



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

November 30, 2004
Filed Electronically

The Honorable Magalie Salas
Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20585

RE: Status Report on the Efforts of the NAESB Gas-Electric Coordination Task Force

Dear Ms. Salas:

The North American Energy Standards Board ("NAESB") herewith submits this final status report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding NAESB's activities undertaken by the Gas-Electric Coordination Task Force (GECTF). The report reflects the activities of the GECTF from December 2003 to August 2004, and related requests and comments received in September and October 2004. The meetings were open to any interested party and announcements and agendas were posted along with all work papers, presentations and minutes on the NAESB web site.

An interim report from NAESB regarding gas-electric coordination efforts was provided to you on April 16, 2004 and included all relevant documents through April 2004. This final status report includes the presentations made and the minutes and work papers from May 2004 through to October 2004. The effort by the task force, primarily a scoping effort, is considered complete by NAESB, and its work products include issues identified, a level of categorization of these issues, and identification of some of those items to be further considered for possible development of NAESB standards through the submittal of requests for standards development. We can expect additional related requests for standards development from our members and other interested parties as they deem appropriate.

The successful scoping effort of the task force has yielded to date three standards development requests that specifically address the issues noted in this report. The requests are all present on NAESB's 2005 annual plans as assigned to either the Wholesale Electric Quadrant, or jointly to the Wholesale Electric Quadrant and Wholesale Gas Quadrant. When requests are assigned to multiple quadrants, the expectation is that standards will be developed that will apply to and be adopted by both quadrants. Those requests include:

- R04016, submitted by KeySpan Utility Services and Duke Energy Gas Transmission, to address standards development for Energy Day, which is assigned to both quadrants,



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

November 30, 2004

Page 2 of 3

- R04020, submitted by Tennessee Valley Authority, to develop business practice standards relating to electric transaction scheduling and timelines, which is assigned to the Wholesale Electric Quadrant, and
- R04021 submitted by Natural Gas Pipeline Company of America, CrossCountry Energy and Salt River Project, to address daily communications between pipelines and entities that control power generation facilities. The request is assigned to both quadrants. These communications standards would include anticipated power generation fuel requirements for the upcoming day as well as notification anytime plans change. Likewise standards for pipeline communications for any operating problems that might hinder power plants from receiving required contractual quantities when needed would be developed.

Efforts on Request No. R04016 (energy day) have already begun. The first meeting will be held in New York at KeySpan's facilities on December 1 and 2. It will be a very well attended meeting with confirmed attendees as of November 22, numbering 75. The request is assigned to both business practices subcommittees of the two quadrants. It is probable that while discussions on "energy day" are underway, that timelines and scheduling issues will be discussed which may involve a synchronous development of Request No. R04020.

Work towards Request Nos. R04020 and R04021 are also planned for 2005. Work would have begun earlier in 2004 on these three requests, but the highest priority for the Wholesale Electric Quadrant was the completion of the Version 0 business practices by the end of 2004 that complement the Version 0 reliability standards under development by the North American Electric Reliability Council.

To emphasize the importance of gas-electric coordination, at the September 2004 NAESB Board of Directors meeting, NAESB extended this work effort to our Board of Directors level through a Gas Electric Interdependency Committee. The committee reports to the Board of Directors through the Board Managing Committee. We are fortunate to have Board member participation and have extended participation to several energy experts. The mission of the committee is to review issues requiring gas-electric interdependency at an executive level and identify actions that may result in additional NAESB standards development. Its first meeting was held on November 17, 2004, and the notes from that meeting are provided in enclosure 2. Several actions were identified on November 17 that may result in standards development, and will be further explored at upcoming meetings.

Please note that we are filing this report electronically in Adobe Acrobat® Print Document Format (.pdf), and each enclosure is bookmarked separately. All of the documents are also available on the NAESB web site (www.naesb.org). Please feel free to call me at (713) 356-0060 or refer to the NAESB website should you have any questions or need additional information regarding this interim status report.



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

November 30, 2004
Page 3 of 3

Respectfully submitted,

Ms. Rae McQuade
Executive Director & COO, North American Energy Standards Board

cc without enclosures:

Chairman Patrick H. Wood III, Federal Energy Regulatory Commission
Commissioner Nora Mead Brownell, Federal Energy Regulatory Commission
Commissioner Joseph Kelliher, Federal Energy Regulatory Commission
Commissioner SueDeen Kelly, Federal Energy Regulatory Commission

Michael D. Desselle, NAESB Chairman and CEO
William P. Boswell, NAESB General Counsel
James Buccigross, NAESB Executive Committee Chairman

Enclosures (all available publicly on the NAESB web site – www.naesb.org):

- (1) Gas Electric Coordination Report (including Appendices I to V)
- (2) Related minutes not included in the report
- (3) Comments provided from Southern Company and Edison Electric Institute
- (4) Requests for Standards Development