



# Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925

HOUSTON, TEXAS, 77002

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February 5, 1998

**TO:** Executive Committee  
**FROM:** Rae McQuade, Executive Director  
**RE:** Supplemental Materials for the Executive Committee Meeting on February 12, 1998

Attached please find supplemental materials for the upcoming Executive Committee meeting:

1. Transmittal paragraph for inclusion in the FERC March 31 GISB filing
2. Texaco's reply to Salt River Project's reply regarding the "lesser of rule" proposed by Texaco
3. Comments from Amoco regarding the Intraday standards
4. Triage minutes for R97126 to R97128 and R98001 to R98003
5. New request R98003
6. Comments received by end of business February 5 on proposed standards and interpretations:
  - Williston Basin
  - Altra Energy Technologies
  - Williams Gas Pipelines



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HOME PAGE www.gisb.org

January 13, 1998

TO: GISB Executive Committee Team -- Mike Novak, Mark Scheel, Rae McQuade, Jerry Hahn, Paul Love, Kelly Daly, Mike Bray, Dennis Holbrook

FROM: Rae McQuade, Gas Industry Standards Board Executive Director

RE: Transmittal Letter

The above team met on January 13 to discuss the insertion to the transmittal letter as described in the Executive Committee minutes of January 8 and 9, 1998. The first draft of language was provided by Mr. Holbrook:

On January 8-9, 1998 the GISB Executive Committee met to consider in excess of thirty proposed standards recommended to it by the GISB Intra-Day Task Force. After lengthy deliberations during this two day session, the Executive committee voted with 21 in favor and two opposed to approve the thirty plus Intra-Day standards included in this submittal, with the understanding that proposed standard 1.3.2 ii, which provided for an effective time of 9:00 a.m. for an Evening Nomination, would be left blank as to the effective time and addressed by the Executive Committee after the FERC issues a final order in Docket No. RM96-1-007.

After discussion and changes offered by Ms. Daly and Mr. Hahn, the language was amended to:

On January 8-9, 1998 the GISB Executive Committee met to consider in excess of thirty proposed standards sent to it by the GISB Intraday Nominations Task Force, which had task force support from only three segments. The initial Executive Committee vote on the body of proposed standards failed with less than 17 affirmative votes, and failed to receive at least two affirmative votes from two of the segments. To pass GISB standards, the Executive Committee must vote with a minimum of 17 affirmative votes including at least two affirmative votes from each segment. With respect to the modified proposed body of standards including the 9:00 a.m. effective flow time for evening cycle intraday nominations, the Executive Committee vote was 19 in favor and 5 opposed. It failed to receive at least two affirmative votes from one of the segments. As a final vote, the Executive Committee voted with 21 in favor and two opposed to approve a modified set of Intraday Nominations standards which is included in this submittal, with the understanding that the effective flow time for the evening nomination in the event of bumping in proposed standard 1.3.2ii, would be left blank, and would be addressed by the Executive Committee after the FERC issues a final order in Docket No. RM96-1-007.

The team is asked to review this language for further changes and to determine if the amendments are correctly specified.

The team discussed the upcoming time table of events:

|                     |   |
|---------------------|---|
| Tuesday, January 13 | Intraday Nomination Standards sent to the Executive Committee members for review for identification of errors, draft minutes sent as supporting documentation |
| Friday, January 16  | Executive Committee member deadline for identification of errors (11:30 a.m. central)   |



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|                       |   |
|-----------------------|---|
| Friday, January 16    | Executive Committee draft minutes and attachments including Intraday Nominations standards posted for public access |
| Thursday, February 12 | Executive Committee meeting - Jacksonville, Fla.  |
| Late February         | Ratification Ballot sent out, (30 day period)   |
| Thursday, March 19    | Executive Committee meeting - Houston   |
| Late March            | Ratification Ballot returned  |
| Tuesday, March 31     | Transmittal Letter sent with standards, associated minutes, transcripts, voting records and logs.                   |

Several courses of action regarding ratification of the Intraday Nominations standards were discussed:

- (1) Send out all intraday standards for ratification including 1.3.2ii. An explanation of the blank time will accompany the ratification ballot.
- (2) Send out all intraday standards for ratification with the exception of 1.3.2ii. Standard 1.3.2ii and possibly complementary standards will be sent out for ratification after the FERC issues the final order on Docket No. RM96-1-007, and the Executive Committee has determined the effective flow time to replace the blank present in 1.3.2ii.
- (3) Delay ratification of the Intraday Nominations standards until the FERC has issued the final order on Docket No. RM96-1-007 and the Executive Committee has determined the effective flow time to replace the blank in 1.3.2ii. At that time the Executive Committee may add complementary standards, depending on the effective flow time chosen.

At its February meeting, the Executive Committee will determine through a procedural vote the course of action to be followed regarding ratification of the Intraday Nominations. Mr. Holbrook will review the bylaws for a determination of if the Executive Committee can modify standards adopted at a previous meeting but not yet ratified, or if the modifications can only take place after ratification. In the second case, if modifications were adopted by the Executive Committee, they would require member ratification.



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DATE: February 3, 1998

TO: Joel Greene

FROM: Jerry Hahn

copy to: **GISB Executive Committee**

**Re: "Lesser of Rule"**

This is responsive to your memo dated January 23, 1998. I hope our letter writing isn't taking on the appearances of a letter-writing contest! My intent, as yours, is to keep the entire E.C. informed as much as possible so we can efficiently bring about resolution of my concern. Thank you for the list of questions and concerns.

The responsibility of GISB, and most specifically the E.C., is to hear concerns, problems and/or needs of the five segments of the industry. It exists to improve the competitiveness of natural gas and requires concessions by each segment at times to achieve the greater objective. My objective is not to "water down," but is to recognize that the "Lesser of Rule" is not a perfect solution. I believe most people who were active in the Intraday TF recognize why something like the Lesser of Rule is necessary. Producer reps understand that a rule is needed, but also recognize the existing rule allows the possibility of "gamesmanship and unbridled discretion" by parties downstream of the well. In other words, all Shippers, Buyers and Sellers could cause a decrease without any agreement from producer/operators that a flow change is reasonable/acceptable/possible. I have trusted that it would not be used in that manner and ask you for similar consideration given the validity of the issue.

You will recall that Bob Wallenhorst continued to seek support for an alternative to the "Lesser of Rule" in the Task Force meetings. At the January 8 and 9 E.C. meetings, he again conveyed the merit of unanimous agreement before flow changes. In other words, if more and clearer communication is what we all want, we should have adopted Bob's alternative language. That did not happen and, therefore, the producing segment's concerns were not addressed. That led to the last vote before I left the meeting which did not muster two affirmative votes from the producing segment.

I agree with your opinion that we need meaningful dialogue on this issue at the next EC meeting. To that end, I offer you the following in reply to questions and assertions in your January 23, 1998 memo to me:

Joel Greene  
February 3, 1998  
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Paragraph 1, pg. 1, assertion (1) the price we pay for gas, etc. . . The volume profile of the production area and the market area have been and will continue to be very different! Producers generally need to produce at steady-state. Our supply responsibilities have traditionally been steady-state (firm) in order to provide maximum reliability of natural gas supply.

Market area (demand) requires flow variability based on consumption characteristics. Of course, consumption is affected by temperature, demographics and other reasons I may not be aware of. The point is that producers have always fed this variable demand with steady-state production. Pipelines and storage provided the “buffer” between the two profiles.

I believe all 5 producer E.C.members recognize the role that Intraday nominations will play in supporting the growth of natural gas demand in N. America. Please remember that the Producer segment originally championed the Intraday Nomination effort which has produced these standards. However, the “Lesser of Rule” as a standard was born in GISB and, therefore, does not reflect past relationships in the industry.

Paragraph 1, pg.1, assertion(3) your proposal creates, etc. . . As stated previously, I trust that all participants will make a good faith effort to communicate with parties so that the use of the “Lesser of Rule” is kept at a minimum. That is the spirit in which the Intraday Nomination recommendations came to the E.C.

Numbered paragraph 1. I ask you to re-read paragraph 2 of my January 19, 1998 letter because it demonstrates my concern. To expand a bit, however, I think the Intraday 2 nomination cycle is where the problem will occur. That is because scheduling and flow changes are done at 9:00 p.m., Central Clock Time, when many points are not currently accessible other than by boat or helicopter. To do so requires much greater risk than during daylight hours.

Intraday 2 cycle was needed by LDC’s and market area end-users, as I recall, for use in nominating gas out of storage. To the extent the Intraday 2 cycle is used that way only, my modification should cause no change in the effect of the “Lesser of Rule.” If, however, Intraday 2 was used for reducing gas at sourcing points in the production area which are not accessible at night, we would have the problem I envision. I am hopeful that the number of occurrences will be relatively small, but the impact is significant when it happens because the operator’s choice is between an imbalance or risking people’s welfare making the physical change.

Numbered paragraph 2. The 80-20 split is an estimate based on a few discussions with people who were willing to offer an educated guess. Most major producers/shippers rely on hubs, pools and other large volume points to manage volume. I believe that ripple-back effects of the Lesser of Rule can be managed at such points, but I do not think this works for all transactions all the

Joel Greene  
February 3, 1998  
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time. GISB simply should not pass standards that, even in a small percent of the time, cause a choice between two unacceptable alternatives. I also feel GISB must represent smaller producers that don't participate in GISB when such considerations are being made by us. Clearly the small producer can find himself at risk through use of the Lesser of Rule since most sales are at the wellhead.

Numbered paragraph 3. Taken to the extreme, 24-hour/day control could mean production sources matching demand exactly and that isn't GISB's objective. There are existing mechanisms to accommodate fluctuating demand without physical wellhead controls. Major producers have been moving to greater control by operation of these alternate means as well as installation of remote controls, as you suggest. My 80-20 estimate reflects that fact. In some instances however, it would not be reasonable or cost-effective to put every source on 24-hour flow control.

Numbered paragraph 4. I must take exception to your first sentence and statement that, a particular shipper transaction . . . cannot usually be traced . . .! They are now and that is the reason GISB is vexed with the title transfer tracking challenge. Sellers of gas, as well as purchasers of gas, find out after the fact that something did not flow or was different than originally agreed upon and, in many cases, this has financial consequences. The objective of the TTT effort is to bring accountability to everyone in the transaction chain. As to your second sentence, I cannot be sure every producer on every TSP will have the ability to take swings at alternate locations as you suggest.

Numbered paragraph 5. The price of natural gas is set at objective-standard market points such as hubs ,pools and Index points around the country. Remote locations receive a lower price relative to their objective-standard point (not higher) which reflects the additional cost to move the gas to such point.

Numbered paragraph 6. As I indicated in the opening paragraph of this memo, the Lesser of Rule gives you ,the enduser, the greatest opportunity for broad and unmonitored discretion over use of the Lesser of Rule. It seems ironic that the end-user representatives on the E.C. are concerned about my motives when other segments of the E.C. aren't exhibiting similar concerns about enduser motives. However, in answer to your question on accountability, I think a point operator finding itself with a Request for Confirmation at an inaccessible point that it had not agreed to could respond verbally to the downstream operator which would echo " no change " up and down the transaction chain. If GISB electronic standards were being used, perhaps an additional code could be added to the "Reduction Reason" data element to signal " no change from scheduled quantity possible". In either case , just as the E.C. responded to enduser desires that led to the new standard 1.3.22.iv, a similar reporting arrangement may be necessary if the E.C. finds it beneficial.

Joel Greene  
February 3, 1998  
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Joel, as you stated during the January E.C. meeting, you come to the E.C. table to discuss your issues and get help from those at the table that may be more knowledgeable on a given issue. I don't pretend to have answers to all questions you may have, but I firmly believe this is a valid concern that the E.C. must consider.

I have an alternative solution to the one cited in my letter to the E.C. dated 1-19-98. Hopefully it will be a help also in our further discussions.

A new standard 1.3.22.v that says " In the event the operator of a gas transaction point or other flow control point that affects flow at a gas transaction point cannot make flow changes called for by action of standard 1.3.22.iii because the operator would have to risk the safety of people to make the requested flow changes, the previously scheduled quantity shall be the new confirmed quantity until such time as the operator is able to safely implement a flow change. The determination of these points shall be made by the parties with operating responsibilities affecting such points."

GEH:jl  
1:29geh1

Subj: Comments on Intraday Standards package for Feb 12  
Date: 98-02-04 13:35:04 EST  
From: thomas\_g\_ehinger@amoco.com  
To: gisb@aol.com

February 4, 1998

To: Rae McQuade  
GISB

Re: Amoco Comments to Clean-up Intraday Package for Feb 12 Mtg

I am asking that my submittal dated January 15 on the same subject with the faxed corrected copy of the intraday timeline be posted for comment and review by the EC in preparation for the Feb 12 meeting. Clearly, there are numerous obvious cleanups in the written language without content revision that need to be discussed. Especially, the timeline graphic is not very pretty nor consistent. When an original request to EC members was made at the last meeting to submit corrections by January 16, I fully expected that we would see an edited version that EC could formally pass for release for ratification. Instead, an undated transcript sanitized version is being circulated. I believe we can do a much better job in documenting the intraday package. This can be handled under agenda item 7.

I look forward to a discussion on this topic at the EC.

Sincerely,

Tom Ehinger  
Amoco

----- Headers -----

Return-Path: <thomas\_g\_ehinger@amoco.com>  
Received: from relay25.mail.aol.com (relay25.mail.aol.com [172.31.109.25]) by air09.mail.aol.com (v38.1) with SMTP; Wed, 04 Feb 1998 13:35:02 1900  
Received: from interlock.amoco.com (texgate.amoco.com [204.149.20.10]) by relay25.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0) with SMTP id NAA03228 for <gisb@aol.com>; Wed, 4 Feb 1998 13:35:01 -0500 (EST)  
From: thomas\_g\_ehinger@amoco.com  
Received: by interlock.amoco.com id AA02981 (InterLock SMTP Gateway 3.0 for gisb@aol.com); Wed, 4 Feb 1998 12:35:00 -0600  
Message-Id: <199802041835.AA02981@interlock.amoco.com>  
Received: by interlock.amoco.com (Protected-side Proxy Mail Agent-3); Wed, 4 Feb 1998 12:35:00 -0600  
Received: by interlock.amoco.com (Protected-side Proxy Mail Agent-2); Wed, 4 Feb 1998 12:35:00 -0600  
Received: by interlock.amoco.com (Protected-side Proxy Mail Agent-1); Wed, 4 Feb 1998 12:35:00 -0600  
X-Openmail-Hops: 1  
Date: Wed, 4 Feb 1998 12:36:42 -0600  
Subject: Comments on Intraday Standards package for Feb 12  
Mime-Version: 1.0

Jan. 8/9, 98  
EC Mtg

Fax: CLSB

TOTAL: 7 pages

Author: Thomas G. Ehinger at hou2,ngg  
Date: 1/16/98 9:31 AM  
Priority: Normal  
TO: gisb@aol.com  
Subject: Amoco Comments on Intraday Package due GISB by Jan. 16

----- Message Contents -----

January 15, 1998

TO: Rae Mcquade  
GISB

RE: Amoco Comments on Intraday Package due GISB by Jan. 16

I am submitting the following corrections, revisions and questions on the recently passed Intraday Standards Package. With these numerous changes ( including comments from others) I propose that the EC review, "purify" and approve again this package at its next meeting on February 12. This also raises a concern as to whether this package is truly ready for a ratification vote or that it will continue to contain the (blank) time for bumping.

Comments to follow: ( See fax copy for location of changes)

1.3.2 i-iv - There should be consistency in all nom cycles in the use of "receipt of" instead of the words "to send or to provide" in order to avoid an interpretation issue later.

1.3.2 ii - The explanation should read: The (blank) appears in this standard because the EC could not reach agreement on 1-9-98 on the applicable effective time of a bump and a later decision will be attempted if the Ferc issues a final order on this policy issue.

1.3.2 v - Why should this explanation be different from "receipt of" in 1.3.2 i?

1.3.20 - Add in parenthesis (Replaces existing standard)

1.3.22 iv - Omission. Add "the" to upstream and downstream in (3) & (5). Delete the second "that" in (4). Use abbreviation for transportation service provider throughout -TSP.

1.2.d - Correct (the CBE confirmation party) and "The CBE party" to "the CBE confirming party".

1.2.e - Omission. Add "The" to the beginning of sentence.

1.3.a - Insert "scheduled" before transactions. I assume that we are silent on bumping that affects scheduled transactions on a single TSP.

1.3.b - Should not use "EC" here as it already has a different meaning.

1.3.c - Add " on a gas day. (Central Clock Time)" to the end of sentence.

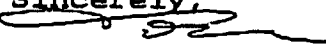
1.3.d - Rewrite: It is understood that a TSP that is exceeding the standards by accepting continuous nominations is not required to hold capacity for grid wide nominations or until the next nomination cycle. ( I would propose this as a principle instead.)

1.3.e - In order for this standard to work, the TSP must identify upfront what practice it has chosen. This does not satisfy a grid wide consistency application. I suggest this needs more clarification.

Model Drawing - There is a lot of clean up necessary to make the model consistent with the standards. The heading needs a rewrite. The timeline should be calibrated properly and labelled consistently. There are word changes as well. (See my fax copy)

I await a response to these comments.

Sincerely,

  
Tom Ehinger  
Amoco

Attachments: 5 pages

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Tom Ehinger

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The following principles, definitions, standards and model (with a modification to the model to specify a blank time replacing the 9:00 a.m. effective flow time for the evening nominations where bumping occurs) were adopted by the Executive Committee on January 8 and 9, 1998. These adopted standards will be communicated to the Commission with a transmittal letter on March 31, 1998 assuming that they are ratified by the GISB membership. A team has been drafted to prepare the transmittal letter, with instructions on the letter noted in the January 8 and January 9, 1998 minutes. The standards were adopted by the Executive Committee with twenty-one votes in favor and two votes opposed.

NEW PROPOSED PRINCIPLES

- 1.1.a During the confirmation process, the Confirmation Requester and the Confirming Party compare information for the purpose of confirming nominations at a location.
- 1.1.b The stated intraday nomination opportunities represent times at which a Service Requester should be supported by TSPs and all confirming parties for synchronization across the North American pipeline network (GRID).
- 1.1.e TSPs that permit at least 3 grid-wide intraday nomination opportunities should provide that no grid wide bumping should occur at the final grid wide intraday nomination opportunity of the gas day. In the GISB Intraday Nomination Model, the final grid wide Intraday nomination opportunity is the 5 p.m. nomination (Intraday 2 Nomination).

PROPOSED ADDITIONS, MODIFICATIONS AND DELETIONS TO THE CURRENT STANDARDS

- 1.2.7 [Delete]
- 1.3.2 (Replaces existing standard)  
All TSPs should support the following standard nomination cycles:
- 1.3.2.i ~~The Timely Nomination Cycle: 11:30 am for nominations leaving control of the nominating party; 11:45 am for receipt of nominations by the transporter; noon to send Quick Response; 3:30 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 pm for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).~~
- 1.3.2.ii The Evening Nomination cycle: 6:00 pm for nominations leaving control of the nominating party; 6:15 pm for receipt of nominations by the transporter; 6:30 pm to send Quick Response; 9:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm for TSP to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow). Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject TSP to receive notice that it is being bumped should be effective at 9 a.m. on gas day; and when an evening nomination causes another Service Requester on the subject TSP to receive notice that it is being bumped, the scheduled quantities should be effective at [ ] on gas day.  
Explanatory Comments: The blank effective time would be specified by GISB once the final order on RM96-1-007 is issued.
- 1.3.2.iii ~~The Intraday 1 Nomination cycle: 10:00 am for nominations leaving control of the nominating party; 10:15 am for receipt of nominations by the transporter; 10:30 am to send Quick Response; 1:00 pm for receipt of completed confirmations by transporter~~

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Prepared January 8 and 9, 1998  
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from upstream and downstream connected parties; 2:00 pm for TSP to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5 pm on gas day.

1.3.2.iv

The Intraday 2 Nomination cycle: 5:00 pm for nominations leaving control of the nominating party; 5:15 pm for receipt of nominations by the transporter; 5:30 pm to send Quick Response; 8:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 pm for TSP to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day). Scheduled quantities resulting from Intraday 2 nominations should be effective at 9 pm. on gas day.

Bumping is not allowed during the Intraday 2 Nomination cycle.

1.3.2v

For purposes of 1.3.2 ii, iii, and iv, "provide" shall mean for transmittal pursuant to standards 1.4x, receipt at the designated site and for purposes of other forms of transmittal, it shall mean send or post.

1.3.10

[Delete]

1.3.12

[Delete]

1.3.20

(replaces existing standard)

The receiver of a nomination initiates the confirmation process. The party that would receive a Request For Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.

1.3.22

1.3.22i

(replaces existing standard)

With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

1.3.22ii

With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the previously scheduled quantity should be the new confirmed quantity.

1.3.22.iii

With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a request for confirmation or an unsolicited confirmation response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

1.3.22.iv

With respect to 1.3.22 i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the TSP should provide the Service Requester with the following information to explain why the nomination failed, as applicable:

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SR TSP

- (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
  - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
  - (3) the Service Requester is told by its Transportation Service Provider that *the* upstream Service Requester did not have the gas or submit the nomination; \*
  - (4) the Service Requester is told by its Transportation Service Provider that ~~that~~ the downstream confirming party did not conduct the confirmation; \*
  - (5) the Service Requester is told by its Transportation Service Provider that *the* downstream Service Requester did not have the market or submit the nomination. \*
- This information should be imparted to the Service Requester on the Scheduled Quantity document.

1.3.32

(replaces existing standard)  
 For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations (line items as per GISB Standards 1.2.1) which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles. TSPs may (for an interim period expiring on April 1, 1999) limit service requesters to one transmittal of nominations per standard Intraday nomination cycle, (excluding corrections of errors identified in the Quick Response).

NEW PROPOSED STANDARDS

- 1.2.a A Confirmation Requester is a Service Provider (including a Point Operator) which is seeking to confirm a quantity of gas via the information outlined in GISB Standard 1.4.3 with another Service Provider (the Confirming Party) with respect to a nomination at a location.
- 1.2.b A Confirming Party is a Service Provider (including a Point Operator) which provides a confirmation for a quantity of gas via the information outlined in GISB Standard 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a nomination at a location.
- 1.2.c The term Confirming Parties refers to the Confirmation Requester and the Confirming Party.
- 1.2.d Confirmation by Exception ("CBE") means that the Confirming Parties agree that one party deem that all requests at a location are confirmed by the other party (the CBE confirmation party) without response communication from that party. The CBE party can take exception to the request by so informing the other party within a mutually agreed upon time frame. \*
- 1.2.e *The* Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. \*

Explanatory Text (not part of the standard, rather part of the technical implementation of business process)  
 The following statements are partial examples demonstrating the intent of this proposed standard. More detailed examples are needed for inclusion in the GISB implementation guides. Example: A nomination starting at 9 a.m. and changing at 5 p.m. could not be

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Tom Ehinger

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reduced below 8/24ths; A nomination starting at 5 p.m. and changing at 9 p.m. could not be reduced below 4/16ths.

1.3.a Bumping that affects <sup>scheduled</sup> transactions on multiple TSPs should occur at grid-wide synchronization times only. \*

1.3.b The Explicit Confirmation ("EC") process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology. \*

1.3.c The daily grid-wide synchronization times for scheduled flow are 9 a.m., 5 p.m., and 9 p.m. ~~in a gas day.~~ (Central clock time) \*

1.3.d It is understood that a TSP exceeding the standard nomination <sup>s with continuous</sup> timelines is not required to hold capacity for grid wide nominations until ~~the next~~ <sup>or the next</sup> nomination cycle. \*

1.3.e TSPs should determine the applicable nomination processing cycle based upon the receipt time and beginning effective day of the nomination. Where TSPs support the processing of beginning effective time, the TSP should also use the beginning effective date and time in determining the applicable nomination processing cycle in lieu of using the nomination's receipt date and time to determine the processing cycle.

1.3.f When a previously confirmed and scheduled quantity is altered, notification of such alteration should be provided to all of the parties below that are affected: 1) Confirmation Requester in a Confirmation Response (or unsolicited Confirmation Response as applicable) document by the Confirming Party; 2) Confirming Party in a Request for Confirmation document by the Confirmation Requester; 3) Service Requester(s) in a Scheduled Quantity document by the applicable Confirming Party or Confirmation Requester on whose system the Service Requester(s) nomination(s) were made.

Applicable notification(s) of such alterations should be provided to the affected parties reasonably proximate in time to the time during which the event causing the alteration was acted upon by the Confirmation Requester or Confirming Party, respectively. With respect to the implementation of this process via the 1.4.X standards, Confirming Parties should send the applicable document(s) to the applicable party(ies) no later than the next time they are slated to communicate confirmations or scheduled quantities (as applicable.)

JAN 13, '98 18:31 (ET)

Tom Ehinger

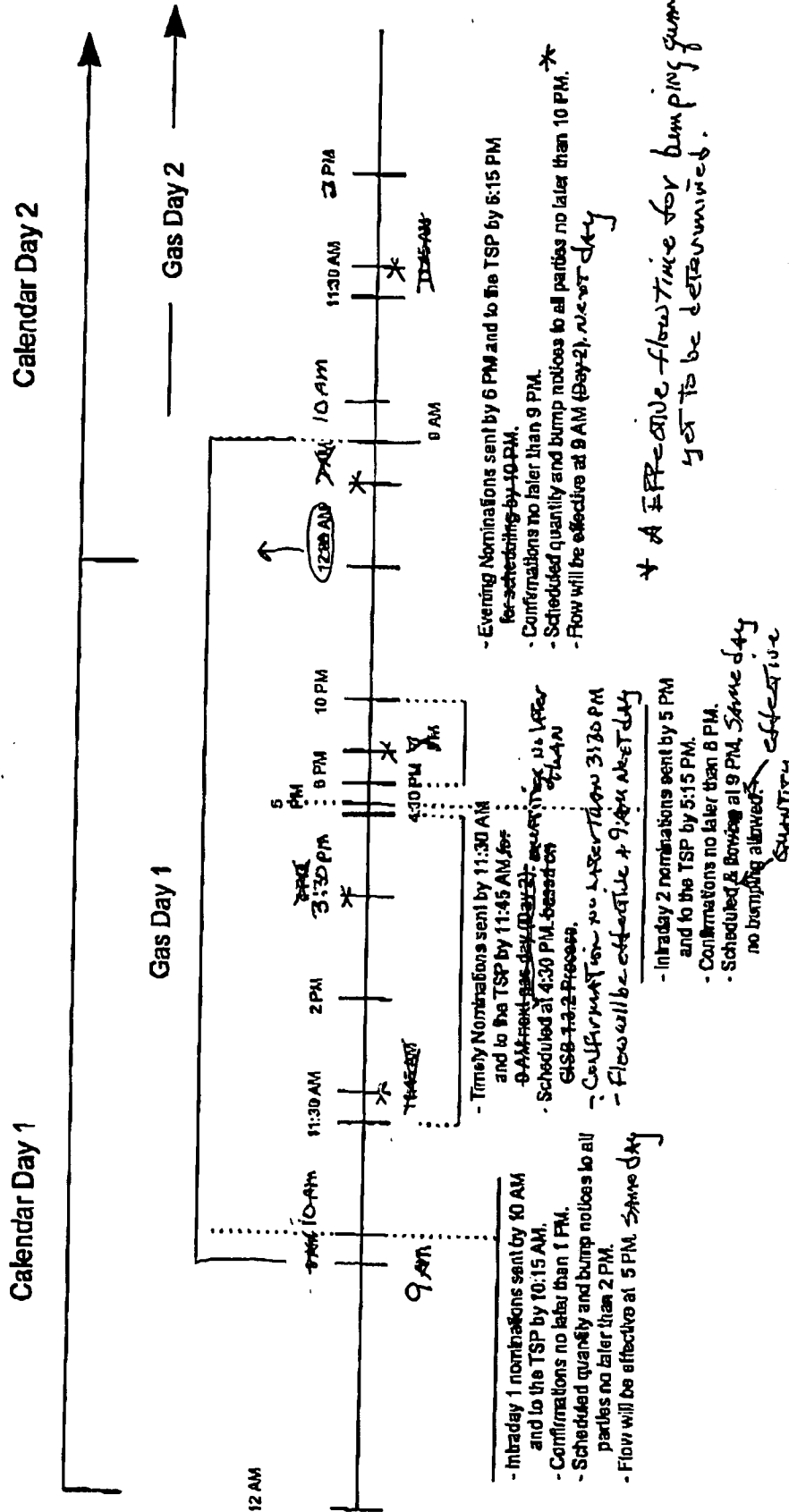
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JAN 13 '98 17:33 FR GISB 713-757-2491 713 757 2491 TO

P.06

# PROPOSED STANDARD 1-1-X Timely Nomination/Intraday Nomination Model

## Intraday Nomination Task Force (All Times Central Clock Time)



The outlined intraday nomination opportunities represent times at which a service requester should be supported by TSP's and all confirming parties for synchronization across the North American pipeline network (GRID-1410E)

The "scheduled quantity and bump notices" means that the response from the TSP is in the Shipper's designated site by the time stated above.



# Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925

HOUSTON, TEXAS, 77002

PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com

February 5, 1998

**TO:** Triage Group -- Greg Lander, Kirt Kleinman, Norm Walker, Bob Wallenhorst, Kristine Mespelli, Posting on the Home Page

**FROM:** Rae McQuade, Executive Director

**RE:** Triage Conference Call -- February 5, 1998

## **I. Administrative**

Greg Lander opened the meeting, welcomed the attendees to the call, gave the antitrust advice, and reviewed the requests to be covered on this call : R97126 to R97128, and R98001 to R98003. The results of the Triage Group determinations are as follows:

## **II. New Requests**

The requests can be found on the GISB Home Page ([www.gisb.org](http://www.gisb.org)) and to reduce duplicative effort ,are not included nor summarized in this document as those requests have not been changed in this meeting.

**R97126** Add an error code and message to "Table A - Internet EDM Standard Error Codes and Messages". An EDM error code is needed for EDI translation errors.

**From:** Columbia Gas Transmission Corp.

**Triage:** Ask the following question of the Future Technology Task Force (FTTF)

**Priority:** As the schedule of the subcommittee permits.

**Discussion:** Mr. Wallenhorst suggested sending the request directly to the IR. Mr. Lander noted that he has been informed that there are several business practice issues specific to the 997 transaction, namely error handling, which is currently addressed on a trading partner by trading partner basis. Error handling could be communicated through an HTTP Response transaction, a Quick Response transaction or a 997 transaction. As such, he would recommend the request be forwarded to the Business Practices Subcommittee (BPS).

Mr. Kleinman observed that the request does not directly address the means of communicating the error code. Mr. Stodola agreed. Mr. Lander noted that the the codes could be established but it may not address the problem without the development of the needed business practice issues and process for communication. Mr. Kleinman and Mr. Walker noted that it could be immediately addressed through IR followed by Technical Subcommittee (TS). The need for the development of process and communication methods could be handled through a separate request.

Ms. Hess, as one of the chairs of the IR noted that the HTTP Response document is not addressed by IR. She recommended that it be addressed through the Future Technology Task Force (FTTF). There was discussion by Ms. Hess with Mr. Lander on where the request should be forwarded. Ms. Hess recommended that the following

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Triage Recommendations to the Executive Committee determined on February 5, 1998

Prepared on February 5, 1998



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---

question be asked of the FTF with directions to appropriate subcommittees (with modifications from Mr. Stodola and Ms. Van Pelt: "Was the HTTP Response intended to be used to return a message that indicates that translation error has occurred?", with changes from Mr. Stodola and Ms. Van Pelt. If the answer is yes, the request should be the responsibility of the FTF; if the answer is no, the request should be the responsibility the TS on how this error code could be communicated.

The Triage Subcommittee voted unanimously to support the above recommendation.

- R97127      Add an error message for locations and entities that indicates "inactive".  
From:            Columbia Gas Transmission Corp.  
Triage:          Information Requirements Subcommittee  
Priority:         As the schedule of the subcommittee permits.  
Discussion:     The Triage Subcommittee voted unanimously to support the above recommendation.
- R97128      Add new service code values to the Invoice. Additional values are needed to identify firm gathering service, interruptible gathering service and gas processing service.  
From:            Columbia Gas Transmission Corp.  
Triage:          Information Requirements Subcommittee  
Priority:         As the schedule of the subcommittee permits.  
Discussion:     Mr. Stodola noted that the suggested codes would be applicable only to the Invoice document. The Triage Subcommittee voted unanimously to support the above recommendation.
- R98001      Modify the usage or condition of Associated Contract in the PDA and Allocation Statement.  
From:            Columbia Gas Transmission Corp.  
Triage:          BPS -- Flowing Gas  
Priority:         As soon as possible.  
Discussion:     The Triage Subcommittee voted unanimously to support the above recommendation.
- R98002      Develop a standard contract for the long and short-term sale of natural gas and EFPs as well as having a rider for long and short-term electrical power and generating capacity.  
From:            American Electric Power  
Triage:          Send to the EC for recommendation on scope determination with no other direction currently specified by Triage Subcommittee.  
Priority:         None specified until the scope determination is made.  
Discussion:     Mr. Wallace explained the request to develop a contract for long and short-term sales of natural gas and EFPs as well as a rider for long and short-term electric power and generating capacity. Mr. Wallenhorst noted that there were two concerns: (1) the portion of the request



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addressing electric power may not be within scope, and (2) the ability to reach consensus on some of the long-term issues may not be possible. Mr. Lander noted assuming it is within scope, it would probably be forwarded to the Contracts Subcommittee.

The Triage Subcommittee voted unanimously to support the above recommendation.

R98003      Provide the ability on the Invoice to accumulate the quantities of gas delivered/received at a point and contract to arrive at a total quantity

From:            Enron Administrative Corp.

Triage:            BPS-Invoicing

Priority:            To be scheduled to be addressed with the invoicing items.

Discussion:      Mr. Lander described the request in the absence of Ms. Scott. The Triage Subcommittee voted unanimously to support the above recommendation.

| <b>III</b> | <b><u>Attendees</u></b> | <b><u>Name</u></b> | <b><u>Company</u></b>     | <b><u>Present</u></b> |
|------------|-------------------------|--------------------|---------------------------|-----------------------|
|            | Triage Members:         | Kirt Kleinman      | Southwest Gas             | ✓                     |
|            |                         | Kristine Mespelli  | New England Power         | ✓                     |
|            |                         | Bob Wallenhorst    | Exxon                     | ✓                     |
|            |                         | Greg Lander        | TransCapacity             | ✓                     |
|            |                         | Norm Walker        | El Paso Natural Gas       | ✓                     |
|            | Attendees:              | Kim Van Pelt       | Algonquin                 |                       |
|            |                         | Mike Wallace       | American Electric Power   |                       |
|            |                         | Chuck Stodola      | Columbia Gas Transmission |                       |
|            |                         | Betty Barnum       | Panhandle Eastern         |                       |
|            |                         | Theresa Hess       | Northern Natural          |                       |
|            |                         | Dale Davis         | Transco                   |                       |
|            |                         | Joyce Phillips     | Texas Eastern             |                       |
|            | Administrative:         | Rae McQuade        | GISB                      |                       |
|            |                         | JoAnn Garcia       | GISB                      |                       |

Request for Initiation of a GISB Standard for Electronic Business Transactions or  
Request for Enhancement of a GISB Standard for Electronic Business Transactions

Page 2

**R98003**

**Gas Industry Standards Board**

**Request for Initiation of a GISB Standard for Electronic Business Transactions**

or

**Enhancement of an Existing GISB Standard for Electronic Business Transactions**

Date of Request: January 27, 1998

**1. Submitting Entity & Address:**

Enron Capital & Trade Resources Corporation  
1400 Smith Street  
Houston, Texas 77002  
Attn: Donna L. Scott, EB2522B

**2. Contact Person, Phone #, Fax #, Electronic Mailing Address:**

|          |                              |         |                   |
|----------|------------------------------|---------|-------------------|
| Name :   | Donna L. Scott               | Name :  | Diane Biegel      |
| Title :  | Director Electronic Commerce | Title : | EDI Coordinator   |
| Phone :  | 713.853.6136                 | Phone:  | 713.583.3216      |
| Fax :    | 713.646.8827                 | Fax :   | 713.646.4799      |
| E-mail : | dscott2@ect.enron.com        | E-mail: | dbiegel@enron.com |

**3. Description of Proposed Standard or Enhancement:**

The current GISB Transportation Invoice provides quantities that are used in the computation of each amount by charge type within point and contract. The quantity is repeated for each charge type (e.g., ACA, GRI, Commodity) with the rate in order to calculate the amount.

The current Sample Paper Transaction in the GISB Implementation Guide for the Invoice shows the gas Quantity, Unit Price and Amount Due for each line item.

For the line item level, the sample shows the following:

| <u>Line</u> | <u>Location Code</u> | <u>Quantity</u> | <u>Unit Price</u> | <u>Amount Due</u> |
|-------------|----------------------|-----------------|-------------------|-------------------|
| 001         | R11111111            | 150             | .1234             | \$18.51           |
| 002         | D11111111            | 100             | .1234             | \$12.34           |
| 003         | D22222222            | 50              | .1234             | <u>\$ 6.16</u>    |
|             |                      |                 |                   | \$37.01           |

The GISB X12 mapping of the Invoice parallels this example. The mapping also includes the data element Charge Type, which is a MA data element. The Charge Type is mapped such that there can be only one Charge Type per line item.

Under the current standard, the quantity cannot be accumulated to compute the total quantity for a point and contract. The current standard only provides the invoice recipient the quantity used for calculation purposes; there is no discrete element that provides the quantity of gas delivered/received.

ECT proposes that the Transportation Invoice be revised in one of the following ways:  
 Method 1: The Transportation Invoice should use the ITA12 element in the ITA segment to send the quantity that may be accumulated by the shipper to arrive at a total quantity for a point within a contract. The ITA12 field is a real number quantity element that could be used to communicate the quantity that should be accumulated by the Shipper. I recommend that this be a mandatory field. The quantity currently being sent in the IT102 remains as the quantity used for the basis for the dollar amount calculation.  
 Method 2: Create a new ITA segment and map the charge type, price tier and a new data element Charge Type Rate to this lower level of detail; these would be mandatory data elements.

**4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):**

Method 2: In actual practice, many TSP invoices show the Unit Price for each line item, and also show as detail for that Unit Price the various Charge Types and their associated prices, as follows:

| <u>Line</u> | <u>Location Code</u> | <u>Quantity</u>         | <u>Unit Price</u> | <u>Amount Due</u> |
|-------------|----------------------|-------------------------|-------------------|-------------------|
| 001         | R11111111            | 150                     | .1234             | \$18.51           |
|             | <u>Charge Type</u>   | <u>Charge Type Rate</u> |                   |                   |
|             | ACA                  | .0019                   |                   |                   |
|             | GRI                  | .0088                   |                   |                   |
|             | Transport            | .1127                   |                   |                   |
| 002         | D11111111            | 100                     | .1234             | \$12.34           |
|             | GRI                  | .0088                   |                   |                   |
|             | Transport            | .1146                   |                   |                   |
| 003         | D22222222            | 50                      | .1234             | \$ 6.16           |
|             | ACA                  | .0019                   |                   |                   |
|             | Transport            | .1215                   |                   |                   |
|             |                      |                         |                   | \$37.01           |

Since multiple Charge Types can make up one Unit Price at the line item level, it seems that the Charge Type, and the rate associated with it, need to be mapped at a lower level of detail than the line item level. By allowing all of the Charge Types to be presented for each line item, the mapping would parallel the presentation that is now current practice for many TSP's.

Note that in the course of this analysis, we have uncovered a data element that seems to have been left out of the data dictionary, which is the Charge Type Rate; this is the rate that applies to the detail charge. The Charge Type Rate is typically presented on paper invoices with the Charge Type, as shown in the "Current Practice" example above.

In addition, we have moved the data element Price Tier to the new lower level. This allows the volume to be priced at different rates for different quantities. If, for example, the first 100 dekatherms were price at \$0.05 and the remaining quantity were priced at \$0.04, there would be two charge detail records sent as follows:

| <u>Charge Type</u> | <u>Charge Type Rate</u> | <u>Price Tier</u> |
|--------------------|-------------------------|-------------------|
| Transport          | .05                     | 100               |
| Transport          | .04                     | <i>blank</i>      |

**5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:**

Adding this level of detail will allow Shippers the ability to verify quantities and rates within the Transportation Invoice. It also will provide the necessary information to reconcile the monthly activity for payments without the aid of a paper invoice from the TSP. Overall, the current manual efforts to reconcile the invoiced quantities should decrease, streamlining the settlement process for both the Transporter and Shipper.

**6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:**

Implementing this recommended change entails minor changes to the Transporter Invoicing system and the Transporter EDI map.

**7. Description of Any Specific Legal or Other Considerations: N/A**

**8. If this Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):** N/A

**9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners**

:

Method 1 is currently being used by Northern Natural Gas Company, Transwestern Pipeline Company and Florida Gas Transmission.

**10. Attachments (such as : further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions):**

**Attachment - Suggested Mapping Approach for Method 1**

|     |     |  |
|-----|-----|--|
| 010 | HL  | Hierarchical Level - Line Detail   |
| 020 | LX  | Line Number  |
| 030 | SI  | Service Code<br>Location Indicator<br>Charge Indicator (R/D)<br>Adjustment Type<br>Package ID<br>Replacement Release Code<br>Associated Contract |
| 180 | ITA | Amount Due<br><b>* Quantity</b>  |
| 210 | IT1 | <b>**Quantity</b><br>Unit Price  |
| 340 | N1  | Delivery Location  |
| 340 | N1  | Receipt Location   |
| 340 | N1  | Delivery Zone  |
| 340 | N1  | Receipt Zone   |
| 340 | N1  | Replacement Party Identifier   |

\*The Quantity provided in the ITA\*12 is conditional and populated only if this Quantity is to be included in the total quantity for this point. The ITA\*12 Quantity is not provided if the Quantity is not to be used to sum to the total quantity for this point.

\*\*The IT1 Quantity is always provided as currently the practice which allows the Quantity x Price = ITA Amount Due.

Attachment - Suggested Mapping Approach for Method 2

|            |            |  |                |                               |
|------------|------------|--|----------------|-------------------------------|
| 010        | HL         | Hierarchical Level - Line Detail   |                |                               |
| 020        | LX         | Line Number  |                |                               |
| 030        | SI         | Service Code<br>Location Indicator<br>Charge Indicator (R/D)<br>Adjustment Type<br>Package ID<br>Replacement Release Code<br>Associated Contract |                |                               |
| 180        | ITA        | Amount Due   |                |                               |
| 210        | IT1        | Quantity<br>Unit Price   |                |                               |
| <b>310</b> | <b>ITA</b> | <b>Charge Type Rate</b>  | <b>(ITA06)</b> | <b>(New Segment)</b>          |
|            |            | <b>Price Tier</b>  | <b>(ITA12)</b> | <b>(business conditional)</b> |
|            |            | <b>Charge Type</b>   | <b>(ITA13)</b> |                               |
| 340        | N1         | Delivery Location  |                |                               |
| 340        | N1         | Receipt Location   |                |                               |
| 340        | N1         | Delivery Zone  |                |                               |
| 340        | N1         | Receipt Zone   |                |                               |
| 340        | N1         | Replacement Party Identifier   |                |                               |

February 5, 1998

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

Dear Ms. McQuade:

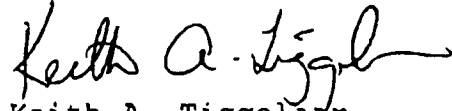
Williston Basin Interstate Pipeline Company respectfully submits its comments relating to recommended interpretation C97017 and recommended standard modifications on requests R97022, R97057B, R97108A and R97115. GISB requested that such industry comments be received by the GISB office by February 5, 1998.

Standard R97022 proposes to add two new data elements, Upstream Package ID and Downstream Package ID, to datasets 1.4.1, 1.4.3, 1.4.4, 1.4.5 and 1.4.6. Williston Basin does not know or understand how these data elements will benefit Williston Basin or the gas pipeline industry. Therefore, Williston Basin opposes the proposed addition of the new data elements to such datasets due to the system programming required to map such new data elements.

Williston Basin believes that current data elements such as Package ID, Nominator's Tracking Number, Downstream Contract Identifier, Downstream Identifier Code, Upstream Contract Identifier, Upstream Identifier Code, and Associated Contract could be used to accomplish the same purpose proposed by the Upstream Package ID and Downstream Package ID. In addition, it appears to Williston Basin that these new proposed data elements may be used for some sort of title-tracking service which is an issue that has not been decided by either GISB or the Commission and is a service Williston Basin is not prepared to offer at this time.

Williston Basin appreciates the opportunity to comment on the recommended interpretation and standards.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith A. Tiggelaar". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Keith A. Tiggelaar  
Manager  
Regulatory Affairs

February 5, 1998

To: Rae McQuade, GISB

From: Sylvia Munson, Altra Energy Technologies, Inc.  
Altra Streamline, L.L.C.

Re: Request for comment on proposed standards

Please find below Altra's comments on the proposed standards that are subject to Executive Committee consideration on February 11, 1998.

**C97017**

Altra agrees with the recommended language.

**R97022**

1 The proposed changes to the datasets should be voted on separately, not as a group. There are items in the proposal that are simple and clear and will pass easily.

2 Altra agrees with the change to the conditionality of the Package ID in the Request for Confirmation (1.4.3) and Confirmation Response (1.4.4).

3 Altra does not agree with the addition of Upstream Package ID and Downstream Package ID to Nomination (1.4.1), Request for Confirmation (1.4.3), Confirmation Response (1.4.4), Scheduled Quantity (1.4.5) and Scheduled Quantity for Operator (1.4.6).

Altra has participated in some of the discussions regarding the addition of these elements and we have reviewed the minutes of the meetings that we did not participate in. There are problems that exist today in the confirmation process with the 'matching' of upstream and downstream information. These problems arise from the fact that some data elements used on one side of an interconnect may not be used on the other side of the interconnect. The addition of these two elements will only serve to increase the level of complexity in the confirmation process and increase the risk of a failure to confirm. Altra agrees that the confirmation process needs to be re-evaluated and the elements exchanged in the confirmation process need to be reviewed. Adding more elements into an already problematic area will not solve the problem.

As an alternative, Altra would recommend to the Executive Committee that they request the Business Practices Subcommittee and/or the Information Requirements Subcommittee to review the confirmation process and the associated data elements now that the industry has had more experience in this area under GISB standards.

4 Altra agrees with the change in the conditionality of the Service Requester in the Request for Confirmation (1.4.3) and the Confirmation Response (1.4.4).

5 Altra agrees with the modification to Standard 1.3.24 as proposed.

6 If the proposed data elements are added to the Nomination dataset, then Altra agrees with the proposed modification to Standard 1.3.27.

7 Altra agrees with the proposed addition of language to the Technical guides for the Request for Confirmation and Confirmation Response but we feel that this would be more appropriate to be dealt with in a re-evaluation and review of the confirmation processes as recommended above.

### **R97057(B)**

Note: I know that I participated in the development of the proposed language and at that time, it made sense. Looking at it a second time, I have additional thoughts on the matter - so don't shoot, please.

The proposed language in respect to errors at the line item level is correct and should be approved.

The proposed language for processing of business conditional fields should be reconsidered for the following reasons. First, lets give an example:

Request for Confirmation from PIPELINE A to PIPELINE B

|        | UsParty | Us K | SvcRqstr | Svc K | Qty |
|--------|---------|------|----------|-------|-----|
| Line 1 | X       | 1    | abc      | 43    | 100 |
| Line 2 | X       | 2    | abc      | 43    | 100 |

Pipeline B doesn't support Upstream Contract. Pipeline B has a single nomination on their system.

Nomination on PIPELINE B

| SvcRqstr | Svc K | UsParty | Qty |
|----------|-------|---------|-----|
| abc      | 43    | X       | 188 |

With the proposed language, Pipeline B would have to make the decision on how Pipeline A's two nominations should receive the distribution of gas. This is not Pipeline B's responsibility and Pipeline A is the one responsible for that task. The result should be that Pipeline B sends back a confirmation to Pipeline A with the information at Pipeline B's level of detail. Then Pipeline A can distribute the resulting quantity appropriately back onto the nominations on Pipeline A's system.

The case could be made that Pipeline A should know the level of detail that Pipeline B expects and, therefore, should submit requests for confirmation appropriately. This argument would mean that Pipeline A would need to maintain information about all of their interconnects and have routines to deal with all of the different scenarios. In the proposed solution above, Pipeline A would receive a positive response and be able to continue with their processing no matter what level of detail Pipeline B supports.

Altra would recommend that this language is strongly needed to be added to the implementation guides, but this request should go with the previous recommendation and be sent back to the appropriate subcommittee for consideration in re-evaluation and review of the confirmation process.

If the Executive Committee chooses to address this issue in this session in lieu of sending it to the subcommittees for further work, Altra will provide proposed alternative language at the Executive Committee session on February 11, 1998.

**R97108A**

no comment

**R97115**

Altra agrees with the recommendation!

Thank you for the opportunity to comment on these proposals.

Sylvia

Williams Gas Pipelines (WGP) has reviewed the recommendation for the resolution of the request filed in R97022. We agree with the recommendation to change the usage of the data element "Package ID" to Mutually Agreeable in the Request for Confirmation and the Confirmation Response. We also are not opposed to the addition of the data elements Upstream Package ID and Downstream Package ID as proposed to be Mutually Agreeable among all the effected parties.

However, we do have serious concerns about changing the usage of the data element Service Requester to Mandatory in the Request for Confirmation, Confirmation Response and unsolicited Confirmation Response. To require Service Requester to be communicated in all confirmation situations is inappropriate. For example, the issue can best be seen when a Request for Confirmation is sent to a wellhead operator, and the wellhead operator is merely the party operating the location and not the party who is providing the gas to the Service Requester on the TSP. The Operator may only have knowledge of who the Producers/Working Interest Owners are at that location. Therefore, it is not appropriate to communicate to the wellhead operator this level of detail. In this situation, the confirmation can be accomplished by the TSP sending the Request for Confirmation to the Operator based on the Upstream Party Identifier (i.e. the Producer) for the TSP's Service Requester. This is the level of detail that the Operator has knowledge of and yet doesn't communicate information that is unnecessary or inappropriate.

WGP would like to propose an alternative that will accomplish the business needs of having the Service Requester in the confirmation process when it is necessary without forcing it in all situations. We recommend that the usage of Service Requester be Sender's Option in the Request for Confirmation, Conditional in the Confirmation Response, with the condition being the same as it currently is in Version 1.2 – "Required if provided in the Request for Confirmation" and Business Condition in an Unsolicited Confirmation Response. In so doing, the confirmation can still be handled at the appropriate business party to business party level, which in some cases is the Service Requester level, without having to provide that information when it is not applicable.