

**NGC Comments on Intraday Standards Language Proposal dated 10/28/97 and the Model as modified on 9/17/97**

In order to share our concerns over the concepts and proposed standards as outlined in the Standards Language Proposal dated 10/28/97 and the Model as modified on 9/17/97, NGC submits the following comments:

- **S.3** - Proposed standard S.3 provides that for TSP's that perform bumping , TSP's should choose "one or both of the two following intraday nomination cycles to perform bumping: 6pm Nominations, Intraday 10am Nominations." This will not result in a seamless intraday nomination transaction across the grid since the rules can change as parties move from one pipeline to another. This does not go far enough to create an industry standard and is no better than what we have today. The better standard solution would be to take away the option of being able to choose one or both of two different cycle times in the grid in which to bump and instead standardize the time or times across the industry. If GISB cannot reach consensus on the times, it should say so rather than writing a standard that offers a choice.
  
- **S.4** - Proposed Standard S.4 (concept II.g.i) provides that "the choice between the effective times of the 6 pm Nomination cycle is to be specified in the Transportation Service Provider's tariff, or in the absence of a tariff, a contract or operating statement." In addition, concept II.g further provides that "For those pipelines that are bumping during the 6pm Nom cycle, if scheduled quantities resulting from a 6pm Nom DO precipitate a bump, the nom is to be effective at 9 am or 5 pm on gas day." Again, this does not create a seamless transaction across the grid since the rules can change as parties move from one pipeline to another. This is not a standard and does not improve what we have today across the grid. The better solution would be to require one time that would be the least disruptive for all parties to bump rather than allowing two different times to coexist in the grid. If GISB cannot reach consensus on the effective time, it should say so rather than writing a standard that offers a choice. NGC supports the 5 pm effective time as was outlined in the original compromise model before it was modified or some other time that would allow for bumped parties to have time to react and have the opportunity to make alternative arrangements. The 9AM bump during the 6:00 PM nomination cycle is simply not practical for the industry to implement . The original compromise model was carefully crafted to take this into account by balancing the priority rights of the firm shipper against the viability of interruptible service. In so doing, the original proposal provided for reasonable notice and the opportunity to renominate for the party being bumped by moving the effective time to later in the day. **The modified Model no longer provides this balance and it should.** Allowing a 9AM bump to effect a shipper after receiving a 10:00 PM notice during the middle of the previous night is not reasonable notice. Parties that are bumped need to receive enough advance notice where they actually have the opportunity to make alternative arrangements. The middle of the night notice of a bump for the beginning of the next gas day is a process doomed to failure and is sure to cause gas to flow out of control that will take the

industry months to reconcile with each occurrence. Even though NGC supports bumping with reasonable notice for both cycles, it would be better for the industry to standardize the 6:00 PM nomination cycle as a no-bump cycle than to allow 9:00 AM bumping to take place.

- **New Proposal** - In 1.3.2(ii), the proposed language for the 6pm Nomination cycle provides that the process will include "10:00 pm for the TSP to provide scheduled quantities to affected shippers and point operators, and to provide "Notice to Bumped Parties" document to bumped parties." If middle of the night notices to bumped shippers are to be allowed and if 9:00 AM bumping is going to be allowed, it should be made clear in the proposal that in accordance with GISB standard 1.3.4, notices should also be made by telephone or pager to a 24-hour phone number to be provided by the parties. Proposed language should be as follows:

"In addition to the scheduled quantity document and in accordance with GISB standard 1.3.4, the "Notice to Bumped Parties" communication should also be made by telephone or pager when sent after business hours and on weekends."

- **New Proposal** - If bumping is to be allowed at 9AM without the opportunity to make alternative arrangements, language should be added that allows the effected parties to be relieved of any imbalance penalties that result for the day that the bump takes place. This would be the the only fair way to mitigate the effects of being bumped. Proposed language should be as follows:

" Effected parties should be relieved of any scheduling or imbalance penalties that result from being bumped for the day that the bump takes place."

- **1.3.10** - The latest proposal strikes GISB standard 1.3.10 that provides that "at least one (1) intra day nomination can be submitted 4 hours prior to gas flow." This standard was written to move the industry to continuous and contiguous scheduling. By taking it away there is a risk that parties will lose sight of this ultimate goal. The grid wide sync up times currently being proposed should be viewed as an interim step to continuous and contiguous scheduling. This standard allows the parties that wish to offer more intraday nomination opportunities to do so with standard rules that all can apply on a uniform basis. Therefore, the standard should be retained and parties should be encouraged to move towards it on a no-bump basis.