

NAESB Creditworthy Standards Development Process
Draft proposal by National Fuel Gas Distribution
April 1, 2003

Workplan Item II G. Creditworthiness Timelines, excluding Construction

Modified Proposed Standard Z26 as of the end of the March 28, 2003 BPS meeting

A Service Requester that receives a termination or suspension notice from the Transportation Service Provider (TSP) due to creditworthiness related issues, following a five (5) day period where it fails to restore its credit standing or provide credit alternatives pursuant to the TSP's tariff, should be prevented from bidding upon capacity release offers until it meets the TSP's creditworthiness qualifications or provides such credit alternatives. The five (5) day period starts with the day the TSP issues notification. This standard should not preclude a TSP from refusing to allow a SR to bid upon capacity release offers for any reason allowed by its tariff.

Modified Proposed Standard Z26 to be motioned at April 4, 2003 BPS meeting

In the event a Service Requester (SR) receives a termination or suspension notice from the Transportation Service Provider (TSP) due to creditworthiness related issues and fails to meet the requirements of TSP's tariff to continue or receive service within five (5) days from the day TSP issues such notice ("notification period"), the TSP should not allow the SR to submit a bid on or be awarded capacity release offers until the SR meets the TSP's tariff requirements to receive or continue to receive service.

This standard should not prevent a TSP from refusing to allow a SR to bid upon capacity release offers for any reason pursuant to the TSP's tariff nor should it require the TSP to allow the SR to submit bids during the notification period. Further, if bidding takes place during the notification period and the SR receiving such notice is the successful bidder, the Releasing Shipper should receive a copy of such notification and be given the opportunity to reject the bid.