

Interstate Natural Gas Association of America

Presentation to the
NAESB Gas Electric Harmonization Forum
April 22, 2014

The Interstate Natural Gas Association of America (INGAA) supports the timeline proposed by the Natural Gas Council (NGC) with a 9:00 a.m. CCT Gas Day and 3 Intraday cycles.

**The following INGAA
Proposed Timeline is
presented as an alternative
solution if a 4:00 a.m. CCT Gas
Day better meets the overall
needs for gas and electric
harmonization.**

**The 4:00 a.m. Gas Day INGAA
Proposed Timeline is very
similar to the NGC Timeline
and meets most of the criteria
outlined in the FERC NOPR in
Docket No. RM14-2-000.**

NOPR Reasons for Modifications

- Modify Gas Day from 9:00 a.m. CCT to 4:00 a.m. CCT to better accommodate the morning load increase for both gas and electric.
- Modify Timely Cycle from 11:30 a.m. CCT to 1:00 p.m. CCT to provide for electric utilities to finalize schedules and to find gas supplies.
- Modify intraday timeline from 2 intraday cycles to 4 intraday cycles to maximize the ability for shippers to make intraday changes.

NOPR Reasons for Modifications

- Provide early morning nomination cycle with mid-day effective flow time to respond to changes because of weather or other events.
- Provide late afternoon nomination cycle that permits firm shippers to bump in order to make greater use of firm services.
- Provide no-bump nomination cycle to provide stability in the nomination timeline and so that interruptible shippers may reschedule bumped quantities.

INGAA Concerns Regarding the RM14-2-000 Timeline

- It is unmanageable to fit four intraday cycles (six cycles total) into a 24 hour time period and continue to provide for adequate time to eliminate cycle/processing overlaps and to nominate, confirm, schedule, and acquire gas supply.
- Intraday 2 Nomination Deadline (10:30 a.m. CCT) is before Scheduled Quantities are available for Intraday 1 Cycle (11:00 a.m. CCT).
- Intraday 1 Nomination Deadline (8:00 a.m. CCT) is too early to take advantage of market liquidity.
- Confirmation Deadlines were not proposed.

Timeline Proposal Comparison

		Current Timeline (NAESB)	Proposed Timeline (RM14-2)	Proposed Timeline (INGAA)
Start of Gas Day		9:00 AM	4:00 AM	4:00 AM
Timely Cycle				
	Nomination Deadline	11:30 AM	1:00 PM	1:00 PM
	Confirmation Deadline	3:30 PM	4:00 PM*	4:30 PM
	Scheduling Deadline	4:30 PM	4:30 PM	5:00 PM
	Gas Flow Time	9:00 AM	4:00 AM	4:00 AM
	Hours of Gas Flow	24	24	24
Evening Cycle				
	Nomination Deadline	6:00 PM	6:00 PM	6:30 PM
	Confirmation Deadline	9:00 PM	9:00 PM*	9:00 PM
	Scheduling Deadline	10:00 PM	10:00 PM	9:30 PM
	Gas Flow Time	9:00 AM	4:00 AM	4:00 AM
	Hours of Gas Flow	24	24	24

*Estimated - No confirmation times specified in NOPR.
All times are CCT.

Timeline Proposal Comparison

		Current Timeline (NAESB)	Proposed Timeline (RM14-2)	Proposed Timeline (INGAA)
Start of Gas Day		9:00 AM	4:00 AM	4:00 AM
Intraday 1	Nomination Deadline	10:00 AM	8:00 AM	10:00 AM
	Confirmation Deadline	1:00 PM	10:30 AM*	12:30 PM
	Scheduling Deadline	2:00 PM	11:00 AM	1:00 PM
	Gas Flow Time	5:00 PM	12:00 PM	2:00 PM
	Hours of Gas Flow	16	16	14
		Bump	Bump	Bump
Intraday 2	Nomination Deadline	5:00 PM	10:30 AM	2:30 PM
	Confirmation Deadline	8:00 PM	1:30 PM*	5:00 PM
	Scheduling Deadline	9:00 PM	2:00 PM	5:30 PM
	Gas Flow Time	9:00 PM	4:00 PM	6:00 PM
	Hours of Gas Flow	12	12	10
		No Bump	Bump	Bump

*Estimated - No confirmation times specified in NOPR.
All times are CCT.

Timeline Proposal Comparison

		Current Timeline (NAESB)	Proposed Timeline (RM14-2)	Proposed Timeline (INGAA)
Start of Gas Day		9:00 AM	4:00 AM	4:00 AM
Intraday 3	Nomination Deadline	--	4:00 PM	7:00 PM
	Confirmation Deadline	--	5:30 PM*	9:30 PM
	Scheduling Deadline	--	6:00 PM	10:00 PM
	Gas Flow Time	--	7:00 PM	10:00 PM
	Hours of Gas Flow	--	9	6
			Bump	No Bump
Intraday 4	Nomination Deadline	--	7:00 PM	--
	Confirmation Deadline	--	8:30 PM*	--
	Scheduling Deadline	--	9:00 PM	--
	Gas Flow Time	--	9:00 PM	--
	Hours of Gas Flow	--	7	--
			No Bump	

*Estimated - No confirmation times specified in NOPR.
All times are CCT.

Individual Comparisons

- Gas Day –
 - Current NAESB: 9:00 a.m. CCT
 - Proposed NOPR: 4:00 a.m. CCT
 - Proposed INGAA: 4:00 a.m. CCT

Individual Comparisons

- Number of Gas Day Cycles –
 - Current NAESB: 2 Gas Day-Ahead, 2 Intraday
 - Proposed NOPR: 2 Gas Day-Ahead, 4 Intraday
 - Proposed INGAA: 2 Gas Day-Ahead, 3 Intraday

Individual Comparisons

- Timely Cycle –
 - Current NAESB: 11:30 a.m. CCT
 - Proposed NOPR: 1:00 p.m. CCT
 - Proposed INGAA: 1:00 p.m. CCT

Individual Comparisons

- Processing Time Between Nomination Deadline & Confirmation Deadline –
 - Current NAESB: Timely 4 hours,
Evening/Intraday 3 hours
 - Proposed NOPR: No confirmation times specified
 - Proposed INGAA: Timely 3 ½ hours,
Evening/Intraday 2 ½ hours

Individual Comparisons

- Processing Time Between Confirmation Deadline & Scheduled Quantity Posting –
 - Current NAESB: All Cycles 1 hour
 - Proposed NOPR: No confirmation times specified
 - Proposed INGAA: All Cycles ½ hour

Individual Comparisons

- Time Between Scheduled Quantity Posting & Next Cycle Nomination Deadline –
 - Current NAESB: 1 ½ hours minimum
 - Proposed NOPR: Various, including -½ hour between Intraday 1 and 2
 - Proposed INGAA: 1 ½ hours minimum

Individual Comparisons

- Hours Between Nomination Deadline & Gas Flow

Cycle	Current NAESB	Proposed NOPR	Proposed INGAA
Timely	21 ½	15	15
Evening	15	10	9 ½
Intraday 1	7	4	4
Intraday 2	4	5 ½	3 ½
Intraday 3	-	3	3
Intraday 4	-	2	-

Individual Comparisons

- Remaining Hours of Gas Flow –

Cycle	Current NAESB	Proposed NOPR	Proposed INGAA
Timely	24	24	24
Evening	24	24	24
Intraday 1	16	16	14
Intraday 2	12	12	10
Intraday 3	-	9	6
Intraday 4	-	7	-

**The Proposed INGAA
Timeline meets most of the
NGC Gas Day considerations
for evaluating
straw man proposals.**

- NGC Initiative Consideration:
 - Generators have time to make Timely Nomination after they have received their dispatched commitment.
- Proposed INGAA Timeline:
 - 1:00 p.m. CCT, consistent with NGC.

- NGC Initiative Consideration:
 - Reduce the time between nomination and scheduling in all cycles (currently 5 hours).
- Proposed INGAA Timeline:
 - Reduced from current 5 to proposed 4 hours in Timely Cycle.
 - Reduced from current 4 to proposed 3 hours in Evening and Intraday Cycles.

- NGC Initiative Consideration:
 - The modified schedule reduces the time between the last nomination and the end of the gas day.
- Proposed INGAA Timeline:
 - Reduced from current 16 to proposed 9 hours.

- NGC Initiative Consideration:
 - There is adequate time to confirm and schedule after nomination occurs.
- Proposed INGAA Timeline:
 - 4 hours in Timely Cycle.
 - 3 hours in Evening and Intraday Cycles.

- NGC Initiative Consideration:
 - Key activities occur during the normal business hours or daylight.
- Proposed INGAA Timeline:
 - Timeline does not meet this consideration and neither does the NOPR timeline.
 - Timeline activities generally no later than existing NAESB timeline.

- NGC Initiative Consideration:
 - The start of the gas day should not occur during the ramp up of the gas day or during the peak of the electric day.
- Proposed INGAA Timeline:
 - Alternative gas day proposal does not occur during gas day ramp up or electric peaks.

- NGC Initiative Consideration:
 - Last nomination cycle is no bump cycle. Bumping should only be allowed in cycles that fall within normal business hours.
- Proposed INGAA Timeline:
 - Intraday 1 and Intraday 2 bumping cycles fall within normal business hours.
 - Last nomination cycle Intraday 3 is no bump.

- NGC Initiative Consideration:
 - Modifications should provide an hour and a half between time the scheduled quantities are issued and next nomination.
- Proposed INGAA Timeline:
 - 1 ½ hours between cycles.

- NGC Initiative Consideration:
 - Modifications should not have a significant adverse impact on other gas customers.
- Proposed INGAA Timeline:
 - Timeline does not meet this consideration and neither does the NOPR timeline.
 - All parties are impacted.

**The INGAA Proposed
Timeline meets most of the
criteria outlined by the
Commission in Docket No.
RM14-2-000, 3/20/2014.**

- **NOPR Criteria:**

- Proposes modifying the gas day from the existing 9:00 a.m. CCT to 4:00 a.m. CCT.

- **Proposed INGAA Timeline:**

- Alternative gas day proposal consistent with NOPR.

- **NOPR Criteria:**
 - Proposes modifying the Timely Nomination Cycle from the existing 11:30 a.m. CCT to 1:00 p.m. CCT.
- **Proposed INGAA Timeline:**
 - 1:00 p.m. CCT, consistent with NOPR.

- **NOPR Criteria:**

- Proposes modifying the intraday timeline from the existing 2 intraday cycles to 4 to provide greater flexibility to shippers.

- **Proposed INGAA Timeline:**

- 3 intraday cycles.
- Takes into consideration competing needs for nominating, confirming, scheduling, and obtaining gas supply.

- **NOPR Criteria:**

- Proposes an early morning cycle (8:00 a.m. CCT Nomination Deadline) with mid-day effective flow (12:00 p.m. CCT).

- **Proposed INGAA Timeline:**

- 10:00 a.m. CCT Intraday 1 Nomination Deadline with 2:00 p.m. CCT flow.
- 10:00 a.m. takes advantage of liquidity in the market.

- **NOPR Criteria:**

- Proposes a late afternoon cycle (4:00 p.m. CCT Nomination Deadline) that permits bumping.

- **Proposed INGAA Timeline:**

- 2:30 p.m. CCT Intraday 2 afternoon nomination that permits bumping.

- **NOPR Criteria:**
 - Proposes that bumping would not be permitted during the final intraday nomination cycle.
- **Proposed INGAA Timeline:**
 - Last nomination cycle Intraday 3 is no bump, consistent with the NOPR.

If a 4:00 a.m. Gas Day better meets the needs for stakeholders, INGAA believes that the INGAA Proposed Timeline presented provides a reasonable balance between nominating, confirming, scheduling, and acquiring gas supply; firm and interruptible shippers; and gas and electric interests.

Questions?