

The following changes have been made to your NGI system as of October 28, 2010. If you have any questions or comments, please feel free to call us at (972) 747-1983, extension 112.

NOTE: These changes are pertaining to FERC regulated facilities only.

NAESB Version 1.9 Updates

- **FERC Order 587-U requires that NAESB Version 1.9 be implemented in your system by November 1, 2010.**
- **Updates to Capacity Release**
 - A key change in the new version is Index-Based Capacity Release (IBR). As part of the IBR changes, **each Facility Operator is required to designate at least two price indices that can be used by their Shippers in an IBR release** (see NAESB Standard 5.3.65 below).
 - NGI now supports the posting of these indices (see screenshot below). You can manage your indices by going to **Index Mgmt** link under **Capacity Release**. Also, once these indices are entered in NGI, they will post automatically to your Informational Postings site.

Capacity Release Index Management		
<div>Show Inactive Indexes Add Index</div>		
Index Name	Subscription Start Date	Subscription End Date
Gas Daily - Dawn	10/01/2010	01/31/2011
ICE - Alliance Midweek	10/01/2010	03/31/2011

- Capacity Release Offers, Bids, and Awards have been completely revamped in NGI. The look and feel, validation rules, and workflow have all been updated to better serve this requirement.
- **Updates to Transactional Posting**
 - All NAESB Version 1.9 updates have been made to the Transactional Posting process. These updates include new data elements as well as expanding posted data elements.

NAESB Standard 5.3.65

Initially, a Transportation Service Provider (TSP) should support at least two non-public price index references that are representative of receipt and delivery points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, a TSP should support all price indices it references in its gas tariff, or general terms and conditions. In addition, a TSP should evaluate those publicly available price index references requested by the TSP's Service Requesters (SR) that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable receipt and delivery points. Further:

(1) The identity of all supported price index references should be posted on the TSP's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s).

(2) Upon request of a SR holding capacity that can be released on that TSP's system, the TSP, in consultation with its SRs, should review the price index references (including publicly available price index references), and update the price index references to reflect the agreed upon results of that consultation. All parties should act reasonably and in good faith in the review process. The TSP should not unreasonably withhold agreement to such proposed changes. Such review should occur no more frequently than annually.

(3) Releasing shippers requesting the use of price index references not supported by the TSP will be responsible for providing/maintaining adequate license(s)/subscription(s) for the TSP for such additional price index reference(s) such that the TSP is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such license(s)/subscription(s) should, at a minimum be for the term of the initial release(s) that use such index references or until such index reference becomes generally supported by the TSP as referenced above. These price index reference(s) will then be supported by the TSP and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and their identity(ies) posted on the TSP's Informational Postings Web site.

(4) Regarding paragraphs 2 and 3 above, the TSP reserves the right, in its own discretion, to review any license(s)/subscription(s) that would legally bind the TSP and to evaluate the legal propriety of same as it pertains to the TSP. The TSP may, with reasonable cause, require modification of the license(s)/subscription(s) to resolve its concerns relative to any license(s)/subscription(s) that would legally bind the TSP.

(5) Each party involved in an index-based release activity assumes no liability for the use of price index information by other parties to the release. A TSP's support of any price index reference does not make it responsible for ensuring that a releasing shipper(s) or a replacement shipper(s) possesses any license(s)/subscriptions(s) that may be required to use such price index reference.