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NAESB Board of Directors Gas Electric Harmonization:

The NAESB Board of Director's adopted the report and recommendations developed by the Gas Electric Harmonization (GEH) Committee. In that report the GEH Committee categorized their observations into the following areas:

- **Standards** - Potential areas where standards could be developed or modified by NAESB or someone other than NAESB (e.g. NERC) to assist in addressing GEH issues. Three areas were identified:
 1. Market timelines and coordination of scheduling
 2. Flexibility in Scheduling
 3. Increased flow of information
- **Policy** – Identified issues where existing policies may require changes and / or new policies that might be needed to advance gas and electric harmonization. These may or may not lead to standards being developed.
- **Commercial Solutions** – Identified practices on a regional or pipeline specific basis that address the underlying harmonization issues but do not necessarily lend themselves to standardization across all regions/pipelines.
- **Observations** – These observations are by the respective GEH Committee members, and are not to be considered positions endorsed by the GEH Committee.

Based on the recommendations in that report, at the September Board meeting, the three items listed above under Standards were added as provisional items on the various quadrants 2013 Annual Plans. In order for these items to be moved from provisional items to actionable annual plan items, the Board will need to determine that there has been sufficient policy guidance by regulators or other appropriate public bodies and / or that there is a likelihood of success for reaching consensus on standards.

To monitor the activities of the Board of Directors go to:

http://www.naesb.org/WGQ/wgq_bod.asp

NAESB Status on Issue of Design Capacity versus Operating Capacity:

Title 18 CFR § 284.13(d)(1) requires interstate pipelines to post 'design capacity'. NAESB WGQ Standard No. 0.4.2 requires, among other things, the posting of 'operating capacity'. In response to a request from INGAA, in FERC Order 587-V, Final Rule to amend Title 18 CFR §284.12 to incorporate by reference NAESB WGQ Version 2.0, the Commission directed NAESB to determine if "...the two terms are functionally equivalent....Should the industry conclude the terms are not equivalent, NAESB should make appropriate revision to the standards in NAESB's next version by adding design capacity as a separate reporting category." In response to this directive, the NAESB Business Practices Subcommittee (BPS) met numerous times over the last few months and concluded that (1) the two terms are not equivalent, (2) agreed to modifications to the business standards to include 'design capacity', and (3) directed the Information Requirements Subcommittee (IR) to modify the aforementioned data set accordingly. The Joint IR/Technical Subcommittees has begun the process of developing the corresponding modifications to the technical implementation guides. The goal is to have the entire package of modified business and technical standards completed for the February 2013 Executive Committee meeting and publication in NAESB WGQ Version 2.1. The activities of the WGQ BPS and IR/Technical Subcommittees can be monitored at:

BPS: <http://www.naesb.org/wgq/bps.asp>

IR: <http://www.naesb.org/wgq/ir.asp>