



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com
HOME PAGE www.gisb.org

June 8, 1998

TO: GISB Membership and posting on the home page for interested industry participants
FROM: Rae McQuade, Executive Director
RE: **FINAL MINUTES FOR IMBALANCE SUBCOMMITTEE JUNE 8, 1998 MEETING**

I. Administrative

The meeting began at 9:00 a.m. Ms. McQuade gave the roll call. Mr. Buccigross welcomed the attendees to the Imbalance Subcommittee call and gave the antitrust advice. The agenda was adopted as written. The minutes of May 22 were adopted with changes.

II. Issues --Authorization:

Outstanding authorization issues as of June 8, 1998 are:

	<u>RESOLVED</u>
1. Authorization by specific area or zone	YES
1A. Authorization by legal entity	YES
2. Authorization by specified contracts	YES
3. Authorization by specified rate schedule	YES
4. Authorization by/for specified date ranges	YES
5. Daily/monthly issues	NO
6. Timing Issues	NO
7. Operational Impact Areas	YES
8. Overwrite/Change authorization issues	YES
9. Imbalance Type	YES
10. No Authorization Required	YES
11. Don't Authorize -- De-authorize	YES
12. Percentage or Specific Quantity	YES

The discussion began with **item no. 1**, "Authorization by specific area or zone." Ms. Davis noted that zone should not be considered during discussions on imbalances as zones imply rate zones. Imbalance trading may require the use of zone information. Mr. Hahn suggested that operational impact area be defined as stated in Order No. 587-G, to be an area that has a "similar operational effect" for imbalance netting, and that zone not be added. Mr. Buccigross further defined "not added" applies to authorization and posting at the zone level. The daily/monthly issues and the timing issues will be reviewed at the next meeting after the posting issues are resolved and a questionnaire has been circulated.

III. Issues -- Posting:

Outstanding posting issues as of June 8, 1998 are:

	<u>RESOLVED</u>
1. Posting by specific area or zone	YES
1A. Legal Entity	YES
1B. Rate Schedule	YES
1C. Specified contracts	YES
<i>(For item nos. 1A, 1B, and 1C operational impact areas can be specified within each of those items)</i>	
2. Daily/monthly issues	NO
3. Timing issues	NO
4. Nomination process issues (per proposed standard No. 1.3.X)	

Moved to effectuation issues



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com
HOME PAGE www.gisb.org

5.	Administration	Moved to effectuation issues
6.	Concurrency of trades	Moved to effectuation issues
7.	Operational Impact Areas	YES
8.	Total/changes only posting	YES
9.	Zero Imbalance posting question	YES
10.	OBA Imbalance posting question	YES
11.	Imbalance Type	YES
12.	Percentage or Specific Quantity	YES

Item No. 1, level of posting for zone is not needed but may be needed as information for the various postings. Move **Item No. 4**, "Nomination process issues (per proposed standard No. 1.3.X)" to the effectuation list. For **item no. 5**, "Administration," there was confusion on its meaning and no one who sponsored the item was on the call. It could mean that administration, operating the system of data flow, is required for posting. The service requester would request that imbalances be posted and give authorization for posting, and the transportation service provider would post the information. It was determined that this item would be more applicable to effectuation. In a similar discussion, **item no. 6**, "Concurrency of trades," was also moved to effectuation. **Item No. 3**, "Timing Issues" was added to the effectuation list but was also left remaining on the posting issues list.

For **item no. 8**, "Total/changes only posting," there are crossover issues with the daily/monthly issues. Several participants noted that regardless of daily or monthly trading, the information posted should always be the total rather than the incremental changes. Mr. Hahn noted that this issue of total versus incremental changes has been discussed in other venues, but supported the use of posting only total imbalances. This issue was discussed during the intraday nominations deliberations. For pipelines that do daily rolling average imbalance, will the shipper be required to daily download the averages and calculate the imbalance (daily), or will the shipper be required to daily download the total imbalance (total)? For posting, the imbalance quantities should be in total form, not in incremental. Total pertains to the quantities available for trading at that time -- it is a full accumulation of the imbalance quantities available for trade. History of imbalances can be found on the imbalance report.

For **item no. 9**, "Zero Imbalance posting," the result should be posted, and if the result is a zero it should be posted. For **item no. 10**, "OBA Imbalance posting," if an OBA is in effect there are no imbalances available for trading or netting so nothing should be posted, unless it is specifically permitted for trading in the tariff. For **item no. 12**, "Percentage or Specific Quantity," there was a question as to which number the percentage would apply. Ms. Davis asked if the percentage or quantity would be the percentage of total or the quantity of the total that would be permitted to be posted for trading. With this description, it should be moved to the authorization column. There was discussion on why a shipper wouldn't want to trade all imbalances. The specific quantity option accomplished the limit that shippers might want. Several noted that neither specific quantity nor percentage is needed -- the total should be posted for trade. Percentage could be used by shippers to determine how much imbalance quantities should be available for trade for those pipelines that are unable to give imbalance data other than estimates prior to the trading period. For posting, it was determined to be a specific quantity -- with an issue of whether it should be the total quantity or some portion of the quantity. Several noted that the specific quantity should be the total imbalance, but Ms. Barnum and Ms. Morton disagreed and noted that a portion of the total imbalance could be specified. The portion of the total imbalance -- specific quantity, if allowed would be defined in the authorization process and also be used in the effectuation process. It was determined that: If the pipeline supports a limit definition on the imbalance quantity available for trade, the limit would be a quantity defined in the authorization, the limit would be posted, and the limit would not be exceeded during the trading, and the pipeline would administer the entire process. If the pipeline does not support this process, no authorization item for limited quantity is needed, the quantity posted is the entire imbalance quantity, and if the shipper chooses to have a limit in the trading, he would administer it with the traders.



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com
HOME PAGE www.gisb.org

IV. Outstanding effectuation issues as of June 8, 1998 are:

	<u>RESOLVED</u>
1. Nomination process issues (per proposed standard No. 1.3.X)	NO
2. Administration	NO
3. Concurrency of trades	NO
4. Timing issues	NO
5. Daily/Monthly trading	NO
6. Percentage or Specific Quantity	YES

V. Next Meeting of the Imbalance Subcommittee

Outstanding questions will be drafted for review at the next meeting by Dale Davis and Jim Buccigross. Attendees should be prepared with answers and provide them for posting if possible. The questions will be posted on June 12. Written responses should be forwarded to the GISB office on June 15 for posting. Teleconference call for the next meeting of the Imbalance Subcommittee is June 17, 9:00 a.m. to noon central. A following meeting is scheduled for June 29, both from 9:00 a.m. to noon central. The agenda for June 17 is to continue discussion on questions and answers, timing and daily/monthly issues for authorization and posting, and effectuation.

VI. Adjourn

Meeting adjourned at noon.



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
 PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com
 HOME PAGE www.gisb.org

VI. Attendance

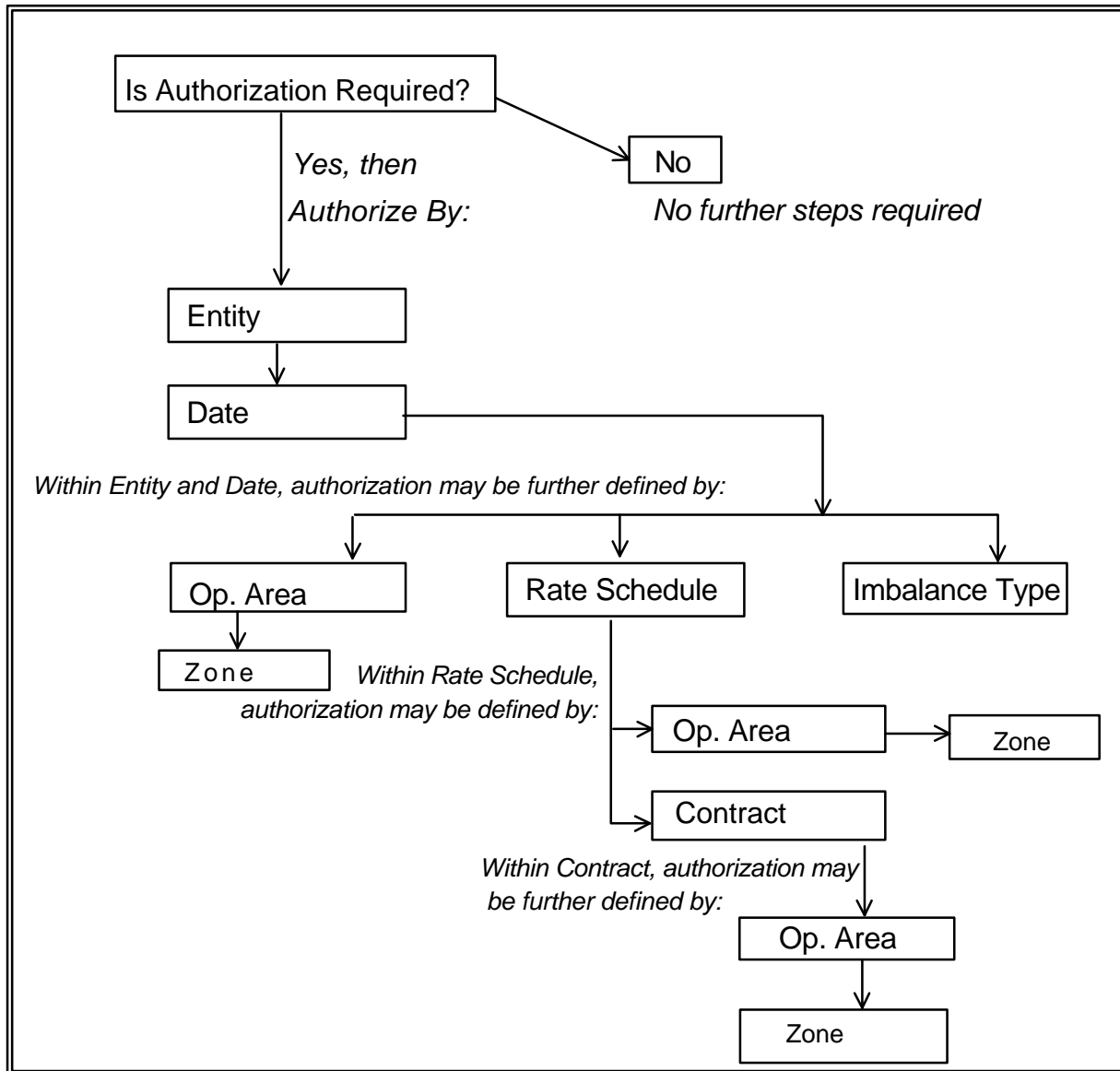
Segment			GISB Members
SERVICES:	Jim Buccigross	National Registry	✓
	Sylvia Munson	Altra Streamline	✓
LDCs:	Lisa Russo	National Fuel Gas Distribution	✓
PIPELINES:	Flo Comini	ANR	✓
	Cindy Reppke	ANR	✓
	Sherry Wake	ANR	✓
	Dennis LaTour	ANR	✓
	Joe Bianchi	ANR	✓
	Paul Stein	ANR	✓
	Pete Howells	ANR	✓
	Mary Sue McNeal	El Paso Natural Gas	✓
	Laura Moseley	Enron - Florida Gas Transmission	✓
	Rick Deitz	Enron - Northern Border	✓
	Tammy Hopkins	Enron - Northern Natural	✓
	Jim Studebaker	Enron - Transwestern	✓
	Sheila Macey	Enron - Transwestern	✓
	Julie Unruh	Koch Gateway	✓
	Sandra Barnett	Mobile Bay	✓
	Karen Boren	NGPL	✓
	Margaret Morton	Southern Natural Gas Pipeline	✓
Rita Jones	Texas Gas	✓	
Carl Rogers	Transco	✓	
Betty Barnum	Trunkline	X	
Dale Davis	Williams Gas Pipelines	✓	
PRODUCERS:	Jerry Hahn	Texaco	✓



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com
HOME PAGE www.gisb.org

Results Charted -- Authorization¹



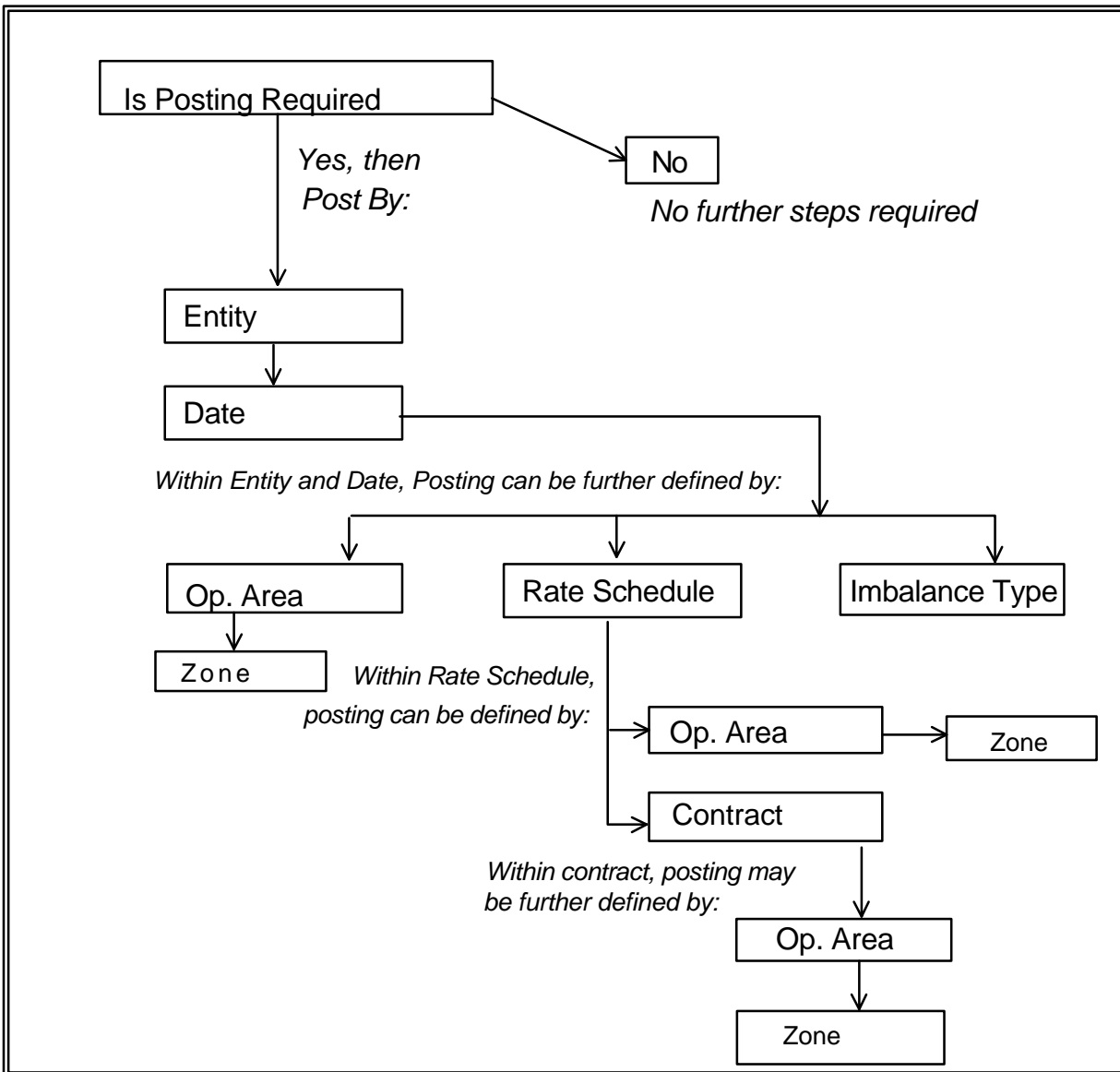
¹ The diagram does not imply that a company must offer these gradations for imbalance trading or netting. Not all levels must be supported or offered.



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002
PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com
HOME PAGE www.gisb.org

Results Charted -- Posting²



² The diagram does not imply that a company must offer these gradations for imbalance trading or netting. Not all levels must be supported or offered.