

**Outstanding Items on Request Nos. R98011 and R98012  
Prepared by TransCapacity from BPS Minutes  
With Red-lining to Indicate Conforming Language Changed  
For January 6, 1999 BPS Meeting**

**Proposed Standard [same as 2.3.F in minutes/workpaper of December 10, 1998 ~~November 5 & 12~~]**

**2.3.F** Absent prior mutual agreement among the Confirming Parties and those Service Requester(s) which are not Confirming Parties at the location, ~~being allocated gas for transactions not otherwise identified in the nomination or confirmation process,~~ a Pre-determined Allocation (PDA) may not be used to allocate gas to a transaction that was not identified in the nomination or confirmation process, as applicable. In the event of a conflict between this standard and the Transportation Service Provider's (TSP) existing tariff or general terms and conditions, the latter will prevail.

Where there has been such prior mutual agreement, a Transportation Service Provider, upon receipt of a PDA referencing a transaction not otherwise present in a nomination or confirmation may, but is not required to, generate a nomination (or confirmation) transaction (of zero or null quantity) corresponding to the subject transaction.

**Proposed Standard [same as 2.3.G in minutes/workpaper of November 5 & 12]**

**2.3.G** Excepting cases where the Percentage or Operator Provided Value method of allocation are being employed, in cases where there is sufficient gas to fulfill all scheduled quantities at a location, a PDA should not cause a quantity to be allocated to a party, contract or transaction (as applicable based upon level of allocation) which quantity is less than the corresponding scheduled quantity(ies) for that party, contract or transaction (as applicable based upon level of allocation specified in the PDA).

Likewise, excepting cases where the Percentage or Operator Provided Value method of allocation are being employed, in cases where there is insufficient gas to fulfill all scheduled quantities at a location, a PDA should not cause a quantity to be allocated to a party, contract or transaction (as applicable based upon level of allocation) which quantity is greater than the corresponding scheduled quantity(ies) for that party, contract or transaction (as applicable based upon level of allocation specified in the PDA).

**Proposed Standard [same as 2.3.H in minutes/workpaper of November 5 & 12 except where redlined]**

**2.3.H**

In cases where the Swing, Operator Provided Value or Percentage Allocation Methods are ~~is~~ employed, if a Service Requester is not present at a location for the full period being allocated, the Transportation Service Provider (TSP) should have prior agreement from such Service Requester before the TSP makes any allocations to such Service Requester for that portion of the period the Service Requester was not present at the location. For the purpose of this standard, a TSP may determine that the smallest such portion could be less than a gas day, but in no event should the portion of the period be greater than a gas day.

**Proposed IR implementation Instructions [same text as 2.3.I in minutes/workpaper of November 5 & 12]**

~~2.3.I~~ Where the Allocating Party is performing Monthly Allocations at a location, and a) the Swing Methodology is being employed and a particular Service Requester(s) is/are the swing party(ies) under the PDA, or b) the Rank Methodology is being employed and a particular Service Requester(s) is/are ranked lowest (highest numeric rank) and such Service Requester(s) being "swung on" or ranked lowest have not agreed to be allocated gas for those portions of the monthly flow period during which they had no transaction present at the location, such Service Requester(s) should expect the implementation of GISB Standard 2.3.H to be as follows:

- (i) Where the total monthly quantity exceeds the total of monthly scheduled quantities, the total of all scheduled quantities is subtracted from “total monthly allocable quantity”, (note: each Service Requester is allocated their total Scheduled Quantity at this step). The result of the subtraction is the “total quantity remaining to be allocated”. Then take “total monthly allocable quantity” divided by number of days in month to derive “estimated daily total flow at location”. Then take party being “swung on” and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract swing party’s “daily scheduled quantity” from “estimated daily total flow at location” for each such day, the positive results (if any) from each such subtraction are added together and the total is the “total swing party swing quantity” allocated to the swing party (not to exceed “total quantity remaining to be allocated”) . This “total swing party swing quantity” (for this swing party) is then subtracted from the “total quantity remaining to be allocated”, the result is then allocated to the next swing party in the same manner, or is allocated according to the rank, or prorata methodology whichever is/are in effect until all of the “total quantity remaining to be allocated” is allocated.
  
- (ii) Where the total monthly quantity is less than the total of monthly scheduled quantities, the total of all scheduled quantities is subtracted from “total monthly allocable quantity”, (note: each Service Requester is allocated their total Scheduled Quantity at this step). The result of the subtraction is the “negative quantity remaining to be re-allocated”. Then take “total monthly allocable quantity” divided by number of days in month to derive “estimated daily total flow at location”. Then take party being “swung on” and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract swing party’s daily scheduled quantity from “estimated daily total flow at location” for each such day, the positive results (if any) from each such subtraction are added together and the total is the “total swing party swing quantity” to be re-allocated away from (subtracted from) the swing party’s total scheduled quantity (not to exceed negative quantity remaining to be re-allocated). The absolute value of this “total swing party swing quantity” (for this swing party) is then added to the “negative quantity remaining to be re-allocated”; the result is then allocated away from the next swing party in the same manner, or is re-allocated away from the other parties according to the rank, or prorata methodology whichever is/are in effect until all of the “negative quantities remaining to be re-allocated” are re-allocated.

**Proposed Standard [same as 2.3.J in minutes/workpaper of November 5 &12]**

**2.3.J**

Where the Allocating Party is performing Monthly Allocations, ~~Running Monthly Allocations,~~ or Cumulative Monthly Allocations at a location and Service Requester supplied rankings are employed for allocations purposes, the individual rankings by day should be summed for each nomination line item and the mathematical sum of these ranks for each line item would be employed to identify the relative rankings of these line items for allocations purposes.

**Proposed Standard [same as 2.3.K in minutes/workpaper of November 5 &12]**

**2.3.K**

Where the Allocating Party is performing Monthly Allocations ~~Running Monthly Allocations,~~ or Cumulative Monthly Allocations at a location and Confirming Party supplied rankings are employed for allocations purposes, the individual rankings by day should be summed for each nomination line item and the mathematical sum of these ranks for each line item would be employed to identify the relative rankings of these line items for allocations purposes.

**Proposed Standard [same as 2.3.M.1 in minutes/workpaper of Nov. 5 &12 except for reference to 2.3.D.3]**

**2.3.M.1**

When an Allocating Party is allocating quantities at a location that is not covered by an OBA (but is covered by another arrangement mutually agreed to between the Confirming Parties with respect to allocating simultaneous receipt and delivery transactions), and where both receipt and delivery transactions are scheduled (or otherwise anticipated) to occur between the Confirming Parties, the Confirming Party may send a PDA to the Allocating Party which PDA should first specify, the portion of any underage or overage which is to be allocated to the receipts and deliveries (respectively and from the perspective of the Allocating Party) and, once so allocated by the Allocating Party, then, second which specifies the allocation of receipt gas to receipt transactions and delivery gas to delivery transactions to the respective level of the receipt and delivery confirmations and consistent with GISB Standards [2.3.D.3, and 2.3.E].

### **Proposed Standard [same as 2.3.N.1 in minutes/workpaper of November 5 &12]**

#### **2.3.N.1**

Where an interconnection between Confirming Parties is either covered by an OBA or one of the Confirming Party(ies) is taking all of the quantity variances onto one or more of its contract(s) with the Transportation Service Provider, each Confirming Party should allocate to its respective parties their scheduled quantities.

**Proposed Standard [except for redline to accomodate changes consistent with 2.3.F, same as 2.3.O.1 in minutes/workpaper of Nov. 5 &12 note format was except re-formatted for readability]**

#### **2.3.O.1**

At a location not covered by an OBA, and where a Confirming Party has:

- a) designated a party(ies) other than themselves as the swing party(ies), or,
- b) designated a party(ies) other than themselves as the lowest-ranked (highest numeric rank) party(ies), then
- c) after the timely nominations deadline and prior to initial timely confirmations, such Confirming Party should:
  - (i) provide a PDA to the Allocating Party notifying the Allocating Party as to the existence of such lowest-ranked or swing party,
  - (ii) notify the party(ies) being "swung on" or "lowest-ranked" of such situation, and
  - (iii) include in such notification to such party(ies) information as to:
    - 1) whether such party(ies) are the only swing or lowest-ranked party,
    - 2) the extent (quantity in total) of any limits in effect prior to such party(ies) being allocated "swing" or "lowest-ranked" gas,
    - 3) the extent (quantity in total) of any limits on such party(ies) swing,
    - 4) the total scheduled quantities which are not subject to swing or which are ranked higher (as applicable); and,
- d) the Confirming Party should obtain from such party(ies) their written consent to being so designated as the lowest-ranked or swing party(ies).

When providing the subject PDA to the Allocating Party, a Confirming Party may declare ~~certify~~ to an Allocating Party a) that the Confirming Party has obtained the consent of such party(ies) to be so designated, or, b) that the operation of its existing tariff or general terms and conditions provides for such party(ies) to be so designated. -

Absent such declaration ~~certification~~, such designated party(ies) should also be provided notification, by the Allocating Party, (within their scheduled quantity line items) that they have been so designated by the applicable Confirming Party; and such designated party(ies) should provide the Allocating Party an acknowledgment indicating such designated party(ies)' consent to such situation. Where such consent is not affirmatively acknowledged or otherwise forthcoming, such designated party(ies) should be afforded the opportunity, during the evening nominations cycle, to eliminate their transaction(s) from such location(s). When such designated party(ies) do/does not eliminate its transaction(s) from such locations during the evening nominations cycle, the designated party is deemed to have consented to the allocation methodology during the period of time which

they have not eliminated their nominated transaction(s) from such location(s). In the event such designated party(ies) eliminate their transaction(s) or are otherwise no longer the designated swing or lowest-ranked party(ies), such change would have prospective effect only.

For the purposes of this standard, "notification" by the Allocating Party to those Service Requesters employing GISB EDI/EDM should mean a transmittal to the Service Requester's designated site. For all other Service Requesters, "notification" should mean a posting among the Allocating Party's informational postings. Where an Allocating Party provides a means of affirmatively acknowledging consent, the Allocating Party may determine the means by which Service Requesters convey their acknowledgment of consent to being designated as the lowest-ranked or swing party(ies). Where an Allocating Party relies on the Service Requester either affirmatively eliminating their transaction, or not, there is no requirement on the Allocating Party to establish a means by which a Service Requester would convey its acknowledgment of consent.

**Principle: [New ]**

**2.1.A**

Service Requesters should have an opportunity to assure that to the maximum extent possible gas is allocated to their scheduled transactions consistent with their nomination instructions and, where accepted, their allocation instructions.

**Principle: [New ]**

**2.1.B**

The allocation process should not be used to accomplish business results after the fact that are simultaneously detrimental to one party and advantageous to another party and that would not have occurred in the scheduling process without the consent of the detrimentally affected party(ies). For these purposes, detrimental means that an allocated quantity for a party becomes greater or lesser than their nominated and scheduled quantity at the same time that another party's allocated quantity becomes or is affected in the opposite manner or not at all. The exception to this would be the business results associated with the use of swing methodology and, even here, detriment should be mitigated through notification to (and acquiring the consent of) such swing party(ies) with respect to a) their being swung on and b) the extent of their potential exposure to such swing allocations.

**Principle: [New ]**

**2.1.C**

The same model type employed by Transportation Service Providers in the nominations process should be employed throughout the process of providing flowing gas information.

**Principle: [New ]**

**2.1.D**

When scheduled quantities have been synched up between Confirming Parties, the allocation process should not cause divergences. The intent here is not to cause one Confirming Party to take responsibility for another Confirming Party's business practices nor to have them take responsibility for enforcing another party's following of the GISB standards, but rather to serve a guideline that the allocation process should not cause divergent business results from those obtained in the nominations, confirmations and scheduling process.

**Definition Resubmitted:**

**Proposed Standard**

**2.2.B.1**

Cumulative Monthly Allocation is the term used to describe the process where the Allocating Party performs the allocation process following each gas day, as each day in the month proceeds; and, presents to the applicable party an allocated quantity amount which reflects the netting of overs and unders (relative to scheduled quantities) identified up through the gas day so allocated.