

**NAESB Creditworthy Standards Development Process
National Fuel Gas Distribution / Washington Gas Draft Proposal
April 15, 2003**

Workplan Item II H. Maximum Level of Credit Alternatives

- Z31 To ensure that a Service Requestor (SR) is able to successfully bid on posted capacity release offers, SR should pre-qualify its status with the Transportation Service Provider (TSP) as a potential replacement shipper. Upon request by the SR, a TSP should pre-qualify potential replacement shipper(s) for a certain transaction level as the TSP would if the SR was applying for comparable capacity with the TSP. In the event that a the SR is determined by the TSP to have non-creditworthy status, either in general or for transactions above a certain volume or dollar amount, the non-creditworthy shipper can place a credit remedy contingency on its capacity release bid. Upon notification that the non-creditworthy SR is the winning bidder, the non-creditworthy SR has until the bid is awarded to post-collateral pursuant to NAESB WGQ Standard [z11] or otherwise make itself eligible to receive service pursuant to the TSP's tariff.