



1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: naesb@aol.com
Home Page: www.naesb.org

TO: NAESB Interpretations Committee, Posting for Interested Industry Participants
FROM: Meghan McMillan, NAESB Staff
RE: Final Minutes from the NAESB Interpretations Committee Conference Call – July 2, 2002
DATE: July 3, 2002

**North American Energy Standards Board
Interpretations Committee Teleconference
July 2, 2002 – 10:30a.m. - 11:30a.m.
Final Minutes**

1 Administrative

Mr. Lander opened the meeting and gave the antitrust guidelines. Roll call was taken. It was decided to defer adoption of the draft minutes from March 23, 2001 until the next meeting.

2 Interpretation Requests

It was decided to discuss each of the three clarification requests (CO2001, CO2002, CO2003) individually.

CO2001:

>Mr. Reitz reviewed his request for clarification (CO2001). Mr. Lander stated that if answer to question were yes, the practical effect would be that TTTSP's would support TTT services if requested by a 3PAD but not necessarily if requested by a shipper. Ms. Van Pelt requested clarification of the issue/question under discussion. Mr. Lander clarified the question as follows: If a TSP provides the means to provide TTT services has the TSP met its obligations? Mr. Kardas stated that this has always been his understanding, and asked if anyone in the group had a differing opinion. No differing opinions were voiced.

CO2002:

>Mr. Reitz reviewed his request for clarification (CO2002). Mr. Lander stated that his view is that it is only a TTTSP that would receive a TTT nomination. Therefore the answer would be TT nominations are not transportation nominations. Mr. Kardas agreed. Mr. Gracey asked if a 3PAD will not communicate with the pipeline. Mr. Lander suggested that this might come up in the discussion of clarification CO2003. No additional comments were voiced.

CO2003:

>Mr. Reitz reviewed his request for clarification (CO2003). Mr. Reitz stated that the concept of TT nominations coming from any party would conflict with the way our tariff is structured and possibly also with the **requirement that the shipper must have title**. Assuming the first two clarifications are granted we are now saying that the



TTSP has volunteered to provide TTT service. Mr. Lander then responded that the answer to the first two doesn't necessarily mean that the TTSP has volunteered to provide TTT service; they have agreed to interact with a 3PAD at least. This needs to be clarified as well.

The committee agreed that two separate questions stem from this issue.

1. If TSP is the TTTSP how does the "shipper must have title" rule come into play?
2. Where the TSP is interacting with a 3PAD how does the "shipper must have title" rule come into play and how does the 3PAD communicate with the TSP?

Mr. Lander stated that if it is agreed that a TTT nomination is not a transport nomination then we can set up a corral and say because there are transportation nominations before and after TTT but not during TTT, then the "shipper must have title" rule always applies for transporting. Mr. Griffith stated that in his view an account holder is basically the shipper and the question really applies to the account holders not to the 3PAD or the TTTSP. Mr. Lander responded that he did not think it was necessarily implied that an account holder is the shipper. Mr. Griffith clarified his statement by saying that the account holder is the equivalent of a shipper in the TTT process. Mr. Lander suggested that there may be a need for a standard that says that account holders should have title. It was always something that was implicit because you cannot trade gas with someone who does not own it. He suggested that this might need to be discussed in more detail at the next meeting. Mr. Gracey stated that **on** Tennessee the TTTSP is acting on behalf of account holders who do have title. Mr. Griffith responded that he does not disagree but it seems redundant to the process because the title is implied by the name TTT. Mr. Gracey then suggested that they should also discuss the communications process, another issue of this clarification. Mr. Lander suggested that this might have to wait for the next call. **At this point, Mr. Lander left the call, and asked Mr. Love to take over as meeting chairman.** Mr. Love pointed out that there was a tremendous amount of time spent discussing the communications process before the standards were developed. That is why the standards discuss two ways to communicate: through a nomination and at the confirmation time. Mr. Gracey stated that these may be the only two applicable because there are not any other choices given by the standards.

Mr. Love then asked if there were any other issues regarding communication that should be discussed. Mr. Reitz stated that as he sees it, as a pipeline we will have contractual relationships with shippers and the TTTSP. We will get transportation nominations from shippers and as part of the confirmation process we will accommodate these nominations by confirming with the TTTSP's. It just did not seem that Order 587-O was consistent with that. Mr. Love then asked if there were any other issues that should be discussed. He also asked if the committee would like to review the draft minutes, think about these issues and prepare a draft to review at the next meeting. Mr. Buccigross asked for clarification about whether there actually needs to be a contract or whether the relationship between the 3PAD and TSP can be in the tariff. Mr. Griffith responded that it appears that the standards support the option and it can either be a contract or in the tariff.

3 Next Steps

Mr. Kardas asked if the committee could get everything prepared and out for comment before the next EC meeting. Mr. Buccigross responded that they could and that it would still give the committee three weeks to get this done and posted. Mr. Kardas asked if NAESB informs FERC of clarifications or is that up to us as a committee. Mr. Buccigross responded that once it is ratified it will get posted as a final action and once it is ratified it can be utilized, the fact that it has not been



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published makes no difference. You can either take it to FERC or wait till NAESB files its status report.

4 Next Meeting and Agenda

It was decided to schedule the next meeting for Tuesday, July 16, 2002 (9a.m. - 11a.m. CST). The draft minutes will be sent to Mr. Lander and Mr. Love for review before being posted. Mr. Love will contact Mr. Lander about the next meeting. Ms. McMillan will draft the minutes and send them out to be reviewed and then posted. It was agreed that the committee will probably not vote on this at the next call but the following one. At the next call the committee will go over the language and then vote on that language at the call after the July 16 call. Ms. Van Pelt suggested that Monday the 22nd of July might be a good date for the meeting following the 16th. It was decided to schedule a meeting for Monday, July 22, 2002 (9a.m. - 11a.m. CST). The dates for the upcoming meetings will be posted on the website. It was agreed that the July 22 date did not conflict with the thirty day comment period.

5 Adjourn

Meeting adjourned on Tuesday, July 02, 2002 at 11:18AM.



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6. Meeting Attendees

Bill Boswell	Consolidated Natural Gas
Mike Bray	Shell Gas Transmission
Jim Buccigross	8760 Inc.
Kathryn Burch	Duke Energy
Dale Davis	Williams Gas Pipeline
Mark Gracey	Tennessee Gas Pipeline Co.
Bill Griffith	Colorado Interstate Gas
Joe Kardas	National Fuel Supply
Roger Kates	Shell Gas Transmission
Greg Lander	Skipping Stone Inc.
Paul Love	Natural Gas Pipeline Company of America
Marcy McCain	Duke Energy - Algonquin
Meghan McMillan	NAESB
Mike Novak	National Fuel Gas Distribution
Dave Reitz	National Fuel Gas Supply
Donna Scott	Transwestern Pipeline Company
Richard Smith	ExxonMobil Gas Marketing Company
Kim Van Pelt	CMS Panhandle Pipeline Companies