

**Imbalance Subcommittee - Conference Call
November 30, 1998 - Monday
Final Minutes**

1. Administrative

Dennis Latour welcomed the participants.

Jim Buccigross gave the anti-trust advice and read the roll, Jim took the minutes.

Agenda was adopted as drafted without objection.

Adoption of Prior Meeting Minutes: Minutes of the November 9, 1998 meeting were reviewed. Changes were made and the modified minutes were then adopted as final without objection.

2. Standards Language for Other Concepts Previously Agreed Upon (work paper to be provided by Mr. LaTour for posting prior to the meeting)

Dennis reviewed the standard language modifications and new standards agreed upon at previous meetings.

There was discussion regarding proposed standard number 7. There was a question whether the phrase "for the applicable production month" left open the possibility that TSP's may have to post information for a prior month.

There was a proposed modification to previous standard number 7, which currently reads:
"The posted imbalance quantity is a monthly quantity for the applicable production month."

There was additional discussion on the language changes to the standard. The following replacement language was proposed: *"The posted imbalance quantity is a monthly quantity."*

Motion: It was moved and seconded to adopt this language change. The motion was approved unanimously.

The meeting then moved on to the workpaper on previously approved concepts. The group will attempt to draft standard language (as necessary) for these concepts.

Concepts agreed to --->August 12, 1998

“A TSP (may) allow the shipper to ‘worsen’ his imbalance via a trade (i.e. going more negative or more positive), and/or (may) allow the shipper to cross over a zero imbalance with a trade (i.e. going from a negative imbalance to a positive imbalance via a trade, or vice-versa.)

This language was modified as follows:

"A TSP may allow the service requester to increase or decrease his imbalance, or "cross over" a zero imbalance with a trade."

Mr. Scheel noted that since this is written as a permissible standard, it may not be necessary at all. Ms. Scott agreed. This was generally agreed upon by the rest of the group and no standard language was considered necessary for this concept.

Previously approved concepts which do not necessitate standard language will be captured on a separate workpaper.

"Transportation Service Providers would administer the Imbalance Trading Process.

Administration means that the TSP would

- Receive the imbalance trade
- Receive the trade 'confirmation'
- Send a relevant response document indicating the outcome of the trade (i.e. valid, invalid, etc.)
- Update/adjust the shipper's relevant documents to reflect the trade."

Various standards language was proposed to capture this concept. It will be labeled as standard number 8. The final proposed wording was as follows:

8. *"Transportation Service Providers should enable the imbalance trading process by:*
Receiving the imbalance trade.
Receiving the trade confirmation.
Sending a relevant response document indicating the outcome of the trade.
Updating/adjusting the Service Requesters' relevant documents to reflect the trade."

Motion: It was moved and seconded to adopt this language as standard number 8. The motion was approved with one vote in opposition.

Concepts agreed to ---> August 27, 1998

"All trades would be processed no later than a specific deadline."

It was agreed that this concept is covered by proposed standard number 2 which reads, "Transportation Service Providers should allow the trading of imbalances and the ability to post imbalances, at least until close of the nineteenth business day."

"Most on the phone supported that once the trade is confirmed it is final, in the same sense that a nomination is final. It was also discussed that the imbalance trades are to be considered final once the deadline is reached. Pipelines will not be in the role of brokering the trade."

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There were various language proposals to capture this concept as follows: The final proposed language was as follows: *"Imbalance trades can be withdrawn prior to trade confirmation and are considered final when confirmed. Confirmation of the trade will not be accepted after the trade deadline."*

Imbalance trades must be confirmed prior to the trading deadline.

In order to effectuate an imbalance trade, the imbalance trade should be confirmed no later than the trade deadline."

"Imbalance trades can be withdrawn prior to trade confirmation and are considered final when confirmed . . .

After discussion on various language proposals it was determined to review the "steps" of the trade in order to better understand the process. These were captured from the concepts agreed upon work paper as detailed below.

Concepts agreed to : Alternative 2 ---> September 8, 1998

- 1) Trader 1 sends in both sides of the trade.
- 2) Pipeline validates trade information and returns a quick response.
- 3) Optionally - Trader 2 is requested to send in a confirmation or denial of the trade.
- 4) Trader 2 sends in a confirmation or denial of the trade.

Add bookmark Nov 30, 1998 - pick up and discuss denial aspect on next call.

- 5a) Pipeline sends notice to both traders that the trade will or will not take place.
- 5b) Notification may not be sent (to trader 2) if trader 2 has not sent in either a confirmation or a denial.

There was discussion regarding the necessity for step 3, since this is an optional step. Some believed it was not necessary, others desired to leave this option in.

Proposed Standard No 9: (last proposal): *"Imbalance trades can be withdrawn prior to trade confirmation and are considered final when confirmed."*

Note that an additional standard regarding the relationship between the trade confirmation and trade deadline may have to be developed. Standards for other September 8, 1998 concepts may also have to be developed.

Motion: Adopt the following as proposed Standard No 9: *"Imbalance trades can be withdrawn prior to trade confirmation and are considered final when confirmed."*

The motion was deferred until the next meeting.

3. Discussion on next meeting and agenda

The next conference call is scheduled for Thursday, December 10, 1998 from 9:00 AM to Noon Central Time. The 1999 calendar was reviewed, scheduled calls are January 7& 28, 1999 and February 4 & 18, 1999.

4. Adjourn

The meeting adjourned at approximately Noon central time.

5. Attendance

SERVICES:

Jim Buccigross	National Registry
Mark Scheel	Dynegy
Donna Scott	Enron Administrative Services

LDCs:

PIPELINES:

Dennis LaTour	ANR
Pete Howells	ANR
Flo Comini	ANR
Cari Sloan	ANR
Cindy Reppke	ANR
Lynn Ludlow	Sonat
Sandra Barnett	Mobile Bay
Julie Unruh	Koch Gateway
Mary Sue McNeal	El Paso Natural Gas
Dale Davis	Williams Gas Pipeline
Betty Barnum	Panhandle Eastern
Fred Cummingner	Texas Eastern
Laura Moseley	FGT
Tammy Hopkins	Enron
Mark Gracey	Tennessee Gas Pipeline
Alice Johnson	Northern Natural Gas
Doug Hahn	PGE - NW

PRODUCERS:

Tommie Hartmann	Exxon
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