Draft 10 of Work Paper Provided by TransCapacity
For January 28, 1999 BPS Meeting
R98011 and R98012

This Draft 10 is intended to replace the Work Paper attached to the BPS Minutes of January 14 and entitled "Standards Language Outstanding For Consideration For Request Nos. R98011 & R98012"

Proposed Deletion of 2.3.5 to be replaced with the following 2.3.P:

At a location not covered by an OBA, t~~T~~he Confirming Party ~~upstream or downstream party providing the point confirmation~~ should submit the P~~p~~re-determined ~~a~~Allocation statement (PDA) to the A~~a~~llocating P~~p~~arty ~~after or~~ during confirmation and with sufficient time remaining before the completion of the confirmation process (as specified by the Allocating Party) to enable the Allocating Party to process such PDA information and inform its Service Requesters (if any) of the allocation process to be applicable to their transaction(s) when the scheduled quantities information is provided by the Allocating Party to such Service Requesters. ~~start of the gas day.~~

2.3.H

In cases where ~~the Swing, Operator Provided Value or Percentage Allocation Methods are employed, if~~ a Service Requester has not nominated one or more transactions ~~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 (or to one or more of such Service Requester's agreement(s) with the subject TSP) ~~-~~for that portion of the period being allocated but during which the Service Requester had not nominated any transactions at the location.~~was not present at the location.~~

2.3.H.1

Where an Allocating Party is performing monthly allocations at a location not covered by an OBA and due to operation of GISB Standard [2.3.H] the Allocating Party identifies the potential that gas may not be allocable to one or more Service Requesters or transactions, as applicable, during an allocation period, the Allocating Party may establish, for allocations purposes, a trespass gas/trespass party category and allocate to such category any excess quantities not allocable to Service Requester(s) or transactions as applicable. Such Allocating Party should establish procedures in its tariff or general terms and conditions under which appropriate party(ies) could claim such trespass gas including in such procedures any provisions for maintaining operational integrity and deterring the circumstance(s) under which a quantity(ies) of trespass gas occur.

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

Where the Allocating Party is performing Monthly Allocations at a location not covered by an OBA and a Service Requester(s) ~~, 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 nomination ~~transaction~~ present at the location, such Service Requester(s) should expect the implementation of GISB Standard 2.3.H to be as follows:

~~(i)~~1 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:

a) Where the Rank or Swing Methodologies are being employed:

Then take a 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.

b) Where Percentage Methodology is being employed:

Then take a party receiving percentage allocation and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract percentage allocated 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 percentage party percentage quantity" allocated to the percentage party (not to exceed "total quantity remaining to be allocated") . This "total percentage party percentage quantity" (for this percentage party) is then subtracted from the "total quantity remaining to be allocated", the result is then allocated to the next percentage party in the same manner, until the "total quantity remaining to be allocated" able to be allocated in this manner is allocated. Quantities which can not be so allocated should be allocated to trespass gas and resolved according to the Allocating Party's tariff or general terms and conditions pertaining to trespass gas.

c) Where the Operator Provided Value Method is being employed:

Then take a party receiving Operator Provided Value (OPV) method allocation and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract OPV allocated 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 OPV party OPV quantity" allocated to the OPV party (not to exceed "total quantity remaining to be allocated") . This "total OPV party OPV quantity" (for this OPV party) is then subtracted from the "total quantity remaining to be allocated", the result is then allocated to the next OPV party in the same manner, until the "total quantity remaining to be allocated" able to be allocated in this manner is allocated. Quantities which can not be so allocated should be allocated to trespass gas and resolved according to the Allocating Party's tariff or general terms and conditions pertaining to trespass gas.

d) Where Pro-rata Methodology is being employed:

Then take a party receiving prorata allocation and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract pro-rata allocated 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 pro-rata party pro-rata quantity" allocated to the pro-rata party (not to exceed "total quantity remaining to be allocated") . This "total pro-rata party pro-rata quantity" (for this pro-rata party) is then subtracted from the "total quantity remaining to be allocated", the result is then allocated to the next pro-rata party in the same manner, until the "total quantity remaining to be allocated" able to be allocated in this manner is allocated. Quantities which can not be so allocated should be allocated to trespass gas and resolved according to the Allocating Party's tariff or general terms and conditions pertaining to trespass gas.

~~(ii)~~2 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".

a) Where the Rank or Swing Methodologies are being employed:

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.

b) Where Percentage Methodology is being employed:

Then take a party receiving percentage allocation and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract percentage allocated 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 percentage party percentage quantity" to be re-allocated away from (subtracted from) the percentage party (not to exceed "negative quantity remaining to be re-allocated"). The absolute value of this "total percentage party percentage quantity" (for this percentage party) is then added to the "negative quantity remaining to be re-allocated", the result is then allocated away from the next percentage party in the same manner, until the "negative quantity remaining to be re-allocated" is all re-allocated.

c) Where the Operator Provided Value Method is being employed:

Then take a party receiving Operator Provided Value (OPV) method allocation and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract OPV allocated 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 "negative OPV party OPV quantity" to be re-allocated away from the OPV party (not to exceed "negative quantity remaining to be re-allocated"). The absolute value of this "negative OPV party OPV quantity" (for this OPV party) is then subtracted from the "negative quantity remaining to be re-allocated", the result is then allocated to the next OPV party in the same manner, until the "negative quantity remaining to be re-allocated" is all re-allocated.

d) Where Pro-rata Methodology is being employed:

Then take a party receiving pro-rata allocation and assume they are the only party scheduled at the location for the days they are scheduled at the location. Subtract pro-rata allocated 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 pro-rata party pro-rata quantity" to be re-allocated away from (subtracted from) the pro-rata party (not to exceed "negative quantity remaining to be re-allocated"). The absolute value of this "total pro-rata party pro-rata quantity" (for this pro-rata party) is then added to the "negative quantity remaining to be re-allocated", the result is then allocated away from the next pro-rata party in the same manner, until the "negative quantity remaining to be re-allocated" is all 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, 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 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.

2.3.M.1 [modified language - same intent]

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 in total to the receipt transactions and in total to the delivery transactions (respectively and from the perspective of the Allocating Party). Such PDA should also specify within the category of receipt transactions the allocation of receipt gas as well as within delivery transactions the allocation of delivery gas which allocations are 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.

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 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 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) for one or more transactions with a value that was negative, the Confirming Party should notify such party(ies) and should obtain from such party(ies) consent to be allocated such negative quantity(ies). Absent a situation which could cause such party(ies) to be allocated a negative quantity, neither notification nor obtaining such party(ies)' consent is necessary.

2.3.O.3 [New]

At a location not covered by an OBA and where a Confirming Party specifies to the Allocating Party the Percentage allocation method in a Pre-determined Allocation, the Confirming Party should notify its party(ies) of such allocation method, their respective percentage of total flow, and the estimated total flow to which the percentage applies; and the Confirming Party should obtain from such party(ies) evidence that such party(ies)' counter-party(ies) (i.e., the Service Requester(s) with respect to the Allocating Party) consent to be allocated such Percentage quantity(ies).

2.3.O.4 [New]

At a location not covered by an OBA and where a Confirming Party specifies to the Allocating Party an allocation method in a Pre-determined Allocation which includes one or more transactions to which the Operator Provided Value method will apply, the Confirming Party should notify its party(ies) which are subject to such allocation method and should obtain from such party(ies) evidence that their counter-party (i.e., the Service Requester with respect to the Allocating Party) consents to be allocated such Operator Provided Value quantity(ies).

2.3.0.5 [New]

At a location which is not covered by an OBA, a Confirming Party should, when providing a Pre-determined Allocation to an Allocating Party, indicate whether it has: a) received the consent of the Allocating Party's Service Requester (under 2.3.O.1) to be designated as so contemplated, or, b) received indication of such Service Requester's consent (under 2.3.O.2, 2.3.O.3, or 2.3.O.4) respectively.

Such indication may be considered a representation by the Confirming Party and may be relied upon by the Allocating Party as evidencing the consent of the Allocating Party's Service Requester(s).

2.3.O.6 [New]

When providing a scheduled quantity to a Service Requester with respect to a transaction originating or terminating (or both) at a location which is not covered by an OBA, the Allocating Party should indicate with respect to each such transaction whether:

a) the Operator Provided Value Method applies, and if so, which Operator will provide such value and whether such Operator indicated the Service Requester's consent to such method;
b) the Percentage Allocation Method applies, and if so, which Operator has designated the percentage and whether such Operator indicated the Service Requester's consent to such method;
c) the Swing Method applies and if so, the Operator making such designation, whether they (or their transaction) are designated a swing party (or swing transaction) and whether such Operator indicated the Service Requester's consent to such method;

d) the Rank Method applies and if so, the Operator making such designation, whether they (or their transaction) are designated the lowest ranked, i.e., highest numeric ranked, party (or lowest ranked transaction) and whether such Operator indicated the Service Requester's consent to such method; or,

e) whether the Pro-rata Allocation Method applies, and if so, the Operator making such designation and whether such Operator indicated the Service Requester's consent to such method (only applicable in the event such method may result in the Service Requester being allocated a negative quantity).

Such indication by the Allocating Party to the Service Requester should be considered by the Service Requester as notification that the quantities allocated to their transaction(s) may differ from the quantities which may be scheduled. An Allocating Party may provide a Service Requester the opportunity to affirmatively acknowledge (i.e., consent) that they (or their transaction(s)) have been so designated.

Where such consent is not: a) solicited, b) affirmatively acknowledged; or, c) otherwise forthcoming, such Service Requester should be afforded the opportunity, during the evening nominations cycle, to eliminate their transaction(s) from such location(s). To eliminate its transaction, the Service Requester should send the same transaction (including beginning and ending date/time values) with a quantity of zero. When such Service Requester does not eliminate its transaction(s) from such locations during the evening nominations cycle, the Service Requester 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). 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.