

Comments of
ANR Pipeline Company
and
Colorado Interstate Gas Company
Title Transfer Tracking

ANR Pipeline Company (ANR) and Colorado Interstate Gas Company (CIG) have actively participated in the work undertaken by the Title Transfer Tracking (TTT) task force. However, given the complexity of the proposed TTT services and the related new requirements imposed on Transportation Service Providers (TSPs), ANR and CIG cannot support the proposed TTT solution.

Although the FERC Order No. 587-G indicated that pipelines should not be required to perform TTT, the task force proposal includes a new proposed standard (S1) which would require pipelines to “ensure” TTT is supported at all pooling points. Further, in proposed standard S15, the TTT standards require pipelines to treat all Operational Balancing Agreement (OBA) locations as pool points (upon request). This attempt to expand and modify pooling requirements aside, the widespread availability of OBAs will require pipelines to support TTT at nearly every physical interconnect point. These proposed standards by themselves are not supportable by ANR or CIG.

In addition to the mandated services referenced above, several other issues regarding the proposed TTT standards are troubling.

1. The magnitude of the number of new definitions and standards required to support a function which is not a direct part of gas transportation is nearly overwhelming. The fact that seven new definitions and 17 new standards plus three detail-intensive flow diagrams are required to describe the TTT functions indicates that it is overly complicated. These standards and flow diagrams reference very specific time lines and data transfer sequences which will very likely be difficult to implement and manage in a real-time environment during the four daily nomination cycles.

2. A new data set referred to as “Title Transfer Coordination Nomination” requires information to be transmitted up to 20 minutes after the normal time frame for nomination submissions. A special nomination for TTT with its own unique time line creates a special status for this function which is not justified. It also sets a poor precedent for the handling of future specialized issues such as compressor fuel reimbursement, multi-tiered allocations and cross-contract ranking. This is combined with a requirement to report scheduled TTT quantities 15 minutes prior to other scheduled quantities which further shortens the effective working period for all nomination cycles. TTT standards should not unilaterally affect the status of the very carefully formatted and balanced nomination/confirmation time lines which currently exist.

3. The requirement stated in proposed standard S9 requiring TSPs to accept and incorporate allocation information from Third Party TTT Administrators is problematic. This requirement could change quantities and balances allocated to pipeline shippers after the fact. Because any party can perform TTT functions, this proposal allows unwarranted and improper access to the allocation process.

4. Proposed Standard S2 includes an option to process TTT transactions during the confirmation periods. Even as an option, this process adds an unacceptable level of ambiguity to the TTT function. As TSPs, ANR and CIG are very concerned about the reliability of the confirmation time line. The level of detail and the interactive processes outlined in the TTT proposal for the confirmation process indicate a high probability that such communications will breakdown or fail. Given the requirement to support TTT at all OBA points, one operator choosing to process TTT in the confirmation period will essentially force the interconnected operator to do the same.

Each of these issues contributes to a total package which, as TSPs, ANR and CIG cannot support. These issues should also raise serious concerns for other parties in the gas transactions process regarding the reliability of the current business time lines and the data derived therefrom.

ANR and CIG look forward to the development and implementation of TTT standards which are simple, straight-forward, and are absent the requirement to force unwilling parties to provide services. Unfortunately, we do not believe the current TTT proposal meets these objectives.

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