

# C96026

Subj: Request for Clarification – Market Execution and Settlement Agenda Items  
Date: 96-12-03 10:09:10 EST  
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*The form is specified  
in the 1996 Handbook of  
Futures and not  
submitted with this  
request.*

TO: GISB

FROM: MICHAEL R. HANSEN, COLUMBIA GULF TRANSMISSION

SUBJECT: REQUEST FOR CLARIFICATION -- CONFIRMATION DATA SETS

DATE: December 2, 1996

I have a request for clarification related to the CONFIRMATION RESPONSE data set. These issues may be most appropriate for the agenda of the next Market Execution and Market Settlement task force meetings

ISSUE 1. Since there are two parties involved in the confirmation process and each party has a perspective of the contractual flow at a location (to one party the transaction is a delivery which is a receipt to the other party), how should the following data elements be populated?  
Contractual Flow Indicator Upstream Identifier Code Upstream Contract Identifier, Downstream Identifier Code, Downstream Contract Identifier, Service Requester Contract.

PROPOSED IMPLEMENTATION: It appears that the most efficient way to process the Request for Confirmation and follow up with a Confirmation Response is to populate these field with the same information provided on the Request for Confirmation. In effect, this information would always be populated from the perspective of the party creating the Request for Confirmation. The party creating the Confirmation Response would simply need to reduce quantities and provide a Reduction Reason code if a reduction is necessary. This method would also mean the receiver of the Confirmation Response (the creator of the Request for Confirmation) would not have to perform any further interpretation that would be necessary if the data elements in question were populated from the perspective of the creator of the Confirmation Response

ISSUE 2(a). Usage of the Ending Date in the Request for Confirmation and Confirmation Response [Note: A similar issue exists for the Scheduled Quantities data set.] Is the Ending Date/Time relevant in the confirmation process? According to standard 1.3.7., when nominations are submitted for a date range, each date within the range is considered as an original nomination. Should the ending date be the same as the beginning date (assumption – confirmations are a daily occurrence, confirmations are not made for the 'life' of a nomination) or should the ending date include the last date before the quantity changes?

ISSUE 2(b). Current confirmation practice is to confirm all nominations for the 1st and then only confirm changes throughout the month. Should GISB implementation require a data set transmission of all transactions at a location when a change is necessary at the location, subsequent data sets would only include transactions that change, or require confirmations to happen every day whether there are changes or not?

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**PROPOSED IMPLEMENTATION:** Detailed confirmations for the 1st of each month. Ending date will be the 1st. Quantities confirmed for the 1st will be confirmed until changed on a subsequent day. If there is a single change at a location, the confirmation data sets should be populated with all nominations at the location for that date. **RESULT** No additional work is needed over current practice since detailed confirmations for the 1st happen today and will most likely be necessary in the near future. No unnecessary transmissions are made but when a change needs to be confirmed, information for all transactions at the location will be available.

**ISSUE 3: Confirmation Process – Data Flow:** To make the confirmation process work most efficiently, interconnecting operators should agree on a routine in which one party will have the responsibility to create the Request for Confirmation and the other party has the responsibility to create the Confirmation Response. However, there needs to be an understanding that either operator may create the Request for Confirmation simply because they may have a reduction that the other party may not have. Following the routine procedure may impair the "Responding" party from being able to effectuate a reduction.

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**PROPOSED IMPLEMENTATION:** Interconnecting Operators should agree on which party will routinely create the Request for Confirmation and the other party would create the Confirmation Response. The operators should also agree on the times the data sets would be transmitted. If a Request has not been received by the agreed upon time, then the other operator may initiate the confirmation process by creating a Request for Confirmation data set. **RESULT:** If no Request has been received, the "Responding" party can initiate a reduction by creating their own Request.

**ISSUE 4: Usage of Ending Date on the Scheduled Quantities data set:** Is the Ending Date/Time relevant in the Scheduled Quantities? According to standard 1.3.7, when nominations are submitted for a date range, each date within the range is considered as an original nomination. Should the ending date be the same as the beginning date (assumption – scheduling is a daily occurrence, scheduling is not made for the "life" of a nomination) or should the ending date include the last date before the quantity changes?

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**PROPOSED IMPLEMENTATION:** The Ending Date should be the same as the Beginning Date in the Scheduled Quantities data set. The Scheduled Quantities data set is to be made available each day by 4.30 and show all nominations scheduled to flow for the next gas day.

**ISSUE 5:** [Note: This issue could be addressed by the Market Settlement task force.] How does the PDA Quick Response distinguish specific errors when PDAs have been submitted for multiple locations? The PDA Quick Response does not appear to allow for making distinctions when multiple PDAs have been submitted.

**C96031**

Please contact me at (713) 267-4221 when the clarification has been completed. My address is: Columbia Gulf, PO Box 883, Houston TX 77001-0683