

**Pre-determined Allocation
Redline
TECHNICAL IMPLEMENTATION OF BUSINESS PROCESS
Proposed modifications to Version 1.2**

Natural Gas is allocated among producers, operators, transporters, shippers, and others after gas flows, using various methodologies to allocate actual quantities. In order to manage the impact of actual quantities variance from scheduled quantities; the specification of the method to be used in allocating actual quantities prior to gas flow is imperative. A Pre-determined Allocation methodology (PDA) document will be utilized to accomplish this goal, by securing agreement of the allocating and the allocated parties as to the method to be used for computing the allocation, i.e. relating scheduled quantities to actual physical flow. The implementation of an agreed-upon PDA clarifies all parties' expectations and responsibilities prior to gas flow.

The PDA document can be provided by the shipper, producer, operator or their agent, for their appropriate allocation level, to the Transportation Service Provider (the pipeline) prior to the flow of gas. The PDA is due after or during confirmation and before the start of the gas day. Often, the PDA is submitted at the same time as the nomination. In some cases, the nomination may change independent of the PDA and the PDA is sent separate from the nomination. The PDA method and values sent to the service provider instructions stand until changed, in spite of changes to the nomination.

The **statement type code** is a mandatory data element that identifies the level and type of allocation. It is used to identify the set of data elements (template) needed to communicate valid PDA instructions to the TSP. If all elements for a given statement type code (template) are not submitted at the same time, the PDA is not valid and will not be accepted; the measured volumes will be allocated using the prorata default methodology

~~The PDA document tells the pipeline not only what allocation method is chosen, but also communicates any parameters needed with the allocation method. For example, the PDA might specify that the allocation method is "ranked" and that the rank level is '80.'~~

~~When the **allocation method** is Ranked, Swing or Percentage, the additional parameters (the **allocation rank level**) may be needed in order to create a valid PDA. If all elements are not submitted at the same time, the PDA is not valid and will not be accepted; the measured volumes will be allocated using the prorata default methodology. When allowed, the **Allocation rank indicator** can be used, if agreed upon by both parties, to set up different methodologies to handle over- or under-production situations. **Limit value** can be used, if allowed by the transportation service provider, to limit the variance volume applied to a transaction~~

One of the mandatory data elements contained in the template for all statement type codes is the **allocation method**. The allocation method types are Prorata, Ranked, Swing and Percentage. The beginning flow date/time and ending flow date/time are also required and cannot reflect a time period shorter than the time periods for the corresponding nomination records.

Some statement type codes support the use of Allocation Rank Level, Allocation Rank Indicator, and / or Limit Value. When the Allocation Method is 'ranked', the Allocation Rank Level specifies the relative allocation priority. When the Allocation Method is 'percentage' the Allocation Rank Level specifies the percentage to be allocated. If agreed upon by both parties, the **Allocation rank indicator** can be used, if agreed upon by both parties, to set up different methodologies to handle over- or under-production flow situations. For example, the PDA might specify that the allocation method is "ranked" and that the rank level is '80.'~~When the **allocation method** is Ranked, Swing or Percentage, the additional parameters (the **allocation rank level**) may be needed in order to create a valid PDA. If all elements are not submitted at the same time, the~~

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Allocation method, allocation rank level, allocation rank indicator and limit value are all applicable regardless of the level of allocations supported by the transportation service provider (i.e. single-level or multi-level). For a single-level allocation, the PDA statement is submitted by the meter operator or his agent and reflects the allocation instructions for the total measured volume down to the service requester level. For multi-level allocations, each party submits the allocation instructions for only their business transactions; the operator is the only party who will submit a PDA for the total measured volume, but it will be at a summarized level, rather than down to a detailed service requester level.

**Pre-determined Allocation
with changes made ****
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** provided without redline for ease in reading