

**Imbalance Subcommittee Meeting
September 15, 1999 - Wednesday
Koch's Offices - Houston, Texas
DRAFT Minutes**

1. Administrative

Jim Buccigross welcomed participants
Jim Buccigross gave the anti-trust advice
Attendees introduced themselves
Julie Unruh gave housekeeping instructions
The agenda was adopted as drafted
Minutes from the May 27, 1999 meeting were adopted as final as drafted

**2. Review of, discussion and possible vote on workpapers submitted for Daily Trading
- Dynegy Work Paper**

Dynegy Intra-Month Imbalance Proposals

Standard #1 - A Service Requester (SR) should be allowed to nominate gas during the month to correct imbalances to the extent information on daily imbalances is available from the Transportation Service Provider (TSP) and can be relied upon by the SR.

Standard #2 - A Service Requester (SR) should be allowed to trade imbalances during the month to the extent information on daily imbalances is available from the Transportation Service Provider (TSP) and can be relied upon by the SR.

Mark Scheel explained the proposed standards and noted they were being presented as concepts and that he would consider language changes to make them read more like a standard.

Mr. Scheel then moved the following concept which was seconded by Mr. Hartmann:

Concept #1 - A Service Requester (SR) should be allowed to nominate gas during the month to correct imbalances to the extent information on daily imbalances is available from the Transportation Service Provider (TSP) and can be relied upon by the SR.

There was discussion and questions and answers on the proposed concept. The primary questions surrounded the "can be relied upon" phrase regarding the imbalance information.

The concept language was modified during the discussion, the final language for the proposed standard is as follows:

A Service Requester (SR) should be allowed to nominate gas where operationally feasible during the month to correct imbalances to the extent information on cumulative daily imbalances is available from the Transportation Service Provider and can be relied upon by the SR.

The question was raised: Is this concept in scope for the Imbalance Subcommittee since it does not involve trading of imbalances. The chairs determined that this question should be put to the group and the following balanced vote was taken: Is Concept 1 in scope of this subcommittee? (Note: A "For" vote indicates in scope, an "Against" vote indicates out of scope.)

Sense of the Room:

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	2	0	0
Producers	1	1	0	0
Pipelines	0	0	8	2
TOTAL	3	3	8	2

The request was found in scope.

Concept #1 was then further modified as follows:

A Service Requester should be allowed to nominate gas where operationally feasible during the month to correct imbalances to the extent information on cumulative daily imbalances is available from the Transportation Service Provider.

Sense of the Room:

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	1.33	1	0.67
Producers	1	1	0	0
Pipelines	0	0	9	2
TOTAL	3	2.33	10	2.67

The motion failed.

The identical language was then proposed as a standard by Ms. Van Pelt and seconded by Mr. Paine. A vote was taken on the motion to adopt the above language as a standard:

Sense of the Room:

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	1.33	1	0.67
Producers	0	0	0	0
Pipelines	0	0	9	2
TOTAL	2	1.33	10	2.67

The motion failed.

Mr. Scheel then explained concept #2 from the Dynegy workpaper which reads as follows:

A Service Requester (SR) should be allowed to trade imbalances during the month to the extent information on daily imbalances is available from the Transportation Service Provider (TSP) and can be relied upon by the SR.

The language was then modified as follows and moved as a concept:

A Service Requester should be allowed to trade imbalances during the month to the extent information on cumulative daily imbalances is available from the Transportation Service Provider.

This language was then discussed and Mr. Scheel responded to questions regarding the concept.

The following vote was taken on the language as a concept:

Sense of the Room:

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	1.33	1	0.67
Producers	1	1	0	0
Pipelines	0	0	10	2
TOTAL	3	2.33	11	2.67

The motion failed.

The identical language was then proposed as a standard by Ms. Van Pelt and seconded by Ms. Unruh. A vote was taken on the motion to adopt the above language as a standard:

Sense of the Room:

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	1.33	1	0.67
Producers	0	0	0	0
Pipelines	0	0	10	2
TOTAL	2	1.33	11	2.67

The motion failed.

3. Review of, discussion and possible vote on Request No. R98045.

Ms. Van Pelt discussed Request No. R98045 and made the following motion:

Mr. Gracey noted that this request may be related to Columbia Gas' request No. R98040. He made the motion to transfer this request to Information Requirements.

The motion passed with no objection.

4. Discussion on next steps, next meeting (if applicable), future of the subcommittee

These minutes will be posted on the home page by end of day September 20, 1999. Any proposed changes should be submitted via e-mail by September 27, 1999.

Ms. Davis then made the following motion:

The Imbalance Subcommittee has determined that no additional work needs to be done on daily imbalance trading. The subcommittee will meet on an "as-needed" basis if imbalance trading requests are triaged to the subcommittee or if the Information Requirements or Technical Subcommittees return any business questions.

The motion passed with no objection.

5. Other Business

No other business.

6. Adjourn

The meeting adjourned at 12:10 p.m. local time.

7. Attendance

SERVICES:

Jim Buccigross

Mark Scheel
Randy Young
Gary Paine

National Registry

Dynegy
Koch
Enron Administrative Corp.

PIPELINES:

Dennis LaTour

Sherry Wake
Cindy Reppke
Flo Comini
Peter Howells
Betty Barnum
Kim Van Pelt
Mark Gracey
Julie Unruh
Dale Davis
Tammy Hopkins
Alice Johnson

CIG (Phone)

ANR (Phone)
ANR (Phone)
ANR (Phone)
ANR (Phone)
Trunkline
CMS Energy
El Paso Natural Gas
Koch Gateway
Williams Gas Pipeline
Enron Northern
Enron

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