

**GISB Imbalance Subcommittee  
Questionnaire - June 22, 1999**

**1.) Does your pipeline currently allow Imbalance Trading?**

<b>Company</b>	<b>Answer</b>
Texas Gas	Yes
El Paso	Yes
Southern Natural	Southern Natural Gas allows imbalance trading. South Georgia and Sea Robin do not.
National Fuel Gas Distribution	Yes, for aggregation.
National Fuel Gas Supply	Yes
Florida Gas Trans.	Yes
CIG	Yes. Limited to netting Monthly imbalances. Imbalances cannot be increased by trades.
Koch Gateway	Yes. Each month's imbalance can only be offset with an opposite imbalance occurring for the same month. KGPC/MBP does not allow cross month imbalance trading.

**If yes,**

**A.) Do shippers authorize the posting of imbalance information?**

<b>Company</b>	<b>Answer</b>
Texas Gas	Yes, Texas Gas will post imbalances available for trading on their EBB upon request from the customer.
El Paso	Shippers have asked that we not post imbalance information.
Southern Natural	Yes.
National Fuel Gas Distribution	Yes.
National Fuel Gas Supply	Yes, we post their authorization on our EBB, but only their desire, no balances.
Florida Gas Trans.	No, All imbalances are posted
CIG	Yes, although this process is not active at this time. (Dropped because of non-use).
Koch Gateway	Yes

**i.) If yes, what time period is allotted to reconcile the imbalance information prior to the posting?**

<b>Company</b>	<b>Answer</b>
Texas Gas	Customers have until the 20 <sup>th</sup> day of the month following the production month in which the imbalance was created to reconcile, request posting and effectuate the trade.
El Paso	If Shippers provided authority for posting imbalance information, the time period allotted to reconcile this information would be from the time shippers receive their imbalance statement until their chosen post date.
Southern Natural	Five business days after the end of the imbalance month being posted.
National Fuel Gas Distribution	0 (zero)
National Fuel Gas Supply	At the most 20 business, before the Imbalances are reconciled.
Florida Gas Trans.	3 days after receiving the imbalance statement which is sent on the 10 <sup>th</sup> calendar day following the month of production
CIG	Shipper may designate what is posted (verified by CIG).
Koch Gateway	KGPC/MBP imbalances can be posted automatically by the pipeline or manually by the individual shipper. If KGPC/MBP has been given the authorization to post imbalances for a particular shipper automatically then there is no time period allotted to reconcile the imbalance information prior to posting. The imbalances are posted as soon as the information is available - generally 1 day after the invoice/imbalance statements are mailed. If a shipper has elected to manually submit his imbalances for trade then they may post them any time they wish within the 45 day window.

**B.) When is imbalance information posted?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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 .
El Paso	If “shippers provide pipelines with standing authority for posting”, the most current imbalance information would be posted and would be updated after each month’s accounting cycle is completed. When “pipelines .....permit shippers the opportunity to post their own imbalances”, the posting would occur at shippers’ option.
Southern Natural	Five business days after the end of the imbalance month being posted.
National Fuel Gas Distribution	Ten (10) working days following the close of the month.
National Fuel Gas Supply	Between the 20th and 25th business days after the close of the preceding production month.
Florida Gas Trans.	15 <sup>th</sup> day following the month of production
CIG	When requested. (However, if posted mid-month, the trade is limited to end-of-month imbalance).
Koch Gateway	1 day after the invoice/imbalance statements are mailed, approximately the 10th work day.

**C.) Are imbalances "netted" prior to posting?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	No
Southern Natural	Yes.
National Fuel Gas Distribution	No.
National Fuel Gas Supply	Yes, imbalances are netted against their prior month's balance if it has not been cashed out.
Florida Gas Trans.	Yes, they are netted up to imbalance type at the Legal Entity Level
CIG	Yes, unless shipper requests otherwise.
Koch Gateway	Yes. KGPC/MBP nets imbalances across rate schedules and contracts prior to posting.

**D.) What is the deadline for trading these imbalances?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	The first day of each calendar month.
Southern Natural	Five business days after the posting date.
National Fuel Gas Distribution	The fifteenth (15 <sup>th</sup> ) working day.
National Fuel Gas Supply	Up until the imbalances are reconciled, no later than the 25th working day of the month.
Florida Gas Trans.	10 calendar days after posting
CIG	Prior to mandatory cash out (7th day of following month).
Koch Gateway	The shipper has until the last day of the next month to trade imbalances for a production month. This results in approximately 45 days to trade any imbalances before cash-out.

**E.) At what level are imbalances traded? (entity level, contract level, imbalance type, operational area)**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	Contract level
Southern Natural	Imbalances are traded at the entity level.
National Fuel Gas Distribution	Contract level.
National Fuel Gas Supply	Entity level.
Florida Gas Trans.	by imbalance type
CIG	Entity level.
Koch Gateway	Entity level.

**F.) Do shippers have a choice to "cash-out" or trade their imbalances?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	Shippers always have the option of negotiating a cash-out; however, when imbalances exceed tariff allowed threshold, then automatic cash-out occurs.
Southern Natural	Yes. Any imbalance not traded or offset with storage is cashed out.
National Fuel Gas Distribution	Yes.
National Fuel Gas Supply	Shippers only have the choice of trading their imbalances, we control the cashout. Cashouts occur when the imbalance level is greater than 5% of their scheduled receipts. (positive or negative balances.)
Florida Gas Trans.	Yes, what is not traded is automatically cashed out.
CIG	Yes. Cash out is mandatory. Trades are optional.
Koch Gateway	Yes

**G.) How do shippers effectuate trades?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	Shippers provide written communication to pipeline authorizing the netting and trading of imbalances.
Southern Natural	Postings are authorized and trades are initiated and confirmed through the Southern Natural EBB or by fax.
National Fuel Gas Distribution	Via fax.
National Fuel Gas Supply	A fax must be received from both parties, explaining customers involved, intent, and dth amounts.
Florida Gas Trans.	They fax in trading forms signed by both parties.
CIG	Contact each other, make the deal and notify the pipeline.
Koch Gateway	Trade transactions must be submitted to KGPC/MBP on the Imbalance Trading Form (currently effective sheet No. 5200). Imbalances are posted on the EBB indicating the entity name, quantity, contact name and number.

**H.) What type of "confirmation" does the TSP send shippers who initiated a trade?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	Shippers' confirmation is their subsequent monthly imbalance statement.
Southern Natural	The Southern Natural EBB reflects trades shippers have initiated.
National Fuel Gas Distribution	Post Trading Imbalance Statements.
National Fuel Gas Supply	Phone calls are made to ensure everything is correct. Also Imbalance Summary Reports are sent out and trades are on these reports.
Florida Gas Trans.	FGT has a trading confirmation form. The parties have 1 day upon receiving this form to note any discrepancies.
CIG	Imbalance Swap Agreement (per Tariff).
Koch Gateway	All confirmation that exists today for acceptance/processing of a trade is verbal.

**I.) When is the trade applied to the shipper's account?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	During the processing of the month's accounting cycle.
Southern Natural	After the end of the five day trade period, confirmed trades for each shipper are applied to that shipper's previous month imbalance and a cash out statement reflecting the trade(s) is provided to the shipper.
National Fuel Gas Distribution	The trade is immediately applied.
National Fuel Gas Supply	The trade is immediately applied.
Florida Gas Trans.	Cashout invoices are sent on the 10 <sup>th</sup> calendar day one month following production. (May's cashout invoices would go out on July 10 <sup>th</sup> ).
CIG	For the production month (prior to cash out).
Koch Gateway	When the Imbalance trading form is received by KGPC/MBP (fax), it is processed as soon as possible and posted to the account during the nightly schedule.

**J.) What document(s) is/are used to communicate the change in the shipper's account (updated imbalance statement, invoice line item).**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	Shippers' monthly imbalance statement.
Southern Natural	The shipper is provided with a cash out statement that reflects the trade.
National Fuel Gas Distribution	The Post Trading Imbalance Statement.
National Fuel Gas Supply	Updated Imbalance Statements.
Florida Gas Trans.	Cashout invoice.
CIG	Imbalance Swap Agreement and Monthly Statement (by contract).
Koch Gateway	Invoice and Imbalance statement.

**2.) Are imbalances calculated daily or monthly?**

<b>Company</b>	<b>Answer</b>
Texas Gas	Actual imbalances are calculated daily based on allocated volumes.
El Paso	Monthly
Southern Natural	Imbalances are calculated daily, but daily imbalances are netted to a cumulative monthly imbalance for settlement.
National Fuel Gas Distribution	Monthly.
National Fuel Gas Supply	Monthly.
Florida Gas Trans.	Receipt side imbalances are calculated monthly, Delivery imbalances are calculated daily but summed to a monthly level for imbalance statements and posting.
CIG	Daily and cumulated each day to a monthly total.
Koch Gateway	Monthly

**3.) Are Imbalances posted on a daily or monthly basis?**

<b>Company</b>	<b>Answer</b>
Texas Gas	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.
El Paso	Imbalances would be posted on a monthly basis
Southern Natural	Imbalances are posted for trade on a monthly basis.
National Fuel Gas Distribution	Monthly.
National Fuel Gas Supply	Monthly.
Florida Gas Trans.	Monthly
CIG	Daily (for the shipper only. Not posted for trading).
Koch Gateway	Monthly

**A.) If daily postings, do these represent a "running total" or simply a value for that specific day?**

<b>Company</b>	<b>Answer</b>
Texas Gas	The estimated imbalance that is posted is the imbalance for that specific day, not a running total.
El Paso	For monthly postings, the quantity posted is a cumulative imbalance, based on previous month's imbalance statement.
Southern Natural	
National Fuel Gas Distribution	N/A
National Fuel Gas Supply	N/A
Florida Gas Trans.	
CIG	In addition to Daily Imbalances, Month-to-Date included (by entity, by contract).
Koch Gateway	N/A