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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Accept as requested |  | Change to Existing Practice |
|  | Accept as modified below | X | Status Quo |
| X | Decline |  |  |

**2. TYPE OF DEVELOPMENT/MAINTENANCE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Per Request:** | | **Per Recommendation:** | |
| X | Initiation |  | Initiation |
|  | Modification |  | Modification |
|  | Interpretation |  | Interpretation |
|  | Withdrawal | X | Withdrawal |
|  | Principle |  | Principle |
|  | Definition |  | Definition |
| X | Business Practice Standard |  | Business Practice Standard |
|  | Document |  | Document |
|  | Data Element |  | Data Element |
|  | Code Value |  | Code Value |
|  | X12 Implementation Guide |  | X12 Implementation Guide |
|  | Business Process Documentation |  | Business Process Documentation |

**3. RECOMMENDATION**

**SUMMARY:**

|  |
| --- |
| As part of the 2016 NAESB WGQ Annual Plan, the WEQ Executive Committee proposed and the Board approved a two-step process under 2016 WGQ Annual Plan Item 5:  a. Consider and determine if a NAESB Liquefied Natural Gas (LNG) Master Agreement is needed, and b. Develop the LNG Master Agreement according to the analysis completed in item 5.a.  The NAESB WGQ Contracts Subcommittee conducted an industry survey under Item 5.a and is recommending no-action by the Subcommittee on item 5.b to develop the LNG Master Agreement (LNG MA). |

**STANDARDS LANGUAGE:**

**4. SUPPORTING DOCUMENTATION**

**a. Description of Request:**

On December 10, 2015, the NAESB Board approved the 2016 WGQ Annual Plan that included Item 5 as follows:

|  |  |
| --- | --- |
| **5. Liquefied Natural Gas Master Agreement** | |
| 1. Consider and determine if a NAESB Liquefied Natural Gas (LNG) Master Agreement is needed |
| 1. Develop the LNG Master Agreement according to the analysis completed in item 5.a. |

**b. Description of Recommendation:**

**WGQ Contracts Subcommittee**

The WGQ Contracts Subcommittee recommends no-action on WGQ Annual Plan Item 5.

The Subcommittee prepared and reviewed industry survey to determine interest in NAESB WGQ to develop an LNG Master Services Agreement (LNG MSA). NAESB office issued the survey and the results demonstrated little industry support for NAESB to develop a LNG MA at this time. The Subcommittee discussion of the survey results included a review of the 13 respondents statements. 4 respondents were in favor and the other 9 were either no, ambivalence to the effort, will not use, or one respondent provided an LNG agreement already available to the industry.

Subcommittee held meetings on March 24, 2016, May 4, 2016, and May 19, 2016. At the May 4, 2016 meeting the Subcommittee review and discussions confirmed several of the survey respondent’s position on lack of support for NAESB to develop the LNG MA. Several Subcommittee members noted that the LNG MA effort would consume significant NAESB resources and with the lack of support, further development was not warranted at this time. The Subcommittee generally felt that if a specific request to develop an LNG MA was submitted together with information on sufficient industry support, then NAESB should consider the development of an LNG MA. Supporting documents and discussions can be found in the meeting minutes and meeting minute attachments.

The result of the vote at the May 19, 2016 meeting adopted the recommendation to the WGQ Executive Committee of no-action on 2016 WGQ Annual Plan Item 5.

**c. Business Purpose:**

See Meeting minutes set forth in item b. above.

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

See Meeting minutes set forth in item b. above.