

**CONFIRMATION TEAM - Team Leader: Donna Scott**  
**August 7, 1997 - Resulting Notes**

**A. Timeline Cleanup Issues (Have we missed anything?)**

The Proposed Compromise Model allows for sufficient time to coordinate transactions across the grid. It should be noted that confirmations that are received at the deadline time that do not agree with the requested volume can cause adjustments in the next confirmation cycle.

**-Holding period for intraday nominations.**

The sync up times for nominations result in somewhat of a holding period for intraday nominations to the extent the transactions cross multiple pipelines.

Do we want to delete or modify standard 1.3.10 "At least one (1) intra-day nomination can be submitted 4 hours prior to gas flow?" Although the "Model" allows for four nomination cycles, the group would like to retain the limitation of the existing standard. It may be feasible to modify the existing standard to read, "At least one (1) intra-day nomination can be submitted for each nomination cycle." The group should discuss at the Intraday meeting on August 12.

**B. Incentive for Timely Nominations**

1. The "Model" has built in incentives for Shippers to nominate on a timely basis where capacity is constrained.
2. Limiting the number of intra-day nominations (example: Standard 1.3.10) will provide additional incentive for Shippers to nominate timely.
3. Requiring Shippers to submit an Intra-day nomination for one day only may provide incentive.

**Sub-Issue: Waivers for timely nominations that are late (i.e. left control of nominating party after 11:30 AM or received by TSP after 11:45 AM). When does this nomination turn into an Untimely Nomination?**

If the TSP can process nominations that are received timely ahead of late nominations where pipeline capacity is available and has processing time to incorporate late nominations within the on time cycle, the TSP should be able to process additional nomination requests. Processing late nominations should not interfere with the processing of the on time nominations. This may only apply to the late nominations that are received within the available windows of opportunity on each TSP's system and do not apply to each nomination cycle per se.

### **C. Confirmation Decision Tree**

**No/incomplete communication**

**Numbers don't match**

**No nomination on one side**

**Lesser of rule considerations**

The operators of the interconnect should determine what type of confirmation method will be used during the Intraday processing. The three types of confirmation processes discussed were the explicit confirmation, confirmation by exception, and auto confirmation. It is recommended that during the Intraday Type 1 process that explicit confirmations or mutually agreed to methodologies be used to determine the scheduled quantities. It appears unlikely that one confirmation process will fit all situations today. The group would like to revisit this after we gain more experience with the current standards and the proposed "Model" if adopted by the industry.

**D. Explicit confirmations and confirmation by exception** - The larger group needs to agree on the definition of each method. The following definitions were discussed during our conference calls.

**Explicit confirmation** implies that communication between the parties takes place. A request to confirm is responded to by a confirmation response. The lesser of rule applies where the volumes do not match, if no response is received the previous scheduled quantity applies.

**Confirmation by exception** means that a request to confirm is sent and if not responded to, the confirmation request becomes the confirmation response.

**Auto confirmation** is when the nominated quantity is automatically confirmed without a confirmation request or response.

**E. Rollover Issue (Can an Untimely Nomination be for more than one day?)** It was mentioned that 587C gave different options on how to implement the date ranges of a nomination. We concluded that an untimely nomination could be accepted as untimely and an on-time nomination for the next on-time cycle if it spanned more than one day without much confusion. However, it would be very difficult for the TSP to try and break out the date ranges of an Intraday Type 1 nomination into the different times for processing. It is recommended that an Intraday Type 1 nomination should be for one day only and an Intraday Type 1 nomination decrease could never be for less than what had already flowed for the gas day. Shippers need to adjust their nominations for the hours of flow that have occurred within the 24 hour period.

### **F. Scheduled Volume Reporting Timeline & Issues**

Topic on agenda for BPS meeting in Boston. Timeline specifies when scheduled volumes will be available.

### **G. Processing Time Issues**

It should be noted that the scheduled quantities are the best available information at the specified time. Quantities are subject to change throughout the processes up until the end of the gas day when final quantities are made available.

## **H. Number of Intradays to be processed per day**

**Is this still an issue?** Yes, needed to provide an incentive for timely nominations.

**If so, determine what limits would be and ramifications on the Grid.** We would like the group to discuss on August 12. Does the limit need to be at a contract, nomination, or legal entity level?

## **I. Batch Processes:**

**How handled?**

**Simultaneous vs. time stamp**

**How does a Continuous TSP interface with a Batch TSP?**

We felt that this was out of scope and deals with the character of service that a TSP and their customers should define. Most individuals believe that with the proposed "Model" that sync up times would move the industry towards batch processing, but we need time to adjust to the "Model" before we can answer these questions.