

**GISB Imbalance Subcommittee
Questionnaire - June 22, 1998**

Does your pipeline currently allow Imbalance Trading? Yes

Do shippers authorize the posting of imbalance information? Yes, Texas Gas will post imbalances available for trading on their EBB upon request from the customer.

i.) If yes, what time period is allotted to reconcile the imbalance information prior to the posting? Customers have until the 20th day of the month following the production month in which the imbalance was created to reconcile, request posting and effectuate the trade.

When is imbalance information posted? Texas Gas prepares and delivers the imbalance statement on or before the 9th business day after the end of the production month. This imbalance is based on actual volumes allocated and is the imbalance available for trading. Customers can view a daily report on the Texas Gas EBB that provides an estimated imbalance based on operational volumes. The imbalance is posted to the EBB as soon as the customer notifies Texas Gas of their desire to have it posted .

Are imbalances "netted" prior to posting? Yes. The Texas Gas tariff requires imbalances for the following rate schedules to be netted to a customer level: Firm Transportation, Interruptible Transportation, and Pooling Service. The customer's current production period imbalances are netted together to determine the actual net imbalance to cash-out or be made up in-kind. OBA imbalances are kept at the contract level.

What is the deadline for trading these imbalances? Trading of imbalances can be done during or after the production month in which the imbalance was created. If the trade occurs after the production month it was created, the trade request must be received by Texas Gas on or before the 20th of the month following the production month.

At what level are imbalances traded? A customer can trade their customer level imbalance with another customer level imbalance or to their own OBA contract, but only if doing so decreases both customer's imbalances.

Do shippers have a choice to "cash-out" or trade their imbalances? If Texas Gas receives notice from customers of their desire to have their current month imbalances traded during the current closing cycle, we will trade the imbalances instead of cashing them out. If the trade notice is received after the closing cycle, the volumes would have already been cashed-out. The cash-out would be reversed in the next month and the imbalance traded.

How do shippers effectuate trades? A form, signed by both parties requesting to have their imbalances traded, is sent to Texas Gas. The form must be received by Texas Gas during the current production month or on or before the 20th of the month following the production month. The form will show the customers trading imbalances and the volume being traded. The trade volume cannot exceed the imbalance for the receiving customer. For example, Customer A has an imbalance of (500) that he wants to trade to Customer B who has an imbalance of 300. Customer A can only trade (300) to Customer B. The trade must also decrease the imbalance of both parties. The process of applying the trade for both parties is done manually at Texas Gas.

What type of "confirmation" does the TSP send shippers who initiated a trade? We currently do not send a confirmation to the shippers. We send an Imbalance Allocation Statement along with the Imbalance Statement to indicate the trade occurred.

When is the trade applied to the shipper's account? The trade is applied as a monthly transaction. The transaction is made during the closing cycle for the month in which the trade was received.

What document(s) is/are used to communicate the change in the shipper's account? The customer receives a monthly Imbalance Allocation Statement that reflects the trade transaction as well as other items such as Current Month Imbalances, In-kind Imbalances and Cashouts.

Are imbalances calculated daily or monthly? Actual imbalances are calculated daily based on allocated volumes.

Are Imbalances posted on a daily or monthly basis? Actual imbalances are not currently posted to the TGT EBB. The customer receives a monthly Imbalance Statement that reflects their actual imbalance. An estimated imbalance is posted daily to the EBB based on operational volumes.

A.) If daily postings, do these represent a "running total" or simply a value for that specific day? The estimated imbalance that is posted is the imbalance for that specific day, not a running total.

Williams Gas Pipelines
Texas Gas Transmission
Rita Jones
(502)688-6795