



NORTH AMERICAN ENERGY STANDARDS BOARD

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July 1, 2005
Filed Electronically

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

RE: Docket No. RM05-5-000: Comments on “Standards for Business Practices and Communication Protocols for Public Utilities”

Dear Ms. Salas:

The North American Energy Standards Board ("NAESB") herewith submits these comments with respect to the Notice of Proposed Rulemaking Docket No. RM05-5-000 “Standards for Business Practices and Communication Protocols for Public Utilities.” The comments are specific to questions asked of NAESB, namely:

- In paragraph 47, the Federal Energy Regulatory Commission (the “Commission”) notes: *“it would be useful if the WEQ would adopt standards comparable to those NAESB adopted regarding standards of conduct on the gas side.”*

The NAESB Wholesale Electric Quadrant (WEQ) will review the wholesale gas quadrant standards for standards of conduct to prepare comparable standards for the wholesale electric quadrant which would amend the NAESB WEQ BPS-007-000 standards.

- In paragraph 31, the Commission notes that the *“OASIS Business Practice Standard 9.7 (addressing redirects) - appears to conflict with Commission policy and NAESB has not explained the benefits of such a change.”*

In NAESB deliberations on the Redirect Standard 9.7 (NAESB WEQ BPS-001-000), there was concern that in some instances a transmission customer may wish to retain all roll-over rights under an existing service agreement yet still request service over alternate points of receipt or delivery. Should additional changes to the standard be needed, the following issues regarding roll-over rights have been identified:

1. If a long-term service request has been granted that starts several years in the future, must a transmission provider deny any long-term request for the same points of receipt or delivery in the preceding year(s) on the basis that roll-over rights cannot be extended to this request due to the service previously granted in succeeding years? This applies to any request, including redirects on a firm basis.
2. If a long-term service request is redirected on a firm basis for 12 or more months and the redirected service ends prior to the end of the original service request, must



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- the transmission provider honor roll-over rights in the full amount of the original request on the original path and also in the full amount of the redirect request on the alternate points of receipt and delivery? And, if so, must the transmission provider deny the redirect request if they are unable to provide for roll-over rights on the redirected path?
3. If a long-term service request is redirected on a firm basis for 12 or more months and the redirected service ends coincident with the end of the original service request, must the transmission provider honor roll-over rights in the full amount of the original request on the original path and also in the full amount of the redirect request on the alternate points of receipt and delivery? Or, are the roll-over rights on the original request reduced in the amount of the redirect request?

Due to above issues noted, in drafting Standard 9.7 the WEQ determined there may be circumstances with respect to redirects on a firm basis where the parties may mutually agree as to the disposition of roll-over rights. Should the Commission determine that this standard conflicts with its policy, NAESB will develop alternate language.

- In paragraph 32, the Commission notes that *“We are also concerned about some vague language in Standard 10.6, which states that “for the purposes of curtailment and other capacity reductions, confirmed Redirects on a Non-Firm basis shall be treated comparably to all other types of Non-Firm Secondary Point-to-Point Service. The phrase “all other types” is not defined. We interpret this phrase to apply only to services that are comparable to non-firm point-to-point service, and propose to accept the standard based on this interpretation.”*

The Commission correctly interpreted the intent of Standard 10.6. NAESB WEQ concurs with the Commission’s interpretation of the phrase “all other types” in Standard 10.6.

- In discussions with FERC staff, it was recommended that NAESB title its standards for ease of reference as well as reviewing the numbering scheme and comparing it to the WGQ numbers used for unambiguous identification.

NAESB concurs with these suggestions and will consider such changes as the organization amends and augments its base of standards.

NAESB appreciates the opportunity to comment and values the guidance provided by the Commission in this notice of proposed rulemaking. We will give a high priority to these efforts so that they may be brought to a quick conclusion. Once completed, NAESB will submit a filing with the results.



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Please note that we are filing this report electronically in Adobe Acrobat® Print Document Format (.pdf). 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 set of comments.

Respectfully submitted,

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

cc: Chairman Joseph Kelliher, Federal Energy Regulatory Commission
Commissioner Nora Mead Brownell, Federal Energy Regulatory Commission
Commissioner Suedeem Kelly, Federal Energy Regulatory Commission

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