

COMMENTS ON CROSS CONTRACT RANKING STANDARDS

While recognizing the significant amount of time and effort that went into developing these standards, the End User segment is unable to support them as currently drafted. While we accept the basic premise that confirmations must occur at the "entity to entity" level in order to facilitate cross contract ranking (CCR), the absence of detail available to the end-user connected directly to an interstate pipeline negates the value of CCR. Indeed, the information provided at the entity level is less information than what end-users receive today, undermining the FERC's request that GISB develop CCR mechanisms that provide shippers with the maximum flexibility to rank contracts for both supply and market cuts. (Order 587-G, slip at p. 92). Aspects of the current draft appear to limit our flexibility.

This situation is exacerbated by Revised Proposed Standard 2 which favors one segment of customer over another by providing, as part of the confirmation and scheduling process between a TSP and an LDC, that supplemental information derived from the nomination process will be made available to the LDC upon request to the TSP. Such additional information is justified by what is "necessary for the LDC to meet its statutory and/or regulatory obligations". While this standard may satisfy the needs of the LDC community, such preferential treatment vis a vis other user segments appears to violate the TSP's NGA Section 4(b) obligation not to subject any person to any undue prejudice or disadvantage, or maintain any unreasonable difference in service. For this reason alone, we submit that this standard would not withstand legal scrutiny by the FERC.

Moreover, restricting the TSP's obligation to fulfilling the LDC's "statutory and/or regulatory obligation" ignores the fact that non-LDC customers of TSPs such as electric utilities and power generators share similar obligations under federal and state law to their customers as do LDCs. Thus, any effort to insulate non-LDC shippers from receiving information on this basis by definition must fail.

Finally, End-Users are hard pressed to understand why, if TSPs have supplemental information available to them, they should not be willing to share such information with any customer desirous of policing their gas purchases. Given TSP support for communicating more fully with their LDCs, surely the concern cannot be one of maintaining third-party confidentiality, violating the TSP's tariff, or adversely affecting the operational integrity of the TSP.

For these reasons, the following End Users are unable to support the proposed CCR standards.

Arizona Public Service Company – Tom Carlson
Florida Power and Light – Dona G. Gussow
Boeing Corporation – Tina Patton
Tennessee Valley Authority – Amy Burns
Midland Cogeneration Venture – Lee Smith
Defense Energy Support Center – Veronica Jones