

North American Energy Standards Board

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Home Page: www.naesb.org

TO: Business Practices Subcommittee Chairs, Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Redlined Draft Minutes from the Business Practices Subcommittee Meeting, March 17, 2004
DATE: March 18, 2004

1. Administrative

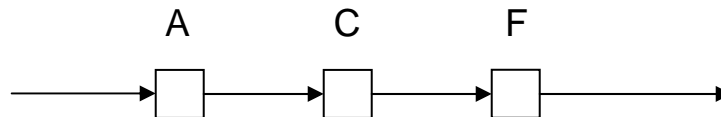
Mr. Novak opened the meeting and gave the anti-trust advice. Participants on the call introduced themselves. Mr. Novak reviewed the agenda, which was adopted with a modification to defer approval of the 03/04/2004 and 3/11/2004 draft meeting minutes.

2. Discussion of Business Practices Requests:

R03027 – SunGard Energy Systems – Jennifer Chen proposed a modification to nominations related standards, an indicator to be used on a mutually agreeable basis, to identify the priority of nomination segments created through the nomination process. The segmentation transactions that SunGard processes are created through the nomination or “on the fly” instead of through the capacity release process. As proposed, a service requester would identify the nomination as a segmentation nomination, which frees up the remainder of the contract for subsequent nomination or capacity release. One segment may be designated as “non-segmented” and the other as “segmented” for nomination purposes. The non-segmented portion consumes contract capacity and has priority over the segmented portion. Based upon discussion, the concept of segmentation through nomination, while not universal, is supported by multiple TSPs using various approved methodologies. Identification of segment priority, by comparison, is a somewhat more unique business process.

Ms. Chen explained (see diagram below) that in her scenario a service requester holding a transportation contract for 10,000 Dth from point A to point F could designate the nomination segment from A to C as ‘non-segmented’ and from C to F as ‘segmented’. To the extent a insufficient capacity was available at point C to schedule both nomination segments, the A to C segment would have priority over the C to F segment. Further, an addition ‘segmented’ nomination from A to C could be placed that presuming sufficient available capacity, could be scheduled (likely resulting in an overrun charge). Never the less, if insufficient capacity was available, the ‘non-segmented’ A to C nomination would have the highest scheduling priority.

K = 10000 Dth



<u>K</u>	<u>Rec</u>	<u>Del</u>	<u>Qty</u>	<u>SegType</u>
K	A	C	10000	N
K	A	C	10000	S

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K C F 5000 S

Segmentation by nomination is supported by current business practices and datasets; through the internal TSP business systems interpreting existing data received to classify the nominations as segmented. This means that the “on the fly” segmentation methodology was-is already supported by existing datasets. Several pointed out that the capacity path, i.e. “in path” or “out of path” played a large role in determining scheduling priority. During discussion, it was proposed that the indicator be Business Conditional instead of Mutually Agreeable with the Business Condition based upon the TSP’s willingness business practice on whether it supports designation of nomination segments as “segmented” or “non-segmented” wihtn the nomination process. For those TSPs that need this information, the BC conditionality would force the service requester to designate relative priority while a mMutually aAgreeable conditionality would permit a service requester not to provide an answer, thereby, creating ambiguity for the-such a TSP.

As an alternative, #it was suggested that nomination rankings might be able to effectuate the same result as the indicator; even if existing ranking elements weren’t sufficient, creation of a transportation ranking might be a better solution. The fields Nomination User Defined Data 1 and Nomination User Data 2 might also be a possibility. The Requester will evaluate these suggestions before the next meeting.

R03029 – Northern Border – No presenter available therefore deferred to next meeting.

R03034 – El Paso – Charlie Bass explained that ANR uses non-pathed nominations for pooling and pathed nominations for transmission nominations. Prior to version 1.5, the nominations could be distinguished at a nomination level. The requesters thought that but currently the nominations are distinguished at a contract level. El Paso proposes using the nomination level. Northern Natural says they have the same issue. It was suggested the looping might provide a solution; in one pass the nominations could be set to pathed and then the second pass could be non-pathed. Upon review of the data sets, it turns out there has not been a change in the level since Version 1.5. The only change has been the ANSI data set. El Paso will investigate further and possibly withdraw the request.

R04001 – Williams Gas Pipeline – Dale Davis proposed addition of a Sender’s Option data element, ‘Preparer E-mail Address’ be added to Shipper Imbalance – NAESB WGQ Std. 2.4.4 which will allow the TSP receiver of the Shipper Imbalance the ability to communicate to the TSP receiver of the Shipper Imbalance via email. Proposed Motion to be voted upon at next BPS meeting:

BPS instructs IR to accommodate the sending of the preparer’s email address in the shipper imbalance - NAESB WGQ Std. 2.4.4. The usage of the data element should be Sender’s Option.

R04002 – Williams Gas Pipeline – Ms. Davis proposed addition of two Sender’s Option data elements, ‘Billable Party (Payer) Contact’ and ‘Invoice Status Code’ to Transportation/Sales Invoice – NAESB WGQ Std. 3.4.1 and Service Level Requester Charge Allowance Invoice: NAESB WGQ Std. 3.4.4. “Billable Party’ will provide the TSP the ability to better identify to whose attention the invoice should be sent, -at the Billable Party. ‘Invoice Status Code’ will provide the recipient with the knowledge as to whether the bill-invoice is preliminary or final. Proposed Motion to be voted upon at next BPS meeting:

BPS instructs IR to accommodate the sending of the ‘Billable Party (Payer) Contact Name’ and ‘Invoice Status Code’ in the Transportation/Sales Invoice – NAESB WGQ Std. 3.4.1 and the Service Level Requester Charge/Allowance Invoice – NAESB WGQ Std. 3.4.4. The usage of the data element should be Sender’s Option.

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R04003 – Williams Gas Pipeline – Ms. Davis proposed addition of ‘Discount Number’ as a Mutually Agreeable data element to Transportation/Sales Invoice – NAESB WGQ Std. 3.4.1. This will provide the TSP with the ability to communicate the proprietary code assigned to the type of discount being applied. Some thought Sender’s Option was a more appropriate conditionality. Proposed Motion to be voted upon at next BPS meeting:

BPS instructs IR to accommodate the sending of a ‘Discount Identifier’ in the Transportation/Sales Invoice – NAESB WGQ Std. 3.4.1. The usage of the data element should be Sender’s Option.

R04004 – Williams Gas Pipeline – Ms. Davis proposed addition of ‘Voluntary GRI Paid’ as a Business Conditional data element to Payment Remittance – NAESB WGQ Std. 3.4.2. This will provide the TSP with the ability to differentiate those GRI payments that are required from those that are voluntarily submitted to the TSP. There was some question about whether the data element should be above a line item level, at the entity (Business Party) or header level. After some discussion, the line item level was ruled out. Ms. Davis indicated Williams would investigate further before the next BPS meeting.

3. Next Meeting(s) and Agenda

4/7/2004 10:00a.m. - 12:00p.m. CCT Conference Call

Adoption of Draft Minutes from 03/04/2004, 3/11/2004 and 3/17/2004.

Discussion and Possible Vote:

**R04001 – Williams Gas Pipeline
R04002 – Williams Gas Pipeline
R04003 – Williams Gas Pipeline**

Discussion:

**R03027 – SunGard Energy Systems
R03029 – Northern Border
R03034 – El Paso
R04004 – Williams Gas Pipeline**

**4/22/2004 10:00a.m. - 12:00p.m. CCT Conference Call
5/13/2004 10:00a.m. - 12:00p.m. CCT Conference Call
5/27/2004 10:00a.m. - 12:00p.m. CCT Conference Call**

4. Adjourn

The meeting was adjourned.

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Meeting Attendees and Voting Record

Attendee	Organization	3/17/2004	NAESB WGQ Member?
Pipelines:			
Kim Van Pelt	Panhandle Eastern Pipe Line	√	√
Charlie Bass	ANR Pipeline	√	√
Dale Davis	Williams Gas Pipeline	√	√
Janie Nielsen	Kern River Gas Transmission	√	√
Jeff Biddle	Texas Gas Transmission	√	√
Joe Kardas	National Fuel Gas Supply	√	√
Kathryn Burch	Texas Eastern Transmission	√	√
Mark Wilke	Trunkline	√	N
Micki Schmitz	Northern Natural Gas Co.	√	√
Randy Young	Gulf South Pipeline	√	√
Tom Gwilliam	Iroquois Gas Transmission	√	√
Tran Kimball	Dominion Transmission	√	√
Services:			
Keith Sappenfield	Encana	√	√
Jennifer Chen	SunGard Energy Systems	√	√
Leigh Spangler	Latitude Technologies	√	√
Producers:			
End Users:			
Tina Burnett	Boeing	√	√
LDCs:			
Mike Novak	National Fuel Gas Distribution	√	√
Craig Colombo	Dominion Resources	√	√
Marjorie Perlman	Energy East	√	√
Associations:			
NAESB Office:			

Bold signifies a BPS Chair

nv – not voting