

ATC/TTC/AFC and CBM/TRM Revisions Standard Drafting Team
Joint NERC/NAESB
Conference Call and WebEx Meeting Notes
January 18, 2008

1. Administration

a. Antitrust Compliance Guidelines

Laura Kennedy read the NAESB Antitrust guidelines.

b. Introduction of Attendees

The following members and guests were in attendance:

- Ed Skiba, Chair
- Larry Middleton, Chair
- Valerie Crockett
- Jim Cyrulewski
- Daryl Danis
- Ed Davis
- Marilyn Franz
- Barry Green
- Kevin Gresh
- John Harmon
- Nick Henery
- Tony Hunziker
- Laura Lee
- Cheryl Mendrala
- Ron Mucci
- Gail Parker
- Alan Pritchard
- Barbara Rehman
- Narinder Saini
- Joel Segal
- Ed Skiba
- Ron Slagle
- Jerry Smith
- Paul Sorenson

- Julia Souder
- Wendy Weathers
- Troy Willis
- Jimmy Womack
- J.T. Wood
- Kun Zhu
- Laura Kennedy
- Andy Rodriguez

c. Adoption of Agenda

Ed Skiba moved that the agenda be approved as written. The motion was seconded and approved unanimously.

2. Review of the ATC/TTC Narrative Recommendation

Ed Skiba requested that the NERC ATCTS DT review items Y and Z of the 2008 AP Item 2.b.v.3 and 2008 AP Item 2.a.i.3. NAESB is looking for feedback no later than open of business January 28th, as it is intending to vote the standards out of committee on that day. Alan Pritchard explained that the ATCTS DT should focus particular attention on item 2.3.5, and confirm that the items listed are valid for both increases and decreases of TTC. Paul Sorenson pointed out that everything following item Z would be conforming changes, and that they will be updated in the future (and therefore do not need review).

3. List of Information that Will Not be Publicly Available

Barry Green reviewed the process that will be used for the commercial and reliability sensitivity review of data to be posted. Andy Rodriguez confirmed that he had spoken with Stan Johnson (NERC staff) and that Stan indicated he would bring the list to the NERC Critical Infrastructure Protection Committee for review. Barry and Ed Skiba indicated that they would try to have the document sent to Andy by the end of the day. Upon receipt, Andy will send it to Stan and request 1.) a review, to include reasons why any elements should not be posted, 2.) a quick turn-around (hopefully prior to January 24th), and 3.) an ETA if the review cannot be completed in this time.

4. Concern on Joint Process between NERC and NAESB

Ed Skiba reviewed NAESB concerns that there was not enough NAESB involvement in the NERC comment review. Andy Rodriguez responded that the Joint Development Process is intended to focus on coordination where the standards and business practices overlap. The teams agreed to walk through the comments if there was time on this call. NAESB requested that NERC provide a final draft of the comment responses on or before January 25th.

Andy Rodriguez provided a summary of the issues in the comment responses that related to NAESB:

- Some entities requested that the standards be implemented concurrent with the implementation of the NAESB Business Practices. The ATCTSDT intends to discuss this further.
- Several entities had questions about the definitions of Postbacks and Business Practices. The ATCTSDT plans to define the following:
 - a. Postbacks — positive adjustments to ATC or AFC as defined in Business Practices. Such Business Practices may include processing of redirects and unscheduled service.
 - b. Business Practices — those business rules contained in the TSP’s applicable tariff, rules, or procedures; associated RRO’s posted business practices; or NAESB business practices.
- Several entities questioned requirements to update as requirements to post. The ATCTSDT plans to clarify that NAESB will be addressing posting requirements and customer interactions.
- Some entities made comments regarding data exchange protocols. The ATCTSDT intends to respond that NERC does not intend to specify any such requirements, but that NAESB may elect to do so.
- Some entities expressed concern about being exposed to penalties from both NERC and NAESB. The ATCTSDT intends to clarify that NAESB does not in itself specify or collect penalties. However, the team also needs to clarify that there may be FERC penalties for non-compliance with NAESB BPs that FERC has adopted. But, we have separated the reliability and commercial aspects, so we don’t see any risk of double jeopardy (if the violation harms both reliability and commercial aspects, then two penalties are appropriate). NERC is only dealing with reliability non-compliance, not commercial non-compliance.

5. Concern on NERC Proposed Approach for the Establishment of CBM

Alan Pritchard reviewed concerns that Duke and NAESB have with the establishment of CBM:

- Relative priority of CBM request vis a vis transmission service request. Concern is that a CBM request can “trump” a long-term firm request that is being studied (and for which the customer has already paid for the studies).
- The appropriateness of request for near-term monthly adjustments to CBM. The concern is the impact to rates if the amount of CBM is fluctuating.

Dennis Kimm and Andy Rodriguez explained some of the ATCTSDT’s current thinking and understanding of FERC’s Order. The NAESB team indicated that whatever course of action is decided, the team should be sure to justify the reliability reasons for those actions. Dennis agreed to bring these items to the CBM discussion scheduled to occur later in the day.

6. Schedule Future Joint Meetings

The teams discussed having the following future meetings and calls:

January 28 — Conference call 3–4 p.m. Central, to review comment responses and standards.

February 15th or February 22nd (TBD) — Conference call to discuss any joint coordination needs.

7. What Information Does NERC Need from NAESB

Andrew Rodriguez pointed out that the NAESB post-back language should be reviewed to ensure no conflicts or double counting with the MOD standards. No further coordination is believed to be needed for the counterflows and counter-schedules language in the MOD standards.

8. Other Business and Next Steps

No other business was discussed.

9. Adjourn

Ed Skiba adjourned the meeting at 12:02, Eastern Standard Time.