



**GAS INDUSTRY STANDARDS BOARD
Title Transfer Tracking Pilot Testing Task Force
9:00 a.m. --5:00 p.m., November 4, 1996**

**Exxon Houston Offices
Houston, TX**

FINAL MINUTES

I. Introductory Items

The meeting was called to order. Welcome was made by Norm Walker.

Antitrust Guidelines were read by Jerry Hahn.

Bob Wallenhorst and Exxon were thanked for hosting the meeting. Antitrust counsel is available in the building if it is needed.

Meeting participants introduced themselves.

Agenda was adopted - with note that Item 4 is not ready for discussion. Milestones will be discussed with each test case. Items 2 and 3 were reversed. Agenda was adopted as modified.

Minutes of the October 25 meeting were reviewed and adopted as modified.

II. Identification and discussion of any additional business cases

Business Cases identified at October 25 meeting:

- 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

Note from the previous meeting:

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'.

Response from EIPaso and NGPL who both perform this service in this manner: They feel that this scenario is addressed in business case #3.

Additional Business Cases:

Jerry noted that some of the 13 business cases may be able to be covered by some of the other business cases. We don't have volunteers for the orphan cases and maybe we need to condense the cases into a smaller set.

The cases we need to keep are:

- 1
- 3
- 12 - covers 8 & 9
- 13 - covers #2 also

The question is whether 1 and 3 can be combined - 1 and 3 will be kept separate at this time. The receiving party is not the physical downstream pipe. The receiving party can be on both sides of the flange. If you are providing TTT services at the same physical point, the TTT trackers will be different logical points, so the designation of the TTT tracker will determine which side of the physical point the transfer takes place at.

Case 7 folds into # 12 - the volunteers were the same for 7 & 12, also.

We will defer the collapse until we discuss item #9 - this will become item # 9.1

IV. Update on the base case test for all models - Jerry Hahn, Greg Lander

This issue is not ready for discussion. Jerry asked the group to look at the criteria from item 11 of October 25 and identify any additional criteria that need to be included. We will look at the base case on December 9 and adopt 1 base case for all test groups to use. The purpose is to achieve the ability to compare 1 base case against another in a meaningful manner.

V. Update on business Case #3; Gene Nowak, Mark Scheel, Dan McElduff, Jerry Hahn

Gene distributed the project plan for business case 3.

Norm drew an 'abstract' depiction of the physical and logical transfer of gas between NGPL, EPNG and SoCal Gas. This 'abstract' depicted the TTT service locations at those transfer points.

In case 3, when transfer of title takes place at an interconnect, If you are doing that at a logical point at that interconnect, then it makes no difference to the user of the TTT service. It makes no difference if the logical point is on one side or the other of the flange. The way the TTT is provided may be at the interconnect at a logical point. The way the service is offered is a function of the liquidity, not the physical limitations of the pipe.

For clarity, it may be worthwhile to discuss physical points, logical points and how they interact in TTT.

Gene - when we talk about an interconnect, we need to let it cover all points whether they are physical or logical. The important point here is that the TSP is only providing service at one side of the interconnect.

Jerry - Are we trying to establish our rules at nominatable points? (Conventions to determine TTT responsibilities) Whether the nominatable point is physical or logical shouldn't matter. Are there different considerations when we are dealing with 1 logical point versus 2 physical points? The logical point may be at a physical interconnect or where there is no physical interconnect. Yes -

Assumption: TTT can occur at logical or physical points as long as both are nominatable points. (#8 from proposed standards)

TSP-B will capture where title is transferred from TSP-A for a party. The gas will move to a logical TTT point at that transaction. TSP-B will transfer that gas up to the flange to TSP-C's logical point. The transaction will show that you can start at the well and do trading at the well. The test case will use logical and physical points and transfers in between. Do we need to delineate the physical and logical points into two cases? No, both scenarios will be covered here.

The scope of the business case should be modified to include transfer of title at the receipt point onto TSP-A's system where that receipt may be a wellhead or an interconnect.

Question - can 3 now be subsumed into 1 if this case assumes it can cover all points. No - it still sounds like 1 and 3 are different because on 1 you don't know who the governing party will be on the TTT service. If we look at 1 and make the assumption that each party does receipt side tracking, then 3 eliminates 1 and 7, but we're not ready to make that assumption yet.

The December 9 Task Force meeting will have this document updated.

Step 6 will be a paper test. - What will be the deliverable be? Will the team show up with the results or will the team show up with the data and run the data through the scenario? Norm's assumption is that the group will run through the data together. This is a time consuming process, but it will ensure that all of the participants have a clear understanding of how the cases work.

Step 9 - will include modifications to existing standards and new standards.

? - Will the Base Case include test data that all cases will run through?

Jerry's concept is that this is done in 2 pieces. They have put together an example of a title transfer so that everyone can use the same set of transactions and apply the criteria to these transactions to ensure that the case meets the criteria for the base case transactions.

Mark's suggestion: In the mock transaction cases, it might be valuable if we went through the transactions wearing our own hats first, before we try them wearing someone else's hat.

VIII. Lunch

BREAK FOR LUNCH 11:30 - 1 PM

Jerry distributed his example of the Title Transfer test case. The example addresses the transaction from one TSP's viewpoint. The participants asked questions about the diagram to clarify the information being exchanged. Suggestions were made to make the diagram more easy to understand. Suggestions were made that the example needs to be made more complex or maybe there needs to be a few more examples to ensure that our test case thoroughly works through the business cases. A backhaul transaction may need to be included. Possible a few more splits and combines at the point.

VI. Update on Business Case #7; Gene Nowak, Greg Lander/Jim Buccigross

Let's move to Case #12 first. Gene believes that #7 is an offshoot or subset of #12.

Gene - Back to #7 - which covers both sides of the flange. 12 says that all points on the pipe have some form of TTT. 7 says 'both sides of the flange'. Maybe there is an issue of only one side tracks and the other side does not. If you do #12, you've done #7.

Jim - If we roll 7 into 12 and say 'yes' we are going to test this, then we are okay.

Norm - We may want to keep this one separate from 12, even though 6 and 7 can be found within all the other cases.

Ron - Then how could we test this one versus the others? Good point.

VII. Update on Business Case #12; Gene Nowak, Greg Lander/Jim Buccigross, Bob Wallenhorst, Kathy Patton, Keith Nelson, Norm Walker, Dan McElduff

Gene Nowak presented the Project Plan for Business Case #12. This is a catch-all type of case. The scope of this is to see that if there is a mixture, does it cause any problems. This also covers how the pipelines or parties on either end would be able to carry on with that information.

Norm agrees that there is a relation between the two, but they are different.

If 12 captures all the combinations, then 7 can be subsumed within 12.

Bob - The one twist of 12 that should be tested, is the uncertainty that the party doing the TT transaction may have when he isn't sure who to give the transaction to. We need to think about how the information of who to communicate with will be handled at each point.

Betty - the scope statement, the implications should include 'Pre-determined allocations'. This should really be added to the evaluation criteria so that it is included in all business cases.

Ron's 4 points to test #12:

- The TSP only
- The TSP and 1 third party
- The TSP and multiple third parties
- No TSP and multiple third parties

Do 6 & 7 fit into one of those 4? No, Ron's points address 1 side of the flange. If we test all 4 points on one side and on both sides then 6 & 7 are covered.

If we test 1,2,3,& 4 then 1 prime, 2 prime, 3 prime and 4 prime. If we matrix 1-4 with 1 Prime thru 4 Prime into a matrix of 16, then we cover all of the cases.

Gene -

#3 covers 1 and 1 prime.

At a point, either a third party does it all or it is shared by a third party and the TSP.

Jim - If we have

TSP only (#3)

TSP and multiple TTTSPs (#12)

Multiple TTTSPs sans TSP (#12) - see below
then we cover the matrix

Can we modify #2 to be ' Multiple TTTSPs, not including the TSP at a point' - (a) on one side and (b) on two sides
This encompasses Jim's third option.

#12 will now read:

There is one point where both the TSP and multiple TTTSPs provide the TTT service (a) on one side of the nominatable point; (b) on both sides of the nominatable point and (c) at the point

At #3 we will show, as well, a plant, an interconnect, and logical points.

#13 could be considered covered by one of these, but we'll discuss it.

IX. Update on Business Case #13; Jerry Hahn, Bob Wallenhorst, Norm Walker

Jerry distributed a handout on the Harbinger TTT service, ' TPTS'. On NGL, Natural Gas Liquids, the decision was made that the TSP is the entity responsible for tracking of title. So in our industry, Harbinger is the single party chosen for all title transfer tracking for the one side, and on the refined side, the TSP is the single entity.

Bob - in the Crude business, there is a party that Exxon contracts with who will track the titles for Exxon. The parties who contract with that service provider pay a fee to the service provider. The parties who don't want their title tracked, get the service benefits for free, but don't receive any of the information. When the pipe does their allocation, the allocation information is sent to the service provider and the service provider distributes the information. They don't have a whole lot of daily trades, things are more of a monthly deal. Only the subscribers to the service see the reports on the chain.

Bob will provide us some documentation on these services. The services do not share information with each other.

#13 should address the Harbinger approach, the NGL approach and the Crude approach.

IX.I - Determine if some of these can be collapsed.

We currently have cases #1 - #13.

We currently have 1, 2, 3, 6&7, 12, 13

Ron -

Couldn't we view 1 as being part of 3?

Agreed - we will eliminate #1 and it is subsumed by #3.

2 stands as multiple TTTSPs, but not the TSP case.

3 stands

6&7 - these should be subsumed into our modified definition of 12. - agreed.

We need to make #14 - to cover the scenario where there is one TTTSP providing all the TTT the service for the entire TSP and this does not include the TSP as a TTTSP.

#14 will now read: One, and only one, third party TTTSP at any nominatable point on a TSP - receipt side only.

Now, does #12 need to retain the (a) and (b) portions - keep as is.

Theresa - We need to make an assumption that any mention of the word point should assume a nominatable point.

Steve - feels that we should spell it out each time for the benefit of people who read this document but did not attend the meeting.

We'll put the language from proposed standard #8 at the beginning so that everyone will know what a nominatable point is. and we'll make a note that in the business cases where we use the term 'point' we are referring to a nominatable point.

#13 - stands

IX.II. Call for additional volunteers for business cases

Case:	Volunteer
1	deleted
2	Cheryl Gillentine - group leader QuickTrade LLC, Gene Nowak / NGPL, Dan McElduff / NYMEX
3	Norm Walker & Fred Norwood / EPNG, Gene Nowak - group leader NGPL, Mark Scheel / NGC, Dan McElduff / NYMEX, Jerry Hahn / Texaco, Robert Mitchell / Sabine, Greg Lander & Jim Buccigross / TransCapacity, Bob Betonte / SoCal Gas, Jim Studebaker / FGT
4	deleted
5	deleted
6	deleted
7	deleted - Gene Nowak / NGPL, Greg Lander & Jim Buccigross / TransCapacity
8	deleted
9	deleted
10	deleted
11	deleted
12	Gene Nowak / NGPL, Greg Lander & Jim Buccigross- group leader / TransCapacity, Bob Wallenhorst / Exxon, Kathy Patton / NGC, Heather Gnenz / TransCanada, Norm Walker & Fred Norwood / EPNG, Dan McElduff / NYMEX, Steve Salese & Richard Gorman / Consolidated Edison (& other LDCs)
13	Jerry Hahn / Texaco, Robert Mitchell / Sabine, Bob Wallenhorst / Exxon, Norm Walker - group leader & Fred Norwood / EPNG
14	Ron Doyle / Transco, Laurie McCauley / Transco, Gary Highberger - group leader / Williams Natural Gas, Debbie Beaver / WESCO, Jim Buccigross / TransCapacity, Greg Lander / TransCapacity, Steve Salese & Richard Gorman / Consolidated Edison (& other LDCs)

Other LDCs:

Brooklyn Union - Jackie Crowley - 718-403-2293 fx 718-643-6306

Mike Novak

X. Observations of the impact to the BPS Recommendations so far

none at this time

XI. Identification and discussion of any additional business cases (second time)

Jim Buccigross distributed a handout that discusses the old 6 & 7 and the existing #12. This is for participants to take home and review and digest. The first section of the document covers the standards and the proposed changes required. The second section covers the flow of transactions through each electronic flow of data in the model. The third section is a set of diagrams that begin simple and become increasingly complex. These depict contractual activity, like Jerry's model.

Jerry's comment - we need to look at refining the standards after we have evaluated the business cases. Jim has already taken a stab at this, but we don't need to get our groups bogged down in this yet.

XII. Additional issues - what's on your mind, reality check before we break

The draft minutes of this meeting will be posted by Friday, close of business.

Lets look at item 10 from the minutes and look at how this will affect the Dec 9 meeting.

add to list of deliverables:

- project plan - per Gene's model

XIII. Set next meeting date - suggest 9Dec96 Monday - immediately before Executive Committee Meeting

The next TTT-PT-TF meeting will be at Consolidated Edison on December 9, 9 - 5 - can we get through all of these items in 1 day?

We will start with the base case and walk through the deliverables for each of the cases. With the last item on the agenda being the run through of the 'hat test' so that everyone knows how it works.

Each group should have a 1 page flow diagram of how their model would work. Jerry will post the Base Case criteria on the home page by December 1.

Tentative dates for EC meetings for '97

Jan 9	Houston
Feb 6	Houston
Mar 6	DC
April 10	Houston
May 8	DC
June 12	DC
July 10	Houston

Aug 14 Houston
Sep 11 DC
Oct 9 Houston
Nov 13 DC
Dec 11 Houston

We'll need to schedule meetings for this task force accordingly - we will put this task force on the GISB calendar thru September 10 on the day preceeding each EC meeting.

XI. Adjourn, no later than 5:00 p.m.

The meeting was adjourned at 4:00 p.m.

Attendees:

Dave Pfeifer	NYSEG
Jerry Hahn	Texaco
Norm Walker	El Paso Energy
Fred Norwood	El Paso Energy
Bob Wallenhorst	Exxon
Theresa Hess	Enron Pipelines
Jim Studebaker	Enron Pipelines
Stephen F. Salese	Consolidated Edison
Sylvia Munson	GISB / PanEnergy
Heather Grenz	TransCanada PipeLines
Gene Nowak	NGPL
Jim Buccigross	TransCapacity
Dan McElduff	NYMEX
Robert Mitchell	Sabine Pipe Line Co
Lavern Watters	Transco
Ron Doyle	Transco
Laurie McCauley	Transco
Cheryl Gillentine	QuickTrade LLC
Mark Gracey	Tenneco Energy
Betty Barnum	PEPL / TGC
Joyce Phillips	Texas Eastern
Iris King	CNG