

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

January 19, 2005

NAESB AT A GLANCE: MONTHLY UPDATE

FIRST WEQ FILING WITH FERC: Ms. Rae McQuade, NAESB Executive Director, reported on the first Wholesale Electric Quadrant (WEQ) standards filing with the Federal Energy Regulatory Commission (FERC). The standards include business practices that address OASIS, OASIS Standards & Communication Protocol and Data Dictionary. The filing also includes business practices that are complementary to North American Electric Reliability Council (NERC) reliability standards for coordinate interchange, area control error (ACE) equation special cases, manual time error correction, inadvertent interchange payback. Finally, it included standards of conduct to comply with FERC Orders 2004, 2004-A, and 2004-B. The filing did not include ratified standards for Transmission Load Relief (TLR), the Funds Transfer Agency Agreement (FTAA), or enhancements to the Coordinate Interchange Business Practices (CIBP). The filing was made in FERC docket number RM05-5-000.

ENERGY DAY UPDATE: Mr. Lou Oberski, Director of Electric Market Policy, Dominion Resource Services, Inc., and WEQ Executive Committee Chairman, provided an update on the Energy Day efforts. The Joint Subcommittee on Energy Day was formed from the Business Practices Subcommittees of the WEQ and the Wholesale Gas Quadrant (WGQ) in response to NAESB Request Number R04016 submitted by KeySpan and Duke Energy to develop a standardized energy day. The subcommittee will meet again on January 24th and 25th in Houston. The agenda at the January meeting will provide a forum for companies or groups of companies to present straw man proposals for energy day. Mr. Rick Miles, Director of Dispute Resolution Services at FERC will facilitate the meeting. The subcommittee has meetings scheduled every two weeks through April 2005. FERC Chairman Wood has requested a deadline of June 1st in a letter sent to NAESB Chairman Desselle last month. Also, at the Dec. 15 FERC open session, Commissioner Brownell requested that NAESB provide periodic updates to the Commission on its efforts.

UPDATE ON BOARD COMMITTEES: Mr. James Cargas, Deputy Director of NAESB, reported on the four board committees: Gas-Electric Interdependency (GEIC), Resources, Retail Awareness Committee, and a newly formed retail committee.

- The Gas-Electric Interdependency Committee (GEIC), chaired by Mr. Jim Templeton, Principal of Comprehensive Energy Services and member of the NAESB Managing Committee, continues to consider what types of activities related to gas and electric interdependency could result in NAESB standards development.
- The Resources Committee, chaired by Ms. Gloria Ogenyi, Director of Energy and Market Policy of Conectiv, has been revising the NAESB membership materials and the membership web page, and conducting outreach to prospective members. The Resources Committee set a goal of 30 net new members by March 2005, and has added eleven new members to date.
- The Retail Awareness Committee (RAC), chaired by Mr. Cade Burks, President of EC Power, will be sending letters to twenty-four state commissions offering to provide an educational presentation on existing model business practices and current drafting efforts. RAC hopes to leave these meetings with input on the 2005 Annual Plans and guidance on areas for further development.
- Finally, the NAESB Board created a fourth committee at its Dec. 9 meeting to review whether the two retail quadrants should be merged or be restructured to bring membership levels above NAESB minimum levels. The Committee will report to the Board of Directors in the fourth quarter.

ORDER 2004 REVISIONS TO WGQ STANDARDS: Mr. Jim Buccigross, Vice President, 8760, Inc., and NAESB Executive Committee Chairman, reported on the Dec. 21, 2004 FERC Notice of Proposed Rulemaking in Docket No. RM96-1-026 (NOPR) that proposes adoption of NAESB WGQ Version 1.7 Standards, standards implementing FERC Order Nos. 2004-A and 2004-B (Standards of Conduct), and gas quality reporting standards. The Commission noted in paragraph 10 of the NOPR that "Revised Standard 4.3.23 does not specify a location for posting voluntary consent to information disclosure by non-affiliated customers..." and "Posting this information as a separate category represents a better practice, since it will make it easier for the Commission as well as other parties to find and access this information." Mr. Buccigross said the process to modify Standard 4.3.23 to comply with the NOPR should be complete prior to the issuance of a final order by FERC.

UPDATE ON THE GAS QUALITY STANDARDS & NATURAL GAS COUNCIL: Mr. James Cargas, Deputy Director of NAESB, reported that the Natural Gas Council Plus (NGC+) met with FERC Chairman Wood on Dec. 17, 2004 and provided him two white papers: "Liquid Hydrocarbon Dropout in Natural Gas Infrastructure," and "Natural Gas



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Interchangeability and Non-Combustion End Use." The working groups that drafted these white papers included thirty-one NAESB members. Ms. Dolores Chezar, Director, Regulatory Policy for KeySpan Energy stated the interchangeability paper is still considered to be in draft form and efforts to revise it will continue. Mr. Cargas also reported that on Oct. 20, 2004, NAESB's membership ratified the gas quality reporting standards for tracking physical and chemical properties of natural gas defined in pipeline tariffs. These were submitted to FERC and are part of the Dec. 21, 2004 NOPR (see above).

UPDATE ON RETAIL TRADING PARTNER AGREEMENT AMENDMENTS: Ms. Rae McQuade, Executive Director for NAESB, stated the retail quadrants have been developing a Trading Partner Agreement (TPA) based on the WGQ version. The TPA provides an agreement between trading partners to determine how each will communicate information across computer systems through XML or EDI format. Ms. Dale Davis of Williams Gas Pipeline added the retail subcommittee made some minor changes to the WGQ version to make it generally applicable and added a user's guide as a companion document for the retail version of the agreement. The draft TPA is posted for industry comment. The comment period ends Feb. 11, 2005.

RETAIL SUBCOMMITTEE REORGANIZATION: Mr. Phil Precht, Director of Gas Choice Programs at Baltimore Gas and Electric, said that after more than a year of experience with the retail subcommittee structure, the retail executive committees are improving the process of developing standards by reorganizing the subcommittee structure. The reorganization is modeled after the WGQ structure. The Customer Processes Subcommittee and Supplier User Interface Subcommittee will combine to be the Business Practices Subcommittee, and a new Information Requirements Subcommittee will be created. The Technical Electronic Implementation Subcommittee will remain unchanged.

NEXT CONFERENCE CALL: The next conference call is scheduled for **Wednesday**, **March 16**, **2005**, at 2:00 pm Eastern. (There will not be a monthly update call in February due to the NARUC Winter Meeting.) 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 January 19, 2005 -- 2:00 PM Eastern

	Name:		Organization:
1	Diane	Barney	New York State Dept. of Public Service
2	William	Bokram	Michigan Public Service Commission
3	Marla	Larson	Montana Public Service Commission
4	Marcella	Matzeit	Canadian National Energy Board
5	Terry	McGilvra	Iowa Utilities Board
6	Thomas	Pearce	Ohio Public Utilities Commission
7	Karl	Wunderlich	United States Bureau of Reclamation
8	Mike	Anthony	Progress Energy
9	Dawn	Arnold	Tennessee Valley Authority
10	Osman	Bholat	Savannah Electric
11	Victor	Bissonette	Hydro Quebec
12	Bill	Boswell	NAESB
13	Jim	Buccigross	Group 8760
14	Kathryn	Burch	Duke Energy
15	Christopher	Burden	Williams Gas Pipeline



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	Name:		Organization:
16	Yvette	Camp	Southern Company
17	James	Cargas	NAESB
18	Jennifer	Chen	Sungard Energy Systems
19	Dolores	Chezar	KeySpan
20	Dale	David	Williams Gas Pipeline
21	Dorman	Davis	Mississippi Power
22	Michael	Desselle	AEP
23	Andrew	Dotterweich	Consumers Energy
24	Mary	Edwards	Dominion Virginia Power
25	Edison	Elizeh	PacifiCorp
26	Lynnda	E11	Entergy
27	James	Evans	Consultant
28	Michael	Flannery	Maryland Office of Peoples Counsel
29	Ollie	Frazier	Duke Energy
30	Dona	Gassow	Florida Power & Light
31	Michael	Gildea	Constellation Generation
32	Terri	Grabiak	Allegheny Energy
33	Barry	Green	Ontario Power Generation
34	Bill	Griffith	El Paso Western Pipelines
35	Bill	Hebenstreit	El Paso Production Co.
36	Jim	Hicks	Pacificorp
37	Linda	Horn	We Energies
38	Tom	Hyzinski	PPL Energy
39	Alan	Johnson	Mirant
40	Wanda	Jones	MPSC
41	Barb	Kedrowski	We Energies
42	Arlynn	Kelleher	Entergy Services
43	Laura	Kennedy	NAESB
44	Iris	King	Dominion Transmission
45	Melissa	Lauderdale	Edison Electric Institute
46	Cecilia	Liang-Nicol	Allegheny Power
47	Bill	Lohrman	NERC
48	John	Lucas	Southern Company
49	Carol	McCrary	North Carolina Municipal Power Agency #1
50	Ernestine	McNair	Georgia Power Co.
51	Rae	McQuade	NAESB
52	Carl	Monroe	Southwest Power Pool



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	Name:		Organization:
53	Leslie	Nishida	Wisconsin Public Service Corporation
54	Lou	Oberski	Dominion
55	Marcie	Otondo	Arizona Public Service Co.
56	Marjorie	Perlman	Energy East
57	Charlotte	Pinnick	JM Huber Corp
58	Phil	Precht	Baltimore Gas & Electric
59	Greg	Ramon	Tampa Electric Company
60	Judy	Ray	Alabama Power Company
61	Roger	Schwecke	Southern CA Gas Comp
62	Julie	Simon	Constellation Energy
63	Eli	Spriggins	Cleco Power
64	Joe	Stepenovitch	FRCC
65	Mark	Tallman	Pacificorp
66	Sarah	Tomalty	Florida Power & Light
67	Kim	Van Pelt	Panhandle Eastern Pipeline
68	Kathy	York	Tennessee Valley Authority