



May 15, 2015

The Honorable Norman Bay  
Chairman  
Federal Energy Regulatory Commission  
888 First Street N.E.  
Washington, D.C. 20426

RE: Prioritizing Implementation of New Pipeline Scheduling Timeline Prior to Embarking on Further Scheduling Deliberations at NAESB

Dear Chairman Bay:

The Natural Gas Council, in conjunction with other gas industry participants, would like to thank you, each of the Commissioners, as well as the Commission staff for the hard work and thoughtful consideration expended over the past four years to achieve better coordination between the natural gas and power industries. Your efforts and encouragement have resulted in some very positive developments including, among other things, clarity on the permissibility of non-public operational pipeline/electric transmission operator communications, increased focus on regional fuel assurance efforts, as well as an improved and more flexible gas scheduling timeline recently adopted in Order No. 809. When fully implemented, this new gas scheduling timeline, along with changes in Section 206 filings by ISOs and RTOs to conform to the new gas scheduling timeline, should provide increased opportunities for power generators to participate in the gas scheduling timeline to ensure more reliable fuel supplies.

While strongly supportive of the new gas scheduling timeline and the anticipated ISOs' and RTOs' conforming changes, gas industry operators expect that they will be fully engaged with the substantial amount of work needed to implement these changes reliably over the coming months, particularly to accommodate the compressed timeframes required for the confirmation and scheduling processes. For that reason, we are concerned that the Commission's request in Order No. 809 that the gas and electric industries, through the North American Energy Standards Board (NAESB), explore the potential for faster, computerized intra-day scheduling through increased electronic submissions, will take much-needed industry resources away from efforts to ensure a smooth and effective implementation of the new schedule by April 1, 2016. We are

therefore writing you today to ask that the Commission recognize the need to allow the gas and power industries to place primary focus on this implementation phase prior to embarking on further scheduling efforts at NAESB.

In Order No. 809, the Commission requested that “the gas and electric industries, through NAESB, explore the potential for faster, computerized scheduling [of intra-day nominations] when shippers and confirming parties all submit electronic nominations and confirmations, including a streamlined confirmation process if necessary.” Order No. 809 at P 107. Further exploration of improvements to scheduling could be a worthwhile process. However, given that both the gas and power industries just completed a comprehensive and thorough evaluation at NAESB of the ability to compress the existing gas scheduling timeline, we believe that reassembling the industry participants at this juncture would be premature and may prove to be counter-productive given the uncertainty of how operations under the newly-approved gas scheduling timeline will play out. Also, resurrecting this conversation at NAESB prior to implementation of the newly-approved schedule is likely to take extensive and valuable time away from those participants whose time would otherwise be focused on ensuring a reliable, smooth implementation of the gas scheduling timeline by the April 1, 2016, effective date.

Accordingly, we hope that any direction the Commission provides to NAESB will emphasize that implementation of the revised NAESB standards is the priority and that consideration of the Commission’s request in Order No. 809 to consider improvements to the confirmation process should be taken up only after the two industries have had sufficient time to implement and operate reliably under both the new gas scheduling timeline and changes to RTO/ISO dispatch schedules to conform with the newly-approved gas scheduling timeline.

Respectfully submitted,  
*[Signatures on following pages]*

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