



September 25, 2000

To: Gas Industry Standards Board

Re: Business Practices Subcommittee proposed standards regarding FERC's Order No. 637 work plan

We recognize that comments on standards to be considered at the upcoming GISB Executive Committee meeting were due on September 20, 2000. However, having read the comments submitted by the Commenting GISB LDCs and the subsequent comments of AGA received today, we feel compelled to clarify several points raised in these comments.

The Commenting GISB LDCs object to the fact that while the BPS 637 plan includes a revised timeline for intraday capacity release for prearranged transactions, it does not include intraday bidding or provide for partial day releases. They quote from the minutes of the BPS meetings, specifically citing concerns raised by the Enron pipelines, and state that these arguments are "feeble" and a "blatant attempt to undercut scheduling equality." The Commenting GISB LDCs also object to the fact that the BSP 637 plan does not eliminate the current GISB standard prohibiting partial day releases. They claim that "the absence of deliberation is disingenuous."

Having devoted considerable efforts to the development of the GISB 637 work plan and to the BPS 637 plan, we are committed to working through all of the Order 637 issues. But, we feel strongly that the Commenting GISB LDCs are trivializing our concerns without taking time to hear us out on the far-reaching impact of a GISB move to partial day releases and partial day recalls.

The Enron Pipelines appreciate the need to ensure comparability between pipeline services and capacity release. We understand that this involves the development of an intraday timeline for capacity release, just as GISB developed an intraday timeline for firm and interruptible nominations.

But, developing an intraday timeline for capacity release is a completely different task than moving to partial day capacity releases or partial day recalls. Currently, all GISB standards and conventions denominate quantities in whole day increments. For example, while intraday nominations may be submitted during the gas day, the quantities continue to be reflected in

whole day increments. Standards related to nomination changes, processing and the nominations-related data sets are also predicated on daily quantities as a fundamental GISB business practice.

In contrast, partial day releases or partial day recalls would require contract systems and nominations capable of tracking rights (MDQ, receipt point quantities, delivery point quantities) on a partial day (or perhaps hourly) basis. Thus, standards to add partial day releases or partial day recalls cannot be simply grafted on top of current GISB business practices. If the GISB Executive Committee wants to look at what standards would be required to support partial day releases or partial day recalls, such work must be undertaken in the context of review of the whole body of the GISB standards.

Moreover, the Enron Pipelines take issue with the comment that we are attempting to skirt the comparability requirements of Order No. 637. We do not believe that partial day releases or partial day recalls are necessary to meet the requirements of Order No. 637, but rather, Order No. 637 requires pipelines to provide the nomination opportunities to capacity release that are available to pipeline transportation services. Currently firm and interruptible transportation services are defined in terms of daily quantities, subject to the ability to change the level of nominations on an intraday basis. Accordingly, we support efforts to develop intraday capacity release standards and we have labored many hours trying to ready these standards for EC vote at this meeting.

Again, we apologize for the late timing of these comments, but hope that this provides a more accurate description of our concerns about partial day capacity release and partial day recalls.

Sincerely,

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