

COMMENTS of the GISB LDC SEGMENT, THE BOEING COMPANY,  
FLORIDA POWER & LIGHT COMPANY, SALT RIVER PROJECT and  
TENNESSEE VALLEY AUTHORITY

ORDER 637 - INTERPRETATIONS

PROPOSED ALTERNATE INTERPRETATIONS 7.3.3 AND 7.3.15  
Provided as a response to the April 11, 2001 Request for Comments

May 1, 2001

As an alternative to modified standards developed by the Interpretations Subcommittee, alternate interpretations for standards 7.3.3 and 7.3.15 are proposed. As proposed by the Interpretations Subcommittee, standards 7.3.3 and 7.3.15 are essentially unchanged; modified only by the preface:

*Note: This interpretation was provided in response to a request regarding a version of GISB Standard No. 5.3.2, which was last published in GISB Version No. 1.4.*

While the intended purpose of this preface was to maintain the intent of the original interpretation but allow the reader to make self-evident adjustments to reflect the proposed version of GISB Standard No. 5.3.2, as constructed by the Interpretations Subcommittee, 7.3.3 and 7.3.15 are ambiguous. Interpretations should remove ambiguities and clarify. Without explicit modifications reflecting the latest version of 5.3.2, one reader may say that 7.3.3 and 7.3.15 are permissive of acquiring shippers being able to place nominations to begin flow on the same day that they acquire capacity. Another reader may interpret that flow cannot begin until after a timely nomination is placed.

Any reasonable reading of the minutes and/or transcripts of BPS and EC meetings conducted over the past year will show that the intention of proposed version of 5.3.2 is to permit a shipper to place a nomination to begin flow at the soonest opportunity following acquisition of capacity, even if the effective date of the acquired capacity is the current gas day.

Alternate interpretations for standards 7.3.3 and 7.3.15 that include explicit language reflecting proposed 5.3.2 are included below. Note that no one should read this as a "partial day recall" issue. The language solely pertains to permitting flow to begin at the soonest opportunity following acquisition of capacity, even if the effective date of the acquired capacity is the current gas day.

REDLINED VERSION

7.3.3 Clarify the differences between Business Day and Work Day, as it applies to GISB standard 3.2.1.

Interpretation:

Standard 3.2.1 defines the ~~business~~Business day~~Day~~ as “...Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.” There is no GISB definition for the hours comprising a work day. The ~~business~~Business day~~Day~~ definition described in Standard 3.2.1 applies to Standard 5.3.2.

With regard to the ~~short term~~ “less than 1 year” release open season, Standard 5.3.2 states:

*“For ~~short term~~biddable releases (less than ~~5 months~~1 year):*  
*-- Offers should be tendered by ~~1:00 p.m.~~12:00 p.m. ~~on the day before~~*  
*~~nominations for~~*  
*~~short term releases (less than 5 months)~~on a Business Day;*  
*-- open season ends no later than ~~2:00 p.m.~~1:00 p.m. ~~on the day before~~*  
*~~nominations are~~*  
*~~due on a Business Day...~~”*

This means that the latest time that bidding on a ~~short term~~ “less than 1 year” Offer of release can start is ~~1:00 PM~~12:00 p.m. (noon) ~~on the business day before~~ timely nominations would be due on a Business Day for flow on the first date that a release starts.

With regard to the posting of offers four days in advance of award start and providing for a ~~3-three~~ business~~Business day~~Day open season, the example of a ~~five month~~1 year release commencing on a Tuesday after a Monday holiday would be as follows: The Offer would be posted no later than ~~1:00 p.m.~~12:00 p.m. (noon) the prior Wednesday (four ~~business~~Business days~~Days~~ prior to the Tuesday award start) as Saturday, Sunday, and the Monday holiday do not qualify as ~~business~~Business days~~Days~~.

Assume another example of a ~~five month~~1 year release with the award commencing on a Saturday. The timeline would be as follows: The ~~Offer~~offer would be posted no later than ~~1:00 P.M.~~12:00 p.m. (noon) the prior Tuesday. This provides for both the required four ~~business~~Business days~~Days~~ prior to the Saturday award start and the three ~~business~~Business days~~Days~~ prior to the ~~2 P.M.~~1:00 p.m. Thursday ending of the open season, which is required in order to provide a three ~~business~~Business day~~Day~~ open season in advance of the Friday ~~A.M.a.m.~~ timely nominations deadline for Saturday flow under the award.

7.3.15 Clarify the timeline for capacity release posting and award - there are 3 known proposed implementations

Interpretation:

With regard to the “less than 1 year”~~short term~~ release open season, Standard 5.3.2 states

*“For ~~short term~~biddable releases (less than ~~5 months~~1 year):*

- Offers should be tendered by ~~1:00 p.m.~~12:00 p.m. ~~on the day before nominations for short term releases (less than 5 months)~~on a Business Day;
- open season ends no later than ~~2:00 p.m.~~1:00 p.m. ~~on the day before nominations are due~~on a Business Day...”

The ~~short term~~biddable release must be posted no later than ~~1:00 P.M.~~12:00 p.m. ~~(noon)~~ the day ~~before~~ nominations are due. This does not mean that an ~~Offer-offer~~ may only be posted the day ~~before~~ nominations are due. There is no maximum number of days, in advance of nominations being due, by which an ~~Offer-offer~~ must be posted. At a minimum, an ~~Offer-offer~~ must be posted prior to ~~1:00 P.M.~~12:00 p.m. (noon). The ~~Offer-offer~~ of release may be posted for a greater period of time. If an ~~Offer-offer~~ is posted after ~~1:00 P.M.~~12:00 p.m. (noon) on a day, it must remain available for bid until no earlier than ~~2:00 P.M.~~1:00 p.m. the next day. In this way all bidders may review the ~~Offer-offer~~ postings between a known hour and know that all of the biddable ~~Offers-offers~~ are available. On what ever day an ~~Offer-offer~~ is posted, the open season must encompass at least the next occurrence of the hour between ~~1:00 P.M.~~12:00 p.m. (noon) and ~~2:00 P.M.~~1:00 p.m. central clock time. Thus, the intent of standard 5.3.2 is as follows:

- a) The time that bidding on a particular ~~Offer-offer~~ of release ends is ~~2 PM~~1:00 p.m. on a ~~business~~Business day~~Day~~;
- b) the latest date that bidding on a particular ~~Offer-offer~~ of release can end is the ~~business~~Business day~~Day~~ ~~before~~timely ~~upon which~~ nominations would be due for flow on the first date that a release starts;
- c) the minimum open season on a ~~short term~~“less than 1 year” ~~Offer-offer~~ of release (open season being the time duration between bidding starting and bidding ending) is one hour;
- d) the minimum open season on a ~~long term~~“1 year or more” ~~Offer-offer~~ of release (open season being the time duration between bidding starting and bidding ending) is three ~~business~~Business days~~Days~~ and one hour;
- e) there is no maximum bidding period other than the bidding on a particular ~~Offer-offer~~ of release can start no earlier than the time a particular ~~Offer-offer~~ of release is received and posted by the capacity release service provider;
- f) the latest time that bidding on a ~~short term~~“less than 1 year” ~~Offer-offer~~ of release can start is ~~1:00 PM~~12:00 p.m. (noon) ~~on the business day before~~timely ~~nominations would be due~~on a Business Day for flow on the first date that a release starts; and,
- g) the latest time that bidding on a ~~long term~~“1 year or more” ~~Offer-offer~~ of release can start is ~~1:00 PM~~12:00 p.m. (noon) on the third ~~business~~Business day~~Day~~ before timely nominations would be due for flow on the first date that a release starts (the fourth ~~business~~Business day~~Day~~ prior to award—~~i.e., the 10:00 A.M. provision of the contract number by TSP to Service Requester~~).

## CLEAN VERSION

7.3.3 Clarify the differences between Business Day and Work Day, as it applies to GISB standard 3.2.1.

Interpretation:

Standard 3.2.1 defines the Business Day as “...*Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.*” There is no GISB definition for the hours comprising a work day. The Business Day definition described in Standard 3.2.1 applies to Standard 5.3.2.

With regard to the “less than 1 year” release open season, Standard 5.3.2 states:

- “For biddable releases (less than 1 year):*  
*-- Offers should be tendered by 12:00 p.m. on a Business Day;*  
*-- open season ends no later than 1:00 p.m. on a Business Day...”*

This means that the latest time that bidding on a “less than 1 year” offer of release can start is  
12:00 p.m. (noon) on a Business Day for flow on the first date that a release starts.

With regard to the posting of offers four days in advance of award start and providing for a three Business Day open season, the example of a 1 year release commencing on a Tuesday after a Monday holiday would be as follows: The Offer would be posted no later than 12:00 p.m. (noon) the prior Wednesday (four Business Days prior to the Tuesday award start) as Saturday, Sunday, and the Monday holiday do not qualify as Business Days.

Assume another example of a 1 year release with the award commencing on a Saturday. The timeline would be as follows: The offer would be posted no later than 12:00 p.m. (noon) the prior Tuesday. This provides for both the required four Business Days prior to the Saturday award start and the three Business Days prior to the 1:00 p.m. Thursday ending of the open season, which is required in order to provide a three Business Day open season in advance of the Friday a.m. timely nominations deadline for Saturday flow under the award.

7.3.15 Clarify the timeline for capacity release posting and award - there are 3 known proposed implementations

Interpretation:

With regard to the “less than 1 year” release open season, Standard 5.3.2 states

- “For biddable releases (less than 1 year):*  
*- Offers should be tendered by 12:00 p.m. on a Business Day;*  
*- open season ends no later than 1:00 p.m. on a Business Day...”*

The biddable release must be posted no later than 12:00 p.m. (noon) the day nominations are due. This does not mean that an offer may only be posted the day nominations are due. There is no maximum number of days, in advance of nominations being due, by which an offer must be posted. At a minimum, an offer must be posted prior to 12:00 p.m. (noon). The offer of release may be posted for a greater period of

time. If an offer is posted after 12:00 p.m. (noon) on a day, it must remain available for bid until no earlier than 1:00 p.m. the next day. In this way all bidders may review the offer postings between a known hour and know that all of the biddable offers are available. On what ever day an offer is posted, the open season must encompass at least the next occurrence of the hour between 12:00 p.m. (noon) and 1:00 p.m. central clock time. Thus, the intent of standard 5.3.2 is as follows:

- a) The time that bidding on a particular offer of release ends is 1:00 p.m. on a Business Day;
- b) the latest date that bidding on a particular offer of release can end is the Business Day upon which nominations would be due for flow on the first date that a release starts;
- c) the minimum open season on a "less than 1 year" offer of release (open season being the time duration between bidding starting and bidding ending) is one hour;
- d) the minimum open season on a "1 year or more" offer of release (open season being the time duration between bidding starting and bidding ending) is three Business Days and one hour;
- e) there is no maximum bidding period other than the bidding on a particular offer of release can start no earlier than the time a particular offer of release is received and posted by the capacity release service provider;
- f) the latest time that bidding on a "less than 1 year" offer of release can start is 12:00 p.m. (noon) on a Business Day for flow on the first date that a release starts; and,
- g) the latest time that bidding on a "1 year or more" offer of release can start is 12:00 p.m. (noon) on the third Business Day before timely nominations would be due for flow on the first date that a release starts (the fourth Business Day prior to award).