Pre-determined Allocation
Redline
TECHNICAL IMPLEMEMENTATION OF BUSINESS PROCESS
Proposed modifications to Version 1.3

Natural ~~G~~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 varying ~~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~~ may 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~~ allocating party 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 independently of the PDA and the PDA is sent separately from the nomination. The PDA ~~method and values sent to the Transportation Service Provider~~ instructions stand until changed, in spite of changes to the nomination.

The **PDA 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 allocating party. The allocating party determines one or more PDA statement type codes that it will accept from the PDA submitter. If all elements for a given PDA 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 Pro Rata default methodology, as defined below.

One of the mandatory data elements contained in the template for all PDA statement type codes is the **allocation method.** The list of allocation methodology types from which two parties may agree is Ranked, Pro Rata, Percentage, Swing and Operator Provided Value. The definitions are as follows:

- Ranked: The quantity to be allocated utilizing this methodology is allocated by taking the individual line item transactions which are allocated based on ranks identified for the transaction(s), with the transaction(s) with the lowest rank value allocated before the next sequentially higher ranked transaction(s).

- Pro Rata: The total quantity to be allocated is multiplied by the ratio established by taking each individual scheduled line item and dividing it by the total of all scheduled line items applicable to the quantity to be allocated.

- Percentage: The allocation is derived by taking the total quantity to be allocated at a location and multiplying it by the percentage(s) provided. When percentage is the only methodology provided the percentages should total 100.

- Swing: One or more of the scheduled line items, or alternatively a separate contract, is designated as the "swing". All other scheduled line items are allocated the scheduled quantity. The line item(s) identified as "swing" are allocated the remaining difference between total quantity to be allocated and quantities allocated to non-swing line items, in accordance with instructions provided with the PDA. If the swing line items(s)/contract(s)are not permitted to be

allocated a quantity which would result in a negative number, the negative quantity is allocated to the remaining scheduled line items.

- Operator Provided Value: A mutually agreed upon allocation methodology that indicates that the operator will provide a quantity for the subject transaction(s) for use in the allocation.

~~The PDA document tells the Transportation Service Provider 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, Percentage or Operator Provided Value, the additional parameters (such as **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 Pro Rata 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.~~

The **beginning flow date**~~/~~ **,beginning flow time**, ~~and~~ **ending flow date**~~/~~ and **ending flow time** are required and cannot reflect a time period shorter than the time periods for the corresponding nomination records.

Some PDA 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~~ may 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 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.~~ Limit value ~~can~~ may be used, if allowed by the ~~Transportation Service Provider~~ allocating party, to limit the variance ~~volume~~ quantity applied to a transaction.

~~The beginning flow date/time and ending flow date/time are required and cannot reflect a time period shorter than the time periods for the corresponding nomination records.~~

~~**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 level.~~

The following grid shows the data elements and their usage for the various PDA statement types. The usage codes are:

M – Mandatory

C - Conditional

SO – Sender's Option

BC – Business Conditional

MA – Mutually Agreeable

C1 – Mandatory when present in the nomination submitted to the allocating party

C2 – Mandatory when the Allocation Method is "Percentage" or "Ranked".

C3 – Business Conditional when the Allocation Method is "Ranked" or "Swing"

C4 – Mandatory when present and processed in the nomination.

C5 – Mandatory when submitted and mutually agreed to in the nomination and Associated Contract is not used for storage balancing.

The data elements that are consistently used for all PDA statement types are:

Location	Data Element	Usage
Header	Contact Person	M
	Preparer ID	M
	Statement Date/Time	M
	Statement Recipient ID	M
Detail	Beginning Flow Date	M
	Beginning Flow Time	M
	Direction of Flow	M
	Ending Flow Date	M
	Ending Flow Time	M
	Location Code	M
	PDA Statement Type Code	M
Sub-Detail	Allocation Method	M
	Allocation Rank Indicator	MA
	Allocation Rank Level	C2
	Limit Value	C3
	PDA Submitter's Tracking ID	M

The data elements that are dependent on the PDA statement type code are located in the Sub-detail:

PDA Statement Type Code	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**
																		see note
Associated Contract													C5	C5	C5	C5	C5	
Bid Transportation Rate													C4	C4	C4	C4	C4	
Delivery Location																	M	
Downstream Contract Identifier						M				M				C1			C1	
Downstream Identifier Code				M		M		M		M		M		M		M	M	
Downstream Package ID														C1			C1	
Package ID													C1	C1	C1	C1	C1	
Receipt Location																	M	
Service Provider's Activity Code													MA	MA	MA	MA	MA	
Service Requester ID	M	M					M	M	M	M	M	M	M	M	M	M	M	
Service Requester Contract		M									M	M	M	M	M	M	M	
Transaction Type Code													M	M	M	M	M	
Upstream Contract Identifier					M				M				C1		C1		C1	
Upstream Identifier Code			M		M		M		M		M		M		M		M	
Upstream Package ID													C1				C1	

Note: No dependent data elements for this PDA Statement Type.

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Provided with changes made for readability
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	Preparer ID		M
	Statement Date/Time		M
	Statement Recipient ID		M
Detail	Beginning Flow Date		M
	Beginning Flow Time		M
	Direction of Flow	M	
	Ending Flow Date	M	
	Ending Flow Time	M	
	Location Code		M
	PDA Statement Type Code	M	
Sub-Detail	Allocation Method	M	
	Allocation Rank Indicator	MA	
	Allocation Rank Level		C2
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Associated Contract													C5	C5	C5	C5	C5	
Bid Transportation Rate													C4	C4	C4	C4	C4	
Delivery Location																	M	
Downstream Contract Identifier						M				M				C1		C1	C1	
Downstream Identifier Code				M		M		M		M		M		M		M	M	
Downstream Package ID														C1			C1	
Package ID													C1	C1	C1	C1	C1	
Receipt Location																	M	
Service Provider's Activity Code													MA	MA	MA	MA	MA	
Service Requester ID	M	M					M	M	M	M	M	M	M	M	M	M	M	
Service Requester Contract		M									M	M	M	M	M	M	M	
Transaction Type Code													M	M	M	M	M	
Upstream Contract Identifier					M				M				C1		C1		C1	
Upstream Identifier Code			M		M		M		M		M		M		M		M	
Upstream Package ID													C1				C1	

Note: No dependent data elements for this PDA Statement Type.