

TO: TTT TF Participants

FM: TransCapacity

DT: 9/7/98

RE: TransCapacity supplied Work Papers and Clean Versions

In recognition of the movement perceived from the pipeline community on several matters with regard to TTT, we provide this overview of the work papers supplied by TransCapacity for the Phoenix "Voting Meeting".

First, we have adapted the proposed standards to reflect the sole use of the nominations model for transfers at pooling points.

Second, we have proposed standards for the establishment of pooling points at OBA locations so that TTT can be done there.

Third, we have proposed the method of matching transfers between parties at the pooling points to alleviate concerns with respect to varying levels of nomination detail and the use of ranks.

Fourth, to simplify the body of standards to be presented to the EC and the industry, we have moved a great number of previously denominated "standards" to Appendices which are instructions to IR.

Fifth, we have moved the date for support of non-OBA locations to June, 2001.

Sixth, we have provided both clean and redlined versions of both the "Already Addressed" standards (as modified to account for the pooling point process) and the additional proposed standards (again as modified and supplemented to address the "Pooling point only" proposal of the pipelines).

Seventh, We have addressed the "timing" issue, in the instructions to IR. The manner of resolution is to provide the 3PADs with twenty minutes from the deadline to deliver (i.e., received at the designated site) the on behalf of nominations to the TSPs.

Eighth, we have left the TSP's Quick Response interval at fifteen minutes.

Ninth, we have proposed a method of nominating to the OBA location pool points that does not require the SR/AH to nominate to both the TSP and the TTTSP. The AH/SR would only have to nominate to the TTTSP. The TTTSP would then "nominate" to the TSP.

Tenth, we have provided a catch-all standard that to the extent a TSP does use the validation standards for interaction with a TTTSP, (i.e., an iterative process) then they should do so with other TTTSPs. The TSP can either offer it or require it of the TTTSPs operating on their system, at the TSP's option.

A short amount of commentary:

We too want to solve the TTT dilemma. There has to be comparability for the 3PADs from a timing and service delivery point of view. The FERC has charged us with developing a system that works for both, not just TSP's. In addition, there have to be standards for the interaction(s) between TSP's and the TTTSPs. These are 1) contracts/agreements, 2) points and or contracts, 3) predictable and consistent information requirements, 4) predictable matching processes that are consistent across the grid, and 5) a recognition of the distinct difference between parties which are Account Holders and parties (3PADs) which are service providers to Account Holders.

The fact that there are parties acting as Account Holders today and setting up trading locations where the Account Holder buys from all others and sells to all others is not the same as parties who do not buy or sell but rather record and administer the activities of their Account Holders.

In the end we can all work together to make a system which will work and, more importantly, will address the needs that brought us together in the first place. We, as a group, should not "start over".

To the extent the pipelines are not satisfied with the modified "Standards Already Addressed" as presented in TransCapacity's Work Paper 1 -- File Name TT909WP1.doc (redline) and TT909WP3.doc (clean version), plus the new ones, File Name TT909WP2.doc (redline) and TT909WP4.doc (clean version), they should be prepared to offer amendments. It is a waste of nearly 20 weeks of work to start over with new terms, new definitions, new standards, and new code phrases, when we have a great deal of work already accomplished.

Thank you for you time.

Greg Lander
TransCapacity