

R03036

REQUEST FOR INITIATION OF A NAESB BUSINESS PRACTICE STANDARD

Date of Request: December 12, 2003

1. Submitting Entity & Address: KeySpan
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2. Contract Person: Dolores Chezar
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3. Description:
Delete existing WGQ Standard 5.3.zD. Develop new standard regarding the prequalification of potential replacement shippers for capacity release offers that reflects FERC policy detailed in Dominion Cove Point LNG order in RP03-545 dated November 18, 2003.

4. Use of Proposed Standard:
Will aid in the development of an efficient capacity release process.

5. Description of Any Tangible Benefits:
Ensures that only qualified shippers bid on capacity release offers.

6. Estimate of Incremental Specific Costs: NA

7. Description of Any Specific Legal or other Considerations:
Existing Standard is contrary to existing FERC Policy (see Dominion Cove Point order dated November 18, 2003) and must be deleted. Suggested revised Standard properly implements stated FERC policy on the need for bidders on capacity release offers to prequalify. (See work paper submitted by KeySpan that was discussed at the December 11 WGQ EC meeting and posted with other December EC materials on the NAESB web site.)

- 8, 9, and 10 NA