

North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

TO: Business Practices Subcommittee Chairs, Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Final Minutes from the Business Practices Subcommittee Meeting, July 14, 2003
DATE: July 14, 2003

1. Administrative

Ms. Van Pelt opened the meeting at 10:00 a.m. CCT and gave the anti-trust advice. Participants on the call introduced themselves. The agenda was modified to remove R02007 because it was resolved during the 11/01/2002 conference call and to remove requests R03008, R03009, R03010, R03011, R03012, and R03015, as because the triage results have not been approved by the Executive Committee at this time. When the triage results are approved, these requests will be added to the BPS agenda. The 11/01/2002 meeting minutes were modified and adopted as final.

2. Review of the following Business Practices Requests:

R02012	KeySpan	Discussion only
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KeySpan requests that NAESB WGQ Capacity Release Standards and data sets be modified, to the extent necessary, to incorporate the October 1 2002 reinstatement of the price cap on capacity release transactions. In particular, the ability to roll-over a prearranged 31-day release at maximum rates without being subject to the bidding process.

Discussion:

Pursuant to Order 637, the BPS Order 637 Priority Action Item 3 (Priority 1) recommendation modified standard 5.3.222 to remove the leading phrase "For less than maximum rate transactions only" to accommodate the temporary removal of the capacity release price cap. The initial development of this standard included the phrase to accommodate TSPs that processed all maximum rate conversions using an approximation of the number of days in a month (365/12) instead of the actual number of days in the month (which can be 28, 29, 30 or 31). The basis of the approximation appears to have been comparability to or consistency with a TSP's 100% load factor IT rate design. The price cap experiment has concluded and once again, capacity release prices are capped at the maximum TSP rate. After discussion, BPS determined that it is not necessary to re-insert the phrase "For less than maximum rate transactions only" because the existing implementation reasonably accommodates the maximum rate cap. No additional modifications are needed to any of the WGQ capacity release standards.

At its next meeting, the BPS will instruct the Information Requirements Subcommittee to review the Capacity Release data sets to determine if reinstatement of the price cap requires any modifications to the data and code values dictionaries and report back to the Business Practices Subcommittee.

R03001	EI Paso Western Pipelines	Discussion only
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Request two new data elements be added to the Request for Confirmation, Confirmation Response and Scheduled Quantity for Operator. The new data elements would be used at the same level as the Location Data and would be used to define a limit on the total amount of capacity that could

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be confirmed as delivery or receipt. This limit process is necessary to handle the instance when service requestors nominate transactions for both forward haul and displacement transactions. Because displacement transactions have the effect of increasing the total amount of forwardhaul capacity that can be scheduled, if the displacement transactions are reduced during the confirmation process, the remaining forward haul transactions may exceed the operational capacity. The proposed data elements would be used in the same manner as existing confirmation quantities so that, in the event of a mismatch during confirmations, the lesser-of rule would apply. The requester believes that this function could be accomplished on a Mutually Agreeable basis via EDI/EDM through the creation of new data elements.

Discussion:

After discussion, it was determined that this request will be discussed at the 7/30/2003 BPS conference call.

R03002 National Fuel Gas Distribution Corporation Discussion only

Review NAESB WGQ Version 1.6 Standards Booklets and Implementation Guides to remove references to actions and dates that have already passed (e.g. 1.1.6, 1.1.8, 1.3.32, 1.3.78, 2.1.5, 4.3.1, 4.3.2 and 7.3.25). Modifications to standards should maintain the intent and usage of the standards, however, recommendations to delete Standards, where appropriate, are a potential outcome.

Discussion:

The BPS went through the workpaper one standard at a time. The resolution of each standard is below.

NAESB WGQ Version 1.6

1.1.6 Currently, fuel reimbursement is handled by percent-in-kind or alternative methods such as cost of service, cashout and simplified in-kind methods mutually agreed-upon. A GISB task force should recommend to the Executive Committee by 1/1/97 a range of fuel reimbursement options and standard definitions of those options, as well as implementation schedules of the standards applicable to each option.

Work Paper Proposed Change

~~1.1.6~~ Currently, fuel reimbursement is handled by percent-in-kind or alternative methods such as cost of service, cashout and simplified in-kind methods mutually agreed-upon. A GISB task force should recommend to the Executive Committee by 1/1/97 a range of fuel reimbursement options and standard definitions of those options, as well as implementation schedules of the standards applicable to each option.

BPS Proposed Change-delete

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NAESB WGQ Version 1.6

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- 1.1.8** The industry should use common codes for location points and legal entities. Those standards are currently under development by the GISB Common Codes Task Force (GISB Version 1.0).

Work Paper Proposed Change

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BPS Proposed Change-delete based on the existence of 0.1.2 and proposed standard S4 from the 5/20/1999 EC Minutes

- ~~**1.1.8** The industry should use common codes for location points and legal entities. Those standards are currently under development by the GISB Common Codes Task Force (GISB Version 1.0).~~
-

NAESB WGQ Version 1.6

- 1.1.9** The GISB Market Execution Task Force is working on the development of meaningful error messages. Business practices should be sent to the Market Execution Task Force and meaningful error messages should only be developed for those practices.

Work Paper Proposed Change

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BPS Proposed Change-delete IR has completed this task

- ~~**1.1.9** The GISB Market Execution Task Force is working on the development of meaningful error messages. Business practices should be sent to the Market Execution Task Force and meaningful error messages should only be developed for those practices.~~
-

NAESB WGQ Version 1.6

- 1.3.32** For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles. Transportation Service Providers may (for an interim period expiring on April 1, 1999) limit Service Requesters to one transmittal of nominations per standard intraday nomination cycle, (excluding corrections of errors identified in the Quick Response).

Work Paper Proposed Change

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BPS Proposed Change-The interim period has expired so the second half of the standard is no longer needed.

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NAESB WGQ Version 1.6

1.3.78 The effective date for implementation of the TTT standards is the later of June 2000 or eight months following the publication of the TTT standards within the applicable NAESB WGQ standards manual.

Work Paper Proposed Change

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BPS Proposed Change -delete

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NAESB WGQ Version 1.6

4.1.14 The industry should use standard policies and guidelines for testing new data sets. These guidelines are currently being developed using the NAESB WGQ guideline adoption procedures (GAP) (GISB Version 1.0).

Work Paper Proposed Change

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BPS Proposed Change -delete based on the existence of WGQ definition 4.2.20 and that this standard no longer has applicability to the current standards.

~~**4.1.14** The industry should use standard policies and guidelines for testing new data sets. These guidelines are currently being developed using the NAESB WGQ guideline adoption procedures (GAP) (GISB Version 1.0).~~

NAESB WGQ Version 1.6

4.3.1 By 4/1/97, all parties sending and receiving data should accept a TCP/IP connection. At a minimum, sending and receiving parties should designate an Internet address as a designated site for the receipt and delivery of NAESB WGQ standardized data sets subject to the successful completion of pilot testing by 1/1/97 to ensure that security, performance (within NAESB WGQ standard data transmission time), and reliability are acceptable. The NAESB WGQ data file format should be utilized. The Future Technology Task Force should determine the direction of outstanding issues such as security, archiving, receipt notification, etc., by 7/1/96.

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Work Paper Proposed Change

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BPS Proposed Change

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3. Next Meeting(s) and Agenda

July 22, 2003 2:00p.m.-4:00p.m.

Regarding R98047, memo dated June 10, 2003

Regarding R98011 and R98012, memo dated May 23, 2003

R02012 KeySpan

Discussion and possible vote

R03002 National Fuel Gas Distribution Corp

Discussion and possible vote

July 30, 2003 10:00a.m.-12:00p.m.

4. Adjourn

The meeting was adjourned.

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Meeting Attendees and Voting Record

Attendee	Organization	7/14/03	NAESB WGQ Member?
Pipelines:			
Kim Van Pelt	Panhandle Eastern Pipe Line	√	√
Mike Schisler	NGPL	√	√
Randy Young	Gulf South Pipeline LP	√	√
Mark Gracey	Tennessee Gas Pipeline	√	√
Bill Griffith	Colorado Interstate Gas	√	√
Christopher Burden	Williams Gas Pipeline	√	√
Charlie Bass	ANR	√	√
Janie Nielsen	Kern River Gas Transmission	√	√
Dale Davis	Williams Gas Pipeline	√ (nv)	√
Donna Scott	Transwestern	√	
Services:			
Keith Sappenfield	Encana	√	√
Producers:			
Sheri Heslington	Dominion Exploration	√	√
End Users:			
Tina Burnett	Boeing	√	√
Gary Hinners	Reliant Energy Services	√	√
LDCs:			
Mike Novak	National Fuel Gas Distribution	√	√
Dolores Chezar	KeySpan	√	√
Steve Zavodnik	Baltimore Gas & Electric	√	√
Marjorie Perlman	Energy East	√	√
Jenny Deegan	Washington Gas	√	√
Associations:			
Annunciata Marino	Pennsylvania Public Utility Com.		
NAESB Office			

Bold signifies a BPS Chair

nv – not voting