



North American Energy Standards Board

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Home Page: www.naesb.org

via email and posting

TO: NAESB Members and Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Wholesale Gas Quadrant Request For Comments
DATE: August 28, 2002

An industry comment period begins today and ends on September 27 for the recommendation attached. The Executive Committee will consider comments provided by September 27, when reviewing this recommendation and considering it for vote as NAESB Wholesale Gas Quadrant (WGQ) standards or revisions to existing NAESB WGQ standards. The recommendation can be accessed from the NAESB Web site, but is also attached to this request for comment¹. All comments received by the NAESB office by end of business on September 27 will be posted on the Home Page and forwarded to the WGQ EC members for their consideration. If you have difficulty retrieving this document, please call the NAESB office at (713) 356-0060.

Best Regards,

Rae McQuade

cc: Jay Costan

¹ All recommendations other than clarifications/interpretations can be found on the "Request For Standards" page (<http://www.naesb.org/req.htm>), which is accessible from the NAESB main page. Similarly, Clarifications/Interpretations (Cxxxxx) can be found on the "Clarification Requests" page (<http://www.naesb.org/clar.htm>).



RECOMMENDATION TO NAESB WGQ EXECUTIVE COMMITTEE

**Requester: KeySpan Request No.: R02002 and
2002 Annual Plan Item 10 - Order 587-N
Recommendation 2**

1. RECOMMENDED ACTION:

- Accept as requested
- Accept as modified below
- Decline

**EFFECT OF EC VOTE TO ACCEPT
RECOMMENDED ACTION:**

- Change to Existing Practice
- Status Quo

2. TYPE OF MAINTENANC

Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

Per Recommendation:

- Initiation
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- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

SUMMARY:

- Add proposed NAESB WGQ Principles 5.1.z2 and 5.1.z3.
- Add proposed NAESB WGQ Definition 5.2.z1.
- Add proposed NAESB WGQ Standards 5.3.z12, 5.3.z13, 5.3.z14, and 5.3.z15.



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STANDARDS LANGUAGE:

5.1.z2 Proposed Principle

The service flexibility available to either the Releasing Shipper or the Replacement Shipper(s) for the subject capacity should not be less as a result of the recall.

5.1.z3 Proposed Principle

Notice of the allocation of capacity between the Releasing Shipper, provided through the Transportation Service Provider's Customer Activities Web site, and the Replacement Shipper(s), provided for in NAESB WGQ Standard Nos. [5.3.z2] and [5.3.z3], should be provided in a manner that will permit affected parties sufficient time, as provided for in NAESB WGQ Standard No. [5.3.z1], to place nominations or take other corrective actions to avoid penalties.

5.2.z1 Proposed Definition

Elapsed Prorata Capacity means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

5.3.z12 Proposed Standard

For the recall notification provided to the Transportation Service Provider (TSP), the quantity should conform to the TSP's capacity recall notification specification. The TSP should specify whether the quantity should be expressed in terms of

- a) total released capacity entitlements or
- b) adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity.

The capacity entitlements resulting from the use of either a) or b) should be the same.

5.3.z13 Proposed Standard

In the event of an intra-day capacity recall, the Transportation Service Provider (TSP) should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of the TSP's tariff, services, and/or operational characteristics.

5.3.z14 Proposed Standard

The Transportation Service Provider should not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. [5.3.z12].

5.3.z15 Proposed Standard

The amount of capacity allocated to the Replacement Shipper(s) should equal the original released capacity less the recalled capacity.



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4. SUPPORTING DOCUMENTATION

a. Description of Request:

b. Description of Recommendation:

Executive Committee

On 7/29/2002, the Executive Committee made the following motion: Assign consideration of proposed standards concerning capacity allocation and billing with regard to order 587-N to the BPS, including the issues raised by FERC staff. The motion passed a procedural motion with 10 in favor, 4 opposed, and 1 abstention.

Business Practices Subcommittee

See the Business Practices Subcommittee (BPS) meeting minutes, attachments, and transcripts for the supporting documentation and discussion for the following dates:

July 23, 2002
August 7-8, 2002

On 08/08/2002, it was motioned to adopt the following standards (as proposed above): 5.2.z1, 5.3.z12, 5.3.z13, 5.3.z14, 5.1.z2, 5.3.z15, 5.1.z3.

	For	Against	Total	Balancing Determinant	Balanced For	Balanced Against	Balanced Total
End Users	2	0	2	0	2	0	2
LDCs	5	0	5	0	2	0	2
Services	2	0	2	0	2	0	2
Pipelines	14	0	14	0	2	0	2
Producers	0	0	0	0	0	0	0
	23	0	23	0	8	0	8

Motion passes in a balanced vote with no opposition.

Information Requirements Subcommittee

On 08/20/2002, the Information Requirements Subcommittee determined that there were no changes needed.

	For	Against	Total	Balancing Determinant	Balanced For	Balanced Against	Balanced Total
End Users	0	0	0	0	0	0	0
LDCs	0	0	0	0	0	0	0
Services	2	0	2	0	2	0	2
Pipelines	8	0	8	0	2	0	2
Producers	0	0	0	0	0	0	0
	10	0	10	0	4	0	4

Motion passes in a balanced vote with no opposition.



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Technical Subcommittee

On 8/20/2002, the Technical Subcommittee determined that there were no technical changes needed.

	For	Against	Total	Balancing Determinant	Balanced For	Balanced Against	Balanced Total
End Users	0	0	0	0	0	0	0
LDCs	0	0	0	0	0	0	0
Services	2	0	2	0	2	0	2
Pipelines	10	0	10	0	2	0	2
Producers	0	0	0	0	0	0	0
	12	0	12	0	4	0	4

Motion passes in a balanced vote with no opposition.

c. Business Purpose:

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):