



NORTH AMERICAN ENERGY STANDARDS BOARD

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September 3, 2008
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 for Interstate Natural Gas Pipelines (Docket No. RM96-1-027)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding the FERC Order No. 698 standards. The standards will be included in version 1.9 of the Wholesale Gas Quadrant ("WGQ") standards when published; and in the meantime, the individual standards can be accessed through the final actions as noted in this report. This NAESB report is submitted in response to Docket No. RM96-1-027. The report addresses two sets of standards adopted by NAESB to respond to issues raised in FERC Order No. 698 and also highlights action taken by the NAESB WGQ Executive Committee ("EC") in one area of development that concluded in no action. The NAESB standard to provide increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and the NAESB standards providing for index-based pricing for capacity release transactions were ratified by NAESB membership on August 25, 2008 and are now accessible as final actions. Also included in this report is a description of the industry effort that led to a no action determination concerning modifications to the intra-day nomination timeline.

We very much appreciate the time, knowledge and industry leadership provided by all participants, both members and non-members. The report is being filed electronically 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 NAESB FERC Order No. 698 standards or any other NAESB work products.

Respectfully submitted,

Rae McQuade

Ms. Rae McQuade
President & COO, North American Energy Standards Board



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cc without enclosures: The Honorable Joseph Kelliher, Chairman, Federal Energy Regulatory Commission
 The Honorable Suedeen Kelly, Commissioner, Federal Energy Regulatory Commission
 The Honorable Philip D. Moeller, Commissioner, Federal Energy Regulatory Commission
 The Honorable Marc Spitzer, Commissioner, Federal Energy Regulatory Commission
 The Honorable Jon Wellinghoff, Commissioner, Federal Energy Regulatory Commission
 Mr. Shelton Cannon, Director of Energy Market Regulations, Federal Energy Regulatory Commission
 Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission
 Ms. Cynthia Marlette, General Counsel of the Commission, Federal Energy Regulatory Commission

 Mr. William P. Boswell, General Counsel of the North American Energy Standards Board
 Mr. Michael Desselle, Chairman of the North American Energy Standards Board
 Ms. Valerie Crockett, Vice Chairman Wholesale Gas Quadrant, North American Energy Standards Board

Enclosures (all documents noted in the appendices are available publicly on the NAESB web site – www.naesb.org):

Appendix A List of Participants
Appendix B Summary of Meetings and Related Events
Appendix C Links to Executive Committee Meeting Minutes, Comments and Voting Records
Appendix D Links to Ratification Ballots and Ratification Results
Appendix E List of Available Transcripts
Appendix F NAESB Process Summary
Appendix G WGQ Annual Plan

September 3, 2008

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

Standards for Business Practices and)

Docket No. RM96-1-027

Communication Protocols for Public Utilities)

REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board ("NAESB") is voluntarily submitting this report in accordance with FERC Order No. 698¹ in the above referenced dockets.

In January 2002, the Gas Industry Standards Board ("GISB") became the Wholesale Gas Quadrant (WGQ) of NAESB and three other quadrants were formed, the Wholesale Electric Quadrant (WEQ), the Retail Gas Quadrant, and the Retail Electric Quadrant. NAESB serves as an industry forum for the development and promotion of standards, which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities.

Contained in this report are the business practice standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities and index-based pricing for capacity releases. The technical implementation standards for index-based pricing for capacity releases will be filed subsequent to this submittal as they are still in the development process. The WGQ Executive Committee ("EC") approved the recommendation of the WGQ Business Practices Subcommittee ("BPS") to take no action concerning modifications to the intra-day nomination timeline; therefore, no standards are being submitted on this issue.

There are seven enclosures supporting this report. Provided in Appendix A is a list of the participants from all the meetings related to FERC Order No. 698. Appendix B provides a summary of the relevant meetings and related events. Provided in Appendix C are the links to the EC meeting minutes, comments and the voting records. Appendix D provides the links to ratification ballots and the ratification results. Provided in Appendix E is the list of available transcripts. Appendix F contains the American National Standards Institute accredited process by which NAESB develops standards. Lastly, Appendix G contains the current 2008 WGQ Annual Plan².

The NAESB WGQ BPS Order 698 meetings and EC meetings where these standards were drafted, discussed and adopted took place from June 2007 to July 2008. There were thirteen subcommittee meetings, many of them multi-day in duration, focused solely on FERC Order No. 698 issues. There were three EC meetings where the FERC Order No. 698 standards development effort was discussed as a key agenda topic. All meetings were open to all interested parties and were publicly noticed, and were available by phone and web cast for those unable to travel. The meetings were held in various locations, diverse geographically. Any interested party was encouraged to submit comments if their schedules would not permit them to participate either in person or over the phone/web cast. The minutes of these meetings are provided as links in appendices B and C, which include the voting records of the EC, and include all comments filed as part of the formal comment period for the FERC Order No. 698 standards. The ratification ballots and member ratification voting record results are also included as links in appendix D. An abbreviated review of the NAESB process by which the standards were drafted, considered and adopted is provided in appendix F. Provided in appendix G is the WGQ Annual Plan. More detailed process descriptions can be accessed from the NAESB web site.

¹ *Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698, 18 C.F.R. §38, 284, FERC Stats. & Regs., ¶ 31,251 (June 25, 2007), [order on clarification and reh'g](#), Order No. 698-A, 121 FERC ¶ 61,264 (2007).

² NAESB 2008 WGQ Annual Plan, *available at* http://www.naesb.org/pdf3/wgq_2008_annual_plan.doc.

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The development of the FERC Order No. 698 standards reflected multiple market interests and is the work product of the WGQ. While this was a WGQ standards effort since only WGQ standards were considered for change, all interested parties including the Wholesale Electric Quadrant (“WEQ”) membership were asked to participate and make their perspectives known. All interested parties regardless of membership in NAESB were encouraged to participate, as they are in all NAESB meetings, to provide the broadest possible input from the industry, as work products are prepared. Appendix A provides a list of all who participated in the meetings related to FERC Order No. 698.

The standards development activity undertaken that produced the FERC Order No. 698 standards had considerable industry debate before an agreement was reached. The NAESB process supports a wide range of perspectives, and through a public process permitting all segments of the marketplace to voice equally their issues, balanced voting allows a disparate group to move toward consensus. As such, NAESB was able to produce and/or modify standards for business practices for index-based pricing for capacity release transactions and business practices to allow for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities. After much consideration, no action was recommended to modify the existing intra-day nomination timeline.

NAESB Standards for Indexed Based Pricing for Released Capacity (2008 WGQ Annual Plan Item 4a)

In FERC Order No. 698, the Commission requested NAESB to develop standards directing the releasing shipper to set out clearly the terms and conditions of indexed releases that would include the means for implementing the formula rate³. Over the course of ten meetings in seven months, the NAESB WGQ BPS modified three existing WGQ business practice standards, developed ten new WGQ business practice standards and two new WGQ definitions for index-based pricing for capacity release transactions. The recommendation was supported by the subcommittee on March 13, 2008. The recommendation was sent out for a thirty-day industry comment period on April 3, 2008 and one comment was received. The WGQ EC revised and approved all of the above on June 25, 2008 with a needed super-majority threshold of 67% overall, and a minimum of 40% affirmative vote from each segment. No negative votes were received. The standards were ratified on August 25, 2008.

During the development process, a concern was raised that the terms and conditions of licensing agreements offered by indices publishing companies could be an obstacle to the facilitation of index-based transactions between multiple parties. Specifically, issues regarding the expense of licensing and the ability to share indices data within a company and with third parties were noted. In response to those concerns, representatives from Platts attended the November 15, 2007 WGQ BPS meeting to respond to questions and provide a presentation. On June 25, 2008 at a WGQ EC meeting, presentations were given by SNL Energy (“SNL”), ICE Data (“ICE”), and Natural Gas Intelligence (“NGI”). Information can be found through the meeting minutes and presentations posted on the NAESB web site.

The translation of business practice standards to technical implementations of those standards is accomplished through the identification of the data required to support the transactions, definition of information requirements for the data, and mapping of that data into specific electronic transactions. This translation is performed by the Information Requirements (“IR”) and Technical subcommittees and completes the standards development process, often referred to as full staffing. Both the IR and Technical subcommittees work in tandem to complete this crucial technical implementation activity. Although the business practice standards addressing index-based pricing for capacity release transactions have been ratified by the NAESB membership and are included in this filing, the standards have not completed the full staffing process. It is in progress now. NAESB considers a review of the implemental aspects of business practice standards an essential step in the standards development process, and therefore directed the IR and Technical subcommittees to designate the full staffing of the index-based capacity release standards as high priority. These standards are currently being addressed by the subcommittees and are expected to be fully staffed as early as fourth quarter 2008 but more probably during the first quarter 2009. This effort is being completed in conjunction with the subcommittees’ response to FERC Order No. 712⁴. Upon completion of the technical implementation standards for index-based capacity release transactions, NAESB will submit a supplemental filing containing the complementary technical standards. The concept of full staffing is important to any industry standards organization, to ensure that implementers of the business practices are not required to design and build technical solutions for the business practices - once when the standards for technical

³ FERC Order No. 698, *supra* note 1, ¶56.

⁴ *Promotion of a More Efficient Capacity Release Market*, Order No. 712, 18 C.F.R. §284, 123 FERC ¶61,286 (June 19, 2008).

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implementation do not exist, and again after they do. This duplication of effort can be time consuming and expensive, not to mention disruptive to the parties to the transactions.

NAESB Standards for Increased Receipt and Delivery Point Flexibility (2008 WGQ Annual Plan Item 4b)

In FERC Order No. 698⁵, the Commission requested NAESB to consider developing standards for increased receipt and delivery point flexibility through the use of redirects of scheduled quantities. Over the course of seven meetings in five months, the NAESB WGQ BPS developed one WGQ standard to address increased receipt and delivery point flexibility. The recommendation passed a subcommittee vote on January 9, 2008. The recommendation was sent out for a thirty-day industry comment period on April 3, 2008 and three comments were received. The WGQ EC approved the standard on May 15, 2008 with a needed super-majority threshold of 67% in total, with a minimum of 40% affirmative vote from each segment. No negative votes were received. The standard was ratified on August 25, 2008. After review, it was determined by the subcommittee that no technical implementation standards were needed to support redirects. As such, it is considered fully staffed.

NAESB Consideration of Changes to the Intra-day Nomination Schedules (2008 WGQ Annual Plan Item 4c)

In paragraph 69 of FERC Order No. 698,⁶ the Commission requested NAESB staff to consider whether changes to existing intra-day nomination schedules would benefit all shippers, and provide for better coordination of gas and electric markets. Over the course of twelve meetings in the span of nine months, the WGQ BPS met to discuss the possibility of modifying the intra-day nomination timeline (NAESB WGQ Standard No. 1.3.2). A scoping issues document was prepared on August 30-31, 2007 by the subcommittee. After discussions began on several models to modify the intra-day nomination timeline, the subcommittee prepared a timeline design considerations work paper on March 12-13, 2008. It was modified on April 22-23, 2008 and applied to the models offered by participants for comparison purposes. A straw vote was taken by the subcommittee on April 23 to identify the models with the most support. The models with the most support were submitted by a pipeline collaborative, FPL Energy ("FPL") and Tennessee Valley Authority/Arizona Public Service ("TVA/APS"). These models were reconsidered at a May 19-20 meeting, and on May 20, 2008, the subcommittee was not able to reach a balanced simple majority vote to support any of the three models going forward as a recommendation.

The pipeline collaborative model received ten supporting votes and fifty votes in opposition, resulting in a balanced vote of 1.68 in favor to 8.32 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast one supporting vote and eighteen opposing votes. The local distribution companies ("LDCs") cast three supporting votes and nine opposing votes. The pipelines cast four supporting votes and twelve opposing votes. The producers did not cast any votes in favor and cast six votes in opposition. The services segment cast two votes in favor and five votes in opposition.

The FPL model received seven votes in favor and fifty-three votes in opposition resulting in a balanced vote of 1.25 in favor to 8.75 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast four votes in favor and fifteen votes in opposition. The LDCs cast one supporting vote and eleven opposing votes. The pipelines cast no votes in support and seventeen votes in opposition. The producer segment did not cast any supporting votes and six opposing votes. The services segment cast two votes in support and four votes in opposition.

The TVA/APS model received twenty votes in support and thirty-seven votes in opposition resulting in a balanced vote of 3.45 in favor to 6.52 opposed, thereby failing to obtain the requisite simple majority. The end users segment cast eleven supporting votes and seven opposing votes. The LDCs cast five votes in support and four votes in opposition. The pipeline segment did not cast any votes in support and seventeen opposing votes. The producer segment did not cast any supporting votes and six opposing votes. The services segment cast four supporting votes and three opposing votes.

Each segment given the opportunity to voice their concerns on the issues that was important to them in making a final determination on whether or not to support a proposed model. The minutes of May 20 BPS meeting during which the voting took place can be reviewed along with comments and work papers to understand the breadth of interests expressed during the consideration of these models.

⁵ FERC Order No. 698, *supra* note 1, ¶63.

⁶ FERC Order No. 698, *supra* note 1, ¶69.

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Participants from the end user segment, the LDC segment and the services segment all prepared written comments for consideration by the EC as it determined the disposition of the recommendation to take no action to develop standards for WGQ 2008 annual plan item 4c. Although the pipeline segment actively participated and provided leadership in the intra-day nomination timeline discussions, there were no formal comments submitted by pipeline representatives. Similarly, the producers segment also actively participated and provided leadership in discussions regarding the intra-day nomination timeline although no formal comments were submitted on their behalf. Details of the issues expressed by the participants can be found in the formal comments, discussion in the meeting minutes of both the BPS and the EC, and the EC transcripts related to 2008 WGQ Annual Plan Item 4(c)⁷.

The recommendation to take no action was sent out for a thirty-day industry comment period on June 3, 2008 and seventeen comments were received. When a subcommittee determines that no action is to be taken on a particular request for standards development or for an annual plan standards development item, that item is posted for a 30-day industry comment period. The EC reviews the comments submitted and the item must pass a simple majority vote of the EC. Development items that are determined to need no action do not need to be sent out for membership ratification. On July 14, 2008, the WGQ EC voted to support the subcommittee's decision to not modify the current timeline. The vote to support no action to be taken passed with 15 in favor and 8 opposed.

⁷ NAESB 2008 WGQ Annual Plan Item 4(c), 2007 WGQ Annual Plan Item 7(c), *supra* note 4.

Report of the North American Energy Standards Board – Enclosures
 FERC Order No. 698 Efforts
 Appendix A: NAESB WGQ BPS Order 698 Participant List – Sorted by Participant Name

Steve Abbey	Anadarko	Mary Dalton	Bonneville Power Administration
Michael Alexander	Southern California Edison Co	Kelly Daly	Arizona Public Service Co.
Brenda Anderson	Bonneville	Dale Davis	Williams Gas Pipeline
Patricia Anderson	ONEOK	Ed Davis	Entergy Services
Bill Alletzhauer	American Gas Association	Rae Davis	Carolina Gas Transmission
Mariam Arnaout	American Gas Association	Patricia DeLa Rosa	Tennessee Gas Pipeline
John F. Baileys	ACES Power Marketing	Rhonda Denton	BP Energy
Pat Barry	Northern Natural Gas	Michael Desselle	Southwest Power Pool
D. Richard Beam	Old Dominion Electric Cooperative	Jay Dibble	Calpine Corporation
Ken Bekman	Brick Power	Michael DiCarlo	Williams Gas Pipeline
Steven Bennett	Exelon Power Team	Mary Darveaux	Northern Natural Gas
Pamela Berberich	Platts	Garvin J. Donohue	Independent Power Producers of New York, Inc.
Jim Blasiak	Washington Gas Light	Pat Downey	Xcel Energy
Mike Bodnar	Northern Natural Gas	Mary Doyle	BG North America
Jonathan Booe	NAESB	Mary Draemer	Transwestern Pipeline
Jim Bowden	Marathon Oil Company	Eric Egge	Black Hills Corporation
Debbie Bradbury	Trunkline Gas	Rhonda Erickson	Williston Basin Interstate Pipeline
Rusty Braziel	Bentek Energy	Gene Fava	TransCanada
Darryl Briscoe	CenterPoint MRT	Janis E. Fischer	Missouri Public Service Commission
Kelly Brooks	Williston Basin	Chelsea Fowler	Old Dominion Electric Coop
Jim Buccigross	8760 Inc.	Patrick Fox	Wisconsin Public Services Corporation
John Buchanan	Transwestern Pipeline	Rene Free	Santee Cooper
Paul Buckley	Washington Gas & Light	Pete Frost	Conoco Phillips
Kathryn Burch	Spectra Energy Trans	Cory Galik	NAESB
Christopher Burden	Williams Gas Pipeline	Stephanie Gardner	Marathon Oil Company
Tina Burnett	Boeing	Jay Glaubitz	Sacramento MUD
Jim Busbin	Southern Company Services	Craig Glazer	PJM Interconnection, LLC
Ernie Cardone	New York ISO	Amy Gold	Shell Energy
Derek Carlson	Chevron	Matthew Goldberg	ISO New England
Mary Beth Carroll	National Grid Gas Distribution Company	Michael Goldenberg	FERC
Jim Cashin	EPSA	Terri Grabiak	Allegheny Energy
James Castle	New York ISO	Mark Gracey	Tennessee Gas Pipeline
Dolores Chezar	National Grid Gas Distribution Company	Bob Gray	ACC
Ruth Clark	TransCanada Pipeline	Jason T. Gray	Kansas Corporation Commission
John Clemens	El Paso Western Pipeline	April Gregory	Northern Natural Gas
Scott Coburn	Northern Border Pipeline	Bill Griffith	El Paso Natural Gas
Craig Colombo	Dominion Resources	Jerry Gross	Questar Pipeline
(comments received)	Consolidated Edison Company of New York, Inc.	Stanley Gross	El Paso Electric Company
Peter Connor	NiSource Distribution Comp.	Donna Gussow	FPL
Chuck Cook	Chevron	Tom Gwilliam	Iroquois Gas Transmission
Pete Craska	ANR Pipeline	Ron Hallmark	Southern Natural gas Company
Valerie Crockett	TVA	Francis Halpin	Bonneville Power Administration
Deonne Cunningham	NAESB	Scott Hansen	Questar Pipeline
Jim Cyrulewski	JDRJC Associates	Joseph F. Harkins	Kansas Corporation Commission
David D'Alessandro	APS	David Harrell	Ozark Gas Transmission, LLC
		Mike Hastings	Conoco Phillips

Appendix A: NAESB WGQ BPS Order 698 Participant List – Sorted by Participant Name

Paul Herron	Southern Natural Gas	Lucia Nail	SunGard
Gary Highberger	Williams Midstream	Tracey Nicholson	Southern Natural Gas
Gary Hinnars	Reliant Energy	Liam Noailles	Xcel Energy
Marvin Hoffman	TransCanada	Kenneth Nordlander	Arizona Public Service Company
Ralph Honeycutt	Suez Energy	Mike Novak	National Fuel Gas Distribution
Brad Holmes	Florida Gas Transmission	Lou Oberski	Dominion
Brenda Horton	Kern River Gas Transmission	Angela O'Connor	New England Power Generators Association, Inc.
Shah Hossain	Westar Energy	Greg Olsen	Ontario Power Generation
Tony Hunziker	Midwest ISO	Katy Onnen	Southwest Power Pool
David G. Hutchens	UNS Gas, Inc.	Mark Pelkey	National Fuel Gas Supply
Richard Ishikawa	Southern California Gas Company	Lori-Lynn Pennock	Salt River Project
Margi Janopaul	PG&E	Marjorie Perlman	Energy East
Alan Johnson	NRG Energy	Don Petersen	PG&E
Ben Johnson	TransCanada	Tracy Phillips	Tiger Natural Gas
Ernest G. Johnson	Arizona Corporation Commission	Greg Poynter	Williams
Ty Johnson	Williams Gas Pipeline	Phil Precht	Baltimore Gas and Electric
Paul Jones	Salt River Project	Robert Pulcini	The Structure Group
Veronica Jones	Defense Energy Support Center	Denise Rager	NAESB
Brian Jordan	Platts	David Reitz	National Fuel Gas Supply
Joe Kardas	National Fuel Supply	Dennis Robinson	ISO New England
Rodereck, Kelley	Bonneville Power Administration	Mark Rogers	Southwest Power Pool
Scott Kesling	SCANA	Brandon Roop	ACES Power Marketing
Laura Kennedy	NAESB	Doug Rudd	New Jersey Natural Gas
Drake Kijowski	PSE&G	Dale Sanders	Southern Star Central Pipeline
Iris King	Dominion	Keith Sappenfield	EnCana
Kevin Kirby	ISO New England, Inc.	W. Scharfenberg	New Jersey Natural Gas Company
Toby Kuehl	Northern Natural Gas	Micki Schmitz	Northern Natural Gas
Ross Kyger	Williams Gas Pipeline	Gwen Schoepp	Williston Basin Interstate Pipeline
Rob Lamoureux	Midwest ISO	Rodger Schwecke	SoCal Gas
Amy Lee	Northwest Natural Gas	Donna Scott	Florida Gas Transmission
Cathie Legge	Alliance Pipeline	Phillip Shafeei	NYISO
Bill Lohrman	FERC	Mike Shepard	Mewbourne Oil Company
Paul Love	NGPL	Chris Sherman	New England Power Generators Association
Patricia Lynch	NRG Energy	Ken Shubert	TransCanada Pipeline
Beth Martin	We Energies	George Simmons	NiSource
Marcy McCain	Spectra Energy Transmission	Lisa Simpkins	Constellation Energy
Diane McVicker	SRP	Ed Skiba	Midwest ISO
Rae McQuade	NAESB	George Smith	Virginia Power Energy Marketing
Theresa Mead	Tucson Electric Power	Richard Smith	Exxon Mobil
Rick Miles	FERC	Jana Sobel	Southern Natural Gas
Becky Miller	Dominion	Michael G. Sorensen	Salt River Project
Robin Moates	TVA	Leigh Spangler	Latitude Technologies
Michael C. Moffet	Kansas Corporation Commission	Julee Stephenson	NiSource Gas Transmission
Richard Moreno	Sea Robin Pipeline	Chuck Stodola	NiSource
Diane Morgan	Shell	Jay Story	TransCanada
Art Morris	FPL	Jamie Taft	Williams Gas Pipeline
Ron Mucci	Ron Mucci Consulting, LLC	Darren Taylor	Calpine
Tim Mueller	Dynegy	Jim Templeton	Comprehensive Energy Services
Sylvia Munson	SunGard		

Appendix A: NAESB WGQ BPS Order 698 Participant List – Sorted by Participant Name

Scott Thompson	ACES Power
Keith Tiggelaar	Williston Basin Interstate Pipeline
Sarah Tomalty	FPL Energy/PMI
Henry Tran	Williams Gas Pipeline
Kim Van Pelt	Panhandle Eastern Pipe Line
Toby Voge	Tucson Electric Power Co.
Karen Wei	The Structure Group
Velma Whittier	Energy East - CMPCo
Mark Wilke	Columbia Gas Transmission
Shyletha Williams	Defense Energy Support Center
Emilie Witkowski	Portland General Electric
Mary Wolosek	Nicor Gas Company
Byron Woodard	Platts
Thomas E. Wright	Kansas Corporation Commission
Charles Yeung	Southwest Power Pool
Randy Young	Boardwalk Pipelines
Omar Zakaria	Williams Gas Pipeline

Appendix A: NAESB WGQ BPS Order 698 Participant List – Sorted by Organization
 August 29, 2008

Jim Buccigross	8760 Inc.	Tim Mueller	Dynegy
Bob Gray	ACC	Stanley Gross	El Paso Electric Company
John F. Baileys	ACES Power Marketing	Bill Griffith	El Paso Natural Gas
Scott Thompson	ACES Power Marketing	John Clemens	El Paso Western Pipeline
Brandon Roop	ACES Power Marketing	Keith Sappenfield	EnCana
Terri Grabiak	Allegheny Energy	Marjorie Perlman	Energy East
Cathie Legge	Alliance Pipeline	Velma Whittier	Energy East
Bill Alletzhauser	American Gas Association	Ed Davis	Entergy Services
Mariam Arnaout	American Gas Association	Jim Cashin	EPSA
Steve Abbey	Anadarko	Steven Bennett	Exelon Power Team
Pete Craska	ANR Pipeline	Richard Smith	Exxon Mobil
David D'Alessandro	APS	Michael Goldenberg	FERC
Kelly Daly	Arizona Public Service Co.	Bill Lohrman	FERC
Ernest G. Johnson	Arizona Public Service Co.	Rick Miles	FERC
Kenneth Nordlander	Arizona Public Service Co.	Brad Holmes	Florida Gas Transmission
Phil Precht	Baltimore Gas and Electric	Donna Scott	Florida Gas Transmission
Rusty Braziel	Bentek Energy	Donna Gussow	FPL
Mary Doyle	BG North America	Art Morris	FPL
Eric Egge	Black Hills Corporation	Sarah Tomalty	FPL Energy/PMI
Randy Young	Boardwalk Pipelines	Garvin J. Donohue	Independent Power Producers of New York, Inc.
Tina Burnett	Boeing	Tom Gwilliam	Iroquois Gas Transmission
Brenda Anderson	Bonneville Power Administration	Matthew Goldberg	ISO New England
Mary Dalton	Bonneville Power Administration	Kevin Kirby	ISO New England
Francis Halpin	Bonneville Power Administration	Dennis Robinson	ISO New England
Rodereck Kelley	Bonneville Power Administration	Jim Cyrulewski	JDRJC Associates
Rhonda Denton	BP Energy	Jason T. Gray	Kansas Corporation Commission
Ken Bekman	Brick Power	Thomas E. Wright	Kansas Corporation Commission
Darren Taylor	Calpine	Michael C. Moffet	Kansas Corporation Commission
Jay Dibble	Calpine Corporation	Joseph F. Harkins	Kansas Corporation Commission
Rae Davis	Carolina Gas Transmission	Brenda Horton	Kern River Gas Transmission
Darryl Briscoe	CenterPoint MRT	Leigh Spangler	Latitude Technologies
Derek Carlson	Chevron	Jim Bowden	Marathon Oil Company
Chuck Cook	Chevron	Stephanie Gardner	Marathon Oil Company
Mark Wilke	Columbia Gas Transmission	Mike Shepard	Mewbourne Oil Company
Jim Templeton	Comprehensive Energy Services	Tony Hunziker	Midwest ISO
Pete Frost	Conoco Phillips	Rob Lamoureux	Midwest ISO
Mike Hastings	Conoco Phillips	Ed Skiba	Midwest ISO
(comments received)	Consolidated Edison Company of New York, Inc.	Janis E. Fischer	Missouri Public Service Commission
Lisa Simpkins	Constellation Energy	Ron Mucci	Ron Mucci Consulting, LLC
Veronica Jones	Defense Energy Support Center	Jonathan Booe	NAESB
Shyletha Williams	Defense Energy Support Center	Deonne Cunningham	NAESB
Iris King	Dominion	Cory Galik	NAESB
Becky Miller	Dominion	Laura Kennedy	NAESB
Lou Oberski	Dominion	Rae McQuade	NAESB
Craig Colombo	Dominion Resources	Denise Rager	NAESB

Appendix A: NAESB WGQ BPS Order 698 Participant List – Sorted by Organization

Mike Novak	National Fuel Gas Distribution	Jay Glaubitz	Sacramento MUD
Mark Pelkey	National Fuel Gas Supply	Paul Jones	Salt River Project
David Reitz	National Fuel Gas Supply	Lori-Lynn Pennock	Salt River Project
Joe Kardas	National Fuel Supply	Michael G. Sorensen	Salt River Project
Mary Beth Carroll	National Grid Gas Distribution Company	Rene Free	Santee Cooper
Dolores Chezar	National Grid Gas Distribution Company	Scott Kesling	SCANA
Angela O'Connor	New England Power Generators Association	Richard Moreno	Sea Robin Pipeline
Chris Sherman	New England Power Generators Association	Diane Morgan	Shell
Doug Rudd	New Jersey Natural Gas	Amy Gold	Shell Energy
W. Scharfenberg	New Jersey Natural Gas Company	Rodger Schwecke	SoCal Gas
Ernie Cardone	New York ISO	Michael Alexander	Southern California Edison Co
James Castle	New York ISO	Richard Ishikawa	Southern California Gas Company
Paul Love	NGPL	James Busbin	Southern Company Services
Mary Wolosek	Nicor Gas Company	Paul Herron	Southern Natural Gas
George Simmons	NiSource	Tracey Nicholson	Southern Natural Gas
Chuck Stodola	NiSource	Jana Sobel	Southern Natural Gas
Peter Connor	NiSource Distribution Comp.	Ron Hallmark	Southern Natural gas Company
Julee Stephenson	NiSource Gas Transmission	Dale Sanders	Southern Star Central Pipeline
Scott Coburn	Northern Border Pipeline	Michael Desselle	Southwest Power Pool
Pat Barry	Northern Natural Gas	Katy Onnen	Southwest Power Pool
Mike Bodnar	Northern Natural Gas	Mark Rogers	Southwest Power Pool
Mary Darveaux	Northern Natural Gas	Charles Yeung	Southwest Power Pool
April Gregory	Northern Natural Gas	Kathryn Burch	Spectra Energy Trans
Toby Kuehl	Northern Natural Gas	Marcy McCain	Spectra Energy Transmission
Micki Schmitz	Northern Natural Gas	Diane McVicker	SRP
Amy Lee	Northwest Natural Gas	Ralph Honeycutt	Suez Energy
Alan Johnson	NRG Energy	Sylvia Munson	SunGard
Patricia Lynch	NRG Energy	Lucia Nail	SunGard
Phillip Shafeei	NYISO	Patricia DeLa Rosa	Tennessee Gas Pipeline
D. Richard Beam	Old Dominion Electric Coop	Mark Gracey	Tennessee Gas Pipeline
Chelsea Fowler	Old Dominion Electric Coop	Robert Pulcini	The Structure Group
Patricia Anderson	ONEOK	Karen Wei	The Structure Group
Greg Olsen	Ontario Power Generation	Tracy Phillips	Tiger Natural Gas
David Harrell	Ozark Gas Transmission, LLC	Gene Fava	TransCanada
Kim Van Pelt	Panhandle Eastern Pipe Line	Marvin Hoffman	TransCanada
Margi Janopaul	PG&E	Ben Johnson	TransCanada
Don Petersen	PG&E	Jay Story	TransCanada
Craig Glazer	PJM Interconnection, LLC	Ruth Clark	TransCanada Pipeline
Pamela Berberich	Platts	Ken Shubert	TransCanada Pipeline
Brian Jordan	Platts	John Buchanan	Transwestern Pipeline
Byron Woodard	Platts	Mary Draemer	Transwestern Pipeline
Emilie Witkowski	Portland General Electric	Debbie Bradbury	Trunkline Gas
Drake Kijowski	PSE&G	Theresa Mead	Tucson Electric Power
Jerry Gross	Questar Pipeline	Toby Voge	Tucson Electric Power
Scott Hansen	Questar Pipeline	Valerie Crockett	TVA
Gary Hinnert	Reliant Energy	Robin Moates	TVA
		David G. Hutchens	UNS Gas, Inc.
		George Smith	Virginia Power Energy Marketing
		Paul Buckley	Washington Gas & Light

Appendix A: NAESB WGQ BPS Order 698 Participant List – Sorted by Organization

Jim Blasiak	Washington Gas Light
Beth Martin	We Energies
Shah Hossain	Westar Energy
Greg Poynter	Williams
Christopher Burden	Williams Gas Pipeline
Dale Davis	Williams Gas Pipeline
Michael DiCarlo	Williams Gas Pipeline
Ty Johnson	Williams Gas Pipeline
Ross Kyger	Williams Gas Pipeline
Jamie Taft	Williams Gas Pipeline
Henry Tran	Williams Gas Pipeline
Omar Zakaria	Williams Gas Pipeline
Gary Highberger	Williams Midstream
Kelly Brooks	Williston Basin
Rhonda Erickson	Williston Basin Interstate Pipeline
Gwen Schoepp	Williston Basin Interstate Pipeline
Keith Tiggelaar	Williston Basin Interstate Pipeline
Patrick Fox	Wisconsin Public Services Corporation
Pat Downey	Xcel Energy
Liam Noailles	Xcel Energy

Order No. 698 Effort – Assigned to WGQ:

- **August 30-31, 2007:** The WGQ BPS met at the NAESB office in Houston, Texas to begin work on Order No. 698. During the meeting the participants heard presentations from those in the pipeline industry that have had experience with the issues presented by Order No. 698, and discussed the scope of WGQ Annual Plan Items 7a, 7b, and 7c. The group discussed the various approaches to addressing Order No. 698, and created a document capturing issues that will have to be considered as the group continues.
- **September 18-19, 2007:** The WGQ BPS met in Richmond, VA at the Dominion offices to continue work on Order No. 698. During the meeting, the subcommittee developed scoping statements for WGQ annual plan Items 7a, and 7b, and continued their discussions regarding potential scoping issues to address as the group proceeds. Presentations were given in response to Annual Plan Items 7a and 7b, and the group drafted proposed modifications to WGQ Standard 5.3.26 in response to Annual Plan Item 7b. The subcommittee also noted the need for proposals and work papers on Item 7c and encouraged those in attendance to prepare such for the next meeting.
- **October 9-10, 2007:** The WGQ BPS met at the NAESB offices in Houston, Texas to continue their efforts in addressing Order No. 698. During this meeting, the group reviewed proposals created in response to Annual Plan Items 7a and 7c, and continued their discussions concerning potential standards to address the Annual Plan Items. The group also began answering some of the scoping issues identified for Annual Plan Item 7b, and proposed varying standards language to respond.
- **October 30-31, 2007:** The WGQ BPS met in Houston at the NAESB offices to continue work on Order No. 698. The intra-day nomination timeline work paper was presented with discussions on inclusion of regional differences. The work paper for redirects – alternate receipt point upstream of or an alternate delivery point downstream of a point of constraint was presented and discussed, including a number of proposed definitions. The work paper for additional index standards concepts was presented and discussed, including remarks on the inadvisability of using EDI for capacity release transactions.
- **November 14-15, 2007:** The WGQ BPS met in NYC at the KeySpan offices to continue work on Order No. 698. Discussion continued on possible standards language for redirects including the review of two sets of work papers. It is expected that a more complete proposal will be presented at the December meeting, including the definition of a constraint point. Additional work papers were presented regarding intra-day nomination timelines. For the December meeting, it is expected that the pipelines will present a counter proposal and the existing proposal will be modified to include details on recalls and released capacity. The work paper for index-based pricing for capacity release transactions was reviewed including draft standards language, some of which may imply daily bidding for volumetric index-based released capacity. It is expected that further discussion on this proposal including changes reflected in the meeting will be a topic for December. Platts Energy provided a presentation in indexed pricing.
- **December 4-5, 2007:** The WGQ BPS met in Washington DC at the AGA offices to continue work on Order No. 698. The meeting focused on proposed standards for redirects and for price indexing for capacity release programs.
- **January 9-10, 2008:** The WGQ BPS met in Houston TX to continue work on Order No. 698. During the meeting, the redirect standard was approved and the price indexing standards were further reviewed and refined. The proposals for intra-day nominations were introduced.
- **January 25, 2008:** NAESB received and responded to correspondence from the Kansas Corporation Commission (http://www.naesb.org/pdf3/wgq_bps_698_012508corr_kcc.pdf – KCC Letter, http://www.naesb.org/pdf3/wgq_bps_698_012508corr_desselle.pdf, -- NAESB Response) regarding intra-day nomination periods and the NAESB process.
- **February 8, 2008:** The WGQ BPS met via web cast/conference call to complete the review of the price indexing standards. While the review did not conclude, it is at most one or two meetings away from a vote.
- **February 21, 2008:** The WGQ BPS met via web cast/conference call to complete the review of the price indexing standards. The review did not conclude, but should complete with a vote at the meeting in March.

- **February 26-27, 2008:** The WGQ BPS met in a two-day session hosted PSEG in New Jersey. The primary focus of the meeting was on review and discussion of proposals for changes to intra-day nominations timelines. A number of comments indicate strong support for a bumpable intra-day nomination period that is more closely aligned with the electric market clearing times. The comments can be found on the NAESB web site (http://www.naesb.org/wgq/wgq_bps_698.asp), under the meeting date for February 26-27, 2008. Comments in support of adding an additional bumpable period were received from Arizona Corporation Commission (http://www.naesb.org/pdf3/wgq_bps_698_022608w10.doc), Arizona Electric Power Corporation, Buckeye Power, Delaware Municipal Electric Corporation, El Paso Electric Company, Honeywell International, Kansas Corporation Commission, KeySpan/National Grid, Missouri Public Service Commission (http://www.naesb.org/pdf3/wgq_bps_698_022608w25.pdf), New York Independent System Operator, North Carolina Electric Membership Corporation, Old Dominion Electric Cooperative, Phelps Dodge, Salt River Project, Southwest Power Pool, Tucson Electric Power Company, Unisource Energy Services. The intra-day timelines effort includes now a review of three proposals – TVA and APS, a pipeline collaborative, and EPNG (two models). All endeavor to more closely align the electric market requirements with the gas nomination deadlines.
- **March 12-13, 2008:** EPNG in Colorado Springs is the host of the meeting, the focus of which was two-fold – to complete the work on price indexing and to continue the discussion on intra-day nomination proposals. In addition to the intra-day proposal offered by Tennessee Valley Authority/Arizona Public Service, additional ones have been submitted from El Paso Natural Gas, Spectra Energy and TransCanada Pipelines.
- **April 22-23, 2008:** Iroquois Gas Transmission, Northern Border and FPL added models to the mix for review – with a full count of 10 models for options for intra-day nominations. TVA/APS prepared a revised model and ISO-NE prepared a presentation overlaying gas schedules and electric schedules to highlight the discrepancies. The evaluation criteria were reviewed and additional text added for clarity. The models were compared against the evaluation criteria and straw balanced votes were taken to ascertain levels of support. The revised TVA/APS model, the FPL model prepared in the meeting passed and the pipeline collaborative model while failed, was a close vote. These three models will be reviewed at the upcoming May meeting in DC.
- **May 15, 2008:** The redirect standard was voted out of the WGQ EC. Ratification will not take place until it has been processed through the Information Requirements and Technical subcommittees. The technical implementation with comments due July 7 will be forwarded to the WGQ EC for its consideration.
- **May 19-20, 2008:** The WGQ BPS met in Washington DC, hosted by Stinson Morrison and Hecker to continue the discussion on the intra-day nomination models. During the meeting, it was decided after votes on the TVA/APS model, the FPL model and the Pipeline Collaborative model, that a recommendation of no action be prepared for EC consideration. The recommendation that no change is needed went out for comment, July 2. At the end of the comment period the WGQ EC will meet to consider the recommendation.
- **June 9, 2008:** The WGQ EC met via conference call to discuss the price indexing recommended standards. A notational ballot went out, but the result was inconclusive. The recommendation and additional comments will be considered by the WGQ EC on June 25.
- **June 25, 2008:** The WGQ EC met on June 25 to consider the price indexing standards (WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan Item 4b). The recommendation was voted out as revised by the WGQ EC. Several index providers made presentations at the meeting.
- **July 14, 2008:** The WGQ EC met on July 14 to consider the technical implementation recommendation part 2 for redirects standards (WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan Item 4b) and the recommendation for standards, comments submitted on nomination timeline (WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan Item 4c). The technical implementation recommendation part 2 of no technical changes necessary for redirects standards (WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan Item 4b) was voted out of the WGQ EC. The WGQ EC reviewed comments submitted on the recommendation for nomination timeline. The recommendation to decline to adopt a modified nomination timeline (WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan Item 4c) was voted out of the WGQ EC.

Reference Documents -- Related Work papers:

- [WGQ Annual Plan \(http://www.naesb.org/pdf2/bd062807a1.doc\)](http://www.naesb.org/pdf2/bd062807a1.doc) approved by the Board of Directors, June 28, 2007 and the WGQ Annual Plan for 2008 (http://www.naesb.org/pdf3/wgq_2008_annual_plan.doc), approved by the Board on December 13, 2007.
- [FERC Order No. 698 \(http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc\)](http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc): Issued June 25, 2007 - FERC Final Rule - Order No. 698 re FERC's amendment to its open access regulations governing standards for business practices and electronic communications with interstate natural gas pipelines and public utilities under RM96-1.
- [NRRI Primer \(http://www.naesb.org/doc_view2.asp?doc=nrri_0706.pdf\)](http://www.naesb.org/doc_view2.asp?doc=nrri_0706.pdf), Dated July 2006 - The National Regulatory Research Institute (NRRI), Briefing Paper - Efforts to Harmonize gas Pipeline Operations With the Demands of the Electricity Sector
- [DoE Primer \(http://www.naesb.org/doc_view2.asp?doc=icf_geic_primer062206.pdf\)](http://www.naesb.org/doc_view2.asp?doc=icf_geic_primer062206.pdf), Dated June 22, 2006 - Summary of NAESB Gas and Electric Interdependency Final Report to the FERC in Docket No. RM05-28-000 "NAESB Report on the Efforts of the Gas-Electric Interdependency Committee".
- [NAESB Report \(http://www.naesb.org/doc_view2.asp?doc=ferc022406.pdf\)](http://www.naesb.org/doc_view2.asp?doc=ferc022406.pdf), Dated February 24, 2006 - Docket No. RM05-28-000, NAESB Final Report on the Efforts of the Gas-Electric Interdependency Committee.

FERC Order No. 698 – Timeline of Events:

- **November 14, 2003:** Letter from Chm. Wood asking NAESB to develop interdependency standards – related to 2003 cold snap in New England, which resulted in a NAESB Gas-Electric Coordination subcommittee
- Gas-Electric Coordination efforts resulted in two reports:
 - Gas Electric Coordination Interim Status Report, **filed 4-16-04**, 31 issues identified
 - Gas Electric Coordination Final Report, **filed 11-30-04**, 31 issues further defined
- Outcome of Reports: Received 3 requests for standards development: R04016: Energy Day, R04020: Market Timelines, R04021: Pipeline-Generator Communications
- All requests approved and found within the scope of NAESB by both NAESB and the Joint Interface Committee (including NERC and the ISO-RTO Council)
- R04016 and R04021 were jointly assigned to wholesale gas and wholesale electric groups, R04020 was assigned to wholesale electric group only -- Two pronged approach: Work began on R04021, and Board Committee formed to determine other actions
- Results of approach -- Report filed with FERC on June 26, 2005 with gas-electric interdependency communication standards (Interim GEIC Report) and Requests R04016 and R04020 were withdrawn
- **February 24, 2006:** NAESB identifies 6 Interdependency Issues raised in Docket No. RM05-28-000 (Final GEIC Report)
- **June 22, 2006:** The U.S. Department of Energy sponsors the creation of a primer from Jimmy Glotfelty of ICF addressing issues in the GEIC report
- **July 30, 2006:** A primer from Ken Costello of NRRI is issued addressing issues identified in the GEIC Report
- **October 25, 2006:** NOPR issued on standards. Order No. on Inquiry to the ISOs and RTOs. Comments were due 1-15-07 and data from the ISOs and RTOs forwarded on 1-16-07.
- **June 25, 2007:** FERC issued [Order No. 698 \(http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc\)](http://www.naesb.org/doc_view2.asp?doc=ferc062507.doc) regarding FERC's amendment to its open access regulations governing standards for business practices and electronic communications with interstate gas pipelines and public utilities under Docket Nos. RM96-1 and RM05-5-001 (Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities).
- **August 31, 2007:** FERC [issued a series of orders \(http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20070831-3050\)](http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20070831-3050) (Docket Nos. EL07-1 to EL07-6) terminating the six section 206 proceedings related to gas-electric coordination.

- **December 20, 2007:** FERC issued [Order No. 698-A](http://www.naesb.org/doc_view2.asp?doc=ferc122007.pdf) (http://www.naesb.org/doc_view2.asp?doc=ferc122007.pdf), Order on Clarification and Rehearing.

Order No. 698 decisions:

- Issued June 25, 2007
- Compliance with gas-electric communication standards by November 1, 2007
- Compliance Statements filed by November 1
- All standards incorporated by reference without change

Order No. 698 standards Adopted:

- WEQ Standard 011-0.1/WGQ Standard 0.2.1 defines the term “Power Plant Operator.”
- WEQ Standard 011-1.2/WGQ Standard 0.3.12 directs PPO & TSP to establish procedures to communicate material changes in circumstances that may impact hourly flow rates, and the power plant operator to provide projected hourly flow rates accordingly.
- WEQ Standard 011-1.3/WGQ Standard 0.3.13 states a PPO should not operate without an approved scheduled, may request daily flow rates as established by the standard, should work to resolve the PPO’s request if it can be accommodated within the standard boundaries.
- WEQ Standard 011-1.4 and WGQ Standard 0.3.14 requires specified parties to sign up to receive critical notices from the appropriate TSP and the reciprocal TSP(s) to provide critical notices to parties specified in the Standard.
- WEQ Standard 011-1.5 requires upon request, a PPO must provide to the appropriate independent BA and/or RC pertinent information concerning the level of gas transportation service (firm or interruptible) and its natural gas supply (firm, fixed or variable quantity, or interruptible).
- WEQ Standard 011-1.6/WGQ Standard 0.3.15 requires specified parties to establish operational communication procedures with the appropriate TSP and/or PPO.

Order No. 698 Request to NAESB:

- ¶ 56 - “Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently.”
- ¶ 63 – “The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility.”
- ¶ 69 – “As we stated in the NOPR, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations. However, within the confines of current Commission policy, NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers, and provide better provide for coordination between gas and electric scheduling. In addition, the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere.”

Order No. 698-A synopsis:

- Summary: “This order denies requests for rehearing, and provides clarification of the final rule issued on July 16, 2007 that incorporated by reference standards dealing with coordination of scheduling between electric utilities and natural gas pipelines that were promulgated by the Wholesale Gas Quadrant (WGQ) and the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB), and provided policy guidance on issues relating to such coordination.”

Appendix B: NAESB WGQ BPS Order 968 Subcommittee Summary of Meetings and Related Events

- Summary: “In addition, the Commission provided policy guidance on issues raised by NAESB relating to scheduling coordination and to the possible development of additional standards by NAESB. First, the Commission discussed the use of gas indices for pricing capacity release transactions, stating that the Commission’s regulations permit releasing shippers to use price indices or other formula rates on all pipelines, regardless of whether the pipeline has a provision allowing the use of indices as part of its discounting provisions, so long as the prices are less than the maximum rate in the pipeline’s tariff. Second, the Commission discussed, but did not modify, the shipper’s ability to choose alternate delivery points, stating that the ability to shift a delivery point when a pipeline constraint occurs upstream would make it easier for shippers to redirect gas supplies to generators when capacity is scarce. Lastly, the Commission discussed possible changes to the gas intra-day nomination schedule, clarifying that NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers.”
- ¶ 14 “The existing WGQ NAESB standards recognize that non-standard pricing terms may be included in release transactions, but do not necessarily permit such releases to be accorded the same processing timeline as standard releases. The Commission requested NAESB to consider standards that would create a standardized indexing methodology so that the use of indexed releases could become faster and could compete on a more equal footing with pipeline discounts and negotiated rate transactions.”

Below is a listing of NAESB WGQ BPS Order 698 Subcommittee meeting minutes links.

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
August 30-31, 2007	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting NAESB Offices Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_083007fm.doc Attachments to Minutes: Annual Plan Item 7a – Scoping issues: http://naesb.org/pdf3/wgq_bps_698_083007a1.doc Annual Plan Item 7b – Scoping issues: http://naesb.org/pdf3/wgq_bps_698_083007a2.doc Annual Plan Item 7c – Scoping issues: http://naesb.org/pdf3/wgq_bps_698_083007a3.doc	48
September 18, 2007	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting Host: Dominion Glen Allen, VA	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_091807fm.doc Attachments to Minutes: Annual Plan Item 7a – Scoping issues: http://naesb.org/pdf3/wgq_bps_698_091807a1.doc Annual Plan Item 7b – Scoping issues: http://naesb.org/pdf3/wgq_bps_698_091807a2.doc Proposed modified WGQ standard no. 5.3.26 – revised 8/18/08: http://naesb.org/pdf3/wgq_bps_698_091807a3.doc	39
September 19, 2007	WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: Dominion Glen Allen, VA	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_091907fm.doc	39

Appendix B: NAESB WGQ BPS Order 968 Subcommittee Summary of Meetings and Related Events

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
October 9, 2007	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting NAESB Offices Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_100907fm.doc Attachments to Minutes: Annual Plan Item 7b - Scoping issues: http://naesb.org/pdf3/wgq_bps_698_100907a1.doc Intra-day four (ID4) strawman work paper – revised 10/09/07: http://naesb.org/pdf3/wgq_bps_698_100907a2.doc Revised Annual Plan Item 7b – Scoping issues: http://naesb.org/pdf3/wgq_bps_698_100907a4.doc	49
October 10, 2007	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting NAESB Offices Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_101007fm.doc Attachment to Minutes: Additional index standards concepts: http://naesb.org/pdf3/wgq_bps_698_100907a3.doc	40

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October 30, 2007	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting NAESB Offices Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_103007fm.doc Attachments to Minutes: Annual Plan Item 7b – Attributes of additional proposed standards – revised 10/30/07: http://naesb.org/pdf3/wgq_bps_698_103007a1.doc Annual Plan Item 7b – Proposed redirect language (redline) – revised 10/30/07 - http://naesb.org/pdf3/wgq_bps_698_103007a2.doc Annual Plan Item 7c – Timely intra-day nomination timeline (redline) – revised 10/30/07: http://naesb.org/pdf3/wgq_bps_698_103007a3.doc Annual Plan Item 7c – Timely intra-day nomination timeline (clean) – revised 10/30/07: http://naesb.org/pdf3/wgq_bps_698_103007a4.doc Annual Plan Item 7b - Scoping issues – revised 10/30/07: http://naesb.org/pdf3/wgq_bps_698_103007a7.doc	38
October 31, 2007	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting NAESB Offices Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_103107fm.doc Attachments to Minutes: Annual Plan Item 7a – Modified and new proposed standards – revised 10/31/07: http://naesb.org/pdf3/wgq_bps_698_103107a5.doc Annual Plan Item 7a – Additional index standard concepts – revised 10/31/07: http://naesb.org/pdf3/wgq_bps_698_103107a6.doc	31

Appendix B: NAESB WGQ BPS Order 968 Subcommittee Summary of Meetings and Related Events

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
November 14, 2007	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: KeySpan New York, NY	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_111407fm.doc Attachments to Minutes: Annual Plan Item 7b – Attributes of additional proposed standards – revised 11/14/07: http://naesb.org/pdf3/wgq_bps_698_111407a1.doc Annual Plan Item 7b – Examples from meeting 11/14/07: http://naesb.org/pdf3/wgq_bps_698_111407a2.doc Annual Plan Item 7c – Timely intra-day nomination timeline (redline/clean) – revised 11/14/07: http://naesb.org/pdf3/wgq_bps_698_111407a3.doc	40
November 15, 2007	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting Host: KeySpan New York, NY	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_111507fm.doc Attachments to Minutes: Annual Plan Item 7a – Modified and new proposed standards – revised 11/15/07: http://naesb.org/pdf3/wgq_bps_698_111407a4.doc Annual Plan Item 7a – Examples from meeting 11/15/07: http://naesb.org/pdf3/wgq_bps_698_111407a5.doc	43
December 4, 2007	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting Host: AGA Washington, DC	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_120407fm.doc Attachment to Minutes: Annual Plan Item 7a – Modified and new proposed standards – revised 12/04/07: http://naesb.org/pdf3/wgq_bps_698_120407a1.doc	41

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Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
December 5, 2007	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: AGA Washington, DC	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_120507fm.doc Attachment to Minutes: Annual Plan Item 7b – Proposed standard – revised 12/05/07: http://naesb.org/pdf3/wgq_bps_698_120407a2.doc	44
January 9, 2008	WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: Redirects WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting NAESB - Crowne Plaza Hotel Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_010908fm.doc Attachments to Minutes: Annual Plan Item 7b – Approved standard 01/09/08: http://naesb.org/pdf3/wgq_bps_698_010908a1.doc Annual Plan Item 7c – Work paper for intra-day discussion submitted by TVA and APS: http://naesb.org/pdf3/wgq_bps_698_010908a3.xls	51
January 10, 2008	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting NAESB - Crowne Plaza Hotel Houston, TX	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_011008fm.doc Attachments to Minutes: Annual Plan Item 7a – Modified and proposed standards and definitions – revised 01/10/08 (redline changes for 01/10/08 meeting ONLY): http://naesb.org/pdf3/wgq_bps_698_010908a2.doc Annual Plan Item 7a – Modified and proposed standards and definitions – revised 01/10/08 (complete redline): http://naesb.org/pdf3/wgq_bps_698_010908a4.doc	36

Appendix B: NAESB WGQ BPS Order 968 Subcommittee Summary of Meetings and Related Events

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
January 25, 2008	Correspondence between Kansas Corporation Commission and Michael Desselle, NAESB Board Chairman		Letter from Kansas Corporation Commission regarding Order No. 698: http://naesb.org/pdf3/wgq_bps_698_012508corr_kcc.pdf Response to Kansas Corporation Commission from Michael Desselle regarding Order No. 698: http://naesb.org/pdf3/wgq_bps_698_012508corr_desse1le.pdf	
February 8, 2008	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting Conference Call with Web Conferencing	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_020808fm.doc Attachments to Minutes: Annual Plan Item 7a - Approved definitions, modified and new standards 02/08/08: http://naesb.org/pdf3/wgq_bps_698_020808a1.doc Annual Plan Item 7a - Modified and new proposed standards – revised 02/08/08 (redline): http://naesb.org/pdf3/wgq_bps_698_020808a2.doc	37
February 21, 2008	WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: Price Indexing	WGQ BPS Order 698 Meeting Conference Call with web conferencing	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_022108fm.doc Attachments to Minutes: Annual Plan Item 7a – Modified and new proposed standards – revised 02/21/08 (redline): http://naesb.org/pdf3/wgq_bps_698_022108a1.doc Annual Plan Item 7a – Corrected file – Approved definitions, modified and new standards – revised 02/08/08 and 02/21/08: http://naesb.org/pdf3/wgq_bps_698_022108a2_corrected.doc	32
February 26-27, 2008	WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: PSEG Newark, NJ	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_022608fm.doc Attachment to Minutes: Annual Plan Item 7c - Discussion captured on pipeline collaborative proposal – 02/26-27/08 (redline): http://naesb.org/pdf3/wgq_bps_698_022608a1.xls	59

Appendix B: NAESB WGQ BPS Order 968 Subcommittee Summary of Meetings and Related Events

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
March 12-13, 2008	WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: El Paso Western Pipelines Colorado Springs, CO	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_031208fm.doc Attachments to Minutes: Annual Plan Item 7a – Modified and new proposed standards – revised 03/13/08 (redline): http://naesb.org/pdf3/wgq_bps_698_031208a1.doc Annual Plan Item 7a – Corrected file: approved definitions, modified and new standards – revised 02/08/08, 02/21/08, and 03/13/08: http://naesb.org/pdf3/wgq_bps_698_031208a2_corrected.doc Annual Plan Item 7c – Timeline design considerations – 03/13/08: http://naesb.org/pdf3/wgq_bps_698_031208a3.doc	56

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
April 22-23, 2008	WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: AGA Washington, DC	<p>Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_042208dm.doc</p> <p>Attachments to Minutes: Annual Plan Item 7c – Timeline design considerations – 04/23/08 (redline): http://naesb.org/pdf3/wgq_bps_698_042208a1.doc Annual Plan Item 7c - Timeline design considerations – 04/23/08 (clean): http://naesb.org/pdf3/wgq_bps_698_042208a2.doc Revised TVA/APS proposed model (redline) – 04/23/08: http://naesb.org/pdf3/wgq_bps_698_042208a4.xls Iroquois proposed models 1 & 2 - 04/23/08 presented by T. Gwilliam: http://naesb.org/pdf3/wgq_bps_698_042208a5.doc Northern Border proposed model - 04/23/08 presented by S. Coburn: http://naesb.org/pdf3/wgq_bps_698_042208a6.xls El Paso (12 PM) proposed model - 04/23/08 presented by B. Griffith: http://naesb.org/pdf3/wgq_bps_698_042208a7.doc El Paso (1 PM) proposed model - 04/23/08 presented by B. Griffith: http://naesb.org/pdf3/wgq_bps_698_042208a8.doc TransCanada proposed models 1 & 2 - 04/23/08 presented by K. Shubert: http://naesb.org/pdf3/wgq_bps_698_042208a9.pdf Pipeline Collaborative proposed model - 04/23/08 presented by K. Burch: http://naesb.org/pdf3/wgq_bps_698_042208a10.xls FPL Energy proposed model - 04/23/08 presented by S. Tomalty: http://naesb.org/pdf3/wgq_bps_698_042208a12.doc Straw vote tally on models - 04/23/08: http://naesb.org/pdf3/wgq_bps_698_042208a11.xls</p>	70

Appendix B: NAESB WGQ BPS Order 968 Subcommittee Summary of Meetings and Related Events

Appendix B – NAESB WGQ BPS Order 698 Subcommittee Meeting Minutes Links				
Date of Meeting	Recommendation/Description	Meeting Location	Meeting Minutes	Number of Participants
May 19-20, 2008	WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: Nominations Timeline	WGQ BPS Order 698 Meeting Host: Stinson Morrison & Hecker Washington, DC	Meeting Minutes: http://naesb.org/pdf3/wgq_bps_698_051908dm.doc Attachments to Minutes: Existing timeline and current proposals – 05/20/08: http://naesb.org/pdf3/wgq_bps_698_051908a1.xls Vote tally 05/20/08: http://naesb.org/pdf3/wgq_bps_698_051908a2.doc	79

Appendix C: Executive Committee Meeting Minutes, Comments, Voting Records Links and Availability of Transcripts

Appendix C – Executive Committee Meeting Minutes, Comments, Voting Records Links and Availability of Transcripts			
Date	Link to EC Minutes and Voting Records	Link to Comments	Availability of Transcripts ⁸
May 15, 2008	<p>NAESB WGQ Executive Committee Meeting, Houston, TX</p> <p>Redirects - Recommendation WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: http://naesb.org/pdf3/wgq_ec051508a4.doc (approved by the WGQ EC 05/15/08)</p> <p>WGQ EC Minutes: http://naesb.org/pdf3/wgq_ec051508fm.doc</p> <p>Attachment to Minutes: Price Indexing - Recommendation WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a (redlines from WGQ EC meeting – 05/15/08 to be considered at a subsequent meeting): http://naesb.org/pdf3/wgq_ec051508a10.doc</p>	<p>Request for comments – due 05/02/08: http://naesb.org/pdf3/wgq_040308reqcom.doc</p> <p>New Jersey Natural Gas Company: http://naesb.org/pdf3/wgq_040308_7b_njng.doc</p> <p>Williston Basin Interstate Pipeline Company: http://naesb.org/pdf3/wgq_040308_7b_wbip.pdf</p>	Ace Federal Reporters - 202-347-3700
June 9, 2008	<p>NAESB WGQ Executive Committee Meeting Conference call with web conferencing</p> <p>Price Indexing - Recommendation WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: http://naesb.org/pdf3/wgq_ec060908a1.doc (as revised by the WGQ EC on 6/9/08 - redline) http://naesb.org/pdf3/wgq_ec060908a2.doc (as revised by the WGQ EC on 6/9/08 - clean)</p> <p>WGQ EC Minutes: http://naesb.org/pdf3/wgq_ec060908fm.doc</p>	<p>Request for comments – due 05/02/08: http://naesb.org/pdf3/wgq_040308reqcom.doc</p> <p>NGPL: http://naesb.org/pdf3/wgq_040308_7a_ngpl.doc</p>	Preferred Legal - 800-405-4056
June 25, 2008	<p>NAESB WGQ Executive Committee Meeting, Houston, TX</p> <p>Price Indexing - Recommendation WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: http://naesb.org/pdf3/wgq_ec062508a1.doc (redline as revised by the WGQ EC – 06/25/08) http://naesb.org/pdf3/wgq_ec062508a2.doc (clean as revised by the WGQ EC – 06/25/08)</p> <p>WGQ EC Minutes: http://naesb.org/pdf3/wgq_ec062508dm.doc</p> <p>Attachment to Minutes: 6/25/08 Discussion on proposed Index-Based Capacity Release standards and modifications submitted by B. Griffith, El Paso Natural Gas: http://naesb.org/pdf3/wgq_ec062508a3.doc</p>		Preferred Legal - 800-405-4056

⁸ The Federal Energy Regulatory Commission and other regulatory agencies may contact NAESB office to obtain electronic copies of the transcripts. All others can contact the transcription service and order the transcripts for a nominal fee.

Appendix C: Executive Committee Meeting Minutes, Comments, Voting Records Links and Availability of Transcripts

Appendix C – Executive Committee Meeting Minutes, Comments, Voting Records Links and Availability of Transcripts			
Date	Link to EC Minutes and Voting Records	Link to Comments	Availability of Transcripts ⁸
July 14, 2008	<p>NAESB WGQ Executive Committee Meeting Conference call with web conferencing</p> <p>Redirects - Recommendation Part 2 -WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: http://naesb.org/pdf3/2007_wgq_ap_7b_2008_wgq_ap_4b_rec_part2.doc (approved by the WGQ EC)</p> <p>Nomination Timeline: Recommendation WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c: http://naesb.org/pdf3/wgq_2007_ap_7c_2008_ap_4c_rec.doc</p> <p>WGQ EC Minutes: http://naesb.org/pdf3/wgq_ec071408dm.doc</p>	<p>Request for comments on Nomination Timeline: Recommendation WGQ 2007 Annual Plan Item 7c/WGQ 2008 Annual Plan 4c – due 07/02/08: http://naesb.org/pdf3/wgq_060308reqcom.doc</p> <p>National Grid Gas Delivery Companies: http://naesb.org/pdf3/wgq_060308ngrid.doc</p> <p>Salt River Project: http://naesb.org/pdf3/wgq_060308srp.pdf</p> <p>Pacific Gas & Electric Company: http://naesb.org/pdf3/wgq_060308pge.doc</p> <p>PSEG Energy Resources and Trade LLC: http://naesb.org/pdf3/wgq_060308pseg.doc</p> <p>Arizona Corporation Commission: http://naesb.org/pdf3/wgq_060308acc.pdf</p> <p>Tennessee Valley Authority: http://naesb.org/pdf3/wgq_060308tva.pdf</p> <p>New Jersey Natural Gas Company: http://naesb.org/pdf3/wgq_060308njng.doc</p> <p>Joint Comments Submitted by K. Daly for the Arizona Public Service Company, The Boeing Company, El Paso Electric, ISO New England, Inc., Midwest Independent Transmission System Operator, Inc., Missouri Public Service Commission, New York Independent System Operator, Old Dominion Electric Cooperative, PJM Interconnection, L.L.C., Salt River Project Agricultural Improvement and Power District, Southwest Power Pool, Tennessee Valley Authority, Tucson Electric Power Co., UNS Gas, Inc. and Virginia Power Energy Marketing, Inc.: http://naesb.org/pdf3/wgq_060308aps.pdf</p> <p>Old Dominion Electric Cooperative: http://naesb.org/pdf3/wgq_060308odec.pdf</p> <p>Joint Comments Submitted by M. Arnaout for Interested LDCs: BGE, ConEdison, National Fuel, National Grid, New Jersey Natural, NiSource, PSEG, Southern California and Washington Gas Light: http://naesb.org/pdf3/wgq_060308ldc.pdf</p> <p>FPL Group:</p>	Preferred Legal - 800-405-4056

Appendix C: Executive Committee Meeting Minutes, Comments, Voting Records Links and Availability of Transcripts

Appendix C – Executive Committee Meeting Minutes, Comments, Voting Records Links and Availability of Transcripts			
Date	Link to EC Minutes and Voting Records	Link to Comments	Availability of Transcripts ⁸
		http://naesb.org/pdf3/wgq_060308fpl.doc Independent Power Producers of New York: http://naesb.org/pdf3/wgq_060308ippny.pdf BG Energy Merchants, LLC and Dynegy Marketing and Trade: http://naesb.org/pdf3/wgq_060308bgem_dmt.doc Arizona Public Service Company: http://naesb.org/pdf3/wgq_060308aps_supp.pdf New England Power Generators Association: http://naesb.org/pdf3/wgq_060308nepga.pdf National Fuel Gas Distribution: http://naesb.org/pdf3/wgq_060308nfgd.pdf The Electric Power Supply Association: http://naesb.org/pdf3/wgq_060308epsa.doc Request for comments on Redirects - Recommendation Part 2 -WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b – due 07/07/08: http://naesb.org/pdf3/wgq_060508reqcom.doc No comments	

Appendix D – Ratification Ballots and Results Links			
Date of Ratification	Ratification Ballot	Results	Final Actions
July 24, 2008	Ratification Ballot Due August 25, 2008: http://naesb.org/member_login_form.asp?doc=wgq_rat072408ballot.doc Price Indexing - Recommendation WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: http://naesb.org/member_login_check.asp?doc=wgq_rat072408_2007_wgq_api7a_2008_wgq_api4a_rev_rec_redline.doc (redline) http://naesb.org/member_login_check.asp?doc=wgq_rat072408_2007_wgq_api7a_2008_wgq_api4a_rev_rec_clean.doc (clean) Redirects - Recommendation Part 2 -WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: http://naesb.org/member_login_check.asp?doc=wgq_rat072408_2007_wgq_api7b_2008_wgq_api4b_rec.doc	Ratification Tally: http://naesb.org/member_login_form.asp?doc=rat_wgq082508tally.xls Comments: Natural Gas Pipe Line Company of America: http://naesb.org/pdf3/wgq_rat082508comments_ngpl.doc Williams Gas Pipeline: http://naesb.org/pdf3/wgq_rat082508comments_williams.doc	Final Action Price Indexing - WGQ 2007 Annual Plan Item 7a/WGQ 2008 Annual Plan 4a: http://naesb.org/member_login_form.asp?doc=fa_2007_wgq_api7a_2008_wgq_api4a.doc Final Action Redirects - Recommendation Part 2 -WGQ 2007 Annual Plan Item 7b/WGQ 2008 Annual Plan 4b: http://naesb.org/member_login_form.asp?doc=fa_2007_wgq_api7b_2008_wgq_api4b.doc

Appendix E –List of Available Transcripts			
Date of Meeting	Meeting and Minutes	Transcription Service	How to obtain transcripts ⁹
May 15, 2008	WGQ EC Meeting: http://naesb.org/pdf3/ec051308a.doc	Ace Federal Reporters	Call Ace Federal Reporters - 202-347-3700
June 9, 2008	WGQ EC Meeting: http://naesb.org/pdf3/wgq_ec060908ra.doc	Preferred Legal	Call Preferred Legal - 800-405-4056
June 25, 2008	WGQ EC Meeting http://naesb.org/pdf3/wgq_ec062508ra2.doc	Preferred Legal	Call Preferred Legal - 800-405-4056
July 14, 2008	WGQ EC Meeting http://naesb.org/pdf3/wgq_ec071408ra.doc	Preferred Legal	Call Preferred Legal - 800-405-4056

⁹ The Federal Energy Regulatory Commission and other regulatory agencies may contact the NAESB office to obtain electronic copies of the transcripts. All others can contact the transcription service and order the transcripts for a nominal fee.

The NAESB Standards Development Process

NAESB is focused on proposing, considering, and adopting voluntary standards and model business practices that will have a significant and lasting impact on all aspects of the natural gas and electricity marketplaces. As a result of the standards NAESB adopts, it is expected that the industry will operate more efficiently and effectively, benefiting both the industry and its customers. At the same time, it must be acknowledged that NAESB standards may constitute a change in the way parties do business, with an accompanying effect on the use and allocation of resources.

NAESB's policy is to move at a deliberate pace, consistent with its annual plan(s), thus permitting those affected by its standards, especially those standards adopted as regulations by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies, to assimilate them as part of their business practices. To this end, NAESB will carefully consider whether proposed standards are both timely and necessary. In particular, it will try to avoid adopting and implementing new standards, however beneficial, before the industry is able to reasonably make use of them.

The standards development process is governed by the annual plan, and items can be included in the plan or modified only with Board approval. The plan typically reflects requests from NAESB members, government agencies, and other interested parties. In approving the annual plan, the Board considers the availability of resources, including the NAESB budget and staff and the availability of industry volunteers. New requests received throughout the year are either considered part of the existing annual plan or as new items that require Board approval.

The standards development process begins with an annual plan item or a triaged and approved request. Triage is a process used by each quadrant of the Executive Committee (EC) to determine whether a request is within scope, which quadrant(s) it applies to, which subcommittee(s) it should be referred to, and what priority it should be assigned. Triage is carried out by EC members appointed by the EC chair. Triage recommendations are submitted to the en banc EC and require EC approval, and may also require Board approval if there are scope questions or if a modification of the annual plan is required.

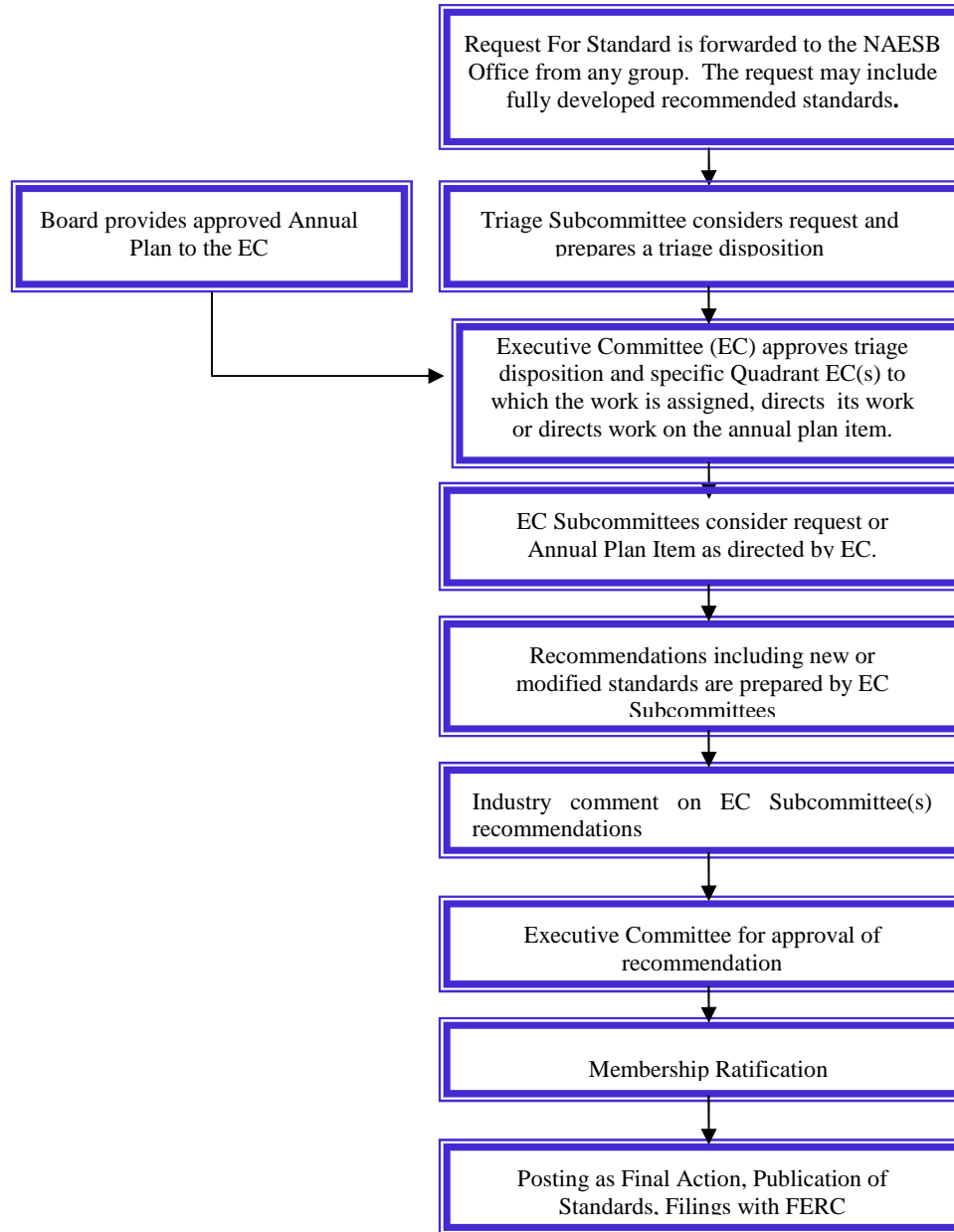
Once the triage process is completed, the subcommittees—more than one are normally involved in standards recommendations—review the request, compare it to existing standards, and prepare recommendations that may take the form of new or modified standards or interpretations. Participation in EC subcommittees is open to any interested party regardless of membership status. All subcommittee participants may vote; voting is balanced by segment and quadrant. All votes are public.

When the recommendation is complete, it is made available for a thirty-day industry comment period. The recommendation and comments are then forwarded to the EC, which considers the recommendation, makes any changes it deems necessary, and takes a vote. A recommendation must receive an affirmative vote of at least 67 percent from each applicable quadrant EC and 40 percent from each of the segments of the applicable quadrant(s).

After passage by the EC, the recommendation must be ratified by the NAESB members. An affirmative vote of 67 percent of the members of the applicable quadrant(s) is required for ratification. After ratification, standards and modifications are considered final actions and will be published in the next version of NAESB standards.

All NAESB quadrants follow the same development process described herein. The process has been followed by the WGQ since 1994 and has been used to develop more than five hundred standards that have been incorporated by reference into federal regulations.

North American Energy Standards Board
Standards Development Process Flow Chart



Flexibility

NAESB recognizes that flexibility is necessary, as standards are developed to address regional concerns or to incorporate variances to accommodate operational or structural differences. Several WEQ standards incorporate regional or operational differences for both Version 0 and Version 1. There is a high threshold for incorporating such variances in a standard; the subcommittee(s) in drafting the standard, the EC in approving the subcommittee recommendation, and the membership in approving the standard must all agree that such variance is necessary. Nonetheless, NAESB procedures are well suited to take into account operational and regional differences.

Transparency

All NAESB meetings are open for attendance and participation by any interested party, with the exception of executive sessions of the Board or Managing Committee for purposes of discussing personnel, compensation or legal issues. Meeting announcements and agendas are posted in advance to permit the widest possible participation. Conference-calling capability is available for all meetings and web casting is available for most. Those intending to attend a meeting in person or by telephone are asked to notify NAESB by a specific date to permit adequate meeting planning.

Transcripts are made of all Board of Directors and EC meetings, and may also be made of other meetings that are expected to be controversial. Transcripts are maintained in the NAESB office and are provided to regulatory agencies for their internal use. All other interested parties can purchase transcripts from the relevant transcription service.

Coordination with NERC

For business practice standards development for the WEQ, if it is determined by NERC and NAESB Executive Management that joint development is needed by NERC and NAESB, the NERC-NAESB Coordination Joint Development Process is implemented.¹⁰ This process requires that the appropriate NAESB subcommittee and NERC Standards Drafting Team work together to develop reliability standards and business practices. This process is currently being implemented by the NAESB WEQ BPS and ESS/ITS with the NERC ATC Standards Drafting Team to develop reliability standards and business practice standards to address Commission Order No. 890.

The Joint Interface Committee of NAESB, NERC and the ISO-RTO Council (“JIC”) was dissolved as part of the agreement to create the Independent Grid Operator segment of the WEQ. The joint development process between NAESB and NERC is being used to ensure appropriate coordination. The ISOs and RTOs have strong decision-making roles in both NERC and NAESB, and thus with the use of the joint development process, the JIC was no longer necessary. Documentation is being prepared to formally dissolve the JIC, which has not met since June 15, 2006. The record of the meetings can be found on the NAESB web site at the following link: http://www.naesb.org/weq/weq_nercmou.asp.

¹⁰ The NERC-NAESB Coordination Joint Development Process was submitted to the Commission on February 17, 2006 in Attachment C of the Progress Report on NAESB Activities impacting Docket No. RM05-5-000, “Standards for Business Practices and Communication Protocols for Public Utilities”: http://www.naesb.org/doc_view2.asp?doc=ferc021706.pdf.

NORTH AMERICAN ENERGY STANDARDS BOARD
2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on March 27, 2008 with Revisions Suggested by the Wholesale Gas Quadrant Executive Committee on June 25 and July 14, 2008

Item Description	Completion ⁱ	Assignment ⁱⁱ
Damage Reporting for Natural Gas Pipeline Facilities		
1	4 th Q 2008	BPS
<p>Review and develop standards as appropriate to support posting of information as noted in Docket No. RM06-18-000, Order No. 682 and Docket No. RM06-18-001, Order No. 682-A. Review transmission line damage reporting to identify commonality and apply as appropriate.</p> <p>Status: Not Started.</p>		
Electronic Delivery Mechanisms and Related Activities		
2	1st Q, 2008	BPS/EDM
<p>Develop or amend WGQ technical standards, as appropriate, to address to the DoE Sandia National Laboratories 2006 surety assessment findings and recommendations.</p> <p>Status: Underway.</p>		
Contracts Activities		
3	1 st Q, 2008	Contracts
<p>Update ISDA Gas Annex to correspond to the updated NAESB Base Contract for Sale and Purchase of Sale of Natural Gas, dated September 5, 2006.</p> <p>Status: Underway.</p>		
Gas-Electric Interdependency		
4		
<p>Respond to requests of FERC Order No. 698 issued 6-25-07, Docket Nos. RM05-5-001 and RM96-1-027 as related to the NAESB reports submitted in Docket No. RM05-28-000:</p>		
a.		
<p>¶ 56 of Order No. 698: "... Under the Commission regulations, the releasing shipper is responsible for clearly setting out the terms and conditions of the release and that would include the means for implementing the formula rate. <u>This is also an issue on which NAESB can develop standards to ensure that such releases can be processed quickly and efficiently.</u>" (emphasis added)</p>		
i.)	2 nd Q, 2008	BPS
<p>Develop business practice standards to address the threshold questions of ¶ 56 of Order No. 698:</p> <p>Status: Underway.</p>		
ii.)	TBD	IR/Tech
<p>Prepare fully staffed recommendation</p> <p>Status: In progress</p>		
b.		
<p>¶ 63 of Order No. 698: "The Commission is not modifying its requirement for within-the-path scheduling as adopted in Order No. 637. The example posited by NAESB appears consistent with the within-the-path scheduling concept and with pipeline proposals that have been accepted. It would not be appropriate for the Commission here to try to provide generic clarification to cover all possible proposals by pipelines for according flexibility to shippers. These proposals will have to be judged on an individual basis. In addition, <u>NAESB can consider through its consensus process possible standards for according increased receipt and delivery point flexibility.</u>"(emphasis added)</p>		

NORTH AMERICAN ENERGY STANDARDS BOARD

2008 WGQ Annual Plan Adopted by the NAESB Board of Directors on March 27, 2008 with Revisions Suggested by the Wholesale Gas Quadrant Executive Committee on June 25 and July 14, 2008

	Item Description	Completionⁱ	Assignmentⁱⁱ
i.)	Develop business practice standards to address the threshold questions of ¶ 63 of Order No. 698: Status: Completed.	2 nd Q, 2008	BPS
ii.)	Prepare fully staffed recommendation Status: Completed.	2 nd Q, 2008	IR/Tech
c.	¶ 69 of Order No. 698: “As we stated in the NOPR, the Commission has recognized the interest of interruptible shippers in achieving business certainty by making the last intra-day nomination opportunity one in which firm nominations do not bump interruptible nominations. <u>However, within the confines of current Commission policy, NAESB should actively consider whether changes to existing intra-day schedules would benefit all shippers, and provide better provide for coordination between gas and electric scheduling.</u> In addition, the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere...”(emphasis added)		
i.)	Develop business practice standards to address the threshold questions of ¶ 69 of Order No. 698: Status: Completed.	2 nd Q, 2008	BPS
ii.)	Prepare fully staffed recommendation Status: Completed.	2 nd Q, 2008	BPS
Capacity Release			
5	Review capacity release transactions upload and related responses to determine suitability for EDI. Status: Not started, action pending submittal of request and process for request assignment.	3 rd Q, 2008	BPS
Review and develop business practices standards to support e-Tariff program			
6	Develop business practices as needed to support the e-Tariff program including submittal of tariffs and metadata. (Docket No RM05-1-000) Status: Complete.	1st Q, 2008	Joint WEQ/WGQ e-Tariff
Customer Security Administration			
7	Review and develop standards as appropriate to support Customer Security Administration Standards (Comment Submittal, 10-29-07) Status: Not started, action pending submittal of request and process for request assignment.	TBD	TBD
Gas Quality Reporting			
8	Respond to requests of FERC Docket No. RP07-504-000: ¶ 10 “... develop a uniform set of standards regarding the posting of rapidly changing gas quality information applicable to those pipelines which are required by their tariffs to do so.” (Docket No. RP07-504-000) Status: Not started	4 th Q, 2008	BPS
Promotion of a More Efficient Capacity Release Market			
9	Review FERC Order No. 712 and modify NAESB standards (Docket No. RM08-1-000) Status: Underway.	1 st Q, 2009	BPS

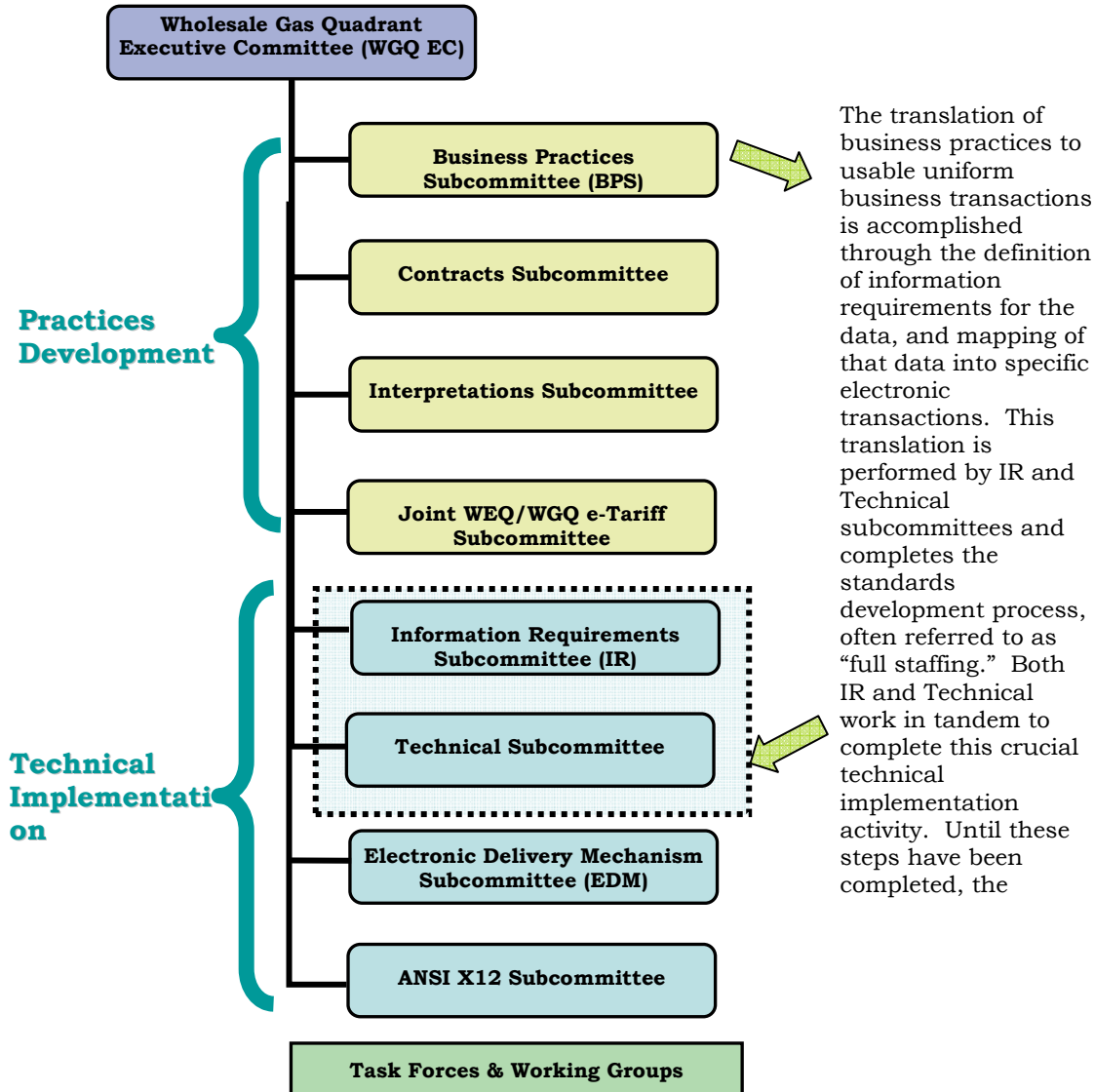
NORTH AMERICAN ENERGY STANDARDS BOARD
2008 WGQ Annual Plan to be Presented to the NAESB Board of Directors on March 27, 2008

Item Description	Completion	Assignment
Program of Standards Maintenance & Fully Staffed Standards Work		
Business Practice Requests	Ongoing	Assigned by the EC ⁱⁱⁱ
Continue review against plan for migration to ANSI ASC X12 new versions as needed and coordinate such activities with DISA.	Ongoing	ANSI X12 subcommittee
Information Requirements and Technical Mapping of Business Practices	Ongoing	Assigned by the EC ⁴
Ongoing Interpretations for Clarifying Language Ambiguities	Ongoing	Assigned by the EC ⁴
Ongoing Maintenance of Code Values and Other Technical Matters	Ongoing	Assigned by the EC ⁴

Provisional Activities

Respond to requests as received that are related to Docket No. [AD06-11-000](#) (Market Transparency Reporting).

- Notes: (a) Priority is given to action items that are carry-overs from the 2007 Annual Plan.
 (b) Any new activity should be preceded by a request from the submitter after which the annual plan will be revisited. The provisional items would only be addressed after a request is submitted or an order is issued by the FERC.



NAESB 2008 WGQ EC and Subcommittee Leadership:

Executive Committee: Jim Buccigross, Chair and Mike Novak, Vice-Chair
 Business Practices Subcommittee: Kim Van Pelt, Valerie Crockett, Dolores Chezar and Richard Smith
 Information Requirements Subcommittee: Dale Davis, Christopher Burden
 Technical Subcommittee: Mike Stender
 Contracts Subcommittee: Keith Sappenfield
 Electronic Delivery Mechanism Subcommittee: Leigh Spangler, Christopher Burden
 Interpretations Subcommittee: Paul Love
 Joint WEQ/WGQ e-Tariff Subcommittee: Keith Sappenfield, Jane Daly

End Notes WGQ 2008 Annual Plan:

ⁱ Dates in the completion column are by end of the quarter for completion by the assigned committee. The dates do not necessarily mean that the standards are fully staffed to be implementable by the industry, and/or ratified by membership. If one item is completed earlier than planned, another item can begin earlier and possibly complete earlier than planned. There are no begin dates on the plan.

ⁱⁱ The assignments are abbreviated. The abbreviations and committee structure can be found at the end of the annual plan document.

ⁱⁱⁱ The EC assigns maintenance of existing standards on a request-by-request basis.