

NORTH AMERICAN ENERGY STANDARDS BOARD

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

May 23, 2007

NAESB AT A GLANCE: MONTHLY UPDATE

UPDATE ON TLR: Ms. York, Tennessee Valley Authority, chair of the WEQ Executive Committee, provided a review of the progress to date on the NERC development of the TLR reliability standards. She stated that the WEQ Business Practices Subcommittee (BPS) continues to meet jointly with the NERC ATC Drafting Team to ensure that the standards remain in lock step. NERC posted the draft TLR reliability standards for public comment on May 1, 2007. The comment package includes the original IRO006 and Attachment 1 with the areas that were split as NAESB business practice standards highlighted in gray with a cross reference to the NAESB standard sections. The WEQ BPS and the NERC TLR Drafting Team also drafted a white paper to be attached to the request for comment in order to provide additional background on the history of the TLR standards development for the industry to consider when drafting comments. As of May 22, no comments have been submitted. The comments are due on June 15. The WEQ BPS and the NERC TLR Drafting Team are scheduled to meet jointly in Houston, Texas on June 19-20 hosted by NAESB to review the comments. The team expects to post the TLR reliability standards for NERC balloting in early fall 2007.

UPDATE ON ORDER 890:

ATC AND COORDINATION WITH NERC: Ms. York also provided a review of the efforts of the NAESB WEQ Electronic Scheduling Subcommittee, Information Technology Subcommittee (ESS/ITS), and BPS to address the ATC issues in FERC Order 890. NERC and NAESB continue to work to complete the needed reliability standards by the end of 2007 and the NAESB business practice standards by the first quarter 2008. The NAESB effort is co-chaired by Ms. York and Mr. Wood of Southern Company. It is the expectation that the NERC ATC Drafting Team will post their draft standards to address ATC for the first comment period during the first part of June 2007. The NAESB ESS/ITS and BPS has reviewed the draft language of the NERC reliability standards to determine areas where NAESB needs to develop posting requirements. The groups meet at least every other week via conference call or in person.

OASIS CHANGES: Mr. Sorenson, OATI, and co-chair of the WEQ ESS/ITS provided an overview of the efforts of the ESS/ITS to modify the OASIS business practices to address Order 890. The ESS/ITS is working to modify the OASIS Standards & Communication Protocols and the newly created OASIS Standards & Communication Protocols Implementation Guide to incorporate the changes needed for the Group 1 items: Posting of ETC; Annotations for ETC; Annotations for ATC; Load Forecast and Actual Load; Re-bid of Partial Service; and Preconfirmation Priority. The ESS/ITS would like to complete this stage of the standards development needed for Order 890 in order to include these changes in the next publication of the NAESB WEQ standards, scheduled in early fall 2007. In addition, the NERC/NAESB Joint Interchange Scheduling Working Group (JISWG) is working to complete e-Tag specification Version 1.8. The JISWG is working to incorporate functionality for handling long term conditional firm service as set forth in Order 890 in Version 1.8 of the e-Tag specification. A proposal will be posted for informal comment by the JISWG to the industry about its plans to handle conditional firm in the e-Tag specification. The JISWG is still on schedule to release Version 1.8 in December 2007.

E-TARIFF SUBCOMMITTEE: Mr. Sappenfield, NAESB Board Member, and co-chair of the e-Tariff Subcommittee provided a review of the work of the e-Tariff Subcommittee. The e-Tariff Subcommittee met on April 26 in Washington, DC. During this meeting, the subcommittee reviewed the data elements that FERC would like to be included in the NAESB business practices drafted for this effort. On May 21, the e-Tariff Subcommittee met via conference call to reach a consensus on the approach that will be used to move forward with e-Tariff business practices. The e-Tariff Subcommittee determined during the May 21 call that a web portal approach will be used in drafting the standards. The web portal approach will result in FERC establishment of a web portal on its website to upload the tariff and tariff related documents. The approach will be used as a starting point for the June 4 meeting scheduled in Phoenix, Arizona hosted by Arizona Public Service. The meetings are well attended, with members of the WEQ and WGQ well represented in the room and on the phone. Members of the oil pipeline industry are also attending the meetings as FERC Staff has indicated that the standards created by NAESB will likely be applied to all industries that are required to file tariffs with the FERC. In addition, all of the e-Tariff Subcommittee meetings are well attended by FERC Staff, with four to five staff members attending each meeting in person. Edison Electric Institute has volunteered to host a meeting of the e-Tariff Subcommittee in July at its offices in Washington, DC.



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GAS QUALITY: Mr. Buccigross, NAESB Board Member, and chair of the Executive Committee, provided an update on the Gas Quality standards development in the WGQ. A recommendation drafted by the WGQ Business Practices Subcommittee for Request No. R06008 (Modify WGQ Business Practice Standard 4.3.90 to clarify that all available data at representative points should be made available by Transmission Service Providers) was reviewed by the WGQ Executive Committee in December 2006. Based on the discussion and votes during the meeting, the WGQ Executive Committee remanded the standard to the WGQ Business Practices Subcommittee for further development. The WGQ Business Practices Subcommittee for review. During the May 10, 2007 Executive Committee meeting, the WGQ Executive Committee approved revisions to two existing WGQ standards (4.3.90 and 4.3.92) and adopted a new standard. There were two additional new standards proposed by the WGQ Business Practices Subcommittee that did not receive the required super majority vote in order to be considered adopted by the WGQ Executive Committee.

DEMAND SIDE MANAGEMENT/ENERGY EFFICIENCY STATUS: Ms. McQuade provided an update on the Demand Side Management/Energy Efficiency (DSM and EE) effort in the Wholesale Electric Quadrant and Retail Quadrants. The Department of Energy hosted the initial meeting for this effort on April 11 in Washington, DC. During this meeting it was determined that the joint WEQ and Retail DSM and EE subcommittee would focus on measurement and verification standards for demand side management and energy efficiency. The measurement and verification standards will be from a quantitative perspective, and will not address pricing issues. The next meeting is scheduled on May 24, 2007 hosted by Baltimore Gas and Electric in Baltimore, Maryland. The subcommittee will focus on three questions during this meeting that will be facilitated by Mr. Pickles of ICF Consulting.

NEXT CONFERENCE CALL: The next Monthly Update Call is scheduled on July 25, 2007 at 2PM Eastern. The agenda and any work papers will be posted on the Monthly Update page of the NAESB website: <u>http://www.naesb.org/monthly update.asp</u>. 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).



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NAESB Monthly Update Conference Call, Participant List May 23, 2007 -- 2:00 PM Eastern

	Name	Organization
1	Phillip Bedingfield	Georgia Public Service Commission
	Name	Organization
2	Bill Boswell	NAESB
3	Jim Buccigross	8760, Inc.
4	Ed Davis	Entergy
5	Rhonda Denton	BP Energy
6	Gene Fava	Great Lakes Gas Transmission
7	Les Fyock	APGA
8	Bill Griffith	El Paso Natural Gas
9	Brenda Horton	Kern River Gas
10	Linda Horn	Wisconsin Electric Power
11	Laura Kennedy	NAESB
12	Bob Kiethly	SDG & E
13	Iris King	Dominion Transmission
14	Bob McKee	American Transmission Company
15	Rae McQuade	NAESB
16	Derrick Miles	Missouri Public Service Commission
17	Ron Mucci	Williams Power
18	Keith Pierce	FERC
19	Judy Ray	Alabama Power
20	Keith Sappenfield	EnCana
21	Ed Skiba	MISO
22	Paul Sorenson	OATI
23	Veronica Thomason	NAESB
24	Keith Tiggelaar	Williston Basin Interstate Pipeline
25	Jim Viikinsalo	Southern Company
26	Julie Voeck	American Transmission Company
27	Charles Yeung	Southwest Power Pool
28	Kathy York	Tennessee Valley Authority
29	Richard Zelenko	Dominion Retail, Inc.