Coordination Between Natural Gas and Electricity Industries

Business Practices of Natural Gas Utilities in Illinois
## Scheduling Timeline

<table>
<thead>
<tr>
<th></th>
<th>Start of Gas Day</th>
<th>Timely Cycle</th>
<th>Evening Cycle</th>
<th>Intraday 1 Cycle</th>
<th>Intraday 2 Cycle</th>
<th>Intraday 3 Cycle</th>
<th>Intraday 4 Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>9 a.m.</td>
<td>11:30 a.m.</td>
<td>6 p.m.</td>
<td>10 a.m.</td>
<td>5 p.m. No-Bump</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FERC NOPR</strong></td>
<td>4 a.m.</td>
<td>1 p.m.</td>
<td>6 p.m.</td>
<td>8 a.m.</td>
<td>10:30 a.m.</td>
<td>4 p.m.</td>
<td>7 p.m. No-Bump</td>
</tr>
</tbody>
</table>

- Moves the start of the gas day and the timely nomination deadline
- Provides four intraday nomination cycles
- Clarifies policy regarding bumping during nomination cycles
- Requires interstate pipelines to offer multi-party service agreements
Scheduling Timelines vs. Pipeline Capacity

Increasing communications and reconciling natural gas and electric days may permit the market to operate more effectively.

Timeline adjustments will not create additional pipeline capacity.
Power Market Differences in Cost Recovery

Interruptible Transport is lower cost but not as readily available during times of peak demand.

Establish a mechanism for determining the amount of pipeline capacity needed to ensure electric grid reliability.

Reform wholesale power market rules to assign responsibility for holding pipeline capacity; provide a means to recover costs.
Impact on LDCs – Portfolio Costs

LDCs will be impacted by changes to the natural gas day and scheduling:

• Reliance on, and demand for, no-notice storage services
• Greater use of on-system storage and peak shaving services
• Higher pipeline fuel costs
• Increased interstate pipeline operational flow orders
• Commodity price volatility
Impact on LDCs – Operational Costs

Potentially higher delivery charges to customers:

- Safety and security requirements to facilitate manual system operations
- Additional personnel for monitoring and administration (i.e. scheduling & nominating)
- Billing and accounting system changes
- Staffing levels