



# Plant Thermal Reduction (PTR)



**Transco**

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# Plant Thermal Reduction

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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.

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# Plant Thermal Reduction

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## Overview

The subject of Plant Thermal Reduction encompasses the business process changes implemented due to the Tariff Change effective 04/01/2010.

## Processing On Transco

### What do I Need to Process at Terrebonne, Kaplan or Cameron Meadows?

Prior to processing gas at the **Terrebonne, Kaplan** or the **Cameron Meadows** plant for any month, processing parties must have the following in-place:

1. **A signed processing contract and election with the Plant Operator.**
  - a. **Terrebonne** is operated by Enterprise. Please contact your Transportation Services Representative to obtain the current contact at Enterprise for requesting a contract and setting an election.
  - b. The **Kaplan** and **Cameron Meadows Plants** are operated by PSI Midstream Partners, LP. Please contact your Transportation Services Representative to obtain the current contact at by PSI Midstream Partners, LP for requesting a contract and setting an election.
2. **A transportation contract with Transco.**
  - a. The transportation of replacement quantities to the **Terrebonne, Kaplan** or **Cameron Meadows** plant can be made under an FT (with points on the contract) or IT contract.
  - b. IT contracts must be **executed via 1Line**. Contact your Transportation Services Rep should you need assistance with this process.
3. **Nomination**
  - a. A "PTR" nomination needs to be in place that approximates the amount of shrinkage that will occur when the gas is processed.

## Nominations

### Nominating PTR Payback for Terrebonne, Kaplan, Cameron, Markham and Mobile Bay Processing Plants

Reductions in allocated receipt quantities due to processing (shrinkage) must be returned to the pipeline by nominating both a receipt location and delivery location via Plant

Thermal Reduction (TT5) nomination. Gas may be transported from any receipt location selected by the processing party and delivered to the plant on an FT or IT contract. The shrinkage percentages that should be used to estimate the quantity to be nominated as replacement gas are posted monthly in a Non-Critical notice on Transco's Info Postings page located at [www.1line.williams.com](http://www.1line.williams.com), and select "Info Postings" under Transco.

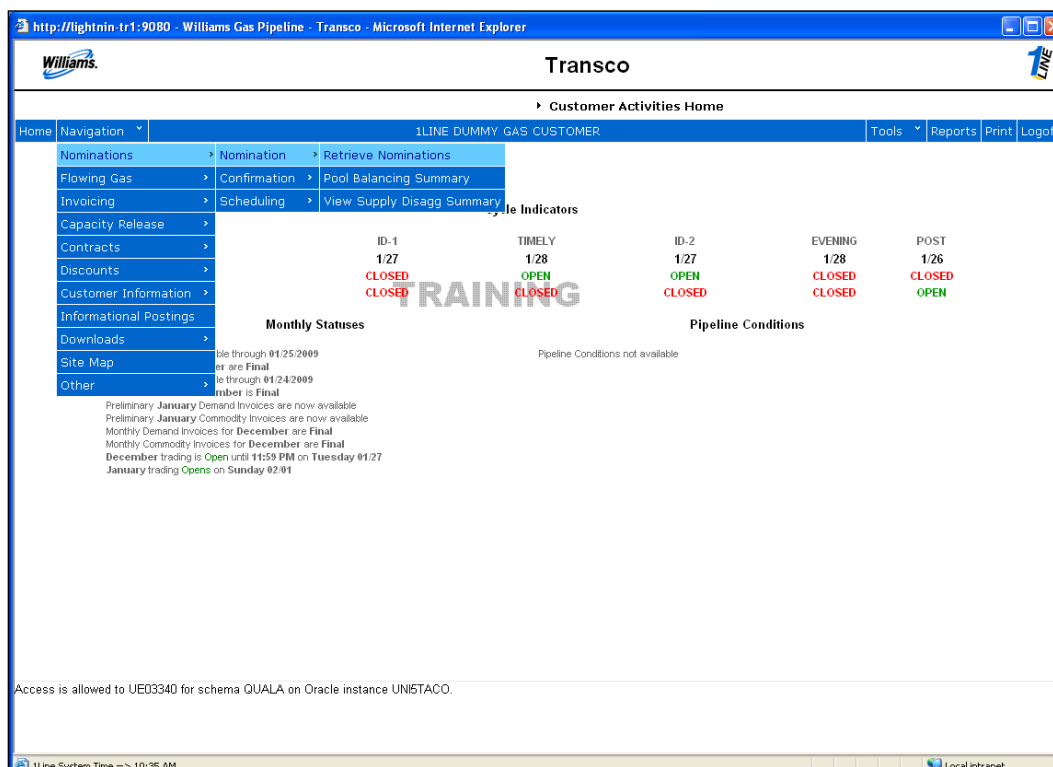
To avoid accumulating an imbalance with the pipeline, the receipt quantity on the Payback transaction should be calculated on a per day basis, in the same manner as the delivery, adding fuel, when applicable.

The formula used for calculating the estimated replacement PTR quantity is:

**Replacement PTR = sum of a producer's scheduled quantities for all transportation nominations \* estimated shrinkage percentage for the location \* percent that plant is processing (recovery level noted on posting)**

**To input the PTR Nomination in 1Line:**

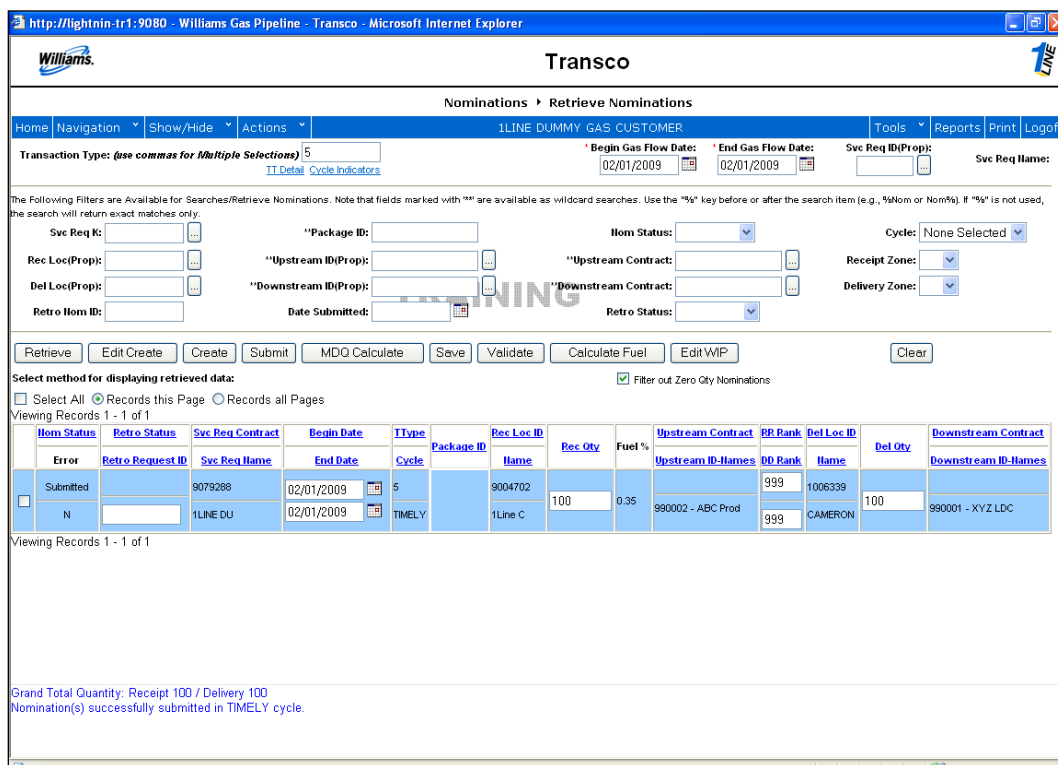
1. Log into 1Line, then select Navigation > Nominations > Nomination > Retrieve Nominations



2. In the **Transaction Type (TT)** field, enter a **5** (Plant Thermal Reduction)
3. Click on the **Create** button.

4. Fill in all applicable fields, using the template provided at the bottom of the page.
  - a. Upstream ID is always required and validated (must list valid Producer) at the receipt point. Using the Upstream ID lookup button will provide a list of valid producers for the location. **Selecting any producer (and not the correct one) can cause serious scheduling and allocation problems. If the location does not list the producer for which you are scheduling transport or replacement gas, please contact your Transportation Services Representative.**
  - b. Upstream Contract is optional.
  - c. Downstream ID and Downstream contract are required, but not validated.
  - d. Delivery location is Terrebonne (1000772), Kaplan (9003222), Cameron Meadows (1006339), Markham (1004465) and Mobile Bay (1002148)
5. When all required fields are filled-in, **Validate**, and then **Submit** the nomination.

**Cameron Meadows Example** (for Terrebonne, Kaplan, Markham and Mobile Bay, Plant ID listed above will replace the Cameron Meadows ID in the nomination):



Transco

Nominations > Retrieve Nominations

Home Navigation Show/Hide Actions 1LINE DUMMY GAS CUSTOMER Tools Reports Print Logoff

Transaction Type: (use commas for Multiple Selections) 5  
 TT Detail Cycle Indicators

Begin Gas Flow Date: 02/01/2009 End Gas Flow Date: 02/01/2009  
 Svc Req ID(Prop): Svc Req Name:

The Following Filters are Available for Searches/Retrieve Nominations. Note that fields marked with "\*" are available as wildcard searches. Use the "\*" key before or after the search item (e.g., %Nom or Nom%). If "\*" is not used, the search will return exact matches only.

Svc Req ID: \*Package ID: Nom Status: Cycle: None Selected  
 Rec Loc(Prop): \*Upstream ID(Prop): \*Upstream Contract: Receipt Zone:  
 Del Loc(Prop): \*Downstream ID(Prop): \*Downstream Contract: Delivery Zone:  
 Retro Nom ID: Date Submitted: Retro Status:

Retrieve Edit Create Create Submit MDQ Calculate Save Validate Calculate Fuel Edit WIP Clear

Select method for displaying retrieved data:  
☐ Select All ☒ Records this Page ☐ Records all Pages  
☒ Filter out Zero Qty Nominations

Nom Status	Retro Status	Svc Req Contract	Begin Date	TT Type	Package ID	Rec Loc ID	Rec Qty	Fuel %	Upstream Contract	RR Rank	Del Loc ID	Del Qty	Downstream Contract
Error	Retro Request ID	Svc Req Name	End Date	Cycle	Package ID	Name			Upstream ID-Names	RR Rank	Name		Downstream ID-Names
Submitted		9079288	02/01/2009	5		9004702	100	0.35	990002 - ABC Prod	999	1006339	100	990001 - XYZ LDC
N		1LINE DU	02/01/2009	TIMELY		1Line C				999	CAMERON		

Viewing Records 1 - 1 of 1

Grand Total Quantity: Receipt 100 / Delivery 100  
 Nomination(s) successfully submitted in TIMELY cycle.

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## Pre-determined Allocations (PDAs)

If the PTR replacement transaction is not ranked **first** in the PDA methodology, it is likely that the PTR transaction will be allocated either a greater or lesser quantity of gas than was scheduled, resulting in an imbalance with the pipeline. The receipt point Operator is responsible for providing the PDAs to Transco; therefore, any requests pertaining to PDAs (ranks) should be directed to the Operator of the receipt location.

## Prior Period Adjustments (PPAs)

The **Contract PPA Indicator** is used to specify the customer's election related to managing prior period adjustments. The two options are:

1. To include imbalances resulting from prior period adjustments with the current month imbalance and cash out at the current month price
2. To hold imbalances resulting from prior period adjustments separately and cash out at the original transaction month's average price.

The **Contract PPA Indicator must be set prior to the 1<sup>st</sup> day of the month**, and applies to any PPAs that are made during that month, regardless of the original production month. The default is YES, i.e. include PPAs in the current month imbalance. To change the indicator from YES to NO, a written request (e-mail, fax, or letter) for this change must be sent to a Transportation Services Representative prior to the first of the month for which it is to be changed.

The following table is a quick outline of the implications of changing the Contract Indicator to Yes or No:

What the Indicator Affects	PPA Indicator Yes	PPA Indicator No
Imbalances	Imbalance Trading of PPA quantities allowed.	Imbalance Trading of PPA quantities <u>NOT</u> allowed.
Cash out	Cash out PPA quantities at current month price.	Cash out PPA quantities at original production month average price.

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## Imbalances and Cash out (post-Production Month)

### Imbalances

The imbalance percentage on the contract on which PTR is nominated should be closely monitored during the month. During the month, an individual contract's imbalance percentage is calculated using the following formula:

$$\text{Imbalance Percentage} = \text{Imbalance} / \text{Total Delivered Quantity}$$

Imbalance percentages should be kept to a minimum (less than 1,000 dths, or 5%) to avoid potential penalties when cashed out, as described in Section 25 of the General Terms and Conditions of Transco's FERC Gas Tariff.

### Trading of Imbalances

Imbalances remaining on the contract on which PTR is nominated, as well as any other transportation contracts, are available for trading by the first business day of the month following the production month (although it is recommended that trading take place after the close of the Production month). Service Requesters may trade their previous month's imbalances, either within or across zones (but within the same OIA), from the 1<sup>st</sup> through the 17<sup>th</sup> business day of the month following the production month. Service Requesters can either post the volume they wish to trade, or make a prearranged trade (which does not require the quantity to be posted). Service Requesters can also trade with themselves, across their various contracts, within an OIA. For details, see Section 25 of the General Terms and Conditions of Transco's FERC Gas Tariff.

### Cash out

Cash Out is the final resolution of imbalances where any transportation imbalance remaining after the trading period closes is cashed out. Cash out invoices will be issued two months following the production month due to the period of Imbalance Trading. For example, if a Balance Holder is trading a September imbalance, they can do so through the 17<sup>th</sup> business day of October. Their final cash out would be at September prices, and would appear on the November 10<sup>th</sup> invoice. Imbalances are cashed out at current month or average prices depending on the Contract PPA indicator. For details, see Section 37 of the General Terms and Conditions of Transco's FERC Gas Tariff.

### Plant Actualization

**Terrebonne** is generally "actualized" on Transco two months after the production month. The estimated delivery volumes are revised to the actual plant statement volumes. An imbalance may be created when this actualization takes place. This imbalance will either be cashed out at the original Production month price, or included with the current month's



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imbalance quantities, depending on the Contract PPA Indicator setting, as described above. See Exhibit A for an example.

**Markham, Kaplan, Cameron Meadows and Mobile Bay plants** are “actualized” with the operator of these plants one month after the production month.

## Reports –Tracking PTR Transactions

The reports listed below can be used to assist in the tracking of information related to PTR transactions.

1. Scheduled and Allocated Volumes by Producer at a Processing Plant – details the total receipt scheduled and allocated quantity for each location upstream of Terrebonne.
2. Daily Location Allocation – **Operator only** – details scheduled and allocated quantities by transaction for a location.
3. Imbalance Resolution Activity Report - details resolution of In-Kind make up, trade, cash out and carryover quantities.
4. Shipper Balance Statement - included in the invoice packet sent out to customers or agents of those customers. This report details the current month’s activity, any prior period adjustments, the prior month’s ending balance, and the current accounting month’s ending balance. The Shipper Balance statement is prepared for all contracts that are active in the current accounting month or have an ending balance from the prior accounting month.
5. Shipper Imbalance Daily Statement – details all allocated receipts and deliveries by transaction by day. The imbalance quantity will be netted on this report by contract.
6. Imbalance by Zone – details the imbalance percentage by contract.

## Exhibit A

**January 2010 – Flow Month**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

**February 2010**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10 <b>Billed for January Transportation</b>	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25 <b>If PPA Indicator is set to Yes, Trading Period ends</b>	26	27	28

**March 2010**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10 <b>Cashed for January Imbalance not traded</b>	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**April 2010**

Sun	Mon	Tues	Wed	Thur	Fri	Sat
			1	2	3	4
5	6	7	8	9	10 <b>January PTR Actualized</b>	11
12	13	14	15	16	17	18
19	20	21	22	23 <b>If PPA Indicator is set to Yes, Trading Period ends</b>	24	25
26	27	28	29	30		

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May 2010						
Sun	Mon	Tues	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11 <b>Final Cash Out of January Production Month</b>	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						