Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Request for Enhancement of a NAESB Standard for Electronic Business Transactions

North American Energy Standards Board

Request for Initiation of a NAESB Standard for Electronic Business Transactions or
Enhancement of an Existing NAESB Standard for Electronic Business Transactions

Instructions:

1. Please fill out as much of the requested information as possible. It is mandatory to provide a contact name, phone number and fax number to which questions can be directed. If you have an electronic mailing address, please make that available as well.

2. Attach any information you believe is related to the request. The more complete your request is, the less time is required to review it.

3. Once completed, send your request to:
   Rae McQuade
   NAESB, Executive Director
   1301 Fannin, Suite 2350
   Houston, TX  77002

   Phone: 713-356-0060
   Fax:    713-356-0067

   by either mail, fax, or to NAESB’s email address, naesb@aol.com.

Once received, the request will be routed to the appropriate subcommittees for review.
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Date of Request: May 2, 2003

1. Submitting Entity & Address:
   El Paso Eastern Pipelines
   P.O. Box 2511
   Houston, TX 77252-2511

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:
   Mark Gracey     Charlie Bass
   832-676-3803     832-676-3801
   832-676-3129     832-676-3136
   Mark.Gracey@elpaso.com   Charlie.Bass@elpaso.com

3. Description of Proposed Standard or Enhancement:
   El Paso Eastern Pipelines is requesting for a new code value for the data element
   Reduction Reason that will be used with the NAESB Scheduled Quantity data sets. The
   code value description being requested is “Exceed Family of Contracts MDQ”.

4. Use of Proposed Standard or Enhancement (include how the standard will be used,
documentation on the description of the proposed standard, any existing documentation of
the proposed standard, and required communication protocols):

   The Code value will be used to support the contract rights validation step within the
   Scheduling process. In the FERC’s Order 637, the commission outlined its policies on
   capacity release and capacity segmenting. The discussion included customers’ rights
to segment within the nominations process, to release segmented capacity, and to re-
release segmented capacity. The releases and re-releases of capacity create a family
of contracts that shares the same capacity of the original contract. Since the capacity
rights of the original contract have not changed with the capacity release, but could be
shared by multiple release and re-release contracts, situations could occur where the
total volume being nominated by all of the contracts within the family would exceed the
contractual quantity rights of the original contract. This Reduction Reason Code would
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R03004

provide the nominating customer a better description of why a volume in the situation may be schedule down.

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

The code will provide customers information on nominations that were not scheduled for transportation.

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

None.

7. Description of Any Specific Legal or Other Considerations:

None

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

N/A

9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:

N/A

10. Attachments (such as: further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

Reduction Reason

<table>
<thead>
<tr>
<th>Code Value Description</th>
<th>Code Value Definition</th>
<th>Code Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceed Family of Contracts</td>
<td>Nominations on the original contract and all related capacity released contracts have exceeded the contractual rights of the original contract.</td>
<td>EFM</td>
</tr>
</tbody>
</table>