

# North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002  
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com  
Home Page: www.naesb.org

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**TO:** Business Practices Subcommittee Chairs, Interested Industry Participants  
**FROM:** Rae McQuade, Executive Director  
**RE:** Final Minutes from the Business Practices Subcommittee Meeting, April 30-May 1, 2002  
**DATE:** May 10, 2002

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## 1. Administrative

Ms. Van Pelt opened the meeting at 9:30 a.m. CCT and gave the anti-trust advice. Participants at the meeting and on the call introduced themselves. The agenda was adopted as posted. Modifications were made to the April 24, 2002 minutes and they were adopted as modified.

## 2. Discussion of potential final order re: Version 1.5 standards in relation to Order 587-N

No order has been issued at this time. Discussion re: Version 1.5 capacity release timeline as it relates to Order 587-N will be delayed until the order has been issued.

## 3. Resolution of Action Items

### Recall 2 items

### Discussion and Possible Vote

Recall 2	P 40; P 41	Review the order to determine if the timeline proposed for use in the interim can be used as the basis for the timeline for the period beyond the interim so that pipelines do not have to modify their systems a second time.
Recall 2	P 32	Review capacity release timeline in standard 5.3.2 and recall timeline in standard 5.3.6 for proposed modification.  It was discussed that the replacement shipper receiving the recall notice should have the ability to obtain and reschedule capacity.
Recall 2	P 37	Review nomination timeline in standard 1.3.2 for proposed modification.  It was discussed that the replacement shipper receiving the recall notice should have the same notification rights as an interruptible shipper.

Discussion was held regarding the National Fuel Gas Distribution Workpaper (Strawman B with Early Recall on Evening Cycle). It was proposed as Strawman G. Strawman H was also introduced and Strawmen D, E, and F were withdrawn. After discussion and non-binding straw votes (see votes below), Strawman C was

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withdrawn. See attached **Proposed Recall Timeline and Strawman Options Cross Reference** document.

Vote 1 Can you live with the strawman?

Strawman	Yes	No
Strawman A	18	6
Strawman B	21	3
Strawman C	15	2
Strawman G	18	6
Strawman H	5	18

Vote 2 What is your preference?

Strawman	1 <sup>st</sup> Choice	2 <sup>nd</sup> Choice	Total
Strawman A	8	4	12
Strawman B	8	10	18
Strawman C	0	1	1
Strawman G	6	9	15
Strawman H	4	1	5

Two standards were proposed to be used in conjunction with Strawman B. However, if another strawman timeline is adopted, the proposed standards could be modified with the new times.

## 5.3.z1 Proposed Standard

All Transportation Service Providers (TSPs) should support the following recall cycles:

(i) Timely Recall Cycle:

- (a) A Releasing Shipper recalling capacity should provide notice to the TSP and the first Replacement Shipper of such recall no later than 8:30 a.m. on a Business Day;
- (b) The TSP should provide notification to all affected Replacement Shippers of such recall no later than 9:30 a.m. on a Business Day. (Central Clock Time);

(ii) Evening Recall Cycle:

- (a) A Releasing Shipper recalling capacity should provide notice to the TSP and the first Replacement Shipper of such recall no later than 5:00 p.m. on a Business Day;
- (b) The TSP should provide notification to all affected Replacement Shippers of such recall no later than 6:00 p.m. on a Business Day. (Central Clock Time);

(iii) Intraday 1 Recall Cycle:

- (a) A Releasing Shipper recalling capacity should provide notice to the TSP and the first Replacement Shipper of such recall no later than 7:00 a.m. on a Business Day;
- (b) The TSP should provide notification to all affected Replacement Shippers of such recall no later than 8:00 a.m. on a Business Day. (Central Clock Time); and

(iv) Intraday 2 Recall Cycle:

- (a) A Releasing Shipper recalling capacity should provide notice to the TSP and the first Replacement Shipper of such recall no later than 2:30 p.m. on a Business Day;
- (b) The TSP should provide notification to all affected Replacement Shippers of such recall no later than 3:30 p.m. on a Business Day. (Central Clock Time).

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## 5.3.z2 Proposed Standard

For recall notification provided to the Transportation Service Provider (TSP) prior to the recall notification deadline specified in NAESB Standard No. 5.3.z1 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (Central Clock Time)

It was proposed that it is possible that with the language in 5.3.z2, the (b) in each of the bullets in 5.3.z1 could be removed. It was recognized that if Strawman G is adopted, 5.3.z1 would be modified to include the Early Evening Cycle. There was general support for the template of the proposed 5.3.z1. It will be modified based upon whatever strawman timeline is adopted.

<b>Recall 4</b>	<b>P 41; P 37</b>	<b>Determine who supplies recall notification to the replacement shipper. Determine how the notification is accomplished.</b>
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The following standards, instructions, and principle were proposed during discussion:

## 5.3.z3 Proposed Standard

When a Transportation Service Provider (TSP) sends Internet E-mail notification for recalling of capacity to each affected Replacement Shipper, the subject line of the E-mail should include the following information separated by commas in the following order: (1) "Recall", (2) the recall cycle indicator, (3) the Effective Date in YYYYMMDD format, (4) the name or abbreviation of the TSP (excluding commas), and (5) the TSP's D-U-N-S® Number.

The body of such E-mail notification should contain at least the affected Replacement Shipper's Contract Number, the quantity being recalled, and the Offer Number or Award Number, if necessary to uniquely identify the capacity being recalled.

Where supported by the TSP, for recalls that are effective at non-standard times, the appropriate recall cycle indicator should be included in the subject line and the effective time of the recall should be in the body of the E-mail.

During discussion, it was proposed that the following values be used for the recall cycle indicator.

Timely Recall	T
Evening Recall	E
Intraday 1 Recall	1
Intraday 2 Recall	2
Early Evening Recall	A
Non-Standard Time Recall	O

These values will be considered either by IR or by BPS later.

## Proposed Instruction to IR 1:

Instruct Information Requirements to develop the code values for the recall cycle indicator and return this work to BPS for inclusion in the applicable standard(s).

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## 5.3.z4 Proposed Standard

The Replacement Shipper should provide the Transportation Service Provider (TSP) with no more than two Internet E-mail addresses to be used for recall notification. The obligation of the TSP to provide notification is waived until at least one of the addresses has been provided.

## Proposed Instruction to IR 2:

Instruct Information Requirements to accommodate the business conditional sending of an Internet E-mail address by replacement shippers for the use in capacity release recall notification.

After discussion, there was general agreement that the Customer Activities Web site is the best means for initiating the capacity recall.

## 5.3.z5 Proposed Standard

The Releasing Shipper should provide capacity recall notification to the Transportation Service Provider (TSP) through the TSP's Customer Activities Website.

## 5.1.z1 Proposed Principle

The Releasing Shipper should provide capacity recall notification to its affected Replacement Shipper(s) at the same time it provides notification to the Transportation Service Provider. The mode of notification should be mutually agreed between the parties.

<b>Recall 3</b>	<b>P 71</b>	<b>Should standards be considered for recalls at non-standard nomination times?</b>  <b>It was discussed that whatever is decided in NAESB shouldn't preclude pipelines from allowing recalls at non-standard times.</b>
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It was discussed that we still shouldn't consider standards for non-standard nomination times. However, concepts such as sending out notification within one hour should be generally applicable to non-standard times.

<b>Recall 5</b>	<b>P 14, including F 22</b>	<b>It was discussed that the total volumes delivered do not exceed original contract MDQ.</b>
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After further discussion, we continue to believe that no standard is necessary.

<b>Recall 7</b>	<b>P 17, including F 25;</b>	<b>Review standards 5.3.6 and 5.3.7 for proposed</b>
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	<b>P 41</b>	<b>modification.</b>
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After discussion, it was proposed that 5.3.6 should be deleted and that the first sentence of 5.3.7 should be deleted.

## 5.3.6 Proposed Modified Standard

~~If the releasing shipper wishes to recall capacity to be effective for a gas day, the notice should be provided to the transportation service provider and the acquiring shipper no later than 8 A.M. Central Clock Time on nomination day.~~

## 5.3.7 Proposed Modified Standard

~~There should be no partial day recalls of capacity.~~ Transportation service providers should support the function of reputting by releasing shippers.

<b>Reput 1</b>	<b>P 64</b>	<b>Determine whether a schedule or timeline for reput notification is necessary.</b>
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It was discussed that the reput timeline should be based upon the timely recall timeline. This will be readdressed once a recall timeline is established. However, the following standards were proposed:

### 5.3.z6 Proposed Standard

When capacity is recalled, it may not be reput for the same gas day.

### 5.3.z7 Proposed Standard

The deadline for notifying the Transportation Service Provider of a reput is 8:30 a.m. to allow for timely nominations to flow on the next gas day.

### Motion: (motion by Donna Scott, second by Iris King)

Narrow the strawman choices to B and G.

After discussion, the motion withdrawn.

Note: The above discussions, proposed standards, principles, and instructions were based on different understandings of whether the proposed strawman timelines allowed for scheduled quantities to be recalled in the Intraday 2 cycle. Extensive discussion was held concerning the different assumptions that participants had on this issue. These discussions are reflected in the transcript.

<b>Recall 2</b>	<b>P 37</b>	<b>Review nomination timeline in standard 1.3.2 for proposed modification.</b>
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		<b>It was discussed that the replacement shipper receiving the recall notice should have the same notification rights as an interruptible shipper.</b>
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There was concern expressed regarding the bumping of scheduled quantities in the Intraday 2 cycle. It was discussed that bumping in Intraday 2 could cause operational issues for the parties involved. There was general discussion on whether limits on bumping during the ID 2 cycle might make sense under certain circumstances. Some parties felt that bumping should never occur during the ID 2 cycle. Further discussion on this topic will be held at the next meeting.

<b>Recall 9</b>	??	<b>Should the recall notification be sent to the affected point operator(s) along with the affected replacement shipper(s)?</b>
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It was discussed that sending notification to the point operators would be very difficult under certain circumstances. Pooling points, due to title transfer tracking, production operator issues, and cross contract ranking were complicating factors. Further discussion on this topic will be held at the next meeting.

#### 4. Identification of Additional Action Items in Request R02002 and FERC Order No. 587-N

See attached **Action Items Resolution** document, which will be maintained from meeting to meeting, for a status on each item.

Discussion Category Priority	Paragraph (P) and/or Footnote (F) Number	Proposed Issues
Recall 1	None	Explore whether we should standardize terms such as partial day recall or flowing day recall?
Recall 2	P 40; P 41	Review the order to determine if the timeline proposed for use in the interim can be used as the basis for the timeline for the period beyond the interim so that pipelines do not have to modify their systems a second time.
Recall 2	P 32	Review capacity release timeline in standard 5.3.2 and recall timeline in standard 5.3.6 for proposed modification.  It was discussed that the replacement shipper receiving the recall notice should have the ability to obtain and reschedule capacity.
Recall 2	P 37	Review nomination timeline in standard 1.3.2 for proposed modification.  It was discussed that the replacement shipper receiving the recall notice should have the same notification

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		rights as an interruptible shipper.
Recall 3	P 71	Should standards be considered for recalls at non-standard nomination times?  It was discussed that whatever is decided in NAESB shouldn't preclude pipelines from allowing recalls at non-standard times.
Recall 4	P 41; P 37	Determine who supplies recall notification to the replacement shipper.
Recall 5	P 14, including F 22	It was discussed that the total volumes delivered do not exceed original contract MDQ.
Recall 6	P 33; P 66	Review standards to determine if any are affected by the penalty discussions in the order.
Recall 6	P. 66	What is the penalty exposure?
Recall 7	P 17, including F 25; P 41	Review standards 5.3.6 and 5.3.7 for proposed modification.
Recall 8	P 29; P 39	Review existing data sets and web site standards to determine if a release is recallable or not and to determine if the existing standards are sufficient to let the replacement shipper know the terms of the release upfront.  It was discussed that we may need to pull some of the pieces of information related to recalls out of the special terms and conditions to be data elements or code values so that the replacement shipper can know the terms of the release upfront.
Recall 9	??	Should the recall notification be sent to the affected point operator(s) along with the affected replacement shipper(s)?
Reput 1	P 64	Determine whether a schedule or timeline for reput notification is necessary.
Last		Review of existing standards for consistency.

## 5. Next Meeting(s) and Agenda

- Conference Call – May 10, 2002
- Meeting – May 16-17, 2002, Williams Gas Pipeline – Houston, TX
  - 9:00 a.m.-5:00 p.m.
  - 9:00 a.m.-3:00 p.m.

## 6. Adjourn

The meeting was adjourned at 3:00 p.m CCT.

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## Meeting Attendees and Voting Record

Attendee	Organization	04/30 (nv) – not voting	05/01	NAESB Member?
<b>Pipelines:</b>				
<b>Kim Van Pelt</b>	<b>CMS-Panhandle Eastern</b>	√	√	√
Mark Wilke	CMS-Trunkline Gas	√	√	X
Kathryn Burch	Texas Eastern	√	√	√
Marcy McCain (phone)	Algonquin Gas Transmission	√	√	√
Sally Wood	El Paso Natural Gas	√	√	√
Bill Griffith	Colorado Interstate Gas	√	√	√
Randy Young	Gulf South Pipeline	√	√	√
Donna Scott	Enron-Transwestern	√	√	√
Prince McDougal	Southern	√		√
Kathy Hayman	Southern		√	√
Kelly Wachter	Williston Basin	√	√	√
Mark Gracey	Tennessee Gas Pipeline	√	√	√
Charlie Bass	ANR	√	√	√
Dale Davis	Williams Gas Pipeline	√	√	√
Christopher Burden	Williams Gas Pipeline	√ (nv)	√ (nv)	√
Iris King	Dominion Transmission	√	√	√
Jon Keeler	Great Lakes Gas	√	√	√
Joe Kardas	National Fuel Gas Supply	√	√	√
Tom Gwilliam	Iroquois Gas Transmission	√	√	√
Paul Love	Natural Gas Pipeline	√	√	√
Rita Bianchi (phone)	Northern Natural Gas	√	√	X
Michele Winckowski (phone)	Northern Natural Gas		√	X
Judy Hickman	Columbia Gas		√	√
Jon Young	Columbia Gas		√	√
<b>Services:</b>				
Mark Scheel	Dynegy Inc	√		√
Tammy Lee Jaquet	Duke Energy Trading & Mktg	√	√	√
<b>Producers:</b>				
Lauren Kaestner (phone)	BP Amoco	√		√
<b>End Users:</b>				
<b>Tina Burnett</b>	<b>Boeing</b>	√	√	√
Kirstin Gibbs	Sutherland Asbill & Brennan	√	√	X
<b>LDCs:</b>				
<b>Mike Novak</b>	<b>National Fuel Gas Dist.</b>	√	√	√
Dolores Chezar	KeySpan	√	√	√
Audrey Bragg (phone)	Washington Gas	√		√
Steve Sullivan	Consolidated Edison	√		√
<b>Associations:</b>				
Jane Lewis	AGA		√	√
<b>GISB Office:</b>				

**Bold signifies a BPS Chair**