

INTRADAY TASK FORCE MEETING - APRIL 24, 1997 - HOUSTON, TX
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The meeting started at 8:45 AM

Sharon Eady welcomed the attendees to NORAM.

Jerry Hahn read the anti-trust guidelines and reviewed the agenda. The agenda was adopted.

Minutes from the 4/11 were reviewed and corrections were made.

Hahn: Do I hear a motion to adopt the minutes.

Pollard: Motion to adopt minutes.

Bianchi: Second

Hahn: No opposition, so moved.

The Co-Chairs Summary, which is a working document to help orient newcomers to the task force, was read and reviewed. Changes were made as required. The resulting document will be posted on the GISB Homepage.

J. Hahn presented a handout reviewing a series of timelines representing proposals submitted from ANR, Brooklyn Union, NWPL/PG&E, SoCal and TransCapacity as well as the BPS recommendations. Bob Wallenhorst announced that Exxon also has a timeline proposal.

Pollard: The ANR proposal has two Type I nominations with different nomination due times. There is one Type II nomination which is due at 4:00 PM CCT.

Lander: I'll withdraw the TransCapacity timeline because it is nearly identical to the ANR proposal.
Addressed to Pollard: Under this proposal, will a TSP allow additional changes where and when commercially viable and operationally feasible?

Pollard: This timeline is for where coordination between TSPs is needed.

Hess: Does scheduled mean effective?

Pollard: For the Type I, it could be.

Ehinger: Isn't the 4 PM Type II before scheduled quantities from the timely nominations is out (4:30 PM)? Wouldn't 5:00 PM be better?

Pollard: Yes but we have to be concerned about how late this is on the eastcoast.

Scheel: Will scheduled quantities be issued by the effective time of the intraday?

Pollard: I haven't gone that far yet.

Scheel: Can we pick a different effective time?

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Pollard: Transactionally, a 10 AM would be effective at 2 PM but flow between interconnected parties could be at different times. We would be in agreement at 2 PM what the total quantity for the day would be.

Lander: This means interconnected parties would 'sync-up' a few times a day?

Pollard: Yes

Ehinger: Is this batch or first come, first served?

Pollard: It is a batch process.

Cantrell: Does 'sync-up' means agree upon the scheduled quantities?

Lander: Yes

Breen: Did ANR give any thought to processing the overlapping cycles in the timeline?

Pollard: Yes but it can be handled.

Lander: To eliminate confusion with overlaps, it would make sense to add an indicator to the document that would tell which process the quantity scheduled referred to. This would distinguish which I type was being processed (type I or type II).

Griffith: Agree with Lander. Most people would need to know the quantities.

Caldwell: Operators will know but not necessarily shippers.

Gracey: This could be problematic for pipelines that bump.

Lander: Its all tied into the definition of available capacity. It could vary by pipeline.

Pollard : Your bump could reduce the confirmation across the grid but that's the way it would work.

Gracey: These times might not work. This Type II concept would invalidate the timeline for a start of gas day for a bump pipeline.

Hess: As an April 1 pipeline, our experience is that the confirmation process could break down. If we assume the lesser of rule, there could be confusion with the operator. Perhaps we should avoid overlaps.

Pollard: We would revise the lesser of rule. With no confirmation for intradays, we would revert back to last confirmed quantity.

Caldwell: Processing intradays for available capacity is a shorter process therefore timelines could be shortened. Rescheduling the pipeline takes more time.

Griffith: To accommodate pipelines that bump, I think we need to keep with the 4 hours timeline.

Gracey: Type II nominations, for a pipeline that bumps, does not work at any time.

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Ehinger: Can I submit an intraday at 2 PM today for 2 PM(effective time) tomorrow?

Pollard: My personal preference is that you wait until the next day to submit the intraday.

Ehinger: I want a first shot at available capacity. I don't want to wait for a later batch process.

Lander: We may have an interpretation that says "effective time" is informational. In that respect, that gets us around this issue.

Bianchi : I haven't even finished my scheduling process by 2 PM for 9 AM tomorrow. I can't reserve capacity for 2 PM tomorrow because I know about an intraday in the next batch. Capacity varies (reduces on ANR) throughout the day.

Novak: Explains Brooklyn Union's proposal. The late nomination is not a standard Type II nomination because it rolls rather through the nomination's end date instead of being for one day. A Type II is only effective for one day. If people have a problem with the term "Late Nomination" perhaps we could call it a Type III.

Story: PGT agrees and this is what we've implemented. That is a renomination opportunity prior to the start of gas day and it could be for the start of the gas day. It could roll at the request (nomination) of the shipper .

Lander: Isn't there a timeline waiver issue?

Story: No, it all depends upon the end date.

Novak: Type III nominations would be processed after timely nominations; there would be a batch time.

Caldwell: With TSP waivers of the deadline, this could happen today.

Novak: Yes, but with a different type of nomination we can develop a consistent procedure across the grid.

Fitch: Agrees with Brooklyn Union somewhat and points out that late nominations processed with the timely batch represent a waiver for all late nominations. Transco implemented similarly to PGT.

Lander: Could Type II be broadened to encompass what the Type III proposes with respect to rolling?

Story: Yes

Gardiner: Is the only difference from Type II the ability to roll? If so, then I agree. But people who nominate timely should have a priority.

Novak: Brooklyn Union wants to make sure they have the ability to have late nominations scheduled for the start of the gas day and to make sure gas starts to flow at the start of the day where flow control is present.

Scheel: Perhaps we should change the definition to allow intradays to roll. That seems to make it work without coming up with a new types of intradays. This is a threshold issue that we should address.

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Hahn: It's good to try to make existing standards work but we have a blank sheet of paper. We shouldn't be afraid to develop new standards to make our vision work.

Ehinger: I don't think we need a Type III. Exceeding standards can make this work.

Lander: We're getting confused with semantics. Do we have one per day or between Type I and Type II, or two intradays for the same gas day?

Fitch: We can handle more Type II's than Type I's.

Breen: To the extent you collect more information before the day, you are better off as a pipeline.

Fitch: Type II's are a chance to fix things. On Transco, there's no limit to the number of fixes you can make.

Hahn: If you are scheduling for available capacity, how can Type I's be more problematic?

Fitch: I'm trying to prevent a complete reopening of the pipeline. More fixes prior to the start of the day reduce the need for Type I's. We know that all timely nominations will not be correct; both operators and shippers know this. People need an opportunity to fix things.

Tinsley: Type II's on some pipelines are more difficult than Type I's on certain pipelines, depending upon facilities and customers. The more flexibility we add, the more we invalidate the standard timeline.

Fitch: For a pipeline that bumps, there's no incentive for firm customer to be timely. There needs to be an incentive to submit timely nominations.

Lander: There are two people with incentives. Firm shippers are one but where there is bumping, IT shippers have an incentive to become firm shippers.

Story: And its up to pipelines to provide services to make that happen where possible.

Wallenhorst: Suppliers may not permit (via their availability) firm shippers to wait. There may not be as good a marketplace for those who wait.

Story: But where firm shippers hold the supply, this doesn't necessarily hold true.

Gracey: Generally, firm bumps interruptible and interruptible shippers are generally prorated. One firm shipper can affect many interruptible shippers.

SoCal Proposal

Ishikawa: We don't see a lot of value for Type II nominations from a market perspective. We have two intradays: One batch and after that first come, first served (They are both Type I's).

Fitch: This couldn't effect a chart time change?

Ishikawa: It's up to the pipeline.

Davis: What about decreases?

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Walker: We will not decrease below what has flowed (SoCal is our largest firm shipper).

Fitch: Explain your market scenario.

Ishikawa: There just aren't many suppliers around at the end of the day. Market prices could be distorted.

Fitch: This is so different from Brooklyn Union's intraday nominations timeline.

Ishikawa: Suppliers operate on Houston time. Its not that I don't see a need for fixes.

Cantrell: Why 5 hours instead of 4?

Ishikawa: It's the timeframe we deal with.

Lander: Your perspective seems to be oriented to the TSPs in your region but weather can play a different role in other parts of the country. Are you precluding other types of intradays? Or cuts?

Ishikawa: No but we're reacting to other players in the industry.

Novak: Could you accommodate Brooklyn Union's needs? If the suppliers aren't there would it make a difference for you?

Ishikawa: We wouldn't object to fixes or cuts but we would object to people filling up space in the pipeline because we are at a disadvantage.

Murphey: Valero is between timezones. We desperately need a timeline. I see value in the Type II to fix problems; you can move people around to make things work. We don't have firm shippers but I see that concern. We have to somehow work with people who constantly need fixes; perhaps preventing the need for fixes. There has to be a balance between flexibility/customer service and the need for timelines. We need to put the onus on shippers to do things correctly.

Walker: The needs of customers vary. Brooklyn Union and SoCal Gas are two big customers who have very different needs. We can't get a one size fits all but we should try to get a one size fits most timeline. We cannot impose business requirements from one set of customers onto another. What if people don't use what we build? Can't pipelines customize above the minimum to meet their customer's need?

Lander: Who is they? At least some people need some of these offerings. Because its a grid, you may not see the direct need of another pipeline's customers. Supplies on your system feed other systems.

Walker: They includes poolers, shippers and interconnects. If no one wants a service, then we should be able to stand down from that service. Others should be able to exceed the base services.

Tinsley: Not everyone agrees that we need a timeline. We serve people without a timeline.

Hahn: We are here to come up with a seamless process. People are submitting timelines but you are correct in saying that this task force is not charged with producing a timeline.

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Cantrell: We need to be sure that, in developing new standards, we do not institute something that would make it difficult for pipelines to develop new services in response to the needs of their customers. We should keep in mind that the ultimate user is the party all of this is being developed to benefit and we should build in as much flexibility as possible.

Novak: Customers that move across several pipelines need a timeline. I can not see how we can be seamless without a timeline. Show me another model that accomplishes this.

Lander: (To Tinsley) You are continuous and contiguous therefore you don't need a timeline and what we develop should accommodate that. Where things are not continuous and contiguous, we need coordination.

Tinsley: We need to be explicit about what exceeding the standards mean. Could FERC look at batching as the standard and consider continuous as not being in compliance?

Lander: We should identify continuous intradays as exceeding batch.

Arthur: Agree with Tinsley. If we tighten things too much we'll lose (and so will our customers) flexibility to make intermittent intraday nominations.

Cantrell: We interpret the standard to be continuous and contiguous and if everyone was like Tinsley's pipeline, it would be great but that's not the case. We should maintain continuous and contiguous where it exists.

Phillips: Even though we are continuous and contiguous, there are other reasons besides being between bump and no-bump pipelines why nominations can't be coordinated.

Gracey: Can the same customers who want to move gas across the grid continuously and contiguously across the grid really believe in bumping?

Lander: Unless the nomination is confirmed, it does not flow across the grid.

Scheel: If every pipeline honored the standard "4 hours prior to flow" it would work. The batches accommodate bumping. Continuous scheduling outside the timeline can be accommodated when its done on a no-bump basis. This could be a proposal: "*All intradays outside the timeline should be done on a no-bump basis, if there is available capacity, on a first come, first served basis.*"

Lunch..

Hahn: Can we reach agreement on the following:

- 1) For mutually agreeable intradays: "continuous" is the direction
- 2) Redefine Intraday Type II
- 3) Consensus Timeline
 - a) Continuous in Mutually Agreeable
 - b) Grid 'sync-up' times at batch times
 - c) If bumping happens, it does at a bump time.

Lander: The following is a proposed standard : *“Continuous and contiguous intraday scheduling is on a mutually agreed basis as between the confirming parties. Those TSPs offering continuous and contiguous scheduling when interacting with the batch grid-wide coordination timelines will schedule at least at the timelines. Where intraday bumping may occur, it occurs only at the grid-wide coordination timelines.”*

Pollard: Pipelines that batch would probably have to do continuous on a manual basis. If it grows, it could be cumbersome.

Walker: Confirming parties, does it include TTTSPs?

Lander: Yes. And in response to Pollard, insert ‘batch’ before grid-wide.

Hahn: We are not voting on anything but we are trying to capture thoughts for future voting.

Fitch: Inserting ‘Batch’ may not help Pollard. We have to avoid manual processes.

Caldwell: Why can’t the continuous nominations be fed through the batch process?

Lander: The illogical extreme would be that you were constantly running the scheduling program. You’ll run the program when you are ready.

Walker: When we contemplated “continuous & contiguous” we used a Canadian model.

Phillips: They schedule 13 times a day (every two hours).

Murphey: At a minimum, are we saying if you don’t offer continuous and contiguous today, you’ll do the batch and if possible, mutually agree to do more when you can.

Walker: Agrees with Murphey and points out that service differentials can result which is not bad when there are competitive options to get to a marketplace.

Hahn: Should we redefine intraday Type II?

Murphey: No but allow people to put in a different ending date.

Novak: I see couple of implementations this way but I thought it was pretty much black and white that intraday nominations were for a single day. If we can get an interpretation that backs up a few of these implementations, then I would say that we don’t need to redefine.

Lander: This should be mutually agreeable, i.e. to allow a TSP to accept rollover.

Fitch: We should not compromise this by making it mutually agreeable, we need consistency.

Scheel: Agree. We need consistency from TSP to TSP. The rule needs to be the same.

Caldwell: We made intradays one day because we thought of them as spike events.

Walker: Let’s pick one way... one way or the other.

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Cantrell: The Commission talked about minimums. Rollover could happen on an isolated system but not across the grid.

Hahn: We can modify Type II or scrap it and develop late nominations as a definition.

Arthur: I'm hesitant to make any changes at this point, due to the outstanding interpretations requests involving the use of nomination end-date/time on the confirmation request, confirmation response, and scheduled quantities documents.

Scheel: Just change 1.3.13 from 'do not rollover' to say 'are for the days specified in the nomination'.

Story: Let's pick a batch time half way through the day. Anything else we work out on our own. Not to be frivolous or antagonistic, is this that simple? Let's pick one time where 'the train leaves the station' and craft additions for TSP and customer needs.

Novak: No and I'll suggest one quarter of the way through the day because we have to be concerned with bumping. Its a balance between maintaining the integrity of the timeline and the desire to notify a bumped shipper during normal business hours. Half way through the day is too late yet allowing bumps from late nominations to take effect at the beginning of the gas day invalidates the timeline.

Lander: Proposal: "*Intraday nominations are for the date and time range in the nomination*" to replace 'do not rollover'.

Walker: Let's use 'late' instead of intraday for this and how about one sixth of the way through the day?

Novak: That's fine with me.

Caldwell: Late means something which leads to a waiver issue.

Ehinger: Everyone had a different definition of what a late nomination was.

Walker: We set the definition of late nomination here. We can get around these problems.

Lander: Let's call it a Type III. It would have to be mutually agreed. It could start at chart time. It would be processed after timely nominations and could be for more than one day. We could further define Type II by saying it does not start at chart time, it is for one day only, it is processed late and it is for the subsequent gas day. It is a standard whereas Type III is not; it is mutually agreed. The timeline for Type III would be the ANR Type II.

Story: Can we get there by saying Type II starts at the beginning of the next day?

Lander: No, it would be a problem for bumping pipelines.

Hahn: This is the end of the meeting. Take these concepts and come up with proposals for the next meeting which is 5/9 in Washington at AGA Headquarters from 8:00 AM to 1:00 PM.

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INTRA-DAY TASK FORCE

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