

To: NAESB WGQ Executive Committee and WGQ Business Practices Subcommittee
From: Jim Buccigross
Date: July 26, 2002
RE: Proposed Partial Day Recall Standards
Request No.: R02002 and 2002 Annual Plan Item 10 - Order 587-NR02002 and

The NAESB office and the Executive Committee Officers have received communications from FERC staff regarding the proposed partial day recall (PDR) standards referenced above.

While pleased with the proposed recall schedule, staff is concerned that the standards did not fully address the allocation issues identified in Order No. 587-N. Specifically, issues about how to allocate CD between releasing and replacement shippers, how to determine whether either shipper has been penalized, and how to bill (e.g. if the PDR concerns "unnominated" quantities, is the replacement shipper billed). Staff also has questions regarding recalls and allocations within the Intra-Day 2 cycle (e.g., what happens if the replacement shipper has already flowed more gas than would be permitted by a pro rata allocation).

Staff has asked NAESB to attempt to resolve these issues by re-visiting the proposed standards in light of this additional information. While not predicting or attempting to prescribe any specific mechanism(s) to achieve this resolution, it may be in the form of new or modified standards and/or principles. The development of these, in my opinion, should be handled by the Business Practices Subcommittee. Approval of work product, if applicable, would then follow the NAESB approval process of a 17-2 EC vote and ratification by the WGQ membership.