18-19 in Stamford, Conn.

CONVERSION OF NERC POLICIES TO NAESB STANDARDS: Mr. Desselle noted that NERC's Standards Transition Team originally proposed a 2-3 year transition period. However, they have now accelerated that time frame following the final August 2003 blackout report and FERC's April 14 policy objective seeking enforceable reliability standards. Mr. Desselle and Ms. McQuade are both members of the Transition Team. NERC will develop a baseline version zero set of standards consisting of operating policies 5, 6 and 9, with some modifications. Mr. Joel Dison said NERC's goal is to have version zero in place by Dec. 2004. NAESB has a non-voting member on the NERC drafting team. NAESB's WEQ Business Practices Subcommittee (BPS) will develop its own version zero set of standards as items are assigned to NAESB by the Joint Interface Committee (JIC). The NERC Operating Committee will continue to maintain the business practices portions until NAESB has final standards in place to ensure that no gaps will result.

WEQ Seams Subcommittee: Steven Cobb, manager, transmission services, Salt River Project, and vice chair of the Wholesale Electric Quadrant (WEQ) reported that in a conference call April 19, the Seams Subcommittee reviewed and prioritized the 22 seams issues assigned to NAESB by the JIC, and also 20 seams issues which the JIC assigned to multiple entities or could not reach consensus on. The Subcommittee organized these issues into 14 groupings that may result in standards - 2 of which are already being addressed by other NAESB subcommittees, and 3 of which were determined to be high priority issues deserving NAESB's immediate attention. The process enjoyed wide industry participation with 11 entities submitting written comments. Request drafting teams have been formed for the 3 high priority groupings. They plan to have their requests for standards before the EC at its Aug. 24 meeting and begin drafting by the end of the year. The final Seams Catalog, with all 134 seams issues, will be forwarded to the FERC shortly.

WEQ CIBP TASK FORCE: Joel Dison manager of market policy, Southern Company, and chair of the Electronic Scheduling Subcommittee (ESS) reported that the Coordinate Interchange Business Practices (CIBP) Task Force received comments on its proposed standards. They will be voted on at the May 4 EC meeting. These new NAESB standards are complimentary to NERC's CIBP actions under Policy 3. While there remain some gap in the functional model that require further input from NERC, current implementation like e-tag will be in compliance.

WEQ IIPTF: Phil Cox, energy market coordinator, AEP Energy Services, and co-chair of both BPS and the Inadvertent Interchange Payback Task Force (IIPTF) reported the task force was in the final stretch of narrowing down price mechanisms, determining how to structure funds, agreeing on a bandwidth standard, and a few other issues. IIPTF has held 22 meetings since Feb. 2003. The goal is to have a recommendation on standards for financial payback options from inadvertent interchanges ready for balloting by October. The next meeting is on May 5-6 in Juno Beach, Florida.



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RETAIL DRAFT MODEL BUSINESS PRACTICES OUT FOR COMMENT: Ms. Kiselewich noted that these “young” entities are making excellent progress in developing and passing model business practices (MBPs).

- Joint Internet Electronic Transport Standards. These MBPs, developed in conjunction with the WGQ, will build the basis framework for secure communication between NAESB trading partners. Comments are due Apr. 28.
- SUIS Process Flow Diagrams for Creditworthiness. These four pages of diagrams compliment the creditworthiness model business practices passed earlier. Comments are due May 3.
- Retail Survey. The Retail Quadrants are conducting a survey on the use of flat files, XML or other methods currently being utilized by the energy industry.

NEXT CONFERENCE CALL: The next conference call is scheduled for Wednesday, May 19, 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).

North American Energy Standards Board Monthly Update Conference Call Participant List April 21, 2004 -- 2:00 PM Eastern

Name:		Organization:
1	Laura Anson	Missouri Public Service Commission
2	Dr. John Bulger	National Energy Board of Canada
3	Jeffrey Conpask	DC Public Service Commission
4	Thomas Dunleavy	New York State Public Service Commission
5	David Ellis	Public Service Commission of West Virginia
6	Richard House	Arkansas Public Service Commission
7	Wanda Jones	Michigan Public Service Commission
8	Ken Roth	Michigan Public Service Commission
9	Sheila Ward	Alabama Public Service Commission

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**North American Energy Standards Board
 Monthly Update Conference Call
 Participant List
 April 21, 2004 -- 2:00 PM Eastern**

	Name:		Organization:
10	Brenda	Anderson	Bonneville Power Administration
11	Mariam	Arnaout	American Gas Association
12	Victor	Bissonnette	Hydro-Quebec Transenergie
13	Bill	Boswell	NAESB, McGuire Woods
14	Ken	Brown	PSEG
15	Jim	Buccigross	Group 8760
16	Yvette	Camp	Southern Company
17	James	Cargas	NAESB
18	Steven	Cobb	Salt River Project
19	Phil	Cox	American Electric Power
20	Dale	Davis	Williams Gas Pipeline
21	Grace	Delos Reyes	NARUC
22	Michael	Desselle	American Electric Power
23	Joel	Dison	Southern Company
24	Gene	Fava	Great Lakes Gas
25	Bruce	Garcy	Niagara Mohawk
26	Rachel	Gebhardt	Peoples Gas System
27	Terri	Gabiak	Allegheny Power
28	Tammy	Grant	Williams
29	Charles	Gray	NARUC
30	Barry	Green	Ontario Power Generation
31	Mike	Grim	TXU
32	Dona	Gussow	Florida Power & Light Co.
33	Shan	Harter	Systrends
34	Joe	Hartsoe	American Electric Power
35	Bill	Hebenstreit	El Paso Merchant Energy
36	Jim	Hebson	PSEG
37	Linda	Horn	We Energies
38	John	Hughes	ELCON
39	Arthur	Husco	Central Electric
40	Ruth	Kiselewich	Baltimore Gas & Electric
41	Bill	Lohrman	NERC
42	Jim	Minneman	PPL Solutions
43	Michael	Novak	National Fuel
44	Lou	Oberski	Dominion
45	Marjorie	Perlman	Energy East
46	Denise	Rager	NAESB
47	Raj	Rana	American Electric Power
48	Judy	Ray	Alabama Power Co.
49	Tom	Ringenbach	American Electric Power
50	Lisa	Robert	Defense Energy Support Center
51	Robert	Sarmiento	Los Angeles Dept of Water & Power
52	Rodger	Schwecke	Southern California Gas Co.
53	Mark	Tallman	PacifiCorp
54	Kim	Van Pelt	Panhandle Eastern Pipeline
55	Lori	Van West	Xcel Energy
56	Mark	Ward	Los Angeles Dept. of Water & Power
57	Tina	Weatherman	AGL Resources