

**01/31/2001 COMMENTS OF NATIONAL FUEL GAS DISTRIBUTION on  
Order 637 Priority Action Items 1 and 2 (Priority 6)**

*Prepared for the February 1, 2001 BPS Conference Call by M. Novak*

1) Interplay of standards 5.3.2, 5.3.10, 5.3.31, 5.3.32 and 5.3.33

Upon closer examination of 5.3.33, it appears as if the primary purpose of that standard is to define response/ processing timeframes to be on fifteen minute intervals as opposed to being “within 15 minutes” although the two timing concepts might coincide. While the intent of standards 5.3.31 and 5.3.32 could be woven into a revised 5.3.33, the end result would be difficult to follow and potentially subject to different interpretations.

A more straightforward approach is to leave 5.3.33 as is and develop a new standard that parallels 5.3.2 as a replacement for 5.3.31, 5.3.32 and any other additions necessary to cover non-biddable postings. 5.3.10 could stand on its own or incorporated into the new standard.

2) Capacity Release Recall Issues

As mentioned at the January 17, 2001 conference call, the business practice whereby the releasing shipper issues a capacity recall notification to all replacement shippers in a capacity release chain or alternatively, each releasing shipper notifies the replacement shipper which took direct assignment of the releasing shipper’s capacity of the recall, is unworkable. The primary reasons are as follows:

- A replacement shipper may not wish to identify the parties to which it re-releases capacity to the original releasing shipper. This concern mirrors that of sellers that initiated the Title Transfer Tracking efforts.
- While a pipeline knows all parties in a capacity release chain and therefore can notify all affected parties on a virtually instantaneous basis, any other notification technique will have time lags between parties and notification timelines are likely to result. Such time lags might make recalls impossible to implement.

A non-efficient recall notification process would deprive releasing shippers of scheduling equality and as such, 5.3.xx should be dropped from consideration. This is not to say that recalling shippers should not notify replacement shippers outside of ‘official’ channels. That practice, where possible, makes good business sense. While pipelines may view administration of the recall notification process as burdensome, no party is in a better position and to shirk this responsibility obstructs the recall transaction. The concept of capacity recall dates back to Order 636. This is the time to evolve the standardized business practices in this area. Recalls may become more prevalent as available capacity tightens.

The following changes to 5.3.35 and 5.3.36 are proposed:

**5.3.35** Unless the affected party and the Transportation Service Provider (TSP) have agreed to exclusive notification via EDI/EDM, the affected party should provide the TSP with at least ~~one~~ two Internet E-mail address to be used for Electronic Notice Delivery of intraday bumps, operational flow orders, *recall notices* and other critical notices. The obligation of the TSP to provide notification is waived until the above requirement has been met.

**5.3.36** Transportation Service Providers (TSP) should support the concurrent sending of electronic notification of intraday bumps, operational flow orders, recall notices and other critical notices to two Internet E-mail addresses for each affected party. ~~If the TSP elects to delegate the notice requirement to the original recalling shipper, that shipper, upon provision of applicable contact information, if available, from~~ The TSP; should issue the recall notice to all affected contracting parties in the release chain.