



NORTH AMERICAN ENERGY STANDARDS BOARD

1301 Fannin, Suite 2350 • Houston, Texas 77002 • Phone: (713) 356-0060 • Fax: (713) 356-0067
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May 17, 2006

NAESB AT A GLANCE: MONTHLY UPDATE

FERC eTARIFF PROGRAM: Mr. Keith Pearce, FERC Rates: East in OEMR, and the project manager for eTariff Program, and Mr. Michael Goldenberg, FERC Senior Counsel, Office of the General Counsel, OMTR, provided a review of the FERC eTariff Program. The proposed new format under the eTariff system is a section based system opposed to the sheet based system that has been used in the past. Revisions to tariffs will be able to be made to the applicable sections, instead of the need to file redlined tariff sheets. Mr. Pearce highlighted the existing NAESB WGQ Standards that may need attention based on the modifications included in the new eTariff Program. Mr. Pearce recommended that to the extent the term “tariff sheet” is used throughout the WGQ Standards, the use of that term may need to be modified to reference “tariff sections” or something similar. WGQ Electronic Delivery Mechanism Standard 4.3.23 has categories and labels of sub-categories for the informational postings on pipeline websites. The eTariff proposal does not propose to change the categories, but would require a set of html files based off of every section in that standard as defined by the applicant. Another html file would be created with hyperlinks to each of those sections. This file would be used to create the table of contents. WGQ Electronic Delivery Mechanism 4.3.32 includes an additional requirement that is not a FERC regulation regarding Table of Contents for General Terms and Conditions. This document could be generated through the Table of Content Generator contained within the proposed software or through the public viewer. The eTariff software will be available to all parties who file tariffs. The proposal is an effort to move away from the concept of citation to tariff sheets and to citation of tariff sections. The tariffs will be downloadable in html and .pdf formats. Comments on the eTariff proposal are due by May 30, 2006.

FERC ORDER 676: Ms. York, WEQ Executive Committee chair, reviewed the portion of Order 676 regarding the NAESB WEQ Business Practice Standards developed to complement the NERC reliability standards. The FERC adopted the NAESB WEQ Business Practice Standards for Coordinate Interchange, Inadvertent Interchange, Manual Time Error Correction, Area Control Error Equation (Special Cases). The Coordinate Interchange standards define procedures for market participants to request implementation of transactions that cross one or more Balancing Authority boundary. The FERC adopted the Coordinate Interchange standards as submitted by NAESB, noting that “when NAESB was prepared to make revisions to these standards, it would be important for the ISO/RTO Council to participate.”

The FERC also adopted the NAESB Standards for Inadvertent Interchange and urged “NAESB and NERC to work cooperatively to revise this standard to ensure that inadvertent interchange payback cannot be abused and that reliability is not jeopardized.” The Inadvertent Interchange standards define the methods by which energy imbalances between Balancing Authorities can be repaid. These imbalances occur when a Balancing Authority is not able to fully balance generation and load within its area. The standards permit Balancing Authorities to repay imbalances through bilateral in-kind payback, unilateral in-kind payback, or other payback methods, such as through financial payments.

The Manual Time Error Correction standards were also adopted by the FERC. The WECC filed comments on these standards stating that a different timing requirement was needed in the West. FERC instructed WECC to request a waiver to allow for deviations from the standard’s requirements. The FERC also adopted the NAESB WEQ Standards for Area Control Error Equation (Special Cases).

The FERC adopted the definitions included in the WEQ standards, but agreed with the comments filed by the ISO/RTO Council that there should be a single definition for terms that are used by NERC and NAESB. The FERC stated that NERC should define the terms and that NAESB should use NERC’s definition for reliability terms in future versions of the WEQ Standards.

Mr. Paul Sorenson, chair of the NAESB WEQ Electronic Scheduling Subcommittee (ESS) reviewed the WEQ Standards for OASIS adopted by the FERC in Order 676. The NAESB WEQ OASIS Business Practice Standards were written to follow FERC Order 638 as well as the creation of new standards. The new standards are contained within OASIS Business Practice Standards 001-8, 001-9, and 001-10. The OASIS Standards contained within 001-8 addressed three issues regarding preserving performance of the OASIS node. The standards ensure an OASIS service provider or OASIS node could be protected to the extent possible from a denial of service attack. This prevents a flood on the network to prevent others with legitimate access from gaining access to service. OASIS nodes can be protected by software that looks for denial of service attacks. A section was added on queue flooding, which is defined as a submission of a large number of identical requests by one Transmission Customer that could push out the contention of another Transmission Customer.



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001-8 also includes standards to prevent queue hoarding and address issues where there is a potential for a customer to delay acting on a request intentionally to hold off others from being able to make requests.

OASIS Standards in 001-9 are standards for Redirects on a Firm Basis, which is included in Section 22.2 of the Pro Forma Tariff. The FERC adopted all of the NAESB WEQ Business Practice Standards for Redirects on a Firm Basis except for Standard 9.7, which is related to the disposition of rollover rights for long term firm reservations. NAESB adopted a standard that provides for the Transmission Provider and Transmission Customer to reach an agreement on the disposition of rollover rights. Order 676 states that this standard conflicts with existing FERC policy. The NAESB Electronic Scheduling Subcommittee is working to address the language in Standard 9.7.

The standards in 001-10 are standards for Redirects on a Non-firm Basis, which is included in Section 22.1 of the Pro Forma Tariff. The standards require that Redirects on a Non-firm Basis must be pre-confirmed, which could be a change from some business practices in use today.

The WEQ will work to modify the NAESB WEQ Business Practice Standards based on FERC Order 676. The modifications will be included in the next publication of the NAESB WEQ Business Practice Standards.

NEXT CONFERENCE CALL: The next conference call is scheduled for **Wednesday, July 19, 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 May 17, 2006 -- 2:00 PM Eastern

	Name	Organization
1	Lou Ann Westerfield	Idaho Public Utility Commission

	Name	Organization
2	Victor Bissonnette	Hydro-Quebec TransEnergie
3	Bill Boswell	NAESB
4	Jim Buccigross	8760, Inc.
5	Kathryn Burch	Duke Energy Gas Transmission
6	Scott Butler	Consolidated Edison of New York
7	Roman Carter	Southern Company
8	Jennifer Chen	SunGard
9	Dolores Chezar	KeySpan Energy
10	Valerie Crockett	Tennessee Valley Authority
11	Ed Davis	Entergy
12	George Dawe	Duke Energy
13	Paul Dwyer	Conectiv Energy
14	Gene Fava	Great Lakes Gas Transmission
15	Chuck Feagans	Tennessee Valley Authority
16	Michael Gildea	Constellation Generation Group
17	Michael Goldenberg	FERC



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Name	Organization
18 Mark Gracey	Tennessee Gas Pipeline
19 Mark Graham	Hyrdo One Networks
20 Dona Gussow	Florida Power and Light
21 Tom Gwilliam	Irouquois Gas Transmission
22 Mark Hackney	Arizona Public Service
23 Bob Harshbarger	Puget Sound Energy
24 Bill Hebenstreit	El Paso Production
25 Nick Henery	APPA
26 Jim Hicks	PacifiCorp
27 Brenda Horton	Kern River Gas Transmission
28 Verne Ingersoll	Progress Energy
29 Barb Kedrowski	We Energies
30 Laura Kennedy	NAESB
31 David Koogler	Dominion Virginia Power
32 Melissa Lauderdale	Edison Electric Institute
33 Wayne Lewis	Progress Energy
34 Ronnie Martin	Southern Natural Gas Company
35 Dale McKeg	Tampa Electric
36 Rae McQuade	NAESB
37 David Meshow	National Energy Board
38 Rebecca Moore	Midwest ISO
39 Alan Mosher	APPA
40 Lucia Nells	SunGard
41 George Nelms	Sempra Energy Utility
42 Clay Norris	North Carolina Municipal Power Agency #1
43 Mike Novak	National Fuel Gas Distribution
44 Vince Peeny	Pepco Holdings, Inc.
45 Marjorie Perlman	Energy East
46 Keith Pierce	FERC
47 Chris Raup	Consolidated Edison of New York
48 Barbara Rehman	Bonneville Power Administration
49 David Reitz	National Fuel Gas Supply
50 Doug Rudd	New Jersey Natural Gas Co.
51 Narinder Saini	Entergy
52 Dale Sanders	Southern Star
53 Keith Sappenfield	EnCana
54 Lisa Simpkins	Constellation Energy Commodities Group
55 Bob Smith	Tiger Natural Gas
56 Paul Sorenson	OATI
57 Elliott Tanos	Washington Gas Light
58 Larry Thomas	CenterPoint Energy Interstate Pipeline
59 Dean Ulch	Southern Company
60 Kim Van Pelt	Panhandle Eastern Pipe Line



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Name	Organization
61 Wendy Weathers	Salt River Project
62 Carl Wonderlich	US Bureau of Reclamation
63 Charles Yeung	Southwest Power Pool
64 Kathy York	Tennessee Valley Authority
65 Randy Young	Gulf South Pipeline Company