



NORTH AMERICAN ENERGY STANDARDS BOARD

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January 11, 2016
Filed Electronically

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, D.C. 20426

RE: Standards for Business Practices of Interstate Natural Gas Pipelines (Docket No. RM 96-1-038)

Dear Ms. Bose:

The North American Energy Standards Board ("NAESB") herewith submits this report to the Federal Energy Regulatory Commission ("FERC" or "Commission") regarding errata to Version 3.0 of the NAESB Wholesale Gas Quadrant ("WGQ") standards. This report is voluntarily submitted by NAESB in Docket No. RM96-1-038 and impacts the Version 3.0 WGQ standards currently the subject of Order No. 587-W issued by the Commission on October 16, 2015. The NAESB WGQ Version 3.0 standards were ratified by the NAESB membership and submitted to the Commission on November 14, 2014. The minor correction included in this report, MC15021, was adopted by the WGQ Executive Committee on October 22, 2015.

This report is filed electronically in Adobe Acrobat® Portable Document Format (.pdf). All of the referenced documents are available on the NAESB web site (www.naesb.org). Should you need the report in an editable format, we can provide it in Microsoft® Word® 2010. Please feel free to call the office at (713) 356-0060 or refer to the NAESB website (www.naesb.org) should you have any questions or need additional information regarding the errata to the NAESB WGQ Version 3.0 standards or any other NAESB work products.

Respectfully submitted,

Jonathan Booe

Mr. Jonathan Booe
Executive Vice President & CAO, North American Energy Standards Board

cc with enclosures: Chairman Norman C. Bay, Federal Energy Regulatory Commission
Commissioner Tony Clark, Federal Energy Regulatory Commission
Commissioner Colette Honorable, Federal Energy Regulatory Commission
Commissioner Cheryl LaFleur, Federal Energy Regulatory Commission

Mr. Michael Goldenberg, Senior Attorney, Office of the General Counsel, Federal Energy Regulatory Commission
Mr. Max Minzner, General Counsel, Office of the General Counsel, Federal Energy Regulatory Commission
Ms. Jamie L. Simler, Director, Office of Energy Market Regulation, Federal Energy



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Regulatory Commission

Mr. J. Arnold Quinn, Director, Office of Energy Policy and Innovation, Federal Energy
Regulatory Commission

Ms. Rae McQuade, President and COO, North American Energy Standards Board

Mr. Cade Burks, Chairman and CEO, North American Energy Standards Board

Ms. Valerie Crockett, Vice Chairman WGQ, North American Energy Standards Board

Mr. William P. Boswell, General Counsel, North American Energy Standards Board



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UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Standards for Business Practices)
Of Interstate Natural Gas Pipelines)

Docket No. RM 96-1-038

REPORT OF THE NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Energy Standards Board (“NAESB”) is voluntarily submitting this report in accordance with the Commission’s orders in the above referenced docket and provides information on minor correction, MC15021, adopted by the Wholesale Gas Quadrant (“WGQ”) Executive Committee (“EC”) on October 22, 2015. The report is organized into appendices; the first appendix references the specific minor correction. The last three appendices reference the WGQ EC meeting minutes approving the WGQ minor correction, the notice to WGQ membership of the WGQ EC adoption of the minor correction, and NAESB Operating Procedures for minor clarifications and corrections to standards, respectively.

The list of appendices shown below in tabular form includes the FERC docket number for the amended standard(s), the version(s) of standard(s) amended, and a description of the amendment:

Appendix No.	Minor Correction Description
Appendix 1	MC15021: [Docket Nos. RM 96-1-038], Provides an errata correction to the NAESB WGQ Business Practice Standards Version 3.0. In Version 3.0, the interpretations were deleted, and the corresponding standards were modified as necessary (WGQ 2013 Annual Plan Item 5b). The intent of the standards modifications was to provide clarity and not to change the business processes. In particular, Interpretation No. 7.3.40 was deleted and correspondingly NAESB WGQ Standard No. 1.3.22 was modified. It appears that the modification to NAESB WGQ Standard No. 1.3.22 (ii) has/could be interpreted to change the business process which is causing confusion: <ul style="list-style-type: none">• NAESB WGQ Nominations Related Standards, Version 3.0, WGQ Standard No. 1.3.22
Appendix 2	NAESB WGQ Executive Committee during which the NAESB WGQ minor correction was approved.
Appendix 3	Notice to WGQ members of Executive Committee adoption of minor correction.
Appendix 4	NAESB operating procedures for minor clarifications and corrections to standards.

Appendix 1 – Minor Correction MC15021
Errata for NAESB Wholesale Gas Quadrant Business Practice Standards, Version 3.0
January 11, 2016

Appendix 1 contains **Minor Correction MC15021**, errata correction to the NAESB WGQ Nomination Related Standards as published in NAESB Wholesale Gas Quadrant (WGQ) Business Practice Standards Version 3.0. In Version 3.0, the interpretations were deleted, and the corresponding standards were modified as necessary (WGQ 2013 Annual Plan Item 5b). The intent of the standards modifications was to provide clarity and not to change the business processes. In particular, Interpretation No. 7.3.40 was deleted and correspondingly NAESB WGQ Standard No. 1.3.22 was modified. It appears that the modification to NAESB WGQ Standard No. 1.3.22 (ii) has/could be interpreted to change the business process which is causing confusion. The errata correction provides clarity as approved by the WGQ EC on October 22, 2015.

MC15021

Approved by the WGQ Executive Committee on October 22, 2015
North American Energy Standards Board

**Request for Initiation of a NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction**

or

**Enhancement of an Existing NAESB Business Practice Standard, Model Business Practice or
Electronic Transaction**

Date of Request: 09/17/15

1. Submitting Entity & Address:

WGQ Pipeline Segment Executive Committee Members and Alternates listed below:

2. Contact Person, Phone #, Fax #, Electronic Mailing Address:

Name	Company	E-mail Address
Kim Van Pelt Randy Young	Boardwalk Pipeline Partners, LP	Kim.VanPelt@bwpmlp.com Randy.Young@bwpmlp.com
Steve McCord	Columbia Gas Transmission	SWMcCord@cpg.com
Rae Davis	Dominion Carolina Gas Transmission	Rae.F.Davis@dom.com
Rachel Hogge Ron Tomlinson	Dominion Transmission Inc.	rachel.a.hogge@dom.com ronald.g.tomlinson@dom.com
Tom Gwilliam	Iroquois Gas Transmission System	tom_gwilliam@iroquois.com
Mark Gracey	Kinder Morgan, Inc.	Mark_Gracey@KinderMorgan.com
Micki Hoffee	Northern Natural Gas	micki.hoffee@nngco.com
Jerry Gross	Questar Pipeline Co.	Jerry.Gross@questar.com
Joe Casey	Spectra Energy Corp.	JVCasey@spectraenergy.com
Dale Davis Christopher Burden	Williams	Dale.M.Davis@Williams.com Christopher.Burden@Williams.com

3. Title and Description of Proposed Standard or Enhancement:

Title: NAESB WGQ Version 3.0 Correction to NAESB WGQ Standard No. 1.3.22

Description:

In Version 3.0, the interpretations were deleted, and the corresponding standards were modified as necessary (WGQ 2013 Annual Plan Item 5b). The intent of the standards modifications was to provide clarity and not to change the business processes. In particular, Interpretation No. 7.3.40 was deleted and correspondingly NAESB WGQ Standard No. 1.3.22 was modified. It appears that the modification to NAESB WGQ Standard No. 1.3.22 (ii) has/could be interpreted to change the business process which is causing confusion.

History:

NAESB WGQ Standard No. 1.3.22 provides guidance on how a TSP, in the confirmation process, should address the issue of not receiving a response to a Request for Confirmation. Section (ii) of the standard addresses the issue during the intraday process. Version 2.1 says:

With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, **the previously scheduled quantity** should be the new confirmed quantity.

Correspondingly the applicable section of Interpretation No. 7.3.40 says:

Question:

Part 2: With respect to GISB Standard No. 1.3.22.ii, GISB Standards Version 1.3, for intraday processes, should the “previously scheduled quantity” to be employed for the purpose of determining scheduled quantities pursuant to the ‘lesser of rule’ be the previous Start of Day scheduled quantity or the last previously scheduled intraday quantity?

Interpretation:

Part 2: GISB Standard No. 1.3.22.iii refers to the ‘elapsed-prorated-scheduled quantity’. The ‘elapsed-prorated-scheduled quantity’ is that day’s elapsed-prorated-scheduled quantity and therefore, within the intraday scheduling process cited in GISB Standard No. 1.3.22.ii, **the reference to ‘previously scheduled quantity’ is intended to be to the scheduled quantity most recently previously scheduled for the subject day during the most recently concluded scheduling process for that day.** Thus: a) for the Evening period, the ‘previously scheduled quantity’ would be the scheduled quantity resulting from the Timely period’s process for the subject gas day, b) for the Intraday 1 period, the ‘previously scheduled quantity’ would be the scheduled quantity resulting from the Evening period’s process for the subject gas day, and c) for the Intraday 2 period, the ‘previously scheduled quantity’ would be the scheduled quantity resulting from the Intraday 1 period’s process for the subject gas day. This is appropriate because, at all scheduling periods, all transaction information is exchanged among Confirming Parties with respect to their location(s), which means that the results of each scheduling period would pertain to all transactions and the reference to the most recent period would be a reference inclusive of all transactions regardless of whether there was a change initiated for any particular transaction during any particular period.

In Version 3.0, NAESB WGQ Standard No. 1.3.22 (ii) was modified to read:

With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity **for the previous intraday nomination cycle** should be the new confirmed quantity.

Issue:

The highlighted modification to NAESB WGQ Standard No. 1.3.22 (ii) conflicts with the earlier interpretation and is now causing confusion. The following example identifies the inconsistency:

Example:

For Gas Day 4, in the Evening Cycle a TSP does not get a response to the Request for Confirmation. What quantity is used in this situation?

Option 1: (Based on Interpretation No. 7.3.40) - The scheduled quantity from the Timely Cycle for Gas Day 4

OR

Option 2: (Based on a literal reading of the standard) – The scheduled quantity for the ID3 for Gas Day 3 because it is the previous **intraday** nomination cycle?

To maintain the same business process in Version 3.0 that has been employed historically, the answer should be Option 1. Therefore, NAESB WGQ Standard No. 1.3.22 (ii) should be corrected to eliminate the word “intraday” and add “for the subject Gas Day” in the last sentence. The results would read:

With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity **for the previous nomination cycle for the subject Gas Day** should be the new confirmed quantity.

Without this correction, there will/could be a variety of implementations which would cause confusion in the market place.

Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):

To maintain the same business process

5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:

To maintain the same business process

6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:

Minimal

7. Description of Any Specific Legal or Other Considerations:

Minimal

8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):

N/A


9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:

N/A

10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):

N/A

See Attached Recommendation



**RECOMMENDATION Approved by the
 WGQ Executive Committee on October 22, 2015
 Minor Correction / Clarification**

**Requester: WGQ Pipeline Segment Executive Committee
 Members and Alternates listed**

Request No.: MC15021

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
- Correction

2. TYPE OF DEVELOPMENT/MAINTENANCE

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
- 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

3. RECOMMENDATION

SUMMARY:

Minor Correction to NAESB WGQ Version 3.0, to be applied in Version 3.1:

STANDARDS LANGUAGE:

Proposed Modified NAESB WGQ Standard 1.3.22

- (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the scheduled quantity for the Timely Nomination Cycle of the previous Gas Day should be the new confirmed quantity.
- (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day should be the new confirmed quantity.
- (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.
- (iv) With respect to NAESB WGQ Standard No. 1.3.22 i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:
 - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
 - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
 - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
 - (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
 - (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

In Version 3.0, the interpretations were deleted, and the corresponding standards were modified as necessary (WGQ 2013 Annual Plan Item 5b). The intent of the standards modifications was to provide clarity and not to change the business processes. In particular, Interpretation No. 7.3.40 was deleted and correspondingly NAESB WGQ Standard No. 1.3.22 was modified. It appears that the modification to NAESB WGQ Standard No. 1.3.22 (ii) has/could be interpreted to change the business process which is causing confusion.

b. Description of Recommendation:

Business Practices Subcommittee

See minutes for the following Business Practices Subcommittee meeting:
October 1, 2015

Motion passed unanimously

Information Requirements / Technical Subcommittee

See minutes for the following Joint Information Requirements / Technical Subcommittees meetings:

- [October 20-21, 2015](#)

Motion:

The NAESB WGQ Joint Information Requirements / Technical Subcommittees have reviewed the actions of the NAESB WGQ Business Practices Subcommittee related to MC15021, and have determined that no additional modifications are necessary.

Vote: Motion Passes Simple Majority Unanimously

**Appendix 2 – NAESB WGQ Executive Committee Meeting Minutes
Approving NAESB Wholesale Gas Quadrant Minor Correction MC15021
January 11, 2016**

Appendix 2 contains the meeting minutes of the NAESB Wholesale Gas Quadrant Executive Committee and the action taken by the Wholesale Gas Quadrant Executive Committee to approve the following minor correction:

Appendix No.	NAESB WGQ Executive Committee Meeting Minutes
Appendix 2	Minor Correction MC15021 as approved by the WGQ Executive Committee on October 22, 2015. Meeting Minutes: https://www.naesb.org/pdf4/wgq_ec102215dm.docx

**Appendix 3 – Notice to WGQ Members of Executive Committee Adoption of Minor Correction MC15021
January 11, 2016**

Appendix 3 contains the correspondence sent to all Wholesale Gas Quadrant members notifying them of the Executive Committee action taken on the minor correction MC15021, requesting comments that opposed the minor correction, and informing them of future actions and timelines related to the minor correction.

Appendix No. Correspondence/Notices

Appendix 3 Minor Correction MC15021 – Request for Comments due November 10, 2015:
https://www.naesb.org/pdf4/wgq_mc102715reqcom.doc (*Effective November 25, 2015*)
No Comments Received

Appendix 4 contains the excerpt from the NAESB Operating Procedures detailing the procedures to be followed for minor clarifications and corrections to existing NAESB WGQ Business Practice Standards.

Procedures for Minor Corrections as excerpted from the NAESB Operating Procedures

D. Minor Clarifications and Corrections to Standards

Minor clarifications and corrections to existing standards include: (a) clarifications or corrections made by a regulatory agency to standards that are of a jurisdictional nature, or by the American National Standards Institute or its successor; (b) clarifications or corrections to the format, appearance, or descriptions of standards in standards documentation; (c) clarifications or corrections to add code values to tables; and (d) clarifications and corrections that do not materially change a standard. Any request for a minor clarification or correction to an existing standard should be submitted in writing to the executive director. This request shall include a description of the minor clarification or correction and the reason the clarification or correction should be implemented.

1. Processing of Requests

The executive director shall promptly notify the EC and any appropriate subcommittee(s) of the receipt of the request. The members of the applicable quadrant's EC shall promptly determine whether the request meets the definition of a minor clarification or correction. Through the decision of the vice chair of the applicable quadrant, this determination may be delegated to one of the quadrant's subcommittees, with the concurrence of the subcommittee chair, in which case the subcommittee shall make a prompt decision.

If the request is determined to meet the definition of minor clarification or correction, the applicable quadrant's EC, with input from any subcommittee(s) to which the request has been forwarded, shall act on the request within one month of its receipt. A meeting to discuss the request is not required; the decision may be made by notational vote. A simple majority of the votes received shall determine the outcome. The members of the applicable quadrant's EC shall be given at least three working days to consider and vote on the request.

2. Public Notice

The results of the vote on the request for a minor clarification or correction shall be posted on the NAESB website and the members of the applicable quadrant shall be notified of the request by e-mail. If the request has been approved by the applicable quadrant's EC, the notification shall include a brief description of the request, the contact name and number of the requester so that further information can be obtained, and the proposed effective date of the clarification or correction. Any interested party shall have an opportunity to comment on the request, and the comments shall be posted on the NAESB website. The comment period is two weeks.

3. Final Disposition of Approved Requests

If no comments are received on an approved request, the standard shall be clarified or corrected as specified in the approved request on the effective date proposed. If comments are received, they shall be forwarded to the members of the applicable quadrant's EC for consideration. Each comment requires a public written response from the applicable quadrant's EC. The applicable quadrant's EC shall determine whether changes are necessary as a result of the comments. Members of the applicable quadrant's EC shall be given three working days to consider the comments and determine the outcome, which shall be decided by a simple majority of the votes received. A meeting to discuss the request is not required; the decision may be made by notational vote. The standard shall be clarified or corrected in accordance with the outcome of the vote, effective with the completion of voting, and notice thereof shall be posted on the NAESB website. In the case of minor corrections which are discovered during the editorial

**Appendix 4 – NAESB Operating Procedure for Minor Clarifications and Corrections to Standards
January 11, 2016**

review process of publication of a new version and are categorized as clarifications under (b) or (c) above¹, the proposed effective date may be (i) two weeks from the date of public notice, following simple majority approval by the applicable Quadrant(s) EC(s) of the shortened effective date, or (ii) one month from the date of the public notice. For all others, the proposed effective date of the minor clarification or correction shall normally be one month from the date of the public notice upon simple majority approval of the applicable Quadrant(s) EC(s).

¹ Minor clarifications and corrections to existing standards include: (a) clarifications or corrections made by a regulatory agency to standards that are of a jurisdictional nature, or by the American National Standards Institute or its successor; (b) clarifications or corrections to the format, appearance, or descriptions of standards in standards documentation; (c) clarifications or corrections to add code values to tables; and (d) clarifications and corrections that do not materially change a standard.