



NORTH AMERICAN ENERGY STANDARDS BOARD

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July 21, 2004

NAESB AT A GLANCE: MONTHLY UPDATE

PROPOSED AMENDMENTS TO WGQ TRADING PARTNER AGREEMENT: Michael Novak, assistant general manager for National Fuel Gas Distribution, and vice chair of the Retail Gas Quadrant (RGQ) Executive Committee (EC), described Request R04017 which proposes minor changes to the Wholesale Gas Quadrant (WGQ) Trading Partner Agreement (TPA) that will expand its application to retail transactions. The TPA was developed in 1999 to allow trading partners to exchange EDI data. Since Mr. Novak's company has enjoyed great success in adopting the WGQ TPA to comply with New York's retail market regulations, he found interest in making the adaptations permanent so they can be applied in other retail markets where EDI is used. One meeting on this three-quadrant request has already been held. Mr. Novak expects to have a final recommendation before the EC in November 2004.

WEQ BUSINESS PRACTICES SUBCOMMITTEE (BPS) VERSION 0 BUSINESS PRACTICE STANDARDS AND COORDINATION WITH NERC: Rae McQuade, NAESB executive director, reported the Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS) distributed a set of proposed business practices that mirror the existing NERC policies. Meanwhile, NERC is undertaking similar efforts to produce reliability standards that are concise and measurable. Neither NAESB nor NERC's Version 0 standards will alter existing NERC policies, except to reflect the functional model nomenclature and use more active or concise language. Although no substantive changes are being made in Version 0, NAESB has identified six areas for the development of business practices in Version 1, which will be taken up once Version 0 is complete. In fact, for Coordinate Interchange, Version 1 has already been completed and fully adopted by the organization. There will be an additional comment period on NAESB's Version 0 draft standards before they are sent to the EC for adoption in November 2004, member ratification in December 2004, and submittal to the FERC shortly thereafter.

The Version 0 request for standard development (NAESB) and the Standards Authorization Request (NERC) are currently going through the NAESB/NERC/IRC Joint Interface Committee (JIC) process, but neither have been approved. During a recent JIC meeting, the areas where NERC and NAESB agreed were pure reliability, NERC was given the go-ahead to work on Version 0 (bucket 1). The JIC will meet again on Aug. 16 to discuss areas where NERC and NAESB agree items are pure business practices (bucket 2) and where items are difficult to separate reliability from business practice standards (bucket 3). The aggressive timetables to complete NAESB's Version 0 by year end and NERC's Version 0 by February 2005 are still in place.

WEQ OASIS 1A UPDATE: Ms. McQuade listed the modifications being made to OASIS 1 standards, called OASIS 1A. The list includes business practices for (i) redirect of transmission service, (ii) recalls of transmission service, (iii) resale or assignment of transmission service, (iv) multiple submissions of identical requests, (v) certification authority requests, (vi) informational postings as directed by FERC Order No. 2004, (vii) outages and interruptions, and (viii) implementation of public key infrastructure (PKI) technology. These modifications are necessary to reflect changes in the marketplace and technology. It is anticipated the majority will be completed by year end, and filed with the FERC.

PREVIEW OF FERC FILINGS TO BE MADE IN 2004: Other areas Ms. McQuade anticipates NAESB making filings with FERC in 2004 include: (i) Version 0 WEQ Business Practices, (ii) Version 1 WEQ Coordinate Interchange Business Practices, (iii) WEQ Large Generation Interconnection Business Practices, (iv) WEQ Inadvertent Interchange Payback Business Practices, (v) WGQ Gas Quality Reporting Business Practices, (vi) WGQ Order 2004 business practices, (vii) WEQ OASIS 1A enhancements, and (viii) the Gas-Electric Coordination Final Report. The WEQ Seams Subcommittee Seams Catalog was filed on June 15, 2004.

DEVELOPMENT OF GAS QUALITY WEB-BASED REPORTING STANDARDS: Jim Buccigross, vice president of Group 8760, Inc. and NAESB Executive Committee chairman, reviewed the three parts of Request R03035 and the Board's decision to move forward only on the development of web-based reporting standards for tracking all physical and chemical properties of natural gas defined in pipeline tariffs, including timelines for reporting (Part A). The WGQ BPS has held several meetings and has made recommendations to develop one proposed standard, and amend WGQ Standard 4.3.23 to reflect the posting of gas quality information. BPS is considering a second standard and one principle at its upcoming Aug. 4-5 meeting in Washington, DC. The proposed standards being considered address: (1) reporting the tariff requirements in a standardized format on the informational postings portion of the pipeline web site, and (2) reporting the average daily gas quality data collected at points representative of mainline flow in a standardized format. The BPS is on track to have its recommendations before the EC in November.



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GAS AND ELECTRIC COORDINATION TASK FORCE (GECTF) UPDATE, AND ENERGY DAY, ELECTRONIC SCHEDULING AND OPERATIONAL COMMUNICATIONS REQUESTS:

Ruth Kiselewich, director of special projects and supplier services, Baltimore Gas & Electric, chair of the Retail Electric Quadrant (REQ) EC, and co-chair of GECTF, said this four-quadrant effort is moving beyond scoping and has begun to produce several requests for standards. Request R04016 submitted by KeySpan and Duke Energy seeks development of a standard Energy Day. This has been assigned to the Business Practices Subcommittees of WEQ and WGQ, and work should begin in December. Request R04020 submitted by the Tennessee Valley Authority addressing electronic scheduling and also addresses an issue raised in the WEQ Seams Catalog. This has been assigned to WEQ's Electronic Scheduling Subcommittee (ESS). Request R04021 submitted by NGPL, CrossCountry Energy and Salt River Project addresses communications between pipelines and power plants. This request has yet to undergo triage.

Ms. Kiselewich also reported the Final GECTF Report was unanimously approved. There will be a 30-day comment period before it is reviewed by all four quadrant ECs at their Aug. 24-16 meetings. In conclusion, she noted that this task force and the cross-quadrant standards that it will produce demonstrate the benefits of expanding GISB and creating NAESB.

NAESB ANNUAL MEETING – SEPT. 14-15, 2004, IN AUSTIN, TEXAS: Mr. James Cargas, NAESB Deputy Director, reviewed the program for NAESB's 3rd 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, August 18, 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).

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

Name:	Organization:
1 Laura Anson	Missouri Public Service Commission
2 Bishu Chatterjee	California Public Utility Commission
3 Jeffrey Conopask	District of Columbia Public Service Commission
4 Dan Downs	New York State Department of Public Service
5 Wanda Jones	Michigan Public Service Commission
6 Shawn Kelly	Indiana Utility Regulatory Commission
7 Marcella Matzeit	National Energy Board of Canada
8 Ken Roth	Michigan Public Service Commission
9 David Sapper	Public Service Commission of Wisconsin
10 Ginger Teubner	Connecticut Department of Public Utility Control
11 Sheila Ward	Alabama Public Service Commission

Continued

**NAESB Monthly Update Conference Call, Participant List
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	Name:		Organization:
12	Barbara	Alexander	State of Maine Public Advocates
13	Mariam	Arnaut	American Gas Association
14	Roger	Austin	Allegheny Power
15	Nancy	Brucher	Nicor Gas
16	Jim	Buccigross	Group 8760
17	Yvette	Camp	Southern Co.
18	James	Cargas	NAESB
19	Ed	Davis	Entergy
20	Dale	Davis	Williams Gas Pipeline
21	George	Dawe	Duke Energy
22	Mary	Edwards	Dominion Virginia Power
23	Alan	Flater	American Transmission Co.
24	Peter	Flynn	National Grid USA
25	Pete	Frost	ConocoPhillips
26	Michelle	Gallicchio	Northeast Utilities
27	Mark	Gracey	Tennessee Gas Pipeline
28	Tammy	Grant	Williams
29	Bill	Griffith	El Paso Natural Gas
30	Dona	Gussow	Florida Power and Light
31	Amy	Hamilton	Peco Energy
32	Linda	Horn	WE Energy
33	Vern	Ingersoll	Progress Energy
34	Richard	Ishikawa	Southern California Gas Co.
35	Veronica	Jones	Defense Energy Support Center
36	Iris	King	Dominion Transmission
37	Ruth	Kiselewich	Baltimore Gas and Electric
38	Melissssa	Lauderdale	Edison Electric Institute
39	Lyn	Maddox	Prospect Power
40	Rae	McQuade	NAESB
41	Carl	Monroe	Southwest Power Pool
42	Steve	Morus	Puget Sound Energy
43	Clay	Norris	North Carolina Municipal Power Agency
44	Michael	Novak	National Fuel Gas Distribution Co.
45	Gloria	Ogenyi	Conectiv Energy
46	Marjorie	Perlman	Energy East
47	Grace Delos	Reyes	NARUC
48	Tom	Ringenbach	American Electric Power
49	Donna	Scott	Transwestern
50	Keith	Tiggelaar	Williston Basin Interstate Pipeline
51	Kim	Van Pelt	Panhandle Eastern Pipeline
52	Lori Van	West	Xcel Energy
53	Wes	Williams	Southern California Edison
54	Karl	Wunderlich	US Bureau of Reclamation
55	Kathy	York	Tennessee Valley Authority