Training Module

Imbalance Resolution

This module is designed to give you information regarding the managing and resolution of imbalances.

Transco
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Important Information – Please Read

The information provided herein is for informational purposes only and does not modify any provision in Transco’s FERC Gas Tariff. If a conflict exists between this information and Transco’s FERC Gas Tariff, the provisions in Transco’s FERC Gas Tariff apply. Transco makes no representation or warranty as to the completeness or accuracy of this information. Transco shall not be liable for any informational errors, incompleteness or delays, or for any actions taken in reliance on this information.

To review the tariff language specific to any topic, go to Transco’s Informational Postings page, and select Tariff from the left hand navigation menu.
Introduction

This module will discuss 1Line tools available to monitor and then minimize (through makeup and then netting and trading) imbalances on the pipeline, until the final imbalance resolution by cash out is reached.

Accounting Period vs. Production Month

The Production month is the month in which flow occurs. The Accounting month represents when the activity occurred. The balances timeline is a two-month process. The first month is the production month in which the imbalances are created, and the second month is when the resolution of the imbalance occurs. In the current accounting month, you can make-up imbalances that occur during the month. For the first 17 business days of the current accounting period you can trade the previous month imbalances. The imbalances not traded at the end of the 17 business days will be cashed out and shown on the current month invoice. A diagram is shown below of this process.

Monitoring Imbalances

Imbalances occur when the allocated delivery amount is greater or less than the allocated receipt amount. Each day, imbalances are added together and grouped by Contract/ Zone/OIA. They are calculated daily and held at the transaction level. If a party is in a Due To position, they are long on the pipeline and the pipeline owes the shipper gas. If a party is in a Due From position, they are short on the pipeline and owe the pipeline gas. Imbalances are subject to change until allocations are closed for the production month, generally the 5th or 6th of the following month.
Viewing Monthly Summary

The Monthly Summary page in 1Line is one place where your imbalances may be viewed. This page gives you a snapshot of your current imbalance situation. The Monthly Summary page allows you to view your month-to-date imbalance by Zones and OIAs. You also have the option of looking at your imbalance at the Aggregated level or Daily Transaction level.

To view your current month imbalances:

1. **Select: Navigation > Flowing Gas > Imbalance > Monthly Summary**

2. Fill in the required **Accounting Period** and **Svc Requester** fields.
   *(select additional filters to refine your search)*
3. Click **Retrieve**.
   - You will see that your imbalance data is available through the previous gas day. This summary view only displays contracts that have an imbalance.
   - If you would like to view your month to-date imbalance on all your contracts, you will need to check the “Display Zero Imbalances” box. Imbalances are grouped by OIA/Zone.

### View Aggregated Transactions
To view Aggregated imbalances for a contract from the Monthly Summary page:
Select any row and select **Actions Menu or right click menu to > View Aggregated Transactions**.
- A list of Transactions will populate together with a date range based on the same criteria

### View Daily Transactions
To view daily imbalances for a contract from the Monthly Summary page, select **Actions Menu or right click menu to > View Daily Transactions**.
- A list of Transactions will populate by Flow Date.
You will be able to see the flow date, transaction type, receipt and delivery allocated quantities as well as the ending imbalance quantity amounts. (select additional filters to refine your search)

**View Zone to Zone Imbalances**

To view zone to zone imbalances for a transaction from the Monthly Summary page, select **Actions Menu or right click menu to view Zone to Zone Imbalance**. This page will assist you in determining what amount of your imbalance is a no-haul vs. a haul.

- No Haul Imbalance Transaction – Receipt & Delivery combination are at the same milepost (pool to pool transactions at the same milepost)
- Haul Imbalance Transaction – Receipt & Delivery combination are at different mileposts; the pipe will collect fuel on all haul transactions

In this example, if you want to make-up your Due From imbalance, you must nominate a receipt make-up TT 04. Since the imbalance resides in the zone of receipt, you must source your payback nom in zone 5 (since it is a haul transaction) and use the zone 5 delivery payback location 9006447 (see list below for delivery locations and make-up rules).
Make-up Transactions

One way to mitigate imbalances during the month is using make-up transactions. The make-up nominations use Transaction Type (TT) 03 or 04. To see if the pipeline’s operating conditions are currently allowing for the acceptance of make-up transactions, check the Informational Postings page under the Pipeline Conditions heading. Imbalances are held in the zone of receipt; therefore, make-up transactions also need to be sourced in the zone of receipt.

**Navigation** > **Flowing Gas** > **Imbalance** > **Monthly Summary** > **View Zone to Zone Imbalance**

**Due To Shipper (DT)/Transaction Type 03/Delivery Makeup** *(Long to the Pipe)*
- Transportation is assessed on delivery makeup transactions
- Delivery makeup transactions will use contract MDQ

**Due From Shipper (DF)/Transaction Type 04/Receipt Makeup** *(Short to the Pipe)*

When nominating receipt makeup (TT04) haul transaction imbalances, shippers must use one of the delivery payback locations listed below based on the creation of the imbalance path. *(use the “Receipt to Delivery Zone/OIA” on the View Zone to Zone Imbalance page to reference nom path for TT03 & TT04).*

<table>
<thead>
<tr>
<th>Zone</th>
<th>Del Payback Location ID</th>
<th>ShortName</th>
<th>Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9006442</td>
<td>ZONE (1) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>2</td>
<td>9006443</td>
<td>ZONE (2) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>3</td>
<td>9006444</td>
<td>ZONE (3) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>4</td>
<td>9006445</td>
<td>ZONE (4) OIA (1) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>4</td>
<td>9006446</td>
<td>ZONE (4) OIA (2) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>5</td>
<td>9006447</td>
<td>ZONE (5) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>6</td>
<td>9006448</td>
<td>ZONE (6) OIA (3) PAYBACK</td>
<td>Mainline</td>
</tr>
<tr>
<td>4A</td>
<td>9006449</td>
<td>ZONE (4A) PAYBACK</td>
<td>Mobile Bay Lateral</td>
</tr>
<tr>
<td>4B</td>
<td>9006450</td>
<td>ZONE (4B) PAYBACK</td>
<td>Mobile Bay Lateral</td>
</tr>
<tr>
<td>6</td>
<td>9008767</td>
<td>ZONE (6) OIA (4) PAYBACK</td>
<td>Leidy Line</td>
</tr>
<tr>
<td>6</td>
<td>9009366</td>
<td>ROCKAWAY FDLS MKUP</td>
<td>DLS Rockaway</td>
</tr>
<tr>
<td>6</td>
<td>9009367</td>
<td>DELTA FDLS MKUP</td>
<td>DLS Delta</td>
</tr>
<tr>
<td>6</td>
<td>9009368</td>
<td>BAYONNE FDLS MKUP</td>
<td>DLS Bayonne</td>
</tr>
<tr>
<td>6</td>
<td>9009369</td>
<td>WOODBRIDGE FDLS MKUP</td>
<td>DLS Woodbridge</td>
</tr>
</tbody>
</table>
Make-up Validations

- The cumulative imbalance in the OIA/Zone will be evaluated first at the Service Requester/Billable Party level.

- Shippers can makeup imbalances on each contract that has the imbalance in the OIA/Zone. However, makeup will only be scheduled up to the overall cumulative imbalance in the OIA/Zone. The makeup transaction cannot increase or make the cumulative imbalance position flip in the zone.

Imbalance Trading

Once the production month has ended, customers have the option to trade their eligible imbalances. **Caution: trading prior to the close of allocations may potentially worsen, rather than improve, your imbalance position if changes to allocated quantities occur between the time you trade and when allocations close.** When allocations are final, it will be indicated under the **Monthly Status** tab on the **Informational Postings** page. Prior month imbalances can be traded from the 1st of the month until midnight of the 17th business day. Trading can be done across zones but must be within the same OIA. Only users with the **Trade Balances** role can create or edit trades. Once an imbalance has been traded and confirmed, it **CANNOT** be undone.

Trading Fees

When shippers trade across zones within an OIA, the shipper with the **Due To** imbalance will be assessed a trading fee and any applicable fuel. The fees assessed are based on the type of contract (i.e. FT, IT, etc.). If a trade is done within the same zone or is a backhaul, no fee is assessed. For more information on Trading Fees refer to Section 25.4 of the General Terms and Conditions in Transco’s FERC Gas Tariff.
**PPA Included Contract Indicator**

The Prior Period Adjustment (PPA) Included Indicator is an indicator that instructs Line how to handle PPAs. The **PPA Included** Indicator indicates when and how imbalances are cashed out. If you have the **View Contract** Role, you may see the PPA Indicator setting.

**The PPA Indicator must be set prior to the first of any month in order to be effective for that month.** Changes may be requested by sending an e-mail to your Transportation Services Representative. The Indicator setting will apply to any PPAs that are made during that month, regardless of the original production month. The **PPA Indicator is set to Yes by default.** The implications of the PPA Indicator setting are detailed below:

**PPA Included Contract Indicator = YES**
- Rolls any PPAs into the current month’s imbalance
- Imbalance can be traded
- Imbalance is cashed out at the end of the 17th business day.
- Imbalance is traded at the contract level.
- Imbalance is cashed out at the current month price.

**PPA Included Contract Indicator = NO**
- PPAs made in the current month are held separately by production month
- Imbalance is not tradable.
- Imbalance is cashed out following the procedures listed below:
  - PPAs that reduce the imbalance will have the imbalance recalculated reducing the highest billed tier first and progressing through lower tiers until the entire difference has been allocated.
  - PPAs that increase the imbalance will be cashed out at the highest priced tier originally billed.
  - PPAs that change the imbalance direction (DF to DT or DT to DF) will have the difference cashed out at the average of the weekly Reference Spot Prices applicable to that month.

**Viewing the PPA Indicator**

1. Select **Navigation> Contracts> Requests/Contracts**
2. Fill in the Service Requester field or any other fields of your choice, and then select **Refresh**.
3. A list of contracts will be displayed on the bottom half of the screen.
4. Select a **Contract** and then select **Actions> Additional Contract Information**
5. Select Retrieve

6. From the **Contract Indicators** section you will be able to see all the contract indicators for the contract. The PPA indicator will be the third column from the left.

**Trade Summary Page**

This page shows all information pertaining to managing potential trades and monitoring your postings.

1. To view the **Trade Summary** screen, select **Navigation>Flowing Gas>Imbalance Trade> Trade Summary.**

   ![Trade Summary Screen](image)

2. The current or earliest trading period and latest imbalance data available will be displayed. Fill in your **Svc Requester ID** and any other information and then select **Retrieve.**
Trade Summary Actions:

Create Self Trade – All your contracts with imbalances to trade will carry over to the Create Trade page and match in the opposite direction your own imbalances to offset.

Create Trade – Must select at least one contract with a remaining imbalance which will carry over to the Create Trade page and match in the opposite direction ALL imbalances to offset.

Post/Unpost Imbalance(s) – Gives you the ability to manually post/unpost your imbalances or to post/unpost 100% of your imbalance.

Posted Trade Contact Filter:

There is a drop-down filter for Posted Trade Contact. This has been provided to allow any contact with the trade balances role to set anyone else with the same role as the person to contact when posting imbalances. If a Balance Trade Contact has been set, that person’s name will appear first in the list and the person who initiated the trade is shown on the Informational Postings page.
3. To manually post your imbalances select the appropriate row and fill in the **Posted Amount** and the **Posted Date**.

4. Then **Select Post/Unpost Imbalances** from the actions menu or right click.
   - To Post all imbalances, check the **Select All for Post/Unpost 100% of Imbalance** checkbox
   - If you check the Post 100% checkbox the entire amount will be posted

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**Create Trade Page**

Going to the **Create Trade** page directly from the Navigation bar provides a blank worksheet to build trades and submit them in pending status or save them in WIP status.

It is recommended you go to the **Create Trade** page from the **Trade Summary** page which brings over any imbalances you have to trade.

There are three types of trades:

**Self trade** – the initiating party is the same as the confirming party.
Pre-arranged – the initiating party must know the confirming party’s contract number. Confirming party’s contract does not have to be posted.

Non-prearranged – the initiating party can choose from a list of imbalances available for transfer, provided that the posted imbalance is greater than or equal to the amount being transferred.

The party with the DT (Long) imbalance is responsible for all fuel and trading fees. Either party can initiate a trade.

On the Create Trade page, information populated in the master section of the page will automatically filter for and display imbalances in the opposite direction in the same OIA.

Examples:
   a. Initiating a DT imbalance trade in Zone 1 will yield all DF imbalances in OIA 1
   b. Initiating a DF imbalance trade in Zone 5 will yield all DT imbalances in OIA 2
   c. Initiating a DT & DF imbalance trade in Zone 1 will yield both DT & DF imbalances in OIA 1.
   d. Initiating a DT & DF imbalance trade in Zone 5 will yield both DT & DF imbalances in OIA 2.

Create Trade Page Actions

Calculate Fuel/Validate – Allows you calculate any fuel percentages.
Create Trade – Allows you to conduct trades and view imbalances.
Save Trade as WIP - Allows you to save the trade as a work in progress. Similar to what you do to a nomination.
Self Trade Submit/Confirm – Allows you to submit the trade(s) and confirm at the same time if you are trading with yourself.
Submit Trade - Allows you to submit the trade(s) in pending.
View Available Trades - Allows you to view trades that are in the opposite direction.

Creating a Trade

1. From the Trade Summary page, select the imbalance(s) to be traded and either from the Action Menu or right click menu select the action Create Trade.
2. The action **Create Trade** sends you to the Create Trade page which you will see a list of all the posted imbalances that are in the opposite direction of your imbalance.

3. On the Trade List, the system will automatically pair your imbalance with an opposite imbalance. Select **Submit Trade** if you are ok with the pairing. This will put your trade in Pending status.
4. If you want to change how your imbalance was paired, you may select the contract you want to trade with from the Posted List and select the **Create Trade** action from your right-click menu. Both the initiating party and confirming party will be populated and once you verify your information select the **Submit Trade** action.

5. A message will appear at the top of the screen if the trade is successful. You will still need to confirm the trade on the Trade Details page.
Creating a Self Trade

1. From the **Trade Summary** page select the action **Create Self Trade**. This will take you to the Create Trade page and only show you your imbalances in the opposite direction as opposed to all imbalances.

2. However, if you want to see all trades available select All Trades Available and Retrieve. This applies to the action Create Trade as well if you only want to see Self Trades Only.
3. Select the record of choice as described under steps 3 and 4 under Creating a Trade and then select Actions> Submit Trade and put the trade in Pending status or select the action Self Trade Submit/Confirm.

- If Submit Trade was selected, you will still have to confirm the trade on the Trade Details page.

**Trade Details**

The Trade Details page allows you to manage and review trades and see all trading transactions in an Accounting Period. From this page you can confirm, submit, edit, reject or withdraw imbalance trades. If you are the Trade Agent you may also conduct trades.

**Trade Details Actions**

**Calculate Fuel/ Validate WIP** – Allows you to calculate any costs incurred through trading.

**Comments** - Allows the trading parties to put comments that can be viewed internally or externally as a tool to communicate. This allows you to put notes on trades.

**Confirm Pending** – Allows you to confirm a pending trade.

**Delete WIP** – Allows you to delete any WIP trades that have not yet been submitted.

**Edit WIP** – Allows you to edit any WIP trades that may have been submitted.

**Reject Pending** – Allows you to reject a trade prior to being confirmed.

**Submit WIP** – Allows you to submit a WIP trade but does not confirm it.

**Withdraw Pending** – Allows you to withdraw a trade that is pending.

**Status (filter)**– Allows you to zero in on more specific trades. Statuses include: Confirmed, Expired, Pending, Rejected, WIP and Withdrawn

1. To get to the Trade Details page select Navigation>Flowing Gas> Imbalance Trade> Trade Details

2. Once you arrive at the Trade Details Page, you can confirm or reject any pending trades that you have. The confirming party will also go to this page to confirm or reject a trade.
- A Tracking ID (Trk ID) number corresponds with each trade

3. Input comments related to the trade(s), if desired. To input comments, select the row, key in comments of the applicable trades, and select the Comments action.
4. Type in comments
5. Set the **Visibility Label**

*Note: Comments may be viewable by other parties. Set the Visibility Label to Internal Only if you do not want the Comment to be viewed by the other party to the trade.*

6. Select **Save**

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**Auto Post Imbalances**

The **Auto Post Imbalance** page displays the latest auto post indicator for the tradable active contract. The effective date of any changes to this Indicator is always the first of the next calendar month after the indicator is changed. If the Indicator is set to Yes, then on the first of the next month the balances will automatically post to the **Informational Postings** page under **Posted Imbalances**. Imbalances can be set up to automatically post each month or to be manually posted/un-posted on a daily basis. Posting your imbalance allows the Public to see your imbalance available for trade. The Contact on the Posted Imbalance defaults to the person who posted the imbalance to the public EBB for trading.

1. To Auto Post your imbalance **Select: Navigation> Flowing Gas> Imbalance> Authorization to Post Imbalances**

2. From this screen you will be able to turn AutoPost On or Off. Select the contract(s) you would like to post or unpost, then right click or go to the Actions...
menu on the right top corner and select AutoPost On/Off (it is on until you turn it off or vice versa).

3. You will then see a time stamp with the new information on the right side.

4. To view all Posted Imbalances, go to the Informational Postings page from the left hand menu and select Posted Imbalances>Posted Imbalances.

**Netting**

TFO (Transport for Others) Imbalances are kept at the contract level during the trading period. Netting by zone occurs once the trade period has ended (at midnight on the 17th business day of the month following gas flow).

**Cash Out**

Cash out occurs after the trading period has ended for the month (after the 17th business day). Once the trading period has ended, imbalances are cashed out and then reflected on the invoice. The Tariff section associated with cash out Provisions is Section 37.1 of the General Terms and Conditions.

The Cash Out Indices are posted on the Informational Postings Page in a Non-Critical Notice.
After the trade period ends, then the Minority/ Majority Cashout Indices are posted as non-critical notice on the Informational Postings page.

**Majority Sell**

If a customer has a Due From imbalance in a zone within an OIA, and the aggregate imbalance for all shippers (Buyers) in that zone within an OIA is also Due From, then that customer is defined as a majority shipper. The Majority Sell price will be applied to the imbalance.

**Minority Sell**

If a customer has a Due From imbalance in a zone within an OIA, and the aggregate imbalance for all shippers (Buyers) in that zone within an OIA is Due To, then the customer is defined as a minority shipper. The Minority Sell price will be used for cash out.

**Majority Buy**

If a customer has a Due To imbalance and all the others in the OIA are also in a Due To position, then the customer is defined as a majority shipper. The Majority Buy price will be used for cash out.

**Minority Buy**

If a customer has a Due To imbalance and all the others in the OIA are in a Due From position, then the customer is defined as a minority shipper. The Minority Buy price will be used for cash out.

**Imbalance Resolution Summary – Cash Out**

The Imbalance Resolution screen provides a summary of the Customer Level Charge Admin contract information at a zonal level. The view externally is based upon the combination of Service Requester, Billable Party, and Balance Trade Agent. To effectuate cash out we have created an admin contract that allows imbalances to net out by zone.

1. To see the Imbalance Resolution Summary select:
   **Navigation > Flowing Gas > Imbalance > Imbalance Resolution Summary**
2. Select the current Accounting Period and Service Requester and then select Retrieve.
3. From your list of admin contracts you can view the details by selecting any line item: **Actions Menu or Right-Click > View Imbalance Details**

4. You will then be able to see the individual contracts that have a balance to cash out. The contract totals are then added together and netted to give one total which is displayed at the bottom.

   **NOTE:** The cash out details ONLY appear AFTER the trade period has ended.

5. To View the Cash out Details you can select the **View Cashout Details** button and it will display the Cashout tiers.
Additional Tips

1. Fuel is assessed on forward haul trades. Backhauls are not charged fuel or trading fees.

2. When calculating fuel on forward haul trades, the zone of receipt is dropped since transportation to the zone has already been collected (i.e. imbalance resides in zone 1 and being traded to zone 3. Fuel is calculated from zone 2 to zone 3).

3. Self-Trades are set up automatically by the 1Line system within the same zone/OIA only. 1Line does not attempt to create trading scenarios which would result in the assessment of trading fees or fuel. The shipper is responsible for setting up these types of trades.

4. Pre-arranged imbalance trading does not require that the imbalances involved in the trade be posted.

Related Reports

Some reports that can be generated to assist with imbalance monitoring and trading are listed in the table below.

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Report Name</th>
<th>Report Description</th>
<th>Role Required to Access Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924</td>
<td>Daily Imbalance by Zone</td>
<td>Customer’s imbalance quantity, percent imbalance, and overall imbalance by Zone (volume and percent) for a day, or for a range of days</td>
<td>Billing and Invoice Charges View or Balances View</td>
</tr>
<tr>
<td>2414</td>
<td>Detail Park and Loan Balances</td>
<td>Detailed view of the PAL balances by contract.</td>
<td>Trade Balances</td>
</tr>
<tr>
<td>1916</td>
<td>Imbalance by Zone</td>
<td>Imbalance quantity, imbalance percentage, and overall imbalance for a customer by zone for both the trading period and the current month.</td>
<td>Balances View or Nominations View or Billable Party Commodity</td>
</tr>
<tr>
<td>1930</td>
<td>Imbalance Payback by Zone</td>
<td>Total system net imbalance information for a production month by zone.</td>
<td>Billing and Invoice Charges View</td>
</tr>
<tr>
<td>1915</td>
<td>Imbalance Summary By OIA/Zone</td>
<td>Total System net imbalance information after the trading period has closed for a production month; provides the total volumes for &lt;Due To&gt; and &lt;Due From&gt; on an OIA/Zone basis.</td>
<td>Balances View</td>
</tr>
<tr>
<td>1908</td>
<td>Shipper Imbalance Daily Statement &amp; Data File</td>
<td>Current month daily activities, any prior month adjustments, the prior month’s ending balance, and the current Accounting month’s ending balance. Can be run for a day, or for a range of days.</td>
<td>Billing and Invoice Charges View or Balances View</td>
</tr>
<tr>
<td>1929</td>
<td>Shipper Imbalance Information - Sortable by Receipt or Delivery &amp; Data File</td>
<td>Net Receipt, Delivery and Imbalance quantities for a production month/accounting period by BA and contract. Sortable by Receipt or Delivery.</td>
<td>Billing and Invoice Charges View</td>
</tr>
<tr>
<td>1925</td>
<td>Trade Details</td>
<td>Trade information including Initiating and Confirming party data, contract numbers, quantity traded, fuel quantity, Zone, OIA and dates of the trades.</td>
<td>Trade Balances or Balances View</td>
</tr>
</tbody>
</table>

Please call your Transportation Services representative with any questions on Imbalance Resolution.