NGPL Cross Contract Ranking

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Since 1993, cross contract ranking (CCR) on NGPL operated pipes has allowed service requesters to independently prioritize their transportation paths, gas supplies and gas markets across their entire nomination portfolio. Discrete rankings are employed which provide the means to communicate contingency plans for specifying "supply and supply transportation cuts when market is lost" in whole and totally apart from specifying "market and market transportation cuts when supply is lost". For maximum flexibility, these contingencies, when provided, are specific to each location. Further flexibility exists in that the transportation paths (i.e. contracts) are both nominated and ranked separately and apart from the gas supplies and gas markets.

This method of ranking has its basis in the GISB Pathed Non-Threaded nomination model. As this model allows any gas source (be it a purchase, custody or title transfer, storage withdrawal, payback, etc.) at a location to be nominated on its own merit, apart from any associated transportation, this gas source, in its entirety, can also be discretely ranked at that location. The GISB "Upstream Rank" data element is used for this purpose. Of course the same holds true for any gas disposition (be it a sale, custody or title transfer, storage injection, payback, etc.). The GISB "Downstream Rank" data element is used for this purpose.

Similarly, the GISB Pathed Non-Threaded nomination model allows any transportation path to be nominated on its own merit, apart from any associated supply(s) and market(s). This allows the transportation path to also be discretely ranked at its cited locations (i.e. receipt and delivery locations). The GISB data elements "Receipt Rank" and "Delivery Rank" are used for these purposes. Since all nominated activity is ranked in the context of a given location, a transportation path can be thought of as "just another type of gas supply at a delivery location" or "just another type of gas disposition at a receipt location".

The following cases will show how these ranks can be used to communicate, without ambiguity and without violating the integrity of the nominations, a comprehensive "loss of supply" contingency along with a completely independent "loss of market" contingency. These two cases are illustrated using the following Pathed Non-Threaded nomination portfolio (no fuel) for a service requester:

supplier1 @ receipt point 1, q=1000
supplier2 @ receipt point 1, q=1000

contract1 from receipt point 1 to delivery point 1, q=1500
contract2 from receipt point 1 to delivery point 1, q=500

supplier3 @ delivery point 1, q=250

market1 @ delivery point 1, q=1000
market2 @ delivery point 1, q=1250

“Lost Supply” Example”

For a case where supply is lost, this example supposes a loss of q=1000 at receipt point1 and that the desired business outcome is to transport the remaining gas under contract 1 and then prorate the markets. Note that the rankings unambiguously communicate the desired outcome regardless of which supply was lost (even if a portion of both).

To communicate the desired cut order for transportation, the ranks of all gas dispositions at the receipt location are considered together. Since the only dispositions at receipt point 1 are transport contracts 1 & 2, assigning contract 1 the highest priority (receipt rank=1) will ensure it flows first. Note that when the cuts are made, they in effect fulfill the contingency for the receipt location. An imbalance at the delivery location now exists however, and the delivery location contingency (below) must now be implemented.

To communicate the delivery location contingency, which is the desired proration of the markets, the ranks of all gas dispositions at the delivery location are considered together. Since the only dispositions at delivery point 1 are markets 1 & 2, assigning them both an equal priority (downstream rank=1) will ensure proration.

Listed below are the nominations, which now include the ranks needed to communicate the desired outcome, and the new quantities after effectuating the cuts. They are listed in “cut order” to help illustrate the example. Note that only the ranks required to communicate the desired outcome for this example are included.

supplier1 @ receipt point 1, q=1000, supplier1 lost, goes to q=0
supplier2 @ receipt point 1, q=1000

contract2, from receipt point 1 to delivery point 1, q=500, receipt rank=2, cut to q=0
contract1, from receipt point 1 to delivery point 1, q=1500, receipt rank=1, cut to q=1000

supplier3 @ delivery point 1, q=250

market1 @ delivery point 1, q=1000, downstream rank=1, cut to q=556
market2 @ delivery point 1, q=1250, downstream rank=1, cut to q=694

“Lost Market” Example”

For a case where market is lost, this example supposes a loss of q=1250 at delivery point 1 and that the desired outcome is to first cut supplier3 (gas purchased at the delivery point), then prorate the transport contracts, then cut supplier2 (gas purchased at the receipt point).

To communicate the desired cut order of the sources of gas at the delivery location, the ranks of all sources of gas at the delivery point are considered together. Since supplier3 should be cut first, it is assigned the lowest priority (highest numeric value, upstream rank=2). Since the contracts should then be prorated the remainder of the cut, they are assigned an equal priority (delivery rank=1). Note that when the cuts are made, they in effect fulfill the contingency for the delivery location. An imbalance at the receipt location now exists however, and the receipt location contingency (below) must now be implemented.

To communicate the receipt location contingency, which is the desired supply cut order, all gas sources at the receipt point are considered together. Since the only sources are supplier1 and supplier2, ranking supplier2 lower in priority than supplier1 ensures the desired cut.

Listed below are the nominations, which now include the ranks needed to communicate the desired outcome, and the new quantities after effectuating the cuts. They are listed in “cut order” to help illustrate the example. Note that only the ranks required to communicate the desired outcome for this example are included.

market1 @ delivery point 1, q=1000, market1 lost, goes to q=0
market2 @ delivery point 1, q=1250, market2 down, goes to q=1000

supplier3 @ delivery point 1, q=250, upstream rank=2, cut to q=0

contract1, to delivery point 1 from receipt point 1, q=1500, delivery rank=1, cut to q=750
contract2, to delivery point 1 from receipt point 1, q=500, delivery rank=1, cut to q=250

supplier2 @ receipt point 1, q=1000, upstream rank=2, cut to q=0
supplier1 @ receipt point 1, q=1000, upstream rank=1