
MEMORANDUM

TO: RAE MCQUADE
FROM: PRODUCER SEGMENT
SUBJECT: PROPOSALS FOR OBA & IMBALANCE NETTING TF
DATE: 04/22/98
CC:

This is in response to the call for proposals on the 3-30-98 contracts T.F. conference call addressing OBA & Imbalance Netting Standards.

Issue#1 – Standardized OBA Form – We suggest that the request numbered R95003 lacks support in the task force. GISB should not spend industry resources on efforts that don't offer significant value! We didn't hear adequate support and support advising the E. C. that the Contracts T. F. recommends "No Action" since support for developing a standard OBA was essentially non-existent at the meeting.

Issue#2 – Standard 2. 3. 29 not adopted by FERC – we propose to modify 2. 3. 29 by merely deleting the phrase, "where economically and operationally feasible". This phrase was made part of the standard because the interstate pipelines, in particular, indicated that there were interconnected companies that represented financial risk. In the NOPR, the Commission makes clear on Page 29 that it stands ready to assist in resolving problems with implementing OBA's at points.

Issue#3 – Standard 2.3.30 not adopted by FERC – as in 2.3.29, the Commission offers practical solutions which we believe supports a rewrite of 2.3.30 as follows:

"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 shippers and agents thereof."

Issue#4 – Development of principles, definitions and standards including transaction data sets and "common look and feel" informational postings. The following issues should be considered by the Task Force:

Issues – 1) EBB/Website Common Look & Feel

2) Transaction Sets

3) Separation of Posting and Trading Systems

4) Timing impact of imbalance posting and trading relative to existing practices

- 5) Shipper's Agent and 3rd Party Equal Access for Imbalance Trading
- 6) Daily and cumulative posting of imbalances thru the month
- 7) Nomination of offsets or not
- 8) Confidentiality of certain data
- 9) Publication of "Zones of similar operational impact"