



North American Energy Standards Board

801 Travis, Suite 1675, Houston, Texas 77002

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Home Page: www.naesb.org

June 27, 2012

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON GAS-ELECTRIC HARMONIZATION: Ms. Crockett provided an update of the Gas-Electric Harmonization Committee activities. She stated that the effort began in January of this year for the purpose of providing recommendations to the NAESB Board of Directors in response to the findings of the National Petroleum Council report published in September 2011. The Committee has developed a draft report which identifies a number of observations or issues that have an impact on the harmonization of the gas and electric markets and categorizes the issues as primarily pertaining to standards, commercial practices or agreements, or policy. The final report containing recommendations to the Board of Directors will be presented and considered for approval at the September 2012 meeting. Before that the meeting, the Committee will continue to refine their report and develop a preamble to summarize the major points. If approved, the report will be submitted to Federal Energy Regulatory Commission and based upon the findings may result in the addition of a number of items to the 2013 Annual Plan(s). The next conference call of the Committee is scheduled for July 18, 2012 followed by a face-to-face meeting in Baltimore, Maryland on August 2, 2012. Ms. McQuade noted that a letter signed by a number of trade associations was sent to Chairman Wellinghoff cautioning the Commission that the development of standards through the NAESB process may be premature given the number of policy issues that must be resolved first. In response, the NAESB Managing Committee submitted a letter to the Chairman clarifying the intentions and activities of the Committee's efforts. The letter made clear that NAESB will not address any issues that have policy implications until the policy issue has been resolved.

UPDATE ON THE ELECTRIC INDUSTRY REGISTRY: Mr. Anderson provided an update of the transfer of the NERC TSIN registry to the new NAESB Electric Industry Registry. Parallel testing of the new system began on May 14 and to date over 830 entities have registered in the new EIR. According to estimates calculated by OATI, the 830 entities account for nearly 92% of all entities anticipated to register in the new system. OATI is in the process of individually contacting the remaining entities with active eTags in the current TSIN registry about registration in the new EIR. OATI has developed a report which provides detailed information concerning the registration statistics and is available on the NAESB website through the following hyperlink: http://www.naesb.org/pdf4/eir_registration_stats.doc. NAESB is still working with NERC and OATI to address the issues that have been discovered during the parallel test including the availability of the FTP site with the EIR publication, the single remaining issue with the Terms and Conditions for registration and the development of a 24 hour emergency publication process. The parallel test is scheduled to run for six months in duration but the cutover date will be set once all issues have been resolved. NERC and NAESB will work together to make certain that the registry publication is meeting the needs of the industry and provide ample notice to the industry before cutting over to the new system. Mr. True emphasized the need to make the publication available without restriction through the FTP website.

UPDATE ON PKI/CERTIFICATION: Mr. Buccigross, chair of the Public Key Infrastructure (PKI) Subcommittee, provided an update of the PKI Subcommittee activities. He stated that the Public Key Infrastructure Subcommittee met last on June 14, 2012 to complete their efforts on WEQ Annual Plan Item 4.c.i and ii - to update the WEQ-012 standards and Authorized Certification Authority standard and credentialing practice. During the meeting the subcommittee reviewed the comments and updates made to the accreditation document and made decisions concerning the outstanding issues identified by the participants. The issues included the validity period of the ACA root certificates and the audit requirement/reporting that should be conducted by ACAs. Compromises were struck on both issues and the subcommittee unanimously voted in favor of posting the recommendation for the 30 day formal comment period. The recommendation will go out for comment this week and the WEQ EC will consider it for vote during their next meeting. The subcommittee will meet in July to review the WEQ-012



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standards and draft additional standards that will define applicability and enable the requirements identified in the Accreditation Document.

UPDATE ON REVENUE COMMITTEE: Ms. McQuade provided an update of the Revenue Committee activities and the recommendations of the Board of Directors. She stated that the Revenue Committee met to identify some potential sources for additional revenue other than membership dues and developed four recommended sources. The first source is through a non-member meeting attendance fee. The fee would help defray some of the costs incurred in hosting meetings which include audio/visual costs, conference call and webcast costs, catering and staff support. She noted that the members have been subsidizing the cost of non-member participation for many years, which has greatly increased over the past two to three years, and a non-member meeting fee would make things more equitable while still keeping the meetings completely open. The Board of Directors recommended that the Revenue Committee schedule a follow up meeting to continue discussions about the implementation of the non-member fee. Next, the Committee discussed creating a non-member website which would limit access to some of the historical information available on the website now. Taking this step would provide an additional incentive for membership. Current information concerning upcoming activities would still be available but other parts of the website would have restricted access. The Committee also discussed increasing the cost of the NAESB products and courses for non-members. Again, the purpose of the change would be to add an incentive for becoming a member and increase the value of NAESB membership. Finally, the Committee agreed to circulate a very short survey for members to clearly identify the most valuable member benefits.

UPDATE ON NATIONAL ARCHIVES AND RECORDS ADMINISTRATION FILING: Mr. Booe provided an update of the National Archives and Records Administration activities related to the Incorporation by Reference process. On February 13, 2012 the office of the Federal Register received a petition to amend the regulations governing the approval of requests to incorporate by reference material into the Code of Federal Regulation. In response, the National Archives and Records Administration (or NARA) opened a comment period to seek input on whether the current incorporation by reference process should be used to adopt standards or if changes should be made. Currently, the policy followed by federal agencies is to rely on the private sector and organizations such as NAESB to develop technical standards that implement policy through an industry consensus process and then to adopt those standards through incorporation by reference. The use of this process is mandated by the National Technology Transfer and Advancement Act of 1995 and OMB Circular A-119. This mandate was put in place to reduce the reliance on government unique standards, reduce the cost to the industry and minimize the amount of material published in the Federal Register. The mandates also recognize the intellectual property rights of those who develop material that is incorporated by reference and only allows federal agencies to engage the process when the material is are “reasonably available to the public.” NAESB has been developing voluntary standards that have been adopted by the FERC and included in the CFR for nearly 20 years. In numerous orders the FERC has cited the many ways the NAESB standards are made available to the public and NAESB has never had an issue using the process or getting approval by the Director of the Federal Registry. The petitioners are asking that NARA redefine “reasonably available” and require mandatory standards be available through “free read-only” access – if not made completely free. The comment period closed on May 31st and NAESB along with ANSI, FERC, ASHRAE and several other standards submitted comments in Docket 12-0002 of NARA. The NAESB comments highlighted the value our organization provides to the industry, and our comments and the comments of some the other standards organizations that develop copyrighted work products, emphasized the importance of the revenue derived from copyrights in relation to their organizational structure. All NAESB standards are completely free to member companies and regulators and are also available to non-members for a nominal fee to help cover administrative costs or available for evaluation purposes free of charge through a read-only software system we offer.

NEXT CONFERENCE CALL: The next Monthly Update Call is scheduled for August 29, 2012 from 1-2 PM Central. The agenda and any work papers will be posted on the Monthly Update page of the NAESB website: http://www.naesb.org/monthly_update.asp. We hope you can join us. If there are particular topics



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you would like to see covered or would like to receive additional information, please contact the NAESB Office (713)356-0060, naesb@naesb.org.



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NAESB Monthly Update Conference Call, Participant List

June 27, 2012 2:00 PM Eastern

Name	Organization
Jeff Anderson	OATI
Clint Aymond	Entergy
Rebecca Berdahl	BPA
Denis Bergeron	Maine Public Utilities Commission
Bill Bokram	Michigan Public Service Commission
Jonathan Booe	NAESB
Curt Bryan	SunGard Consulting Services
Jim Buccigross	8760
Kathryn Burch	Spectra Energy
Jim Clemente	United Illumination Company
Terry Coggins	Southern Company
Pete Connor	AGA
Valerie Crockett	TVA
Rae Davis	Carolina Gas Transmission Corporation
Ericka DeCoursey	New Mexico Gas Company
Megan Doss	Spectra Energy
Doug Field	Southern Star Central Gas Pipeline
Keith Flynn	TransCanada US Pipeline Central
Marilyn Franz	NV Energy
BelindaFriis	Vector Pipeline
Fred Highser	Not Specified
Linda Horn	Wisconsin Electric Power
Veronica Jones	Defense Logistics Agency Energy
Vanessa Mathieu	Noble Americas Corp.
Pat McGovern	Georgia Transmission
Rae McQuade	NAESB
Cheryl Moseley	ERCOT
Ray Phillips	Alabama Municipal Electric Authority
DebraPlattsmier	Chevron Pipeline
Alan Pritchard	Duke Energy
Judy Ray	Alabama Power
Brandon Robinson	Balch & Bingham
Susan Schumann	Florida Municipal Power Agency



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Jason Wolfe	FMPA
JT Wood	Southern Company
Randy Young	Boardwalk Pipeline