

TO: GISB Offices

FM: Greg Lander - TransCapacity

RE: Comments on December 18th deadline requests for new standards

DT: Dec. 18, 1996

Please note that there is a separate page of comment for each propose request for standard. When a request was multi-part and we were in favor or opposed to the whole proposal, we state so at the top. If the proposed standard is multi-part and we are partially in favor, partially opposed or desire modification of all or a portion of the recommendation, we so state.

This will be e-mailed to you morning of Dec. 19. I am traveling and able to get you Fax copy for deadline purposes. The electronic version will be to you in the morning. I return to Boston around midnight tonight.

Thank you
Greg Lander

R96006

TCap Recommendation: 1) Change the business practice giving rise to the request as worded.

Associated Capacity Receipt Location and Associated Capacity Delivery Location data elements are not needed by enough people in the industry and complicate the dataset. The business requirement should be eliminated as inconsistent with segmentation of capacity rights. Implicit in this request for standard is the requirement by the pipeline (which requirement creates a restriction upon the shipper) the effect of which is to frustrate or eliminate segmentation of a shipper's capacity rights.

The FERC has said that there should be nothing to prevent a shipper from segmenting their rights. The request states that the shipper must give up MDQ at the primary point when shifting to the secondary point and that the shipper. Implicit in this is that the shipper can only use their MDTQ equal to MDQ. This is contrary to the whole principle of segmentation. In addition, by requiring the shipper to identify the point where their primary rights are being given up, the pipeline is defeating the purpose of secondary rights.

If on the other hand, the pipeline is allowing shippers to designate primary capacity "on the fly" and retain other secondary capacity within their path rights, then, the pipeline can accomplish this business purpose in a much better way and without GISB agreeing to a standard that infringes on segmentability. The "better" way is to use the qualifier proposed in request number R96013.

First Alternative: the "Condition" should be changed to read:

"Used to allow shippers the ability to designate new primary capacity at an alternate location during the nomination process. Does not increase total Primary rights, nor impact secondary and/or path rights. The "Associated Capacity" at the receipt or delivery location is reduced by the nominated quantity upon scheduling of the nominated quantity. The duration of the reduction does not exceed the duration of the nomination."

Second Alternative: Reject request.

Third Alternative: Vote for the 3rd Transaction Type proposed in R96013.

For those wishing to provide an alternative, we propose voting in favor of the third transaction type code requested in R96013 ("extended delivery service"). Extended delivery service was proposed by Tennessee initially.

R96011

As worded these two reduction reasons should be rejected.

As worded, it is not acceptable that a pipeline can reserve to itself what appears to be a wide reaching discretion to “change” a scheduled quantity through an unspecified “correction”.

The introduction of the SO fields, as requested here, will create discretionary catchall which will provide the ability for TSP’s to decide whether to a) “change a scheduled quantity that results from a correction” and to decide to do so in a manner such that it “[and] is made in a manner that scheduled receipts and deliveries **remain in balance**”; or b) “change a scheduled quantity that results from a correction” and to decide to do so in a manner such that it “[and] is made in a manner that scheduled receipts and deliveries **out of balance**”.

What is the “correction”? There is no clue in the condition; nor is there a standard proposed to give any clue. Is this action unilateral by the pipeline? It certainly would appear so given the SO usage qualifier. When do they decide to force balance and when do they decide to not force balance? What can cause a force balance? What can cause the correction which does or does not cause the force balance? And finally, what is the recipient supposed to interpret from this vaguely worded reason?

Alternative: Add eight reduction reasons and create associated codes as follows:

- Receipt cut by upstream operator, delivery cut to balance contract
- Receipt cut by upstream operator, delivery not cut; contract unbalanced
- Receipt cut by TSP, delivery cut to balance contract
- Receipt cut by TSP, delivery not cut; contract unbalanced
- Delivery cut by downstream operator, receipt cut to balance
- Delivery cut by downstream operator, receipt not cut, contract unbalanced
- Delivery cut by TSP, receipt cut to balance
- Delivery cut by TSP, receipt not cut, contract unbalanced

At present, the Reduction Reasons for Scheduled quantities are:

- Pipeline Capacity Constraint
- Contract Balancing
- Credit Issues
- Force Majeure
- Pipeline Maintenance
- Confirmation Response not received
- Confirming party reduction
- Exceeded Contract MDTQ

Exceeded point MDQ
Pipeline curtailment
Gas Quality specifications not met

The eight that we propose as alternatives instead of the instant two are less ambiguous and also reduce the likelihood that we will need to add other reduction reasons in the future.

R96012

This should be rejected. Since when will a pipeline tell an up or downstream interconnected party what the ranks are on its system? In addition, how many shippers want pipelines sharing this with each other and potentially the shipper's counterparties on the interconnected system?

Reject. In addition because it is an "MA", it is not clear that anyone wants to use it or that any shippers want the transportation service providers to use it even if it was accepted.

R96013

Accept the third transaction type (Extended Delivery Service) with the code value ("Extended Delivery Service") as worded, however, modify the wording of the code value description.

The Code Value Description for Extended Delivery Service should be modified to read:

“Service requester seeks to nominate beyond the zone(s) or outside the path(es) of their primary contractual rights”.

With respect to the first two, change wording of the code values slightly. The code values for first two should be modified as follows:

From: Injection with Authorized Overrun

to: Authorized Injection Overrun

From: Withdrawal with Authorized Overrun

to: Authorized Withdrawal Overrun

The Code Value Descriptions are fine the way they are.

The reason for the proposed change is to make it clear that this is the nomination for the overrun. There already is a Transaction type for both injection and withdrawal. The word “with” creates unnecessary ambiguity and should be eliminated.

The existing transaction types are:

- Current business - (default if no value)
- Authorized Overrun
- Imbalance Payback from pipeline
- Imbalance payback to pipeline
- Plant thermal reduction
- injection
- Withdrawal
- Pooling

R96014

This “Deal Type” field needs a better explanation It is not clear why “bid transportation rate” combined with “Package ID” and/or “Service Provider’s Activity Code” combined with “Package ID” cannot accomplish the same business purpose as we see intended by “Deal Type”.

The other problem is that the code is “BC”. In the definition, the deal type is referred to as something the TSP “allows” as opposed to “requires”. Given the “allows” nature of the “Deal Type”, and the fact that therefore it should be “MA” and not “BC”, we believe the underlying business purpose can be accomplished in the following alternative manners.

First Alternative:

If the TSP were to request (MA) that the shipper place the “Deal type” value into the “service provider’s activity code” data element; and also send a separate Package ID for each arrangement that the shipper is requesting (and the TSP is reviewing) we believe that the business result identified by Koch can be accomplished without adding another field to the dataset. This is due to the fact that Koch does not, today, use service providers activity code.

Second Alternative:

The other alternative would be to use “Bid Transportation Rate” combined with Package ID” to accomplish the same result. The present Bid Transportation Rate field is an Alpha -numeric field in the EDI. This second alternative would be available to those pipelines who do employ service providers activity code and would like to provide the service implied by Deal Type to their service offerings.

R96015

Follow the recommendation of the Market Committee and Reject

R96017

We recommend rejecting the request.

This is consistent with the recommendation of the MITF. A new request, which enabled CNG to achieve their desired business result was recommended by MITF, filed by CNG and is awaiting action in the Box "C" group of requests.

R96020

Follow the recommendation of the Market Committee and Reject

R96021

Follow the recommendation of the Market Committee and Reject

R96023

We support R96023 on the condition that R96024 is also passed the problem is you do not need an associated contract (for balancing) in the same nomination line item if you do not have the two quantities, and, are allowed to nominate “out of balance” by sending two quantities. This feature is in production on Columbia now, TransCapacity is using it with customers who like it and do not understand why the industry is going to one quantity. We support this request by Columbia on the condition that the request for the sending of the second quantity is also adopted (R96024)

R96024

We support this request in conjunction with R96023 The explanation of the METF for the rejection is inappropriate. On Columbia and others, the use of an associated balancing contract to and from which to attribute imbalanced nominations, is directly related to a pathing of gas. The explanation used by the METF would apply only to non-pathed nominations as a pathed nomination has both the receipt and delivery points on the same line. **The reasoning of the majority in rejecting the request is flawed** The proposal should be adopted as requested.

R96025

We recommend adopting the request as filed, not as recommended by the Market Committee. The request was to add a transaction type called "Title Transfer". It did not request "Title Transfer Tacking" the controversy is with respect to the tracking of title. Buy/Sell has a bad connotation and in fact is illegal in interstate commerce.

First Alternative: Adopt the request as filed.

We recommend overcoming the resistance of some to the term "title transfer" and adopt the requested Transaction Type "Title Transfer" and be done with it.

R96027

Preliminary Scheduled Quantities - METF recommended that a new code be added to the current scheduled quantities document, at the BCA level which is a level that applies to every thing in the Scheduled Quantity document.

We recommend this request be rejected it is too vague, allows the TSP to send data upon which the shipper cannot rely. It would serve to create a huge loophole in the standards as any TSP could send this at the 4:30 or other deadline, Intra-day, end-of-day etc. and communicate nothing meaningful.

What does it mean to receive a preliminary scheduled quantity. What can you say to your suppliers, or your markets. **This request should be rejected unless we draft standards specifying when this data element can be sent. Just approving it will be a huge mistake.**

R96028

We recommend the following with respect to the Transaction Types requested in R96028:

Amend Code Value

From: No-Notice Balancing

to: “No-Notice Payback”

Explanation: See Code Value Description

No other changes

Amend Code Value

From: Pre-Injection

to: “No-Notice Pre-Injection”

Explanation: See Code Value Description

No other changes

Approve Code Value for Suspense Gas Claim

Reject: Master Balancing Agreement Due TSP

Reason: Not needed, we have already approved “Balancing Contract” (R96023) and that should suffice to tell that there is a balancing contract, This, plus the transaction code of “makeup” (i.e., gas owed to shipper) or “payback” (gas owed to pipeline) should be used in conjunction with one another to eliminate this redundant and ambiguous code value.

Reject: Master Balancing Agreement Due TSR

Reason: Not needed, we have already approved “Balancing Contract” and (R96023) and that should suffice to tell that there is a balancing contract. This, plus the transaction code of “makeup” or “payback” should be used in conjunction with one another to eliminate this redundant and ambiguous code value

Approve Code Value for No-Notice

Amend Usage to: SO

Reason: Although the definition of No-Notice is “no-notice” this may be useful as long as it is SO

Explanation: If not changed to SO, the requested standard should be rejected because adding the Transaction Type of “No-Notice” to the nomination standards with a Mandatory status means that TSPs can honor GISB

standards and turn No-Notice Service into Notice Service.

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Reject: Non-Contiguous Off System

Reason: Should be in the parsing of the code for the point by the TSP not in the system of the requester. Also, the Code Value Description is worded in such a way as it implies that gas will “return” to the mainline. Who and how is the user supposed to know that?

Reject: No-Notice Due Transportation Service Provider Retroactive In-Kind Balancing

Reason: Already have No-Notice Payback, see above

Reject: No-Notice Due Transportation Service Requester Retroactive In-Kind Balancing

Reason: Already have No-Notice Make-up, see above

R96030

Follow the recommendation of the MSTF and reject the Request as written.

Follow the recommendation of the MSTF and adopt a new standard which would state:

“The purpose of the Statement of Account is to report outstanding balances by month.”

R96033

As the company which requested the addition of the quantity qualifier for MCF and the measurement basis qualifier for pressure be added to the Measurement statement dataset we can agree that another whole dataset could be the best implementation. It was our hope that the addition of these two qualifiers would meet the business requirement that producers had expressed to us that they needed these two pieces of information to make severance tax payments without having to map an entire new dataset to get this information. **We will not oppose the implementation suggested by METF.**

R96037

We recommend adopting the recommendation of the MSTF.

R96038

We recommend adoption of the request as recommended by MSTF.

R96040

We believe that the request listed for comment as “R96041” is really the request in the December EC book as Number R96040. These comments apply to determination by the EC on request R96040.

We recommend adopting the recommendation of the METF to change the definition of Contractual Flow Indicator to:

“Indicates the logical direction of flow at a point from the confirmation request originator’s perspective. May be different from physical flow.”

R96043

We believe that the request listed for comment as “R96042” is really the request in the December EC book as Number R96043. These comments apply to determination by the EC on request R96043.

We agree with the recommendation of the METF to not accept the request for new standards and instead to respond to the requester that the existing standards handle two of their three cases and that the third case involves a clarification of “Point overrun” to be inclusive of instances involving either or both of a contract entitlement overrun or a point MDQ overrun.

R96050

We recommend adoption of the request that an additional code i.e., “dekatherm 100 mile” be added to the list of valid codes in the “Quantity Qualifier” data element.

We recommend the rejection of the portion of the request pertaining to the addition of a new data element as the addition of the code to the Quantity Qualifier data element achieves the business result desired by Northern Border (the requesting party).

R96064

We recommend adoption of the request as recommended by the MITIF. enables El Paso to support UPPD for full requirements customers who have no specified MDTQ until they release a portion of their capacity. This data element, associated values and error codes facilitates the process of identifying capacity rights retained at full requirements locations.

R96065

The material supplied for review is too unclear and does not contain the “agreed upon” language. We recommend deferral of this item until the pertinent material is supplied and ample time is given to comment.

Recommendation:Vote to defer.

R96077

If these are the same as the METF 1-6 standards then the following comments apply:

Adopt METF #1 as recommended Recommendation is for elimination of Future Quantity Status. This is consistent with the standardization of the treatment of the duration of nominations and what to do when a portion of a date-range is overwritten and the remainder is not.

Adopt METF #2 as recommended Recommendation is to change the definition of Package ID in the data dictionary and EDI guides and Standards book to confirm to the new standard 1.2.5. "A Package ID is a way to differentiate between discrete business transactions".

Modify METF #3 and adopt as changed below Change the proposed language as follows:

From: "Service Provider is not obligated to edit or validate the Package ID."

to: Service Provider is not obligated to validate the Package ID, may not edit or change the value received from Service Requester, and must return the Package ID as received as applicable in the dataset(s) transmitted to the Service Requester.

Adopt METF #4 as recommended Recommendation is to change language in the Technical Implementation of Business Process section of the EDI Guide.

Modify METF #5. Adopt in part (Part 1 Request for Confirmation). Reject in part (Parts 2 and 3 -- Confirmation Response and Scheduled Quantity)

As proposed, Part 1, Request for Confirmation is fine and is consistent with the standards.

As proposed, Part 2 effectively eliminates Package ID from the documents Sent by the Confirmation Service Provider.

First Alternative Second Request: Oppose/Reject the change to Confirmation Response

Second Alternative Second Request: Modify the description of "Condition" in the "Confirmation Response" as follows:

From: Mandatory when submitted in the Request for Confirmation. This data element is not needed when the Confirmation Requester's Tracking Number is used.

to: Mandatory when submitted in the Request for Confirmation.

Reason: This introduces ambiguity. "Not needed", means what? This "not needed" is decided by who? As soon as the respondent is given the opportunity to determine that it is not needed. The Confirmation Service Requester is in an ambiguous position and must be ready to accept either or both, the return of the Package ID that they sent or the Confirmation Requester's Tracking Number. This is a collateral attack on Package ID. In addition, there is no reason to assume or require that the Confirmation Requester will have a one to one relationship between a Confirmation Request and a Package ID. This requires that the Confirmation Requester build a table on their side to map every outgoing Confirmation Requester's Tracking Number to a specific nomination or Package ID. This is unnecessary meddling in the internal designs of the data systems of parties and especially since the data element exists, is part of the Request for Confirmation and therefore available to the Confirmation Service Provider, should be sent back to the Confirmation Requester by the Confirmation Service Provider in the Confirmation Response. It is only courteous.

As proposed, Part 3 effectively eliminates Package ID from the documents Sent by the Transportation Service Provider to the Shipper in the Scheduled Quantities Document.

First Alternative Third Request: Oppose/Reject the change to Scheduled Quantity Document

Second Alternative Third Request: Modify the description of "Condition" in the "Scheduled Quantity" as follows:

From: Mandatory when submitted in the Request for Confirmation. This data element is not needed when the Confirmation Requester's Tracking Number is used.

to: Mandatory when submitted in the Request for Confirmation.

Reason: This introduces ambiguity. "Not needed", means what? This "not needed" is decided by who? As soon as the respondent is given the opportunity to determine that it is not needed. Then the Service Requester is in an ambiguous position and must be ready to accept either or both, the return of the Package ID that they sent or the

Nominator's Tracking Number. This is a collateral attack on Package ID. In addition, there is no reason to assume or require that the Service Requester will have a one to one relationship between a Nominator's Tracking Number and a Package ID. There is nothing in the standard that says that Nominators Tracking Number is discrete for a transaction, a day a month or a year. This change, if adopted would require that the Service Requester build a table on their side to map every outgoing Nominator's Tracking Number to a specific nomination or Package ID. This is unnecessary meddling in the internal designs of the data systems of parties and especially since the data element exists, is part of the Nomination, the Quick Response, the Request for Confirmation and therefore is not only available to the Confirmation Service Provider, and should be sent back to the Confirmation Requester by the Confirmation Service Provider in the Confirmation Response (see above) but should also be sent by the Transportation Service Provider to the Transportation Service Requester. It is time for the collateral attacks on Package ID to stop. The war is over.