

LDC SEGMENT PROPOSED CHANGES TO THE BPS RESOLUTION AND PROPOSED STANDARDS REGARDING ITEMS ASSIGNED TO THEM FROM THE ORDER 637 WORK PLAN AS A PART OF THE 2000 ANNUAL PLAN (CORRESPONDING TO REQUEST NO. 2000AP9).

Revised 10/29/2000 for use at 11/1-2/2000 BPS Meeting.

To address intraday day release and flowing day recall issues, there are two general approaches. The first approach will be called Coordination Approach. It stresses coordination of release, recall and nomination timelines to ensure that replacement shippers that lose capacity to recall, suppliers feeding those shippers and the delivery point operators receiving deliveries (collectively known as "Affected Parties") have an opportunity to find replacement supplies and/or markets concurrent with the nomination of capacity by the recalling shipper. Capacity would be either recallable or not recallable and recalls would happen at specific timeframes. The number of alternatives to Affected Parties would be dictated by the specific timeframe at which the recall occurred. Under the Coordination Approach, receipt and delivery point operators would have to presume that any FT gas scheduled could be recalled.

The second approach, known as the Disclosure Approach, depends upon the TSP collecting additional information about the terms of recall and disclosing such information to receipt point and delivery point operators as well as to parties bidding upon capacity. The intent of this approach is that they will know how much exposure they have to recall in terms of both quantity and time frame. There is less coordination in terms of timelines as the number of hours of recall notice would dictate the options available to Affected Parties. Relative to the Coordination Approach, however, these parties would know how much exposure really existed.

In either case, the releasing and acquiring shippers may negotiate additional notification terms as well as any other mitigation terms to cover recall situations. Other than the number of hours of recall under the Disclosure Approach, the TSP would not be responsible for the administration or enforcement of such terms.

The intent of the LDC segment is to motion and second proposed standards from one of the two approaches at the 11/1/2000 BPS meeting. Based upon input received from other parties prior to the meeting and at the meeting, modifications to the proposed standards would be considered and hopefully a package of standards could be presented to the EC. Should the initial approach prove unworkable, the remaining approach would be motioned and seconded (upon withdrawal of the initial approach). Again modifications to the proposed standards would be considered and hopefully a package of standards could be presented to the EC. If that approach also proves unacceptable, the LDC segments respectfully requests that other segments join the LDCs in a request to FERC to address issues that we cannot resolve through the GISB process.

Note: The revisions to 5.3.2 do not reflect the motion passed at the 10/26/2000 BPS meeting but instead incorporate timelines discussed in an effort to provide Affected Parties an opportunity to utilize the biddable capacity release market as a means to mitigate the impact of a recall. Additionally, the word "timely" is deleted from the last bullet of *longer term biddable releases (five months or more)* since its non-deletion appears to be an oversight given the change from 10:00 A.M. to 5:00 P.M. of the time by which contract tendered with contract # and contract execution takes place.

Note 2: Modified 5.3.2, Modified 5.3.7, Modified 5.3.31, Modified 5.3.32, Modified 5.3.36, Modified 5.3.40, New 5.2.x and New 3.3.x are identical in both approaches.

COORDINATION APPROACH

Modify GISB Standard No. 5.3.2 as follows:

5.3.2 For short-term *biddable* releases (less than 5 months):

- Offers should be tendered by 1:00 P.M. on ~~the a Business Day before timely nominations;~~
- open season ends no later than 2:00 P.M. on ~~the a Business Day before timely nominations are due~~ (evaluation period begins at 2:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 3:~~15-00~~ P.M.;
- match or award is communicated by 3:~~15-00~~ P.M.;
- match response by ~~43:00-30~~ P.M.;
- award posting by ~~5:00-00~~ P.M.;
- contract tendered with contract # by ~~10:00 A.M. 5:00 P.M.~~; contract executed; ~~timely Evening or Intraday 1~~ nomination possible for next day gas flow. (Central Clock Time)

For longer term *biddable* releases (five months or more):

- offers should be tendered by 1:00 P.M. four Business Days before award;
- open season ends no later than 2:00 P.M. on the *Business Day* before *timely* nominations are due (open season is three *Business Days*);
- evaluation period begins at 2:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends at 3:~~15-00~~ P.M.;
- match or award is communicated by 3:~~15-00~~ P.M.;
- match response by ~~43:00-30~~ P.M.;
- award posting by ~~45:00~~ P.M.;
- contract tendered with contract # by ~~105:00 A.P.M.~~; contract executed; ~~timely~~ nomination possible for next day gas flow. (Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of pre-arranged deals not subject to bid are due by 9:30 A.M. *on a Business Day*;
- contract tendered with contract # by 10:30 A.M.; contract executed; nomination possible for Timely Cycle.

Evening Cycle

- posting of pre-arranged deals not subject to bid are due by 4:00 P.M. *on a Business Day*;
- contract tendered with contract # by 5:00 P.M.; contract executed; nomination possible for Evening Cycle.

Intraday 1 Cycle

- posting of pre-arranged deals not subject to bid are due by 8:00 A.M. *on a Business Day*;
- contract tendered with contract # by 9:00 A.M.; contract executed; nomination possible for Intraday 1 Cycle.

Intraday 2 Cycle

- posting of pre-arranged deals not subject to bid are due by 3:00P.M. *on a Business Day*;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible for Intraday 2 Cycle. (Central Clock Time)

For short-term biddable intraday releases (less than 5 months):

- Offers should be tendered by 9:00 A.M. on the Business Day for which Intraday 2 Cycle nominations may be placed;
- open season ends no later than 10:00 A.M. on the Business Day Intraday 2 Cycle nominations are due (evaluation period begins at 10:00 A.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 11:15 A.M.;
- match or award is communicated by 11:15 A.M.;

- match response by 12:00 P.M.;
- award posting by 1:00 P.M.;
- contract tendered with contract # by 2:00 P.M.; contract executed; Intraday 2 Cycle nomination possible for current day gas flow. (Central Clock Time)

Modify GISB Standard No. 5.3.6 as follows:

5.3.6 Recall terms should be agreed to in advance between the releasing and acquiring shippers.

- ~~If Where~~ the releasing shipper wishes to recall capacity to be effective for a gas day, releases with an award posting date prior to [month/day], 2001 are grandfathered and the recall notice should be provided to the transportation service provider and the acquiring shipper no later than 8 A.M. Central Clock Time on the nomination day.

For releases with an award posting date on or after [month/day], 2001:

- Timely recall notice should be provided to the transportation service provider and the acquiring shipper no later than 9:30 A.M. Central Clock Time on the nomination day such that the releasing shipper may place a timely nomination for the next day's gas flow.
- Evening recall notice can be provided to the transportation service provider and the acquiring shipper no later than 1:00 P.M. Central Clock Time on the nomination day such that the releasing shipper may place an evening nomination for the next day's gas flow.
- Flowing Day Recall notice effective for the Intraday 1 nomination cycle can be provided to the transportation service provider and the acquiring shipper no later than 7:00 A.M. Central Clock Time on nomination day such that the releasing shipper may place an Intraday 1 nomination for the current day's gas flow.
- Flowing Day Recall notice effective for the Intraday 2 nomination cycle can be provided to the transportation service provider and the acquiring shipper no later than 2:00 P.M. Central Clock Time on nomination day such that the releasing shipper may place an Intraday 2 nomination for the current day's gas flow. Should the acquiring shipper have scheduled flow during the gas day on which such notice is provided, it may notify the Transportation Service Provider by 2:30 P.M. Central Clock Time that it rejects the recall notice. The TSP shall notify the recalling shipper by 3:00 P.M. Central Clock Time that the recall notice was rejected.

Modify GISB Standard No. 5.3.7 as follows:

5.3.7 ~~There should be no partial day recalls of capacity.~~ Transportation service providers should support Flowing Day Recall and the function of reputting by releasing shippers.

Modify GISB Standard No. 5.3.31 as follows:

5.3.31 Transportation Service Providers which support capacity release should accept and process uploads of capacity release offers from releasing shipper(s) (or its authorized third party service provider), provided the offer is received by the Transportation Service Provider at their designated site by 12:45 P.M. CCT on a Business Day. Such received offer, if determined to be valid, should be posted as an Offer and should be available for bidding by 1:00 PM CCT (the normal posted-by deadline and start of bidding time) on that Business Day or the Releasing Shipper's specified Business Day (if later than the received Business Day). For short-term biddable intraday releases (less than 5 months), the corresponding deadlines are 8:45 A.M. CCT and 9:00 A.M. CCT, respectively.

Modify GISB Standard No. 5.3.32 as follows:

5.3.32 Transportation Service Providers which support capacity release should accept and process uploads of capacity release bids from potential acquiring shipper(s) (or its authorized third party service provider), provided the bid is time-stamped as leaving control of the bidder no later than 2:00 P.M. of the applicable deadline day and is received by the Transportation Service Provider at their designated site by 2:15 P.M. Such timely bid, if determined to be valid, should be evaluated by the Transportation Service Provider for the purpose of identifying the winning bidder associated with the Offer upon which the bid was made. For short-term biddable intraday releases (less than 5 months), the corresponding deadlines are 9:00 A.M. CCT and 9:15 A.M. CCT, respectively.

Modify GISB Standard No. 5.3.36 as follows:

5.3.36 Transportation Service Providers should support the concurrent sending of electronic notification of intraday bumps, operational flow orders, recall notices and other critical notices to two Internet E-mail addresses for each affected party.

Modify GISB Standard No. 5.3.40 as follows:

5.3.40 Intraday bump notices and Recall notices should contain at least the affected Service Requester Contract, Receipt and/or Delivery Location, and Receipt and/or Delivery Point Quantity from the Scheduled Quantity (GISB standard 1.4.5).

Modify GISB Standard No. 5.3.41 as follows:

5.3.41 The display of capacity release data for an Offer should be selected from a summary list of Offers. The summary list should be comprised of the following:

- Offer Number
- Release Term Start Date
- Release Term End Date
- Recall Indicator
- Location Information as applicable, and/or navigation to detail
- Maximum Offer Quantity – Contract
- Biddable Deal Indicator
- other data elements, if applicable

New Definition as follows:

5.2.x A Flowing Day Recall is a recall of capacity that becomes effective during a Gas Day.

New Standard as follows:

3.3.x Where a flowing day recall has been issued and made effective, volumetric charges, including commodity changes should be billed to the parties that utilize the capacity. Where a Transportation Service Provider cannot apportion a reservation charge, it should bill the entire reservation charge to the recalling shipper.

DISCLOSURE APPROACH

Modify GISB Standard No. 5.3.2 as follows:

5.3.2 For short-term *biddable* releases (less than 5 months):

- Offers should be tendered by 1:00 P.M. on the Business Day before timely nominations;

- open season ends no later than 2:00 P.M. on ~~the~~ *Business Day* before ~~timely nominations are due~~ (evaluation period begins at 2:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 3:~~15~~00 P.M.;
- match or award is communicated by 3:~~15~~00 P.M.;
- match response by ~~43:00~~30 P.M.;
- award posting by ~~54~~00 P.M.;
- contract tendered with contract # by ~~10:00 A.M~~5:00 P.M.; contract executed; ~~timely~~*Evening or Intraday 1* nomination possible for next day gas flow. (Central Clock Time)

For longer term *biddable* releases (five months or more):

- offers should be tendered by 1:00 P.M. four Business Days before award;
- open season ends no later than 2:00 P.M. on the *Business Day* before *timely* nominations are due (open season is three *Business Days*);
- evaluation period begins at 2:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends at 3:~~15~~00 P.M.;
- match or award is communicated by 3:~~15~~00 P.M.;
- match response by ~~43:00~~30 P.M.;
- award posting by ~~54~~00 P.M.;
- contract tendered with contract # by ~~105:00 A.P.~~00 P.M.; contract executed; ~~timely~~ nomination possible for next day gas flow. (Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of pre-arranged deals not subject to bid are due by 9:30 A.M. *on a Business Day*;
- contract tendered with contract # by 10:30 A.M.; contract executed; nomination possible for Timely Cycle.

Evening Cycle

- posting of pre-arranged deals not subject to bid are due by 4:00 P.M. *on a Business Day*;
- contract tendered with contract # by 5:00 P.M.; contract executed; nomination possible for Evening Cycle.

Intraday 1 Cycle

- posting of pre-arranged deals not subject to bid are due by 8:00 A.M. *on a Business Day*;
- contract tendered with contract # by 9:00 A.M.; contract executed; nomination possible for Intraday 1 Cycle.

Intraday 2 Cycle

- posting of pre-arranged deals not subject to bid are due by 3:00P.M. *on a Business Day*;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible for Intraday 2 Cycle. (Central Clock Time)

For short-term biddable intraday releases (less than 5 months):

- Offers should be tendered by 9:00 A.M. on the Business Day for which Intraday 2 Cycle nominations may be placed;
- open season ends no later than 10:00 A.M. on the Business Day Intraday 2 Cycle nominations are due (evaluation period begins at 10:00 A.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 11:15 A.M.;
- match or award is communicated by 11:15 A.M.;
- match response by 12:00 P.M.;

award posting by 1:00 P.M.;
- contract tendered with contract # by 2:00 P.M.; contract executed; Intraday 2 Cycle nomination possible for current day gas flow. (Central Clock Time)

Modify GISB Standard No. 5.3.6 as follows:

If the releasing shipper wishes to recall capacity to be effective for a gas day, the notice should be provided to the transportation service provider and the acquiring shipper no later than 8 A.M. Central Clock Time on nomination day. Where agreed to in advance between the releasing and acquiring shippers, a releasing shipper with recall rights may exercise such rights at any time by notifying the Transportation Service Provider which in turn, should notify the replacement shipper. The recalling shipper may nominate at the next available nomination deadline following notification provided that such notification preceded the nomination deadline by at least two hours.

Modify GISB Standard No. 5.3.7 as follows:

5.3.7 ~~There should be no partial day recalls of capacity.~~ Transportation service providers should support Flowing Day Recall and the function of reputting by releasing shippers.

Modify GISB Standard No. 5.3.31 as follows:

5.3.31 Transportation Service Providers which support capacity release should accept and process uploads of capacity release offers from releasing shipper(s) (or its authorized third party service provider), provided the offer is received by the Transportation Service Provider at their designated site by 12:45 P.M. CCT on a Business Day. Such received offer, if determined to be valid, should be posted as an Offer and should be available for bidding by 1:00 PM CCT (the normal posted-by deadline and start of bidding time) on that Business Day or the Releasing Shipper's specified Business Day (if later than the received Business Day). For short-term biddable intraday releases (less than 5 months), the corresponding deadlines are 8:45 A.M. CCT and 9:00 A.M. CCT, respectively.

Modify GISB Standard No. 5.3.32 as follows:

5.3.32 Transportation Service Providers which support capacity release should accept and process uploads of capacity release bids from potential acquiring shipper(s) (or its authorized third party service provider), provided the bid is time-stamped as leaving control of the bidder no later than 2:00 P.M. of the applicable deadline day and is received by the Transportation Service Provider at their designated site by 2:15 P.M. Such timely bid, if determined to be valid, should be evaluated by the Transportation Service Provider for the purpose of identifying the winning bidder associated with the Offer upon which the bid was made. For short-term biddable intraday releases (less than 5 months), the corresponding deadlines are 9:00 A.M. CCT and 9:15 A.M. CCT, respectively.

Modify GISB Standard No. 5.3.36 as follows:

5.3.36 Transportation Service Providers should support the concurrent sending of electronic notification of intraday bumps, operational flow orders, recall notices and other critical notices to two Internet E-mail addresses for each affected party.

Modify GISB Standard No. 5.3.40 as follows:

5.3.40 Intraday bump notices and Recall notices should contain at least the affected Service Requester Contract, Receipt and/or Delivery Location, and Receipt and/or Delivery Point Quantity from the Scheduled Quantity (GISB standard 1.4.5).

Modify GISB Standard No. 5.3.41 as follows:

5.3.41 The display of capacity release data for an Offer should be selected from a summary list of Offers. The summary list should be comprised of the following:

- Offer Number
- Release Term Start Date
- Release Term End Date
- Minimum Hours to Recall, if applicable
- Location Information as applicable, and/or navigation to detail
- Maximum Offer Quantity – Contract
- Biddable Deal Indicator
- other data elements, if applicable

Modify GISB Standard No. 1.3.60 as follows:

1.3.60 On the confirmation data entry screen, fields in the data groups should appear in the following order:

Business Entity Data Group:

- Confirmation Requester
- Confirming Party

Contracts Data Group:

- Confirmation Service Contract
- Confirmation Service Identifier Code

Dates Data Group:

- Beginning Date
- Beginning Time
- Ending Date
- Ending Time

Location Data Group:

- Location

Transaction Specific Data Group:

- Contractual Flow Indicator
- Upstream Identifier Code/Downstream Identifier Code
- Upstream Contract Identifier/Downstream Contract Identifier
- Service Requester
- Service Requester Contract
- Package ID
- Quantity
- Reduction Reason (Confirmation Response Only)
- Receipt Rank (Priority)/ Delivery Rank (Priority)
- Upstream Package ID/Downstream Package ID
- Associated Contract
- Confirmation Tracking Identifier
- Solicited/Unsolicited Indicator (Confirmation Response Only)
- Confirmation Subsequent Cycle Indicator
- Minimum Recall Notification
- Confirmation User Data 1
- Confirmation User Data 2

Modify GISB Standard No. 1.3.63 as follows:

1.3.63 On the scheduled quantity for operator Web page, fields in the data groups should appear in the following order:

Business Entity Group:

- Preparer ID
- Statement Recipient ID
- Statement Date/Time

Contracts Data Group:

Confirmation Service Contract
Confirmation Service Identifier Code

Dates Data Group:

Beginning Date
Beginning Time
Ending Date
Ending Time

Location Data Group:

Location

Transaction Specific Data Group:

Contractual Flow Indicator
Upstream Identifier Code/Downstream Identifier Code
Upstream Contract Identifier/Downstream Contract Identifier
Service Requester
Service Requester Contract
Package ID
Quantity
Reduction Reason
Upstream Package ID/Downstream Package ID
Confirmation Tracking Identifier
Confirmation Subsequent Cycle Indicator
Minimum Recall Notification
Confirmation User Data 1
Confirmation User Data 2

New Definition as follows:

5.2.x A Flowing Day Recall is a recall of capacity that becomes effective during a Gas Day.

New Standard as follows:

3.3.x Where a flowing day recall has been issued and made effective, volumetric charges, including commodity changes should be billed to the parties that utilize the capacity. Where a Transportation Service Provider cannot apportion a reservation charge, it should bill the entire reservation charge to the recalling shipper.