

**CROSS CONTRACT RANKING TASK FORCE
CONCEPT POINTS AND RECOMMENDATIONS
COLORADO INTERSTATE GAS COMPANY**

Considerations CIG applies when scheduling nominations:

CIG schedules capacity on its pipelines in each nomination cycle. When scheduling, CIG considers the status of active contracts at any points of constraint. CIG frequently schedules two or more constraint points each gas day/cycle. For scheduling, CIG applies Tariff priorities for Primary Firm, Secondary Firm and Interruptible services. Imbalance and Overrun activities are also scheduled separately from other regular, in-balance transactions. Per the Version 1.3 GISB Standards (1.3.2), CIG supports the bumping of interruptible transactions during the Evening and Intra day #1 nomination cycles. Currently, CIG supports scheduling cuts using customer supplied ranks within each contract.

Concept Points

Using cross-contract ranks among various contracts raises several scheduling and administrative issues for both Transportation Service Providers and Service Requesters. Among these are:

1. Identification of what contracts are to be considered within a ranking/scheduling group.
2. Inclusion of both firm and interruptible transactions in a cross contract ranking process will create complications and confusion.
 - a. Interruptible contracts are generally scheduled by rate. Transposing contracts for ranking purposes could create rate/revenue problems.
 - b. Interruptible contracts allowed to flow in the Timely or Evening cycle could be bumped in the later intra day cycles.
 - c. Keeping track of the firm capacity used to support the scheduling of an interruptible transaction could be difficult and/or confusing.
3. Once capacity has been allocated to a shipper, what indication needs to exist to communicate that a lower Tariff priority transaction is being permitted to flow in place of a higher priority transaction.

4. Tracking of the usage of individual contract entitlements (i.e. for scheduling subsequent nomination cycles and for overrun calculations) may become very complicated.

5. Should transactions scheduled to flow because of ranking be protected or should transactions stand on their own merits in each nomination cycle?

6. What changes to the capacity posting requirements may be necessary to clearly represent what transactions are being handled?

Recommendations

As some initial guidelines for developing the cross contract ranking rules, the following concepts are suggested:

A. Shippers wanting to rank across contracts should designate the set of contracts to be grouped for ranking purposes.

i The minimum period for defining a cross contract group should be one Gas Day.

ii Only one cross contract ranking group should be effective for a shipper on any Gas Day.

B. Only firm contracts should be considered for cross contract ranking.

C. Nominations in each cycle should be compared against available capacity. However, once capacity on a contract has been used to flow gas through a constraint, that same capacity will not be available for scheduling in a later cycle.