

GISB STANDARDS LANGUAGE COMMITTEE
9/22/97

STANDARDS GROUP PROPOSAL
BASED ON COMPROMISE MODEL 9/11 as revised 9/18
(Draft 9)

THIS PROPOSAL HAS TWO SECTIONS.

THE FIRST SECTION OUTLINES THE CONCEPTS WE ARE TRYING TO CAPTURE, BASED ON THE COMPROMISE MODEL.

THE SECOND SECTION CONTAINS THE ACTUAL STANDARDS LANGUAGE RECOMMENDATIONS. CONCEPTS ARE NOTED AS THEY APPEAR IN THE STANDARDS, AND MAY NOT APPEAR VERBATIM FROM SECTION ONE.

INTRADAY CONCEPTS:

I. GENERAL

- I.a GISB takes no position on whether a pipeline bumps or not. Bumping opportunities are to be determined by the TSP and its customers and, as necessary, through regulatory filings.
- I.b The outlined intraday nomination opportunities represent times which a shipper can expect to be supported by TSP's and all confirming parties for synchronization across the North American pipeline network (GRID). These are to be considered minimums - additional nomination opportunities presented on individual pipes, or as coordinated between pipes are to be considered in excess of these standards. This specifically includes continuous and contiguous scheduling.
- I.c All intraday noms must be made in whole-day (24 hour flow) quantities, regardless of the effective time-frame of the pending nom cycle.
- I.d **NEW** – Nom cycle names are: Timely, 6pm, Intraday 10am, Intraday 5pm.
- I.e **NEW** – Continuous pipelines receiving intra-day nominations requiring grid-wide synchronization should hold those nominations for processing until the intended grid-wide nomination cycle.
- I.f **NEW** – The cycle in which a nomination should be processed should be determined by using a mysterious combination of the nomination's effective date and time and the time stamp reflecting the receipt of the nomination.
[HOLD UNTIL FURTHER DISCUSSION]
- I.g ~~**NEW** – Bumping that requires movement across the interstate grid occurs at grid-wide synchronization times only.~~

II. 6pm NOMS UNTIMELY NOMS (INTRADAY TYPE ii)

- II.a 6pm Noms ~~Untimely noms~~ are considered intra-day nominations (called 6pm Noms type ~~(ii)~~). *[leave out of Standards language]*
- II.b 6pm Noms ~~Intraday Type (ii)~~ noms are those received by TSP after the 11:30am Timely deadline and at or before 6pm CCT, to be effective the following day.
- II.c Confirmations for 6pm Noms ~~Intraday Type (ii)~~ noms are due to the TSP by 9pm prior to gas day.

- II.d The Scheduled Quantities document(s) for 6pm Noms ~~Intraday Type (ii)~~ noms are to be made available no later than 10pm CCT prior to gas day. By definition, this would include "Notice to Bumped Parties" where such activity occurs.
- II.e For those pipelines that do not bump, scheduled quantities resulting from 6pm Noms ~~Intraday Type (ii)~~ noms are to be effective at 9am on gas day.
- II.f For those pipelines that are bumping during the 6pm Noms ~~Intraday Type (ii)~~ cycle, if scheduled quantities resulting from a 6pm Noms ~~Intraday Type (ii)~~ nom DO NOT precipitate a bump, the nom is to be effective at 9am on gas day.
- II.g For those pipelines that are bumping during the 6pm Noms ~~Intraday Type (ii)~~ cycle, if scheduled quantities resulting from a 6pm Noms ~~Intraday Type (ii)~~ nom DO precipitate a bump, the nom is to be effective at 9 am or 5 pm on gas day.
- ~~II.h This specifically implies that the bumping party's 6pm Noms Intraday Type (ii) nom is only able to flow 16/24th's of the gas day, or 66% (two thirds). Conversely, the bumped party is scheduled to flow for at least 8/24th's of the gas day (33% or one third) if he is at least confirmed in the Timely nomination cycle; however, the bumped party has an opportunity to flow uninterrupted if a successful Intraday 10am Intraday Type (i) nom can be made (10 am for 5pm flow). (see Intraday 10am First Intraday Type (i) below). [this concept not to be represented in standards]~~
- II.i **NEW** – The confirmation process for 6pm noms should be explicit (communication required from both confirming parties) unless otherwise mutually agreed..
- II.j **NEW** – For 6pm Noms with effective flow times of 9am, where both sides of the confirmation data exist but do not match, the explicit confirmation process should use of the "lesser of nominated quantities" rule. In cases where only one side of the confirmation data exists (due to no communication by one party), the "lesser of nominated or previously scheduled" rule should apply.
- II.k **NEW NEW** - For 6pm Noms with an effective flow time of 5pm (e.g. bump noms), where both sides of the confirmation data exist ~~but do not match~~, the explicit confirmation process should use of the "lesser of nominated or elapsed-prorated-scheduled" rule. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting an increase, the previously scheduled quantity should be used. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting a decrease, the "greater of nominated or elapsed-prorated-scheduled" rule should apply.

III. INTRADAYS - TYPE (i)

- ~~III.a Intraday Type (i) nominations are those due on gas day to be effective on gas day. ["type (i) and (ii)" are now recommended for removal from the standards, so this concept is not needed]~~
- III.b There are two "true" ~~type (i)~~ intraday nomination cycles to be synchronized across the grid.

IV. INTRADAY 10am FIRST INTRADAY TYPE (i)

- IV.a The Intraday 10am ~~First Intraday Type (i)~~ nomination cycle is for those noms received by the TSP after 6 pm CCT prior to the gas day and at or before 10 am CCT on the gas day, to be effective on the gas day.
- IV.b Confirmations for the Intraday 10am ~~First Intraday Type (i)~~ nomination cycle are due to TSP by noon on the gas day.
- IV.c For those pipelines that are bumping during the Intraday 10am ~~First Intraday Type (i)~~ cycle, and where the Intraday 10am ~~First Intraday Type (i)~~ nomination precipitates a bump, the "Notice to Bumped Parties" document is to be made available no later than 1pm CCT on the gas day.
- IV.d Scheduled Quantities document(s) based on the processed Intraday 10am ~~First Intraday Type (i)~~ nominations are to be made available no later than 1 pm CCT on the gas day.
- ~~IV.e This specifically implies that the bumping party's Intraday 10am First Intraday Type (i) nom is only able to flow 16/24th's of the gas day, or 66% (two thirds). Conversely, the bumped party is scheduled to flow for at least 8/24th's of the gas day (33% or one third).~~

~~However, the bumped party may be unable to flow uninterrupted if bumped by a Intraday 10am First Intraday Type (i) nom (effective at 5 pm.). At a minimum, the bumped party will have an opportunity to nominate during the Intraday 5pm Second Type (i) cycle which takes effect at 9 pm (creating the possibility of 4 hours of no flow). [this concept not to be represented in standards]~~

- IV.f Scheduled quantities resulting from Intraday 10am ~~First Intraday Type (i)~~ nominations are to be effective at 5 pm gas day, regardless of whether the nomination precipitates a bump or not, and regardless of the bumping status of the pipeline.
- IV.g **NEW** – The confirmation process for Intraday 10am noms should be explicit (communication required from both confirming parties).
- IV.h **NEW** – For Intraday 10am noms, where both sides of the confirmation data exist ~~but do not match~~, the explicit confirmation process should use of the “lesser of nominated or elapsed-prorated-scheduled” rule. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting an increase, the previously scheduled quantity should be used. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting a decrease, the “greater of nominated or elapsed-prorated-scheduled” rule should apply.

V. INTRADAY 5pm SECOND INTRADAY TYPE (i)

- V.a The Intraday 5pm ~~Second Intraday Type (i)~~ nomination cycle is for those noms received by the TSP on the gas day after 10 am CCT and at or before 5 pm.
- V.b Confirmations for the Intraday 5pm ~~Second Intraday Type (i)~~ nomination cycle are due to TSP by 8 pm on the gas day.
- V.c Bumping is not allowed during the Intraday 5pm ~~Second Intraday Type (i)~~ nomination cycle, regardless of pipeline bumping status.
- V.d Scheduled Quantities document(s) based on the processed Intraday 5pm ~~Second Intraday Type (i)~~ nominations are to made available no later than 9 pm CCT on the gas day. There is no "Notice To Bumped Parties" document for this cycle.
- V.e Scheduled quantities resulting from Intraday 5pm ~~Second Intraday Type (i)~~ nominations are to be effective at 9pm.
- V.f **NEW** – The confirmation process for Intraday 5pm noms should be explicit (communication required from both confirming parties).
- V.g **NEW** – For Intraday 5pm noms, where both sides of the confirmation data exist ~~but do not match~~, the explicit confirmation process should use of the “lesser of nominated or elapsed-prorated-scheduled” rule. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting an increase, the previously scheduled quantity should be used. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting a decrease, the “greater of nominated or elapsed-prorated-scheduled” rule should apply.

VI. CONFIRMATION RULES:

- ~~VI.a NEW~~ Confirming parties are not required to support confirmations other than at the sync-up times.
- ~~VI.b NEW~~ The “lesser of” confirmation rules applies as a default to grid-wide synchronization times only.
- VI.c **NEW** – the “elapsed-prorated-scheduled” calculation should take the quantity to be scheduled at 9 am, and multiply it by a fraction where the numerator is the number of elapsed hours from start of gas day to effective flow time and the denominator is 24. More advanced calculations are required if a shipper reduces on the Intraday 10am and attempts another reduction on Intraday 5pm.

PRINCIPLES (explanatory section of the standards)

- P.1 GISB takes no position concerning TSP bumping policy. GISB takes no position on whether a pipeline bumps or not. Bumping opportunities are to be determined by the TSP and its customers and, as necessary, through regulatory filings- (concept I.a)
- P.2 The outlined intraday nomination opportunities represent times at which a shipper should ~~can expect to~~ be supported by TSP's and all confirming parties for synchronization across the North American pipeline network (GRID). These are to be considered minimums - additional nomination opportunities presented on individual pipes, or as coordinated between pipes are considered to exceed these standards. ~~This specifically includes continuous and contiguous scheduling.~~ (concept I.b)

The last sentence will be specifically reflected elsewhere as a more explicit standard.

STANDARDS AFFECTED BY THE INTRADAY COMPROMISE MODEL, AND PROPOSED LANGUAGE:

1.2.4 Current Language:

An intra-day nomination is a nomination submitted after the 11:30am nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day.

Covers concept [II.a, III.b].

~~1.2.7~~ Current Language:

~~There are two types of intraday nominations: (i) A nomination received during the gas day for the same day of gas flow, and (ii) a nomination received after the nominations deadline for the following gas day.~~

Covers concepts [II.a], [III.a].

NEW – Since new names are being given to these cycles in other proposed language, and 1.2.4 categorizes 6 pm noms as intraday noms, this standard now serves only to provide confusion.

Recommend Strike

1.3.2 Current Language:

The standard nominations timeline should be as follows: 11:30 am for nominations leaving control of the nominating party; 11:45 am for receipt of nominations by the transporter; noon for quick response; 3:30 pm for receipt of completed confirmations by

transporter from upstream and downstream connected parties; 4:30 pm for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

On the added language, collapse concepts to be more concise while still covering all the possibilities. Do not include explanatory language (concept II.h and IV.e). Include language regarding bumping choice.

NEW – Add language to reflect the new cycle names.

Proposed language:

- 1.3.2.i TSP's that perform bumping do so by contractual terms and conditions and/or in accordance with their regulatory requirements, and should choose one or both of the two following intraday nomination cycles to perform bumping: 6pm Noms ~~Intraday Type (ii)~~, Intraday 10am ~~First Intraday Type (I)~~. This choice is to be determined by the TSP and its customers and, as necessary, through regulatory filings. **[NEW]** Bumping that requires movement across the interstate grid occurs at grid-wide synchronization times only. (see 1.3.2.ii,iii for cycle definition; effective times for bumping are outlined under 1.3.2.v,vi,vii). (concept I.a, I.g)
- 1.3.2.ii The standard ~~Intraday Type (ii) nomination cycle~~ timeline for the "6pm nomination" cycle should be as follows: 6:00 pm for nomination leaving control of the nominating party; 6:15 pm for receipt of nominations by the transporter; 6:30 pm for Quick Response; 9:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm for receipt of scheduled quantities by shipper and point operator, and receipt of "Notice to Bumped Parties" document by bumped parties (central clock time on the day prior to flow). (concepts II.b, II.c, II.d, I.d)
- 1.3.2.iii The standard ~~First Intraday Type (i) nomination cycle~~ timeline for the "Intraday 10am" nomination cycle should be as follows: 10:00 am for nomination leaving control of the nominating party; 10:15 am for receipt of nominations by the transporter; 10:30 am for Quick Response; 12:00 pm (noon) for receipt of completed confirmations by transporter from upstream and downstream connected parties; 1:00 pm for receipt of scheduled quantities by shipper and point operator, and receipt of "Notice to Bumped Parties" document by bumped parties (central clock time on the gas day). (concepts IV.a, IV.b, IV.c, IV.d, I.d)
- 1.3.2.iv The standard ~~Second Intraday Type (i) nomination cycle~~ timeline for the "Intraday 5pm" nomination cycle should be as follows: 5:00 pm for nomination leaving control of the nominating party; 5:15 pm for receipt of nominations by the transporter; 5:30 pm for Quick Response; 8:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 pm for receipt of scheduled quantities by shipper and point operator (central clock time on the gas day). (concepts V.a, V.b,V.d, I.d)
- Effective flow times for intraday nominations are as follows:
- 1.3.2.v Scheduled quantities resulting from a 6pm Nom ~~Intraday Type (ii)~~ nomination that precipitate a bump should be effective at either 9 am or 5 pm on gas day. (concept II.g)
- 1.3.2.vi Scheduled quantities resulting from a 6pm Nom ~~Intraday Type (ii)~~ nomination that do not precipitate a bump should be effective at 9 am on gas day. (concept II.e, II.f)
- 1.3.2.vii Scheduled quantities resulting from Intraday 10am ~~First Intraday Type (i)~~ nominations should be effective at 5 pm gas day. (concept IV.f)
- 1.3.2.viii Scheduled quantities resulting from Intraday 5pm ~~Second Intraday Type (i)~~ nominations should be effective at 9 pm. (concept V.e)
Bumping is not allowed during the Intraday 5pm ~~Second Intraday Type (i)~~ nomination cycle, regardless of TSP's tariff bumping provisions. (concept V.c)

1.3.3 Current Language:

In addition to making scheduled quantities information available by 4:30 pm, at the end of each day transportation service providers should also make available to shippers information containing scheduled quantities, including scheduled intra-day nominations and any other scheduling changes.

Paragraph is useful as is - leave alone.

1.3.5 Current Language:

All nominations should include shipper defined begin dates and end dates. All nominations excluding intra-day nominations should have roll-over options. Specifically, shippers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of the shipper's contract.

NEW – The committee will not address date ranges. Current interpretation and implementation of this standard should remain unchanged.

1.3.6 Current Language:

Nominations received after the nomination deadline should be scheduled after the nominations received before the nomination deadline.

This is useful and should be left alone.

1.3.9 Current Language:

All nominations, including intra-day nominations, should be based on a daily quantity; thus, an intra-day nominator need not submit an hourly nomination. Intra-day nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intra-day nomination, if not otherwise addressed in transporter's contract or tariff.

This is useful and should be left alone (concept l.c).

~~1.3.10 Current Language:~~

~~At least one (1) intra-day nomination can be submitted 4 hours prior to gas flow.~~

This should be stricken. 1.3.32 covers the one more clearly, and 4 hours is abandoned.

1.3.12 Current Language:

Except where specified in other GISB standards, all nomination procedures that apply to regular nominations apply to intra-day nominations. This means that the process (excluding timelines) of quick response, confirming with upstream and downstream parties and scheduling, also applies to intra-day nominations.

This still appears to provide some guidance for those pipes operating in excess of the grid time standards. Leave in.

NEW – add language regarding continuous pipes holding grid-bound noms.

Add reference and language at the end:

[NEW] Continuous pipelines receiving intra-day nominations requiring grid-wide synchronization should hold those nominations for processing until the intended grid-wide nomination cycle (refer to 1.3.2 for minimum grid synchronization times). (concept l.e)

1.3.13 Current Language:

Intra-day nominations do not rollover (i.e. intra-day nominations span one day only). Intra-day nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intra-day nomination modifies existing nomination.

NEW – The committee will not address date ranges. Current interpretation and implementation of this standard should remain unchanged.

1.3.22 Current Language:

At a receipt or delivery point, [**NEW**] for the standard timely nomination cycle (noms due at 11:30am CCT), the lesser of rule (confirmed or nominated flow) applies when confirming. If no communication is received, the lesser of the new nomination or previously scheduled quantity applies.

Add qualifying language to existing standard to limit it to timely noms only. Add new language at the end to cover intraday specifics.

NEW – Proposed Language:

- 1.3.22.i For 6pm Noms, where both sides of the confirmation data exist but do not match, the explicit confirmation process should use of the “lesser of nominated volumes” rule. In cases where only one side of the confirmation data exists (due to no communication by one party), the “lesser of nominated or previously scheduled” rule should apply. (concept II.j)
- 1.3.22.ii For Intraday 10am and Intraday 5pm noms, where both sides of the confirmation data exist, the explicit confirmation process should use of the “lesser of nominated or elapsed-prorated-scheduled” rule. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting an increase, the previously scheduled quantity should be used. In cases where only one side of the confirmation data exists (due to no communication by one party), and the existing data is requesting a decrease, the “greater of nominated or elapsed-prorated-scheduled” rule should apply. (concept IV.h, V.g)
- 1.3.22.iii The “elapsed-prorated-scheduled” calculation should take the quantity to be scheduled at 9 am and multiply it by a fraction where the numerator is the number of elapsed hours from start of gas day to effective flow time, and the denominator is 24. More advanced calculations are required if a shipper reduces on the Intraday 10am and attempts another reduction on Intraday 5pm. (concept VI.c)

1.3.32 Current Language:

All pipelines should allow at least one intra-day nomination per day for each transportation service that allows for intra-day nominations. Additional intra-day nominations should be permitted on a best efforts basis.

This concept NEEDS TO BE DISCUSSED BY THE LARGER GROUP.

S.1 New Standard proposal:

The cycle in which a nomination should be processed should be determined by using a ~~mysterious~~ combination of the nomination’s effective date and time and the time stamp reflecting the receipt of the nomination. (concept I.f)

This concept is under study, and the result and final decision needs sign-off by the larger group.

S.2 New Standard proposal:

The confirmation process for 6pm noms, Intraday 10am noms and Intraday 5pm noms should be explicit (communication required from both confirming parties). (concepts II.i, IV.g, V.f).

The definition of "explicit" may require a separate standard. Be careful of saying "communication required from both confirming parties to affect a change", since the last part would conflict with our confirmation rule for intradays with no communication where the new lower nom is used, thereby actually inflicting a change without both parties communicating.....

~~S.3 — New Standard proposal:~~

~~Confirming parties are not required to support confirmations other than at the grid-wide synchronization times. (concept VI.a)~~

~~S.4 — New Standard proposal:~~

~~The default confirmation rule of "lesser-of" applies to grid-wide synchronization times only. (concept VI.b)~~