RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

Request #: R96131

Type of Request (check all that apply) (E-5):

A-3	____	New Document (Data Dictionary attached)
A-1	____	New Data Element (Data Dictionary attached)
A-6	____	Revision to Data Element (Data Dictionary attached)
A-2	____	New Code Value (Table attached)
A-2	____	Revision to Code Value (Table attached)
	_X_	Revision to Business Process Documentation
	____	Revision to X12
A-4	____	New Business Practice Standard
A-5	____	Revision to Business Practice Standard

Abstract / Discussion (E-1, E-3, E-4):

The Market Settlement Task Force recommends updating the Allocation Data Set Implementation Guide and the Predetermined Alloaction Data Set Implementation Guide with the business discussion included in the attached file.

At an allocation point, many different parties representing different roles can exist. Roles can included transporter, shipper, producer, operator, end user, LDC, and third party service provider. Each of these parties can and usually do have different needs and uses for allocation information.

This fact became apparent as GISB members began using the Allocation Data Set Implementation Guide to map the Allocation Data Set. Parties reviewed their needs for data and turned to the guide to see how the allocation data set would satisfy their particular needs. Many questions were raised by the many companies trying to provide the information and it became obvious that the implementation guide when originally written did not consider all of the roles that can exist at an allocation point.

Ever since the Allocation Data Set Implementation Guide was originally completed, the Market Settlement Task Force has been reviewing the business discussion included in the guide and analysing ways to expand the information to make it easier to use and understand. Parties' needs for information and the various roles they play were considered in the analysis. The results of this effort are included in the proposed changes to the guide included in this recommendation.

The proposed new business discussion includes more information on the various roles that can exist at an allocation point. To clarify the use of the data elements needed by each party, the statement type matrix included in the discussion has been expanded from three statement types to eight types. This expansion will allow parties to more easily determine what information should be provided in relation to specific roles at an allocation point. One additional data element will be needed to help identify the amount of information being transmitted and that element (Model Type) is included in Request R96125.

The Market Settlement Task Force recognizes that in the future, as implementation questions arise, there may be a need for further review of this business discussion. The Task Force will

continue to work with other Executive Committee Subcommittees and Task Forces to address the industry needs concerning this data set.

Applicable Documents:

Allocation Data Set - Standard 2.4.4

Associated Revisions:

N/A

Is Revision Required to Support an Existing GISB Standard? If So, State Standard Number and Language:

N/A

Applicable to Upstream/Downstream Process? If So, State Task Force Referred To:

N/A

Executive Committee Sponsor: Norm Walker

GISB Subcommittee/Task Force: Market Settlement Task Force

Requester: Market Settlement Task Force

Due Date (E-6): May 1, 1997

- DATA DICTIONARY REQUEST

N/A

PROPOSED REVISIONS

Business Name	Definition	Usage (E-2)	Condition

*** Indicates Common Code**

CODE VALUES REQUEST
PROPOSED REVISIONS N/A

Business Name	Usage	Code Value	Code Value Description

TECHNICAL IMPLEMENTATION OF BUSINESS PROCESS

The Allocation Statement is the data set that communicates the distribution of actual measured quantities to transactions at a location. The data set is created in a manner to accommodate communications to various business parties based on their roles (operator, upstream / downstream party, service requester, etc.) at a location and to accommodate multi-level (tiered) and single level allocations. Usage of data elements change depending on the level of information contained in the allocation statement. To accommodate communications of allocation information to various parties at varying levels of detail, Statement Type Codes are used within the data set to distinguish the type of information contained in the data transmission. The codes become critical when a party performing multiple roles receives multiple allocation statements for a location. It should be noted that allocating parties are not required to support all Statement Type Codes.

When a transportation service provider uses the pathed non-threaded model, there is not threading between the service requester's pathed nominations and the service requester's upstream and downstream nominations. Therefore, the TSP using the pathed non-threaded nominations model may follow a different allocations model from those used by most pathed and non-pathed service providers.

With the pathed non-threaded model, like the pathed and non-pathed models, allocations may either be performed and communicated in a one step process by allowing a single party to submit a PDA that will allocate the quantity from the point level all the way down to the lowest level of detail submitted on the nomination or may be performed in a multi-step process, by allowing multiple parties to specify the distribution of a point's volume a varying levels of allocation.

The following will describe the functionality of the different Statement Type Codes:

A1 OPERATOR AT A RECEIPT OR DELIVERY LOCATION: The statement includes allocation information for the total measured quantity for a location to the nomination level of detail. This statement type is intended to go only to an operator.

A2 UPSTREAM / DOWNSTREAM PARTY AT A RECEIPT OR DELIVERY LOCATION: The statement includes a sub-set of the total measured quantities for a location at a summarized level of detail. The receiver of the statement will only receive information pertinent to their business transactions. The statement may be used to communicate with parties that have been identified within a nomination as the upstream or downstream party. This statement type is intended to go to parties such as sellers (producers, marketers) or purchasers (marketers, end-users) but is not limited to these parties.

A3 OPERATOR AT A RECEIPT LOCATION -- SUMMARIZED: The statement includes allocation information for the total measured quantity for a location

summarized at the upstream party level. This statement type is intended to go only to an operator of a receipt location.

A4 OPERATOR AT A DELIVERY LOCATION -- SUMMARIZED: The statement includes allocation information for the total measured quantity for a location summarized at the downstream party level. This statement type is intended to go only to an operator of a delivery location.

A5 SERVICE REQUESTER AT A RECEIPT OR DELIVERY LOCATION: This type is not supported on the Allocation Statement. Service Requester allocation information is communicated using the Imbalance Statement.

A6 OPERATOR TO SERVICE REQUESTER: The statement includes allocation information for the total measured quantity for a location to the service requester level of detail. This statement type is intended to go only to an operator.

A7 SERVICE REQUESTER TO SERVICE REQUESTER CONTRACT: This type is not supported on the Allocation Statement. Service Requester allocation information is communicated using the Imbalance Statement.

A8 SERVICE REQUESTER TO UPSTREAM OR DOWNSTREAM: The statement includes allocation information for a service requester's share of the total measured quantity allocated to the service requester's upstream and downstream parties.

Please refer to Exhibit(s) ___ which are diagrams that supplement the previous explanation.

Allocation Statement reporting may occur at levels of detail other than those accepted for PDAs. For example, a TSP may only accept "A1" PDAs then communicate allocation information using types "A1", "A2" and "A5". When a party has submitted a valid PDA data set for a particular Statement Type Code, traditionally the party can expect to receive an Allocation Statement data set for the same Statement Type Code.

The Header and Detail data elements are used consistently regardless of the Statement Type Code. The following will further explain usage of the data elements:

Header Information: used consistently for all Statement Type Codes

Preparer ID: The common code identifier for the party providing the allocation.

Statement Recipient: The common code identifier for the party receiving the allocation.

Contact Person: Name and telephone number of the person working for the preparer company responsible for answering questions concerning the information contained in the transaction set.

Statement Date/Time: Date and time the statement was prepared.

Accounting Period: Accounting period in which the information provided applies.

Detail Information: used consistently for all Statement Type Codes

Location Code: The common code for the location being allocated.

Statement Basis: A code indicating whether the allocation information is an estimate, actual or revision. The revision code is used only to indicate adjustments related to a previous accounting period.

Adjustment Type: A code indicating the cause of the adjustment such as changes related to the measured quantities, correction to scheduled quantities or correction of the predetermined allocation method.

Beginning Flow Date/Time: The beginning flow date for the period being allocated.

Ending Flow Date/Time: The ending date for the period being allocated. May be blank if the beginning and ending date/time are the same.

Direction of Flow: A code indicating whether the nomination is a receipt into or a delivery out of the preparer's facility.

Usage of sub-detail data elements is dependent upon the Statement Type Code and Direction of Flow Indicator. Please refer to the Data Element Cross Reference to ASC X12 within this section to determine the usage of each data element.

Sub-Detail Data Elements:

Service Requester Contract ID: The service requester contract for the party requesting service from the party providing the allocation statement.

Service Requester Identifier Code: The common code for the party requesting service from the party providing the allocation statement or the purchaser of gas from the allocation statement recipient when title tracking is performed.

Upstream Identifier Code: The common code for the party conveying title at a receipt location (party having ownership of the gas on the upstream side of a location). This data element is relevant whenever the Direction of Flow Indicator is "R" (receipt).

Upstream Contract Identifier: The service requester contract of the party identified in the Upstream Identifier Code with the upstream service provider. This data element is relevant whenever the Direction of Flow Indicator is "R" (receipt).

Downstream Identifier Code: The common code for the party receiving title at a delivery location (party having ownership of the gas on the downstream side of a location). This data element is relevant whenever the Direction of Flow Indicator is "D" (delivery).

Downstream Contract Identifier: The service requester contract of the party identified in the Downstream Identifier Code with the downstream service provider. This data element is relevant whenever the Direction of Flow Indicator is "D" (delivery).

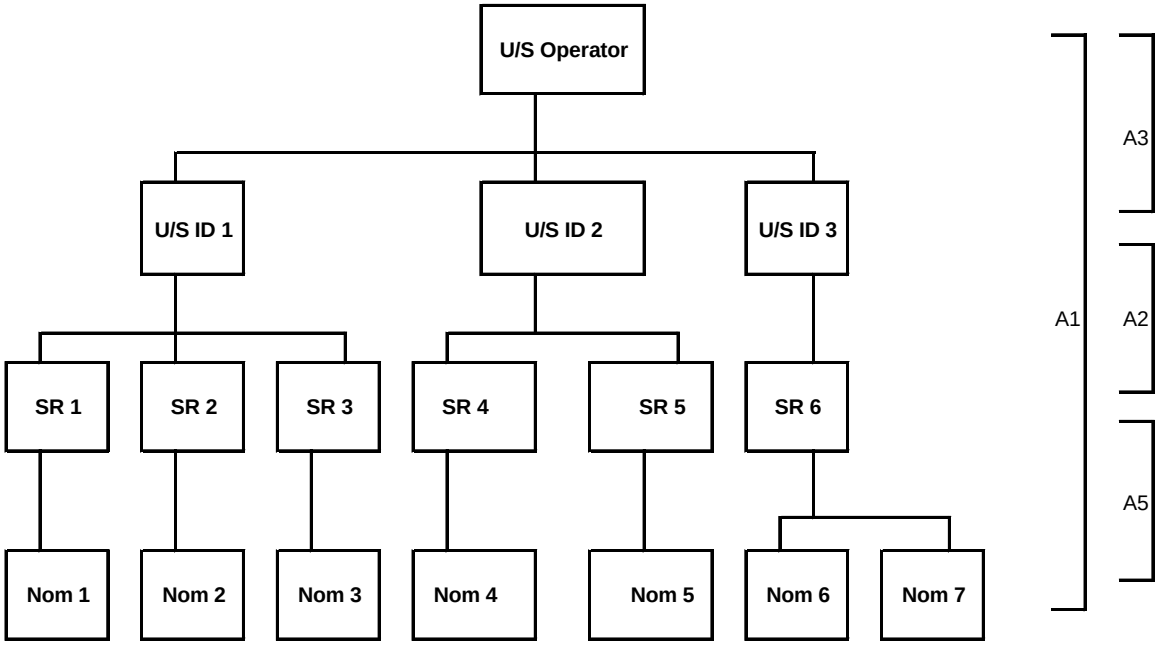
Scheduled Quantity: Scheduled Quantity at the location being allocated.

Allocated Quantity: Allocated Quantity at the location being allocated.

Package ID: The package ID included on the service requester's nomination to the party providing the allocation statement.

Service Requester's Activity Code: The Service Requester's Activity Code assigned to nominations by the party providing the allocation statement.

RECEIPT LOCATION EXAMPLE -- Pathed and Non-Pathed Models



A1 The Upstream Operator will receive information for the total measured quantity allocated to the nomination level.

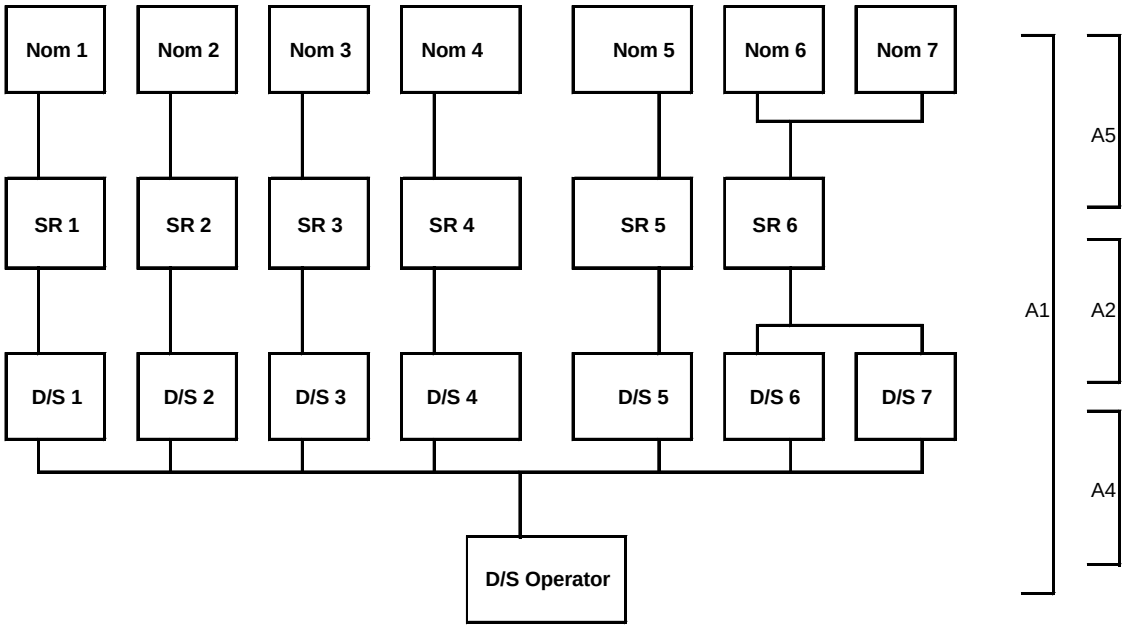
A2 The Upstream Party will receive information for their share of the total measured quantity allocated to the Service Requesters receiving gas from them.

A3 The Upstream Operator will receive information for the total measured quantity allocated to the Upstream Parties.

A4 Not applicable. This type is used for delivery allocations.

A5 Not supported on the Allocation Statement. Information is provided on the Shipper Imbalance Statement.

DELIVERY LOCATION EXAMPLE -- Pathed and Non-Pathed Models



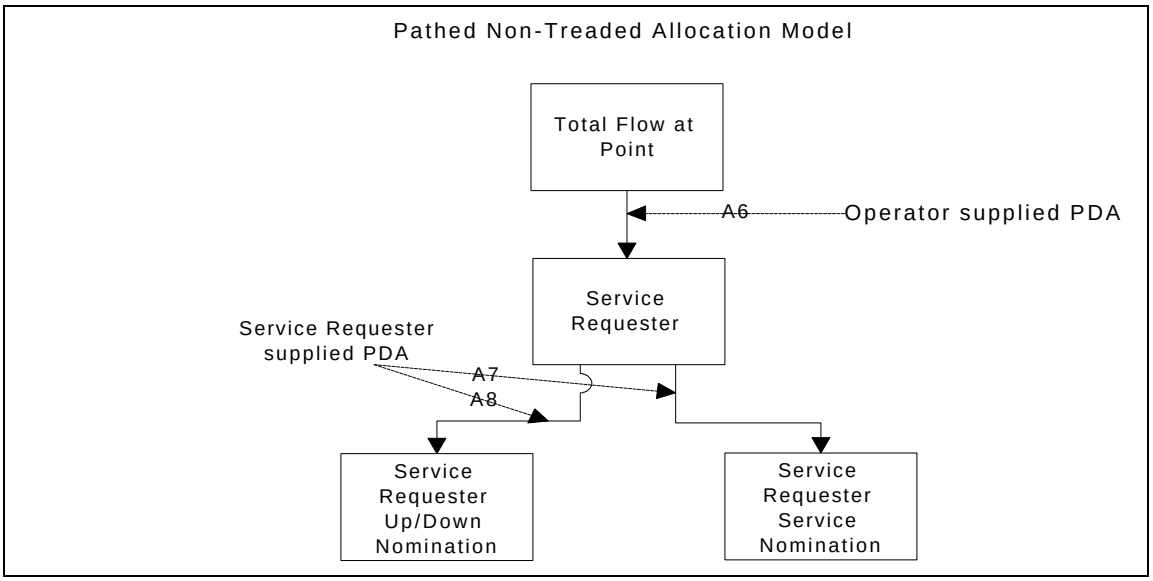
A1 The Downstream Operator will receive information for the total measured quantity allocated to the nomination level.

A2 The Downstream Party will receive information for their share of the total measured quantity allocated to them from the Service Requesters on the Upstream Operator's facility.

A3 Not applicable. This type is used for receipt allocations.

A4 The Downstream Operator will receive information for the total measured quantity to the Service Requester Contract level.

A5 Not supported on the Allocation Statement. Information is provided on the Shipper Imbalance Statement.


Pathed Non-Treaded Allocation Model
Total Flow at Point
A6
Operator supplied PDA
Service Requester
Service Requester supplied PDA
A7
A8
Service Requester Up/Down Nomination
Service Requester Service Nomination

TECHNICAL IMPLEMENTATION OF BUSINESS PROCESS

Natural Gas is allocated among producers, operators, transporters, shippers, and others after gas flows, using various methodologies to allocate actual quantities. In order to manage the impact of variances of actual quantities from scheduled quantities, a specified method is used to relate and distribute physical flow quantities to scheduled transactions. A Pre-Determined Allocation (PDA) methodology is utilized to accomplish this goal by securing the agreement of the allocating party and the party providing the PDA. The implementation of an agreed-upon PDA clarifies expectations and responsibilities prior to gas flow. The PDA is due during or after confirmation and before the start of the gas day.

The PDA data set is created in a manner to accommodate communications to various business parties based on their roles (operator, upstream / downstream party, service requester, etc.) at a location and to accommodate multi-level (tiered) and single level allocations. Usage of data elements change depending on the level of information contained in the PDA. To accommodate communications of allocation information to various parties at varying levels of detail, Statement Type Codes are used within the data set to distinguish the type of information contained in the data transmission. The codes become critical when a party performing multiple roles sends multiple PDAs for a location. It should be noted that allocating parties are not required to support all Statement Type Codes.

The PDA data set may be provided by the service requester, producer, operator or their agent, for their appropriate allocation level, to the service provider (TSP) prior to the flow of gas. In some cases, the nominations may change independently of the PDA and the PDA is sent separately from the nomination. The PDA method and values sent to the service provider remain in effect until changed. When a party submits a valid PDA data set for a particular Statement Type Code, traditionally the party can expect to receive an Allocation Statement data set for the same Statement Type Code.

When a transportation service provider follows the pathed non-threaded model, there is no threading between the service requester's pathed nominations and the service requester's upstream and downstream nominations. Therefore, the TSP using the pathed non-threaded nominations model will follow a different allocation model from those used by most pathed and non-pathed service providers.

With the pathed non-threaded model, like the pathed and non-pathed models, allocations may either be performed in a one step process by allowing a single party to submit a PDA that will allocate the quantity from the point level all the way down to the lowest level of detail submitted on the nomination or may be performed in a multi-step process, by allowing multiple parties to specify the distribution of a point's volume a varying levels of allocation.

The following will describe the functionality of the different Statement Type Codes:

A1 OPERATOR AT A RECEIPT OR DELIVERY LOCATION: The statement includes PDA information for the total measured quantity for a location to the nomination level of detail. This statement type is intended to come only from an operator.

A2 UPSTREAM / DOWNSTREAM PARTY AT A RECEIPT OR DELIVERY LOCATION: The statement includes PDA information for a sub-set of the total measured quantities for a location at a summarized level of detail. The sender of the statement will only send information pertinent to their business transactions. The statement may be used to communicate PDAs from parties that have been identified within a nomination as the upstream or downstream party. This statement type is intended to come from parties such as sellers (producers, marketers) or purchasers (marketers, end-users) but is not limited to these parties.

A3 OPERATOR AT A RECEIPT LOCATION -- SUMMARIZED: The statement includes PDA information for the total measured quantity for a location summarized at the upstream party level. This statement type is intended to only come from the operator of a receipt location.

A4 OPERATOR AT A DELIVERY LOCATION -- SUMMARIZED: The statement includes PDA information for the total measured quantity for a location summarized at the downstream party level. This statement type is intended to only come from an operator of a delivery location.

A5 SERVICE REQUESTER AT A RECEIPT OR DELIVERY LOCATION: The statement includes PDA information from a service requester for a location at the nomination level of detail. The sender of the statement will only send information pertinent to their nominations.

A6 OPERATOR TO SERVICE REQUESTER: The statement includes PDA information for the total measured quantity for a location to the service requester level of detail. This statement type is intended to come only from an operator.

A7 SERVICE REQUESTER TO SERVICE REQUESTER CONTRACT: The statement includes PDA information from a service requester for a location at the nomination level of detail. The sender of the statement will only send information pertinent to their nominations.

A8 SERVICE REQUESTER TO UPSTREAM OR DOWNSTREAM: The statement includes PDA information from a service requester to allocate their share of the total measured quantity to their upstream and downstream parties.

Please refer to Exhibit(s) ___ which are diagrams that supplement the previous explanation.

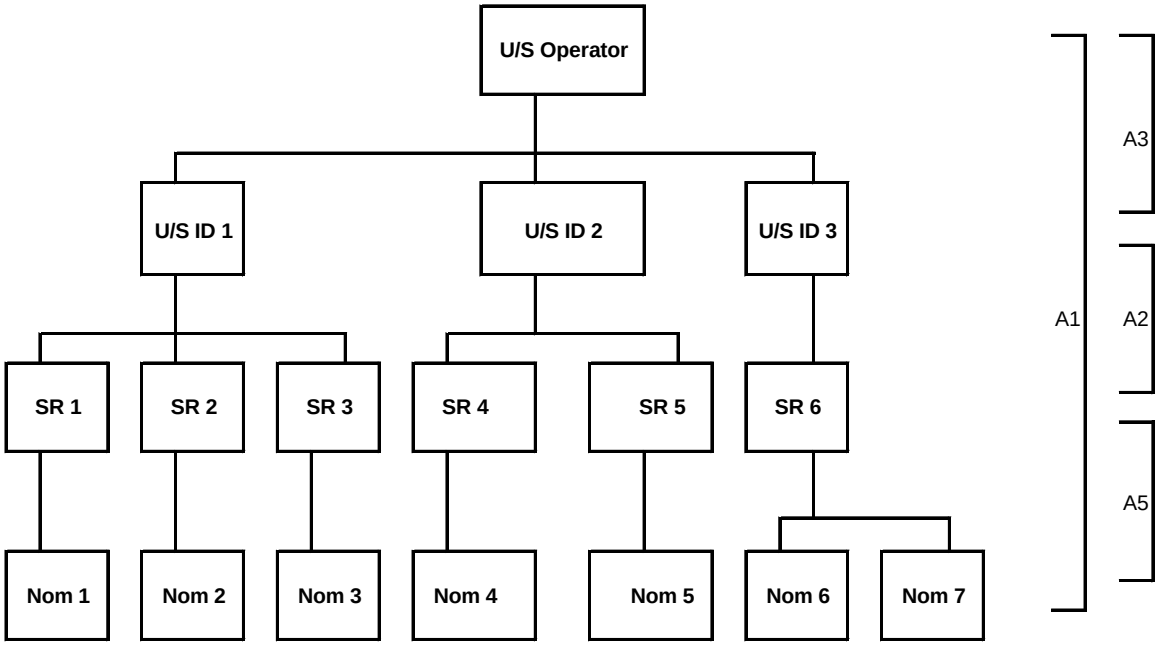
The PDA data set tells the service provider not only what allocation method is chosen, but also communicates the parameters needed with the allocation method. For example, the PDA might specify that the allocation method is "ranked" and the rank level is "500." When the Allocation Method is Ranked, Swing or Percentage, additional parameters (the Allocation Rank Level) may be needed in order to create a valid PDA. If all elements are not submitted at the same time, the PDA is not valid and will not be accepted. Pro rata will be used as the default methodology in cases where no valid PDA exists. If mutually agreed upon by the allocating party and the party providing the PDA, the Allocation Rank Indicator may be used to set up different methodologies to handle over- or under-tendered situations. Limit Value may be used, if allowed by the service provider (TSP), to limit the variance quantity applied to a transaction.

For the Rank Method, the Allocation Rank Level may be a number between 1 and 999 with 1 indicating the highest relative priority of the transaction and 999 indicating the lowest relative priority of the transaction. For example, a location with three transactions with respective ranks of 1, 500 and 999 would be allocated in the following manner. The transaction ranked 1 would be the first transaction to be awarded actual quantities up to but not exceeding its scheduled quantity. The transaction ranked 500 would then be awarded actual quantities up to but not exceeding its scheduled quantities. The transaction ranked 999 would be the last transaction and awarded the remaining actual quantities.

In some cases, the allocating party may allow a combination of methods. For instance, a percentage method may be applied to some transactions and a ranked method applied to the remaining transactions.

Please refer to the Data Element Cross Reference to ASC X12 within this section to determine the usage of each data element.

RECEIPT LOCATION EXAMPLE -- Pathed and Non-Pathed Models



A1 The Upstream Operator will provide a PDA covering the total measured quantity to the nomination level.

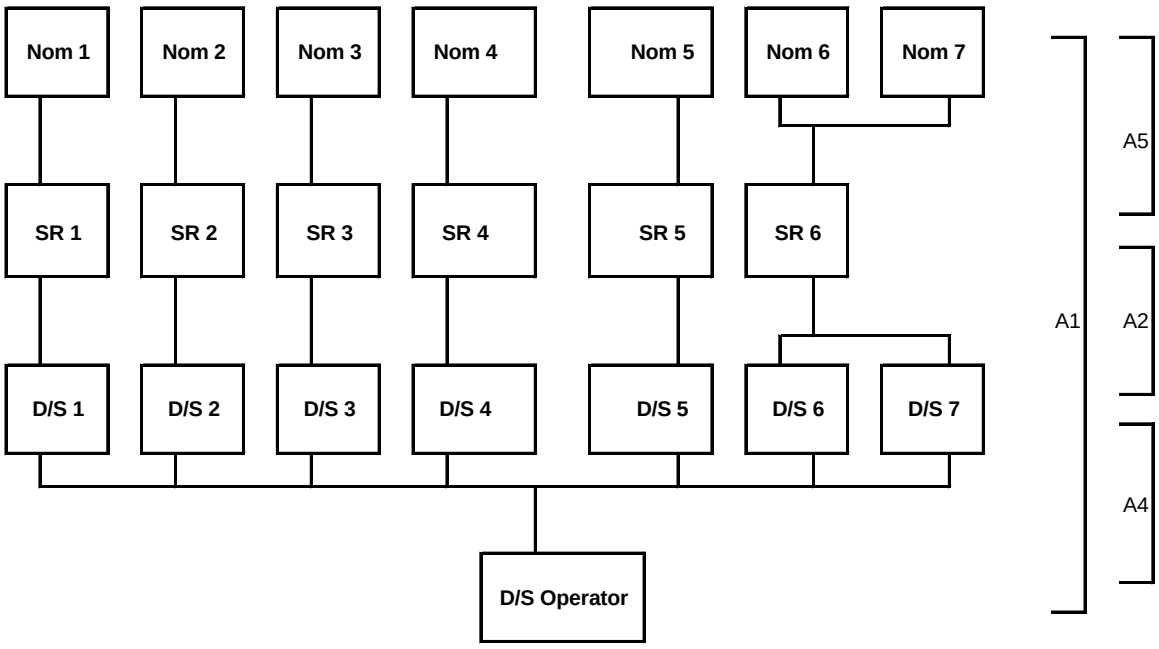
A2 The Upstream Party will provide a PDA to allocate their share of the total measured quantity to the Service Requesters receiving gas from them.

A3 The Upstream Operator will provide a PDA to allocate the total measured quantity to the Upstream Parties.

A4 Not applicable. This type is used for delivery allocations.

A5 The Service Requester will provide a PDA to allocate their share of the total measured quantity to their nominations.

DELIVERY LOCATION EXAMPLE -- Pathed and Non-Pathed Models



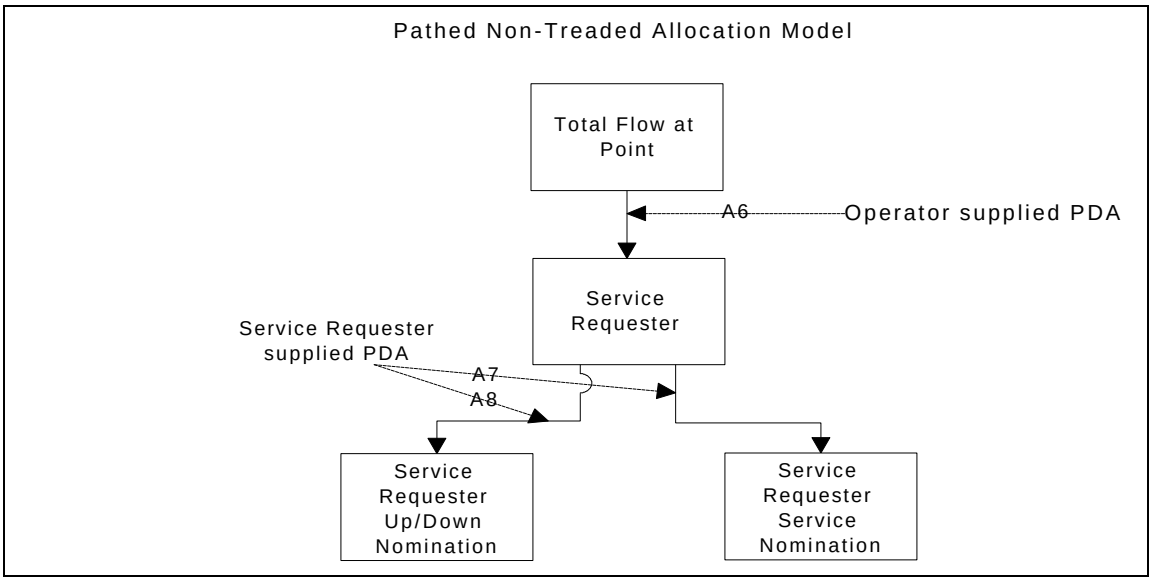
A1 The Downstream Operator will provide a PDA to allocate the total measured quantity to the nomination level.

A2 Not recommended for delivery locations.

A3 Not applicable. This type is used for receipt allocations.

A4 The Downstream Operator will provide a PDA to allocate the total measured quantity to the Service Requester Contract level.

A5 The Service Requester will provide a PDA to allocate their share of the total measured quantity to their nominations.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