

# Southern Company Alternate Gas Day Proposal

North American Energy Standards Board  
April 22, 2014

**GENERATION**



# Overview

- FERC proposal generally represents a valid approach
  - Earlier start to the gas day
  - Timely cycle deadline moved to 1:00 pm
- We believe pipelines would support some adjustments
  - Four hours for processing timely cycle
  - Three hours for processing other cycles, to the extent practicable
- End-users likewise would support adjustments consistent with their business objectives
  - Allow at least one hour from schedule issuance in prior cycle to nomination deadline in next cycle
  - Provide an afternoon bumpable cycle with as late a deadline as practicable, but scheduled near business hours to facilitate transactions
  - Provide a no-bump last cycle, consistent with FERC policy, that provides a meaningful amount of flow time
- Conclusion: every approach requires compromise
  - Southern Company can support modifications to this proposal

# Alternative to NOPR Proposal

## Key Changes: More Cycle Time, ID-2 Deadline Later

		RM14-2	Alternate			RM14-2	Alternate
Timely Cycle	Nomination Deadline	1:00 PM	1:00 PM	Intraday 1 Cycle	Nomination Deadline	8:00 AM	8:00 AM
	Schedule Issued	4:30 PM	<b>5:00 PM</b>		Schedule Issued	11:00 AM	11:00 AM
	Start of Gas Flow	4:00 AM	4:00 AM		Start of Gas Flow	12:00 Noon	12:00 Noon
	From Schedule to Next Deadline	1.5 hours	1.5 hours		Hours of Flow	16 hours	16 hours
Evening Cycle	Nomination Deadline	6:00 PM	<b>6:30 PM</b>	Intraday 2 Cycle	Nomination Deadline	10:30 AM	<b>12:00 Noon</b>
	Schedule Issued	10:00 PM	10:00 PM		Schedule Issued	2:00 PM	<b>3:00 PM</b>
	Start of Gas Flow	4:00 AM	4:00 AM		Start of Gas Flow	4:00 PM	4:00 PM
					Hours of Flow	12 hours	12 hours
				IT Bump Rights	bumpable	bumpable	
				EPSQ	50%	50%	
				From Schedule to Next Deadline	2 hours	<b>1 hour</b>	
				Intraday 3 Cycle	Nomination Deadline	4:00 PM	4:00 PM
					Schedule Issued	6:00 PM	<b>6:30 PM</b>
					Start of Gas Flow	7:00 PM	<b>8:00 PM</b>
					Hours of Flow	9 hours	<b>8 hours</b>
				IT Bump Rights	bumpable	bumpable	
				EPSQ	63%	<b>67%</b>	
				From Schedule to Next Deadline	1 hour	1 hour	
				Intraday 4 Cycle	Nomination Deadline	7:00 PM	<b>7:30 PM</b>
					Schedule Issued	9:00 PM	<b>10:00 PM</b>
					Start of Gas Flow	9:00 PM	<b>10:00 PM</b>
					Hours of Flow	7 hours	<b>6 hours</b>
				IT Bump Rights	no bump	no bump	
				EPSQ	71%	<b>75%</b>	
	All times CCT						



# Benefits of Alternate Proposal

- More processing time for timely cycle
- Move ID-2 deadline after ID-1 schedule
  - Under current proposal, ID-2 deadline closes before ID-1 results are known
    - Potential for conflicts between ID-1 scheduled quantities and ID-2 nominations
  - Adjustment allows one hour to make changes after ID-1 schedule
  - More information available for intraday changes at 12:00 pm compared to 10:30 am
- Adjust later cycles to maintain time for changes and processing
  - Keep ID-3 schedule issuance close to business hours so you can find counterparties to adjust ID-4
  - Maintain at least six flow hours for ID-4