

# Unauthorized Overruns

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- Big Picture: Today vs. Tomorrow

# Unauthorized Overruns

## Overview

- Transco is proposing a variety of changes to clarify the processes, make the tariff easier to understand, and to streamline and automate the unauthorized overrun process.

## Objectives

- Minimize the administrative effort of requesting prior gas day changes to recolor quantities initially labeled by Transco as Unauthorized Overruns.
- Minimize the number of days delivery point operators are subject to penalties.

## New terms

- Swing Service Delivery Point: A location at which a local distribution company, a municipality, an industrial customer, or a power generation plant takes deliveries of gas from Transco's system. Points subject to Unauthorized Overruns.
- Unused Capacity: The difference between the delivery constraint package quantity that is made available and posted on the EBB by Transco each day and the sum of the allocated quantities for that day for like priority of service transactions at Swing Service Delivery Points downstream of the constraint. (i.e., if the package is for FT secondary and IT quantities then the allocated quantities would be for FT secondary and IT only)
- Swing Service Overtake: The quantity allocated at a Swing Service Delivery Point in a high burn situation when the PDAs provided by the delivery point operator pursuant to Section 18.1(a) are not sufficient for Seller to allocate the total measured quantity, and (i) there are no constraints on Seller's pipeline system affecting the Swing Service Delivery Point or (ii) there is unused capacity through a constraint point affecting the Swing Service Delivery Point.

## New Information Available on Public EBB

- Enhanced OAC at Delivery Based Constraint Points report detailing by priority of service, the amount scheduled against the package. Will be updated after each nomination/confirmation cycle completes and each time a new constraint is specified by Transco.
- Swing Service Delivery Points impacted by Delivery Based Constraints. Will list all constraints along the pipeline and whether such constraint impacts service available at each Swing Service Delivery Point. Will be updated each time a new constraint is specified by Transco.
- Unused capacity at each constraint. This report would be initially published after the gas day ends and Transco provides the initial allocation of gas quantities, for prior gas days and updated prospectively each time a new constraint is specified by Transco.

# New Report: Enhanced Operationally Available Capacity at Delivery Based Constraint Points

## Pipeline and Location Delivery Point Constraints

Gas Day \_\_\_\_\_ Cycle \_\_\_\_\_ (report timely, evening, ID1 or ID2)

All quantities reported as Mdt/day

Location Number	(a) Location Name	Location Type	(b) Available Capacity		(c) Sec Firm Sched	(c) Sec Firm PDAs	(c) IT Sched	(c) IT PDAs	(d) Total Sched	(e) Quantity Available
1001297	Compressor Station 90	Segment	500	2	100	250	50	0	400	100
1000146	Compressor Station 170	Segment	unrestricted	2	-----Do not report any volumes-----					
1001299	Compressor Station 180	Segment	0	2	CLOSED					
1000166	Compressor Station 190	Segment	200	2	0	50	50	100	200	0
1006560	Leidy Line 505	Segment	unrestricted	2	-----Do not report any volumes-----					
1000200	Leidy Line 520	Segment	unrestricted	2	-----Do not report any volumes-----					
1001300	Linden	Segment	200	2	0	0	0	200	200	0
1001301	Mobile Bay Lateral	Segment	450	2	100	100	0	0	200	250
1001280	S Virginia Lateral	Segment	144	2	44	100	0	0	144	0

2 Interruptible transportation service (secondary Firm Transportation (FT) and Interruptible Transportation (IT)) received upstream for delivery downstream of the identified area

- Value: Helps shippers assess the likelihood of requests being scheduled by Transco

## New Report: Swing Service Delivery Points Impacted by Delivery Based Constraints

Zn	Loc ID	Loc Name	ST	Line ID	Line	Mile Post	Station 90 (811.129)	Station 130 (1124.71)	Station 170 (1457.97)	Station 180 (1540.371)	Station 190 (1628.78)	Linden (1808.191)
5	1006173	CGS-Lynchberg	VA	1	Mainline	1439.5	•	•				
5	9001041	Antioch Power Plant	VA	1	Mainline	1502.3	•	•	•			
5	9000068	Louisa Road Power Plant M7387	VA	1	Mainline	1519.9	•	•	•			
5	1003419	Columbia Commonwealth Delivery	VA	1	Mainline	1534.4	•	•	•			
5	9001420	Marsh Run M7391	VA	1	Mainline	1558.9	•	•	•	•		
5	1003075	Remington	VA	1	Mainline	1560.6	•	•	•	•		
5	1006585	Washington Gas Light Company	VA	1	Mainline	1598.2	•	•	•	•		
6	1005621	Owings Mills M7379	MD	1	Mainline	1652.5	•	•	•	•	•	

- Value: Quick reference for shippers to determine constraint packages impacting forward haul deliveries to each Swing Service Delivery Point on Transco's system.

# New Report: Unused Capacity

## Pipeline and Location Delivery Point Constraints - Physically Used

Gas Day \_\_\_\_\_ As of \_\_\_\_\_ (Calendar Date)

All quantities reported as Mdt/day

Location Number	(a) Location Name	Location Type	(b) Available Capacity		(c) Amount Available for Swing Service Overtakes	OVR Penalties <u>may</u> apply downstream of constraint
1001297	Compressor Station 90	Segment	500	2	400	No
1000146	Compressor Station 170	Segment	unrestricted	2		No
1001299	Compressor Station 180	Segment	0	2	0	Yes
1000166	Compressor Station 190	Segment	200	2	0	Yes
1006560	Leidy Line 505	Segment	unrestricted	2		No
1000200	Leidy Line 520	Segment	unrestricted	2		No
1001300	Linden	Segment	200	2	100	No
1001301	Mobile Bay Lateral	Segment	450	2	250	No
1001280	S Virginia Lateral	Segment	144	2	14	No

2 Interruptible transportation service (secondary Firm Transportation (FT) and Interruptible Transportation (IT)) received upstream for delivery downstream of the identified area

- Value: Identifies where Swing Service Overtake Volumes are available and indicates where Overrun penalties may apply
- Report will be available for prior gas days

## New Report: New Information Available for Delivery Point Operators

- Reflects locations in overrun, what firm services are available and suggestions for prior gas day changes to minimize overrun
- Will specify contracts with unused segment capacity at gate (forward haul and backhaul), the cost of the transaction and the number of parties required to confirm the prior gas day change
- More details coming soon



# Big Picture: Today vs. Tomorrow

Today

Alloc Flow Day	Station 90 Delivery Constraint (IT & Secondary)	Quantity Available (OAC)	Allocated through Constraint	Unused Capacity	Operator	Volume Subject to Overrun	Swing Service Overtake
Day 1	500	0	N/A	N/A	A	200	N/A
					B	200	N/A
					C	200	N/A

Tomorrow

Alloc Flow Day	Station 90 Delivery Constraint (IT & Secondary)	Quantity Available (OAC)	Allocated through Constraint <sup>1</sup>	Unused Capacity <sup>2</sup>	Operator	Volume Subject to Overrun <sup>3</sup>	Swing Service Overtake <sup>4</sup>
Day 1	500	0	200	<b>300</b>	A	100	<b>100</b>
					B	100	<b>100</b>
					C	100	<b>100</b>

<sup>1</sup> Aggregated IT/Secondary PDAs downstream of delivery constraint

<sup>2</sup> Difference between St 90 constraint and allocated through delivery constraint

<sup>3</sup> Subject to Tiering (I, II, III) penalty

<sup>4</sup> Billed at IT max rate (Zn 3 – Delivery Point)

# Summary of Changes for Unauthorized Overrun

- New Terms
  - Swing Service Delivery Point
  - Unused Capacity
  - Swing Service Overtake
- Three reports on Public EBB
  - Enhanced OAC at Delivery Based Constraints
  - Swing Service Delivery Points
  - Unused Capacity
- Delivery Point Operator report
- Big Picture: Today vs. Tomorrow

# Unauthorized Overrun: How does it work?

## No Constraints Impacting the Deliveries

- If a delivery point is downstream of any constraints, and the measured quantity is not fully allocated in accordance with Section 18.1(a) of the GT&C, then the remaining quantity will be allocated as Swing Service Overtake.
- The quantity allocated as Swing Service Overtake will be billed the IT rate from Zone 3 to point of delivery.
- Customers may continue to request prior gas day changes.

<b>Constraint Station 90 - Amount of unused capacity:</b>				<b>OPEN</b>		
<b>(a) Location</b>	<b>(b) Meas</b>	<b>(c) Alloc</b>	<b>(d) Unalloc</b>	<b>(e) Volume remaining subject to Overrun</b>	<b>(f) Volume allocated as Swing Service Overtake</b>	<b>(g) IT max rate (3-4)</b>
Location A	10,000	9,000	1,000	1,000	1,000	\$ 0.27363
Location B	20,000	15,500	4,500	4,500	4,500	\$ 0.27363
Location C	35,000	34,000	1,000	1,000	1,000	\$ 0.27363
Location D	30,000	20,000	10,000	10,000	10,000	\$ 0.27363
<b>Totals</b>	<b>95,000</b>	<b>78,500</b>	<b>16,500</b>	<b>16,500</b>	<b>16,500</b>	

# Constraint Point is Fully Utilized

- If a constraint point quantity is specified by Transco and is physically full, all quantities through that constraint subject to overrun will be allocated as Unauthorized Overrun and subject to tiering penalties.
- Customers may continue to request prior gas day changes.

**Constraint Station 90 - Amount of unused capacity: 0**

(a) Location	(b) Meas	(c) Alloc	(d) Unalloc	(e) Volume allocated as Swing Service Overtake	(f) Volume remaining subject to Overrun	(g) Dispatching Variation	(h) Overrun Tier 1 Tolerance @ IT rate (3-4)	(i) Tier 2: 50 dts @ \$ 2.50	(j) Remaining volumes @ \$50	(k) Total
Location A	10,000	9,000	1,000	0	1,000	1,000	\$ 273.63			\$ 273.63
Location B	20,000	15,500	4,500	0	4,500	3,000	\$ 820.89	\$ 125.00	\$ 72,500.00	\$ 73,445.89
Location C	35,000	34,000	1,000	0	1,000	800	\$ 218.90	\$ 125.00	\$ 7,500.00	\$ 7,843.90
Location D	30,000	20,000	10,000	0	10,000	850	\$ 232.59	\$ 125.00	\$ 455,000.00	\$ 455,357.59
<b>Totals</b>	<b>95,000</b>	<b>78,500</b>	<b>16,500</b>	<b>0</b>	<b>16,500</b>		<b>\$ 1,546.01</b>	<b>\$ 375.00</b>	<b>\$ 535,000.00</b>	<b>\$ 536,921.01</b>

## Constraint Point Impacts Deliveries AND Capacity is Available

- If the constraint has unused capacity (see Unused Capacity Report), the volume is distributed to the Delivery Point Operators through the constraint who have elected to receive Swing Service Overtakes AND have quantities that are unallocated. The distribution is based on the total amount needed.

Constraint Station 90 - Amount of unused capacity:						2,500	
(a) Location	(b) Meas	(c) Alloc	(d) Unalloc	(e) % of total Unalloc	(f) Portion of unutilized capacity	(g) IT max rate (3-4)	(h) Billed as Swing Service Overtake
Location A	10,000	9,000	1,000	6.06%	152	\$ 0.27363	\$41.59
Location B	20,000	15,500	4,500	27.27%	681	\$ 0.27363	\$186.34
Location C	35,000	34,000	1,000	6.06%	152	\$ 0.27363	\$41.59
Location D	30,000	20,000	10,000	60.61%	1515	\$ 0.27363	\$414.55
<b>Totals</b>	<b>95,000</b>	<b>78,500</b>	<b>16,500</b>	<b>100.00%</b>	<b>2500</b>		<b>\$684.08</b>

(i) Volume remaining subject to Overrun	(j) Dispatching Variation	(k) Overrun Tier 1 @ IT max rate (3-4)	(l) Tier 2	(m) Tier 3	(n) Total
848	1,000	\$ 232.04			\$ 232.04
3,819	3,000	\$ 820.89	\$ 125.00	\$ 38,400.00	\$ 39,345.89
848	800	\$ 218.90	\$ 120.00		\$ 338.90
8,485	850	\$ 232.59	\$ 125.00	\$379,250.00	\$379,607.59
<b>14,000</b>		<b>\$ 1,504.42</b>	<b>\$ 370.00</b>	<b>\$379,250.00</b>	<b>\$381,124.42</b>

# Putting it all together – Step 1

- Using Location D and our previous example of a constraint at Station 90, we begin the process of calculating overrun at the location. Following the close of the gas day, Transco allocates based on the delivery point operator instructions provided in accordance with Section 18.1(a) of the GT&C and identifies that this location has unallocated quantities:
  - Operator Instructions
    - Scheduled, Limit Values and Ranks.
    - 10,000 Unallocated

<b>Delivery Point Loc D: Operator is ABC; total takes/measured is 30,000</b>								
(a) Contract	(b) Shipper	(c) Contract MDQ	(d) Contract Type	(e) Scheduled	(f) Limit Value	(g) Alloc	(h) Meas	(i) Subject to Overrun
1	ABC	10000	FT/Primary	5000	5000	10000		
2	ABC	5000	GSS/Primary	4000	1000	5000		
3	DEF		IT	2000	3000	5000		
			SS-OVR			0		
			OVR			0		
	<b>Total</b>			<b>11000</b>	<b>9000</b>	<b>20000</b>	30000	<b>10000</b>

## Putting it all together – Step 2

- Swing Service Overtake

- Having identified that there is available physical space through the constraint along the transportation path of 2,500, Loc D is allocated a pro-rata quantity (based on quantity needed by all delivery point operators downstream of the constraint) beginning the night following the end of the gas day (during the nightly retro batch process).
  - The quantity allocated as Swing Service Overtake will be billed the IT rate from Zone 3 to point of delivery.
  - Volumes will be treated as deliveries and as an imbalance.

<b>Delivery Point Loc D: Operator is ABC; total takes/measured is 30,000</b>								
(a) Contract	(b) Shipper	(c) Contract MDQ	(d) Contract Type	(e) Scheduled	(f) Limit Value	(g) Alloc	(h) Meas	(i) Subject to Overrun
1	ABC	10000	FT/Primary	5000	5000	10000		
2	ABC	5000	GSS/Primary	4000	1000	5000		
3	DEF		IT	2000	3000	5000		
			SS-OVR			1515		
			OVR			0		
	<b>Total</b>			<b>11000</b>	<b>9000</b>	<b>21515</b>	30000	8485



## Putting it all together – Step 3

- Determining the allowable Daily Dispatching Variation –
  - Sum of (either 5% or 3.5% depending on the season) of the following:
    - Allocated quantities at the delivery point for primary FT, FT-G, FTN, FDLS, Firm X-Rate schedules, GSS and S-2
    - Scheduled secondary FT, FT-G and FTN
    - Scheduled IT, interruptible X-Rate schedules and IDLS

### Daily Dispatching Variance:

<b>Allocated</b>	10000	FT/Primary	
<b>Allocated</b>	5000	GSS/Primary	
<b>Scheduled</b>	2000	IT	
<b>Total</b>	<b>17000</b>	0.05	<b>850</b> Tier 1 Volume
		0.035	595

# Final Step – Overrun tiering

- Unauthorized Daily Overrun

- Any volume in excess of the following:
  - Sum of all firm and interruptible transportation and storage services allocated quantities for all parties at the delivery point
  - Delivery Point Swing Service Overtake quantity
- Excess volume will be allocated as Unauthorized Overrun and priced as follows:
  - Unauthorized Overrun = 8,485
  - Tier 1: Tolerance allowed (5% = 850) @ IT rate (Zone 3 to delivery point)
  - Tier 2: Next 50 DTs @ \$2.50
  - Tier 3: Remaining volume of 7,585 @ \$50 or 3 three times the highest weekly Reference Spot Price

Unauthorized Overrun	All volumes allocated
10000	FT/Primary
5000	GSS/Primary
5000	IT
1515	SS-OVR
21515	Total allocated
30000	Measured
8485	Unauthorized OVR

Constraint Station 90: Amount of unused capacity:						2,500
(a) Location	(b) Meas	(c) Alloc	(d) Unalloc	(e) % of total Unalloc	(f) Pro-rata share of unused capacity and allocated to Swing Service Overtake Admin K	(g) Volume remaining subject to Overrun
Location A	10,000	9,000	1,000	6.06%	152	848
Location B	20,000	15,500	4,500	27.27%	682	3,818
Location C	35,000	34,000	1,000	6.06%	152	848
Location D	30,000	20,000	10,000	60.61%	1,515	8,485
<b>Totals</b>	<b>95,000</b>	<b>78,500</b>	<b>16,500</b>	<b>100.00%</b>	<b>2,500</b>	<b>14,000</b>

**Delivery Point Loc D: Operator is ABC; total takes/measured is 30,000**

(a) Contract	(b) Shipper	(c) Contract MDQ	(d) Contract Type	(e) Scheduled	(f) Limit Value	(g) Alloc	(h) Meas	(i) Subject to Overrun
1	ABC	10000	FT/Primary	5000	5000	10000		
2	ABC	5000	GSS/Primary	4000	1000	5000		
3	DEF		IT	2000	3000	5000		
			<b>SS-OVR</b>			<b>1515</b>		
	<b>Total</b>			<b>11000</b>	<b>9000</b>	<b>21515</b>	30000	<b>8485</b>

Daily Dispatching Variance:			
Allocated	10000	FT/Primary	
Allocated	5000	GSS/Primary	
Scheduled	2000	IT	
<b>Total</b>	<b>17000</b>	0.05	<b>850</b>
		0.035	595

Dispatching  
Variation

Unauthorized Overrun	All volumes allocated
10000	FT/Primary
5000	GSS/Primary
5000	IT
<b>1515</b>	<b>SS-OVR</b>
21515	Total allocated
30000	Measured
<b>8485</b>	<b>Unauthorized OVR</b>

**T1 = 850 T2 = 50 T3 = 7,585 Total = 8,485**

## Unauthorized Overrun Example Recap

- No Constraints Impacting the Deliveries
- Constraint Point is Fully Utilized
- Constraint Point Impacts Deliveries AND Capacity is Available
- Steps to calculate SS-OVR and Overrun tiers