



# 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

November 9, 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 NOVEMBER 9, 1998 MEETING**

## I. Administrative

The meeting began at 9:30 a.m. Attendees introduced themselves, and Mr. Buccigross gave the antitrust advice. The agenda was adopted. The minutes of October 22 were adopted with changes.

## II. Timing and Deadline Requirements

The timing proposals to be considered through the agenda were:

1. Transportation Service Providers should allow an authorized and posted imbalance to be traded for a minimum of 10 business days. (championed by Mr. Hahn)
2. Transportation Service Providers should allow an authorized and posted imbalance to be traded for a minimum of 10 days. (championed by Mr. Scheel)
3. For Transportation Service Providers (TSPs) that display or provide imbalance information that can be relied upon for trade to their service requesters during the production month, those TSPs should allow an authorized and posted imbalance to be traded for a minimum of 4 business days. For TSPs that do not display or provide imbalance information that can be relied upon for trade to their service requesters during the production month, those TSPs should allow an authorized and posted imbalance to be traded for a minimum of 10 business days. (championed by Mr. LaTour)
4. Transportation Service Providers should allow an authorized and posted imbalance to be traded. (suggested by Ms. McNeal)

Mr. Hahn offered changes to replace proposals 1 and 2 with work papers which were later revised as a result of the discussion. Mr. LaTour changed his proposal as a result of the discussion. Ms. McNeal changed her proposal as a result of the discussion. Extensive discussion on the proposals ensued. The proposals now under consideration, and all further references to proposals are referring to these proposals, are:

1. Authorizations to post imbalance data that are received by the Transportation Service Provider no later than 11:45 a.m. CCT would be effective for posting no later than 8:00 a.m. CCT the next business day.  
Transportation Service Providers should allow the trading of imbalances and the ability to post imbalances, at least until close of the nineteenth business day.
3. Transportation Service Providers (TSPs) should allow imbalances to be traded, and provide the capability for such imbalances to be posted for trade.  
For TSPs that provide imbalance information during the production month that can be relied upon for trade, those TSPs should allow imbalances to be traded for a minimum of 4 business days. For TSPs that do not provide imbalance information during the production month that can be relied upon for trade, those TSPs should allow imbalances to be traded for a minimum of ten business days.



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In either case, the TSP should provide the capability for such imbalances to be posted for trade.

Ms. Scott and Mr. Scheel explained proposal 1, offered by Dynegy, ECT, Exxon and Texaco, and responded to questions from the group. Mr. LaTour explained proposal 3 and responded to questions from the group. Ms. McNeal reviewed proposal 4 and supported a revision recommended by Ms. Scott. After further discussions, Ms. McNeal's and Mr. LaTour's proposals were combined. It was noted by Mr. Griffith that we should define the term imbalance. It was noted by Mr. Bass that the timing standards would replace previously defined recommendation agreed upon on July 24. The nineteen business days noted could affect some periods where trading extended through one month - to which Mr. Scheel noted that a review of the calendar showed that months over the next several years had nineteen business days. There could be an effect on cash-out periods. In some situations with current practices, the cash-out period will occur prior to the nineteenth business day, reducing the time for trades. Mr. Scheel noted that a primary value is to resolve imbalances prior to cash-out. If cash-out occurs prior to the closing of the imbalance trading window, it would conflict with the main reason for imbalance trades. Ms. Davis noted that this proposal would require some TSPs to change when cash-out is processed to a month subsequent to the invoice. These are procedures which are in the tariff as a result of rate case negotiations and that changes to cash-out provisions are outside the scope of this task force. Ms. McNeal noted that the time period needed for a minimum trading window is an arbitrary time frame which has not been negotiated fully to a compromise to meet the industry needs.

Vote on the proposed standards in Proposal 1 passed with the following vote:

1. Authorizations to post imbalance data that are received by the Transportation Service Provider no later than 11:45 a.m. CCT would be effective for posting no later than 8:00 a.m. CCT the next business day.
2. Transportation Service Providers should allow the trading of imbalances and the ability to post imbalances, at least until close of the nineteenth business day.

Vote Results:

Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	2	2	0	0
Producers	2	2	0	0
Pipelines	0	0	11	2
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>2</b>

Vote on Proposal 2 failed with the following vote:

Transportation Service Providers (TSPs) should allow imbalances to be traded, and provide the capability for such imbalances to be posted for trade.

For TSPs that provide imbalance information during the production month that can be relied upon for trade, those TSPs should allow imbalances to be traded for a minimum of 4 business days. For TSPs that do not provide imbalance information during the production month that can be relied upon for trade, those TSPs should allow imbalances to be traded for a minimum of ten business days. In either case, the TSP should provide the capability for such imbalances to be posted for trade.

Vote Results:

Segment	For	Balanced For	Against	Balanced Against
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Segment	For	Balanced For	Against	Balanced Against
End User	0	0	0	0
LDCs	0	0	0	0
Services	0	0	2	2
Producers	0	0	2	2
Pipelines	11	2	0	0
<b>TOTAL</b>	<b>11</b>	<b>2</b>	<b>4</b>	<b>4</b>

### III. Standards Language for Other Concepts Previously Agreed Upon

The following proposed standards from previous minutes were discussed and voted on with the following results:

#### 2.3.30 Replacement to 2.3.30:

All Transportation Service Providers should allow Service Requesters (including agents of Service Requesters) to net imbalances having similar operational impact on and across contracts with the Service Requester and to trade imbalances having similar operational impact with other Service Requesters and agents thereof.

Vote: The recommended standard modification passed unanimously.

#### 3. Upon request, Transportation Service Providers should provide for the viewing and download of authorized imbalance information.

Vote: The recommended standard passed with one vote in opposition.

The following item from the June 8 minutes was determined not to be needed: "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."

The chart displayed in the June 8 minutes was considered appropriate to be placed in the implementation guides regarding authorization, (see Attachment 1).

The following item regarding the focus on monthly imbalances, identified in the June 29 minutes was not considered a standard or instruction and was informational: "There was agreement that since no one on the call allowed or performed daily trading, that the group would focus on monthly trading regarding authorization, posting and effectuation."

In addition, the following items from the July 24 meeting minutes were considered covered by the chairs to be included in the appropriate implementation guides, which as unanimously supported:

- The authorization levels have been defined and are considered total replacements when submitted.
- Authorization should not be retroactive.

#### 4. Imbalance information to be posted for trading should be authorized by the Service Requester.

Vote: The recommended standard passed with one vote in opposition.

The following items identified in the July 24 minutes were not considered standards or instructions or were duplicative of other recommended standards:

- Authorization is effective until replaced or de-authorized.
- Authorizations are done at the level(s) supported by the Transportation Service Provider.



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The following item, "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." from the July 24 minutes was determined not necessary as a standard, but as instructions when the data dictionaries are developed.

The following item, "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." from the July 24 minutes was replaced by recommended standard 1.

5. Transportation Service Providers should not be required to post zero imbalances.  
Vote: The recommended standard passed unanimously.
6. Specific imbalance quantities rather than percentages should be traded.  
Vote: The recommended standard passed unanimously.
7. The posted imbalance quantity is a monthly quantity for the applicable production month.  
Vote: The recommended standard passed unanimously.

#### IV. Next Meetings

The attendees determined the following dates for upcoming conference calls:

Monday, November 30	9:00 a.m. to noon
Thursday, December 10	9:00 a.m. to noon

The meeting adjourned at 5:00 p.m.



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## V. Attendees

	Attendee	Company	Membership
<b>Pipelines:</b>	Flo Comini <sup>1</sup>	ANR	✓
	<b>Dennis LaTour</b> <sup>2</sup>	ANR	✓
	Pete Howells <sup>1</sup>	ANR	✓
	Cari Sloan <sup>1</sup>	ANR	✓
	Sherry Wake <sup>1</sup>	ANR	✓
	Cindy Reppke <sup>1</sup>	ANR	✓
	Joe Pollard <sup>1</sup>	ANR	✓
	Bill Griffith	CIG	✓
	Betty Barnum	Duke Energy - Panhandle Eastern	✓
	Mary Sue McNeal	El Paso Natural Gas	✓
	Laura Moseley	Enron - FGT	✓
	Alice Johnson	Enron - Northern Natural	✓
	Tammy Hopkins	Enron - Transwestern	✓
	Julie Unruh	Koch Gateway	✓
	Clarinda Smith	Koch Midstream Services	✓
	Sandra Barnett	Koch - Mobile Bay	✓
	Charlie Bass	Tennessee Gas Pipeline	✓
Renee P. Hyde	Southern Natural	✓	
Dale Davis	Williams Gas Pipeline	✓	
<b>Services:</b>	Mark Scheel	Dynegy Inc.	✓
	Donna Scott	Enron Administrative Services	✓
	<b>Jim Buccigross</b>	<sup>2</sup> National Registry of Capacity Rights	✓
<b>Producers:</b>	Tommie Hartmann	Exxon	✓
	Jerry Hahn	Texaco	✓
<b>GISB:</b>	Rae McQuade	GISB Office	✓

<sup>1</sup> Participants to the meeting via phone conference, other participants attended the face to face meeting.

<sup>2</sup> Chairs are indicated in bold type.



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Attachment 1

## For Appropriate Implementation Guides Regarding Authorization Process

