

# North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002  
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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, July 30, 2003**  
**DATE: July 30, 2003**

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## 1. Administrative

Mr. Novak opened the meeting at 10:10 a.m. CCT and gave the anti-trust advice. Participants on the call introduced themselves. A motion to adopt the agenda, as posted, by Ms. Davis (seconded by Mr. Griffith) passed unanimously. A motion to adopt the modified 07/22/2003 meeting minutes as final by Ms. Davis (seconded by Ms. Heslington) passed unanimously.

## 2. Review of Business Practices Requests

### **R03002 National Fuel Gas Distribution Corporation Discussion and possible vote**

#### **Motion (motioned by Dale Davis, seconded by Bill Griffith)**

Adopt the modifications and deletions for NAESB WGQ Standards as follows:

- ~~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.
  - ~~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).
  - ~~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.
  - ~~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).~~
  - ~~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.
  - ~~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).
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**4.3.1** ~~By 4/1/97, a~~All parties sending and receiving data should accept a TCP/IP connection. ~~At a minimum, s~~ending 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.~~

**4.3.2** On time stamping, data leaves control of the originator by the same time (deadline), regardless of mechanism (3rd party service provider time stamp is acceptable) and 15 minutes of communication time should be available to allow accumulation of all transactions to the pipeline. A standard network protocol (TCP/IP) should be in service for direct connect to the pipeline designated site by 4/1/97.

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0.00	0.00	0.00	0.00
LDCs	1.00	1.00	0.00	0.00
Pipelines	6.00	2.00	0.00	0.00
Producers	1.00	1.00	0.00	0.00
Services	1.00	1.00	0.00	0.00
Totals	9.00	5.00	0.00	0.00

**Motion passes unanimously (see vote 1 on the attendee list)**

### **3. Review of the following Information Requirement's Subcommittee Questions for Discussion and Possible Vote (see memos posted on bottom of BPS web page):**

**Regarding R98047, memo dated June 10, 2003**

**Motion (motioned by Charlie Bass, seconded by Dale Davis)**

Adopt the following NAESB WGQ Standard [0.3.z1]:

The Transportation Service Provider (TSP) should provide parties with a means to request the Supported Code Value Information dataset NAESB WGQ Standard [0.4.z1]. The means for requesting the download is at the discretion of the TSP using any of the following methods: phone, e-mail, fax, Informational Postings, or Request for Information - NAESB WGQ Standard 2.4.7.

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	0.00	0.00	0.00	0.00
LDCs	1.00	1.00	0.00	0.00
Pipelines	9.00	2.00	0.00	0.00
Producers	1.00	1.00	0.00	0.00
Services	1.00	1.00	0.00	0.00
Totals	12.00	5.00	0.00	0.00

**Motion passes unanimously (see vote 2 on the attendee list)**



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## Purpose of Request:

To help control confirmations at interconnect locations at which the location capacity is an issue, especially when both receipt and delivery nominations are being scheduled for the same Gas Day.

## Change Requested:

The addition of two new data elements that will include the capacity limit of the interconnect location for the delivery quantity and the receipt quantity. These data elements are proposed to be used by Mutual Agreement (MA) and would be used to insure that the net quantity confirmed at the location would not exceed the capacity limit. If after the traditional transactional confirmations were completed for the location, the net quantity being confirmed exceeded the location capacity limit, additional reductions would be required to limit the scheduled quantity to the capacity limit. New reduction reason code(s) may need to be developed to clearly identify the cause of a reduction resulting from the use of the capacity limit.

## Proposed Reduction Process:

If additional reductions are required by the application of the capacity limit requirement, reductions performed and communicated at or before the confirmation deadline for the Nomination Cycle being confirmed should be accomplished by the Confirming Party pursuant to its usual capacity allocation rules. However, if the confirmation deadline passes and the capacity limit has not been properly applied to the scheduled quantities, the Confirming Parties should apply reductions on a pro rata basis to meet the capacity criteria. Pro rata reductions in this instance will permit both Confirming Parties to similarly adjust their scheduled quantities to the capacity limit without additional communication. This reduction requirement is similar to the default allocation rule specified in NAESB WGQ Standard 2.3.18.

## Discussion

Bill Griffith explained the posted work paper and the request. Much of the discussion centered around the proposed solution of applying reductions on a pro rata basis to meet the capacity criteria. Some parties felt that the default shouldn't be applying reductions on a pro rata basis. They felt that there may be other ways to apply the reductions. Mr. Griffith suggested that we could leave that language out of any motions and data elements that are developed. The request is not limited to displacement but just an example of the data elements use.

There was a concern expressed that this request violated the Commission order in RP00-168 that changes can't be after the confirmation process. It was explained that these data elements would allow the expression of the physical limitation of the point during the confirmation process so the confirming party can work with these limitations and that this should cause a better confirmation. It was not intended for changes beyond the confirmation deadline.

## Motion (motioned by Bill Griffith, seconded by Leigh Spangler)

The Business Practices Subcommittee instructs the Information Requirements Subcommittee to accommodate the mutually agreed business practice of including receipt and/or delivery capacity limits during the confirmation process as more fully explained in the request and the 7/30/2003 posted work paper (ignoring the references to the method(s) of applying reductions). This instruction applies to the development of any associated data elements and/or code values.

## Motion passes (see vote 4 on the attendee list)

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	1.00	1.00	0.00	0.00
LDCs	1.00	1.00	0.00	0.00

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Pipelines	8.00	2.00	0.00	0.00
Producers	1.00	1.00	0.00	0.00
Services	1.00	1.00	0.00	0.00
Totals	12.00	6.00	0.00	0.00

**Motion passes unanimously (see vote 4 on the attendee list)**

## 5. Next Meeting(s) and Agenda

08/14/2003 10:00a.m.-12:00p.m. CT

R03008	El Paso East	Discussion only
R03009	El Paso Corporation	Discussion only
R03010	El Paso Corporation	Discussion only
R03011	El Paso Corporation	Discussion only
R03012	El Paso Corporation	Discussion only
R03015	Transcanada	Discussion only

08/21/2003 10:00a.m.-12:00p.m. CT

08/28/2003 10:00a.m.-12:00p.m. CT

09/25/2003 10:00a.m.-12:00p.m. CT

## 6. Adjourn

The meeting was adjourned.

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## Meeting Attendees and Voting Record

Attendee	Organization	7/30/03	Vote 1	Vote 2	Vote 3	Vote 4	NAESB WGQ Member?
<b>Pipelines:</b>							
Bill Griffith	Colorado Interstate Gas	√	√	√	√	√	√
Donna Scott	Transwestern	√	√	√	√	√	√
Dale Davis	Williams Gas Pipeline	√	√	√	√	√	√
Charlie Bass	Tennessee Gas Pipeline	√	√	√	√	√	√
Janie Neilson	Kern River	√	√	√	√	√	√
Kathryn Burch	Texas Eastern Gas Transmission	√	√	√	√	√	√
Tom Gwilliam	Iroquois Gas Transmission	√	√	√	√	√	√
<b>Kim Van Pelt</b>	<b>Panhandle Eastern Pipe Line</b>	√		√	√	√	√
Randy Young	Gulf South Pipeline, L.P.	√		√	√	√	√
Mike Shishler	NGPL	√		√	√		√
<b>Services:</b>							
Leigh Spangler	Latitude Technologies	√	√	√	√	√	√
<b>Producers:</b>							
<b>Sheri Heslington</b>	<b>Dominion Exploration</b>	√	√	√	√	√	√
<b>End Users:</b>							
<b>Tina Burnett</b>	<b>Boeing</b>	√			√	√	√
<b>LDCs:</b>							
<b>Mike Novak</b>	<b>National Fuel Gas Distribution</b>	√	√	√	√	√	√
<b>Associations:</b>							
<b>NAESB Office</b>							

**Bold signifies a BPS Chair**

**nv – not voting**