

Nisource Energy Distribution

Proposed Workpaper for Posting/ Discussion Purposes

April 26, 2002

Proposed Standard: When the Transportation Service Provider issues recall notification to replacement shippers, it should, where scheduled capacity is recalled, notify affected receipt and delivery point operators.

Discussion:

If the point operator is notified that capacity scheduled to its point is being recalled at the same time the pipeline notifies the replacement shipper(s), it would have advanced notice, relative to the scheduled quantities report.

As point operator, LDC's take delivery not only from shippers that hold our released capacity but from pipelines directly and others(replacement shippers) that hold capacity of other releasing shippers.

Advanced notification that gas will be lost is necessary to avoid a knee jerk reaction of recalling any capacity we may have released. Alternatively, advanced notice is necessary to make arrangement to replace the supply/capacity should the recallable option not be available.(It is not clear at this time whether terminology/identification will be sufficient for the point operator to know that said supply/capacity, is essentially interruptible)

All of the above is necessary to maintain stability of the system, has little or no downside and is in everyone's best interest.