GAS INDUSTRY STANDARDS BOARD
Title Transfer Tracking Pilot Team Task Force
8:00 a.m. --4:00 p.m., October 25, 1996

PanEnergy Corp Offices
Washington D.C.

DRAFT MINUTES

I. Introductory Items

The meeting was called to order. Introductory remarks were made by Norm Walker and Jerry Hahn. The Antitrust was read by Kathy Patton.

Jerry Hahn and Norm Walker discussed the rules of engagement for this task force. Their intention is that this team will run like a project. We will break into groups and work on tasks and report back. We will not spend the beginning of this project working to wordsmith standards.

The group discussed what the work product of this task force will be. The same format of proposal, with abstract, and alternatives, with abstracts, will be used. The group may submit more than one solution to the Executive Committee (EC) as a result of their findings. All work products of the testing will be sent to the EC.

II. Review of the Charter of the Task Force

1. TITLE TRANSFER TRACKING BY THE TRANSPORTATION SERVICE PROVIDER

We will be looking at the process by which a TSP will use nomination, confirm and track the volumes through the buy-sell chain in the TSP's system. Similarly, the volumes, once they have flowed, will be traced through the same path.

? from Greg Lander: How do you identify the origin of title, what is the earliest piece of information received in the system.
Paul Love: It would be the operator with whom the pipe is interconnected. The operator transmits the owners of title to the TSP at the point where it exits the operator's system.

2. TITLE TRANSFER TRACKING BY ONE TTTSP

what does it mean?

One for the industry, one for each pipeline or what.

This one is understood, if you look at the option above and below. The one above means that there is no TTTSP. The one below looks at multiple TTTSP's on a TSP. This one means that one TSP would have one TTTSP. There may be an

A) where a pipeline has one TTTSP on that pipe.

B) Multiple TTTSP's per TSP, but at most only one TTTSP per point on a pipeline (both logical and physical) or

C) one per industry

In testing, we want to make sure that we test all of these options. There may be concern about one or more of the possible options regarding anti-trust implications, etc, but we will proceed with putting the ideas on the table without picking winners.

Greg's comments on testing:
From a testing perspective, the information as to ownership of gas is communicated to a TSP by a service provider with knowledge as to the ownership which service provider has and performs all of the functions identified by Paul in '1' within its system and communicates and coordinates the results to the TSP on the ins and outs of the results.

Rick's Question:

On 1 Its possible that the operator would not be the only party who could provide information with respect to ownership at the flange point. It is possible that the transportation service requester would provide that information.

He is concerned that when we begin defining exactly who will participate at the levels, he doesn't want us to limit the types to the examples that we're discussing now, because we haven't investigated the types far enough.

When it comes to testing those types, we will have to test all of the alternatives for that type. If no one tests that alternative, we won't have adequate data to support that when it comes to reporting this information back to the EC. We'll make sure that we capture those ideas, that people have submitted, but we have to have the ideas presented so that our results have substance.

Make sure that we don't limit the roles in the testing.

Jerry Hahn pointed out that #12 of the EC proposals states that TTT is accomplished by using the nomination, flowing gas related data sets. TTT cannot be separated.

3. TITLE TRANSFER TRACKING BY MULTIPLE TTTSPs

there could be

multiple TTTSPs at a pipe
multiple TTTSPs at a point
multiple TTTSPs for the industry

maybe we need to look at TTT at a point level, a pipe (TSP) level and an industry level as it corresponds to TTT by TSP, one TTTSP, multiple TTTSPs

Let's substitute options 1-3, with their respective a,b,c's with A-I below:

	TSP	One TTTSP third party	Multi TTTSPs
Point Level	A	B	C
All Points on 1 TSP	D	E	F
Industry Level	G(n/a)	H	I

when a TSP performs TTT in conjunction with other TTTSPs, the TSP performs the role of a TTTSP

Note that the Industry Level / TSP combination is not applicable.

A) At a point the only person performing the service of TTT is the TSP
B) At a point the only person performing the service of TTT is the TTTSP and is not the TSP
C) At a point there are more than one TTTSPs. It may or may not include the TSP as a TTTSP. For testing, there must be 3 TTTSPs at that point. One or more TTTSPs perform TTT at a point on the pipeline.
D) The TSP is performing the service of TTT for every point on that pipeline. Some pipelines that currently perform TTT service do not perform it at 'every' point and this option addresses 'every', 'A' would address that situation.
E) There is one TTTSP performing the service of TTT at all points on a pipeline. The TSP is not performing this service. The same situation that occurs in 'd' could occur here.
F) Multiple TTTSPs could be either a third party or TSP who perform TTT at all points on a pipeline.
G) This option means that a TSP would perform TTTSP for all pipes in the industry, but is probably not a practical consideration.
H) One TTTSP providing the TTT service to all pipes/points industry wide.
I) Multiple TTTSPs providing TTT service to all pipes/points industry wide.

Question: What of A-I do we want to test?
How do we test?

What do we want to test? :

Business Cases:

1) TSP is the only TTTSP at all points on that TSP
2) multiple TTTSPs, not including the TSP, at all points on a TSP
3) At an interconnect, where two TSPs track TTT, the downstream TSP tracks transfer of title and both provide TTTSP on the receipt side.
4) multiple TTTSPs at same points, but not all points, on the same TSP
5) multiple different TTTSPs at multiple different points on the same TSP (ie A, B and C at point 1, D, E and F at point 2, and G, H and I at point 3)
6) TTT service exists on one side of a flange and not on the other side of a flange

7) TTT service on both sides of a flange.
8) third party TTTSP and TSP perform TTT service at same point(s)
9) multiple TTTSPs and TSP perform TTT service at same point(s).
10) multiple TTTSPs and TSP perform TTT service at same point(s) except that different logical points (DRN's) are assigned to the same operational point (derived from 9)
11) multiple TTTSPs and not TSP perform TTT service at same point(s) except that different logical points (DRN's) are assigned to the same operational point (derived from #10)
12) TTT provided by TSP at some points on the pipeline and provided by one or more TTTSPs at other points on the pipeline and there may be points where both the TSP and the TTTSPs provide TTT.
13) One third party TTTSP for the industry

We should not limit the possibility that these options can co-exist. We need to ensure that the definitions of A-I do not encompass the combinations that could exist.

Now, how do these 12 cover the A - I scenarios.

1 Related to D.
2 Related to F
3 Related to D
4 Related to C
5 Related to C
6 Related to A and B and C
7 Related to A and B and C
8 Related to C
9 Related to C
10 Related to C
11 Related to C
12 Related to C
13 Related to H

Jerry Hahn or Bob Wallenhorst will bring information from Harbinger regarding their current implementation of option 'H' to the next meeting.

4. TITLE TRANSFER TRACKING BY OTHER ALTERNATIVES

We need to address the situation where a TSP tracks TTT at only the receipt points on the pipe. This may result in a new matrix of '9'.

There are no other alternatives to be identified at this time.

Review of the BPS Recommendations from the proposed 124 standards:

#6
#7

#8
#9
#10 remove the term ‘qualified’
#11 remove the term ‘qualified’
#12
#13
#14 typo -> ‘provider’ should be ‘provide’;
#26 This sentence should be reconstructed to eliminate ambiguities.
#30 There is some ambiguity in this stmt.
#31 The nomination and confirmation terms used in nominations and scheduling for buy sell transactions may need to be distinguished from these transactions in our documentation of this group’s results. TTT transactions will be referenced with a ‘-t’ subscript to distinguish them.
#32
#33
#34
#35
#36
#37
#89
#90
#91
#92

9 Additional issues to be considered during the Pilot Test concepts for consideration over lunch

done during previous steps

10 Scope and sequence (project plan) with attention to the September 1997 completion date

1 September 1, 1997
Deliver to GISB for Executive Committee Meeting

2 August 1, 1997
Final Draft Distributed to TTT-PT-TF

3 Intermediate dates will be set on November 4 and December 9
The test period must take place no later than May - July 1 in order to meet the August and September dates

x December 9, 1996
- 1 page diagram of the flow of the test
- defined roles and responsibilities of participants in that test
- changes to standards
- test plan

y November 4, 1996

- project plan
- milestones
    - testing timeline

z October 25, 1996
    - Organizational meeting

11 Criteria to evaluate each alternative from view point from several perspectives: transportation service provider, producer, LDC, end user, services, industry, FERC, and shipper

a timeliness - effect on scheduling time line (11:30 - 4:30)
    - effect on capacity release time line
b accuracy - operational vs accounting
c completeness -
d pros/cons - cost/benefit (advantages, disadvantages, numeric analysis)
- this is not intended to get into vendor issues
- if someone raises the flag over cost of a solution, data will be provided to document the benefits that overrule the cost
- if there is a divergence between the cost and benefit of a solution, it should be identified.
e simplicity - KISS
f complexity - perception vs necessity
g others identified
    are we satisfying the objectives of TTT
        does the allocation document the complete ownership chain at a point
        does it advance an unambiguous nomination/confirmation process
    does the solution increase competitiveness of supply of the natural gas market
    does the solution reduce efficiency, reliability or competition
    improve quantity certainty
    does the solution satisfy the needs of the test case

We need to develop the criteria by which we will evaluate the results of testing on each of the alternatives. The list specified in the agenda is a starting point for this list of criteria.

Jerry Hahn and Greg Lander will develop the base case that the models must be able to meet.

12 - Status Report

brief, document milestones versus tasks, there may be some need to include further documentation for informational purposes

13 - Organization of work groups(s)

Example of how the work group will work: Norm & Paul form a work group. They'll do a diagram of all of the txns that take place between receipt, transport by Paul Pipeline, buy/sell, transport by Norm Pipeline, more buy/sell, delivery. Then look at the timeline and timing factors and what takes place within that timeline and how those are accomplished. The capacity release timeline has to be considered in this testing / role playing to make sure that the tight schedule of capacity release contracting is accommodated in here, too.

Case:	**Volunteer**
1	
2	
3	Norm Walker, Paul Love, NGC - Mark Scheel, NYMEX, Jerry Hahn
4	
5	
6	
7	Paul Love / Gene, Greg Lander
8	
9	
10	
11	
12	Paul Love/Gene, Greg Lander, Bob Wallenhorst, Kathy Patton, Keith Nelson (Transcanada), Norm Walker, Dan (NYMEX)
13	Jerry Hahn, Bob Wallenhorst, Norm Walker

The meeting was adjourned at 3:30 p.m.

Attendees:

Dave Stephens	DFSC
Karen Foy	MichCon
Bob Wallenhorst	Exxon
Keith Nelson	TransCanada Pipeline
Stephen F. Salese	Consolidated Edison
Robert L. Mitchell	Sabine Pipe Line Company
Joyce Phillips	Texas Eastern Trans
Mark Gracey	Tenneco Energy
Rick Santerre	Tenneco Energy
Audrey Bragg	Washington Gas
Dale Davis	Williams
Ron Doyle	Transco
Dan McElduff	NYMEX
Greg Lander	TransCapacity
Dave Pfeiffer	NYSEG
Sylvia Munson	GISB
Rae McQuade	GISB
Laverne Tillson	DFSC
Jim Buccigross	TransCapacity
Theresa Hess	Enron
Jerry Hahn	Texaco

Mark Scheel	NGC
Kathy Patton	Ozark
Peter Esposito	Warren Energy Resources
Iris King	CNG Transmission
Debbie Beaver	Williams Energy Services
Paul Love	Stingray Pipeline Co
Gene Novak	NGPL
Gary Payne	Enron Capital & Trade
Norm Walker	El Paso Energy