



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
PHONE - (713) 356-0060, FAX - (713) 356-0067, EMAIL - gisb@aol.com
HOME PAGE www.gisb.org

May 27, 1999

TO: GISB Membership and posting on the home page for interested industry participants
FROM: Rae McQuade, Executive Director
RE: **FINAL MINUTES FOR IMBALANCE SUBCOMMITTEE MAY 27, 1999 MEETING**

I. Administrative

The meeting began at 9:00 a.m. Mr. Buccigross welcomed the attendees and called the roll of attendees. He gave the antitrust advice. The agenda was adopted with no changes. In discussion of the agenda, it was noted that Request No. R98045 was highlighted for inclusion on a future agenda and that the daily imbalances topic is a opening discussion on identification of major issues. The minutes of May 19 were adopted with changes.

II. Code Values - Withdrawal Reason Code & Imbalance Trade Response Code

Upon review, it was noted that a withdrawal reason code was not needed -- the submitter can withdraw his request for trade without giving a reason. The motion was made and seconded to delete the withdrawal reason code data element from the Withdrawal of Request For Imbalance Trade data set. The motion carried unanimously. For the Imbalance Trade Response Code data element in the Imbalance Trade Confirmation data set, two code values were proposed:

- Trade accepted
- Trade declined

In discussion, Ms. Scott noted that this data element is mandatory. If a confirmation is not sent, it is automatically assumed declined. These code values will be forwarded to the Information Requirements Subcommittee as a list of examples of code values for the Imbalance Trade Response Code. For the Trade Reduction Reason Code data element, in an additional review (this element was first reviewed for code values on May 19), an additional code value was proposed to be included on the list for the Information Requirements Subcommittee to consider as it defines the code values:

- Trade rejected. Invalid trade quantity requested.

III. Enron Work Paper -- Posting of Monthly (vs. Daily) Imbalances & Tying Trading Window to Billing

Ms. Hopkins began with a review of the discussions and decisions made on May 19. She asked that the trading window be shortened to ensure that pipelines have an incentive to put information out sooner. She asked that the industry review this timeline in light of having incentives to make information available sooner. She noted that perhaps the timeline should be tied to number of days after information is available rather than a specific day. Mr. LaTour noted that he would volunteer to work with Ms. Hopkins to have a work paper prepared for the EC meeting where alternatives were posed for S2 and GISB Standard No. 3.3.14.



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Ms. Hopkins recommended the deletion of the last bullet of the S8 proposed standard to give flexibility of reporting:

- S8 Transportation Service Providers should enable the trading of imbalances 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.

Ms. Scott noted concerns with the proposal because she did not want a delay in the reporting. After discussion, Ms. Hopkins made the motion to modify the last bullet of S8 to reflect that it could be reported earlier than the next monthly cycle:

- S8 Transportation Service Providers should enable the trading of imbalances by:
- Receiving the Request for Imbalance Trade,
 - Receiving the Imbalance Trade Confirmation,
 - Sending the Imbalance Trade Notification, and
 - Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.

The motion passed unanimously.

Ms. Hopkins then recommended that S7 be modified from:

S7 The posted imbalance quantity should be a monthly quantity.

to:

S7 A TSP should support imbalance trading to the extent the TSP's tariff provides for the resolution of shipper imbalances through a monthly cash-out mechanism.

Mr. LaTour explained the reason for S7 and that it addresses posting activity not the trading activity. It does not preclude the trading of that quantity on other than a monthly basis. To reflect the conversation, the motion was made and seconded to delete S7 and modify S12 to:

S12 Netting, posting and trading of imbalances should be accomplished based on the Transportation Service Provider's (TSP) current method for accounting for imbalances and does not require TSPs to institute daily imbalance procedures, if they are not already present on the TSP's system.

The motion passed unanimously.

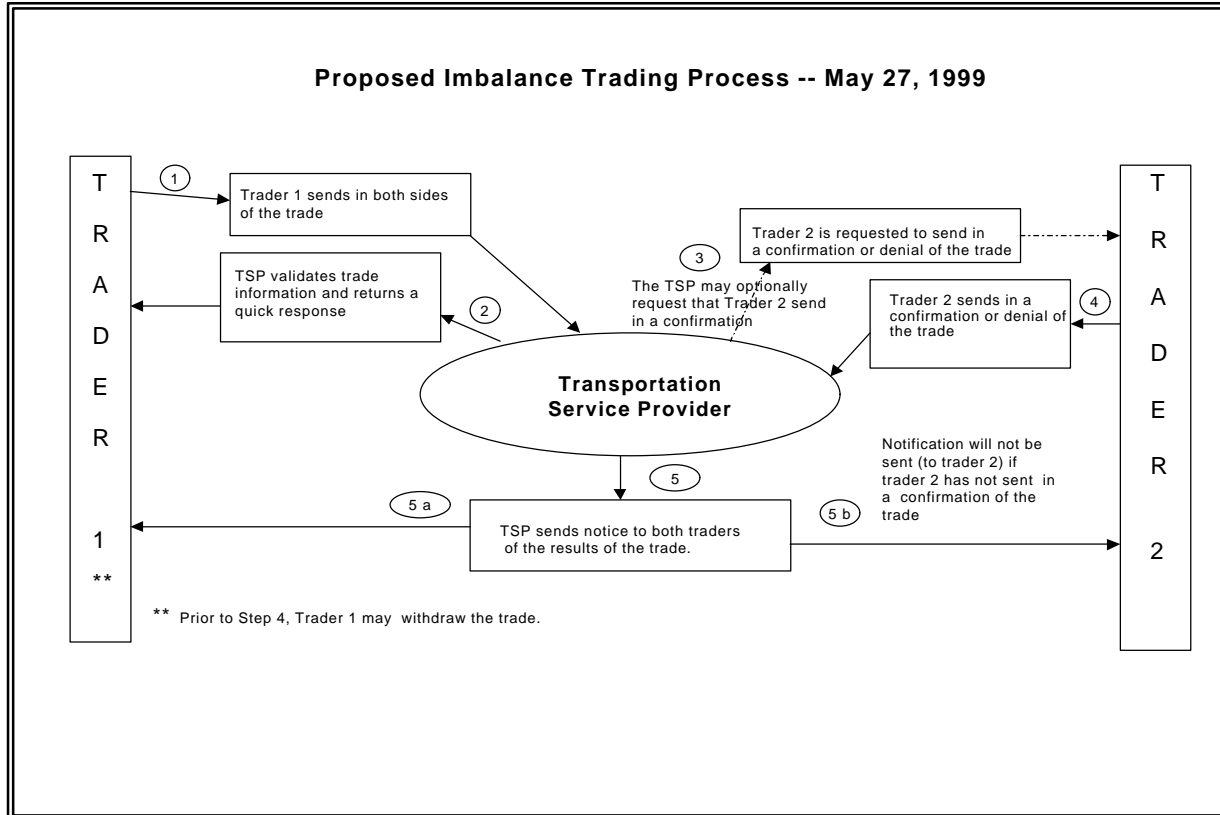


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IV. Modification to the Chart

Changes were made to the chart below to reflect the proposed standards. The diagram is not anticipated to be included as a standard but it is designed for illustrative purposes. It may be included in the TIBP portion of the standards manual. There was no one in disagreement. The diagram as modified follows:



- 1) The initiating trader sends in both sides of the trade.
- 2) The Transportation Service Provider validates trade information and returns a quick response to the initiating trader.
- 3) Optionally, the confirming trader is requested by the Transportation Service Provider to send in a confirmation of the trade.
- 4) The confirming trader sends in a confirmation of the trade.
- 5) Trader Notification:
 - a) The Transportation Service Provider sends notice to both traders of the results of the trade.
 - b) Notification will not be sent (to the confirming trader) if the confirming trader has not sent in a confirmation of the trade.



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V. Daily Imbalance Trading

Mr. Buccigross noted that today, we will be discussing daily imbalance trading to identify the topics for the upcoming meeting. As a threshold issue, Ms. Unruh asked if we should be developing standards for daily imbalance trading since it is not a currently widespread business practice. Ms. Scott asked "Can daily imbalance penalties (assessed after the month has concluded) be traded through the current proposed standards?" She noted that with the changes to S12 and the elimination of S7, she observed that the standards may allow for it. Ms. Barnum noted that adding "day" to the appropriate data sets may accommodate monthly trading of daily trading. None on the phone disagreed with Ms. Scott's observation. This is not to say that the current proposed standards address daily penalties and the trading of those penalties during the month in which they occur.

Agenda items for the upcoming meeting:

- Request No. R98045
- Do we need to define standards for daily imbalance trading?
- Trading of Daily Penalties during the month in which the penalties occur.

Workpapers on these topics are due to the GISB office by June 18. Please have red-lined changes to the minutes of this meeting by end of business, June 3.

VI. Next Meetings

The attendees confirmed the following date for upcoming face-to-face meeting and the other pertinent due dates . It was noted that the time had changed from the previously published time:

June 3	Imbalance Subcommittee Conference Call, 9:00 a.m. to Noon CANCELLED
June 3	Red-lined changes to correct errors and omissions to the Imbalance Subcommittee May 27 minutes, proposed standards, proposed data dictionaries and diagram
June 7	Proposed Imbalance Subcommittee standards distributed for industry comments
June 24	Imbalance Subcommittee Conference Call, 9:00 a.m. to Noon CANCELLED
June 18	Imbalance Work Papers Due
June 30	All day Imbalance Subcommittee meeting hosted by Koch (must be agreed to by FTTF chair)
July 15 & 16	EC Meeting in Las Vegas where Imbalance Subcommittee standards are considered



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VII. Attendees & Voting Record

Attendee	Company	email	Voting	1999 Member
Pipelines:				
Flo Comini	ANR		X	✓
Dennis LaTour ¹	ANR	dennis.latour@coastalcorp.com	X	✓
Cari Sloan	ANR		X	✓
Pete Howells	ANR		X	✓
Sherry Wake	ANR		✓	✓
Alice Johnson	Enron - Northern Natural Gas	ajohnso@enron.com	✓	✓
Theresa Hess	Enron - Transwestern	thess@enron.com	✓	✓
Rick Dietz	Enron - Northern Border	rdietz@enron.com	✓	✓
Tammy Hopkins	Enron - Florida Gas	thopkins@enron.com	✓	✓
Mary Sue McNeal	El Paso Natural Gas	mcnealm@epenergy.com	✓	✓
Mark Gracey	Tennessee Gas Pipeline	gracey@epenergy.com	✓	✓
Randy Young	Koch Midstream Services	young0r@kochind.com	✓	✓
Julie Unruh	Koch Gateway	unruhj@kochind.com	✓	✓
Marcy McCain	Duke Energy - Texas Eastern	mlmccain@duke-energy.com	✓	✓
Betty Barnum	CMS - Panhandle Eastern	babarnum@cmsenergy.com	✓	✓
Services:				
Jim Buccigross	National Registry	legaljb@tcapserv.com	✓	✓
Donna Scott	Enron Administrative Corp.	dscott2@ect.enron.com	✓	✓
GISB:				
Rae McQuade	GISB Office	gisb@aol.com	X	✓

¹ Chairs are indicated in bold type.