April 11, 2024

**VIA ELECTRONIC SUBMISSION**

Jonathan Booe

Executive Vice President & Chief Operating Officer

North American Energy Standards Board

1415 Louisiana Street, Suite 3460

Houston, Texas 77002

**RE: Comments on NAESB Efforts to Enhance Situational Awareness During Extreme Cold-Weather Events**

Dear Mr. Booe:

I am writing this letter to the North American Energy Standards Board (“NAESB”) on behalf of Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) and the local distribution company (“LDC”) operating segment of Duke Energy Ohio, LLC and Duke Energy Kentucky LLC (collectively, the “Duke Energy LDCs”) as a part of the End User Segment of the Wholesale Gas Quadrant (“WGQ”), and with respect to the annual plan items adopted by NAESB’s Board of Directors regarding gas-electric coordination.

Based on a February 5, 2024, communication from the NAESB Office to the Wholesale Electric Quadrant, WGQ, Retail Markets Quadrant Business Practices Subcommittees Participants, NAESB Advisory Council, NAESB Gas-Electric Harmonization Forum Participants and Interested Parties (“February 5th NAESB Letter”), the Duke Energy LDC’s understand that NAESB has tasked its joint subcommittees to:

review and modify the NAESB Gas/Electric Coordination Business Practice Standards and any corresponding standards to improve communication among the operators of production facilities (producers, gatherers, processors) and pipeline and storage facilities and the timely dissemination of this coordinated communication from the these facilities to and from relevant natural gas infrastructure entities, BAs, shippers, and end-use customers (i.e., Local Distribution Companies) as needed to enhance situational awareness during extreme cold weather events.[[1]](#footnote-1)

In the Duke Energy LDC’s experience, natural gas interstate pipelines provide operational information at least five times per day in line with NAESB’s nomination cycles with respect to concepts including, but not limited to, nominated quantities, confirmed quantities, scheduled quantities, and operationally available capacity.  This information is often helpful to the Duke Energy LDCs and the provision of its local distribution because it allows the Company to successfully plan for and appropriately manage its contractual performance and service obligations with respect to its utility and other end-use natural gas customers. In consideration of the utility of such information, there may be an opportunity for the Duke Energy LDCs and other pipeline-connected entities to increase the bi-directional nature and transparency of shared, confidential operational information – which should *remain* confidential – to enhance situational awareness during extreme cold-weather events and promote system reliability.[[2]](#footnote-2)

Specifically, during periods of high utilization, interstate pipelines often have minimal visibility into the forecasted “takes” of their customers and shippers. With the reality that pipeline nominations are just a piece of the “pie,” power generators – which experience unpredictable loads when compared to municipal shippers and LDCs – could provide interstate pipelines the complete picture in these specific, limited, and still-confidential circumstances by providing hourly load forecasts, projected storage takes, and pipeline imbalance components. The hope is that this level of transparency can help homogenize what is currently an inconsistent and disparate process, as *some* power generators currently provide interstate pipelines with forecasted daily load data up to three times per day only a voluntary basis. Pipeline customers and shippers could conceivably submit this information so that the interstate pipelines could plan and set up equipment and operations in a manner that would provide more predictable, higher pressures, and reliable service to shippers, who, in turn, can more readily continue to provide reliable service to our customers during times of extreme cold weather.

To that end and with the goal of optimizing gas-electric coordination during these periods, the Duke Energy LDCs put forth the following examples for foundational discussion and evaluative purposes *only* among the various NAESB quadrants with respect to their applicability, practicality, or likelihood of successful implementation. Additionally, the Duke Energy LDCs reiterate that they only contemplate the applicability of the below scenarios during extreme cold-weather events and for a minimum of five times per day, aligning with the five NAESB nomination cycles:

* Hourly forecasted load profile of meter/virtual allocated delivery point/city gate load for daily and day ahead gas days;
* Daily forecasted storage facility (connected to the interstate pipelines) takes for daily and day ahead gas days;
* Daily forecasted pipeline imbalance volumes for daily and day ahead gas days.

For any of this to actually work, however, it would behoove NAESB to create a standard so parties can submit information in a preset format via an upload of a flat file or Electronic Data Interchange for interstate pipeline utilization as they prepare for and endure cold-weather events. Additionally, as a foundational point, NAESB members would also need to agree upon a common definition of a standard of what constitutes a “extreme cold weather event” for any of this to conceivably proceed. If NAESB could facilitate member agreement with respect to both this standard and definition, the chances of a successful collaboration on this topic would significantly increase.

Thank you for the opportunity to provide comments on behalf of the Duke Energy LDCs regarding situational awareness improvements with respect to gas-electric coordination during extreme cold-weather events. Hopefully, this is the beginning of a productive discussion among NAESB members regarding this important sub-component of an important, broader, collaborative discussion between the natural gas and bulk-electric industries.

Please feel free to contact me should you have any questions.

Sincerely,

 

Sarah E. Stabley

1. NAESB February 5, 2024, Letter at 1. [↑](#footnote-ref-1)
2. See Id. at 2 (Draft agenda reflecting that members will “[r]eview and modify the Gas / Electric Coordination Business Practice Standards and any corresponding standards to improve communication among the operators of production facilities […] and pipeline and storage facilities and the timely dissemination of this coordinated communication from the [sic] these facilities to and from relevant natural gas infrastructure entities, BAs, shippers, and end-use customers […] as needed to enhance situational awareness during extreme cold weather events *without endangering sensitive commercial information*….”)(emphasis added). [↑](#footnote-ref-2)