

## Pipeline Segment Comments Including Proposed Modifications R98011/12

### Related to R98011:

#### Standard 2.3.24: – **No change to proposed deletion**

~~Delivery point allocations should be performed at the lowest level of detail provided by nominations.~~

### DEFINITIONS:

#### 2.2.\_.A. – **No change to proposed definition language**

Monthly Allocation is the term used to describe the process where the aAllocating pParty performs the allocation process at the end of the monthly flow period.

#### 2.2.\_.C. –**No change to proposed definition language**

Daily Allocation is the term used to describe the process where the aAllocating pParty performs the allocation process following each gas day.

### STANDARDS:

#### ~~2.3.A.~~ 1.3.A **[Modify language and move to nomination section as a principle]**

~~At a location,~~ There is should be at least one cConfirming pParty on each side of a physical location.

#### **Rationale:**

- Language change for clarity
- Make a principle instead of a standard
- This is defining something in the confirmation process and should not be in flowing gas but in the noms section

#### 2.3.A.1. **Modify as Shown**

~~Allocations use~~ At a location, the total quantity measured, or estimated, during for the period should be used to provide allocations to parties' scheduled transactions (or otherwise identified transactions consistent with GISB Standard No. 2.3.F).

#### **Rationale:**

- Language change for clarity
- Standard not necessary but willing to live with as modified above.

#### 2.3.A.3. – **No change to proposed standard**

In the allocation process, estimated quantities should be adjusted to actuals following the time that the actual quantities are known.

**Rationale:**

- Standard not necessary but willing to live with it.

**2.3.B.1.d. Delete Proposed Standard**

~~At a location which is not covered by an OBA, an Allocating Party receives Pre-determined Allocations from others.~~

**Rationale:**

- Appears to be the same as the intent in existing Standards 2.3.2 and 2.3.3.

**2.3.B.1.e. Delete Proposed Standard**

~~At a location which is not covered by an OBA, an Allocating Party calculates the allocations for the location and provides these allocations to the appropriate parties for their use.~~

**Rationale:**

- Not necessary because it effectively is covered in Proposed Std. 2.3.B.2.

**2.3.B.2. Modify as shown**

At a location which is not covered by an OBA, a party which is not the aAllocating pParty at the location should receive and process the allocations from the aAllocating pParty and employ these such allocations when providing allocation information to its parties (as applicable and appropriate).

**Rationale:**

- Language change for clarity

**2.3.C. – Modify as shown**

At a location which is covered by an OBA, each Allocating Party can allocate it's each party to the OBA should allocate its side of the location.

**Rationale:**

- Language change for clarity

**2.3.D.3. – Modify as shown**

At a location which is not covered by an OBA, Transportation Service Providers (TSPs) which allocate to Service Requesters (SRs) at the SR's contract level or higher are not required to allocate to a lower level or accept accounting allocation instructions from the

SR (i.e., neither PDAs nor SR ranks supplied in the nomination). ***[moved from the last paragraph to the top for clarity]***

~~At a location which is not covered by an OBA~~ Where the TSP allocates to a lower level (more detailed) than the SR contract level and where:

- ~~where the cConfirming pParties confirm at a *higher* level (less detailed) than the nomination level; and,~~
- ~~where a Service Requester (SR) has submitted more than one nomination line item to the Transportation Service Provider (TSP); and,~~
- ~~where the TSP allocates to a level lower than the SR contract level;~~

the TSP should employ the TSP's tariff allocation methodology (including, where applicable, employing the other cConfirming pParty(ies)' Pre-determined Allocation(s) (PDAs)) to allocate gas to the confirmation detail level.

The TSP should then either:

- a) ~~accept and employ a PDA from such SRs that provides allocation instructions for the allocation of quantities from the confirmation detail level to the nomination line item detail level or~~
- b) ~~employ the SR's ranks supplied in the nomination. to allocate gas to the nomination line item detail level.~~

~~Where a TSP accepts PDAs from a SR (as specified in a) above) and the SR does not provide a PDA, the TSP should employ the tariff allocation methodology. for the allocation of the gas to the applicable confirmation level of detail and then should perform the default allocation methodology for allocations from the confirmation detail level down to the nomination line item detail level~~

~~TSPs which allocate to SRs at the SR's contract level or higher are not required to allocate to a lower level or accept accounting allocation instructions from the SR (i.e., neither PDAs nor SR ranks supplied in the nomination). ***[move to top for clarity]***~~

#### **Rationale:**

- move last paragraph to top for clarity
- add "higher" and "lower" level language consistently throughout for clarity
- The allocation grid work sets up the framework for the TSP to determine the level at which it accepts allocation instructions via the PDA(s). If a TSP does not support a transaction level PDA, then they shouldn't be required to allocate to that level. This also conflicts with an existing standard 1.3.24 that makes package ID mutually agreeable in the Allocation.

#### **2.3.E - Replace with proposed language**

~~At a location which is not covered by an OBA, a Confirming Party is permitted to submit a Pre-determined Allocation (PDA) to the Allocating Party which conforms to the level of detail used in the confirmation process between the Allocating Party and that Confirming Party. The Allocating Party should employ such PDA for the purpose of~~

~~allocating quantities of its party(ies)' gas to the level of detail contained in the confirmation process between the Allocating Party and that Confirming Party.~~

~~A Confirming Party should not submit a PDA to an Allocating Party with respect to a location at a lower level of detail (more detailed) than that level of information exchanged between such parties during their confirmation process.~~

~~A PDA submitted by the Confirming Party to the Allocating Party with respect to a location should conform to the level of detail exchanged between such parties during the confirmation process. Submission by the Confirming Party to the Allocating Party of information at a higher level of detail (less detail) is a mutually agreed process.~~

### **Proposed replacement for 2.3.E**

At a location which is not covered by an OBA, a confirming party should submit a PDA to the allocating party at a level that is based on the allocating party's business practice, but, in no event, will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process.

#### **Rationale:**

- language changed for clarity.

### **2.3.F – Modify as shown**

~~Absent prior mutual agreement among the Confirming Parties and those Service Requester(s) which are not Confirming Parties at the location, a Pre-determined Allocation (PDA) may not be used to allocate gas to a transaction that was not identified in the nomination or confirmation process, as applicable.~~

A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the confirming parties and the party being allocated to in such transaction. In the event of a conflict between this standard and the Transportation Service Provider's (TSP's) existing tariff or general terms and conditions, the latter will prevail.

~~Where there has been such prior mutual agreement, a TSP, upon receipt of a PDA referencing a transaction not otherwise present in a nomination or confirmation may, but is not required to, generate a nomination (or confirmation) transaction of zero or null quantity corresponding to the subject transaction.~~

#### **Rationale:**

- Modify the first paragraph to clarify that the only SR that has to agree is the one who will be allocated to in this situation. The way it reads right now, all the non-confirming parties have to be notified.

- Second paragraph is not needed. GISB should not be telling the TSP how to implement within its back-office system.

### **2.3.G-2.1.G – Change to a principle**

Except in cases where the Percentage or Operator Provided Value method of allocation is being employed, where there is:

- (i) sufficient gas to fulfill all scheduled quantities at a location, a Pre-determined Allocation (PDA) should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is less than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable,
- (ii) insufficient gas to fulfill all scheduled quantities at a location, a PDA should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is greater than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable.

In the event of conflicts between this standard and the Transportation Service Provider's existing tariff or general terms and conditions, the latter will prevail.

#### **Rationale:**

- Don't think this is necessary at all, but if have to keep the language, want it as a principle. This is the business result of an allocation and there is no need to make it a separate standard.

### **2.3.H.1 Delete**

~~On monthly allocating Transportation Service Providers (TSPs), at locations where the Swing or Rank method of allocation is employed by the TSP, any Service Requester (SR), or any SR whose contract, which has been identified by a Confirming Party in a Pre-determined Allocation as the Swing party or the lowest ranked SR should be notified by the TSP of its proposed status prior to gas flow. Notification should be via e-mail or other electronic method, fax, or telephone. Absent subsequent communication from the Confirming Party to the TSP to the contrary, such identification should remain unchanged and be considered effective as of gas flow.~~

#### **Rationale:**

Agree with Mr. Scheel 's recommendation to drop 2.3.H.1 as the communication should be governed by the commercial relationship

~~2.1.H.2~~ **2.3.H.2**– *[Note: at the 7/20/99 E.C. this was changed to a principle and the last sentence was deleted].* **Keep as originally proposed**

Parties should communicate to their counter parties that their transaction(s) for allocation purposes are lowest ranked or swing, when such counter parties' transaction(s) are identified by the party as being lowest ranked or swing. ~~This standard does not apply to the relationship between Transportation Service Providers and their~~

Service Requesters. This standard does not apply to the relationship between Transportation Service Providers and their Service Requesters.

**Rationale:**

- Keep it as a standard that is applicable to all segments of the industry.
- Keep the last sentence as the TSP is not and should not be a party to the commercial buy / sell relationship.

**2.3.N Delete Proposed Standard**

~~At a location which is covered by an OBA, the scheduled quantity should be the allocated quantity.~~

**Rationale:**

- Principle 2.1.3 is adequate. This is therefore not necessary.

**2.3.N.1 Delete Proposed Standard**

~~At a location where one of the Confirming Parties has agreed to be allocated all of the quantity variances (positive and negative) between total scheduled quantities and measured quantities at that location onto one or more of its contract(s) with the Transportation Service Provider, each Confirming Party should allocate to its respective parties their scheduled quantities.~~

**Rationale:**

- This is already covered by the definition of “swing” in the Technical Implementation of Business Process for the PDA in Version 1.3.

**Related to R98012:**

**PRINCIPLE:**

**2.1.A – Replace Language**

~~The level of detail supported by Transportation Service Providers (TSPs) in the Service Requester (SR) transaction scheduling process should be supported throughout the process of providing related flowing gas information (i.e., Shipper Imbalance (GISB Standard 2.4.4), Pre-determined Allocations (GISB Standard 2.4.1) from the SR (where supported), and Allocation (GISB Standard 2.4.3) to the Service Requester (where supported)) and would only be to the package ID level where mutually agreed between the TSP and the SR.~~

**Revised language for 2.1.A.**

The Transportation Service Provider (TSP) should provide allocations to a Service Requester (SR) at the nomination detail level either in the Allocation (GISB Standard 2.4.3) or the Shipper Imbalance (GISB Standard 2.4.4). The sending of

the Allocation or the Shipper Imbalance to the SR would be dependent upon the TSP's business practices. In either case, the level of detail would only be to the package ID level where mutually agreed between the TSP and the SR.

**Rationale:**

- Language modified for clarity.

**STANDARD:**

Modify Standard 2.3.21 – [At the July E.C., the language of Proposed Std. 2.3.A was modified and added to the end of existing Std. 2.3.21]. The proposed revised Std. 2.3.21:

*The timing for reporting daily operational allocations after the gas has flowed is within one business day after the end of gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation.*  
*[existing std. 2.3.21]*

This standard applies to the daily provision of operational allocated quantities whether they are provided pursuant to GISB standard 2.4.3 or GISB standard 2.4.4.

Upon request to its Transportation Service Provider (TSP), a Service Requester (SR) should be provided operational allocated quantities pursuant to Standard 2.4.3 or 2.4.4 for the transaction(s) which have been scheduled by such TSP for the SR.

A TSP can agree to send the operational allocated quantities on a daily basis to a SR rather than accept the Upload of Request for Download for operational allocated quantities.

~~GISB Standard 2.3.21 applies to the daily provision of allocated quantities hereunder. Support by a TSP of request for allocated quantities other than all locations for a SR is a mutually agreed process, provided however, that in order to support GISB Standard 2.3.21 and where a TSP has without mutual agreement determined not to send allocated quantities hereunder, the SR can rely on the absence of a transaction as indicative that the scheduled quantities are allocated quantities.~~

A TSP is not required to support requests for operational allocated quantities other than on an "all locations for a SR basis" Where a TSP has determined to support this standard in a manner other than:

- a) providing specific operational allocated quantities in response to a request for same, or

b) providing operational allocated quantities on an “all locations for an SR basis”, then the SR can rely on the absence of a line item(s) provided by a TSP as indicative that the particular line item(s)’ scheduled quantities are operational allocated quantities.

**Rationale:**

- Modified language for clarity and consistency with existing Standard 2.3.21.

## INSTRUCTIONS TO INFORMATION REQUIREMENTS SUBCOMMITTEE:

**Instruction #1: Delete**

~~At a location which is not covered by an OBA, there is at least a primary Allocating Party which is the Confirming Party which operates one side of the location and which it has been agreed will receive and process PDA(s) from the Confirming Party(ies) on the other side of the location. This primary Allocating Party receives and processes the PDA(s) to the level specified in the PDA(s) and returns appropriate allocated quantities to the Confirming Party(ies) on the other side of the location which provided PDA(s). Where the PDA(s) received by the primary Allocating Party did not specify allocations to the level of transactions present on the primary Allocating Party's side of the location, other standards apply for the remainder of the allocation process on the primary Allocating Party's side of the location.~~

~~After the primary Allocating Party has provided allocated quantities to the Confirming Party(ies) on the other side of the location, the Confirming Party which is the operator of the other side of the location (the secondary Allocating Party) employs the allocated quantities received from the primary Allocating Party to provide allocated quantities to its parties in a manner consistent with the allocated quantities provided to it by the primary Allocating Party. To the extent PDA(s) received by the secondary Allocating Party from party(ies) on its side of the location specify a level of detail more specific than the allocated quantities received from the primary Allocating Party, the secondary Allocating Party employs these PDA(s) to allocate quantities to its PDA submitters. Where the allocated quantities received from the primary Allocating Party were not to the level of transactions on the secondary Allocating Party's side of the location, and where the PDA(s) received by the secondary Allocating Party (if any) did not specify allocations to the same level of transactions present on the secondary Allocating Party's side of the location, other standards apply for the remainder of the allocation process.~~

**Rationale:**

- Not necessary and intent is unclear.

**Instruction #2: Delete**

~~Confirming Parties which are not the primary Allocating Party at a location should receive and process allocations from the primary Allocating Party and employ these allocations in providing allocation information to their parties and Service Requesters (as applicable and appropriate). Where a Confirming Party is the operator of one side of a location and is not the primary Allocating Party at the location, then they are the secondary Allocating Party.~~

**Rationale:**

- Not necessary and intent unclear.

**Instruction #3 – No proposed change to the Instruction**

The definition of all rank data elements should be re-examined to allow for their use in the allocation process.