

RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

Requester: R97046

Request No.: Transcapacity

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

- 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

Per Recommendation:

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- Code Value (x.4.z)
- X12 Implementation Guide
- Business Process Documentation

3. RECOMMENDATION

The recommendation is to decline this request.

4. SUPPORTING DOCUMENTATION

a. Description of Request:

Request: This is a request to add two definitions to the GISB Business Practice Standards. These definitions are as follows:

1. Transportation is defined as the physical movement of gas through space and/or time.
2. A Transportation Service Provider is defined as an entity which operates physical facilities which facilities accomplish the movement of gas through space and/or time and which entity contracts with others to so move gas not owned by the entity through such facilities.

This request asks that these definitions be added to the approved list of GISB Business Practice Standards as definitions. The terms "transportation" and "Transportation Service Provider" are used in several of the existing business practice standards, but are currently undefined. This is in contrast to Pooling, Package ID, etc., which are defined in the standards.

These definitions would act to further clarify existing standards and provide a solid framework as additional standards are proposed and/or adopted. TransCapacity believes that providing these definitions as standards would ease the burden of additional interpretations and requests for

RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

Requester: R97046

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enhancements, as well as eliminating the need for redundant definition of terms within existing and new proposed standards.

b. Description of Recommendation:

Business Practices Subcommittee

August 19, 1999

Discussion: There was no discussion on this request.

Action: The request will be discussed at the next meeting.

Business Practices Subcommittee

August 26, 1999

Discussion: Mr. Buccigross gave a brief overview of the request, including a reading of the propose definitions. The discussion began with Mr. Young requesting the “/or” to be removed from the phrase “space and/or time”. Mr. Young noted, after speaking with Mr. Lander about the request, he thinks transportation always involves movement of gas through time. Mr. Buccigross also recommended the addition of standard wording that is generally used in GISB definitions. It was also discussed that instead of placing these definitions in the nominations related standards section as 1.2.x standards, they be placed in the new general standards section as 0.2.x standards.

The first definition was modified as follows:

0.2.A Transportation is the term used to describe the physical movement of gas through space and time.

There was discussion on the second definition proposed by the request. Ms. Barnum asked how this definition related to the definition of Transportation Service Provider in the data set data dictionaries. Mr. Buccigross gave examples of GISB Standard Nos. 1.2.5, 1.2.8, and 1.2.9 and that these did not modify the definitions used in the data dictionary. At this time, Mr. Buccigross is not proposing that this definition should override the definition in the data dictionaries.

Mr. Keisler asked Mr. Buccigross what entity did the last “entity” refer to in the Transportation Service Provider definition. Mr. Buccigross stated that the intent is to refer to the Transportation Service Provider. Mr. Young had a question as to the general applicability of the entire last phrase of the second definition. Mr. Buccigross stated that he understood both Mr. Keisler and Mr. Young’s concerns, would think about them, and that he would post a revised proposed definition as a work paper for the next BPS meeting.

Based on the discussion, the second definition was modified as follows:

0.2.B Transportation Service Provider (TSP) is the term used to describe an entity which operates physical facilities which facilities accomplish the movement of gas through space and time and which entity contracts with others to so move gas not owned by the TSP through such facilities.

Ms. Davis went through the following scenarios with Mr. Buccigross:

First scenario: An operator moves gas from a geological formation to the surface production facilities. They may or may not also be the owner of the gas, but, in any event, they have a JOA or some other kind of arrangement with the other working interest owners to operate the facilities to get the gas out of the ground. Are they a transportation service provider? Mr. Buccigross answered yes.

Second scenario: A pipeline receives gas at a wellhead and moves it for someone else. Are they a transportation service provider? Mr. Buccigross answered yes, regardless of whether they are an interstate pipeline, intrastate pipeline, or gathering type company.

RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

Requester: R97046

Request No.: Transcapacity

Third scenario: The gas moves through a plant. The operator may do something else with the gas while they are moving it from one side of the plant to another. Are they a transportation service provider? Mr. Buccigross answered yes.

Fourth scenario: The gas is delivered to an LDC that has not unbundled their services, so they move gas in their facilities both for themselves and for customers of theirs who have contracted with them to transport from the LDC city gate to them. Are they a transportation service provider? Mr. Buccigross answered yes.

Fifth scenario: The gas is delivered to an LDC that has unbundled their services so they move gas for their customers from the LDC city gate to them. In this scenario, the LDC is like any other pipeline. Are they a transportation service provider? Mr. Buccigross answered yes.

Last scenario: The pipeline delivers directly to facilities owned by an industrial customer (not going through a LDC facility). If the industrial customer owns a piece of pipe from the pipeline interconnect to their plant yard (say 1000 feet) and someone other than themselves (e.g. a marketing company) has title to the gas while it is moving through the 1000 feet of pipe, is the industrial company a transportation service provider? Mr. Buccigross stated that he didn't think that would happen, but if it did and the industrial company transported the gas for the marketing company, then yes, they would be a transportation service provider.

Mr. Buccigross stated that, in general, if someone accepts a nomination and is contracting with someone else to move their gas, then they are a transportation service provider, regardless of whether they are an interstate pipeline or have any firm customers.

Action: Mr. Buccigross will post a work paper containing a revised definition two (transportation service provider). Discussion will continue, with a possible vote, at the next meeting. (Note that no motions have been made at this time.)

Business Practices Subcommittee

September 2, 1999

Discussion:

The language of the proposed standards were modified via a work paper filed by TransCapacity on this request. The modified proposed standards are as follows:

0.2.A. Transportation is the term used to define the physical movement of gas through space and/or time.

0.2.B. Transportation Service Provider (TSP) is the term used to define an entity which operates physical facilities which facilities accomplish the movement of gas through space and/or time and which contracts with others to so move gas not owned by the TSP.

Mr. Lander started out with explaining why the "space and/or time" clause was present in the proposed standards. He described various situations (park and loan) where there was only time and not space involved, other situations where there was just space involved (transportation), and some where both time and space were involved (storage).

RECOMMENDATION TO GISB EXECUTIVE COMMITTEE

Requester: R97046 Request No.: Transcapacity

Mr. Young stated that he was satisfied with Mr. Lander's explanation.

Motion 1: Mr. Lander made a motion that the following definition be adopted as 0.2.A. Mr. Buccigross seconded the motion.

0.2.A. Transportation is the term used to define the physical movement of gas through space and/or time.

Mr. Lander asked that this be classified in the "general" section as 0.2.a.

Mr. Lander answered questions regarding the specific language and his reasons for proposing this definition.

Action: The motion failed in a balanced vote of 1.5 in favor, 3.5 opposed. (See attached voting record for specifics.)

Sense of the Room: 9/02/99 ___ In Favor ___ Opposed

Segment Check (if applicable):

In Favor: 0 End-Users 0 LDCs 0 Pipelines 0 Producers 3 Services

Opposed : 0 End-Users 1 LDCs 7 Pipelines 0 Producers 1 Services

Motion 2: Mr. Lander made a motion that the following definition be adopted as 0.2.B. Mr. Buccigross seconded the motion.

0.2.B. Transportation Service Provider (TSP) is the term used to define an entity which operates physical facilities which facilities accomplish the movement of gas through space and/or time and which contracts with others to so move gas not owned by the TSP.

Mr. Keisler proposed the following change which was agreed to by Mr. Lander and Mr. Buccigross.

0.2.B. Transportation Service Provider (TSP) is the term used to define an entity which operates physical facilities which facilities accomplish the movement of gas through space and/or time and which moves someone else's gas under a contract. ~~contracts with others to so move gas not owned by the TSP.~~

Action: The motion on the modified language failed in a balanced vote of 1.5 in favor, 3.5 opposed. (See attached voting record for specifics.)

Sense of the Room: 9/02/99 ___ In Favor ___ Opposed

Segment Check (if applicable):

In Favor: 0 End-Users 0 LDCs 0 Pipelines 0 Producers 3 Services

Opposed : 0 End-Users 1 LDCs 7 Pipelines 0 Producers 1 Services

c. Business Purpose:

d. Commentary/Rationale of Subcommittee(s)/Task Force(s):