



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

### 1. Recommended Action:

- Accept as requested
- Accept as modified below
- Decline

### Effect of EC Vote to Accept Recommended Action:

- Change to Existing Practice
- Status Quo

### 2. TYPE OF MAINTENANCE

#### Per Request:

- Initiation
- Modification
- Interpretation
- Withdrawal

#### Per Recommendation:

- Initiation
- Modification
- Interpretation
- Withdrawal

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

- Principle (x.1.z)
- Definition (x.2.z)
- Business Practice Standard (x.3.z)
- Document (x.4.z)
- Data Element (x.4.z)
- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

### 3. RECOMMENDATION

The work plan for Cross Contract Ranking Subcommittee was revised to accommodate the addition of confirmations. The Confirmations and Cross Contract Ranking Subcommittee timeline is as follows:

The target for completion of the standards developed by this task force that relate to Confirmation and Cross Contract Ranking, with a meeting schedule of 16 hours per month, is October, 1999 for consideration at the November, 1999 Executive Committee meeting. The Executive Committee will be asked to consider and vote on the standards prior to being sent to Information Requirements and Technical. In addition, the Executive Committee will be asked to recommend a completion date and to prioritize the work with Information Requirements and Technical. The task force could state no recommended completion date. The task force will continue to be available to Information Requirements and Technical until their work is complete. At such time, the Executive Committee will be asked to consider their work and vote on their recommendations for implementation.

August 9 and 10, 1999 minutes:

- **A motion was made to decline R97043.** It was clarified that the usage of the upstream identifier code satisfies the requirement for an interest owner element.  
The motion passed unanimously.



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- **A motion was made to decline R97116.** There is no need for a separate data element to achieve ranking across contracts versus within contracts. The same result can be achieved by using the existing ranks without adding an additional element.
- **R99037 requests a new data element “Confirmation Level” be added to the Request for Confirmation, Confirmation Response, and Scheduled Quantity for Operators.**

A motion was made to:  
Instruct Information Requirement (IR) Subcommittee to accommodate the sending of information necessary when a multi-level confirmation is sent to differentiate between the roles of the Confirming Parties. In the Request for Confirmation, the usage of this data is Senders Option when the TSP is the sender of the Request for Confirmation and Business Conditional when the TSP is the receiver of the Request for Confirmation or an unsolicited Confirmation Response. In a solicited Confirmation Response, the usage is Conditional, and the condition is: Mandatory when present in the Request for Confirmation. In a Scheduled Quantity for Operator, the usage is Conditional, and the condition is: Mandatory when present in the Confirmation process. IR should also determine whether this data should be included in the Confirmation Response Quick Response.  
The motion passes unanimously.
- **A motion was made to send R97089B back to BPS to be dealt with in conjunction with R97089A.** The data element being requested “Source Location” would need to be added to the Nomination prior to being discussed in the confirmation. It was therefore concluded that the request should not be split into two parts but should be handled by BPS as originally requested in R97089. The motion passed unanimously.
- **Motion: R97022B was resolved by the proposed standards of this subcommittee.**

The motion passed unanimously.

**STANDARD LANGUAGE** (for addition, modification or deletion of a principle, definition or business practice standard)

### **Proposed Standard 1**

Absent mutual agreement to the contrary, the standard level of confirmation should be entity to entity.

### **Revised Proposed Standard 2**

As part of the confirmation and scheduling process between a Transportation Service Provider (TSP) and a Local Distribution Company (LDC), upon request by the LDC, the TSP should make available, via EBB/EDM, supplemental information obtained during or



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

derived from the nomination process necessary for the LDC to meet its statutory and/or regulatory obligations. Such supplemental information, if available, should include the

TSP's Service Requester Contract and, based upon the TSP's business practice may also, on a mutually agreeable basis, include 1) a derivable indicator characterizing the type of contract and service being provided, 2) Downstream Contract Identifier and/or 3) Service Requester's Package ID.

### **Proposed Standard 3**

Absent mutual agreement to the contrary between the TSP and the Operator for confirmations at a production location, the TSP should support the fact that the operator will confirm with the TSP to only the upstream entity level. These upstream entities should either confirm or nominate (at the TSP's determination) at an entity level with the TSP.

### **Proposed Definition 1**

Production locations includes wellheads, platforms, plant tailgates (excluding straddle plants) and physical wellhead aggregation points.

### **Proposed Standard 4**

When nominated quantities exceed available capacity, the Transportation Service Provider (TSP) should first utilize its tariff requirements to assign capacity to each service level for each Service Requester (SR). The TSP should then use the SR's provided scheduling ranks to determine how the available quantities should be distributed within a single service level. The SR's provided scheduling ranks (as applicable) should be used as follows:

- For reductions identified at or upstream of the constraint location, the order for application of ranks is Receipt Rank (Priority), Upstream Rank (Priority), Delivery Rank (Priority), Downstream Rank (Priority).
- For reductions identified at or downstream of the constraint location, the order for application of ranks is Delivery Rank (Priority), Downstream Rank (Priority), Receipt Rank (Priority), Upstream Rank (Priority).

### **Proposed Standard 5**

When applying a confirmation reduction to an entity at a location, the Transportation Service Provider (TSP) should use the Service Requester's (SR's) scheduling ranks provided on all nominations for that location and entity to determine the appropriate nomination(s) to be reduced, except where superseded by the TSP's tariff, general terms and conditions, or contractual obligations. The SR's provided scheduling ranks (as applicable) should be used as follows:

- For receipt side reductions, the order for application of ranks is Upstream Rank (Priority), Receipt Rank (Priority), Delivery Rank (Priority), and Downstream Rank (Priority).

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- For delivery side reductions, the order for application of ranks is Downstream Rank (Priority), Delivery Rank (Priority), Receipt Rank (Priority), and Upstream Rank (Priority).

**Proposed Principle 1**

In order to effectuate cross contract ranking, the level of confirmation at a location should occur at the entity to entity level.

**Revised Proposed Standard 6**

Transportation Service Providers should utilize Standard 1.3.7 for ranks submitted in a nomination.

**DATA DICTIONARY** (for new documents and addition, modification or deletion of data elements)

**Document Name and No.:** Not Applicable until after EC determination.

**CODE VALUES LOG** (for addition, modification or deletion of code values)

**Document Name and No.:** Not Applicable until after EC determination.

**BUSINESS PROCESS DOCUMENTATION** (for addition, modification or deletion of business process documentation language)

**Standards Book:** Not Applicable until after EC determination of Standards.

The subcommittee will instruct Information Requirements to change the condition of upstream rank and downstream rank in the Data Element Cross Reference Table to “NU” for the pathed and non-path models.

The current Version 1.3 Data Element Cross Reference Table was reviewed and revised as follows:

<b>Version 1.3</b>	<b>P</b>	<b>N</b>	<b>T</b>	<b>U</b>
Upstream Rank Current	MA	MA	NU	SO
<b>Upstream Rank Revised</b>	<b>NU</b>	<b>NU</b>	<b>NU</b>	<b>SO</b>
Receipt Rank	SO	SO	SO	NU
Delivery Rank	SO	SO	SO	NU
Downstream Rank Current	MA	MA	NU	SO
<b>Downstream Rank Revised</b>	<b>NU</b>	<b>NU</b>	<b>NU</b>	<b>SO</b>

**TECHNICAL CHANGE LOG** (all instructions to accomplish the recommendation)

**Document Name and No.:** Not Applicable until after EC determination.



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

#### 4. SUPPORTING DOCUMENTATION

**Excerpt from GISB Posting dated: October 15, 1998**

**To: GISB participants interested in Cross Contract Ranking**

**RE:** Request for papers

When the FERC posed the issue of Cross Contract Ranking in the November, 1997 NOPR, the responses that were submitted by the industry were very broad and addressed many disparate concerns. The documents below are the excerpts from that NOPR and from Order 587-G regarding Cross Contract Ranking.

Participants are requested to familiarize themselves with the issues of the NOPR, Order and respondents and with the responses filed to this request prior to the first meeting of this task force.

**Excerpt Final Minutes – Cross Contract Ranking Subcommittee –January 13, 1999**

**Motion Concept 1:**

**When there is not a capacity constraint, the Service Requester's ranks should be followed regardless of the service priority level. This does not preclude exploring other concepts.**

**Discussion:**

A concern was voiced that this concept was not clear. The question was asked if the concept applied at a physical or logical location. The motion maker stated he preferred that the concept was left without a location indicated. It was then suggested that the best approach may be to define a matrix of possibilities, through which draft standards, concepts or definitions could be derived. Discussion continued and two further statements were proposed with regard to confirmation at a legal entity level.

- When applying confirmation reduction for an up/downstream party to a Service Requester (SR) at a receipt/ delivery location, the TSP should use the ranks provided by the SR on all of the nominations for that location and up/downstream party to determine the appropriate nomination(s) to be reduced.
- When applying a reduction due to a capacity constraint at a receipt/ delivery location, the TSP shall use its tariff priorities to award capacity to each service level for each Service Requester (SR). If a SR has multiple nominations within a service level, the ranks provided by the SR on nominations within that service level at the location should be used by the TSP to determine the appropriate nominations(s) to be reduced.

## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Motion:	Concept 1			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	2	0	2	2	2.00	0.00	2
Producers	1	0	1	1	1.00	0.00	1
Pipelines	4	5	9	2	0.89	1.11	2
	7	5	12	5	3.89	1.11	5

**Motion passes.**

### Excerpt Final Minutes – Cross Contract Ranking Subcommittee – February 2 and 3, 1999

Discussion: Reviewing concepts from the January 13 minutes the subcommittee used the following assumptions to work towards defining a matrix.

- When applying confirmation reduction for an up/downstream party to a Service Requester (SR) at a receipt/delivery location, the TSP should use the ranks provided by the SR on all of the nominations for that location and up/downstream party to determine the appropriate nomination(s) to be reduced.
- When applying a reduction due to a capacity constraint at a receipt/delivery location, the TSP shall use its tariff priorities to award capacity to each service level for each Service Requester (SR). If a SR has multiple nominations within a service level, the rankings provided by the SR on nominations within that service level at the location should be used by the TSP to determine that appropriate nomination(s) to be reduced.

It was noted by the group that when filling in the up (down)entity/ up(down) contract/serv req/serv req contract matrix for the different model types that the level of confirmation supersedes the utilization of cross contract ranking .

The following observations were discussed after completing the matrix:

1. Pathed versus nonpathed at the party to party level - results are the same on cuts on receipts and delivery side.
2. Pathed Model at the Party to Party versus Contract to Contract - results were different on contract level, lowest ranked line items were not the ones that were cut.
3. Pathed versus Nonpathed at the Contract to Contract level - results were not the same.
4. At interconnect locations confirmations should occur utilizing up/downstream identifier code and Service Requester data elements.
5. When lower levels of confirmation are employed the Service Requesters intended results for cross contract rankings are superseded.
6. The level of confirmations at a location should be up/downstream entity.
7. In order to effectuate cross contract ranking, the level of confirmation at a location should occur at the party to party level resulting in the identification of the quantities that are confirmed between the upstream or downstream party and the service requester.

**Motion Concept 2:**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**In order to effectuate cross contract ranking, the level of confirmation at a location should occur at the entity to entity level.**

Motion:	Concept 2			Balancing Determinant	Balanced	Balanced	Balanced
	For	Against	Total		For	Against	Total
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	4	0	4	2	2.00	0.00	2
Producers	0	0	0	0	0.00	0.00	0
Pipelines	8	2	10	2	1.60	0.40	2
	12	2	12	4	3.60	0.40	4

**Motion Passes**

**Motion Concept 4:**

**When nominated quantities exceed available capacity, the Transportation Service Provider (TSP) should first utilize its tariff requirements to assign capacity to each service level for each Service Requester (SR). The TSP should then use the SRs' provided ranks to determine how the available quantities should be distributed within a single service level.**

Motion:	Concept 4			Balancing Determinant	Balanced	Balanced	Balanced
	For	Against	Total		For	Against	Total
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	4	0	4	2	2.00	0.00	2
Producers	1	0	1	1	1.00	0.00	1
Pipelines	9	2	11	2	1.64	0.36	2
	14	2	16	5	4.64	0.36	5

**Motion Passes**

**Motion Concept 5:**

**When applying a confirmation reduction to an entity at a location, the Transportation Service Provider (TSP) should use the ranks provided by the Service Requester on all nominations for that location and entity to determine the appropriate nomination(s) to be reduced, except where superseded by the TSP's tariff, general terms and conditions, or contractual obligations.**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Motion:	Concept 5			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	4	0	4	2	2.00	0.00	2
Producers	1	0	1	1	1.00	0.00	1
Pipelines	12	0	12	2	2.00	0.00	2
	17	0	17	5	5.00	0.00	5

**Motion Passes**

**Excerpt Final Minutes – Cross Contract Ranking Subcommittee – March 1, 1999**

To which cycles should ranking apply? The group felt that rankings should apply to all cycles in the same way. The following motion was seconded, discussed and voted as concept 7.

**Motion Concept 7:**

**For a nomination to be considered a new line item, a data element which is part of the key should be different than one already present. If a line item is received by the Transportation Service Provider and key data elements are not different than ones already present, the line should overlay the data elements which are not part of the key and which have changed.**

**The motion passed unanimously. (15 in favor, 0 opposed)**

**Excerpt Final Minutes – Cross Contract Ranking Subcommittee – March 10, 1999**

The subcommittee reviewed the effects of cross contract ranking on the non pathed, pathed and pathed non-threaded models.

...the non-pathed model with multiple transportation contracts at a single receipt and delivering to multiple deliveries.

- When there is a reduction on the receipt side (confirmation at an entity level)
  - ⇒ if there are multiple line items affected by that reduction, the receipt rank is used to determine the line item to be reduced
  - else
  - ⇒ a single line item is reduced (as in when a low level confirmation is done)
  - then . . .
  - ⇒ delivery ranks across all delivery points for the affected contract from the receipt side are evaluated for the lowest rank, all line items with the lowest rank are reduced pro-rata.
- When there is a reduction on the delivery side
  - ⇒ if there are multiple line items affected by that reduction, the delivery rank is used to determine the line item to be reduced





## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

else

⇒ a single line item is reduced

then . . .

⇒ receipt ranks across all receipt points for the affected contract from the delivery side are evaluated for the lowest rank, all line items with the lowest rank are reduced pro rata.

Cross contract ranking on the non-pathed model cannot work effectively on both the receipt and the delivery side for a single cut. Therefore, cross contract ranking should be used on the side where the cut occurs to determine the affected contract and then use the ranks on that contract on the opposite side to determine the affected line items and their reductions.

...presented the pathed model with multiple transportation contracts at a single receipt and delivering to multiple deliveries. The issue Jerry would like to resolve is whether we use the receipt rank for supply reductions or the delivery rank for supply reductions.

- When there is a reduction on the receipt side (confirmation at an entity level)
  - ⇒ if there are multiple line items affected by that reduction, the receipt rank is used to determine the line item to be reduced
  - else
  - ⇒ a single line item is reduced (as in when a low level confirmation is done)
- When there is a reduction on the delivery side
  - ⇒ if there are multiple line items affected by that reduction, the delivery rank is used to determine the line item to be reduced.

...presented the pathed non threaded model with multiple transportation contracts at a single receipt and delivering to multiple deliveries.

- When there is a reduction on the receipt side (confirmation at an entity level)
  - ⇒ if there are multiple line items affected by that reduction, the upstream rank is used to determine the line item to be reduced on the upstream unthreaded segment
  - then. . .
  - ⇒ receipt ranks at that receipt location are used to determine which path of gas is affected
  - then. . .
  - ⇒ once the delivery point is designated, by traveling the path, the downstream ranks across all downstream unthreaded segments for the affected reductions are evaluated for the lowest rank
  - ⇒ all line items with the lowest rank are cut pro-rata.
- When there is a reduction on the delivery side
  - ⇒ if there are multiple line items affected by that reduction, the downstream delivery rank is used to determine the line item to be reduced on the downstream unthreaded segment

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- then. . .
- ⇒ delivery ranks at that delivery location are used to determine which path of gas is affected
- then. . .
- ⇒ once the receipt point is designated, by traveling the path, the upstream ranks across all upstream unthreaded segments for the affected reductions are evaluated for the lowest rank
- ⇒ all line items with the lowest rank are cut pro-rata.

By evaluating the models, it was determined that the nomination should be evaluated from the side on which the reduction occurred and the associated reductions should be made accordingly. The following concept was moved and seconded:

**Motion Concept 8:**

**The scheduling ranks (as applicable) should be used as follows:**

- **For receipt side reductions, the order for application of ranks is Upstream Rank (Priority), Receipt Rank (Priority), Delivery Rank (Priority), Downstream Rank (Priority).**
- **For delivery side reductions, the order for application of ranks is Downstream Rank (Priority), Delivery Rank (Priority), Receipt Rank (Priority), Upstream Rank (Priority).**

Motion:	Concept 8			Balancing	Balanced	Balanced	Balanced
	For	Against	Total	Determinant	For	Against	Total
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	2	1	3	2	1.33	.67	2
Producers	1	0	1	1	1.00	0.00	1
Pipelines	10	0	10	2	2.00	0.00	2
	13	1	14	5	4.33	.67	5

**Motion Passes**

After discussion, it was noted that for capacity constraints that occur within a segment on a Transportation Service Provider’s pipeline Concept 8 does not apply. The receipt side reductions would start with Receipt Rank (Priority), Upstream Rank (Priority) etc. Concept 8 should be added to Concept 4.

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**Motion Concept 5:**

When applying a confirmation reduction to an entity at a location, the Transportation Service Provider (TSP) should use the ranks provided by the Service Requester on all nominations for that location and entity to determine the appropriate nomination(s) to be reduced except where superseded by the TSP tariff, general terms and conditions, or contractual obligations. The scheduling ranks (as applicable) should be used as follows:

- For receipt side reductions, the order for application of ranks is Upstream Rank (Priority), Receipt Rank (Priority), Delivery Rank (Priority), Downstream Rank (Priority).
- For delivery side reductions, the order for application of ranks is Downstream Rank (Priority), Delivery Rank (Priority), Receipt Rank (Priority), Upstream Rank (Priority).

Motion:	Concept 5			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	3	0	3	2	2.00	0.00	2
Producers	0	0	0	0	0.00	0.00	0
Pipelines	8	0	8	2	2.00	0.00	2
	11	0	11	4	4.00	0.00	4

**Motion Passes**

**Excerpt Final Minutes – Cross Contract Ranking Subcommittee – March 23 and 24, 1999**

**Motion Concept 4:**

When nominated quantities exceed available capacity, the Transportation Service Provider (TSP) should first utilize its tariff requirements to assign capacity to each service level for each Service Requester (SR). The TSP should then use the SR’s provided ranks to determine how the available quantities should be distributed within a single service level. The scheduling ranks (as applicable) should be used as follows:

- For reductions identified at or upstream of the constraint location the order for application of ranks is Receipt Rank (Priority), Upstream Rank (Priority), Delivery Rank (Priority), Downstream Rank (Priority), (as applicable).

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- **For reductions identified at or downstream of the constraint location, the order for application of ranks is Delivery Rank (Priority), Downstream Rank (Priority), Receipt Rank (Priority), Upstream Rank (Priority), (as applicable).**

Motion:	Concept 4			Balancing	Balanced	Balanced	Balanced
	For	Against	Total	Determinant	For	Against	Total
End Users	0	0	0	0	00.0	0.00	0
LDCs	0	0	0	0	0.00	0.00	0
Services	4	0	4	2	2.00	0.00	2
Producers	1	0	1	1	1.00	0.00	1
Pipelines	11	0	11	2	2.00	0.00	2
	16	0	16	5	5.00	0.00	5

**Motion Passes**

The subcommittee was asked to characterize the remaining issues.

1. Are we defining Party to Party as the standard when cross contract ranking is employed or are we saying that Part to Party is always use. (Resolved)
2. Discuss the conditionality of data elements by model type. Review the four ranks currently used. (Concept 5)
3. Re-discuss the concept of having a default ranking methodology.

**The current Version 1.3 Data Element Cross Reference Table was reviewed and revised as follows:**

Version 1.3	P	N	T	U
Upstream Rank Current	MA	MA	NU	SO
<b>Upstream Rank Revised</b>	<b>NU</b>	<b>NU</b>	NU	SO
Receipt Rank	SO	SO	SO	NU
Delivery Rank	SO	SO	SO	NU
Downstream Rank Current	MA	MA	NU	SO
<b>Downstream Rank Revised</b>	<b>NU</b>	<b>NU</b>	NU	SO

**The subcommittee will instruct Information Requirements to change the condition of upstream rank and downstream rank in the Data Element Cross Reference Table to “NU” for the pathed and non-path models.**

It was determined that no default method is needed at this time. Where ranks are provided by the Service Requester, the Transportation Service Provider should use those ranks when making reductions. Where ranks are not provided by the Service Requester, the Transportation Service Provider should employ its own default method. (see 1.4.1 Data Dictionary)

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**Excerpt Final Minutes – Confirmation and Cross Contract Ranking Subcommittee – April 19 and 20, 1999**

In this review, it was noted that one of the threshold questions that still remains unanswered is, “Should the Transportation Service Provider (TSP) use the Service Requester’s ranks or let the upstream or downstream TSP determine the flow based on the confirmation?”

**IV. Definition of Scope for Subcommittee with the Addition of Confirmations.**

The subcommittee as the scope for confirmations listed the following objectives:

- Determine what relationship should exist between Confirmations and Cross Contract Ranking.
- Determine what level of detail should be supported in the confirmation process. Should the level of detail be supported at
  1. default level or
  2. various party relationships.
- Ensure compatibility with other process (ex. TTT).

**Threshold question:** Should the level of confirmation be required at the entity to entity level at locations or should the confirmation process be enabled to support multiple levels of confirmations?

**Concept 1:**

**The confirmation process should be reviewed to identify areas where improvements should be implemented.**

Segment	In Favor	Balanced In Favor	Opposed	Balance Opposed
End User	1	1	0	0
LDC	1	1	0	0
Producer	1	1	0	0
Services	4	2	0	0
Pipeline	1	.4	4	1.6
Total	8	5.4	4	1.6

**Motion Passes**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**Concept 2:**

**The standard level of confirmation should be industry generic (only one method).**

Segment	In Favor	Balanced In Favor	Opposed	Balance Opposed
End User	0	0	1	1
LDC	0	0	1	1
Producer	1	1	0	0
Services	0	0	1	1
Pipeline	0	0	10	2
Total	1	1	13	5

**Motion Fails**

**Concept 3:**

**There should be a single default level of confirmation for a confirming party/location type. (Such as: at production, interconnect to interconnect, and interconnect to LDC locations.)**

Segment	In Favor	Balanced In Favor	Opposed	Balance Opposed
End User	1	1	0	0
LDC	2	2	0	0
Producer	1	1	0	0
Services	3	2	0	0
Pipeline	4	.4	1	1.6
Total	11	7.46	1	.4

**Motion Passes**

**Excerpt Final Minutes – Confirmation and Cross Contract Ranking Subcommittee – May 24 and 25, 1999**

What are the different confirming party relationships?

- I. Confirming party roles at wellhead from operator/owner or its agent perspective.
  - At a production location the TSP's Upstream Identifier Code may be equivalent to the owner or its agent on the operator's system.
  - At a production location the operator (i.e. wellhead operator, plant operator, etc.) is equivalent to the upstream TSP at a pipeline interconnect.
1. Operator with TSP for owner or its agent.
  - Operator confirms with TSP by providing quantities for each owner or its agent.
2. Operator with TSP for owner or its agent and Service Requester.
  - Operator confirms with TSP by providing quantities for each owner or its agent to Service Requester (Contract).



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

3. Owner or its agent with TSP for owner and its agent and Service Requester.
  - Owner or its agent (not as operator) confirms with TSP by providing quantities for each of that owner's or its agents Service Requester's at a location.
- II. Confirming party roles at LDC interconnects (city gates included), interstate and intrastate, from LDC perspective.
  1. LDC with TSP for LDC Service Requester
    - LDC confirms with TSP by providing quantities for each Service Requester of the LDC (package id, contract, and entity)
  2. LDC confirms with TSP for End User.
    - LDC confirms with TSP by providing quantities for each End User.
  3. Enduser for TSP for Service Requester
    - Enduser confirms with TSP by providing quantities for each of those Endusers Service Requesters at the location.
  4. LDC with TSP for its Service Requesters and TSPs Service Requesters (Entity, Contract, Package).
    - LDC confirms with TSP by providing quantities for each of that LDC's Service Requesters and TSP Service Requesters at the location.
- III. Confirming party roles at TSP to TSP interconnects (Interstate to Interstate)
  1. TSP1 to TSP2 for TSP1's Service Requester (SR)
    - TSP1 sends TSP1's SR to TSP2; TSP2 equates TSP1's SR to TSP2's Upstream Party.
  2. TSP1 to TSP2 for TSP1's SR and Up/Downstream Party
    - TSP1 sends TSP1's SR & Downstream Party to TSP2; TSP2 equates TSP1's SR to TSP2's Upstream Party and TSP2 equates TSP1's Downstream Party to TSP2's SR.
    - At this level, additional elements can be added to the confirmation process such as Service Requester Contract, Up/Down Contract and Package ID.
  3. TSP1's SR to TSP2 for TSP2's SR (partnered with bullet 1)
    - TSP1's SR sends TSP1's SR's Downstream Party to TSP2; TSP2 equates TSP1's SR's Downstream Party to TSP2's SR and TSP2 equates TSP1's SR to TSP2's Upstream Party.
  4. TSP1 to TSP2 for TSP2's SR
    - TSP1 sends TSP1's Downstream Party to TSP2; TSP2 equates TSP1's Downstream Party to TSP2's SR.
    - Supports the current mandatory data elements in the confirmation data set.

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**Information communicated between two TSPs in the Confirmation Process.**

<b>Nom Usage</b>	<b>Data Elements TSP1 (Sender)</b>	<b>Nom Usage</b>	<b>Data Elements TSP2 (Receiver)</b>
M	Service Requester DUNS	M	Up/Down DUNS
M	Service Requester Contract	BC	Up/Down Contract
M	Up/Down DUNS	M	Service Requester DUNS
BC	Up/Down Contract	M	Service Requester Contract
SO	Service Requester Package ID	MA	Up/Down Package ID
MA	Up/Down Package ID	SO	Service Requester Package ID

IV. Confirming party roles at TSP to TSP interconnects (Interstate to Intrastate) - No intrastate representatives were present so the group assumed the same as III.

V. Confirming party roles at TSP to TSP interconnects (Intrastate to Intrastate) - No intrastate representatives were present so the group assumed the same as III.

VI. Confirming party roles at TSP to Enduser (Interstate)

1. TSP1 to Enduser for TSP1's Service Requester (SR)
  - TSP1 sends TSP1's SR to Enduser; Enduser equates TSP1's SR to Enduser's Upstream Party.
2. TSP1 to Enduser for TSP1's SR and Downstream Party
  - TSP1 sends TSP1's SR & Downstream Party to Enduser; Enduser equates TSP1's SR to Enduser's Upstream Party and Enduser equates TSP1's Downstream Party to Enduser's SR.
  - TSP1 sends TSP1's Downstream Party to Enduser; Enduser has no information on who gas was received from. It was noted that number 3 is the current standard (same as III. 4 above). This method is deficient because the enduser has no opportunity to identify who its suppliers are.



**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

A diagram of the producer level and operator level (multi-level) confirmation process was presented.

<u>Operator (Shell)</u>	<u>Producer</u>	<u>Rank</u>	<u>Contract</u>	<u>UpParty</u>	<u>QTY</u>	<u>Rank</u>
Mobil 40	<u>Mobil</u>					
	Dynegy 10	1	Dynegy			
			Cr. 1	Mobil	2	1
			Cr. 2	Mobil	8	2
			ECT			
	ECT 30	2	Cr. 3	Mobil	30	1
Exxon 20	<u>Exxon</u>					
	ABCD 10	2	ABCD			
			Cr. 4	Exxon	6	2
			Cr. 5	Exxon	4	1
	EFGH 10	1	EFGH			
		Cr. 6	Exxon	10	1	
XYZ 30	<u>XYZ</u>					
	IJK 30	1	IJK			
			Cr. 7	XYZ	15	1
		Cr. 8	XYZ	15	2	

- The operator of a location confirms to the TSP quantities available for each producer at that location.
- Each producer at a location confirms to the TSP quantities available for each shipper at that location.
- If the producer sells more than the operator has stated available for its share of the well, the shipper quantities for that producer are reduced using the ranks provided by the producer.
- If no ranks are provided by a producer, the shipper quantities for that producer are reduced on a prorata basis.
- If the producer does not sell the entire quantity that the operator has stated is available for its share of the well, the operator’s quantity for that producer and the total quantity is reduced and the flow should be reduced from the well.
- The tariff is the mechanism that provides incentives for the flow to match.
- On this TSP, changes to producers at a location are made through the producers and verified with the operator. Other TSPs do not keep track of the producers at a location, but allow producers and operators this flexibility in the confirmation and nomination process.

Should the operator be able to confirm at the working interest level (not including contracts)?, was broken into the following questions:

1. Should the TSP be required to support the fact that the operator will only confirm to the upstream party level?
2. When required by the TSP, should the operator be able to confirm at the entity level and not the contract (upstream contract/service requester contract) level?

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

3. When required by the TSP, should the operator be required to confirm to the TSP’s upstream party level?

The following motion, which answers all questions relating to question 11, 12, 13, and 14 was made and seconded:

**Concept 4:**

**Absent mutual agreement to the contrary between the TSP and the Operator for confirmations at a production location, the TSP should be required to support the fact that the operator will confirm with the TSP to only the upstream entity level. These upstream entities should either confirm or nominate (at the TSP’s determination) at an entity level with the TSP.**

Segment	In Favor	Balanced In Favor	Opposed	Balance Opposed
End User	0	0	0	0
LDC	3	2	0	0
Producer	1	1	0	0
Services	4	1.6	1	.4
Pipeline	2	.27	13	1.73
Total	10	4.87	14	2.13

**Motion Passes**

**Concept 5:**

**Absent mutual agreement to the contrary between TSPs, confirmations will be performed at an upstream/downstream entity to Service Requester entity level at an interconnect.**

Segment	In Favor	Balanced In Favor	Opposed	Balance Opposed
End User	0	0	0	0
LDC	0		3	2
Producer	1	1	0	0
Services	5	1.6	1	.4
Pipeline	5	.91	6	1.09
Total	10	3.51	10	3.49

**Motion Passes**

The group discussed who qualified as a Service Requester. The GISB definition is, “Identifies the party requesting the service, or their agent.” The group determined that a Service Requester could be identified in any of the following roles:



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- a party to a transportation contract on a TSP
- a producer that receives information from an operator, or
- a party who has interest in a plant.

It was noted that the confirmation data sets today do not support the two step process for production confirmations when the operator is initiating the confirmations. It does support the confirmation process when the TSP initiates the request to confirm or the TSP sends an unsolicited response.

### **Excerpt Final Minutes – Confirmation and Cross Contract Ranking Subcommittee – June 28 and 29, 1999**

#### **II. Continued Discussion of Different Confirming Party Relationships**

Discussion opened with the confirmation process utilized between an Enduser and a TSP, when the Enduser is directly tied to an interstate or intrastate pipeline. It was noted that some parties use the passive confirmation process with Endusers and that standard 1.3.40 is supportive of that business practice. Standard 1.3.40 states:

The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology.

Questions posed to the LDCs?

- Is confirmation with TSPs the only way for a LDC to determine the level of transportation service for the party delivering to the citygate?
- Why can't LDCs receive transportation service level information directly from the parties that are delivering to the citygate?
- Isn't it more appropriate for the LDC to receive assurance of both the transportation service and the supply service directly from those parties delivering to the citygate? These parties are the ones involved in the LDC unbundling program and not the TSP.

LDC response to questions:

Using an entity level confirmation process could be done, but it would move cuts to the next cycle instead of making cuts known in the confirmation cycle. Entity level confirmations would have to be used in conjunction with other sources of information to validate the priority of the entity at the citygate. The correlation between the entity and their respective priority on the upstream TSP may not be able to be verified until after the scheduling cycle in which the nomination was submitted. Having certain data elements available in the confirmation process allows the validation of priority at the time of confirmations. This allows the buyers and sellers to arrange for the appropriate gas flow in the next nomination cycle when reductions occur. The benefits of providing this information in the confirmation cycle are to allow information to be distributed in a timely manner and it assures the information gets to the right party expeditiously. The information would be present in the scheduled quantity report instead of being reported after the scheduling information was disseminated. This could cause confusion in the



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

industry.

The LDC could require parties to prove that they hold a firm upstream contract. The LDC could then build a table containing the party name and contract number to be used in conjunction with the entity level confirmation. This could be one method used for a rough verification of the level of service being delivered to the citygate.

Commissions are looking for curtailment prevention. One way to monitor this is by reviewing the service level upstream of the citygate. TSPs today have information available that they collect to determine the priority of gas being delivered to the citygate. In today's environment, it is unrealistic to examine the total wellhead to burnertip service level arrangements. However, to monitor deliveries to and through a citygate is feasible. The industry needs to consider what information is used today to effectuate current business practices and not take anything away.

It would be beneficial to the LDCs if the industry would support a mandatory default at a lower level than entity. Other concepts that are specific to location types have used the statement, "absent mutual agreement to the contrary," to support multiple levels in the confirmation process. The LDCs need a level of detail that the TSPs already have, so the LDCs can do their own policing. At an entity level, the process may go faster, but it may mask real problems that will come out later which could make the industry less effective on a larger scale. Reductions need to be communicated prior to gas flow, not after gas flows. Some LDCs feel that the communication should occur in the confirmation process.

One party stated that nominations could be received at a detail level, confirmations could be rolled up to occur at an entity level, and scheduled quantities could occur at the detail level. There was disagreement on this statement. Some TSPs stated that they do not want to take information away, they want to ensure that they are using their customer's instructions versus letting the upstream or downstream party decide how gas flows on their customer's transportation contracts. These TSPs want to make sure the directions for supply and/or market reductions come from the right party. The shipper should provide ranks and that should determine what flows on the pipeline's side of the flange.

Some TSPs believe that explicit confirmations would be streamlined by communicating at the entity level. The following example was used to illustrate this point. Today, where entity/contract level confirmations are exchanged, when a shipper changes contracts, even if the quantity does not change, all parties to that arrangement have to be notified that a new contract number has been established. In turn, those parties need to inform the operator of the point that a new contract number is going to be represented in the confirmation process. If the confirmation were performed at the entity level, when the entity and quantity remain the same, no notification to other parties would need to occur.

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

CONFIRMATION REPORT

<b>ENTITY LEVEL</b>								
Operator Name:								
Location	Service Requestor	Requestor Contract	Contract Type	Daily Nominated	Daily Scheduled	Reason Code	MTD Scheduled	Package ID
	ABC CORP.			20,000	20,000		60,000	
	XYZ CORP.			100,000	100,000		300,000	

<b>CONTRACT LEVEL</b>								
Operator Name:								
Location	Service Requestor	Requestor Contract	Contract Type	Daily Nominated	Daily Scheduled	Reason Code	MTD Scheduled	Package ID
PLANT Z	ABC CORP.	109998	FT	20,000	20,000		60,000	
PLANT Z	XYZ CORP.	103333	FT	100,000	100,000		300,000	

<b>PACKAGE ID LEVEL</b>								
Operator Name:								
Location	Service Requestor	Requestor Contract	Contract Type	Daily Nominated	Daily Scheduled	Reason Code	MTD Scheduled	Package ID
PLANT Z	ABC CORP.	109998	FT	14,000	14,000		42,000	Shipper ABC1
				500	500		1,500	Shipper ABC2
				3,500	3,500		10,500	Shipper MNO1
				2,000	2,000		6,000	Shipper MNO2
				<b>Total for Contract 109998</b>	<b>20,000</b>		<b>60,000</b>	
PLANT Z	XYZ CORP.	103333	FT	40,000	40,000		120,000	30-Day Firm Sale
				35,000	35,000		105,000	Day Sale
				25,000	25,000		75,000	Firm Sale
				<b>Total for Contract 103333</b>	<b>100,000</b>		<b>300,000</b>	

Several individuals voiced concerns about going to the Package ID level. If this level became mandatory there would be no reason for cross contract ranking. The ranks provided in the nomination would not be used at this level of detail. The legal entity level does allow for ranks to be used on the TSP when supplies are insufficient to cover the total quantity being nominated.

There was disagreement over whether Concept 6 pertained to LDCs or just direct connects to Interstate pipelines. Not all LDCs consider themselves to be TSPs even though they are defined as TSPs in the definition of a TSP per GISB

**Modified Concept 6:**

**Absent mutual agreement to the contrary between the Transportation Service Provider (TSP) and the end user for confirmations at an end user location, the TSP should be required to support the fact that the end user will confirm with the TSP to the entity to Service Requester level.**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Motion:	TSP/Enduser Confirmations			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	0	0	0	0.00	0.00	0
LDCs	0	3	3	2	0.00	2.00	2
Services	3	1	4	2	1.50	0.50	2
Producers	1	1	2	2	1.00	1.00	2
Pipelines	10	7	17	2	1.18	0.82	2
	14	12	26	8	3.6765	4.3235	8

**Motion Failed.**

**Final version of Concept 7:**

**Absent mutual agreement to the contrary between the pipeline and LDC, for confirmations at a citygate, the LDC and pipeline confirmation should be performed at an upstream/downstream entity to Service Requester entity level. The pipeline should provide supplemental information obtained or derived through the nomination process as a part of the confirmation (e.g., through the Request for Confirmation (1.4.3) and the Confirmation Response (1.4.4)) and scheduling process necessary for the LDC to meet its statutory and/or regulatory obligations. Such supplemental information, if available, should include the pipeline’s Service Requester Contract and based upon the pipeline’s business practice, may include a derivable indicator characterizing the type of contract and service being provided at a citygate location, Downstream Contract Identifier and/or Package ID. In any event, the pipeline may opt to continue entity/contract level confirmations at the citygate.**

Motion:	Pipeline/LDC Conf.		Total	Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against			For	Against	
End Users	0	0	0	0	0.00	0.00	0
LDCs	3	0	3	2	2.00	0.00	2
Services	3	2	5	2	1.20	0.80	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	12	2	14	2	1.71	0.29	2
	20	4	24	8	6.9143	1.0857	8

**Motion Passes.**

**Excerpt Final Minutes – Confirmation and Cross Contract Ranking Subcommittee – July 20 and 21, 1999**

Discussion began by answering questions submitted by PG&E concerning the LDC relationships in Concept 7.

**Question 1: Are there situations where the LDC’s are required to validate whether the supply received from an upstream TSP on behalf of a transport shipper on the distribution system, is being supplied from a “Firm” contract holder?**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

As discussed at previous meetings, it would be impossible for a TSP to determine if the supply was firm. The TSP would only have knowledge of the transportation service used to deliver to the city gate.

**Question 2: How would an upstream TSP determine the statutory and/or regulatory requirements imposed upon the downstream LDC?**

The TSP would receive a request from the LDC and the LDC should provide some proof to the TSP of a state regulatory obligation for the additional information. It was stated that most pipelines have staff that monitor the requirements of the state commissions.

**Question 3: Do you think that making the Package ID data element within the Nomination data set Business Conditional will resolve this issue?**

Using the upstream/downstream package ID is not supported by some TSPs. The Package ID does not give the LDC an indication of whether the gas being delivered is firm.

**Question 4: If the nomination data received from the TSP’s contract holder contains Package ID data, and the Confirmation Request data received from the sending TSP does not contain matching Package ID data, does the transaction get confirmed or does the mismatch cause the transaction to “fall on the floor?” If you don’t match on package ID does the confirmation fail?**

If the confirmation is at the Package ID level, the transaction fails. If the Package ID is provided as supplemental information, the transaction would not fail.

**Concept 10:**

**Absent mutual agreement to the contrary between the Transportation Service Provider (TSP) and the enduser at an enduser location, confirmations will be performed at an upstream/downstream entity to Service Requester entity level. For the purposes of this concept a TSP excludes LDC’s.**

Motion:	C10:TSP/Enduser Conf/not LDC			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	2	0	2	2	2.00	0.00	2
Services	1	1	2	2	1.00	1.00	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	1	14	15	2	.13	1.82	2
	7	15	22	9	6.13	2.87	9

**Motion Passes.**

**Modified Concept 4:**

**For multi-tiered confirmations, absent mutual agreement to the contrary between the TSP and the Operator for confirmations at a production location, the TSP**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**should be required to support the fact that the operator will confirm with the TSP to only the upstream entity level. These upstream entities should either confirm or nominate (at the TSP’s determination) at an entity level with the TSP. For a single tier confirmation, absent mutual agreement to the contrary between the Transportation Service Provider (TSP) and the operator at a production location, the TSP should be required to support the fact that the operator will confirmation with the TSP to only the upstream entity level to Service Requester level.**

Motion:	Modified Concept 4			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	1	1	1	0.00	1.00	1
LDCs	0	2	2	2	0.00	2.00	2
Services	0	2	2	2	0.00	2.00	2
Producers	0	2	2	2	0.00	2.00	2
Pipelines	12	2	14	0	1.71	.29	2
	12	9	21	0	1.71	7.29	9

**Motion Failed.**

**Concept Definition 1:**

**Production Location includes wellheads, platforms, plant tailgates (excluding straddle plants) and physical wellhead aggregation points.**

Motion:	Concept Definition 1			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	0	0	0	0.00	0.00	0
LDCs	1	0	1	1	1.00	0.00	1
Services	2	0	2	2	2.00	0.00	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	4	8	12	2	.67	1.33	2
	9	8	17	7	5.67	1.33	7

**Motion Passes.**



**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Are there different data requirements for each set of confirming party relationships?

TSP - Request for Confirmation [-----Supplemental Information-----]

In any event . . .	Service Requester SRK	Upstream Identifier UpK	Downstream Identifier DnK	Service Requester Contract	Downstream Contract	Package ID	Service Indicator
TSP/Operator - Tier 1		X					
TSP/Producer - Tier 2	X	X					
TSP/TSP	X		X				
Pipeline/LDC (Supplemental Info.)	X x		X x	X	X	X	X
TSP/Enduser	X		X				
LDC/Enduser (Supplemental Info.)	X x		X x	X	X	X	X

TSP - Response to Confirmation [-No Supplemental Information Needed-]

In any event . . .	Service Requester SRK	Upstream Identifier UpK	Downstream Identifier DnK	Service Requester Contract	Downstream Contract	Package ID	Service Indicator
Operator -Tier 1/TSP	X						
Producer - Tier 2/TSP	X		X				
TSP/TSP	X	X					
LDC/Pipeline	X x	X x					
Enduser/TSP	X	X					
Enduser/LDC	X x		X x				

The supplemental information is provided when the TSP initiates the confirmations. The LDC would use that criteria to assist in making the appropriated reductions on their side of the meter in conjunction with the entity level confirmation. Supplemental information needs to be defined. If the LDC sends a request for confirmation to the TSP, does the TSPs still need to provide supplemental information? If so, does this cause multiple iterations of confirmations?

If there is more than one industry standard level of confirmations, who are the parties that mutually agree? Should there be a choice available to Service Requester and/or Operator on what level should be used? Several participants thought the two confirming parties are ones that should mutually agree on what level the confirmation process should be performed at.

- For production locations, the TSP and the Operator should agree on the level at which the confirmation should be performed at.
- In cases where multi-tiered confirmations are employed, the Operator will still determine the level at which the confirmation will be performed at. The Operator will take into consideration the interest owner/producer and their confirmation requirements. It was stated that producers want the ability to confirm their own gas.



## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- The parties who control the meter should determine the confirmations process.

How does the level of confirmation interact with Title Transfer Tracking?

If entity level confirmations went into place before Title Transfer Tracking, it could have an impact on how gas is bought and sold. Today, the contracts and package ID are used for exchanging information to confirm gas without the TSP performing Title Transfer Tracking. The two concepts conflict with one another. One of the biggest issues is timing of whether Title Transfer Tracking and Confirmations at a legal entity level are implemented at different times. Do we need to recommend that Title Transfer Tracking and Confirmations and Cross Contract Ranking become effective together?

### **Excerpt Final Minutes – Confirmation and Cross Contract Ranking Subcommittee – August 9 and 10, 1999**

- ...presented the pipeline segment work paper as a replacement for the current confirmation concepts. (Posted for the August 8/9 meeting)

The motion makers were requested to explain where the current standards fall into the three replacement concepts.

- Concept 1 is a general statement and would not become a standard.
- Concept 3 is covered by Concept A. No change between concepts.
- Concept 4 is covered by Concept A and Concept C with the noted changes. Concept 4 has multi-tiered producer level confirmations as the standard with the ability to mutual agree to other confirmation levels. Concept C states that multi-tiered confirmations are at the TSP's discretion. Concept 4 is a production location and Concept C does not limit its use to a specific location type.
- Concept 5 is covered by Concept A. No change between concepts.
- Concept 7 is covered by Concept A and Concept B. The last sentence of Concept B was removed.
- Concept 10 is covered by Concept A.
- CD1 would not be necessary.
- Concept 13 is not covered in the new replacement concepts.

The motion makers agreed to add Concept D to their proposal in order to capture Concept 13.

A comment was made by an enduser that the information provided at the entity level is less information than what they receive today to monitor their day to day needs. The enduser stated that in order to pass these standards it might be necessary to revisit the title transfer tracking standards and confirmation standards once they are implemented. It was suggested that title transfer tracking did not change the confirmation process. The enduser stated that the concern was losing the ability to distinguish among various packages of gas. It was suggested that in order for entity level confirmations to work, the buyers and sellers would need to agree on how the packages of gas are ranked and communicate that information to one another at the time of sale.

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Another participant stated that they liked the idea of consolidating the concepts into fewer concepts. However, there are two issues with the current proposal. The proposal changes the intent of

Concept 4 and seems to be moving away from different business relationship at specific locations to one way of doing confirmations at locations.

The following motion was called for a balanced vote:

**Concept A:** Absent mutual agreement to the contrary, the standard level of confirmation should be entity to entity.

**Concept B:** As part of the confirmation and scheduling process between a Transportation Service Provider (TSP) and a Local Distribution Company (LDC) at a city gate, upon request by the LDC, the TSP should provide supplemental information obtained during or derived from the nomination process necessary for the LDC to meet its statutory and/or regulatory obligations. Such supplemental information, if available, should include the TSP’s Service Requester Contract and, based upon the TSP’s business practice, may also include a derivable indicator characterizing the type of contract and service being provided at the city gate, Downstream Contract Identifier and/or Service Requester’s Package ID.

**Concept C:** For confirmations at a location, absent mutual agreement to the contrary between the Transportation Service Provider (TSP) and the Operator, the TSP’s business practices will determine whether Single-Tier Confirmation or Multi-Tier Confirmation is used.

- a) For a Single-Tier Confirmation, the TSP and the Operator should confirm to only the upstream entity to Service Requester level.
- b) For a Multi-tier Confirmation, the TSP and the Operator should confirm to only the upstream entity level. These upstream entities should either nominate or confirm with the TSP (based upon TSP’s business practice) at the Service Requester level.

**Concept D:** As part of the confirmation and scheduling process between a Local Distribution Company (LDC) and an Enduser at an enduser location, the LDC should provide supplemental information obtained during or derived from through the nomination process. Such supplemental information, if available, should include the LDC’s Service Requester Contract and based upon the LDC’s business practices may include a derivable indicator characterizing the type of contract and service being provided at an enduser location, Downstream Contract Identifier and/or Package ID.

Motion:	Pipeline Replacement Proposal			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	1	1	1	00.0	1.00	1
LDCs	0	1	1	1	0.00	1.00	1
Services	1	2	3	2	.67	1.33	2
Producers	0	2	2	2	0.00	2.00	2
Pipelines	10	1	11	2	1.82	.18	2
	11	7	18	8	2.48	5.52	8

**Motion failed.**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

**IV. Discussion of LDC Supplemental Information**

... explained regulatory to mean any restructuring filing, order or approved tariff. It is also reasonable to allow transition time for system implementation of entity to entity confirmations. In response to a question as to who the parties should be that mutually agree on the level of confirmation at a location, ... thought the Transportation Service Provider (TSP) and Local Distribution Company, as operators at a location, should be the parties that decide the level of confirmation. ...the intent was to move to an entity to entity confirmation level and the TSP would only deviate from that level when there was a requirement (demonstrated via a restructuring filing , order or approved tariff) for additional information.

**VI. Recommended Principles, Definitions, and Standards**

The group was asked review the concepts and recommend standards. The following motion was made and seconded:

**Proposed Standard 1** (Confirmation 3 and Pipeline Proposed Concept A):

Absent mutual agreement to the contrary, the standard level of confirmation should be entity to entity.

Motion:	Standard 1			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	0	1	1	1	00.0	1.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	3	0	3	2	2.00	0.00	2
Producers	1	0	1	1	1.00	0.00	1
Pipelines	12	0	12	2	2.00	0.00	2
	17	1	18	7	<b>6</b>	<b>1</b>	7

**Motion passes.**

**Revised Proposed Standard 2** (based on Confirmation Concept 7 and Pipeline Proposed Concept B)

As part of the confirmation and scheduling process between a Transportation Service Provider (TSP) and a Local Distribution Company (LDC), upon request by the LDC, the TSP should make available, via EBB/EDM, supplemental information obtained during or derived from the nomination process necessary for the LDC to meet its statutory and/or regulatory obligations. Such supplemental information, if available, should include the TSP’s Service Requester Contract and, based upon the TSP’s business practice may also, on a mutually agreeable basis, include 1) a derivable indicator characterizing the type of contract and service being provided, 2) Downstream Contract Identifier and/or 3) Service Requester’s Package ID.

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Motion:	Standard 2			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	4	0	4	2	2.00	0.00	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	12	0	12	2	2.00	0.00	2
	20	0	20	8	8	0	8

**Motion passes unanimously.**

**Proposed Standard 3** (based on Confirmation Concept 4)

Absent mutual agreement to the contrary between the TSP and the Operator for confirmations at a production location, the TSP should support the fact that the operator will confirm with the TSP to only the upstream entity level. These upstream entities should either confirm or nominate (at the TSP’s determination) at an entity level with the TSP.

**Proposed Definition 1** (based on Confirmation Concept CD1)

Production locations includes wellheads, platforms, plant tailgates (excluding straddle plants) and physical wellhead aggregation points.

Motion:	Standard 3 and Definition 1			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	2	1	3	2	1.33	.67	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	0	12	12	2	0.00	2.00	2
	6	13	19	8	5.33	2.67	8

**Motion passes.**

As the pipeline segment was unanimously opposed to this standard, the chairs suggested that there may be alternatives to performing multi-tiered confirmations. If a Transportation Service Provider (TSP) offers pooling available to a production location for a producer to deliver quantities without incurring transportation, then the TSP may achieve multi-tiered confirmations (Standard 3) at the pool thereby offering single tiered confirmations at the production location. The producers agreed that this was another method to achieve multi-tiered confirmations. Some parties stated concern about discussing pooling at production locations as that is an issue related

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

to title transfer tracking and not confirmations and is therefore felt to be out of scope of this subcommittee to discuss.

**Proposed Standard 4** (based on Cross Contract Ranking Concept 4)

When nominated quantities exceed available capacity, the Transportation Service Provider (TSP) should first utilize its tariff requirements to assign capacity to each service level for each Service Requester (SR). The TSP should then use the SR’s provided scheduling ranks to determine how the available quantities should be distributed within a single service level. The SR’s provided scheduling ranks (as applicable) should be used as follows:

- For reductions identified at or upstream of the constraint location, the order for application of ranks is Receipt Rank (Priority), Upstream Rank (Priority), Delivery Rank (Priority), Downstream Rank (Priority).
- For reductions identified at or downstream of the constraint location, the order for application of ranks is Delivery Rank (Priority), Downstream Rank (Priority), Receipt Rank (Priority), Upstream Rank (Priority).

Motion:	Standard 4			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	3	0	3	2	2.00	0.00	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	11	0	11	2	2.00	0.00	2
	18	0	18	8	<b>8</b>	<b>0</b>	8

**Motion passes unanimously.**

**Proposed Standard 5** (Cross Contract Ranking Concept 5)

When applying a confirmation reduction to an entity at a location, the Transportation Service Provider (TSP) should use the Service Requester’s (SR’s) scheduling ranks provided on all nominations for that location and entity to determine the appropriate nomination(s) to be reduced, except where superseded by the TSP’s tariff, general terms and conditions, or contractual obligations. The SR’s provided scheduling ranks (as applicable) should be used as follows:

- For receipt side reductions, the order for application of ranks is Upstream Rank (Priority), Receipt Rank (Priority), Delivery Rank (Priority), and Downstream Rank (Priority).

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

- For delivery side reductions, the order for application of ranks is Downstream Rank (Priority), Delivery Rank (Priority), Receipt Rank (Priority), and Upstream Rank (Priority).

Motion:	Standard 5			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	3	0	3	2	2.00	0.00	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	12	0	12	2	2.00	0.00	2
	19	0	19	8	8	0	8

**Motion passes unanimously.**

**Proposed Standard** (based on Confirmations Concept 13)

As part of the confirmation and scheduling process between a Transportation Service Provider (TSP) and an enduser at an enduser location, upon request by the enduser, the TSP should make available, via EBB/EDM, supplemental information obtained during or derived from the nomination process. Such supplemental information, if available, based upon the TSP’s existing business practice may also, on a mutually agreeable basis, include Downstream Contract Identifier and/or Service Requester’s Package ID.

Some parties felt that this concept was in conflict with Standard 1. In other standards, the only deviation from confirmations at an entity to entity level was for statutory or regulatory requirements. It was noted that the information the enduser needs would still be available in the scheduled quantity reports. The motion was **withdrawn** as not needed as long as the information (i.e., Package ID) remains available to the enduser in the Scheduled Quantity Report.

**Proposed Principle 1** (based on Cross Contract Ranking Concept P1)

In order to effectuate cross contract ranking, the level of confirmation at a location should occur at the entity to entity level.

Motion:	Principle 1			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	3	0	3	2	2.00	0.00	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	12	0	12	2	2.00	0.00	2
	19	0	19	8	8	0	8

**Motion passes unanimously.**

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

A motion was made and seconded to make Concept 7 a principle.  
 The motion makers revised their motion to make Concept 7 a standard by making changes to the language.

**Proposed Standard 6** (based on Cross Contract Ranking Concept7)

When a nomination is submitted for a previously submitted or existing nomination key prior to the nomination deadline, the ranks submitted should be evaluated against the previously submitted or existing nomination and if changed, the submitted ranks should replace the existing ranks.

Several parties in the room did not feel that a standard should be created. It was felt that 1.3.7 clearly states that upon receipt by a Transportation Service Provider (TSP) from a Service Requester (SR) of a transaction whose key elements match those previously received by the TSP from the SR, the TSP shall process the rest of the transaction’s data elements consistent with the applicable standards to determine the business results. In other words, a SR would only need to change a rank and resubmit the nomination and the TSP would consider the nomination as a replacement nomination to the previous nomination, and it is possible that a different scheduling outcome could occur during the scheduling process. There would be no need for the SR to submit two nominations (one to zero out the original nomination and a second to submit a new line item with only a change in the line item rank).

The motion was modified.

**Revised Proposed Standard 6** (based on Cross Contract Ranking Concept 7)

Transportation Service Providers should utilize Standard 1.3.7 for ranks submitted in a nomination.

Motion:	Standard 6			Balancing Determinant	Balanced	Balanced	Balanced Total
	For	Against	Total		For	Against	
End Users	1	0	1	1	1.00	0.00	1
LDCs	1	0	1	1	1.00	0.00	1
Services	3	1	4	2	1.50	0.50	2
Producers	2	0	2	2	2.00	0.00	2
Pipelines	1	8	9	2	0.22	1.78	2
	8	8	17	8	5.72	2.28	8

**Motion passes.**





## RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

**Requester: Confirmation and Cross Contract Subcommittee**

**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

### Description of Request and Recommendation:

April 19 and 20, 1999 minutes:

**R97043** - Add a data element for Interest Owner to the Nominations, Request for Confirmation, Confirmation and Scheduled Quantities Transactions. This would allow Transportation Service Providers who currently accept interest owner as a data element in the nominations to continue to provide the ability to confirm the Service Requester's nomination with the interest owner and confirm the interest owner's total with the point operator.

**Issue to be resolved:** What conditionality should Interest Owner have in the Nomination, Request for Confirmation, Confirmation and Scheduled Quantities datasets?

August 9 and 10, 1999 minutes:

- **A motion was made to decline R97043.** It was clarified that the usage of the upstream identifier code satisfies the requirement for an interest owner element.  
The motion passed unanimously.

April 19 and 20, 1999 minutes:

**R97116** - Add a new data element called Cross Contract Rank Indicator to the Nomination and Scheduled Quantity datasets. This would allow the Service Requester the ability to signify in the nomination whether the supplied ranks are to be ranked across the shipper's contract(s) at the applicable specified location(s). This data element would not be used in the Nomination and Scheduled Quantity datasets of the Path Non Threaded Model.

It was noted that the confirmation process could become more complicated for the Transportation Service Providers because they would have to process the indicator and roll up quantities at the locations specified in the nomination.

**Issue to be resolved:** Do we need an indicator and how would the indicator work?

August 9 and 10, 1999 minutes:

- **A motion was made to decline R97116.** There is no need for a separate data element to achieve ranking across contracts versus within contracts. The same result can be achieved by using the existing ranks without adding an additional element.  
The motion passed unanimously.

August 9 and 10, 1999 minutes:

- **R99037 requests a new data element "Confirmation Level" be added to the Request for Confirmation, Confirmation Response, and Scheduled Quantity for Operators.**

A motion was made to:

Instruct Information Requirement (IR) Subcommittee to accommodate the sending of information necessary when a multi-level confirmation is sent to differentiate between the roles of the Confirming Parties. In the Request for Confirmation, the usage of this data is Senders Option when the TSP is the sender of the Request for Confirmation and

**RECOMMENDATION TO GISB EXECUTIVE COMMITTEE**

**Requester: Confirmation and Cross Contract Subcommittee**  
**Request No.: R97043, R97116, R99037, R97089B, R97022B, Annual Plan**

Business Conditional when the TSP is the receiver of the Request for Confirmation or an unsolicited Confirmation Response. In a solicited Confirmation Response, the usage is Conditional, and the condition is: Mandatory when present in the Request for Confirmation. In a Scheduled Quantity for Operator, the usage is Conditional, and the condition is: Mandatory when present in the Confirmation process. IR should also determine whether this data should be included in the Confirmation Response Quick Response.

The motion passes unanimously.

April 19 and 20, 1999 minutes:

**R97089B** - Add Source Location to the Request for Confirmation with usage code “BC” and Confirmation Response with usage code “C.” The Source Location is used to identify the origination of gas that flows on non-contiguous laterals. This helps the pipeline to determine the rate to charge for transporting gas. This identifies gas that originates on a non-contiguous lateral and then is delivered into the pipeline’s contiguous mainline zone. This prevents the transport customer from being charged the transportation rate twice.

**Issue to be resolved:** Is there another way to handle this within the existing datasets?

August 9 and 10, 1999 minutes:

- **A motion was made to send R97089B back to BPS to be dealt with in conjunction with R97089A.** The data element being requested “Source Location” would need to be added to the Nomination prior to being discussed in the confirmation. It was therefore concluded that the request should not be split into two parts but should be handled by BPS as originally requested in R97089. The motion passed unanimously.

April 19 and 20, 1999 minutes:

**R97022B** - Create a default confirmation where the Service Requester is mandatory in the Request for Confirmation and Confirmation Response datasets. The only time Service Requester is not mandatory is where an operator is confirming a multi-level confirmation. The subcommittee should review the usage code of the Service Requester in the Request for Confirmation and Confirmation Response datasets as it pertains to the role of confirming party.

The conditionality of Service Requester is dependent upon the level of confirmation processed by the confirming party.

**Issue to be resolved:** What conditionality should the data elements have that are exchanged between the various party relationships during the confirmation process? Should Entity be mandatory?

August 9 and 10, 1999 minutes:

- **Motion: R97022B was resolved by the proposed standards of this subcommittee.**  
The motion passed unanimously.