

INTRADAY TASK FORCE MEETING - DECEMBER 5, 1997 - NORAM - HOUSTON, TX
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Jerry Hahn: Opened the meeting at 9:15 AM.

Sharon Eady explained the facilities arrangements.

Hahn read the anti-trust statement.

Hahn reviewed the agenda. A motion to adopt the agenda, made by Chuck Beaver and seconded by Joel Greene, was passed.

Hahn: We have developed three alternatives in addition to the 11/12 proposal. The additional three represent varying degrees of response to the NOPR. This is not to preclude other alternatives that may come forward. The three alternatives are: Status Quo (very little), Say Nothing (no direct endorsement of bumping), and Proactive (specifying Bumping as a Standard)

Theresa Hess: Enron has a proposal that has been posted. It is essentially the proactive case without *Note 1*.

Mark Scheel: I'd like to propose another alternative which is Proactive but the *Bump* is at 5PM.

Mike Novak reviewed the minutes from the 11/11-12 meetings. They were adopted as amended.

Bob Wallenhorst: What is the outcome of today's work product? The NOPR is not a rule yet. Are we developing a new alternative that would stand by the original or would we replace the original?

Hahn: We will try to get down to one model.

Jim Buccigross: FERC, on page 17 of the NOPR, has said that GISB should submit a revised model reflecting the NOPR by March 31, 1998.

Wallenhorst: I still say the NOPR is not a rule yet. How do we pick the concepts that should be included?

Buccigross: Yes but we shouldn't ignore FERC.

Scheel: There are still issues that are open in the NOPR such as a penalty waiver.

Laura Mosely: The Enron model can be used with the NOPR or in case something in the NOPR falls through. We've dropped the policy references.

Paul Love: I think we need to leave "wobble room" for non-jurisdictional companies to implement in a manner that is acceptable to them. We have GISB standards and we have FERC standards.

Paul Keeler: I think we need to move forward. I think FERC has clearly spoken but we will make changes as they might be needed. Perhaps the Enron approach would be worthwhile.

Lee Smith: I agree with Keeler.

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Hahn: Let's remember our GISB goal is for a seamless grid. Let's review Attachments 2 & 4. Shaded areas represent concepts that are impacted by the NOPR. Additionally, 1.3.2.ii *Scheduled... that precipitate* should be highlighted.

Greene: S.4 should be highlighted

Dale Davis: 1.3.3 should not be shaded.

Novak: I believe I shaded that in error.

Hahn: On to Attachment 4. If we chose to address bumping, we may need to develop further standards.

Hahn: Explained the STATUS QUO model relative to the 11/12 model.

Novak: Explained the SAY NOTHING model relative to the 11/12 model and the STATUS QUO.

Hahn: The PROACTIVE BUMPING model takes a very direct approach on defining how bumping is integrated into the seamless grid. Does bumping takes us closer to this seamless grid.

Davis: How does the Enron approach fit relative to these three alternatives?

Hess: It is the PROACTIVE approach but Note 1 says things that don't need to be said, therefore it is dropped.

Davis: Then this puts it closer to the SAY NOTHING model?

Novak: I think so. Enron's approach has the same intent as the SAY NOTHING but it takes a different way to get there.

Hess: Yes.

Hahn read through the red-line changes in detail for each of the alternatives.

Hahn: Mark, could you explain your proposal?

Scheel: I'd like to work off the Enron proposal (call it alternative 6)

6 PM note *additions*:

- *If all parties can be scheduled, flow will be effective at 9AM*

- *In the event a party will be bumped, flow will be effective at 5PM (Day 2).*

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Tom Ehinger: What are all of the alternative numbers?

Hahn: They are as follows:

- 1) The 11/12 Model
- 2) STATUS QUO
- 3) SAY NOTHING
- 4) PROACTIVE BUMPING
- 5) ENRON
- 6) NGC (ENRON with 5PM BUMPING)

Break...

Novak: Does anyone object to dropping Case 3?

No

Keeler: Does anyone object to dropping Case 2?

No

Novak: Does anyone object to dropping Case 1?

Lanyard Sledge: Yes

Greg Lander: What are the remaining cases on the table?

Hahn:

- 1) The 11/12 Model
- 4) PROACTIVE BUMPING
- 5) ENRON
- 6) NGC (ENRON with 5PM BUMPING)

Hahn: Can we narrow between case 4 and case 5?

Love: I see a difference. PROACTIVE says TSPs will bump.

Davis: I see differences.

Hahn: Let's vote.

15 vote to keep both concepts on the table
5 vote to consolidate the two into one case.

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Hahn: We have one half hour available for testimony on the models.

Love: I support Enron because it allows non-jurisdictional companies not to bump.

Keeler: How will the voting work?

Hahn: Each person has one vote, four times, yea or nay, on each approach.

Novak: All four will then be voted against each other. If none receives a majority, we will drop the least supported and re-vote until we get a proposal with a majority.

Beaver: On cases 1,4 & 5, keep in mind that if the NOPR goes through as proposed this model then only influences those who are non-jurisdictional. It might be a non-decision. Case 6 is very different, however, on another level. I prefer case 4.

Lander: I agree with Beaver's characterization however non-jurisdictional refers to intrastates, LDCs and producers. We don't have enough knowledge about those entities therefore it is difficult to make a decision. For that reason, I support Case 5. It is not inconsistent with 1 and 4.

Greene: As an enduser, we can live with 4 or 5 . One issue, however, is the *no bumping allowed* statement on the 5PM intraday. The NOPR does leave room for a TSP who provides additional opportunities beyond 5PM to have the *no bump* at a later time. The concept *No bumping allowed* should on the final nomination. This could be put in a footnote.

Ehinger: I support proposal 6. We accept bumping but don't believe 9AM bumping is proper because it doesn't leave room for bumped parties to reschedule. This could lead to shut-ins and changes which could be disruptive. It also gives FT holders the ability to delay their nominations until 6PM (evening) which will also be disruptive. It's critical to have nominations at 11:30AM be important so that the 6PM can be a fix-up. We might also get capacity release recalls.

Hahn: Stepping down as co-chair for a second, the NOPR has the *no bumping allowed* comment because GISB had offered it in the 9/1/97 report. It's part of having a seamless grid. It's important that people who schedule at 5PM know they are done for the day. Ultimately, I think we will lose the sync up and therefore shouldn't be going in that direction.

Buccigross: I agree with what Greene says is in the NOPR but we might want to put the footnote in addition to leaving the 5PM *no bumping allowed* statement in.

Beaver: To Scheel, doesn't your approach appear to disagree with the direction FERC has given in the NOPR.

Scheel: Perhaps FERC did not have all the relevant facts in place and when presented, might see things differently.

Novak: Stepping down as co-chair, in response to Ehinger, I don't dispute your contention that things may be chaotic at first but I think firm capacity resolves most of your problems. As the NOPR suggests, obtain firm capacity or sell to those who have it.

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Ehinger: We could as GISB, provide FERC with a consensus that 5PM is the answer. In response to Novak, I think that the leap to more bumping than ever is what will cause the chaos.

Greene: We've operated at FERC and in the industry as if El Paso was unique. Given the Commission's NOPR and related policy statements on intraday nominations and bumping, we need to move away from this concept. While parties certainly can file comments with FERC seeking to change the FERC's position on these issues, the fact is that the Commission has made certain policy decisions which are consistent with their findings on El Paso.

Lunch...

Greene: Proposal 7 is Case 4 plus the following:

Note 1: TSPs that permit at least 3 intraday nomination opportunities should provide that no bumping should occur at the final intraday nomination opportunity of the gas day. In this model, no bumping is allowed at the 5PM nomination.

Greene: Whenever the last *no bump* nomination is, that one is a *no bump*.

Davis: Then there is no sync up at the 5PM 'no bump' time if someone else offers an additional bump later.

Kelly Daly: Yes.

Sledge: The concept of no bump at the last nomination deadline is an interim measure in the NOPR.

Cantrell: This is really a Note 2 since case 4 already has a Note 1.

Richard Ishikawa: Or it is another bullet under Note 1. Also, I am concerned about losing the 5PM sync up.

Love: Modifications for the Note as follows:

Note 2: TSPs that permit at least 3 intraday nomination opportunities should provide that no grid wide bumping should occur after the final grid wide intraday nomination of the gas day. In this model, no bumping is allowed at the 5PM nomination.

Greene: I accept the modification.

Novak: We are ready to vote.

Keeler: Let's drop any that don't get any majority support from the second round

Hahn: Case 1 (Note chairs are not voting in this round)

Yes 3 No 25 Abstain 1

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<i>Segment Check</i>	<i>Yes</i>	<i>No</i>	<i>Abstain</i>
EU	0	3	0
LDC	0	1	0
Prod	1	2	0
P/L	2	12	1
Services	0	7	0

Hahn: Case 4 (Note chairs are not voting in this round)

Yes 6 No 13 Abstain 10

<i>Segment Check</i>	<i>Yes</i>	<i>No</i>	<i>Abstain</i>
EU	0	0	3
LDC	1	0	0
Prod	1	2	0
P/L	3	9	3
Services	1	2	4

Hahn: Case 5 (Note chairs are not voting in this round)

Yes 21 No 4 Abstain 4

<i>Segment Check</i>	<i>Yes</i>	<i>No</i>	<i>Abstain</i>
EU	0	0	3
LDC	0	0	1
Prod	1	2	0
P/L	14	1	0
Services	6	1	0

Hahn: Case 6 (Note chairs are not voting in this round)

Yes 6 No 20 Abstain 3

<i>Segment Check</i>	<i>Yes</i>	<i>No</i>	<i>Abstain</i>
EU	0	3	0
LDC	0	1	0
Prod	2	1	0
P/L	2	12	1
Services	2	3	2

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Hahn: Case 7 (Note chairs are not voting in this round)

Yes 16 No 11 Abstain 2

Segment Check Yes No Abstain

EU	3	0	0
LDC	1	0	0
Prod	1	2	0
P/L	9	5	1
Services	2	4	1

Beaver: Based upon the voting, cases 5 and 7 survive.

Hahn: While case 5 appears to have the most support, it does not have support *from all segments*.

Now, vote for case 5, case 7 or abstain. (Note: Chairs are not voting)

Case 5) 19 Case 7) 6 Abstain 4

Segment Check 5) 7) Abstain

EU	0	3	0
LDC	0	1	0
Prod	0	1	2
P/L	14	0	1
Services	5	1	1

Hahn: The outcome is Case 5) One more vote on whether to send this case (5) to gauge overall support. This will capture those who voted for 7 but can support 5.

Hahn: Case 5 (Note chairs are not voting in this round)

Yes 21 No 4 Abstain 4

Segment Check Yes No Abstain

EU	0	0	3
LDC	0	1	0
Prod	1	2	0
P/L	14	0	1
Services	6	1	0

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Novak: The results of the nomenclature email survey are as follows:

Over 50 e-mails were sent out and 16 responses were received

5 favored (A) Timely, 6PM, 10AM, 5PM
11 favored (B) Timely, Evening, Intraday 1, Intraday 2

Novak: Now the vote.

A 10 B 15 Abstain 3

Novak: Option B carries and the model will be modified to reflect the new nomenclature.

Novak: Now we will make the changes to Attachment 2

Hahn: P.1 should come out? Let's vote on whether to delete P.1

Yes 21 No 0 Abstain 0

On P.2, delete everything following *These are to be..*

P.2 The outlined intraday nomination opportunities at which a service requester should be supported by TSP's and all confirming parties for synchronization across the North American pipeline network (GRID).

Novak: Are there any other principles?

Greene: I'd to propose making Note 2 from Case 7 into P.5

P.5 TSPs that permit at least 3 intraday nomination opportunities should provide that no grid wide bumping should occur at the final grid wide intraday nomination opportunity of the gas day. The final grid wide intraday nomination opportunity in the 12/5/97 model is the 5PM nomination (Intraday 2).

Cynthia Corcoran: I move that we adopt this.

Yes 24 No 1 Abstain 1

Scheel: I propose P.6 which would relieve bumped parties from penalties.

Service Requesters and Operators should be relieved of any scheduling or imbalance penalties that result from being bumped.

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Randy Young: I don't think this is fair because pipelines will lose control of their system. If people are available on a 7/24 basis, they should be able to react. People who are not under threat of penalty will continue to pull, where there is no flow control.

Scheel: If I had another opportunity to nominate after the Evening nomination, I would react. But I can't react until 10AM the next day.

Corcoran: I could not support this because a pipeline needs to be able to get people to respond.

Wallenhorst: This language is part of Tennessee's tariff today and they currently are a bumping pipeline. It was part of reaching settlement on the issue.

Mosely: I support Young and Corcoran's comments.

Vote: (Chairs are not voting)

Yes 6 No 19 Abstain 2

Segment Check Yes No Abstain

EU 0 3 0

LDC 0 1 0

Prod 3 0 0

P/L 0 13 0

Services 3 2 2

Beaver: I make a motion that we not entertain any new motions until we have reviewed all the shaded areas.

No opposition.

Novak: P.6 will be added to contentious issues.

Hahn: Modify next to last sentence to read:

1.3.2.ii ...Scheduled quantities resulting from an Evening nomination should be effective at 9AM on gas day.

The last sentence is stricken.

Vote: Passes without opposition.

S.3 Change to *Bumping that affects transactions on multiple TSP's should occur at grid-wide times only.*

Vote: Passes without opposition.

S.4 is dropped.

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Vote: Passes without opposition.

Hahn: Onto Attachment 4.

Issue 1 goes away.

Vote: Passes without opposition.

Love: Issue 2 goes away?

Ehinger: I oppose dropping this issue.

Hahn: This will still be reflected as an contentious issue but instead of *final Intraday Session* it will say *11/11/97 Intraday session*.

Hahn: What about 7,8,9?

Buccigross: I think these are NOPR issues but not model issues relative to the model approved today.

Corcoran: I think these are service issues and shouldn't be before the Intraday Task Force.

Vote to have 7,8,9 included:

Vote: Yes 3 No 19 Abstain 1

Novak: We have completed the review of the shaded area. Now back to Attachment 2 for a line by line review.

Hahn:

Page 1

The date will be changed to 12/5/97.

The vote will be updated to reflect the final vote on Case 5 [21-4-4].

P.2 becomes P.1

P.3 becomes P.2

Page 2

P.4 becomes P.3

New P.5 becomes P.4

1.2.7 Updated to reflect new cycle nomenclature

Page 3

1.3.2 Updated to reflect new cycle nomenclature

1.3.2.ii *see Contentious issues - Attachment 4, item #1*

1.3.2.iii Updated to reflect new cycle nomenclature

1.3.2.iv Updated to reflect new cycle nomenclature and NOTE is dropped. Reference to P.4 is added in place of *,regardless of TSP's tariff bumping provisions.*

Any additional confirmation... is dropped.

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1.3.3 Note: New BPS language for 1.3.3

Approved at the October 13, 1997 E.C. Meeting

Proposed Standard: (GISB Standard 1.3.3 Replacement)

“At the end of each gas day, Transportation Service Providers should provide the final scheduled gas day quantities for the just completed gas day. With respect to the implementation of this process via the 1.4.x scheduled quantity related standards, Transportation Service Providers should send an end of gas day scheduled quantity document. Receivers of the end of gas day scheduled quantity document can waive the sender’s sending of the end of gas day.

Page 5

No additional changes.

Page 6

No additional changes.

Page 7

S.18 *Item #4* will be *Item #2*

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No changes

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Hahn: Attachment 4.

Page 1

Item 3 is dropped.

Item 4 becomes Item 2

Page 2

Item 5 becomes Item 3

Item 6 becomes Item 4

Other issue:

Young: I'd like to make a motion to send S.19 back to the BPS for finalization (it would be deleted from this report)

Corcoran: Second.

Buccigross: BPS nominations is closed. We voted on this last meeting 12-3 and the purpose of this meeting was to update for the NOPR and not retrade issues.

Julie Dennis: Re-voting S.19 is no different than re-voting the nomenclature issue. If we could re-vote that issue, we should be able to re-vote this one.

Davis: This, by the 11/11/97 meeting, was not yet passed at BPS. BPS did not complete its work. The Intraday Task Force voted on this before it had been through the entire BPS process. Intraday should not have voted on this.

Hahn: The issue is that there was a misrepresentation at the 11/11/97 meeting.

Young: My issue is with the process. This could mean, for example, the OBA could vote on flowing gas. That's a bad precedent.

Buccigross: I'm OK with adding this as a contentious issue.

Hahn: I'd like to add a note that says that the BPS should process this issue. That note would be included in our report.

Beaver: S.19 never went through Intraday's task forces/committees.

Hahn: I think procedurally, Beaver's concern, is incorrect.

Hess: I move we move S.19 to Contentious issues.

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Beaver: Second.

Hahn: Is there any opposition?

Ehinger: I object.

Hahn: Then it stays in Attachment 2, but with the note. This was a prior action so therefore it cannot be moved even though it has a majority.

Beaver: Motion to adjourn.

Second

Meeting adjourns.

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12/5/97

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