



File: WMG-31

April 21, 1997

Ms. Rae McQuade  
Executive Director  
Gas Industry Standards Board  
1100 Louisiana, Suite 4925  
Houston, TX 77002

Dear Rae:

Please accept the following points as CIG's position on intra-day nominations issues for discussion at the upcoming task force meeting:

1. A common intra-day processing schedule will enhance the efficiency of the intra-day nomination process and the probability that such nominations will be confirmed.
  - (a) Initially, one "late" nomination (for changes prior to gas flow) and one "intra-day" nomination (for changes after gas flow has commenced) should be established.
  - (b) When using an established intra-day nomination schedule, a common confirmation time line can be established.
  - (c) To facilitate scheduling, four hours after the nomination deadline should be used as the time that the gas flow for the nomination will begin (increase or decrease).
2. Procedures applicable to intra-day nominations.
  - (a) The intra-day nomination schedule should permit application of Tariff scheduling priorities when processing nominations.
  - (b) All parties should apply the concept that intra-day nomination decreases are limited by the amount of gas which has flowed between the beginning of the gas day and the effective gas flow change time.
  - (c) If no communication is made during the intra-day confirmation process, the intra-day nomination is rejected and the last approved scheduled quantity remains in effect.
  - (d) The requirement to support bumping for intra-day nominations should be avoided.
    - i. Bumping creates uncertainty regarding scheduled volumes.
    - ii. Providing "reasonable notice" to the party being bumped is a confusion factor.

**Colorado Interstate Gas Company**

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- iii. Bumping for a single higher priority contract could affect several lower priority contracts.
  - iv. Calculating the quantity to be cut among "bumped" contracts may be accomplished differently by various operators.
  - v. Bumping may cause a "ripple" effect on nominations across several operating systems.
3. Future actions.
- (a) Once we have some experience, additional intra-day periods could be adopted.
  - (b) While a single late and intra-day nomination seems appropriate for the initial standard, CIG would support the nominations time line offered by ANR.

Please let me know if you have questions.

Sincerely,

  
William M. Griffith, Manager  
Volume Management/Transmission

WMG:ca