



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

July 24, 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 JULY 24, 1998 MEETING**

I. Administrative

The meeting began at 9:00 a.m. Mr. Buccigross 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 June 29 were adopted with changes.

II. Review of Questions and Any Additional Drafted Responses, Review of Imbalance Grid with Previously Drafted Responses

Texas Gas offered two changes to their response to questions for question 2 and question 3a. The revised imbalance grid will be posted with the changes.

III. Open Issues -- Authorization, Timing and Posting

Timing and authorization are remaining topics to be addressed. A recap of the agreed upon concepts were reviewed:

- The authorization levels have been defined and are considered total replacements when submitted.
- Authorization should not be retroactive.
- Authorization is required.
- Authorization is effective until replaced or de-authorized.
- Authorizations are done at the level(s) supported by the TSP.

Below are topics discussed for new concepts:

Authorization Ending Date Optional

It was discussed that authorization should have a beginning date required, but not an ending date, so that companies need not be required to remember the ending date to avoid having the authorization automatically de-authorized. As such the ending date is an optional field with the default that it is open ended. If a new authorization is received, it would automatically end the previous one with the date that the new authorization takes effect. The concept agreed to is:

- The authorization ending date is an optional field with the default that it is open ended. If a new authorization is received, it would automatically end the previous one with the date that the new authorization takes effect.

Lead Time for Effectuating an Authorization

For lead time for the authorization, two issues were defined: (1) is authorization based on business days or calendar days, and (2) processing may be required which could impact the effectuation of the authorization. An example was given: "by 9:00 p.m. two business days prior to the date for the effectuation of the authorization." Several on the phone supported the use of business day to ensure that staff was available when the authorization is received. A suggestion of a one business day in advance for the authorization to be effectuated was offered. It was also suggested that the deadline be tied to the existing deadlines for timely nominations to make it easy to remember. It was noted that



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authorization would not change frequently, and the volume of the transactions for defining authorizations would be low. After discussion, it was suggested that authorizations received by 11:30 a.m. central clock time would be effective for postings not later than 5:00 p.m. central clock time the following business day. There was no opposition to this suggestion. There was a concern stated that clear communication would be required to ensure that shippers knew when the posting would be made. The concept agreed to is:

- Authorizations submitted by 11:30 a.m. central clock time, and received by the TSP not later than 11:45 a.m. central clock time, would be effective for postings not later than 5:00 p.m. central clock time the following business day.

Posting Zero Imbalances

It was suggested that posting of imbalances should not be required if the imbalance quantity is zero. If there is no posting of imbalance quantities, it is assumed that no imbalances exist. However, this may not take into account errors in processing the authorization for posting. The result of such an error would be that no imbalance would be posted. The benefit of not posting zero imbalances is that the shippers have easier access to needed information by not sifting through significant numbers of postings where the quantity is zero. An example was given of reviewing 60 postings versus 400 postings. The benefit of posting zero imbalances is to avoid the step of shippers calling the TSP when no imbalance is posted to determine if it was due to an error or truly because there was no imbalance. TSPs should however maintain the option of posting zero imbalances if they so choose. After discussions, the concept agreed to is:

- TSPs are not required to post zero imbalances.

The resolution of the above issues closes out the open issues for posting, authorizations and timing.

IV. Open Issues -- Effectuation

This topic addresses how trades will take place. Open issues are organized into: process, administration, concurrency, timing, daily/monthly and percentage or specific quantity. Concepts agreed to so far and reviewed in the meeting are:

- Specific quantities rather than percentages should be traded.
- Monthly quantities should be posted for trading.

Process of Effectuation -Trading

Request Nos. R97117, "Add two new business practice standards, one new associated dataset (EDI document) to facilitate the posting of Shippers' Imbalances, and a new code value for the Data Sets Requested data element in the Upload of Request for Download of Posted Data Sets (GISB Standard No. 5.4.14) and Response to Upload of Request for Download of Posted Data Sets (GISB Standard No 5.4.15)," and R97118, "Add two new codes to the Transaction Type data element to delineate nominations of imbalance trades across contracts in the Nomination and nomination related data sets," were discussed. Some TSPs net imbalances before they post the resulting imbalances. Other TSPs do not net before posting occurs, unless prior arrangements have been made with the shipper. Several on the phone supported netting contracts for a shipper should take place before the imbalance is posted, but prefer the flexibility that authorization be required before automatically netting the imbalances across contracts for a single shipper. It was noted that netting as a process is not significantly different than trading. It was determined to discuss netting separately from trading.



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There was a discussion on if the standards developed are to reflect current business practices or to define new business practices which may require changes by the companies implementing the standards, should they be adopted. There was not consensus of the attendees on the response.

Request Nos. R97117 and R97118 were raised because they identify the primary process issue for trading -- is the nomination process used for trading? It is not meant to use the nomination process, but to add an indicator to the nomination data set, and rename the set the "Imbalance Trading" data set. As further explanation, the nomination data set will be used with an indicator noting that this was an imbalance trade. The reasoning for using this data set is the commonality of the information needed to effectuate the trade.

Others on the phone noted that there are several pieces of information that are not needed to effectuate the imbalance trade that are present in the nominations data set, and as such a new data set should be created with only the information needed. Both the Nominations data set and the Imbalance Report data set were reviewed as well as the June 8th authorization/posting charts, from which data elements were preliminarily defined for the Imbalance Trading data set. The Imbalance Trading data set is sent to the TSP from the shipper.

Below is the list of data elements:

Business Name	Definition
Accounting Period	The month and year the information was recorded. COMMENT: A production date, not an accounting period.
Associated Contract ???	
Contact Person (1)	The name and telephone number of the contact for questions regarding the statement information. COMMENT: TSP contact
Contact Person (2)	The name and telephone number of the contact for questions regarding the statement information. COMMENT: For verifying the trade from.
Contact Person (3)	The name and telephone number of the contact for questions regarding the statement information. COMMENT: For verifying the trade to.
Deal Type ???	A Transportation Service Provider supplied identifier which allows the Service Requester to specify the specific transportation arrangement under a contract and receipt/delivery. The transportation arrangements may vary in terms of rates, volume commitments, fuel requirements or other terms offered by the Transportation Service Provider.
Fuel Quantity	The quantity of fuel per allocation period in standard units. COMMENT: Some TSPs ask the shippers to identify their fuel quantity - the total quantity traded may include fuel.
Imbalance Type from	From review of the chart. This may be covered under transaction type
Imbalance Type to	From review of the chart. This may be covered under transaction type
Nominator's Tracking Number	This is created by the originator of the process. It is line item specific and is used by the originator of the process to tie quick response and scheduled volumes to nominations. It is not validated by the receiver of the process nor is it a key in the receiver of the process' database. The receiver of the process will not track this number but merely echo it back in the response document. This number is used for EDI only and will not be added to EBBs. COMMENT: Rename Imbalance Trade Tracking ID. Changes to the definition are needed.
Operational Impact Area	From review of the chart. New data element added.
Preparer ID * ???	The name and address of the business party preparing the report.
Quantity	The amount expressed is a quantity per gas day in standard units being traded. COMMENT: Rename it as trade quantity which may or may not include fuel and this item should be resolved because additional data elements may be needed.
Rate Schedule to	From review of the chart
Rate schedule from	From review of the chart



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Service Provider's Activity Code ??	Service provider's code for the activity requested by service requester.
Service Requester 1	Identifies the party requesting the service, or their agent. COMMENT: trade initiating party -- service requester 1
Service Requester 2	Identifies the party requesting the service, or their agent. COMMENT: Trade receiving party -- service requester 2
Service Requester Contract 1	This is the contract under which service is being requested. COMMENT: Same as above (trade from contract (1) and trade to contract (2))
Service Requester Contract 2	This is the contract under which service is being requested. COMMENT: Same as above (trade from contract (1) and trade to contract (2))
Statement Date/Time	Date and time the statement was produced.
Statement Recipient ID * ???	The intended user of the statement.
Time Stamp	Date and time when data left control of the Service Requester. COMMENT: Deadline for trades
Transaction Type	This field identifies the specific type of scheduling transaction. This field will be populated with GISB approved transaction types. For example: authorized overrun, imbalance payback to pipeline, imbalance payback from pipeline, plant thermal reduction, current business, pooling, injection, withdrawal. The default value is current business. Comment: This may be an indicator. Changes to the definition are needed.
Transportation Service Provider *	Identifies the party providing the requested service.
Zone Identifier	From review of the chart. The transporter's geographic zone identification.

*Common Code

V. Next Meetings

The attendees determined the following dates for upcoming conference calls:

August 12	9 a.m. to noon
August 27	1 p.m. to 4 p.m.
September 9	9 a.m. to noon

The meeting adjourned at 11:45 a.m.



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VI. Attendees

Segment	Attendee	Company	Membership	
Pipelines	1	Marcy McCain	Algonquin	✓
	2	Cindy Reppke	ANR Pipeline	✓
	3	Flo Comini	ANR Pipeline	✓
	4	Pete Howell	ANR Pipeline	✓
	5	Sherry Wake	ANR Pipeline	✓
	6	Mary Sue McNeal	El Paso Natural Gas	✓
	7	Julie Unruh	Koch Gateway	✓
	8	Clainda Smith	Koch Midstream	✓
	9	Sandra Barnett	Mobile Bay	✓
	10	Lori Willemyns	Northern Border	✓
	11	Rick Dietz	Northern Natural	✓
	12	Betty Barnum	Panhandle Eastern	✓
	13	Lynn Ledlow	Southern Natural Gas	✓
	14	Jeff Bittel	Texas Gas	✓
	15	Rita Jones	Texas Gas	✓
	16	Dale Davis	Williams Gas Pipelines	✓
	17	Stephanie Barth	Williston Basin	✓
	18	Damon Sykes	National Fuel Gas Supply	✓
Services:	19	Mark Scheel	Dynegy	✓
	20	Jim Buccigross ¹	National Registry of Capacity Rights	✓
LDCs:	21	Lisa Russo	National Fuel Gas Distribution	✓
GISB:	22	Rae McQuade	GISB Office	✓

¹ Chairs are indicated in bold type.