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**NAESB Board of Directors**

In an effort to keep pace with the evolution of the rapidly changing energy market environment, the NAESB Board of Directors has created a Strategic Task Force to examine the direction of the organization moving forward. Threshold questions being discussed are: what is the vision for NAESB in the next three to five years; and what resources will be required to achieve it. [http://www.naesb.org/wgg/wgg\\_bod.asp](http://www.naesb.org/wgg/wgg_bod.asp)

**Gas/Electric Harmonization**

In a non-NAESB related effort to create better harmonization between the gas and electric industries, the Natural Gas Council (NGC) has coordinated discussions related to: 1) re-defining the Gas Day; 2) modifying the nomination scheduling timelines including the addition of new scheduling cycles; and 3) the no-bump rule. The NGC believes that additional infrastructure is needed in certain regions and that the modifications being discussed will not obviate that need. However, there is a prevailing consensus building in the industry that FERC may require modifications to the items being discussed and as such, a proactive approach may be preferable to a reactive approach. The NGC consists of natural gas related industry groups, including:

- AGA - American Gas Association
- ANGA - America's Natural Gas Alliance
- APGA - American Public Gas Association
- INGAA - Interstate Natural Gas Association
- IPAA - Independent Petroleum Association of America
- NGSA - Natural Gas Supply Association
- PGC - Process Gas Consumers

A Technical Work Group (TWG) has been formed with the mission to review various options and develop both quantitative and qualitative analysis on the options. The TWG is comprised of representatives from the above industry groups which reflect the opinions of the pipeline segment, the producer segment, the LDC segment, and various industrial customers. It is anticipated that the TWG will conclude its analysis mid-December, at which time its findings will be given to the NGC Board for further action. In the near future, representatives from the electric industry will be brought into the process with the goal of opening up discussions toward the development of a joint gas/electric recommendation to the FERC. FERC Commissioners and Staff are aware of the NGC efforts.

**Gas Day** - The TWG is currently exploring a variety of options for the Gas Day to begin at Midnight, 6 AM, or noon, as well as keeping the status quo of 9 AM. (All times are Central Clock Time).

**Scheduling Timelines** – The TWG is considering moving the Timely Cycle back later in the day to either start at 1:00 PM, 2:00 PM, or 3:00 PM with corresponding adjustments to the remaining NAESB standard cycles. Currently the NAESB standards provide for 2 opportunities to schedule before the start of the Gas Day and 2 intraday scheduling opportunities within the Gas Day. All the options being analyzed by the TWG include a new fifth cycle.

**No Bump Rule** – The TWG is discussing which cycles should allow bumping and which should not. At this point there is a general consensus that the last intraday cycle should remain no-bump. Based on the timing of the last cycle, the recommendation may include a proposal that the previous cycle be no-bump as well.

Factors that are being discussed related to the proposed modifications include: physical flow, liquidity, safety, availability of personnel to conduct business, harmonization with the electric industry, existing customers, costs, regional differences, and reliability for both the gas and the electric industry.