

**Modified 2.3.0.X Workpaper
Business Practices Subcommittee
Prepared by TransCapacity
Dated: January 11, 1999**

Note: The following proposed standards are intended to replace all previous version(s) of 2.3.0.

2.3.0.1 (modified)

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).

2.3.0.2 (new)

At a location not covered by an OBA and where a Confirming Party specifies a pro-rata allocation method in a Pre-determined Allocation (PDA) which, in conjunction with GISB standard number [2.3.M.1], could cause a party(ies) other than itself to receive an allocated quantity(ies) with a value that was negative, the Confirming Party should notify such party(ies) and should obtain from such party(ies) written consent to be allocated a negative quantity(ies).

2.3.0.3 (new, latter part of "old" 2.3.0.1)

When providing the subject PDA to the Allocating Party pursuant to GISB standard numbers [2.3.0.1 and 2.3.0.2], a Confirming Party may declare 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, 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.