

**Draft 2 - Redline Version of Additional Standards
to be Proposed by TransCapacity**

D13

A Title Transfer Coordination Nomination is a nomination line item providing data to a Transportation Service Provider (TSP) with respect to a Title Transfer Nomination received by a Third Party Account Administrator (3PAD). The Title Transfer Coordination Nomination is sent by the 3PAD to the TSP on behalf of the 3PAD's Account Holder(s) (AH(s)) and contains information with respect to the Title Transfer transaction requested by that AH(s) of the 3PAD. Title Transfer Coordination Nominations are sent to TSPs for only those transactions which involve gas transferred, at the location into the 3PAD to (or at the location out of the 3PAD from) the AH(s). Information with respect to Title Transfer Tracking transactions between AH(s) of the 3PAD is not to be provided in a Title Transfer Coordination Nomination.

~~Diagram relationship Line Q.~~

D14

A Title Transfer Coordination Nomination Quick Response is a quick response providing data validation of a Title Transfer Coordination Nomination(s), in response to a coordination request received by a Transportation Service Provider (TSP) from a Third Party Account Administrator (3PAD) with respect to a Title Transfer transaction requested by an Account Holder(s) (AH(s)) of the 3PAD involving gas transferred, at the location into the 3PAD to (or at the location out of the 3PAD from) the AH(s).

~~Diagram relationship line R.~~

D15

~~A Nomination is a line item requesting the service of Transportation and is sent by a Service Requester to a Transportation Service Provider.~~

~~Diagram relationship Line B.~~

D16

~~A Nomination Quick Response is a quick response providing data validation of a Nomination(s), for a service request received by a Transportation Service Provider (TSP) from a Service Requester (SR). The Nomination Quick Response is sent by the TSP to the SR which requested the service.~~

~~Diagram relationship Line T.~~

D17

~~A Request for Confirmation is a coordination request sent by one Confirming Party to another with respect to transactions involving gas to be transferred at the location into (or out of) the Request for Confirmation sending Confirming Party from (or to) the Request for Confirmation receiving Confirming Party.~~

~~Diagram relationship Line X.~~

D18

~~A Confirmation Response is response concerning the transactions for quantities entering and leaving the Confirming Party at the location. The Confirmation Response is sent in response to a Request for Confirmation or may be sent as an unsolicited transaction. The Confirmation Response is sent by one Confirming Party to another Confirming Party and includes all transactions identified to the sending Confirming Party as entering and/or leaving the Confirming Party at the location(s).~~

~~Diagram relationship Line Y.~~

D19

~~A Confirmation Response Quick Response is a quick response providing data validation for a Confirmation Response. The Confirmation Response Quick Response is sent by one Confirming Party to the Confirming Party sending it the Confirmation Response.~~

~~Diagram relationship Line Z.~~

D20

~~A Scheduled Quantity for Operator is a scheduled quantity providing data with respect to quantities scheduled to be transferred at the location into (or out of) the Scheduled Quantities for Operator sending party from (or to) the Scheduled Quantities for Operator receiving party.~~

~~Diagram relationship Lines M and O.~~

D21

~~A Scheduled Quantity provides data with respect to: a) quantities scheduled for a Service Requester by a Transportation Service Provider, or b) quantities scheduled for an Account Holder by a Title Transfer Tracking Service Provider. The Service Requester and Account Holder are provided their scheduled quantity information by their Service Provider.~~

~~Diagram relationship Lines N and P.~~

S32

A party to a transaction should nominate, or otherwise communicate, the identity of their transaction counterparty along with the applicable, associated nominations-related information to the appropriate Confirming Party, in a mutually agreeable manner. Failure to so act can result in the failure of the subject transaction to be scheduled. A Confirming Party may communicate with its party and/or the counterparty as to the existence and nature of a failure to communicate a transaction on the part of the applicable party. A Title Transfer Tracking Service Provider may communicate with its Account Holder(s) and/or its AH(s)' counterparty(ies) as to the existence and nature of a failure to communicate a transaction on the part of the applicable party.

S35

All references to the sending or receiving of transmittals by a party are intended to include the sending or receiving of such transmittals by such party's authorized agent.

S36

Prior to June 1, 200~~10~~, Transportation Service Providers are permitted to restrict ~~Title~~ Transfer Tracking activity to pooling points and those locations at which an OBA exists between themselves and the welded operator.

S37

A Transportation Service Provider (TSP) which determines not to receive Allocation Statements from Third Party Account Administrators (3PADs) should accept PDAs delineated at the level of nomination line items provided by the 3PAD to the TSP. The TSP should employ the PDA with respect to receipts when the Allocation Statement provided to the 3PAD with respect to quantities of deliveries out of the 3PAD differs from the scheduled ~~quantities~~ quantities of deliveries out of the 3PAD in order to determine the allocation of receipts into the 3PAD. The TSP should employ the PDA with respect to deliveries when the Allocation Statement provided to the 3PAD with respect to quantities of receipts into the 3PAD differs from the scheduled ~~quantities~~ quantities of receipts into the 3PAD in order to determine the allocation of deliveries out of the 3PAD.

S38

Transportation Service Providers (TSPs) should, upon request of the welded operator (WOPR) or a Third Party Account Administrator (3PAD), establish pooling points at those locations at which an OBA exists between the TSP and the WOPR. An Account Holder (AH) may nominate to their Title Transfer Tracking Service Provider (TTTSP) to place gas into such pooling point. Such nomination, once made to the TSP by the TTTSP on behalf of its AH, should be sufficient to cause such gas to be considered delivered to the pooling point. As the pooling point is at the TSP/WOPR location there should be no transportation needed to get gas into the TSP's pooling point location from the WOPR's point at the location nor should transportation be needed to get gas transferred between AHs (or 3PADs on behalf of their AHs) at the location. For a quantity of gas to leave the location (transferred out) and be delivered at a different TSP location, a TSP may require that a transportation nomination corresponding to such quantity and TSP location(s) be made by a Service Requester.

S39

When determining the extent to which those quantities nominated by (or on behalf of) one Account Holder₁/Service Requester₁'s (AH₁/SR₁'s) to an Account Holder₂/Service Requester₂ (AH₂/SR₂) out of a pooling point match those quantities nominated by (or on behalf of) such AH₂/SR₂ out of the same point from AH₁/SR₁, the Transportation Service Provider should compare quantities

aggregated at the AH₁/SR₁ - AH₂/SR₂ level. When the quantities do not match at this level and this results in a reduction in: a) such AH₁/SR₁'s delivery quantity to AH₂/SR₂ (because their AH₂/SR₂ counterparty nominated less receipts), then: 1) the lowest ranked delivery(ies) for such AH₁/SR₁ to AH₂/SR₂ should be reduced, and, 2) AH₁/SR₁'s corresponding receipt quantity(ies) should also be reduced commensurably; and when, b) such activity results in a reduction in an AH₁/SR₁'s receipt quantity from AH₂/SR₂ (because their AH₂/SR₂ counterparty nominated less deliveries), then: 1) the lowest ranked receipt(s) of such AH₁/SR₁ from AH₂/SR₂ should be reduced, and, 2) AH₁/SR₁'s corresponding delivery quantity(ies) should also be reduced commensurably.

S40

Where a Transportation Service Provider (TSP) determines to employ the confirmation process (i.e., the request for validation and validation response process) in its interactions with a Title Transfer Tracking Service Provider (TTTSP) including a TTTSP acting as the TSP's agent, if any, then the TSP should also offer to employ with other TTTSPs, and may at its discretion require that other TTTSPs employ, the confirmation process in addition to the nomination on behalf of process for the purpose of coordinating activities at the TSP's locations with respect to Title Transfer Tracking.

IR Instructions Appendix (Redline Version)

Instructions to IR to be used as a non-comprehensive source material describing the manner of implementing the requirement that nominations contain sufficient information to identify the party holding the transaction verification information (“verification information party”) with respect to the nominating party’s title transfer, coordination or transportation nomination (as applicable).

S33

When an Account Holder (AH) is providing a Title Transfer Nomination to their Title Transfer Tracking Service Provider, they should, as part of the Title Transfer Nomination identify the party (i.e., a Transportation Service Provider, a Third Party Account Administrator, or a Welded Operator - only applicable to a receipt transaction) which has the confirmation and/or validation related information with respect to their (the AH’s) transaction counterparty at the location (i.e., the AH’s party identified in the Upstream ID in a receipt by the AH and/or in the Downstream ID in a delivery by the AH) and with whom the AH’s TTTSP can communicate for the purpose of coordination and confirmation.

~~S34 – Option 1~~

Option 1

When a Service Requester (SR) is providing a Nomination to their Transportation Service Provider (TSP) for a transaction(s) which receives gas from an Account Holder (AH) or a working interest owner (WIO) (i.e., the Upstream ID corresponds to a party which is not a Service Requester transporting on the upstream Confirming Party to the other side of the interconnect), the Service Requester should, as part of the Nomination identify the party (i.e., a TSP (where the TSP is providing Title Transfer Tracking Service), a Third Party Account Administrator, or a Welded Operator) which has the confirmation and/or validation related information with respect to their (the SR’s) transaction counterparty at the location (i.e., the AH or WIO identified in the Upstream ID in a receipt by the SR) and from (or with) whom the TSP can expect communication for the purpose of coordinating, and/or confirming the scheduling of that nomination (or portion thereof).

Likewise, when a Service Requester (SR) is providing a Nomination to their Transportation Service Provider (TSP) for a transaction(s) which delivers gas to an AH (i.e., the Downstream ID corresponds to a party which is not a Service Requester transporting on the downstream Confirming Party away from the other side of the interconnect), the Service Requester should, as part of the Nomination identify the party (i.e., a TSP (where the TSP is providing Title Transfer Tracking Service) or a Third Party Account Administrator) which has the confirmation and/or validation related information with respect to their (the SR’s)

transaction counterparty at the location (i.e., the AH identified in the Downstream ID in a delivery by the SR) and from (or with) whom the TSP can expect communication for the purpose of coordinating, and/or confirming the scheduling of that nomination (or portion thereof).

S34—Option 2

When a Service Requester (SR) is providing a Nomination to their Transportation Service Provider (TSP) they should, as part of the Nomination identify the party (i.e., a TSP, a Third Party Account Administrator, or a Welded Operator, where applicable) which has the confirmation and/or validation related information with respect to their (the SR's) transaction counterparty at the location (i.e., the AH, SR, or Working Interest Owner identified in the Upstream ID in a receipt by the SR and/or the AH or SR identified in the Downstream ID in a delivery by the SR) and from (or with) whom the TSP can expect communication for the purpose of coordinating, and/or confirming the scheduling of that nomination (or portion thereof).

Instructions to IR Number 1:

Code Value: Add a Code Value “TTT Transaction” to the list of valid Transaction Types

Instructions to IR Number 2:

Option 1 for Implementation of S33 and S34-Option 1 - two mandatory indicators and data elements conditional on the indicator value

Data Element: Add a new data element, “Upstream Title Transfer Tracking Indicator” to the nomination dataset.

Definition: An indicator which if “AH” indicates that the Upstream ID is a party which is not transporting the gas to the receipt location and which is an Account Holder transferring the gas to the Service Requester/ Account Holder making the nomination. If the indicator is “SR”, then the Upstream ID is a party which is a Service Requester on the Upstream TSP. If the indicator is “WI”, then the Upstream ID is a working interest owner in the upstream well.

Conditionality: Mandatory

Data Element: Add a new data element Upstream Confirmation/Validation Party ID to the nomination dataset.

Definition: The ID of the party (i.e., the applicable TSP, 3PAD, or WOPR) with whom the receiver of the nomination can communicate (and/or expect communication from, as

applicable) concerning the receipt location in order to confirm/validate the receipt side information with respect to the party identified by the Upstream ID. A common entity code.

Conditionality: Mandatory if:
a) Upstream Title Transfer Tracking Indicator is either “AH” or “WI”; or if,
b) Transaction Type is “TTT Transaction”

Data Element: Add a new data element, “Downstream Title Transfer Tracking Indicator” to the nomination dataset.

Definition: An indicator which if “AH” indicates that the Downstream ID is a party which is not transporting the gas away from the delivery location and which is an Account Holder receiving the transfer of the gas from the Service Requester/ Account Holder making the nomination. If the indicator is “SR”, then the Downstream ID is a party which is a Service Requester on the Downstream TSP. If the indicator is “EU”, then the Downstream ID is an end-user consuming the gas in their facilities at the delivery location.

Conditionality: Mandatory

Data Element: Add a new data element Downstream Confirmation/Validation Party ID to the nomination dataset.

Definition: The ID of the party (i.e., the applicable TSP, 3PAD, or End User) with whom the receiver of the nomination can communicate (and/or expect communication from, as applicable) concerning the delivery location in order to confirm/validate the delivery side information with respect to the party identified by the Downstream ID. A common entity code.

Conditionality: Mandatory if:
a) Downstream Title Transfer Tracking Indicator is “AH”; or if,
b) Transaction Type is “TTT Transaction”

Option 2 for Implementation of S33 and S34-Option 2 - only mandatory data elements |

Data Element: Add a new data element Upstream Confirmation/Validation Party ID to the nomination dataset.

Definition: The ID of the party (i.e., the applicable TSP, 3PAD, or WOPR) with whom the receiver of the nomination can communicate (and/or expect communication from, as applicable) concerning the receipt location in order to confirm/validate the receipt side information with respect to the party identified by the Upstream ID. A common entity code.

Conditionality: Mandatory

Data Element: Add a new data element Downstream Confirmation/Validation Party ID to the nomination dataset.

Definition: The ID of the party (i.e., the applicable TSP, 3PAD, or End User) with whom the receiver of the nomination can communicate (and/or expect communication from, as applicable) concerning the delivery location in order to confirm/validate the delivery side information with respect to the party identified by the Downstream ID. A common entity code.

Conditionality: Mandatory