

**Imbalance Subcommittee Meeting
February 8, 1999 - Monday
Transco's Offices - Houston, Texas
FINAL Minutes**

1. Administrative

Dennis Latour welcomed participants.
Dale Davis gave housekeeping instructions.
Jim Buccigross gave the anti-trust advice.
Attendees introduced themselves.

Adoption of Agenda: Dennis suggested that we defer adoption of the January 28, 1999 minutes as they have not been posted yet. In addition, an agenda item on "netting" was inserted between items 2 and 3. The agenda was adopted as modified without objection.

2. Drafting of Recommendation and Timing of Steps

The discussion moved on to previously adopted standards as defined on the work paper "Approved Standards" dated December 11, 1998.

The previously approved standards were modified for cleanup, consistency, etc. Final versions of the standards are presented below.

2.3.30: (as originally modified) All Transportation Service Providers should allow Service Requesters ~~(in this instance, service requester excludes agents)~~ *(including agents of Service Requesters)* to net ~~similarly situated~~ imbalances *having similar operational impact* on and across contracts with the Service Requester *and to trade imbalances having similar operational impact with other Service Requesters and agents thereof.* ~~"In this context, "similarly situated imbalances" includes contracts with the substantially similar financial and operational implications to the transportation service provider.~~

It was noted that as the above standard deals with netting, which has not been completed by this subcommittee, we should not include it with the trading standards at this time. It will be examined during the upcoming netting discussions.

S1: (as modified February 8, 1999) Authorizations To Post Imbalances that are received by the Transportation Service Provider by 11:45 AM should be effective by 8:00 AM the next business day (central clock time). Imbalances previously authorized for posting should be posted on or before the ninth business day of the month.

S2: (as modified February 8, 1999) Transportation Service Providers should provide the ability to post and trade imbalances until at least the close of the nineteenth business day of the month.

S3: (as modified February 8, 1999) Transportation Service Providers should provide the ability to view and upon request, download posted imbalances.

S4: (as modified February 8, 1999) Imbalances posted for trading should be authorized by the Service Requester.

S5: Transportation Service Providers should not be required to post zero imbalances.

S6: (as modified February 8, 1999) When trading imbalances, a quantity should be specified.

S7: (as modified February 8, 1999) The posted imbalance quantity should be a monthly quantity.

S8: (as modified February 8, 1999) Transportation Service Providers should enable the imbalance trading process by:

- Receiving the Request for Imbalance Trade,
- Receiving the Imbalance Trade Confirmation,
- Sending the Imbalance Trade Notification, and
- Reflecting the trade on the next monthly Shipper Imbalance or cashout.

S9: Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by the Transportation Service Provider.

There was extensive discussion regarding updating of a service requester's imbalances *vis a vis* a trade. The following standard was proposed.

Motion 1: New Proposed Standard S10:

"Imbalance trades that are effectuated by a Transportation Service Provider in a current trading period should be reflected on the next monthly Shipper Imbalance or cashout for that trading period."

It was suggested that we could add language to S8 and not require an additional standard. The proposed language was another step which would read "Reflecting the trade on the next monthly Shipper Imbalance or cashout." This was done. The motion was withdrawn. S8 now reads:

Transportation Service Providers should enable the imbalance trading process by:

- Receiving the Request for Imbalance Trade,
- Receiving the Imbalance Trade Confirmation,
- Sending the Imbalance Trade Notification, and
- Reflecting the trade on the next monthly Shipper Imbalance or cashout.

Motion 2: Adopt the above language modifications to standards 1-9:

Sense of the Room on Motion 2: The motion passed unanimously, 15-0.

It was noted by some that a vote for the motion signified approval for the language changes only, and not the for underlying standard itself.

Discussion then turned to the timing issue.

One suggestion was that these standards be approved by the EC, but not sent out for member ratification prior to being fully staffed. Others believed that the standards should not be sent out for industry comment at this time. The following motion was made:

Motion: Recommend the above standards 1-9 to the Executive Committee for approval and transfer to Information Requirements and Technical Subcommittee for full staffing. The Imbalance Subcommittee further recommends that these standards not be sent out for member ratification prior to being fully staffed.

Sense of the Room: (simple majority) 7 Yes 8 No

Note: A balanced vote was not taken. Some in the group believed that this motion was procedural in nature and so a simple majority vote should be taken as opposed to a balanced vote. Others, including the chairs, believed that this motion should be determined by a balanced vote as it was not administrative in nature but determinative of standards adoption.

In addition, Jim B. stated his belief that the balanced voting motion adopted by the Executive Committee arguably calls for balanced voting on all matters, including administrative ones.

Another motion was made. The voting was done on a balanced basis.

Motion: Recommend standards 1-9 to the Executive Committee. The Imbalance Subcommittee further recommends that these standards not be sent out for member ratification prior to being fully staffed.

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	3	2	0	0
Producers	1	1	0	0
Pipelines	3	0.55	8	1.45
TOTAL	7	3.55	8	1.45

Renaming of Data Sets:

Dennis suggested that we go through the proposed data set names and come up with a set of names that we agree on.

Old Name:	New Name:
Request For Trade	Request For Imbalance Trade
Quick Response For Trade	Request For Imbalance Trade - Quick Response
Request For Confirmation Of Trade	Request For Confirmation Of Imbalance Trade
Trade Confirmation	Imbalance Trade Confirmation
Trade Notification	Imbalance Trade Notification
Authorization For Posting Authorized Imbalances	Authorization To Post Imbalances
Request For Download of Authorized Imbalances	Note: No longer needed. IR to utilize existing Upload of Request for Download of Posted Dataset (5.4.14)
Authorized Imbalance Transmission	Posted Imbalances Download

The datasets will be re-named and re-posted for the next meeting.

Discussion turned to the question of whether we should develop a quick response document for the Imbalance Trade *Confirmation*. It was determined without objection that this was an excellent idea. It was further determined that this quick response should be developed by the Information Requirements Subcommittee (IR). The following instructions to IR were adopted without any objection:

Instructions to IR: Develop a quick response document for the Imbalance Trade Confirmation.

2.5. Netting Discussion

The discussion then turned to netting. Betty Barnum explained the process followed on Panhandle Eastern. Laura Moseley compared and contrasted the netting process on FGT.

There was further discussion on the netting process, specifically whether netting should always be done, should be done by contract at the option of the service requester, should be done prior or subsequent to any trading of imbalances, etc.

Dennis noted that he believed that it was a fair assumption that all pipelines would net imbalances given the FERC Order No. 587-G. He posed the issue as whether netting is done at the Entity/Operational Area level or at the Entity/Rate Schedule/Operation Area level. This will be discussed at the next meeting.

3. Data Set and Data Element Review

Not discussed due to time considerations.

4. Next steps, next meeting and agenda

Next conference call: We will try to schedule Feb 19'th, second choice is Feb 26'th. We're still scheduled for Thursday, March 11, 1999.

Face to face: The chairs will attempt to get a face to face on March 24'th.

5. Adjourn

The meeting adjourned at approximately 4:40 PM local time.

6. **Attendance**

SERVICES:

Jim Buccigross

Donna Scott

Mark Scheel

National Registry

Enron Administrative Services

Dynegy

PIPELINES:

Dennis LaTour

Cindy Reppke

Cari Sloan

Julie Unruh

Sandra Barnett

Mary Sue McNeal

Betty Barnum

Mark Gracey

Dale Davis

Laura Moseley

Alice Johnson

Theresa Hess

Tammy Hopkins

Kim Van Pelt

Mike Schisler

ANR

ANR

ANR

Koch Gateway

Koch Midstream

El Paso Natural Gas

Trunkline

Tennessee Gas Pipeline

Williams Gas Pipelines

Enron - FGT

Enron - Northern Natural

Enron - Transwestern

Enron

TGC

NGPL

PRODUCERS:

Tommie Hartmann

Exxon