



NORTH AMERICAN ENERGY STANDARDS BOARD

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October 9, 2009
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20585

RE: Standards for Business Practices of Public Utilities (Docket No. RM05-5 et al)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") herewith submits this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding errata to Versions 001, 002.0 and 002.1 of the NAESB Wholesale Electric Quadrant ("WEQ") Standards, provided to the Commission on December 21, 2007, August 29, 2008 and February 19, 2009, respectively. This NAESB report is voluntarily submitted by NAESB in response to Docket Nos. RM05-5 et al. The NAESB WEQ Version 001 standards were ratified by the NAESB membership and published on October 31, 2007; Version 002.0 was ratified and published on September 30, 2008; and Version 002.1 was ratified and published on March 11, 2009. The minor corrections to WEQ-008 included in this report were unanimously adopted by the WEQ Executive Committee on August 18, 2009¹.

The report is being filed electronically in Microsoft® Word® 2003 and in Adobe Acrobat® Print Document Format (.pdf). All of the documents are also available on the NAESB web site (www.naesb.org). Please feel free to call me at (713) 356-0060 or refer to the NAESB website (www.naesb.org) should you have any questions or need additional information regarding the errata to the NAESB WEQ Versions 001, 002.0 or 002.1 standards or any other NAESB work products.

Respectfully submitted,

Rae McQuade

Ms. Rae McQuade

President & COO, North American Energy Standards Board

¹ The August 18, 2009 WEQ Executive Committee draft meeting minutes can be found through the following hyperlink:
http://www.naesb.org/pdf4/weq_ec081809dm.doc



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cc:

Chairman Jon Wellinghoff, Federal Energy Regulatory Commission
Commissioner Sudeen Kelly, Federal Energy Regulatory Commission
Commissioner Philip D. Moeller, Federal Energy Regulatory Commission
Commissioner Marc Spitzer, Federal Energy Regulatory Commission

Mr. Thomas R. Sheets, General Counsel of the Commission, Federal Energy Regulatory Commission
Mr. Joseph McClelland, Director, Office of Electric Reliability, Federal Energy Regulatory Commission
Ms. Jamie L. Simler, Director, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission
Mr. Bruce McAllister, Office of Energy Policy and Innovation, Federal Energy Regulatory Commission

Mr. Ralph Cleveland, Chairman and CEO, North American Energy Standards Board
Mr. William P. Boswell, General Counsel, North American Energy Standards Board

Mr. David Cook, General Counsel, North American Electric Reliability Corporation
Mr. Andrew Rodriguez, North American Electric Reliability Corporation

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Standards for Business Practices and)
Communication Protocols for Public Utilities)

Docket No. RM05-17-000
Docket No. RM05-5-000

REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report in accordance with the Commission's Orders in the above referenced docket. The report is filed in response to the Commission's Orders in FERC Order Nos. 676-C, 676-D and 693 as related to NAESB standard WEQ-008 Appendix D. The report is in two parts – the errata for NAESB Wholesale Electric Quadrant ("WEQ") Versions 001, 002.0 and 002.1 Standards; and Notice to WEQ Members of Executive Committee Adoption of Minor Corrections, including the NAESB Operating Procedure for Minor Clarifications and Corrections to Standards.

This Appendix contains the errata for the following NAESB WEQ Version 001, 002, 002.1 Standards:

Minor Corrections:	WEQ-008-1.4	Delete the section heading and text and mark the section number as "RESERVED"
	WEQ-008 Appendix D	Delete the appendix heading and text and mark the appendix as "RESERVED"

Minor Correction as approved by the NAESB WEQ Executive Committee on August 18, 2009



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Minor Correction Request

Quadrant: Wholesale Electric Quadrant (WEQ)
Business Practice: WEQ-008
Submitted By: WEQ Business Practices Subcommittee
Date: August 12, 2009

The WEQ Business Practices Subcommittee (BPS) is requesting that the Executive Committee (EC) modify the WEQ Business Practice WEQ-008 to support the recommendation from NERC that the market flow threshold be changed from zero percent to five percent. This minor correction will address WEQ Annual Plan Item 1.b.ii "Update WEQ-008 Appendix D to include the Market Flow Threshold Percentage recommended by NERC working group/task force."

Background Information

The WEQ BPS is recommending that this minor correction be approved by the WEQ EC in response to the results of the NERC Operating Reliability Subcommittee (ORS) Market Flow Threshold Task Force. The Task Force was charged with reviewing the results of the field test and providing a recommendation to the NERC ORS and NERC TLR Standards Drafting Team. The objective of the field test was to determine a market flow threshold that will allow the three markets (Midwest ISO, PJM and SPP) to consistently meet their relief obligations during TLR.

Based on discussions held with the NERC ORS Market Flow Threshold Task Force representatives, draft meeting minutes from the July 23, 2009 NERC TLR Standards Drafting Team, and email exchanges between the BPS co-chairs and ORS Chair, we anticipate these groups will approve the five percent curtailment threshold. This approval will constitute NERC agreement that the change to the five percent curtailment threshold will address the reliability concern of the markets being unable to consistently meet their relief obligations under the zero percent curtailment threshold.

The WEQ BPS is proposing this minor correction to stay in lock step with NERC in addressing reliability concerns.

Minor Correction Changes

WEQ-008-1.4 - Delete the section heading and text and mark the section number as "RESERVED"

WEQ-008 Appendix D - Delete the appendix heading and text and mark the appendix as “RESERVED”²

Timing of Changes

NERC Timing

- The NERC TLR Standards Drafting Team is expected to approve the five percent curtailment threshold recommendation when it meets on August 25, 2009.
- The NERC ORS is expected to approve the five percent curtailment threshold recommendation when it meets on September 1, 2009.
- Following these approvals an informational presentation will be made to the NERC Operating Committee on September 15, 2009
- An informational presentation will be made to the NERC Standards Committee during either their September or October 2009 meeting.

NAESB

- Upon approval of this minor correction, NAESB will hold the minor correction in abeyance until the NERC approval of the five percent curtailment threshold.
- The minor corrections will be applied to Version 1.0, Version 2.0, and Version 2.1 of the NAESB WEQ Business Practice Standard only after the NERC approval of the five percent curtailment threshold. Once the minor corrections have been applied they will be filed with the FERC.

Other Considerations

As Appendix D includes components other than the Market Flow Curtailment Threshold, the WEQ Business Practices Subcommittee will review the WEQ-008 Appendix D Regional Difference to determine if any components of it may be included in the recommendation to support 2009 WEQ Annual Plan 1.b.i “Parallel Flow Visualization/Mitigation for Reliability Coordinators in the Eastern Interconnection.”

² WEQ-008 Appendix D was originally added to the NAESB TLR Business Practice Standards to document Midwest ISO, PJM, and SPP use of a curtailment threshold percent which is different from the rest of the Eastern Interconnection. The recommendation to be approved by NERC will result in the percentage being the same for the entire Eastern Interconnection.

Appendix 2
Notice to WEQ Members of Executive Committee Adoption of Minor Corrections
NAESB Operating Procedure for Minor Clarifications and Corrections to Standards
October 9, 2009

This Appendix contains the correspondence sent to all Wholesale Electric Quadrant members notifying them of the Executive Committee action taken on the minor correction, requesting comments that opposed the minor correction, and informing them of future actions and timelines related to the minor corrections. It also contains the excerpt from the NAESB Operating Procedures detailing the procedures to be followed for minor clarifications and corrections to existing NAESB Standards.



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August 25, 2009

TO: NAESB Wholesale Electric Quadrant (WEQ) Members and Interested Industry Participants
FROM: Jonathan Booe, Staff Attorney
RE: Minor Correction to NAESB WEQ Version 1.0, 2.0 and 2.1 approved by the WEQ Executive Committee on August 18, 2009

Dear WEQ Members:

The WEQ Executive Committee voted unanimously to adopt a minor correction to NAESB WEQ Versions 1.0, 2.0 and 2.1, deleting WEQ-008-Appendix D. This minor correction addresses WEQ Annual Plan Item 1.b.ii, "Update WEQ-008 Appendix D to include the Market Flow Threshold Percentage recommended by NERC working group/task force." The minor correction can be found at the following link: http://www.naesb.org/pdf4/weq_mc082509_attach1.doc.

The draft minutes from the WEQ Executive Committee meeting on August 18, 2009 will be posted shortly. The minor correction can be accessed on the NAESB web site at the following address: http://www.naesb.org/weq/weq_reqcom.asp. For further information on the minor correction as submitted by the NAESB WEQ Business Practice Subcommittee, please contact Mr. Ed Skiba, (317) 249-5377 or Mr. Jim Busbin, (205) 257-6357.

Pursuant to NAESB's procedures for adopting minor corrections (found at pp. 18-19 of the NAESB Operating Procedures (NAESBOPs) and shown following), the public comment period for the minor correction will begin today, August 25, 2009, and end on September 8, 2009. If no comments are received, the corrections will be applied to NAESB WEQ Version 1.0, 2.0 and 2.1 and become effective at some time after the 30 day application period concludes, however, the effective date is dependent on the successful conclusion of the NERC Market Flow Threshold Percentage Field Test. At such time the correction will be filed with the Commission

Should you have any concerns or issues with the minor correction, please notify the NAESB office by October 8, 2009 (email: naesb@naesb.org, fax 713-356-0067).

Best Regards,

Jonathan Booe

Procedures for Minor Corrections as excerpted from the NAESB Operating Procedures

D. Minor Clarifications and Corrections to Standards

Minor clarifications and corrections to existing standards include: (a) clarifications or corrections made by a regulatory agency to standards that are of a jurisdictional nature, or by the American National Standards Institute or its successor; (b) clarifications or corrections to the format, appearance, or descriptions of standards in standards documentation; (c) clarifications or corrections to add code values to tables; and (d) clarifications and corrections that do not materially change a standard.

Any request for a minor clarification or correction to an existing standard should be submitted in writing to the executive director. This request shall include a description of the minor clarification or correction and the reason the clarification or correction should be implemented.

1. Processing of Requests

The executive director shall promptly notify the EC and any appropriate subcommittee(s) of the receipt of the request. The members of the applicable quadrant's EC shall promptly determine whether the request meets the definition of a minor clarification or correction. Through the decision of the vice chair of the applicable quadrant, this determination may be delegated to one of the quadrant's subcommittees, with the concurrence of the subcommittee chair, in which case the subcommittee shall make a prompt decision.

If the request is determined to meet the definition of minor clarification or correction, the applicable quadrant's EC, with input from any subcommittee(s) to which the request has been forwarded, shall act on the request within one month of its receipt. A meeting to discuss the request is not required; the decision may be made by notational vote. A simple majority of the votes received shall determine the outcome. The members of the applicable quadrant's EC shall be given at least three working days to consider and vote on the request.

2. Public Notice

The results of the vote on the request for a minor clarification or correction shall be posted on the NAESB website and the members of the applicable quadrant shall be notified of the request by e-mail. If the request has been approved by the applicable quadrant's EC, the notification shall include a brief description of the request, the contact name and number of the requester so that further information can be obtained, and the proposed effective date of the clarification or correction. The proposed effective date of the minor clarification or correction shall normally be one month from the date of the public notice.

Any interested party shall have an opportunity to comment on the request, and the comments shall be posted on the NAESB website. The comment period is two weeks.

3. Final Disposition of Approved Requests

If no comments are received on an approved request, the standard shall be clarified or corrected as specified in the approved request on the effective date proposed. If comments are received, they shall be forwarded to the members of the applicable quadrant's EC for consideration. Each comment requires a public written response from the applicable quadrant's EC. The applicable quadrant's EC shall determine whether changes are necessary as a result of the comments.

Members of the applicable quadrant's EC shall be given three working days to consider the comments and determine the outcome, which shall be decided by a simple majority of the votes received. A meeting to discuss the request is not required; the decision may be made by notational vote. The standard shall be clarified or corrected in accordance with the outcome of the vote, effective with the completion of voting, and notice thereof shall be posted on the NAESB website.