



NAESB 3.1 Nomination Paths

Post 3 in a 3 Part Series

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Today's post is a final of a three part series providing an overview of the upcoming North American Energy Standards Board (NAESB) Version 3.1 Standards which have been proposed for adoption by the Federal Energy Regulatory Commission (FERC). In the first post, available [HERE](#), we covered the timing of the FERC order. In the second post, available [HERE](#), we covered the technological impact of the standards. In this final post we will look at the changes to the data within the standards.

Nomination Paths

If you use – and understand – Pathed Non-threaded nominations (a subject for another post), Version 3.1 changes the requirement to include the Shipper contract with nominations and scheduled quantities. Specifically, the contract is now Business Conditional in the unthreaded segment (it's still required in the threaded segment). It's tricky, but the change cleans up an issue that has been “worked around” for decades.

Agency

Since the creation of the initial NAESB standards, nominations (and related transactions) have contained only a single party reference – the service requester (read: shipper). Version 3.1 adds the option to include an “agent” field to make clear all the parties to the nomination.

Out of Balance

Shippers that trade pipeline imbalances may now have the option to specify additional info that helps define the trade time period, the quantity, and the contract for offered

imbalances. The new standards also reinstate the ability for a counterparty to accept or reject the imbalance trade.

Measurement

NAESB also added two optional date elements that allow the sender of measurement data to specify “uncorrected” (or initial) data, and add explanatory comments.

Bad Credit

Finally, Version 3.1 incorporates an optional addition to capacity release transactions that allows the releasing shipper to waive the bidder's credit requirements (if the pipeline tariff so allows).

Stay tuned for more posts on NAESB, the FERC, nominations and scheduling, and the dreaded pathed, non-threaded model. Should you have any questions on these changes, or how they impact your business, don't hesitate to contact me at lspangler@latitudetech.net.

Latitude Technologies, an ESG Company, provides cloud-based, NAESB-compliant Pipeline and Storage Management services, eTariff services, and Pipeline Automation EDI services with 24x7 support based in the US. Contact us today to find out how your business can benefit from a relationship with Latitude.

