

TO: WGQ Executive Committee
FROM: Dolores Chezar, KeySpan
RE: Replacement WGQ Standard 5.3.zD
DATE: December 9, 2003

WGQ Standard 5.3.zD

The Transportation Service Provider (TSP) should not consider a Service Requester's (SR) bid on a capacity release offer until and unless the SR meets the TSP's creditworthiness requirements applicable to all services that it receives from the TSP (including the service represented by the capacity release) unless this requirement is waived by the releasing shipper. If this requirement is not waived by the releasing shipper then the replacement shipper should satisfy the TSP's creditworthiness provisions, including the posting of collateral, prior to the close of the bidding period in order to have its bid considered in the awarding of the capacity release offer.

In the event that the releasing shipper waives the above requirement to satisfy the TSP's creditworthiness provisions prior to the awarding of the capacity release offer, the releasing shipper must indicate whether: (1) the replacement shipper is required to satisfy the TSP's creditworthiness provision, including the posting of collateral, prior to the commencement of service to the replacement shipper; or (2) that the releasing shipper chooses to assume liability for the commodity charges with respect to the volumes released prior to the commencement of service to the replacement shipper.