

**Cross Contract Ranking Subcommittee
November 16, 1998
Final Minutes**

Sylvia Munson welcomed everyone to the meeting and thanked Gray Schmidt and Rena Parker, Questar, for hosting the meeting at their offices in Salt Lake City, Utah. Donna Scott read the Antitrust statement, roll call of the attendees was taken and the agenda was adopted. Attached is the sign-in sheet.

Five work papers were submitted on cross contract ranking for the subcommittee to review. Sylvia Munson recommended that the presentations of the work papers be given in alphabetical order per company ANR, CIG, Dynegy, Koch and Tennessee. The objective of this meeting is to determine the scope of cross contract ranking. Randy Young recommended that basic definitions be established as guidelines to help in the discussion of cross contract ranking. Sylvia Munson recommended that presentations be given first, then definitions could be established where necessary.

Dennis LaTour presented ANR's work paper on cross contract ranking. ANR is a pathed pipeline which uses FT, Secondary FT, IT for capacity scheduling. A concern is that cross contract ranking should not go through to the allocation process. ANR does daily allocations.

It was noted that an additional data element may be necessary and that multiple ranks could be complex. A question was posed, "How far does cross contract ranking go through the business processes?" The group should consider if cross contract ranking goes through the scheduling, confirmation, or allocations process. Theresa Hess stated that just because the shipper has more than one contract he may only want to rank two contracts at a location. Mike Hansen noted that multiple nominations under a contract may conflict with the contract rank. There are no standards for how to use the current ranks in the scheduling process. Receipt ranks can be used to rank receipt quantities or delivery quantities, likewise, delivery ranks can be used to rank delivery quantities or receipt quantities at a location. Mike Hansen recommended that the subcommittee specifically identify how to populate and use ranks, receipt or delivery needs to be clear. The question, "When does a transaction get balanced if required by the TSP?", was asked. As not all TSP's require transactions to be in balance, it was recommended that this be left up to the individual TSPs to determine.

Bill Griffith presented CIG's workpaper on cross contract ranking. CIG advocates that cross contract ranking should only apply to firm service. However, they are willing to entertain cross contract ranking within service type. Bill asked the following questions: "Does ranking apply to capacity allocation or just instructions per the shipper when constraints do not exist? What contracts are included, excluded?" The subcommittee will need to decide whether within or across service cross contract ranking should be considered and what cycle does cross contract ranking apply to. It was noted that if a primary route path is used to secure space and through the ranking process the space is given to a lower priority service, rules will need to be established so that the primary route cannot be nominated again to secure additional space.

Mark Scheel presented Dynegy's perspective on cross contract ranking. Dynegy does not believe that cross contract ranking should interfere with the tariff capacity allocation process, but rather, should be used in conjunction with supply shortfalls that occur during the confirmation process.

Randy Young presented Koch's position on cross contract ranking. Koch currently provides within service type cross contract ranking.

Jerry Clark presented Tennessee's work paper on cross contract ranking. It was noted that some TSP's use receipt ranks to identify the delivery location that should be reduced and delivery ranks to identify the receipt location to be reduced.

List of issues identified and captured during the presentations:

1. Which rank is used in scheduling, receipt versus delivery versus upstream versus downstream at a point (depends on source of reduction)? Make consistent across models. (Question 11, Detail)
2. When does the transaction get balanced (if done)? DONE
3. Tariff based rules apply on capacity constraints - how and when does ranking come into play? (Philosophical)
4. What happens when shippers cross rank some contracts and not others (what are defaults if no rank supplied)? (Question 7, Detail)
5. Across type of service? Firm only? Primary versus Secondary? (Philosophical)
6. Do we need a new element ? Reconciliation, the how to. This is a detail IR will provide.
7. Do we need to identify groups of contracts for ranking and how long is a group effective? (Question 4, Detail)
8. What happens to capacity rights on intraday cycles when/if ranks cross types of service? (Questions 9 and 10, Philosophical)
9. To which cycles should ranking apply? (Questions 8 and 9, Philosophical)
10. Once gas is scheduled and flowing it stands on its own. What are the effects on bumping? (Questions 8 and 9, Philosophical)
11. Should cross contract ranking be used for market and supply cuts only. (Question 1, Philosophical)
12. Do the models come into play on how we establish cross contract ranking? (Detail)
13. Are (and if so, how are) shipper ranks used when confirmation is at a level of detail lower than shipper level? (Questions 14 and 15, Philosophical)
14. What happens when the operator confirmation conflicts with cross contract ranking when confirmation is at a "detail" level? (Questions 13 and 15, Philosophical)
15. Write instructions defining shipper expectations in cross contract ranking dependent on confirmation level being performed. (Questions 13 and 14, Philosophical)

Scope of Cross Contract Ranking

- Draft standards, and instructions necessary to accommodate cross contract ranking within the Nominations Related Standards.
- Develop a methodology to handle, ranking that will not compromise transportation priorities associated with firm and interruptible contracts.
- Define procedures that provide similar results across all nomination model types.
- Define procedures that do not alter TSPs' existing ordering of confirmation and scheduling processes within the current nomination timeline.

Note: BPS requested that the Cross Contract Ranking Subcommittee determine if BPS should recommend standards related to flowing gas that pertain to cross contract ranking. The Cross Contract Ranking Subcommittee determined that BPS should not recommend standards related to flowing gas until the Subcommittee has concluded its work on cross contract ranking within the Nominations Related Standards.

The Cross Contract Ranking Work Plan was revised as follows:

The target for completion of the standards developed by this task force that relate to Cross Contract Ranking, with a meeting schedule of 8 to 16 hours / month, is April, 1999. The Executive Committee will be asked to consider and vote on the standards prior to being sent to Information Requirements and Technical. The Cross Contract Ranking Task Force will continue to be available to Information Requirements and Technical until their work is complete. At such time, the Executive Committee will be asked to consider their work and vote on their recommendations for implementation. The recommended completion date for the Cross Contract Ranking Task Force is the fourth quarter of 1999.