EXECUTIVE SUMMARY

~~Four areas of the natural gas business processes are classified within the Flowing Gas area. The four areas include the communications concerning an agreement on the factors that should be used to drive the determination of entitlement rights of flowing gas at a location (Pre-determined Allocation), the communications of the entitlement rights of flowing gas at a location (Allocation), the communications of entitlement rights of flowing gas on a contract level (Shipper Imbalance), and the communications of the estimated or actual physical flow of gas at a location (Measurement Information) and the communication of the estimated or actual physical flow of gas at a location along with gas quality information (Measured Volume Audit Statement).~~

Six areas of the natural gas business processes are classified within the Flowing Gas area. The six areas include:

1. **Pre-determined Allocation**
   The communications concerning an agreement on the factors that should be used to drive the determination of entitlement rights of flowing gas at a location,
2. **Allocation**
   The communications of the entitlement rights of flowing gas at a location,
3. **Shipper Imbalance**
   The communications of entitlement rights of flowing gas on a contract level,
4. **Imbalance Netting & Trading**
   The communications and management of Imbalance Trading,
5. **Measurement Information**
   The communications of the estimated or actual physical flow of gas at a location, and
6. **Measured Volume Audit Statement**
   The communication of the estimated or actual physical flow of gas at a location along with gas quality information.

To clarify the expectations and responsibilities of all parties prior to gas flow, pre-determined allocation data is exchanged via the Pre-determined Allocation (PDA) data set. The PDA allows parties to manage the impact of variances between the actual quantities flowing and scheduled quantities. Before the flow of gas across a location, the PDA secures the agreement between the allocating party and the allocated parties as to the method to be used for computing the allocations of relating scheduling quantities to actual physical flow.

Many different parties can be involved with the movement of natural gas across a particular location. The determination of the entitlement rights for each particular party of the actual flowing gas moving across the location is accomplished by allocating the actual flow among the parties. Allocations are performed by the operator of the affected location, using the pre-determined allocation methodology agreed to by the parties involved. The Allocation is used to communicate the allocation information to the parties involved.

Allocation information at a contract level is presented in the Shipper Imbalance. This information can be used by the shippers to manage their transactions and determine if the actual or estimated gas flows are in balance.

The Posted Imbalances Download allows shippers and other interested parties to obtain a listing from the transportation service provider of all the imbalances for parties who have authorized their posting via the Authorization to Post Imbalances. With this information, shippers and other interested parties may trade imbalances with each other. Parties trading imbalances communicate their transactions to the transportation service provider utilizing the Request for Imbalance Trade, Imbalance Trade Confirmation, and Withdrawal of Request for Imbalance Trade. The transportation service provider communicates with the trading parties using the Request for Imbalance Trade Quick Response, Request for Confirmation of Imbalance Trade, and Imbalance Trade Notification.

The Measurement Information data set contains a subset of the information that has traditionally been considered a measurement statement. The data set is designed to provide information on the actual or estimated physical flow moving across a location. It can be used to support other flowing gas or invoicing data sets. It does not include data utilized to verify the calculation of the measured flow.

Like the Measurement Information data set, the Measured Volume Audit Statement also contains the actual or estimated physical flow. In addition, it is used to convey information on the various components of the gas which can be utilized for audit purposes.