

# 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, May 10, 2002**  
**DATE: May 10, 2002**

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## 1. Administrative<sup>1</sup>

Ms. Van Pelt opened the meeting at 8:40 a.m. CCT and Jim Buccigross gave the anti-trust advice. Participants on the call introduced themselves. The agenda was adopted as posted. Modifications were made to the April 30-May 1, 2002 minutes. No modifications were made to the attachments. The minutes and attachments were adopted as modified.

## 2. Resolution of Action Items

### Recall 2

### Discussion

<b>Recall 2</b>	<b>P 37</b>	<b>Review nomination timeline in standard 1.3.2 for proposed modification.</b>  <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 discussion of paragraph 37 and 32 and what they mean related to bumping in the Intraday 2 cycle.

It was proposed that we go as far as we can with our standards and then have the FERC make a policy decision on the bumping in the Intraday 2 cycle.

The modifications to the regulations were read into the record.

Strawman I was proposed by Rita Bianchi. See the attached **Proposed Recall Timeline and Strawman Options Cross Reference** document for the details, pros, and cons.

The following standards and modified standard 5.3.z1 were proposed as applicable to strawman A or strawman I:

### 5.3.z8 Proposed Standard

A releasing shipper may, to the extent permitted as a condition of the capacity release, recall scheduled released capacity so long as the replacement shipper has an opportunity to obtain capacity to replace recalled capacity at the same or a subsequent nomination cycle for the same gas day.

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<sup>1</sup> Each BPS meeting regarding Order 587N is being transcribed. For a full accounting of the discussion from today's meeting, contact the NAESB office for information on ordering the transcript. These minutes will record the discussion points, motions, and voting results. The detailed discussion is captured in the transcripts.

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## 5.3.z9 Proposed Standard

Unscheduled capacity may be recalled at any nomination cycle so long as the Transportation Service Provider is notified 2 hours prior to the nomination deadline.

Additional modifications were proposed to 5.3.z1. Note that it would be appropriate for the proposed standard to be further modified when a timeline has been adopted.

## 5.3.z1 Proposed Standard - Modified

All Transportation Service Providers (TSPs) should support the following recall cycles for scheduled capacity.

- (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).

There was discussion as to how the new proposed standards apply to each of the remaining strawmen. The strawmen are listed below with the applicability of the above standards.

### Strawman A

Applies to unscheduled quantities, except in the Timely and Evening cycles, where it applies also to scheduled quantities

- Z1 modified
- Z8
- Z9

### Strawman B

Applies to scheduled and unscheduled quantities

- Z1 with business day proposed changes only
- Z8

### Strawman G

Applies to scheduled and unscheduled quantities

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Z1 with business day proposed changes only

## Strawman H

Applies to scheduled and unscheduled quantities  
Z1 with business day proposed changes only

## Strawman I

Applies to scheduled and unscheduled quantities, except in the ID2 cycle, where it only applies to unscheduled quantities

Z1 modified

Z8

Z9

It was suggested that the "on a Business Day" language be removed from the proposed standard 5.3.z1 for the Intraday 2 cycle as well. This item will be further discussed when the final language is determined.

## Recall 9

## Discussion

Recall 9	??	Should the recall notification be sent to the affected point operator(s) along with the affected replacement shipper(s)?
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Discussion turned to the notification of the recall to the operator. It was discussed that because there is a potential of many points and many operators, establishing a requirement of notification is not feasible. It was suggested that the handling of the notification to the operator could be handled in the confirmation process. The following instruction to Information Requirements was proposed as a way of handling the notification to the operator:

### Proposed Instruction to IR 3

BPS instructs the Information Requirements Subcommittee to accommodate the sending of a Reduction Reason Code in the confirmation and/or scheduling process(es) indicating when a quantity is reduced as a result of recalled capacity.

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

No additional action items were added.

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

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		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.
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.

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## 4. Next Meeting(s) and Agenda

### Resolution of Action Items for Discussion and Possible Vote

Reput 1

Recall 2

**Narrow the strawman choices on Thursday, May 16, pick one strawman on Friday, May 17**

- 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.
- Meeting – May 22-23, 2002, Dominion Gas Transmission – Pittsburgh, PA  
9:00 a.m.-5:00 p.m.  
9:00 a.m.-3:00 p.m.

## 5. Adjourn

The meeting was adjourned at 12:30 p.m CCT.

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## Meeting Attendees and Voting Record

Attendee	Organization	05/10 (nv) – not voting	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	Algonquin Gas Transmission	√	√
Sally Wood	El Paso Natural Gas	√	√
Bill Griffith	Colorado Interstate Gas	√	√
Randy Young	Gulf South Pipeline	√	√
Donna Scott	Enron-Transwestern	√	√
Larry Berger	Florida Gas Transmission	√	√
Prince McDougal	Southern	√	√
Kathy Hayman	Southern	√	√
Kelly Wachter	Williston Basin	√	√
Charlie Bass	ANR	√	√
Dale Davis	Williams Gas Pipeline	√	√
Christopher Burden	Williams Gas Pipeline	√	√
Stephanie Marks	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	Northern Natural Gas	√	X
Michele Winckowski	Northern Natural Gas	√	X
Steve January	Northern Natural Gas	√	X
<b>Services:</b>			
Jim Buccigross	8760 Inc.	√	√
Tammy Lee Jaquet	Duke Energy Trading & Mktg	√	√
<b>Producers:</b>			
<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	√	√
Steve Sullivan	Consolidated Edison	√	√
<b>Associations:</b>			
Jane Lewis	AGA	√	√
Mariam Arnaout	AGA	√	√

### GISB Office:

**Bold signifies a BPS Chair**