

Position of Enron Gas Pipeline Group on Modifications to Intraday Compromise Model

Timelines - Alternative Enron Pipeline Proposal

The Enron Pipelines continue to support the adoption of the GISB compromise model set forth in the Intraday Nominations Task Force Draft Report presented to the GISB Executive Committee on November 13, 1997, and believe that only minor modifications are needed to conform the timeline to the NOPR. We are concerned that the development of three competing models – “status quo,” “say nothing,” or “proactive bumping” threatens to bog down the completion of the timelines.

Accordingly, we are offering an “Enron Pipeline Proposal” which makes the necessary adjustments to conform the model to the NOPR. The advantage of this model is that it does not have any pejorative labeling of the model as a bumping or status quo model, but instead approaches the modifications in an objective manner.

The modifications to the compromise model are:

- Removal of “if bumping is allowed” language
- Removal of “unused capacity” language
- Removal of Note 1 and all references
- Removal of the provision that firm transactions which bump during the evening nomination cycle would not be effective until potentially 5 p.m. on the gas day. The Commission directs that these bumping transactions should be permitted to take effect at the 9 A.M. start of the next gas day.
- Addition of “no bumping allowed” language

With these modifications, Enron believes that the compromise model can accommodate the bumping policy set forth in the NOPR to the extent such policy is included in a final rule. Parties of course remain free to debate bumping policy in the context of the NOPR proceeding.

Attachment 4 – Additional Issues

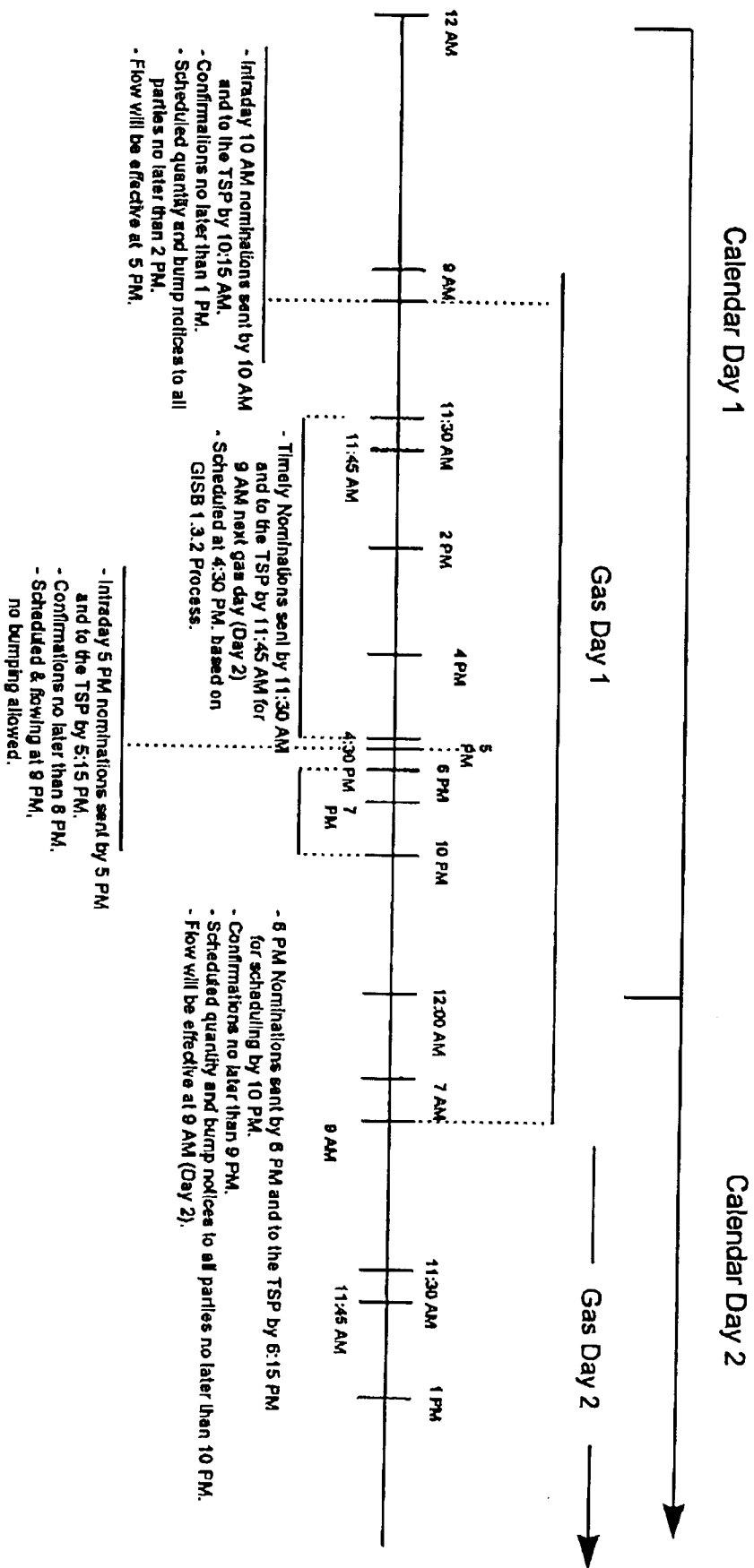
The Enron Pipelines strongly oppose efforts to have GISB define the rights of primary firm, alternate firm or interruptible service, or to attempt to grant a generic penalty waiver to bumped interruptible shippers. These suggested modifications **are simply not necessary to synchronize intraday nominations across the grid**. These diversions will seriously undermine the work and effort of the intraday task force and put the entire compromise model at risk of failure. If parties wish to have further clarification of bumping policy and the relative rights of shippers, they should do so in their comments in the NOPR proceeding.

Examples of bumping policy issues which are ripe for consideration in the NOPR proceeding include:

- 1) Whether interruptible shippers should be exempt from penalties on the day of the bump.
- 2) Relative rights of primary firm versus secondary firm (both within and outside the path)
- 3) Policies related to whether secondary firm should have bumping rights.

With respect to each of these issues, the Commission has either made a preliminary policy in the NOPR, or asked for further comments. There is simply no reason for the intraday task force to second guess the outcome of these policy matters.

Nomination/Intraday Nomination Model Enron Pipeline Proposal (All Times Central Clock Time)



- Intraday 10 AM nominations sent by 10 AM and to the TSP by 10:15 AM.
- Confirmations no later than 1 PM.
- Scheduled quantity and bump notices to all parties no later than 2 PM.
- Flow will be effective at 5 PM.

- Timely Nominations sent by 11:30 AM and to the TSP by 11:45 AM for 9 AM next gas day (Day 2)
- Scheduled at 4:30 PM, based on GISB 1.3.2 Process.

- Intraday 5 PM nominations sent by 5 PM and to the TSP by 5:15 PM.
- Confirmations no later than 6 PM.
- Scheduled & flowing at 9 PM, no bumping allowed.

- 6 PM Nominations sent by 6 PM and to the TSP by 6:15 PM for scheduling by 10 PM.
- Confirmations no later than 9 PM.
- Scheduled quantity and bump notices to all parties no later than 10 PM.
- Flow will be effective at 9 AM (Day 2).

- The above nomination opportunities represent times which a shipper can expect to be supported by TSP's and all confirming parties for synchronization across the N. American pipeline network (GRID).
- 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.