



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

**1. Recommended Action:**

- Accept as Requested
- Accept as modified below
- Decline

**Effect of EC Vote to Accept Recommended Action:**

- Change to Existing Practice
- Status Quo

**2. TYPE OF MAINTENANCE**

**Per Request:**

- Initiation
- Modification
- Interpretation
- Withdrawal
  
- Principle
- Definition
- Model Business Practice
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

**Per Recommendation:**

- Initiation
- Modification
- Interpretation
- Withdrawal
  
- Principle
- Definition
- Model Business Practice
- Document
- Data Element
- Code Value
- X12 Implementation Guide
- Business Process Documentation

**3. RECOMMENDATION**

**SUMMARY:**

Add proposed NAESB RGQ Model Business Practices (Models) to the existing RGQ Model Business Practices on Creditworthiness:

Process flow diagrams to be added as Models within the existing MBP's:

- 1) Determination of Initial Credit Limits – Process Flow as MBP 1.3.3.1
- 2) Reconsideration of Determination of Initial Credit Limit – Process Plow as MBP 1.4.3.1
- 3) Reconsideration of Determination of Initial Credit Limit – Challenge Process Flow as MBP 1.4.3.2
- 4) Disqualification/Remedies = Process Flow as MBP 1.5.3.1.



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

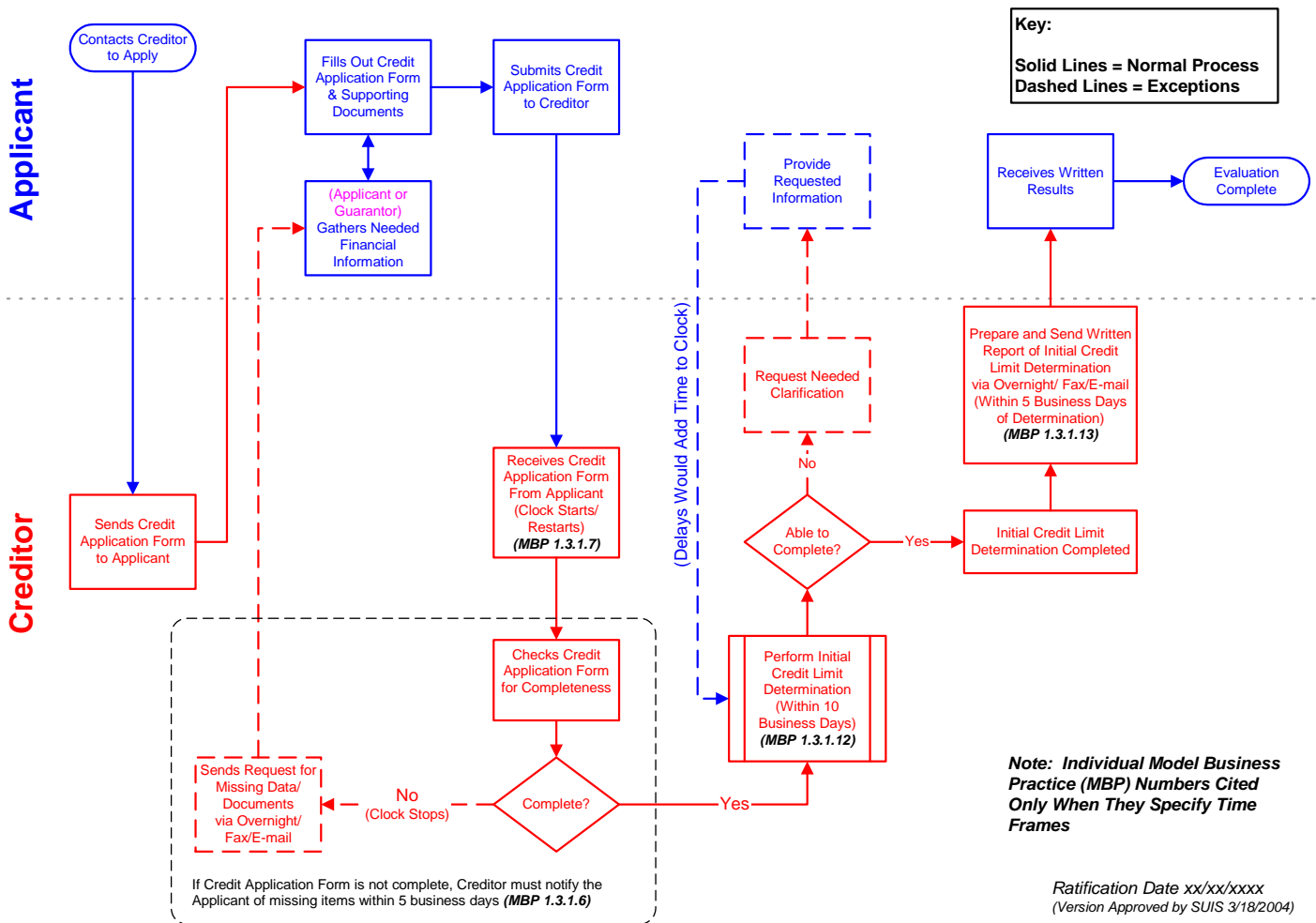
**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

**Proposed Model Business Practices:**

Model Business Practice 1.3.3.1

**Determination of Initial Credit Limit - Process Flow**

Creditworthiness Evaluation Process (Section 1.3.3.1)





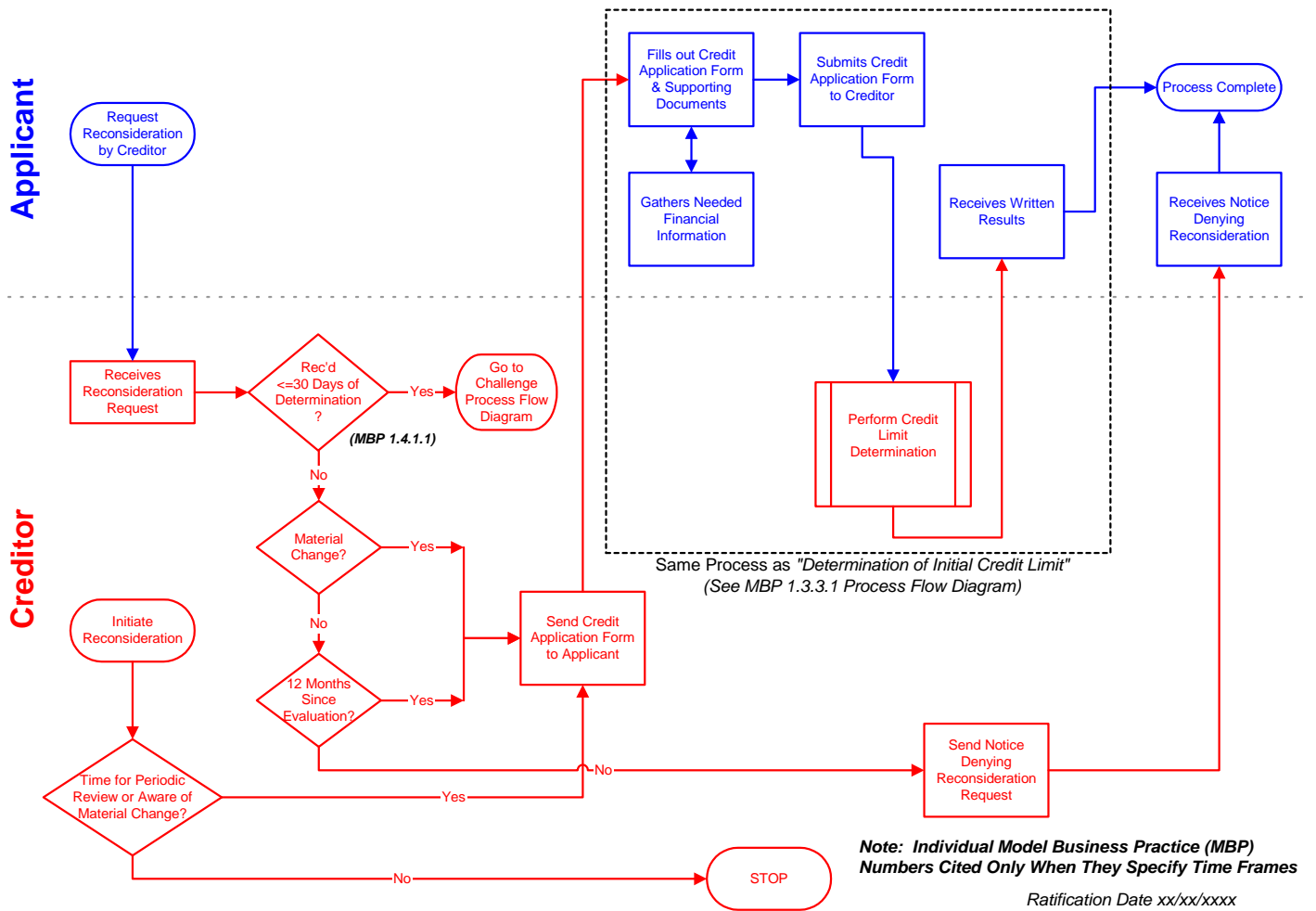
**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.4.3.1

**Reconsideration of Determination of Initial Credit Limit - Process Flow**

Creditworthiness Evaluation Process (Section 1.4.3.1)





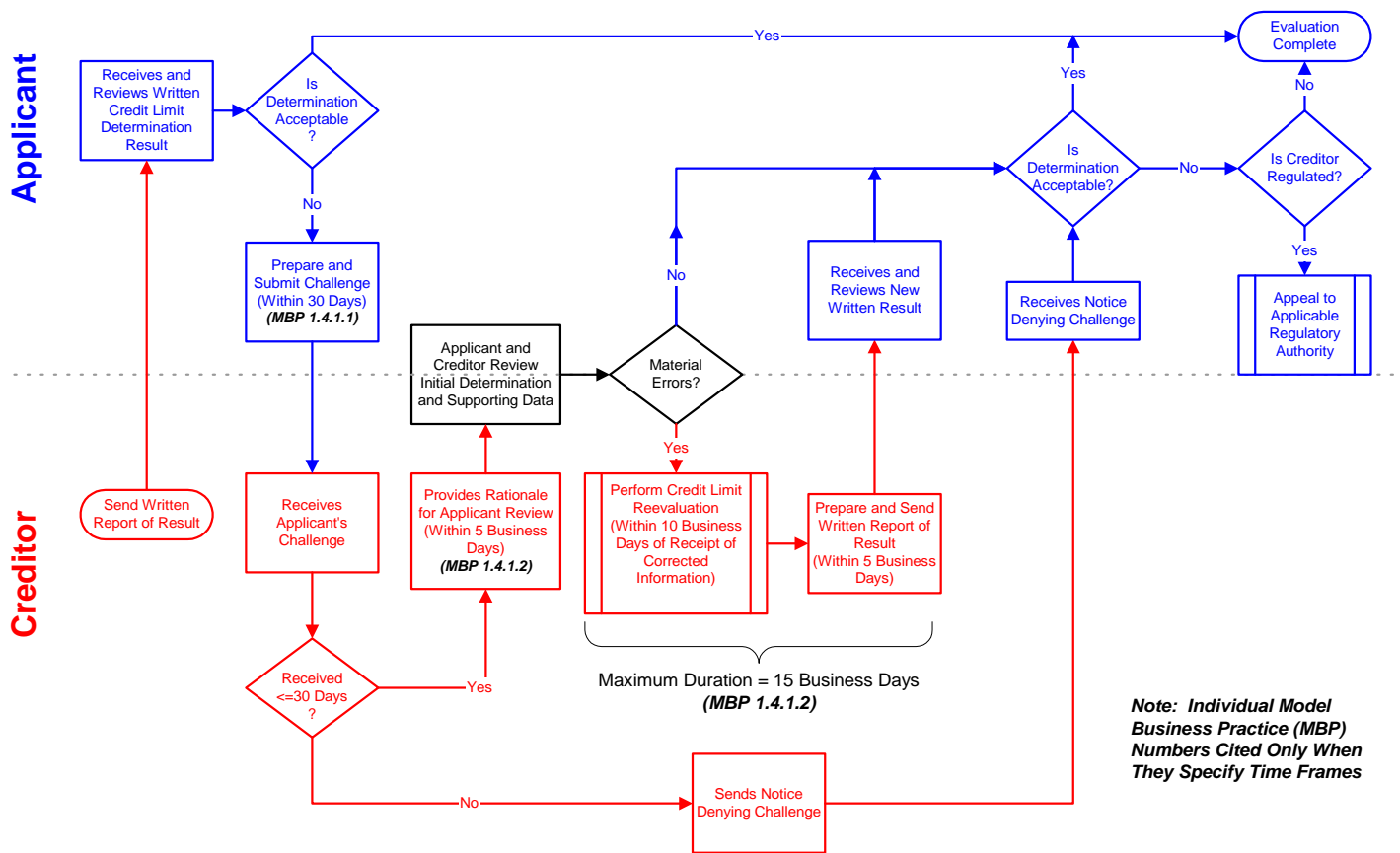
**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.4.3.2

**Reconsideration of Determination of Initial Credit Limit - Challenge Process Flow**

Creditworthiness Evaluation Process (Section 1.4.3.2)



**Note: Individual Model Business Practice (MBP) Numbers Cited Only When They Specify Time Frames**

Ratification Date xx/xx/xxxx  
(Version Approved by SUIS 3/18/2004)



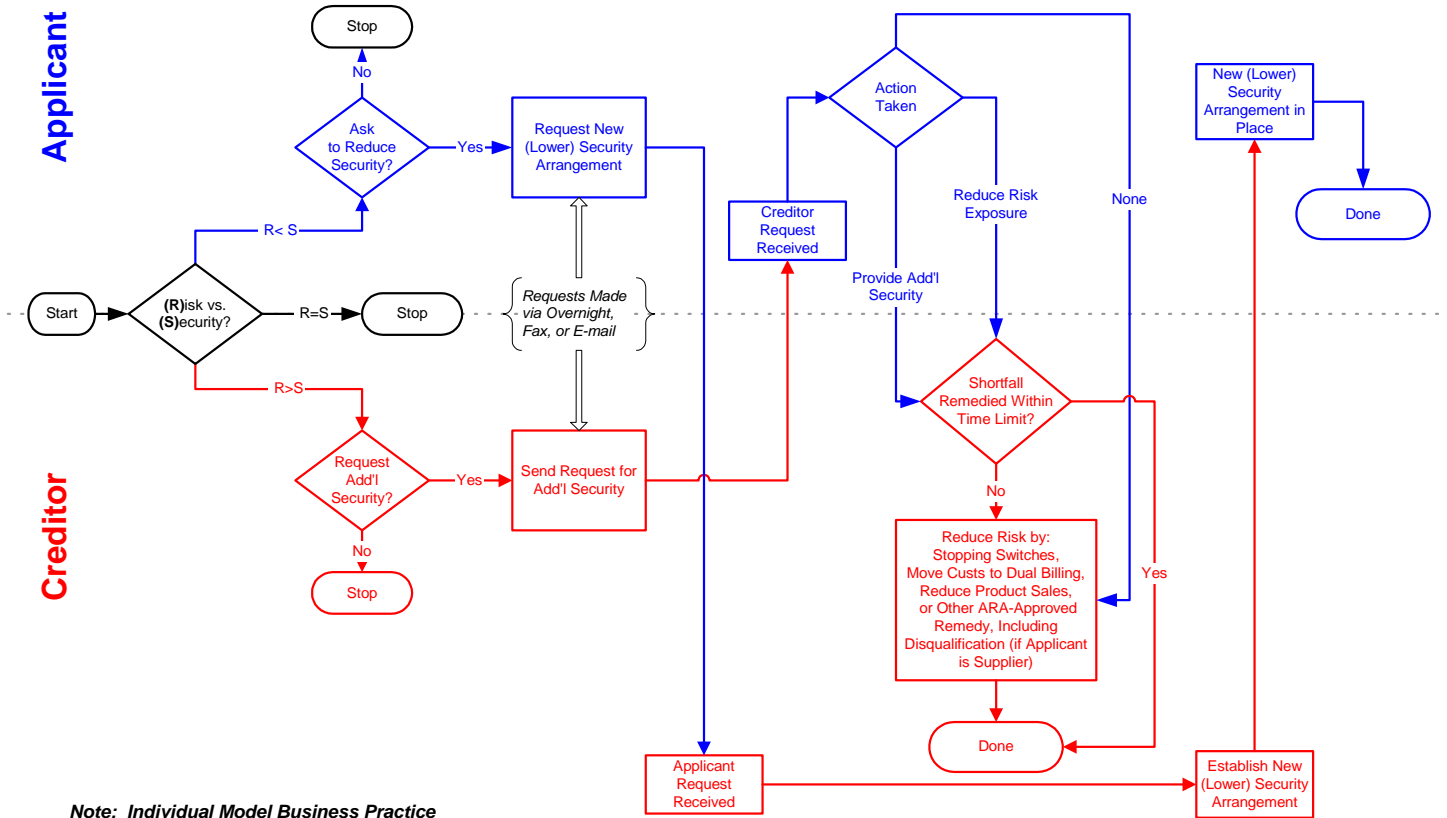
**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

Model Business Practice 1.5.3.1

**Disqualification/Remedies - Process Flow**

Disqualification/Remedies (Section 1.5.3.1)



*Note: Individual Model Business Practice (MBP) Numbers Cited Only When They Specify Time Frames*

*Ratification Date xx/xx/xxxx  
(Version Approved by SUIS 3/18/2004)*



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

**4. SUPPORTING DOCUMENTATION**

**a. Description of Request:**

2003-2003 Annual Plan Item 2 - Develop practices for extending commercial credit by Distributors to Supplier to cover financial risk. These models complete the work on Creditworthiness.

**b. Description of Recommendation:**

**Supplier-Utility Interface Subcommittee**

The proposed Model Business Practices are the result of a series of meetings and conference calls held by the Retail Gas Quadrant's Supplier-Utility Interface Subcommittee begun in the Fall of 2002, resulting in approval of Model Business practices on an August 11, 2003 Conference Call, approval of introductory sections on January 13, 2004, and approval of the enclosed process flow diagrams as Models on March 18, 2004.

See the Supplier-Utility Interface Subcommittee (SUIS) meeting minutes, attachments, and transcripts for the supporting documentation, discussion, and voting records for the following dates:

August 5, 2002  
August 9, 2002  
September 18-19, 2002  
October 21, 2003  
November 8, 2002  
January 8, 2003  
February 14, 2003  
February 25, 2003  
April 3, 2003  
April 30, 2003  
May 15, 2003  
June 19, 2003  
July 15-16, 2003  
July 31, 2003  
August 11, 2003  
September 11, 2003  
December 3, 2003  
January 13, 2004  
March 3, 2004  
March 18, 2004

**c. Business Purpose:**



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

**Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2**

The business purpose for the proposed Model Business Practices is to facilitate the establishment of working relationships between Distribution Companies and Suppliers to enable them to serve retail access Customers. The practices do so by presenting a consistent process for establishing credit between the parties in the context of serving retail access Customers.

**d. Commentary/Rationale of Subcommittee(s)/Task Force(s):**

The proposed Model Business Practices were developed in a consensus-oriented process with active participation from all four RGQ Segments: Distributors, Suppliers, Services, and End-Users. That a degree of consensus was reached is evidenced by the passage of a motion during the March 18, 2004 conference call to recommend all four Model Process Flow Diagrams under consideration to the Executive Committee. However, only the Local Distribution Company and Supplier Segments of RGQ were represented at the March 18, 2004 conference call.

The voting record of March 18, 2004 follows:

**Joint REQ/RGQ SUIIS Conference Call - March 18, 2004  
Voting Record on Motion to Approve Creditworthiness Process Flow Diagrams**

Motion #	1	Date: 3/18/2004							
<b>Motion:</b>	Motion for approval of the Creditworthiness process flow diagrams as amended on today's call.								
<b>REQ Moved:</b>	Mary Edwards				<b>Seconded:</b>	Kathy Yetman			
<b>RGQ Moved:</b>	Dan Rothfuss				<b>Seconded:</b>	Mike Coyle			
<b>Vote Tally</b>	<b>Raw Votes</b>				<b>Balanced Votes</b>				<b>Motion Status</b>
	For	Against	Total	Abstain	Total Wt	For	Against	Total	
<b>REQ</b>									
End Users	0	0	0	0	0	0.00	0.00	0	
Distributors	8	0	8	0	2	2.00	0.00	2	
Suppliers	1	0	1	0	1	1.00	0.00	1	
Services	0	0	0	0	0	0.00	0.00	0	
	<b>9</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>3</b>	<b>3.00</b>	<b>0.00</b>	<b>3</b>	<b>PASS</b>
<b>RGQ</b>									
End Users	0	0	0	0	0	0.00	0.00	0	
LDCs	3	0	3	0	2	2.00	0.00	2	
Suppliers	1	0	1	0	1	1.00	0.00	1	
Services	0	0	0	0	0	0.00	0.00	0	
	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>3.00</b>	<b>0.00</b>	<b>3</b>	<b>PASS</b>



**RECOMMENDATION TO NAESB EXECUTIVE COMMITTEE  
RETAIL GAS QUADRANT**

Requester: RGQ Supplier-Utility Interface Subcommittee  
Request No.: 2002-2003 Annual Plan Item 2

**Joint REQ/RGQ SUIS Conference Call - March 18, 2004  
Voting Record on Motion to Approve Creditworthiness Process Flow Diagrams**

Retail Electric Quadrant	Motion # 1		
	Yes	No	Abs
<b>REQ - Distributors</b>			
1 Yvette Camp - Southern Company	1		
2 Patrick Eynon - Ameren	1		
3 Bill Newbold - Detroit Edison	1		
4 Judy Ray - Alabama Power	1		
5 Ken Thiry -Wisconsin Public Service	1		
6 Bill Wolfe - BG&E	1		
7 Kathy Yetman - National Grid	1		
8 Mary Edwards - Dominion Va Power	1		
<b>REQ - Distribution Companies Total</b>	<b>8</b>	<b>0</b>	<b>0</b>
<b>REQ - Suppliers</b>			
1 Tan Adams - Georgia Power	1		
<b>REQ - Suppliers Toal</b>	<b>1</b>	<b>0</b>	<b>0</b>

Retail Gas Quadrant	Motion # 1		
	Yes	No	Abs
<b>RGQ - Local Distribution Companies</b>			
1 Mike Coyle - PSE&G	1		
2 Les Nishida - Wisconsin Public Service	1		
3 Dan Rothfuss - Cinergy	1		
<b>RGQ - LDC's Total</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>RGQ - Suppliers</b>			
1 Marcy McCain - Duke Energy Gas Trans	1		
<b>RGQ - Suppliers Toal</b>	<b>1</b>	<b>0</b>	<b>0</b>