

**Imbalance Subcommittee Meeting  
March 17, 1999 - Monday  
Transco's Offices - Houston, Texas  
Final Minutes**

**1. Administrative**

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

Adoption of Agenda: The agenda was adopted as drafted without objection.

Previous Meeting Minutes: The draft minutes for the March 11, 1999 meeting were discussed and modified. The modified minutes were then adopted as final as modified without objection.

Previous Meeting Minutes (attachments): Request for Imbalance Trade - Add mandatory data elements "Contract Holder (Initiating Trader)" and "Contract Holder (Confirming Trader)" to this data set.

**2. Open Issues**

**Level of Imbalance Trading and how it impacts the following information requirements for the Request for Imbalance Trade and Request For Confirmation of Imbalance Trade**

Dennis began by diagramming the flow of the datasets on the white board. There were various questions as to the data sets and a review of the groups progress to date.

There were also questions as to the data elements contained in the various data sets. Although these were not on the issues list, there was relevant discussion.

It was also noted that a "withdrawal" data set should be developed. This would be the way to withdraw a trade prior to confirmation. There was general agreement that a specific withdrawal data set should be developed. We should not rely on a "mirror image" or other type of mechanism to withdraw.

Discussion moved on the specific data elements in the issues list:

**Rate Schedule:** Mark Scheel described the issue as to including the data element Rate Schedule, although the issues are relevant to many of these data elements. Inclusion of the data element in the various datasets implies that trades would then take place at that "level." He stated his that perhaps the only level should be at the operational impact area.

Dennis LaTour noted that he did not believe the addition of these data elements restricted trades, but rather allowed service requester to trade specific imbalances where they had multiple types. There was significant discussion on this topic.

The issue came down to whether these data elements were included for "restriction" purposes, that is they would be required to match up on either side of the trade for the trade to take place, or whether they were included for "informational purposes" only and not as a restriction as to what could be traded with what.

Donna Scott suggested that how netting was done had a significant impact on this discussion and so should be determined before we decide the data element issues.

It was determined that the imbalance trading discussion to date was relevant to transportation contracts only, not storage or other types of contacts. We will probably need language to capture this concept.

Some of the TSPs agreed that inclusion of Rate Schedule (and additional) information was not meant to accomplish a restrictive purpose, but rather to identify the imbalance that you wanted to trade.

It was determined that these issues were intimately tied to the netting discussion and so we should pick up with netting after lunch. After we resolve netting we would go back to data elements.

Donna listed the "open issue" data elements and came up with the following suggestions which will be discussed after netting:

- Rate Schedule - not necessary due to contract being there
- Transaction Type - may not be necessary, although Laura does need imbalance type or maybe operational impact area if this is not present.
- Imbalance Type - see above, may be rolled into "Operational Impact Area"
- Zone Identifier - may be rolled into "Operational Impact Area"
- Operational Impact Area
- Service Requester Contract - may be rolled into "Operational Impact Area"

### **3. Netting Issues**

Dennis started off with a review of the previous modifications to existing GISB Standard No. 2.3.30:

**2.3.30:** (as previously 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.~~

**Motion:** A motion was made to further modify 2.3.30 as modified as follows:

**2.3.30:** (further modification) 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 *within the same operational impact area* on and across contracts with the Service Requester *and to trade imbalances within the same operational impact area.* ~~"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 while this standard was permissive of service requesters trading imbalances across transportation, storage, OBA, etc. on those TSP's that support it, however it does not require that TSPs who do not support this now, having to start supporting such.

**Sense of the Room:**

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	2	0	0
Producers	0	0	0	0
Pipelines	6	2	0	0
<b>TOTAL</b>	<b>8</b>	<b>4</b>	<b>0</b>	<b>0</b>

The motion carried.

A new definition was then proposed to define netting.

**Motion:** Add a new definition as follows:

**D1/ 2.2.x:** Netting is the term used to describe the summation of Imbalances above any applicable tolerances for a Service Requester within an Operational Impact Area.

It was noted that this language was to accommodate those pipelines that had tolerances but not require tolerances on TSPs.

**Sense of the Room:**

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	0	0	0
Producers	0	0	0	0
Pipelines	10	0	1	0
<b>TOTAL</b>	<b>12</b>	<b>3.82</b>	<b>0.18</b>	<b>0</b>

The motion carried.

There was discussion as to where, that is what contract, remaining imbalances would be on after trading (if any) and cashout.

**Motion:** A motion was made to adopt the following new standard:

**2.3.x:** To account for any imbalance remaining after imbalance trading and cashout, where the Transportation Service Provider (TSP) associates such imbalance with a contract, the Service Requester (SR) and the TSP should agree to designate one of the SR's valid contracts in the Operational Impact Area where the original imbalance occurred, for such purpose.

**Sense of the Room:**

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	2	0	0
Producers	0	0	0	0
Pipelines	5	1.67	1	0.33
<b>TOTAL</b>	<b>7</b>	<b>1.67</b>	<b>1</b>	<b>0.33</b>

The motion carried.

**4. Next steps, next meeting and agenda**

Next conference call is scheduled for Thursday, March 25'th, 9:00 - noon, central. Jim and Dennis will update the datasets for posting for the next meeting.

**5. Adjourn**

The meeting adjourned at approximately 4:15 PM local time.

6. **Attendance**

**SERVICES:**

**Jim Buccigross**

Donna Scott

Mark Scheel

**National Registry**

Enron Administrative Services

Dynegy

**PIPELINES:**

**Dennis LaTour**

Bill Griffith

Charlie Bass

Ken Schubert

Robin Janes

Sandra Barnett

Julie Unruh

Steve Neyland

Marcy McCain

Laura Moseley

Alice Johnson

Dale Davis

Theresa Hess

Betty Barnum

Tammy Hopkins

Kim Van Pelt

**ANR**

CIG

Tennessee Gas Pipeline

TransCanada Pipeline

El Paso Natural Gas

Koch Midstream

Koch Gateway

Koch Gateway

Texas Eastern

Enron - FGT

Enron - Northern Natural Gas

Williams Gas Pipeline

Enron - Transwestern

Trunkline

Enron

Duke Energy

Chair names are in bold.