



December 8, 2000

TO: Gas Industry Standards Board

RE: Recommendation to GISB Executive Committee, BPS Order 637 Priority Action Items 1 and 2 (Priority 6).

Enron North America Corp. (ENA) thanks the committee members for their time and effort on Priority Action Items 1 and 2. Because ENA is concerned that recalling Flowing Day gas (partial day recall) will add complexity in the billing process, affect shipper integrity, degrade firm capacity and may create pipeline instability in supply and market zones, ENA is submitting these comments.

In FERC Order 637 A, the commission reaffirmed the releasing shipper's right to recall capacity. ENA agrees but believes that the GISB standards must provide both the acquiring and the releasing shipper with the ability to negotiate rights of both parties for Recall, Reput, and Recall Notification timeframes.

5.3.2 ENA agrees with the changes in the biddable timelines and with using the FERC definition of short term and long term as less than 1 year and 1 year or more, respectively. For non-biddable releases, the times are short but do give us the ability to use all the GISB nomination cycles.

5.3.6 In standard 5.3.6 ENA requires the right to negotiate language concerning the details of the notification and the rights for recall, reput, and notification terms for all capacity release contracts. We suggest modifying the structure of 5.3.6 for clarification and adding some clarifying language as follows.

(a) Recall terms should be agreed to in advance between the releasing and acquiring shippers.

(b) For releases with an award posting date before [month day, year]:

- 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, year] are grandfathered and the recall notice should be provided to the transportation service provider (TSP) and the acquiring shipper no later than 8:00 A.M. Central Clock Time on the nomination day.

(c) For releases with an award posting date on or after [month day, year]:

- *Timely recall notice should be provided to the TSP and the acquiring shipper no later than 9:30 A.M. and 9:45 A.M., respectively, 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 should be provided to the TSP and the acquiring shipper no later than 1:00 P.M. and 1:15 P.M., respectively, 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 2 nomination cycle should be provided to the TSP and the acquiring shipper no later than 2:45 P.M. and 3:00 P.M., respectively, Central Clock Time on nomination day such that the releasing shipper may place an Intraday 2 nomination for the current day's gas flow. Such recalls should be limited to situations where the acquiring shipper has not ~~scheduled~~ nominated any of the capacity. Further, the nomination by the releasing shipper should be scheduled on a basis that does not bump any flowing gas. Releasing and acquiring shippers may agree in advance that Flowing Day Recalls will not be permitted.*

(d) For recallable releases, the acquiring shipper should provide a recall contact to the TSP.

In proposed standard 5.3.36, ENA is unclear about the intent but at a minimum suggests the following change.

5.3.36 Transportation Service Providers (TSP) 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. If the TSP elects to delegate the notice requirements to the original recalling shipper, that shipper, upon provision of applicable contact information, ~~if available~~, from the TSP, should issue the recall notice to all affected contracting parties in the release chain.

In proposed standard 5.3.41 the addition of Recall Cycle Indicator was discussed in the November 2, 2000 BPS meeting but seems to be left vague for the reason of allowing IR to decide what this indicator will be. If this indicator is a column that allows for quick scanning of all contracts showing a status of not recallable, recallable for one day out cycles and recallable for flowing gas day, then ENA is in support of this addition.

Sincerely,

Gary Payne

Electronic Commerce
Enron North America Corp.