Overview

- What is gas scheduling?
- What is a Tariff?

What is gas scheduling?

Gas scheduling is a continuous process that is conducted 365 days per year five or more times per day spanning about 2/3 of each calendar day. When you think of the word "scheduling" you may think more along the lines of maintaining a calendar and scheduling certain events at certain times/days. While there is a time-sensitive aspect to what a gas scheduler does, it really is more complex than that. Gas scheduling is the task of coordinating with a natural gas pipeline's customers, interconnected facilities and other internal departments to facilitate customers' day-to-day business of transporting and/or storing natural gas on a pipeline system, taking into account:

- The contractual rights a customer has on the transportation or storage contracts they have purchased from a pipeline.
- The rules specified in that pipeline's Tariff that both the pipeline and the customers must follow.
- The regulatory requirements of the Federal Energy Regulatory Commission (FERC) that governs all interstate natural gas pipelines.
- Compliance with the North America Energy Standards Board (NAESB) standards covering transacting business on interstate natural gas pipelines.
- The physical limitations of moving natural gas through a pipeline.
- Market forces that impact the regional prices of natural gas, and therefore the transportation trends across a pipeline system.

A pipeline's Tariff is an open contract with customers who wish to do business on that pipeline. It publicly outlines the services provided, rates and fees, terms and conditions of service and all of the rules the pipeline and the customers must follow.

What is a Tariff?

The Natural Gas Act was passed in the U.S. in 1938. Under this legislation, both local distribution companies (LDCs, otherwise known as your local gas utility) and pipeline companies were considered to be utilities because the production, processing, transportation, distribution and end-user sales of natural gas was a bundled service at that time. In exchange for being granted exclusive territory, they had to act "in the public interest" and had to prove that the rates they charged were "just and reasonable" by filing those rates with government regulators for approval. This led to the creation of pipeline Tariffs. Some details of note:

- All interstate natural gas pipelines are regulated by the Federal Energy Regulatory Commission (FERC).
- Interstate pipeline companies provide different levels of service including firm and interruptible transportation and storage.
- Interstate pipeline companies must file a tariff of rates and services with FERC and the rates must be “just and reasonable.”
- Pipelines must post their tariff and all related information on their website.

> Deregulation later “unbundled” pipeline services, and separated the transportation function out and required interstate pipelines to only perform transportation and related services, and they could not produce or sell natural gas to end-users.

A modern interstate pipeline tariff covers only the services the transportation and related services that pipelines are allowed to offer. Most modern tariffs include the following sections:

1. Overview - General info, table of contents, contact info, etc..
2. Statement of Rates - Covers rates for all listed services, including fuel rates

3. Rate Schedules - Specific terms and conditions that are specific to each listed service offered by the pipeline
4. General Terms and Conditions - Terms and conditions that apply to all services and outlines the pipeline's general procedures for doing business.
5. Form of Service Agreements - The actual text of the contract for each service that both the pipelines and customers will agree to
6. Other - Other supplemental information like diagrams, a list of contracts that don't exactly conform to specific tariff terms to which both parties agree.